



FINANCIAL STATEMENTS AND
SINGLE AUDIT REPORTS

AUGUST 31, 2022 AND 2021

GALVESTON COMMUNITY COLLEGE DISTRICT

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GALVESTON COMMUNITY COLLEGE DISTRICT

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GALVESTON COMMUNITY COLLEGE DISTRICT
 ORGANIZATIONAL DATA
 FOR THE YEAR ENDED AUGUST 31, 2022

BOARD OF REGENTS

| | | Term Expires <u>May 31,</u> |
|--|------------------|--------------------------------|
| <u>OFFICERS</u> | | |
| Ms. Karen F. Flowers – Chairperson | Galveston, Texas | 2024 |
| Mr. Fred D. Raschke – Vice Chairperson | Galveston, Texas | 2024 |
| Mr. Michael B. Hughes - Secretary | Galveston, Texas | 2026 |

| | | |
|------------------------|------------------|------|
| <u>MEMBERS</u> | | |
| Ms. Mary R. Longoria | Galveston, Texas | 2024 |
| Mr. Armin Cantini | Galveston, Texas | 2028 |
| Ms. Carolyn L. Sunseri | Galveston, Texas | 2026 |
| Mr. Norman S. Hoffman | Galveston, Texas | 2028 |
| Mr. Garrik Addison | Galveston, Texas | 2028 |
| Mr. Raymond Lewis, Jr. | Galveston, Texas | 2026 |

| | |
|----------------------|--|
| <u>KEY OFFICERS</u> | |
| Myles Shelton, Ed.D. | President |
| Van Patterson, Ed.D. | Vice-President for Administration and Student Services |
| Cissy Matthews, Ed.D | Vice-President of Instruction |
| Mr. Ron Crumedy | Associate Vice-President for Student Services |



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INDEPENDENT AUDITORS' REPORT

Board of Regents
Galveston Community College District
Galveston, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Galveston Community College District (the College) as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2022 and 2021, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 29, and the schedules of College's proportionate share of net pension liability, College's contributions for pensions, College's proportionate share of net OPEB liability and College's contributions for OPEB on pages 62, 63, 65 and 66 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Expenditures of Federal Awards for the year ended August 31, 2022, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the supplementary schedules on pages 68 through 71, as required by the Texas Higher Education Coordinating Board (THECB) (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
December 22, 2022

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Galveston Community College District (the College or Galveston College) Annual Financial Report presents management's discussion and analysis of the College's financial activity during the fiscal years ended August 31, 2022 and 2021. Since management's discussion and analysis is designed to focus on current activities, and currently known facts, please read this in conjunction with the College's financial statements and the notes thereto.

The financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with reporting requirements as set by the Texas Higher Education Coordinating Board (THECB). The notes to the financial statements are considered an integral part of the financial statements and should be read in conjunction with them. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation of the financial statements and notes.

The College's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of August 31, 2022 and 2021; the Statements of Revenues, Expenses and Changes in Net Position provide a summary of operations for the current and prior fiscal years; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the current and prior fiscal years. Highlighted information from each basic financial statement is presented below:

Financial Highlights for 2022

- The College's net position as of August 31, 2022 was \$36.76 million. This represents a 10.1% increase or \$3.37 million compared to 2021. The implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year 2018 and its counterpart, GASB No. 68, *Accounting and Financial Reporting for Pensions*, in 2015 continues to permeate the financial statements, having a net effect of reducing the College's overall net position by \$17.2 million. The College's unrestricted net position increased by \$1.28 million or 17%. Excluding bond funds, cash/short term investments increased by \$2.89 million due to surplus from operations.
- The College decreased its annual tax rate by 8.17% from \$0.159188 to \$0.146188 per \$100 assessed valuation for fiscal year 2022. However, due to an increase in the overall tax base, an additional \$1.0 million in property tax revenue was received over the previous period.
- Galveston College issued \$29.43 million Combined Fee Revenue Bonds, generating \$33.67 million (\$29.43 million principal, \$4.53 million bond premium, less \$283,000 of bond issuance costs). The bonds sold on January 12, 2022, through a negotiated bond sale. The true-interest cost ("TIC") of the bonds was 2.66% with an average life of 15.15 years. The decision to move quickly to price the bonds in January 2022 was prudent as tax-exempt rates have since risen sharply. The funds are being used to construct a new nursing and health sciences building. This state-of-the-art Health Sciences Education Center, will contain offices, classrooms, laboratories, simulation labs, lecture halls, and student study spaces to support the College's flourishing Nursing and Health Sciences programs. Non-current restricted cash and equivalents of \$31.5 million tied to the bonds offset by a non-current bonds payable liability of \$32.78 million are related to this project. The construction of this instructional facility is part of the College's strategic plan to cultivate these programs, thereby growing enrollment and providing lucrative employment opportunities to the community.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2022 – Continued

- Galveston College continues to adapt to the COVID-19 environment, demonstrating its commitment to maintain all full-time employees while continuing to support and grow the educational needs of the community. The College received federal funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES), Higher Education Emergency Relief Fund (HEERF II), and funding from the American Rescue Plan Act of 2021 (HEERF III) to assist with the response and provide direct payments to students. HEERF Institutional, Student, and MSI funds of \$5.51 million were expensed during fiscal year 2022. The College used these funds to support projects in response to the Coronavirus by upgrading network technology and implementing software to improve remote instruction, administrative, and registration functions. Of these funds, \$2.82 million were provided to students as emergency financial aid. These funds do not need to be repaid and can be used for any component of students' costs of attendance or emergency costs that arise due to the Coronavirus. As a direct result of the pandemic, in fiscal year 2022 the College offset \$714,457 of lost tuition and fees revenue utilizing these grant funds. These funds provided the financial resources needed to continue to successfully operate during the pandemic and delivered critical resources necessary to restore and grow services as the College emerges from the pandemic.

- Galveston College renovated several areas on campus to revitalize and re-position the College to better serve the needs of the 21st century learner. Multiple studies have shown that building design and components have a measurable influence upon student learning outcomes. The College purchased new properties to expand parking capacity and student housing opportunities. While the cost of rent has been increasing up to 13% in Galveston County since 2019, Galveston College has continued to provide affordable housing for students. The average rent in Galveston for a one bedroom is around \$1,100 a month and the student housing on campus is \$1,350 to \$1,500 a semester. Galveston College's students pay about 63% less than the island's average rental rate. Affordable student housing is part of the College's master plan, and the need will increase with the completion of the new Health Sciences Education Center. Furthermore, the College continued to improve its physical and network infrastructure in 2022 by continuing to build capacity and improve "Smart" classrooms as well as purchasing the state-of-the-art simulation classrooms for the Welding, HVAC, and Electrical programs. This simulation equipment allows our students to experience hands-on situations to be better prepared for their career. Facilities upgrades included installing touchless doors and restrooms and a new HVAC ionization system and beginning construction of the new Health Sciences Education Center and an additional parking lot. The College is constantly evaluating its future infrastructure needs to continue its tradition of providing high quality educational services to the community since 1967.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2022 – Continued

- Grant funds used in fiscal year 2022:

| GRANT FUNDED BY | PURPOSE | TERM | AMOUNT |
|--|---|---------------------|---------------|
| U.S. Department of Education - Federal | CARES Act: Higher Education Emergency Relief Fund - COVID-19 Institutional Portion | 09/01/21 - 08/31/22 | \$3,027,000 |
| U.S. Department of Education - Federal | CARES Act: Higher Education Emergency Relief Fund - COVID-19 Student Aid Portion | 09/01/21 - 05/18/22 | \$2,245,000 |
| U.S. Department of Education - Federal | Title V - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic-Serving Community College | 09/01/21 - 08/31/22 | \$344,000 |
| U.S. Department of Education - Federal | TRIO - Upward Bound Program | 09/01/21 - 08/31/22 | \$320,000 |
| National Science Foundation - Federal | Hispanic Serving Institution Program - Institutional Transformation Project | 09/01/21 - 08/31/22 | \$299,000 |
| U.S. Department of Education - Federal | TRIO - Building Bridges to Success Program | 09/01/21 - 08/31/22 | \$269,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Texas Reskilling and Upskilling for Education (TRUE) Institutional Capacity Grants | 09/01/21 - 08/31/22 | \$250,000 |
| U.S. Department of Education - Federal | CARES Act: Higher Education Emergency Relief Fund - COVID-19 Minority Serving Institutions Portion | 09/01/21 - 08/04/22 | \$234,000 |
| Texas Workforce Commission - State | Foundational Skills for Construction Career Pathways | 09/01/21 - 08/31/22 | \$151,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Carl D. Perkins Career and Technical Education Program - Basic Grants | 09/01/21 - 08/31/22 | \$139,000 |
| Greater Texas Foundation - Private | Greater Texas Foundation - Emergency Aid Grant | 09/01/21 - 08/31/22 | \$70,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2022 – Continued

| GRANT FUNDED BY | PURPOSE | TERM | AMOUNT |
|---|---|---------------------|--------------------|
| Galveston Career Connect - Private | Strengthen Career Skills of High School Students | 09/01/21 - 08/31/22 | \$55,000 |
| Harbourview Foundation - Private | Athletics Infrastructure | 09/01/21 - 08/31/22 | \$30,000 |
| University of Houston - Private | Houston Guided Pathways to Success - Equity Walk Grant Initiative | 09/01/21 - 08/31/22 | \$12,000 |
| Texas Higher Education Coordinating Board - State | Nursing Shortage Reduction Under 70 Program FY18/19 | 09/01/21 - 08/31/22 | \$10,000 |
| | | TOTAL | \$7,455,000 |

- Computers - hardware and software, and equipment purchases in fiscal year 2022:

| DESCRIPTION | FUNDING SOURCE | TOTAL AMOUNT |
|--|----------------------------------|---------------------|
| Network Switches Refresh | Federal Grant - HEERF Funds | \$238,000 |
| Virtualizing the College's ERP System | Local - Education & General Fund | \$167,000 |
| COVID Vaccination Incentives (Students/Staff) | Federal Grant - HEERF Funds | \$145,000 |
| Welding - Virtual Training Simulators | Federal Grant - TRUE GEER Funds | \$131,000 |
| Lab Computers Refresh | Local - Education & General Fund | \$110,000 |
| Datacenter Core Networking Refresh | Federal Grant - HEERF Funds | \$95,000 |
| Adopting Tutor Me's Virtual Tutoring Platform | Federal Grant - HEERF Funds | \$84,000 |
| Continuing Education Online Registration System | Federal Grant - HEERF Funds | \$80,000 |
| 50 Additional Student Loaner Laptops | Federal Grant - HEERF Funds | \$63,000 |
| Electrical and Electronics Instrumentation Program - Computers | Federal Grant - TRUE GEER Funds | \$62,000 |
| AV Project - Distance Education Upgrades to Classrooms | Federal Grant - HEERF Funds | \$60,000 |
| Campus Wireless Network Refresh | Federal Grant - HEERF Funds | \$59,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2022 – Continued

| DESCRIPTION | FUNDING SOURCE | TOTAL AMOUNT |
|--|---|--------------------|
| Award Spring Scholarship Management System | Federal Grant - HEERF Funds | \$30,000 |
| Ferrilli Graduation Software | Federal Grant - HEERF Funds | \$30,000 |
| Nursing Simulation Equipment | State Grants - Nursing Shortage and Perkins Funds | \$29,000 |
| Dynamic Forms - Online Forms | Federal Grant - HEERF Funds | \$24,000 |
| Medical Simulation Equipment | State Grant - Perkins Funds | \$18,000 |
| AC System Trainer | Local - Education & General Fund | \$13,000 |
| Batting Cages | Local - Education & General Fund | \$11,000 |
| | TOTAL | \$1,449,000 |

- Real estate acquisitions, building renovations and furniture purchases in fiscal year 2022:

| DESCRIPTION | FUNDING SOURCE | TOTAL AMOUNT |
|---|----------------------------------|--------------|
| Construction in Progress – Health Sciences Education Center | Local - Construction Fund | \$5,067,000 |
| General Facility/Equipment Maintenance | Local - Education & General Fund | \$491,000 |
| Property Purchased 2215 38th St | Local - Construction Fund | \$340,000 |
| HVAC Campus Upgrades | Local - Education & General Fund | \$299,000 |
| Property Purchased 4002 Ave Q | Local - Construction Fund | \$200,000 |
| Campus Automatic Doors/Touchless Panels | Federal Grant - HEERF Funds | \$167,000 |
| Fiber/Internet Connectivity – Student Housing | Federal Grant - HEERF Funds | \$138,000 |
| Touchless Restrooms | Federal Grant - HEERF Funds | \$135,000 |
| HVAC Ionization Filtration System | Federal Grant - HEERF Funds | \$124,000 |
| Classroom Retrofit for Distance Learning | Federal Grant - HEERF Funds | \$70,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2022 – Continued

| DESCRIPTION | FUNDING SOURCE | TOTAL AMOUNT |
|--|----------------------------------|--------------------|
| Paint Student Apartments | Local - Education & General Fund | \$64,000 |
| Construction in Progress – Parking Lot Expansion | Local - Construction Fund | \$56,000 |
| Atrium Glass Repair | Local - Education & General Fund | \$48,000 |
| Art Gallery Construction | Local - Education & General Fund | \$41,000 |
| Touchless Bottle Filling Stations | Federal Grant - HEERF Funds | \$34,000 |
| | TOTAL | \$7,274,000 |

Financial Highlights for 2021

- The College's net position as of August 31, 2021 was \$33.39 million. This represents an 11.6% increase of \$3.46 million compared to 2020. The implementation of GASB No. 75 (Retiree Health Insurance) in fiscal year 2018 and its counterpart, GASB No. 68 (TRS Retiree Pension) in 2015 continue to overshadow the statement of net position, reducing the College's overall net position by \$17.41 million. Although required to record the liabilities, no cash was exchanged nor is there any indication that it will be in future periods. The College's unrestricted net position increased by \$2.89 million or 62.4% and cash/short term investments increased by \$3.74 million due to a surplus from operations and reduced operating expenses.
- The College decreased its annual tax rate by 7% from 0.171188 to 0.159188 per \$100 assessed valuation adopting the no-new-revenue tax rate for fiscal year 2021. The no-new-revenue tax rate evaluates the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes), if applied to the same properties that are taxed in both years. However due to new construction, an additional \$165,000 of tax revenue was received over the previous period.
- Galveston College continues to successfully navigate the changing COVID-19 environment, remaining committed to maintaining all full-time employees and supporting the educational needs of the community. The College received federal funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES) Higher Education Emergency Relief Fund (HEERF II) and funding from the American Rescue Plan Act of 2021 (HEERF III) to assist with the response and provide direct payments to students. HEERF Institutional and MSI funds of \$1,066,999 were expensed during fiscal year 2021 to defray expenses associated with Coronavirus, such as technology costs associated with a transition to distance education and implementation of evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2021 – Continued

The College implemented numerous projects to enhance and support student learning, including Zoom lecture studios, classroom media refreshes to support distance learning, fiber upgrades in the Cheney Student Center and Seibel Wing, installation of fiber connections to student housing, phase one of a network refresh, and a campus wireless refresh. A total of \$905,652 of direct emergency financial aid was provided to students. These funds do not need to be repaid and can be used for any component of students' costs of attendance or emergency costs that arise due to Coronavirus.

- Student housing, including the new Abe and Annie Seibel Foundation Student Residences, opened in fall 2020 at capacity. Occupancy rates were above established targets generating \$307,000 exceeding the budget by \$67,000 or 28%. The new housing capacity provides students a safe, convenient, and cost effective housing option as local real estate and rental costs skyrocket. Increasing the number of beds is critical as the College grows its Nursing and Health Sciences programs. Moreover, as the College expands and builds new programs, affordable student housing is a significant factor to becoming a student-ready college.
- Galveston College continued to rejuvenate instructional facilities and equipment to stay current with technology and maximize the learning process, concentrating on mitigating the impact of the Coronavirus on student learning outcomes and safety. The College upgraded several classrooms in order to reinforce the infrastructure needs of distance education for students and faculty by purchasing software and equipment which allowed efficient instruction to continue. By providing additional supplemental instruction and licensing reviews to our students, the College was able to maintain social distancing as well. The campus network and Wi-Fi capabilities rapidly expanded to provide the bandwidth required to support the abrupt shift to online instruction and allow the College to continue its tradition of providing high quality and cost-effective educational opportunities to the community during the pandemic. The College purchased and improved two additional adjacent properties for future expansion as the College continues to grow programs.
- Grant funds used in fiscal year 2021:

| GRANT FUNDED BY | PURPOSE | TERM | AMOUNT |
|--|---|---------------------|------------|
| U.S. Department of Education - Federal | CARES Act: Higher Education Emergency Relief Fund - COVID-19 Institutional Portion | 09/01/20 - 08/31/21 | \$ 990,000 |
| U.S. Department of Education - Federal | CARES Act: Higher Education Emergency Relief Fund - COVID-19 Student Aid Portion | 09/01/20 - 08/31/21 | \$ 758,000 |
| U.S. Department of Education - Federal | Title V - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic-Serving Community College | 09/01/20 - 08/31/21 | \$ 389,000 |
| U.S. Department of Education - Federal | TRIO - Upward Bound Program | 09/01/20 - 08/31/21 | \$ 298,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2021 – Continued

| GRANT FUNDED BY | PURPOSE | TERM | AMOUNT |
|--|--|---------------------|---------------------|
| U.S. Department of Education - Federal | TRIO - Building Bridges to Success Program | 09/01/20 - 08/31/21 | \$ 273,000 |
| U.S. Department of Education - Federal | CARES Act: Higher Education Emergency Relief Fund - COVID-19 Minority Serving Institutions Portion | 09/01/20 - 08/31/21 | \$ 225,000 |
| Texas Workforce Commission - State | Foundational Skills for Construction Career Pathways | 09/01/20 - 08/31/21 | \$ 153,000 |
| National Science Foundation - Federal | STEM Honors, Study Abroad, and Scholars Program | 09/01/20 - 08/31/21 | \$ 146,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Carl D. Perkins Career and Technical Education Program - Basic Grants | 09/01/20 - 08/31/21 | \$ 127,000 |
| Galveston Career Connect - Private | Strengthen Career Skills of High School Students | 09/01/20 - 08/31/21 | \$ 59,000 |
| Mary Moody Northen Endowment | Moody-CE Job Training | 09/01/20 - 08/31/21 | \$ 34,000 |
| U.S. Department of Education -Federal Pass-Through | Education Stabilization Fund Program - GEER Fund | 09/01/20 - 08/31/21 | \$ 34,000 |
| Texas Workforce Commission - State | Skills Development Fund COVID-19 Special Initiative | 09/01/20 - 08/31/21 | \$ 16,000 |
| U.S. Department of Labor - Federal Pass-Through | Occupational Safety and Health Administration - Susan Harwood Training Program | 09/01/20 - 08/31/21 | \$ 16,000 |
| Texas Higher Education Coordinating Board - State | Nursing Shortage Reduction Regular Program FY17/18 | 09/01/20 - 08/31/21 | \$ 11,000 |
| | | TOTAL | \$ 3,529,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2021 – Continued

- Computers - hardware and software, and equipment purchases in fiscal year 2021:

| DESCRIPTION | FUNDING SOURCE | TOTAL AMOUNT |
|---|---|-------------------|
| Classroom Refreshes – Distance Learning (<i>On-going</i>) | Federal Grant – COVID-19 – HEERF-Institution | \$ 235,000 |
| Campus Data Backup System | Capital Projects Fund | \$ 124,000 |
| Instructional Hybrid Media Studios (3) | Federal Grant - Title V | \$ 65,000 |
| Web Content Management System Omni Update | Education & General Fund | \$ 58,000 |
| Electrical/Electronics - Training Equipment | Federal Grant - Perkins and Capital Projects Fund | \$ 56,000 |
| Supplemental Reviews - Various Programs | Federal Grant – COVID-19 – HEERF-Institution | \$ 51,000 |
| Medical and Applied Technology Equipment | Federal Grant - Perkins | \$ 49,000 |
| Audio Video Refresh - Rooms R357 & N307 | Capital Projects Fund | \$ 48,000 |
| Institutional Effectiveness Management System (AEFIS) | Education & General Fund | \$ 46,000 |
| Informer Reporting Solution | Capital Projects Fund | \$ 36,000 |
| Network Switches Refresh (<i>On-going</i>) | Federal Grant – COVID-19 – HEERF-Institution | \$ 36,000 |
| EMS Portable Simulation System | State Grant - Nursing | \$ 19,000 |
| | TOTAL | \$ 823,000 |

- Real estate acquisitions, building renovations and furniture purchases in fiscal year 2021:

| DESCRIPTION | FUNDING SOURCE | TOTAL AMOUNT |
|--|--------------------------|--------------|
| CIP Architect Fees – Health Sciences Building | Construction Fund | \$ 400,000 |
| General Facility Maintenance | Education & General Fund | \$ 344,000 |
| 4022 Ave Q – New Property | Construction Fund | \$ 303,000 |
| 2212 Mike Gaido Blvd (39 th St.) – New Property | Construction Fund | \$ 238,000 |
| HVAC-AHU Retrofit | Education & General Fund | \$ 145,000 |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights for 2021 – Continued

| DESCRIPTION | FUNDING SOURCE | TOTAL AMOUNT |
|---|---|---------------------|
| Campus Wireless Refresh (<i>On-going</i>) | Federal Grant – COVID-19 – HEERF- Institution | \$ 113,000 |
| Student Housing - Furniture | Education & General Fund | \$ 72,000 |
| Student Housing - Whitecaps Wi-Fi | Federal Grant – COVID-19 – HEERF-MSI | \$ 57,000 |
| Student Housing Wi-Fi (<i>On-going</i>) – 41 st St., 39 th St., and 38 th St. Properties | Federal Grant – COVID-19 – HEERF- Institution | \$ 23,000 |
| | TOTAL | \$ 1,695,000 |

Statements of Net Position

The statements of net position presents financial information on all of the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The College's deferred inflows and outflows of resources relates to pensions and OPEB. Increases and decreases to net position are one indicator of whether the overall financial condition has improved or deteriorated during the year when considered with other factors such as enrollment, contact hours of instruction, student retention and other non-financial information. The statement is also useful in determining the assets available to continue operations as well as how much the College owes to vendors and creditors at the end of the year.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Net Position - Continued

In order to show the trends for the two years shown in the Statements of Net Position (Exhibit 1), a summary of three years of data for the years ended August 31 follows:

**Net Position
(in thousands)**

| | <u>2022</u> | <u>2021</u> | Increase (Decrease) 2022 - <u>2021</u> | <u>2020</u> | Increase (Decrease) 2021 - <u>2020</u> |
|--|-------------------------|-------------------------|---|-------------------------|---|
| Assets: | | | | | |
| Current Assets | \$ 32,786 | \$ 29,588 | \$ 3,198 | \$ 25,428 | \$ 4,160 |
| Noncurrent Assets: | | | | | |
| Restricted bond cash funds | 31,454 | - | 31,454 | - | - |
| Capital Assets, Net of Depreciation | 30,954 | 25,641 | 5,313 | 25,086 | 555 |
| Other | <u>57</u> | <u>261</u> | <u>(204)</u> | <u>428</u> | <u>(167)</u> |
| Total Assets | <u>95,251</u> | <u>55,490</u> | <u>39,761</u> | <u>50,942</u> | <u>4,548</u> |
| Deferred Outflows of Resources: | | | | | |
| Pension Related Deferred Outflows | 1,513 | 2,022 | (509) | 2,457 | (435) |
| OPEB Related Deferred Outflows | <u>2,692</u> | <u>2,699</u> | <u>(7)</u> | <u>3,624</u> | <u>(925)</u> |
| Total Deferred Outflows of Resources | <u>4,205</u> | <u>4,721</u> | <u>(516)</u> | <u>6,081</u> | <u>(1,360)</u> |
| Liabilities: | | | | | |
| Current Liabilities | 8,060 | 4,230 | 3,830 | 3,519 | 711 |
| Noncurrent Liabilities | <u>49,152</u> | <u>17,760</u> | <u>31,392</u> | <u>19,157</u> | <u>(1,397)</u> |
| Total Liabilities | <u>57,212</u> | <u>21,990</u> | <u>35,222</u> | <u>22,676</u> | <u>(686)</u> |
| Deferred Inflows of Resources: | | | | | |
| Pension Related Deferred Inflows | 2,997 | 971 | 2,026 | 1,135 | (164) |
| OPEB Related Deferred Inflows | <u>2,485</u> | <u>3,859</u> | <u>(1,374)</u> | <u>3,279</u> | <u>580</u> |
| Total Deferred Inflows of Resources | <u>5,482</u> | <u>4,830</u> | <u>652</u> | <u>4,414</u> | <u>416</u> |
| Net Position: | | | | | |
| Invested in Capital Assets, Net of Related Debt | 25,887 | 25,641 | 246 | 25,086 | 555 |
| Restricted – Expendable | 2,082 | 237 | 1,845 | 221 | 16 |
| Unrestricted | <u>8,793</u> | <u>7,513</u> | <u>1,280</u> | <u>4,626</u> | <u>2,887</u> |
| Total Net Position | \$ <u>36,762</u> | \$ <u>33,391</u> | \$ <u>3,371</u> | \$ <u>29,933</u> | \$ <u>3,458</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Net Position - Continued

Fiscal Year 2022 Compared to 2021

Current assets mainly consist of cash investments in Logic, Lone Star, TexPool, and Texas Range investment pools and receivables. Overall, the College's net position as of August 31, 2022 was \$36.76 million. This represents a 10% increase or \$3.37 million compared to 2021. The College's cash/short-term investments excluding bond funds increased \$2.88 million or 11.5% and unrestricted net position increased by \$1.28 million or 17% primarily because of surplus from operations. Restricted cash and equivalents of \$31.5 million is tied to the bond funds received for the construction of the Health Sciences Education Center and is offset by a non-current liability bond payable of \$32.78 million. The increase of \$491,000 in student receivables is attributable to COVID-19 which in fiscal year 2021 delayed a reasonable amount of Fall 2021 registrations until after August 2021. This delay lowered the student receivables in the prior fiscal year as of August 31, 2021. In comparison, schedule hours as of August 31, 2022 for Fall 2022 increased 16% resulting in the rise of student receivables for this year. In addition, the College Board approved increased tuition and fee rates active in Fall 2022. The sharp increase in accounts payable of \$3.03 million is predominantly tied to August construction payments, for the Health Sciences Education Center. The increase of \$5.19 million in capital assets not subject to depreciation was a result of the construction in progress for the new building. The implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year 2018 and its counterpart, GASB No. 68, *Accounting and Financial Reporting for Pensions*, in 2015 continue to permeate the financial statements, having a net effect of reducing the College's overall net position by \$17.2 million. Although the College is required to record the liabilities, no cash was exchanged, nor is there any indication it will be in future periods. Overall, bond funds and the construction of the new Health Sciences Education Center dominated the 2022 statement of net position. The majority of the restricted bond funds will be converted into capital assets in fiscal year 2023.

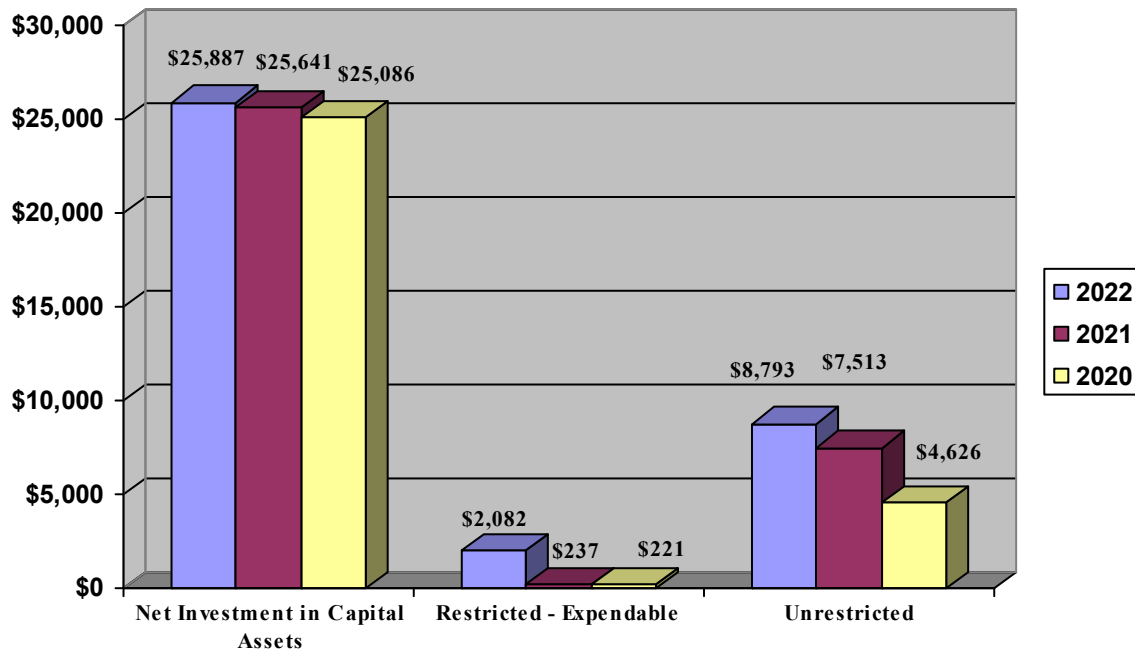
Fiscal Year 2021 Compared to 2020

Current assets consist primarily of cash investments in Logic, Lone Star, TexPool, Texas Term Investment pools, collateralized certificate of deposit and receivables. Overall, current assets increased \$4.2 million between the fiscal years driven by a \$3.7 million increase in cash and cash equivalents and short-term investments generated from a surplus of funds from operations in fiscal year 2021 and an increase in receivables. The College's cash position remains strong at \$22.1 million compared to \$21.4 million in fiscal year 2020. Moreover, short-term investments increased \$3.0 million as the College moved funds from the investment pool into a collateralized Moody Bank certificate of deposit. Non-current assets increased by 1.52% or \$0.4 million largely due to architectural and engineering fees associated with the planning of future construction of the Nursing/Health Sciences Instructional Building (Note 6). Galveston College's deferred outflows of resources decreased \$1.4 million due to GASB No. 75 (Retiree Health Insurance), and GASB No. 68 (TRS Retiree Pension). Current liabilities increased by \$0.7 million as \$0.7 million was deferred for the Texas Reskilling Support Fund grant in fiscal year 2021. Non-current liabilities decreased \$1.4 million, mainly due to recording a decrease in the OPEB retiree health liability (GASB No. 75). Although the College is required to record the liabilities, no cash was exchanged nor is there any indication it will be in future periods. Overall, the College's net position increased by approximately 12%, or \$3.5 million, while unrestricted net position increased by \$2.9 million (62%) from \$4.6 million (FY20) to \$7.5 million (FY21).

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS

Statements of Net Position - Continued

The following is a graphic illustration of net position (in thousands) for the years ended August 31, 2020 through 2022. Total net position (net investment in capital assets) has increased over the past three years as the College constructs new buildings and continues to make improvements to existing buildings to support student enrollment and program growth. Increase in unrestricted net position for 2020, 2021 and 2022 represents surplus from operations for those years. The College is to maintain a reserve account equal to the maximum annual principal and interest requirements on the bonds. The reserve balance as of August 31, 2022 is \$1,869,010 which meets the full reserve requirement and explains the increase in restricted – expendable funds in 2022.



Statements of Revenues, Expenses and Change in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position focuses on the “bottom line results” of the College’s operations. This approach summarizes and simplifies the user’s analysis of the cost of various College services to its students and the burden to the public. The statement is divided into operating revenues and expenses and non-operating revenues and expenses. The College (like all other community colleges) is primarily dependent upon three sources of revenue: local property taxes, state appropriations, and tuition and fees. Only tuition represents an exchange for services. Since the Governmental Accounting Standards Board (GASB) requires state appropriations, student financial aid (Title IV), grants and property taxes to be classified as non-operating revenues, community colleges will generally display an operating deficit before taking into account other support. Essentially, this deficit represents the net cost of services to students that must be covered by local taxpayer support, the state and other sources of revenue. Further detail is presented in the Statements of Revenues, Expenses and Changes in Net Position and notes to the financial statements.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

The following chart summarizes the College's operating results for the years ended August 31:

**Operating Results
(in thousands)**

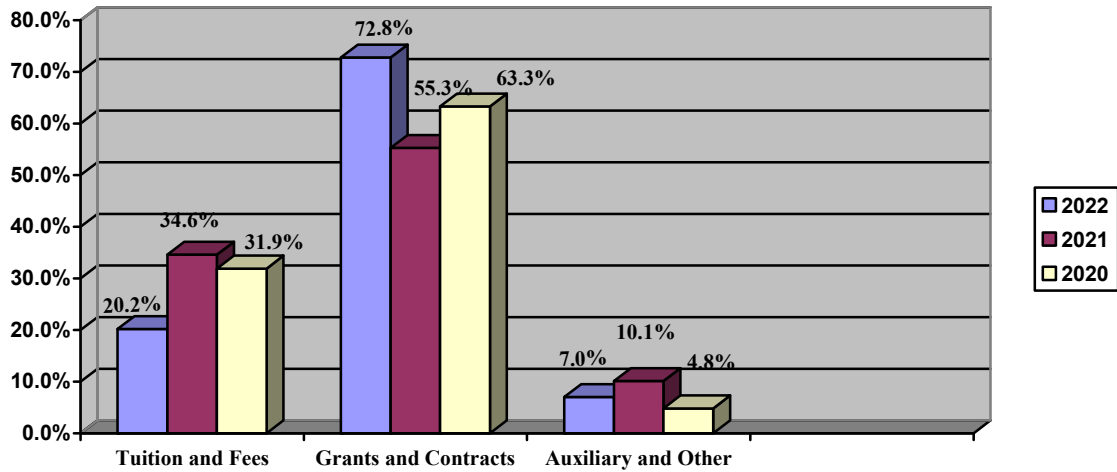
| | <u>2022</u> | <u>2021</u> | Increase (Decrease) 2022 - <u>2021</u> | <u>2020</u> | Increase (Decrease) 2021 - <u>2020</u> |
|---|-----------------|-----------------|---|-----------------|---|
| Operating Revenues: | | | | | |
| Tuition and Fees, Net of Scholarship Allowance | \$ 2,308 | \$ 2,708 | \$ (400) | \$ 2,835 | \$ (127) |
| Grants and Contracts | 8,331 | 4,325 | 4,006 | 5,619 | (1,294) |
| Auxiliary Enterprises, Net | 582 | 562 | 20 | 311 | 251 |
| Other Operating Revenues | <u>225</u> | <u>223</u> | <u>2</u> | <u>116</u> | <u>107</u> |
| Total Operating Revenues | 11,446 | 7,818 | 3,628 | 8,881 | (1,063) |
| Less Operating Expenses | <u>32,135</u> | <u>28,443</u> | <u>3,692</u> | <u>28,920</u> | <u>(477)</u> |
| Operating Loss | <u>(20,689)</u> | <u>(20,625)</u> | <u>(64)</u> | <u>(20,039)</u> | <u>(586)</u> |
| Non-Operating Revenues (Expenses): | | | | | |
| State Appropriations | 5,650 | 5,997 | (347) | 6,250 | (253) |
| Property Taxes | 15,458 | 14,449 | 1,009 | 14,284 | 165 |
| Federal Student Assistance | 3,647 | 3,601 | 46 | 3,573 | 28 |
| Investment and Other Income | 316 | 35 | 281 | 261 | (226) |
| Other Non-Operating Income (Expense) | <u>(1,011)</u> | <u>-</u> | <u>(1,011)</u> | <u>3</u> | <u>(3)</u> |
| Total Non-Operating Revenues (Expenses), Net | <u>24,060</u> | <u>24,082</u> | <u>(22)</u> | <u>24,371</u> | <u>(289)</u> |
| Increase in Net Position | <u>\$ 3,371</u> | <u>\$ 3,457</u> | <u>\$ (86)</u> | <u>\$ 4,332</u> | <u>\$ (875)</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

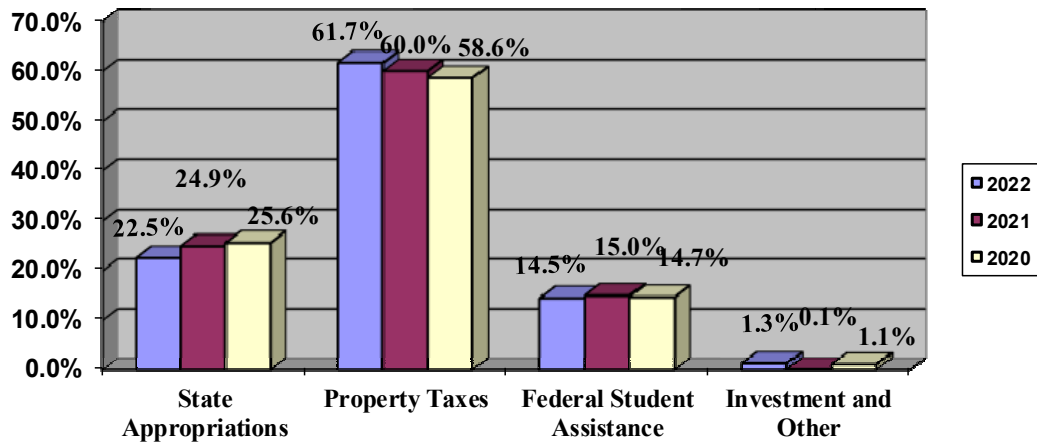
Statements of Revenues, Expenses and Change in Net Position - Continued

The following are graphic illustrations of revenues by source for the years ended August 31, 2020 through 2022:

**Revenues by Source
Operating Revenues**



**Revenues by Source
Non-Operating Revenues**



GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

Fiscal Year 2022 Compared to 2021

The College's primary sources of revenue are property taxes, state appropriations, grants and contracts, and tuition and fees. Operating revenues increased \$3.63 million or 46% compared to 2021 primarily due to federal funds received related to COVID-19. The College received federal funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES), Higher Education Emergency Relief Fund (HEERF II), and the American Rescue Plan Act of 2021 (HEERF III) to assist with the response and provide direct payments to students. As a result, federal grants and contracts increased \$3.88 million or 119%. HEERF Institutional, Student, and MSI funds of \$5.51 million were expensed during fiscal year 2022. The College used these funds to support projects in response to the Coronavirus by upgrading network technology and implementing software to improve remote instruction, administrative, and registration functions. As a direct result of the pandemic, in fiscal year 2022 the College offset \$714,457 of lost tuition and fees revenue utilizing these grant funds. A total of \$2.82 million of the \$5.51 million received was provided to students as emergency financial aid. Tuition and fees revenue net of scholarship discounts decreased by \$400,000 as enrollment continues to recover from the pandemic. Enrollment is trending up for Fall 2022, the leading term for fiscal year 2023, enrollment increased 6% as students reengage and life returns to the new normal. State appropriations and federal student assistance (Title IV grants) remained relatively stable between fiscal years. Property taxes revenue increased by \$1 million or 7% as values grow even though the College decreased its annual tax rate by 8.17% from \$0.159188 to \$0.146188 per \$100 assessed valuation for fiscal year 2022. Investment income increased by 793% as interest rates continue to rise due to the federal reserve trying to tame multi-decade highs in inflation. Interest rates increased in the investment pools from about .04% in September 2021 to over 2% in August 2022.

Fiscal Year 2021 Compared to 2020

The College has four major sources of revenues: property taxes, state appropriations, federal grants and contracts, and tuition and fees. Overall, operating revenues decreased approximately \$1.1 million compared to the prior fiscal year. Private grants and scholarships revenue decreased by \$2.1 million as the College recognized the \$2 million donated for the construction of the Abe and Annie Seibel Foundation Student Residences in fiscal year 2020. This decrease is offset by increases of \$0.7 million in federal grants and contracts and \$0.4 million in auxiliary enterprises and other operating revenues. State appropriation revenues declined slightly by 4% or \$253,000, due to the non-cash GASB No. 75 (Retiree Health Insurance), and GASB No. 68 (TRS Retiree Pension) entries, not because of a decrease in State appropriation funding compared to fiscal year 2020. Interest rates declined 90% in the last half of fiscal year 2020, as a consequence of the COVID-19 pandemic, and continued to remain at an average of 0.15% through fiscal year 2021. Investment income declined sharply by about 86% from \$261,000 to \$35,000 when comparing fiscal years 2020 and 2021. The College adopted the no-new-revenue tax rate for fiscal year 2021, decreasing the annual tax rate by 7% from 0.171188 to 0.159188 per \$100 assessed valuation. However, due to an increase in the tax base, an additional \$165,000 in property tax revenue was received over the previous period. Tuition and fees revenue remained stable compared to fiscal year 2020, due to rate increases implemented on 04/01/20 effective in fiscal year 2021.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

Below is a schedule and a graphic illustration of operating expenses by function for the years ended August 31:

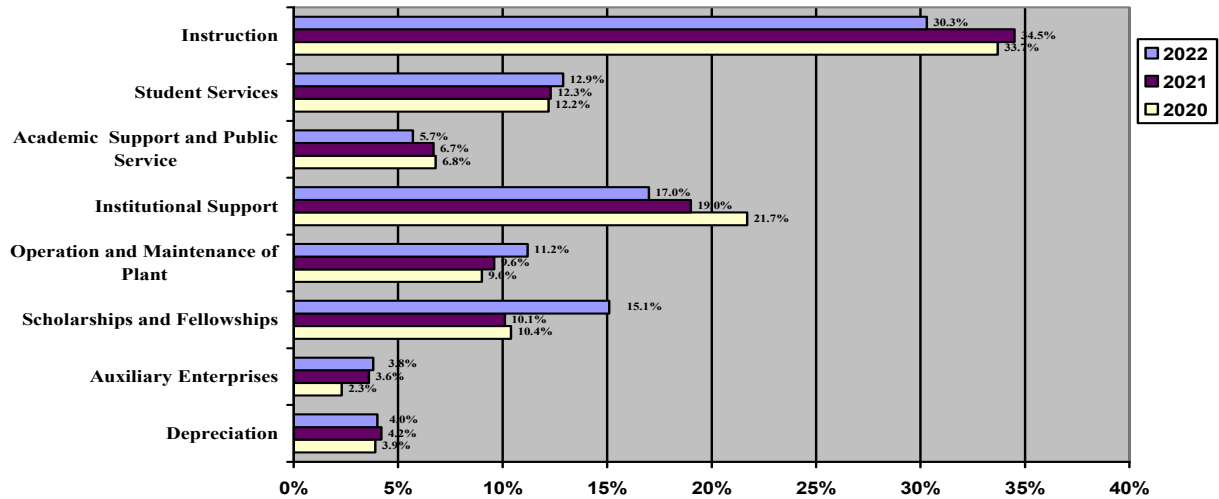
**Operating Expenses
(in thousands)**

| | 2022 | 2021 | Increase (Decrease) 2022-2021 | 2020 | Increase (Decrease) 2021-2020 |
|---|------------------|------------------|-------------------------------------|------------------|-------------------------------------|
| Operating Expenses: | | | | | |
| Instruction | \$ 9,743 | \$ 9,826 | \$ (83) | \$ 9,744 | \$ 82 |
| Public Service | 2 | 4 | (2) | 7 | (3) |
| Academic Support | 1,838 | 1,911 | (73) | 1,974 | (63) |
| Student Services | 4,135 | 3,493 | 642 | 3,541 | (48) |
| Institutional Support | 5,451 | 5,416 | 35 | 6,267 | (851) |
| Operation and Maintenance of Plant | 3,608 | 2,744 | 864 | 2,594 | 150 |
| Scholarships and Fellowships | 4,859 | 2,863 | 1,996 | 2,998 | (135) |
| Auxiliary Enterprises | 1,198 | 1,009 | 189 | 680 | 329 |
| Depreciation | 1,301 | 1,177 | 124 | 1,115 | 62 |
| Total | <u>\$ 32,135</u> | <u>\$ 28,443</u> | <u>\$ 3,692</u> | <u>\$ 28,920</u> | <u>\$ (477)</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

Operating Expenses



Fiscal Year 2022 Compared to 2021

Galveston College’s operating expenses increased by \$3.69 million or 13% in fiscal year 2022 as compared to 2021. The College’s Board of Regents approved a salary increase of 3% for all employees and multi-decade highs in inflation resulted in increases in most expense categories. The influx of federal HEERF funds dominates the \$3.69 million increase in total expenditures in several expense categories. The largest expense category remains Instruction at 30.3%, staying relatively stable in 2022 as compared to 2021. Student Services increased by \$642,000 or 18% primarily due to software purchases and information technology support services in the amount of \$250,000 for the Admissions, Continuing Education, Financial Aid, and Student Services departments using HEERF federal grant funds. Other HEERF expenditures include: \$105,000 for student accounts receivable balances forgiven due to COVID-19, \$87,000 for student vaccination incentives, \$40,000 for laptops for student services staff, and \$15,000 in outreach assistant wages related to the Coronavirus. In fiscal year 2021, the graduation ceremony was held virtually which resulted in much lower expenses. For fiscal year 2022, graduation expenses increased by \$35,000 due to resuming the in-person graduation ceremony format. Additional expenses of note include an increase in campus security costs of \$24,000 due to students returning to campus and increased information technology support costs of \$65,000 allocated to the Admissions department as a result of implementing and updating the College’s online student portal. Operation and Maintenance of Plant increased by \$865,000 chiefly due to \$367,000 in expenses related to projects procured with HEERF federal grant funds. These projects include: converting all campus bathrooms and water fountains to a touchless format, hiring additional custodians and purchasing disinfectant products for deep cleaning protocols related to the Coronavirus, and installing air filters for enhanced virus control. The College also increased expenses in this category as a result of general maintenance projects deferred due to the pandemic. Using institutional funds, the College paid for major projects totaling \$450,000 which included \$91,000 for painting, \$88,000 for HVAC upgrades, \$48,000 for the atrium glass repairs, \$41,000 to enclose the art gallery, and \$139,000 on general maintenance projects. The \$1.99 million increase in Scholarships and Fellowships is tied to the \$2.82 million of emergency financial aid provided to students impacted by the COVID-19 pandemic. Auxiliary Enterprises increased \$188,000 as a result of Galveston College hosting the annual Women in Industry conference and expenses associated with the event. This dynamic, exciting one-day event is a day about career exploration and awareness in the petrochemical industry. Students are provided the opportunity to network with industry sponsors, many of whom are currently hiring. Students also learn how to get industry-specific training, attend amazing and energetic sessions, and hear from other women currently in the field.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Revenues, Expenses and Change in Net Position - Continued

Fiscal Year 2021 Compared to 2020

Galveston College's operating expenses decreased by \$477,000 or 1.7% in fiscal year 2021 as compared to fiscal year 2020. The largest expense category remains Instruction at 34.5%, increasing by \$82,000 in fiscal year 2021. The categories of Academic Support, Student Services, Operation and Maintenance of Plant, and Scholarships and Fellowships remained relatively stable between fiscal years. As reported in *Schedule B*, the largest contributor to the overall decrease in operating expenses is Institutional Support, which decreased 13.6%, or \$851,000. Institutional Support's decrease is mainly due to decreases in benefit expenses associated with the current fiscal year's GASB No. 75 (Retiree Health Insurance) and GASB No. 68 (TRS Retiree Pension) entries and lower HEERF COVID-19 grant expenses in this category. This decrease is offset by an increase in expenses in Auxiliary Enterprises of \$329,000 and Depreciation of \$62,000. Auxiliary Enterprises rose primarily due to increases in food and housing costs as well as baseball and softball departmental expenses, resulting from an upsurge in students returning to campus in fiscal year 2021 as compared to fiscal year 2020. Depreciation expense increased due to the addition of capital assets purchased in the current fiscal year.

Statements of Cash Flows Activity

The Statement of Cash Flows reports the cash receipts and cash payments that occurred during the fiscal year. This statement helps users assess: 1) the entity's ability to generate future cash flows; 2) its ability to meet its obligations as they come due; and 3) its needs for external financing. The Statement of Cash Flows presents information relative to cash inflows and outflows summarized by operating, financing, and investing activities.

The following chart summarizes the Statements of Cash Flows (rounded to the nearest thousand) for the fiscal years ended August 31:

| | 2022 | 2021 | 2020 |
|--|------------------|------------------|------------------|
| Cash Provided by (Used in): | | | |
| Operating Activities | \$(19,151) | \$(17,321) | \$(18,411) |
| Non-Capital Financing Activities | 23,922 | 22,761 | 22,479 |
| Capital and Related Financing Activities | 29,255 | (1,731) | (4,768) |
| Investing Activities | <u>285</u> | <u>(2,981)</u> | <u>261</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 34,311 | 728 | (439) |
| Cash and Cash Equivalents – Beginning of Year | <u>22,119</u> | <u>21,391</u> | <u>21,830</u> |
| Cash and Cash Equivalents – End of Year | <u>\$ 56,430</u> | <u>\$ 22,119</u> | <u>\$ 21,391</u> |

The College's cash flows from operating activities are always reflected as a use of cash because the College relies heavily on property taxes and state appropriations revenue to fund operations, which are considered non-capital financing activities. The decrease of \$1.8 million in cash used for operating activities is primarily due to increase of \$1.95 million in payments to or on behalf of employees, increase of \$1.99 million in payments for scholarships, increase of \$884,000 in payments to suppliers, and decrease of \$484,000 in receipts from students and customers, offset by increased receipts from grants and contracts of \$3.5 million driven by federal grants received related to the pandemic. The increase in payments to or on behalf of employees is due to a \$0.82 million increase in total payments primarily in operations and maintenance and general salary increments. The increase in payments for scholarships is tied to the additional federal COVID-19 funds provided to students due to the pandemic. The increase in payments to supplies is due to the additional purchases made using federal grant funds. The decrease in payments from students and customers is a result of decreased student revenue due to a decline in enrollment caused by the pandemic.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statements of Cash Flows Activity – Continued

Cash flows from non-capital financing activities increased \$1.16 million due to increased property tax receipts of \$867,000, an increase in state appropriations of \$187,000, and \$105,000 in student assistance proceeds (Title IV grants) compared to fiscal year 2021. Cash flows from capital and related financing activities increased \$30.98 million or 1,790% due to the influx of \$33.9 million from the issuance of revenue bonds offset by a decrease of \$2.4 million in capital assets as we began the construction of the new Health Sciences Education Center and costs of \$493,000 related to the bonds issued. The overall increase in cash and cash equivalents of \$33.58 million is dominated by the cash provided by the issuance of revenue bonds and surplus funds from operations in fiscal year 2022.

Capital Assets

As shown in Note 6, capital assets increased from \$25.6 million to \$30.9 million due to new property and equipment purchases and construction in progress, offset by \$1.3 million of depreciation expense. The following points explain the material changes in the capital assets categories during fiscal year 2022:

- **Land** increased by \$67,000 due to purchases of new properties at 2215 38th Street and 4002 Ave Q.
- **Construction in Progress** increased by \$5.12 million due to architectural, engineering, and construction fees paid in association with the construction of the new Health Sciences Education Center and architectural and engineering fees related to the College's north parking lot expansion.
- **Buildings** increased by \$232,000 related to the new properties purchased on 38th Street and 4002 Ave Q offset by the demolition of the property located at 4022 Ave Q.
- **Equipment, Furniture, and Software** increased by \$1.16 million as a result of the capitalization of new equipment. The College purchased various capital equipment used for student remote instruction and lab training.
- **Library Books** increased \$32,000 due to the capitalization of new books purchased in fiscal year 2022.

**Capital Assets
(in thousands)**

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|------------------------------------|------------------|------------------|------------------|
| Capital Assets: | | | |
| Land and Improvements | \$ 8,980 | \$ 8,913 | \$ 8,689 |
| Construction in Progress | 5,609 | 486 | 87 |
| Buildings | 25,178 | 24,946 | 24,483 |
| Equipment, Furniture, and Software | 7,011 | 5,852 | 5,362 |
| Library Books | <u>698</u> | <u>666</u> | <u>644</u> |
| Total | <u>47,476</u> | <u>40,863</u> | <u>39,265</u> |
| Less Accumulated Depreciation | <u>(16,523)</u> | <u>(15,222)</u> | <u>(14,179)</u> |
| Net Capital Assets | <u>\$ 30,953</u> | <u>\$ 25,641</u> | <u>\$ 25,086</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Facts, Decisions and Conditions

- Based on the Texas Higher Education Coordinating Board's (THECB) Accountability system, the College's 6-year graduation rate was 62% as of Fall 2021, exceeding the statewide average for community colleges by 18%. In Fall 2021, students who earned a certificate or associate degree in the 2020-21 academic year were invited to complete a survey about their employment and/or continuing education, reasons for choosing Galveston College, and academic and student services experiences. The data showed that 77% of graduates reported working in jobs related to the education and training received at Galveston College. Additionally, almost half of all graduates were furthering their education at Galveston College or another college or university. Most notably, graduates reported they believe they received a high-quality education at Galveston College and if given the opportunity to start over, nine out of ten stated they would gladly still choose to attend Galveston College.
- A \$5 million leadership grant from the Moody Foundation was received by Galveston College Foundation (the Foundation) for the Building Tomorrow capital campaign. The gift will support the College's new Health Sciences Education Center, which broke ground in June 2022. The grant is structured to be split between the bricks and mortar cost of the new building and the creation of an endowment which will support the operation of the new building once it opens. This gift makes evident a long-term commitment to Galveston students by the Moody Foundation. The Foundation also began a capital campaign directed towards students, staff, and the community for the new Health Sciences Education Center. These funds will be used to pay down the bond issued with a 10-year par call and restructure the debt.
- Galveston College received a five-year, \$2,887,873 grant that focuses on enhancing the quality of undergraduate science, technology, engineering, and mathematics (STEM) education and increasing the success rates of students pursuing associate and baccalaureate degrees in STEM. The National Science Foundation Improving Undergraduate STEM Education: Hispanic-Serving Institutions Program grant will fund a project titled, "Unified Community of Support: Building Capacity for STEM Transfer Students' Success," which aims to build institutional capacity between Galveston College and its partner university-transfer institutions through a unified community of support across a regional transfer alliance.
- Year one of the five-year NSF-HSI Institutional Transformation grant (ITP: UCS-STSS) was completed. The project goals of ITP: UCS-STSS are to: (1) build intra-institutional capacity through a unified community of support; (2) create systemic and sustained institutional change that supports an academy of STEM mentors in implementing evidence-based practices that enhance equitable student outcomes in STEM and development of STEM students' science identity; (3) build inter-institutional capacity across a regional transfer alliance; and (4) implement a theory-guided iterative research design during year one of the project. The College successfully implemented and conducted all year one activities as proposed. This included hiring the STEM Honors Program Coordinator and the STEM Transfer Specialist; remodeling the STEM Student Center (Room N-310); adding and furnishing two office spaces in N-310; adding learning resources such as laptop computers, scientific calculators, and a science/math textbook library in N-310; restructuring the STEM Honors Program; adding 15 new STEM honor students; awarding three NSF (National Science Foundation) transfer scholarships at \$2,500 each; completing a faculty professional development series focused on mentoring and inclusive pedagogy; establishing a project research team and developing a research plan; and establishing a steering delegation with representation from the College's university partners.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Facts, Decisions and Conditions - Continued

- Galveston College completed the fourth year of the five-year Title V grant. The Title V grant has two initiatives: to redesign high-risk general education courses and to develop a comprehensive pathways advising system. The College continues to develop and improve the student advising software (myGC) and the advising application (CRM Advise). Training material was developed to support the new software and an outreach and information campaign related to the new abilities was conducted. A new position was added under Title V, Technology Teaching Assistant, and Information Technology's human resources capacity was expanded with the Senior Program Analyst position. The grant continued to facilitate the development and execution of articulation and transfer agreements with four-year partner institutions and transfer templates/guides to inform students and advisors of regional transfer options and agreements. The grant supported the Houston GPS Equity Project for Student Services with a coaching series by Dr. Michael Baston. Utilizing Title V grant funds, the STEM Student Center (Room N-310) was equipped with a flexible learning space. The library's flexible learning space was also expanded.
- Galveston College's TRIO-Building Bridges to Success (BBS) program recently celebrated 25 years of success at Galveston College. BBS is a TRIO Student Support Services program that is funded by the U.S. Department of Education to serve first-generation, low-income, and disabled students at Galveston College. For the past academic year, BBS served 206 students, with 49 students graduating. 94% of participants were in good academic standing (2.0 or above GPA) and 61% of participants earned an associate degree or certificate within 4 years of entering the program. Of those who graduated with an associate degree or certificate, 19% also transferred to a four-year institution. Additionally, the persistence rate of BBS students from Fall to Fall (including graduation or transfer) was 81%.
- Galveston College's TRIO-Upward Bound program has been quite successful in recent years as well. Using federal grant funds provided by the U.S. Department of Education, the TRIO-Upward Bound program was able to serve 83 high-school students in fiscal year 2022 which met the program requirements of having served the required number of participants. Of special note, 100% of the seniors served during the academic year passed the required state assessments and 96% graduated with a distinguished level of achievement with endorsements meeting the rigorous curriculum objective. The 23 Upward Bound seniors served during fiscal year 2022 graduated high school in June 2022. Of this student group, 22 of the 23 students continued their education with 13 enrolled at Galveston College, 7 enrolled at four-year universities, and 2 enrolled at another community college. Five of the high school graduates earned their associate degree from Galveston College in May 2022 and one student earned an associate degree in December 2021, all before high school graduation. There was a 100% persistence/graduation rate. All the students who were served passed to the next grade level or graduated. Of those students, 77% earned a GPA over 2.5 for the academic year. This percentage exceeded the program objective. The six-year college graduation rate for the 2016 cohort was 30% which also exceeded the program objective. All program objectives were met.

GALVESTON COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Facts, Decisions and Conditions – Continued

- The following grants will be active in fiscal year 2023:

| GRANT FUNDED BY | PURPOSE | TERM | AMOUNT |
|--|---|---------------------|--------------------|
| National Science Foundation - Federal | Hispanic Serving Institution Program - Institutional Transformation Project | 09/01/22 - 08/31/23 | \$572,000 |
| U.S. Department of Education - Federal | Title V - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic-Serving Community College | 09/01/22 - 08/31/23 | \$550,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Texas Reskilling and Upskilling through Education (TRUE) Grant Program 2022 | 09/01/22 - 08/31/23 | \$379,000 |
| U.S. Department of Education - Federal | TRIO - Building Bridges to Success Program | 09/01/22 - 08/31/23 | \$301,000 |
| U.S. Department of Education - Federal | TRIO - Upward Bound Program | 09/01/22 - 08/31/23 | \$298,000 |
| U.S. Department of Education - Federal | CARES Act: Higher Education Emergency Relief Fund - COVID-19 Institutional Portion | 09/01/22 - 06/30/23 | \$247,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Carl D. Perkins Career and Technical Education Program - Basic Grants | 09/01/22 - 08/31/23 | \$184,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Texas Reskilling and Upskilling for Education (TRUE) Institutional Capacity Grants | 09/01/22 - 08/31/23 | \$147,000 |
| Galveston Career Connect - Private | Strengthen Career Skills of High School Students | 09/01/22 - 08/31/23 | \$67,000 |
| Greater Texas Foundation - Private | Greater Texas Foundation - Emergency Aid Grant | 09/01/22 - 08/31/23 | \$40,000 |
| Texas Higher Education Coordinating Board - Federal Pass-Through | Texas Completion Repayment Grant Program | 09/01/22 - 08/31/23 | \$19,000 |
| Texas Higher Education Coordinating Board - State | 2017-2019 College Readiness and Success Models for 60x30TX (CRSM-2017) | 09/01/22 - 08/31/23 | \$13,000 |
| | | TOTAL | \$2,817,000 |

Contacting the College's Financial Management

This financial report is designed to provide the College's citizens, taxpayers, students, investors, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Business Office at 4015 Avenue Q, Galveston, Texas 77550.

GALVESTON COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AUGUST 31, 2022 AND 2021

Exhibit 1

| | 2022 | 2021 |
|--|---------------|---------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and Cash Equivalents (Note 4) | \$ 24,918,644 | \$ 22,064,823 |
| Short-Term Investment (Note 4) | 3,045,195 | 3,014,907 |
| Accounts Receivable (Note 5) | 807,106 | 1,141,841 |
| Property Tax Receivable, Net (Note 5) | 783,611 | 710,970 |
| Student Receivables, Net (Note 5) | 2,363,483 | 1,872,148 |
| Other Assets | 867,557 | 783,397 |
| Total Current Assets | 32,785,596 | 29,588,086 |
| NONCURRENT ASSETS: | | |
| Restricted Bond Funds Cash and Cash Equivalents (Note 4) | 31,454,122 | - |
| Restricted Agency Funds Cash and Cash Equivalents (Note 4) | 57,696 | 53,999 |
| Long-term Accounts Receivable (Note 5) | - | 207,599 |
| Capital Assets, Net (Note 6): | | |
| Not Subjected to Depreciation | 9,250,673 | 4,060,492 |
| Subjected to Depreciation | 21,702,845 | 21,580,330 |
| Total Noncurrent Assets | 62,465,336 | 25,902,420 |
| Total Assets | 95,250,932 | 55,490,506 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension Related Deferred Outflows (Note 9) | 1,513,373 | 2,022,078 |
| Other Post Employee Benefits Related Deferred Outflows (Note 12) | 2,691,856 | 2,698,599 |
| Total Deferred Outflows of Resources | 4,205,229 | 4,720,677 |
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| Accounts Payable (Note 5) | 3,832,785 | 804,589 |
| Funds Held for Others - Agency | 57,696 | 53,999 |
| Unearned Revenues | 3,094,052 | 3,305,143 |
| Deposits | 28,600 | 26,400 |
| Compensated Absences - Current Portion (Notes 7 and 13) | 40,000 | 40,000 |
| Bonds Payable - Current Portion (Notes 7 and 8) | 1,007,647 | - |
| Total Current Liabilities | 8,060,780 | 4,230,131 |
| NONCURRENT LIABILITIES: | | |
| Compensated Absences (Notes 7 and 13) | 451,953 | 460,360 |
| Net Pension Liability (Note 9) | 2,559,160 | 5,531,062 |
| Net Other Post Employee Benefit Liability (Note 12) | 13,361,177 | 11,768,283 |
| Bonds Payable (Notes 7 and 8) | 32,779,536 | - |
| Total Noncurrent Liabilities | 49,151,826 | 17,759,705 |
| Total Liabilities | 57,212,606 | 21,989,836 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension Related Deferred Inflows (Note 9) | 2,996,562 | 971,417 |
| Other Post Employee Benefits Related Deferred Inflows (Note 12) | 2,485,440 | 3,858,932 |
| Total Deferred Inflows of Resources | 5,482,002 | 4,830,349 |
| NET POSITION | | |
| Net Investment in Capital Assets, Net of Related Debt | 25,886,546 | 25,640,822 |
| Restricted - Expendable: | | |
| Student Aid | 216,320 | 237,583 |
| Debt Service | 1,865,400 | - |
| Unrestricted | 8,793,287 | 7,512,593 |
| Total Net Position (Schedule D) | \$ 36,761,553 | \$ 33,390,998 |

The accompanying notes are an integral part of these financial statements.

GALVESTON COMMUNITY COLLEGE DISTRICT
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

Exhibit 2

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| OPERATING REVENUES: | | |
| Tuition and Fees, Net of Scholarship Allowance of \$2,579,820 for 2022 and \$2,673,279 for 2021 | \$ 2,308,433 | \$ 2,708,288 |
| Federal Grants and Contracts | 7,131,994 | 3,255,489 |
| State and Local Grants and Contracts | 446,633 | 367,738 |
| Private Grants and Scholarships | 751,856 | 701,782 |
| Auxiliary Enterprises, Net of Scholarship Allowance of \$362,622 for 2022 and \$272,309 for 2021 | 581,678 | 561,858 |
| Other Operating Revenues | <u>225,090</u> | <u>223,278</u> |
| Total Operating Revenues (Schedule A) | <u>11,445,684</u> | <u>7,818,433</u> |
| OPERATING EXPENSES: | | |
| Instruction | 9,743,178 | 9,825,561 |
| Public Service | 1,394 | 4,434 |
| Academic Support | 1,838,161 | 1,911,094 |
| Student Services | 4,135,174 | 3,492,908 |
| Institutional Support | 5,451,201 | 5,415,899 |
| Operation and Maintenance of Plant | 3,608,277 | 2,743,768 |
| Scholarships and Fellowships | 4,859,126 | 2,862,901 |
| Auxiliary Enterprises | 1,197,379 | 1,009,202 |
| Depreciation | <u>1,300,874</u> | <u>1,176,955</u> |
| Total Operating Expenses (Schedule B) | <u>32,134,764</u> | <u>28,442,722</u> |
| OPERATING LOSS | <u>(20,689,080)</u> | <u>(20,624,289)</u> |
| NON-OPERATING REVENUES (EXPENSES): | | |
| State Appropriations | 5,650,022 | 5,997,261 |
| Property Taxes | 15,457,871 | 14,448,842 |
| Federal Student Assistance (Title IV Grants) | 3,647,025 | 3,600,353 |
| Investment Income | 315,702 | 35,344 |
| Interest on Capital-Related Debt | (477,366) | - |
| Debt Issuance Cost | (282,769) | - |
| Loss on Disposal of Capital Assets | <u>(250,850)</u> | <u>-</u> |
| Non-Operating Revenues, Net (Schedule C) | <u>24,059,635</u> | <u>24,081,800</u> |
| INCREASE IN NET POSITION | 3,370,555 | 3,457,511 |
| NET POSITION, BEGINNING OF YEAR | <u>33,390,998</u> | <u>29,933,487</u> |
| NET POSITION, END OF YEAR | <u>\$ 36,761,553</u> | <u>\$ 33,390,998</u> |

The accompanying notes are an integral part of these financial statements.

GALVESTON COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

Exhibit 3

| | 2022 | 2021 |
|---|---------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from Students and Other Customers | \$ 2,169,071 | \$ 2,652,955 |
| Receipts from Grants and Contracts | 8,284,567 | 4,823,152 |
| Payments to or on Behalf of Employees | (18,233,190) | (16,284,750) |
| Payments to Suppliers for Goods and Services | (7,318,620) | (6,434,931) |
| Payments for Scholarships | (4,859,126) | (2,862,901) |
| Other Cash Receipts | 806,768 | 785,136 |
| Net Cash Used in Operating Activities | (19,150,530) | (17,321,339) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Proceeds from State Appropriations | 4,858,898 | 4,671,366 |
| Proceeds from Property Taxes | 15,385,230 | 14,517,933 |
| Proceeds from Federal Student Assistance (Title IV Grants) | 3,678,075 | 3,572,299 |
| Net Cash Provided by Non-Capital Financing Activities | 23,922,203 | 22,761,598 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Receipts from Issuance of Bonds | 33,954,916 | - |
| Bond Issuance Cost Paid | (282,769) | - |
| Purchases of Capital Assets | (4,205,754) | (1,731,344) |
| Payments on Bonds - Interest | (211,824) | - |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | 29,254,569 | (1,731,344) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of short-term investment | - | (3,014,907) |
| Investment Income | 285,398 | 33,775 |
| Net Cash Provided by (Used in) Investing Activities | 285,398 | (2,981,132) |
| CHANGE IN CASH AND CASH EQUIVALENTS | 34,311,640 | 727,783 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 22,118,822 | 21,391,039 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 56,430,462 | \$ 22,118,822 |

The accompanying notes are an integral part of these financial statements.

GALVESTON COMMUNITY COLLEGE DISTRICT
 STATEMENTS OF CASH FLOWS - CONTINUED
 FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

Exhibit 3 - Continued

| | <u>2022</u> | <u>2021</u> |
|---|------------------------|------------------------|
| RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES: | | |
| Operating Loss | \$ (20,689,080) | \$ (20,624,289) |
| Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities: | | |
| Depreciation Expense | 1,300,874 | 1,176,955 |
| Payments Made Directly by State for Benefits | 791,174 | 1,325,933 |
| Changes in Assets and Liabilities: | | |
| Receivables, Net | 19,915 | (290,294) |
| Other Assets | (84,160) | (462) |
| Pension Related Deferred Outflows | 508,705 | 434,936 |
| Other Post Employee Benefits Related Deferred Outflows | 6,743 | 925,069 |
| Accounts Payable | (63,745) | (21,265) |
| Funds Held for Others - Agency Funds | 3,697 | 9,540 |
| Unearned Revenues | (211,091) | 720,564 |
| Deposits | 2,200 | 3,000 |
| Compensated Absences | (8,407) | (6,893) |
| Net Pension Liability | (2,971,902) | (16,416) |
| Net Other Post Employee Benefit Liability | 1,592,894 | (1,374,115) |
| Pension Related Deferred Inflows | 2,025,145 | (163,729) |
| Other Post Employee Benefits Related Deferred Inflows | <u>(1,373,492)</u> | <u>580,127</u> |
| Net Cash Used in Operating Activities | <u>\$ (19,150,530)</u> | <u>\$ (17,321,339)</u> |
| Schedule of Non-Cash Capital and Related Financing Activities | | |
| Capital Assets Additions Included in Accounts Payable | <u>\$ 2,658,666</u> | <u>\$ -</u> |
| Accrued Interest Expense Included in Accounts Payable | <u>\$ 433,275</u> | <u>\$ -</u> |
| Amortization of Bond Premium | <u>\$ 167,733</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

Galveston Community College District (the College) was established in 1967, in accordance with the laws of the State of Texas, to serve the educational needs of the City of Galveston and the surrounding communities. The College is considered to be a special purpose, primary government. While the College receives funding from local, State, and Federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

The Governmental Accounting Standards Board (GASB) gives guidance in determining whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. In 2011, the College adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which changed the criteria for a component unit. The Galveston College Foundation (the Foundation) is a legally separate not-for-profit corporation controlled by a separate board of trustees, whose sole purpose is to provide scholarships and other benefits to the students and staff of the College. The Foundation does not provide a financial benefit or impose a financial burden on the College. The College does not appoint any of the Foundation’s board members nor does it fund or is it obligated to pay debt related to the Foundation. The financial position of the Foundation as of August 31, 2022 and 2021 and the cost of services provided by the College to the Foundation during the years then ended are not significant to the College. The Foundation has therefore not been included as a component unit in the financial statements of the College. Financial information for the Foundation may be obtained from its administrative office.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board’s *Annual Financial Reporting Requirements for Texas Public Community Colleges*. The college applies all applicable GASB pronouncements. The college is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants (TPEG) – Certain tuition amounts must be set aside for use as scholarships by qualifying students. This set-aside, called the TPEG, is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code, Section 56.033). When the award is used by the student for tuition and fees, the College records the amount as tuition discount. If the amount is dispersed directly to the student, the College records the amount as a scholarship expense.

Title IV Higher Education Act (HEA) Program Funds – Certain Title IV HEA program funds are received by the college to pass through to the student. These funds initially are received by the college and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Tuition Discounting – Continued

Other Tuition Discounts – The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the college records the amount as a tuition discount. If the amount is dispersed directly to the student, college records the amount as a scholarship expense.

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Net Position: The College’s net position is classified as follows:

Net Investment in Capital Assets: This represents the College’s total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Expendable: Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted Net Position: These are resources that are not subject to any external restrictions and may be used at the discretion of the governing board for any lawful purpose of the College.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College’s policy is to first apply the expense towards unrestricted resources, and then towards restricted resources.

Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College’s Board of Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor’s Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The College’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents that are externally restricted as to their use are classified as noncurrent assets in the Statements of Net Position. The governing board has designated public funds investment pools to be cash equivalents, as the investments are redeemable on demand.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the College’s capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations of \$100,000 to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

| | |
|-----------------------------------|-------------|
| Buildings | 40-50 years |
| Land Improvements | 20 years |
| Library Books | 15 years |
| Furniture, Equipment and Vehicles | 5-10 years |
| Computer Systems | 5 years |

Revenue Recognition and Unearned Income

Tuition and fee revenues are recorded when earned. Tuition, fees and other revenues related to periods after August 31, 2022 and 2021, respectively, have been deferred to the subsequent fiscal year.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and other postemployment benefits (OPEB) liability, and contributions from the College for pension and OPEB after the measurement date but before the end of the College’s reporting period.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as revenue until that time. Deferred inflows of resources consist of unrecognized items not yet charged to pension and OPEB liability.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Operating and Non-Operating Revenues and Expenses Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a business-type activity and as a single, proprietary fund. Operating revenues and expenses generally result from exchange transactions, such as payments received for providing services and payments made for goods or services received. The principal operating revenues are tuition, fees and grants. The major non-operating revenues are State appropriations, property tax and Title IV financial aid funds (i.e. Pell grants). The operations of the bookstore and food services are performed by a third party contracted by the College.

Operating expenses include the cost of providing instruction, student services and support, administrative expenses, and depreciation and amortization on capital assets. Expenses related to non-operating federal revenues are reported as operating expenses, either as tuition discounts (if applied to tuition) or as scholarship.

Management Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The College is exempt from Federal income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to Federal income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2022 and 2021.

Subsequent Events

The College has evaluated subsequent events through December 22, 2022 which is the date the financial statements were available to be issued. No matters were identified that require disclosure or adjustment to these financial statements or related disclosures.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – AUTHORIZED INVESTMENTS

The Board of Regents of the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (Chapter 2256.001 Texas Government Code). The investments of the College are in compliance with the Board of Regents’ investment policy and the Public Funds Investment Act. Such investments include (1) obligations of the United States and its agencies, (2) directed obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit and, (5) other instruments and obligations authorized by statute.

NOTE 4 – DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits is the risk that in the event of bank failure, the College’s deposits may not be returned to it. All deposits with the depository bank must be collateralized in an amount equal to at least 102% of the amount of uninsured collected funds. The collateral must be held by a third-party collateral bank in the name of the College.

At August 31, 2022 and 2021, the carrying amount of the College’s deposits was \$1,336,633 and \$1,286,136, respectively; and bank balances equaled \$1,743,533 and \$2,908,390, respectively. Bank balances totaling \$250,000 were covered by Federal depository insurance and the remaining balance is collateralized with securities. The College uses a sweep agreement as a funding mechanism for its demand deposit accounts. Under this agreement the funds are swept nightly into a repurchase agreement account. As needed to cover disbursements, funds are swept into the demand deposit accounts.

The following table presents the deposits and investments included in Exhibit 1, Statement of Net Position, as of August 31:

| | 2022 | 2021 |
|---|---------------|---------------|
| Cash and Cash Equivalents: | | |
| Petty Cash | \$ 1,200 | \$ 1,200 |
| Demand Deposits | 1,336,633 | 1,286,136 |
| Vanguard Admiral Treasury Money Market Fund | 691,911 | 688,818 |
| Investment Pools: | | |
| Lone Star Investment Pool | 37,100,838 | 2,933,767 |
| Local Government Investment Cooperative | 6,419,028 | 6,382,131 |
| Texas Local Government Investment Pool | 5,739,845 | 5,710,908 |
| Texas Range Government Investment Pool | 5,141,007 | 5,115,862 |
| Total Cash and Cash Equivalents | 56,430,462 | 22,118,822 |
| Certificates of Deposit | 3,045,195 | 3,014,907 |
| Total Deposits and Investments | \$ 59,475,657 | \$ 25,133,729 |

Interest risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods can be subjected to increased risk of adverse interest rate changes. In accordance with its investment policy, the College limits its exposure to interest risk by structuring its portfolio to provide for liquidity for operating funds and maximizing yields for funds not needed within a two year period. The investment policy limits the maximum maturity length of obligations of the United States government, its agencies and instrumentalities and government sponsoring enterprises to two years.

Credit risk is the risk that the issuer of the debt security will not pay its par value upon maturity. The College’s investment policy limits credit risk based on meeting requirements of State law.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – DEPOSITS AND INVESTMENTS - CONTINUED

The First Public (Lone Star Investment Pool or Lone Star) is a public funds investment pool established in accordance with the Inter-local Cooperation Act, Chapter 791, of the Texas Government Code, and operated under the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. Lone Star is governed by trustees comprised of active participants in Lone Star. The board of trustees for Lone Star has the responsibility for adopting and monitoring compliance with the investment policy, of appointing investment officers, of overseeing the selection of an investment advisor, custodian, investment consultant, administrator and other service providers. First Public is rated AAA by Standard & Poor's.

Local Government Investment Cooperative (LOGIC or the Cooperative) was organized in conformity with the Inter-local Cooperation Act, Chapter 791, of the Texas Government Code, and operated under the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. Participation in the Cooperative is limited to those eligible Government Entities which have become parties to the Participation Agreement. LOGIC is overseen by a governing board consisting of individuals from participating government entities in the pool. The business and affairs of LOGIC are managed by the Board. J.P. Morgan Asset Management provides investment management, fund accounting, transfer agency and custodial services for the pool and Hilltop Securities Inc. provides administrative, marketing and participant services. In compliance with the Public Funds Investment Act, all portfolios will maintain a AAA or equivalent rating from at least one nationally recognized rating agency. LOGIC has been assigned a rating of AAAM by Standard & Poor's.

Texas Local Government Investment Pool (TexPool) has been organized in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool invests in securities that meet the requirements of Texas Public Funds Investment Act. Standard & Poor rates TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor, as well as to the Office of Comptroller of Public Accounts, for review.

Texas Range Government Investment Pool (Texas Range) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the PFIA). Texas Range is directed by an Advisory Board of experienced local government officials, finance directors and treasurers and is managed by a team of industry leaders that are focused on providing professional investment services to investors. Texas Range provides three investment options that offer investors the flexibility to manage cash flow and optimize earnings. The College has currently invested in TexasDAILY, a money market portfolio with daily liquidity that is rated AAAM by Fitch.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables consist of the following at August 31:

| | 2022 | 2021 |
|--------------------------------------|--------------|--------------|
| Student Receivables | \$ 2,570,238 | \$ 2,115,367 |
| Less Allowance for Doubtful Accounts | (206,755) | (243,219) |
| Total Student Receivable | \$ 2,363,483 | \$ 1,872,148 |
| | | |
| Federal Receivables | \$ 712,752 | \$ 1,255,977 |
| Other Receivables | 94,354 | 93,463 |
| Total Accounts Receivable | \$ 807,106 | \$ 1,349,440 |
| | | |
| Property Tax Receivable | \$ 883,752 | \$ 809,994 |
| Less Allowance for Doubtful Accounts | (100,141) | (99,024) |
| Total Property Tax Receivable | \$ 783,611 | \$ 710,970 |

Payables consist of the following at August 31:

| | | |
|-----------------------|--------------|------------|
| Vendors Payable | \$ 3,268,099 | \$ 675,612 |
| Bond Interest Payable | 433,275 | - |
| Benefits Payable | 131,411 | 128,977 |
| Total Payables | \$ 3,832,785 | \$ 804,589 |

Included in federal receivables at August 31, 2021 is \$207,599 of long term receivables that will be collected within the next 2 years.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2022 was as follows:

| | Balance September 1, <u>2021</u> | <u>Increase</u> | Decrease/ <u>Adjustment</u> | Balance August 31, <u>2022</u> |
|-----------------------------------|--|---------------------|--------------------------------|--------------------------------------|
| Not Depreciated: | | | | |
| Land | \$ 3,574,015 | \$ 67,450 | \$ - | \$ 3,641,465 |
| Construction in Progress | <u>486,477</u> | <u>5,122,731</u> | <u>-</u> | <u>5,609,208</u> |
| Total Not Depreciated | <u>4,060,492</u> | <u>5,190,181</u> | <u>-</u> | <u>9,250,673</u> |
| Other Capital Assets: | | | | |
| Buildings | 24,945,967 | 472,146 | (240,375) | 25,177,738 |
| Land Improvements | 5,338,727 | - | - | 5,338,727 |
| Furniture, Equipment and Vehicles | 3,948,600 | 319,401 | - | 4,268,001 |
| Computer System | 1,903,037 | 840,121 | - | 2,743,158 |
| Library Books | <u>666,468</u> | <u>31,697</u> | <u>-</u> | <u>698,165</u> |
| Total Depreciated | <u>36,802,799</u> | <u>1,663,365</u> | <u>(240,375)</u> | <u>38,225,789</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings | 9,138,546 | 466,075 | (399) | 9,604,222 |
| Land Improvements | 2,158,147 | 266,937 | - | 2,425,084 |
| Furniture, Equipment and Vehicles | 2,221,573 | 334,099 | - | 2,555,672 |
| Computer System | 1,336,634 | 197,563 | - | 1,534,197 |
| Library Books | <u>367,569</u> | <u>36,200</u> | <u>-</u> | <u>403,769</u> |
| Total Accumulated Depreciation | <u>15,222,469</u> | <u>1,300,874</u> | <u>(399)</u> | <u>16,522,944</u> |
| Net Capital Assets | <u>\$ 25,640,822</u> | <u>\$ 5,552,672</u> | <u>\$ (239,976)</u> | <u>\$ 30,953,518</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS – CONTINUED

Capital assets activity for the year ended August 31, 2021 was as follows:

| | Balance September 1, 2020 | Increase | Decrease/ Adjustment | Balance August 31, 2021 |
|---------------------------------------|---------------------------------|-------------------|-------------------------|-------------------------------|
| Not Depreciated: | | | | |
| Land | \$ 3,495,005 | \$ 79,010 | \$ - | \$ 3,574,015 |
| Construction in Progress | <u>86,935</u> | <u>399,542</u> | <u>-</u> | <u>486,477</u> |
| Total Not Depreciated | <u>3,581,940</u> | <u>478,552</u> | <u>-</u> | <u>4,060,492</u> |
| Other Capital Assets: | | | | |
| Buildings | 24,483,308 | 462,659 | - | 24,945,967 |
| Land Improvements | 5,193,647 | 145,080 | - | 5,338,727 |
| Furniture, Equipment and Vehicles | 3,951,190 | 130,362 | (132,952) | 3,948,600 |
| Computer System | 1,410,670 | 492,367 | - | 1,903,037 |
| Library Books | <u>644,144</u> | <u>22,324</u> | <u>-</u> | <u>666,468</u> |
| Total Depreciated | <u>35,682,959</u> | <u>1,252,792</u> | <u>(132,952)</u> | <u>36,802,799</u> |
| Less Accumulated Depreciation: | | | | |
| Buildings | 8,682,169 | 456,377 | - | 9,138,546 |
| Land Improvements | 1,897,255 | 260,892 | - | 2,158,147 |
| Furniture, Equipment and Vehicles | 2,038,658 | 315,867 | (132,952) | 2,221,573 |
| Computer System | 1,228,727 | 107,907 | - | 1,336,634 |
| Library Books | <u>331,657</u> | <u>35,912</u> | <u>-</u> | <u>367,569</u> |
| Total Accumulated Depreciation | <u>14,178,466</u> | <u>1,176,955</u> | <u>(132,952)</u> | <u>15,222,469</u> |
| Net Capital Assets | <u>\$ 25,086,433</u> | <u>\$ 554,389</u> | <u>\$ -</u> | <u>\$ 25,640,822</u> |

NOTE 7 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2022 was as follows:

| | Balance September 1, 2021 | Additions | Reductions | Balance August 31, 2022 | Current Portion |
|-----------------------------------|---------------------------------|----------------------|----------------------|-------------------------------|---------------------|
| Bonds | | | | | |
| Revenue bonds | \$ - | \$ 29,425,000 | \$ - | \$ 29,425,000 | \$ 710,000 |
| Unamortized bond premium | <u>-</u> | <u>4,529,916</u> | <u>(167,733)</u> | <u>4,362,183</u> | <u>297,647</u> |
| Subtotal | - | 33,954,916 | (167,733) | 33,787,183 | 1,007,647 |
| Compensated Absences | 500,360 | 80,471 | (88,878) | 491,953 | 40,000 |
| Net Pension Liability (Note 2, 9) | 5,531,062 | - | (2,971,902) | 2,559,160 | - |
| Net OPEB Liability (Note 2, 12) | <u>11,768,283</u> | <u>1,899,497</u> | <u>(306,603)</u> | <u>13,361,177</u> | <u>-</u> |
| Total Noncurrent Liabilities | <u>\$17,799,705</u> | <u>\$ 35,934,884</u> | <u>\$(3,535,116)</u> | <u>\$ 50,199,473</u> | <u>\$ 1,047,647</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – NONCURRENT LIABILITIES – CONTINUED

Noncurrent liability activity for the year ended August 31, 2021 was as follows:

| | Balance September 1, <u>2020</u> | <u>Additions</u> | <u>Reductions</u> | Balance August 31, <u>2021</u> | Current <u>Portion</u> |
|-----------------------------------|--|---------------------|----------------------|--------------------------------------|---------------------------|
| Compensated Absences | \$ 507,253 | \$ 76,462 | \$ (83,355) | \$ 500,360 | \$ 40,000 |
| Net Pension Liability (Note 2, 9) | 5,547,478 | 409,689 | (426,105) | 5,531,062 | - |
| Net OPEB Liability (Note 2, 12) | <u>13,142,398</u> | <u>929,005</u> | <u>(2,303,120)</u> | <u>11,768,283</u> | <u>-</u> |
| Total Noncurrent Liabilities | <u>\$19,197,129</u> | <u>\$ 1,415,156</u> | <u>\$(2,812,580)</u> | <u>\$17,799,705</u> | <u>\$ 40,000</u> |

NOTE 8 – BONDS PAYABLE

General information related to bonds payable is summarized below:

- Combined Fee Revenue Bonds, Series 2022. The bond issue was comprised of \$21,120,000 in serial bonds and \$8,305,000 in term bonds. Bonds were issued with a net premium of \$4,529,916. Final maturity dates for serial bonds and term bonds are April 15, 2042 and April 15, 2047, respectively.
- Proceeds from sale of the bonds will be used for the purpose of (i) acquiring, purchasing, constructing, improving, enlarging, equipping, operating and maintaining property, buildings, structure, activities, operations and facilities in the College, with first priority to be given to the acquisition, purchase, construction, and equipment of a nursing and health science building on the campus of the College.
- Issued February 9, 2022
- \$29,425,000, all authorized bonds have been issued.
- Interest rate is 4% and is payable April 15 and October 15 of each year commencing April 15, 2022 until maturity of prior redemption.
- Bonds are secured by a first lien on the pledged revenues consisting of (a) the pledged college fees, which include but are not limited to student service fees, course fees, building use fees, out-of-district fees, general service fees, registration fees, and revenue from auxiliary enterprises including residential life, the bookstore, and vending commissions; (b) the pledged tuition Fee, which includes 25% of the tuition charges collected from each enrolled student for each semester or term; (c) interest earnings, if any, on the general operating fund of the College; and (d) the revenues of any revenue-producing facilities acquired or constructed with bond proceeds.
- The payment of bonds is additionally secured by a debt service reserve fund that was funded with proceeds of bonds.
- Outstanding balance of the bonds payable as of August 31, 2022 was \$29,425,000. Unamortized bond premium balance as of August 31, 2022 was \$4,362,183 and amortization charged for the year ended August 31, 2022 was \$167,733.
- The College reserves the right, at its option, to redeem bonds having stated maturities on or after April 15, 2032, in whole or in part, on April 15, 2031 or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – BONDS PAYABLE – CONTINUED

- The term bonds are subject to mandatory sinking fund redemption pursuant to the terms of Bond Legislation. The mandatory redemption is to occur on April 15 in each of the years and amount shown below as redemption price equal to the principal of the bonds amount redeemed plus accrued interest. See table below for redemption dates and amounts.

**\$8,305,000 Term Bonds
Maturing April 15, 2047**

| Mandatory Redemption Date (April 15) | Principal Amount to be Redeemed (\$) |
|---|---|
| 2043 | 1,530,000 |
| 2044 | 1,595,000 |
| 2045 | 1,660,000 |
| 2046 | 1,725,000 |
| 2047 (maturity) | 1,795,000 |

The College is to maintain a reserve account equal to the maximum annual principal and interest requirements. The reserve balance as of August 31, 2022 is \$1,869,010 which meets the full reserve requirement.

The bond debt service requirements for the next five years and five years increments thereafter as of August 31, 2022 are as follows:

| Fiscal Year Ending August 31 | Principal | Interest | Total |
|------------------------------------|---------------|---------------|---------------|
| 2023 | \$ 710,000 | \$ 1,155,400 | \$ 1,865,400 |
| 2024 | 740,000 | 1,127,000 | 1,867,000 |
| 2025 | 765,000 | 1,097,400 | 1,862,400 |
| 2026 | 800,000 | 1,066,800 | 1,866,800 |
| 2027 | 830,000 | 1,034,800 | 1,864,800 |
| 2028-2032 | 4,680,000 | 4,648,000 | 9,328,000 |
| 2033-2037 | 5,690,000 | 3,634,600 | 9,324,600 |
| 2038-2042 | 6,905,000 | 2,423,200 | 9,328,200 |
| 2043-2047 | 8,305,000 | 1,023,000 | 9,328,000 |
| Total | \$ 29,425,000 | \$ 17,210,200 | \$ 46,635,200 |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – BONDS PAYABLE – CONTINUED

Bond premium is deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported as net of bond premium or discount. Bond issuance costs are reported as expenses in the current period.

Future amortization of the bond premium for the next five years and five years increments thereafter as of August 31, 2022 are as follows:

| <u>Fiscal Year</u> <u>Ending August 31</u> | <u>Bond Premium</u> <u>Amortization</u> |
|---|--|
| 2023 | \$ 297,647 |
| 2024 | 290,146 |
| 2025 | 282,352 |
| 2026 | 274,260 |
| 2027 | 265,822 |
| 2028-2032 | 1,190,278 |
| 2033-2037 | 922,844 |
| 2038-2042 | 605,234 |
| 2043-2047 | 233,600 |
| | <u>\$ 4,362,183</u> |

NOTE 9 – EMPLOYEE RETIREMENT PLANS

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas.

Teacher Retirement System of Texas

Plan Description. The College participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). The TRS’s defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension’s Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately-issued Annual Financial report that includes financial statements and required supplementary information. That report is available at <https://www.trs.texas.gov/Pages/aboutpublications.aspx> (select About TRS, Publications, Financial Reports) or write to TRS at 1000 Red River Street, Austin, Texas, 78701-2698 or by calling (512) 542-6592.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Benefits provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using a 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member’s age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member’s age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System’s actuary.

Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

| | Contribution Rates | |
|---|---------------------------|------------|
| | 2022 | 2021 |
| Member | 8.00% | 7.7% |
| Non – employer contributing entity (State) | 7.75% | 7.5% |
| Employers | 7.75% | 7.5% |
| Fiscal year 2021 College contributions | | \$ 428,844 |
| Fiscal year 2021 State of Texas on-behalf contributions | | \$ 323,828 |
| Fiscal year 2021 Member contributions | | \$ 773,284 |

The College’s contributions to the TRS pension plan in 2022 were \$459,759 as reported in the Schedule of College’s Contributions for Pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2022 were \$341,225.

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

| | |
|--|--|
| Valuation date | August 31, 2020 rolled forward to August 31, 2021 |
| Actuarial cost method | Individual Entry Age Normal |
| Asset valuation method | Fair Value |
| Single discount rate | 7.25% |
| Long-term expected investment rate of return | 7.25% |
| Municipal bond rate as of August 31, 2021 | 1.95%* |
| Last year ending August 31 in projection period (100 years) | 2120 |
| Inflation | 2.30% |
| Salary increases including inflation | 3.05% to 9.05% |
| Benefit changes during the year | None |
| Ad hoc post-employment benefit changes | None |

* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The board of trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used on the actuarial valuation as of August 31, 2020, except as disclosed.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Discount Rate. The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Best estimates of geometric real rates of return for each major asset class included in the system’s target asset allocation as of August 31, 2021, are summarized below:

| Asset Class* | Target Allocation %** | Long-Term Expected Geometric Real Rate of Return*** | Expected Contribution to Long-Term Portfolio Returns |
|--|-----------------------|---|--|
| Global Equity | | | |
| USA | 18.0 % | 3.6 % | 0.94 % |
| Non-US Developed | 13.0 | 4.4 | 0.83 |
| Emerging Markets | 9.0 | 4.6 | 0.74 |
| Private Equity | 14.0 | 6.3 | 1.36 |
| Stable Value | | | |
| Government Bonds | 16.0 % | (0.2)% | 0.01 % |
| Absolute Return | 0.0 | 1.1 | 0.00 |
| Stable Value Hedge Funds | 5.0 | 2.2 | 0.12 |
| Real Return | | | |
| Real Estate | 15.0 % | 4.5 % | 1.00 % |
| Energy, Natural Resources & Infrastructure | 6.0 | 4.7 | 0.35 |
| Commodities | 0.0 | 1.7 | 0.00 |
| Risk Parity | 8.0 % | 2.8 % | 0.28 % |
| Asset Allocation Leverage | | | |
| Cash | 2.0 % | (0.7)% | (0.01) % |
| Asset Allocation Leverage | (6.0) | (0.5) | 0.03 |
| Inflation Expectation | | | 2.20 % |
| Volatility Drag**** | | | (0.95) % |
| Expected Return | 100.0 % | | 6.90 % |
| *Absolute Return includes Credit Sensitive Investments. | | | |
| **Target allocations are based on the FY2021 policy model. | | | |
| ***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021). | | | |
| ****The volatility drag results from the conversion between arithmetic and geometric mean returns. | | | |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the net pension liability.

| | <u>6.25%</u> <u>Discount Rate</u> | <u>7.25%</u> <u>Discount Rate</u> | <u>8.25%</u> <u>Discount Rate</u> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| College’s proportionate share of the net pension liability | \$ 5,592,170 | \$ 2,559,160 | \$ 98,468 |

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2022, the College reported a liability of \$2,559,160 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

| | |
|---|-------------------------|
| College’s proportionate share of the collective net pension liability | \$ 2,559,160 |
| State’s proportionate share that is associated with College | <u>1,932,466</u> |
| Total | <u>\$ 4,491,626</u> |

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net pension liability was based on the employer’s contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020, through August 31, 2021.

At the measurement date of August 31, 2021 the employer’s proportion of the collective net pension liability was 0.0001005% which was a decrease of 0.0000028% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

- None major noted since the prior measurement date.

For the year ended August 31, 2022, the College recognized pension expense of \$7,726 and revenue of \$7,726 for support provided by the State.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

At August 31, 2022, the College reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual economic experience | \$ 4,283 | \$ 180,167 |
| Changes in actuarial assumptions | 904,613 | 394,334 |
| Difference between projected and actual investment earnings | - | 2,145,823 |
| Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions | 144,718 | 276,238 |
| Contributions paid to TRS subsequent to the measurement date | <u>459,759</u> | <u>-</u> |
| Total | <u>\$ 1,513,373</u> | <u>\$ 2,996,562</u> |

The net amounts of the employer’s balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending August 31,</u> | |
|-----------------------------------|---------------------------|
| 2023 | \$ (344,196) |
| 2024 | (351,334) |
| 2025 | (518,058) |
| 2026 | (673,223) |
| 2027 | (44,869) |
| Thereafter | <u>(11,268)</u> |
| Total | \$ <u>(1,942,948)</u> |

Optional Retirement Plan

Plan Description. The State has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program (ORP) is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Optional Retirement Plan - Continued

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. In 2022, 2021, and 2020 the percentages of participant salaries contributed by the State and each participant were 6.6% and 6.65%, respectively of annual compensation. In addition, for fiscal years 2022, 2021 and 2020, the College contributed 1.9% of annual compensation for each participant hired on or before September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. SB 1812, effective September 1, 2013, passed by the 83rd Texas Legislature, limits the amount of the state’s contribution to 50 percent of eligible employees in the reporting district.

Retirement expense. ORP expense to the State for the College, representing the portion of expended appropriations made by the State Legislature on behalf of the College, was \$59,702, \$61,957 and \$61,227 for the fiscal years ended August 31, 2022, 2021 and 2020, respectively.

The total payroll for all College employees was \$13,098,848, \$12,772,416 and \$12,720,937 for the fiscal years ended August 31, 2022, 2021 and 2020, respectively. The total payroll of employees covered by ORP was \$1,882,741, \$1,927,527 and \$1,892,077 for fiscal years August 31, 2022, 2021 and 2020, respectively. The total payroll of employees covered by TRS was \$10,335,278, \$10,042,641 and \$10,004,906 for fiscal years August 31, 2022, 2021 and 2020, respectively.

NOTE 10 – DEFERRED COMPENSATION PROGRAM

The College’s employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code Section 609.001. The plan is essentially an unfunded promise to pay by the employer to each of the plan participants. As of August 31, 2022, the College had 25 employees participating in the program and a total of \$159,709 in contributions was invested in the plan during the fiscal year. As of August 31, 2021, the College had 31 employees participating in the program and a total of \$231,782 in contributions was invested in the plan during the fiscal year.

NOTE 11 – HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State’s maximum contribution per full-time employee was \$625 per month for fiscal years 2022 and 2021. The State’s maximum contribution for dependent coverage was \$1,222 per month for fiscal years 2022 and 2021. The table below depicts the cost of providing health care benefits to the College's retired and active employees, and the amount appropriated to the College from the State of Texas. Beginning September 1, 2013, SB 1812 limited the state's contribution to 50% of eligible employees for community colleges.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – HEALTH CARE AND LIFE INSURANCE BENEFITS – CONTINUED

| | 2022 | 2021 |
|--|--------------|--------------|
| Number of retirees | 75 | 72 |
| Cost of health benefits for retirees | \$ 606,960 | \$ 582,899 |
| Number of active full time employees | 167 | 165 |
| Cost of health benefits for active full time employees | \$ 1,449,884 | \$ 1,491,837 |
| State appropriation for health insurance | \$ 920,285 | \$ 943,625 |

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description. The College participates in a cost-sharing multiple-employer other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position. Detailed information about the GBP’s fiduciary net position is available in the separately issued ERS Annual Financial Report that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained by visiting <https://ers.texas.gov/about-ers/reports-and-studies/reports-on-overall-ers-operations-and-financial-management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided. Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions. Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

The following table summarizes the maximum monthly employer contribution toward eligible retirees’ health and basic life premium, which is based on a blended rate. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

**Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2021**

| | |
|--------------------|-------------|
| Retiree only | \$ 624.82 |
| Retiree & Spouse | \$ 1,339.90 |
| Retiree & Children | \$ 1,103.58 |
| Retiree & Family | \$ 1,818.66 |

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

**Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2022 and 2021**

| | 2022 | 2021 |
|--|--------------|--------------|
| Employers | \$ 1,119,342 | \$ 1,070,595 |
| Members (Employees) | \$ 279,053 | \$ 294,968 |
| Non-Employer Contributing Entity (State) | \$ 943,625 | \$ 943,625 |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|---|
| Valuation date | August 31, 2021 |
| Actuarial cost method | Entry age |
| Amortization method | Level percent of payroll, open |
| Remaining amortization period | 30 years |
| Asset valuation method | Not applicable because the plan operates on pay-as-you-go basis |
| Discount rate | 2.14% |
| Projected annual salary increase | 2.30% to 9.05% including inflation |
| Annual healthcare trend rate | <u>HealthSelect</u> 5.25% for FY2023, 5.15% for FY2024, 5.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years |
| | <u>HealthSelect Medicare Advantage</u> 0.00% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years |
| | <u>Pharmacy</u> 10.00% for FY2023 and FY2024, decreasing 100 basis points per year to 5.00% for FY2029 and 4.30% for FY2030 and later years |
| Inflation assumption rate | 2.30% |
| Adhoc postemployment benefits changes | None |
| Mortality assumptions: | |
| Service retirees, survivors and other inactive members | Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018. |
| Disability retiree | Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members |
| Active members | Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014. |

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2017 for higher education members.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

Investment Policy. The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System’s Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate. Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%, which amounted to a decrease of 0.06%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds’ average credit quality is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp’s AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis. The following schedule shows the impact on the College’s proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used in measuring the net OPEB Liability.

| | <u>1.14%</u> <u>Discount Rate</u> | <u>2.14%</u> <u>Discount Rate</u> | <u>3.14%</u> <u>Discount Rate</u> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| College’s proportionate share of the net OPEB liability (in thousands) | \$15,914 | \$13,361 | \$11,364 |

Health Care Trend Rate Sensitivity Analysis The initial healthcare trend rate is 5.25% for HealthSelect, 0.00% for HealthSelect Medicare Advantage and 10% for Pharmacy and the ultimate rate is 4.30% for all. The following schedule shows the impact on the College’s proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB liability.

| | 1% Decrease (HealthSelect: 4.25% decreasing to 3.30%; HealthSelect Medicare Advantage: -1.00% increasing to 3.30%; Pharmacy: 9.00% decreasing to 3.30%) | Current Healthcare Cost Trend Rates (HealthSelect: 5.25% decreasing to 4.30%; HealthSelect Medicare Advantage: 0.00% increasing to 4.30%; Pharmacy: 10.00% decreasing to 4.30%) | 1% Increase (HealthSelect: 6.25% decreasing to 5.30%; HealthSelect Medicare Advantage: 1.00% increasing to 5.30%; Pharmacy: 11.00% decreasing to 5.30%) |
|--|--|---|--|
| College’s proportionate share of the net OPEB liability (in thousands) | \$11,188 | \$13,361 | \$16,208 |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – CONTINUED

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2022, the College reported a liability of \$13,361,177 for its proportionate share of the ERS’s net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

| | |
|--|----------------------|
| College’s proportionate share of the collective net OPEB liability | \$ 13,361,177 |
| State’s proportionate share that is associated with College | <u>11,263,707</u> |
| Total | <u>\$ 24,624,884</u> |

The net OPEB liability was measured as of August 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net OPEB liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020, through August 31, 2021.

At the measurement date of August 31, 2021, the employer’s proportion of the collective net OPEB liability was 0.03724318% which was an increase of 0.00162988% from its proportion measured as of August 31, 2020.

For the year ended August 31, 2022, the College recognized a reversal in OPEB expense of \$137,427 and revenue of \$137,427 for OPEB support provided by the State.

Changes Since the Prior Actuarial Valuation. The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to be married and electing coverage for their spouse.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- The percentage of Higher Education vested terminated members assumed to have terminate less than one year before the valuation date.
- Assumed Per Capita Health Benefit Costs and assumed Health Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on short-term expectations.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute Fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.
- The discount rate assumption was changed from 2.20% as of August 31, 2020 to 2.14% as of August 31, 2021 as a result of requirements by GASB 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – CONTINUED

Changes of Benefit Terms Since Prior Measurement Date. The following benefit revisions have been adopted since the prior valuation:

- Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

At August 31, 2022, the College reported its proportionate share of the ERS plan’s collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual economic experience | \$ - | \$ 327,735 |
| Changes in actuarial assumptions | 914,759 | 1,488,136 |
| Difference between projected and actual investment earnings | 2,366 | - |
| Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions | 1,583,264 | 669,569 |
| Contributions paid to ERS subsequent to the measurement date | <u>191,467</u> | <u>-</u> |
| Total | <u>\$ 2,691,856</u> | <u>\$ 2,485,440</u> |

The net amounts of the employer’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending August 31,</u> | |
|-----------------------------------|------------------|
| 2023 | \$ (95,176) |
| 2024 | 114,395 |
| 2025 | (111,550) |
| 2026 | (7,874) |
| 2027 | <u>115,154</u> |
| Total | <u>\$ 14,949</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – COMPENSATED ABSENCES

The College has three ways in which compensated absences can be earned.

Sick Leave

All full-time employees earn sick leave at the rate of one day per month. Sick leave can accumulate to a maximum of 60 days for the purpose of carry-over from year to year. Unused accrued sick leave is forfeited upon termination of employment with the College with one exception. Sick leave which was accrued prior to September 1, 1989, is compensated at the rate of one-half the accrued amount up to a maximum of 60 days based on the employee's salary at separation of service. The College's policy is to recognize sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

Vacation

Classified and administrative full-time employees are eligible for vacation benefits at a rate of one day per full month of employment; and may accrue and carry forward from one year to the next a maximum of 30 vacation days. Upon termination of employment, not more than 30 vacation days shall be compensated. The College has recognized an accrued liability for unpaid vacation leave in the amount of \$491,953 and \$500,360 as of August 31, 2022 and 2021, respectively. Faculty employees are not eligible to earn vacation benefits.

Compensatory Time

For nonexempt employees, it is the policy of the College to compensate overtime hours worked with compensatory time calculated at the rate of 1.5 times for each hour worked over 40 hours per week. All compensatory hours should be used by the end of the month following that in which it was earned; however, a maximum of 40 hours may be accrued and carried forward from year to year. The liability is not shown in the financial statements since experience indicates the expenditure of compensatory time to be minimal.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – PROPERTY TAX

The College’s ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real, business/land personal property located in the tax area of the College. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

| | | |
|--|-------------------------|------------------------|
| At August 31: | <u>2022</u> | <u>2021</u> |
| Certified Taxable Valuation of the College | \$10,019,296,512 | \$8,558,749,872 |
| Adjustments | <u>481,392,769</u> | <u>347,729,304</u> |
| Net Assessed Valuation of the College | <u>\$10,500,689,281</u> | <u>\$8,906,479,176</u> |
| | | |
| | <u>2022</u> | |
| | <u>Current</u> | <u>Debt</u> |
| | <u>Operations</u> | <u>Service</u> |
| Authorized Tax rate per \$100 Valuation | \$.270000 | - |
| Assessed Tax rate per \$100 Valuation | \$.146188 | - |
| | <u>\$.270000</u> | <u>\$.146188</u> |
| | | |
| | <u>2021</u> | |
| | <u>Current</u> | <u>Debt</u> |
| | <u>Operations</u> | <u>Service</u> |
| Authorized Tax rate per \$100 Valuation | \$.270000 | - |
| Assessed Tax rate per \$100 Valuation | \$.159188 | - |
| | <u>\$.270000</u> | <u>\$.159188</u> |

Taxes levied for the years ended August 31, 2022 and 2021, based on certified rolls, as reported by the taxing authorities amounted to \$15,357,096 and \$14,183,392, respectively. Galveston County Tax Assessor and Collector is the collecting agency for the levy and remits collections to the College, net of a collection fee.

Tax collections for the years ended August 31, 2022 and 2021 were as follows:

| | | |
|----------------------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> |
| Current Taxes Collected | \$ 14,974,618 | \$ 13,743,738 |
| Delinquent Taxes Collected | 253,445 | 380,309 |
| Penalties and Interest Collected | <u>180,744</u> | <u>210,836</u> |
| Total Collections | <u>\$ 15,408,807</u> | <u>\$ 14,334,883</u> |

Tax collections for the years ended August 31, 2022 and 2021 were 97.51% and 96.90%, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking fund expenditures.

Property taxes are an imposed non-exchange revenue. Assets from non-exchange transactions are recorded with the entity has an enforceable legal claim to the asset or when the entity receives the resources, whichever comes first. The enforceable legal claim date is the assessment date. Accordingly, the College has recognized all assessed taxes in the current year and has recorded a receivable for uncollected taxes.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – CONTRACT AND GRANT AWARD

Contract and grant awards are accounted for in accordance with accounting principles generally accepted in the United States of America. Contract and grant awards are recognized as revenues as funds are actually expended. For contracts and grant awards, funds expended but not collected are reported as receivables. Funds received but not expended during the reporting period are deferred until earned. As of August 31, 2022 and 2021, \$382,931 and \$944,346, respectively, of grant funds have been received in advance.

NOTE 16 – DESIGNATED UNRESTRICTED NET POSITION

In fiscal year 2011, the Board approved \$5,128,890 of unrestricted net position to be designated in the event of a natural disaster.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Federal and State of Texas Assisted Programs

The College participates in a number of federal and State of Texas assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the College's compliance with applicable grant requirements will be finally determined at some future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

NOTE 18 – GALVESTON COLLEGE FOUNDATION AND RELATED PARTY TRANSACTIONS

The Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College.

The Foundation remitted \$341,944 and \$260,242 to the College for scholarship awards during the years ended August 31, 2022 and 2021, respectively. The Foundation did not fund any grant programs in 2022 and 2021.

During the years ended August 31, 2022 and 2021, the College provided office space and staff assistance to the Foundation at no cost. The College's management estimates the value of the salary, benefits, and operational expense provided to the Foundation to be \$67,915 and \$52,230 for fiscal years 2022 and 2021, respectively.

REQUIRED SUPPLEMENTARY SCHEDULES

a beacon of light guiding lifelong learning

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS**
(Unaudited)

| <u>For the years ended August 31*</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| College's proportionate share of collective net pension liability | 0.0100491% | 0.0103272% | 0.0106717% | 0.0099487% | 0.0102763% | 0.0104586% | 0.0103144% | 0.0117839% |
| College's proportionate share of collective net pension liability | \$ 2,559,160 | \$ 5,531,062 | \$ 5,547,478 | \$ 5,475,997 | \$ 3,285,796 | \$ 3,952,159 | \$ 3,646,003 | \$ 3,147,643 |
| State's proportionate share of net pension liability associated with College | <u>1,932,466</u> | <u>4,190,817</u> | <u>3,967,963</u> | <u>3,979,071</u> | <u>2,073,938</u> | <u>2,466,383</u> | <u>2,388,048</u> | <u>2,061,454</u> |
| Total | <u>4,491,626</u> | <u>9,721,879</u> | <u>9,515,441</u> | <u>9,455,068</u> | <u>5,359,734</u> | <u>6,418,542</u> | <u>6,034,051</u> | <u>5,209,097</u> |
| College's covered payroll | <u>\$ 10,042,641</u> | <u>\$ 10,004,906</u> | <u>\$ 9,546,366</u> | <u>\$ 8,576,788</u> | <u>\$ 8,069,445</u> | <u>\$ 7,880,598</u> | <u>\$ 7,415,939</u> | <u>\$ 7,235,080</u> |
| College's proportionate share of collective net pension liability as a percentage of covered payroll | 25.48% | 55.28% | 58.11% | 63.85% | 40.72% | 50.15% | 49.16% | 43.51% |
| Plan fiduciary net position as percentage of the total pension liability | 88.79% | 75.54% | 75.24% | 73.74% | 82.17% | 78.00% | 78.43% | 83.25% |

* The amounts presented above are as of the measurement date of the collective net pension liability

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GALVESTON COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF COLLEGE'S CONTRIBUTIONS FOR PENSIONS
 LAST TEN FISCAL YEARS**
 (Unaudited)

| For the years ended August 31* | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Legally required contributions | \$ 459,759 | \$ 428,844 | \$ 426,105 | \$ 373,127 | \$ 334,968 | \$ 336,796 | \$ 332,513 | \$ 305,714 |
| Actual contributions | <u>(459,759)</u> | <u>(428,844)</u> | <u>(426,105)</u> | <u>(373,127)</u> | <u>(334,968)</u> | <u>(336,796)</u> | <u>(332,513)</u> | <u>(305,714)</u> |
| Contributions deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| College's covered payroll amount | <u>\$ 10,335,278</u> | <u>\$ 10,042,641</u> | <u>\$ 10,004,906</u> | <u>\$ 9,546,336</u> | <u>\$ 8,576,788</u> | <u>\$ 8,069,445</u> | <u>\$ 7,880,598</u> | <u>\$ 7,415,939</u> |
| Contributions as a percentage of covered payroll | 4.45% | 4.27% | 4.26% | 3.91% | 3.91% | 4.17% | 4.22% | 4.12% |

* The amounts presented above are as of the College's most recent fiscal year-end.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES FOR PENSIONS
FOR THE YEAR ENDED AUGUST 31, 2022

NOTE 1 - CHANGES OF BENEFIT TERMS INCLUDE:

There were no changes in benefit terms for the fiscal year ended August 31, 2022.

NOTE 2 - CHANGES OF ASSUMPTIONS:

There were no material changes to assumptions for the fiscal year ended August 31, 2022.

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
EMPLOYEE RETIREMENT SYSTEM OF TEXAS
STATE RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS**
(Unaudited)

| For the year ended August 31 * | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| College's proportion of collective net OPEB liability | 0.03724318% | 0.03561330% | 0.03802483% | 0.03727228% | 0.02926327% |
| College's proportionate share of collective net OPEB liability | \$ 13,361,177 | \$ 11,768,283 | \$ 13,142,398 | \$ 11,046,663 | \$ 9,970,878 |
| State's proportionate share of net OPEB liability associated with College | <u>11,263,707</u> | <u>10,372,590</u> | <u>10,342,591</u> | <u>8,714,666</u> | <u>9,948,492</u> |
| Total | <u>24,624,884</u> | <u>22,140,873</u> | <u>23,484,989</u> | <u>19,761,329</u> | <u>19,919,370</u> |
| College's covered-employee payroll | \$ <u>11,871,132</u> | \$ <u>11,785,731</u> | \$ <u>11,398,722</u> | \$ <u>10,505,500</u> | \$ <u>10,018,381</u> |
| College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll | 112.55% | 99.85% | 115.30% | 105.15% | 99.53% |
| Plan fiduciary net position as percentage of the total OPEB liability | 0.38% | 0.32% | 0.17% | 1.27% | 2.04% |

* The amounts presented above are as of the measurement date of the collective net OPEB liability.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF COLLEGE'S CONTRIBUTIONS FOR OPEB
EMPLOYEE RETIREMENT SYSTEM OF TEXAS
STATE RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS**
(Unaudited)

| For the year ended August 31* | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Legally required contributions | \$ 1,026,233 | \$ 1,119,322 | \$ 980,737 | \$ 1,126,497 | \$ 1,087,352 |
| Actual contributions | <u>(1,026,233)</u> | <u>(1,119,322)</u> | <u>(980,737)</u> | <u>(1,126,497)</u> | <u>(1,087,352)</u> |
| Contributions deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| College's covered-employee payroll amount | <u>\$ 12,129,971</u> | <u>\$ 11,871,132</u> | <u>\$ 11,785,731</u> | <u>\$ 12,386,235</u> | <u>\$ 10,505,500</u> |
| Contributions as a percentage of covered-employee payroll | 8.46% | 9.43% | 8.32% | 9.09% | 10.35% |

* The amounts presented above are as of the College's most recent fiscal year-end.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GALVESTON COMMUNITY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES FOR OPEB
FOR THE YEAR ENDED AUGUST 31, 2022

NOTE 1 - CHANGES OF BENEFIT TERMS INCLUDE:

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs fiscal year 2021, are provided for in the fiscal year 2021 Assumed Per Capita Health Benefit Costs. There were no benefit changes for HealthSelect retirees and the dependents for whom Medicare is primary.

NOTE 2 - CHANGES OF ASSUMPTIONS:

The following assumptions have been updated since the previous valuation to reflect plan experience and expected trends.

Demographic Assumptions

- Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumed rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. These new assumptions were adopted to reflect experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.

Economic Assumptions

- Assumed per capita health benefit costs, and health benefit costs and retiree contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the Affordable Care Act have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- The discount rate was changed from 2.97% to 2.20% as a result of requirements by GASB 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

SUPPLEMENTARY SCHEDULES

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GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

Schedule A

| | Unrestricted | Restricted | Total Educational Activity | Auxiliary Enterprises | 2022 Total | 2021 Total |
|---|---------------------|---------------------|----------------------------------|--------------------------|----------------------|---------------------|
| Tuition: | | | | | | |
| State Funded Credit Courses: | | | | | | |
| In-District Resident Tuition | \$ 1,860,726 | \$ - | \$ 1,860,726 | \$ - | \$ 1,860,726 | \$ 1,997,970 |
| TPEG - Credit (set aside) * | 122,393 | - | 122,393 | - | 122,393 | 131,801 |
| Non-Resident Tuition | 242,051 | - | 242,051 | - | 242,051 | 280,611 |
| Non-State Funded Educational Programs | 31,487 | - | 31,487 | - | 31,487 | 30,928 |
| Total Tuition | 2,256,657 | - | 2,256,657 | - | 2,256,657 | 2,441,310 |
| Fees: | | | | | | |
| Student Service Fee | - | - | - | 58,036 | 58,036 | 65,967 |
| Course Fees | 699,309 | - | 699,309 | - | 699,309 | 830,445 |
| Building Use Fee | 1,054,939 | - | 1,054,939 | - | 1,054,939 | 1,146,859 |
| Out of District Fee | 433,100 | - | 433,100 | - | 433,100 | 467,480 |
| General Service Fee | 240,139 | - | 240,139 | - | 240,139 | 267,146 |
| Registration Fee | 145,533 | - | 145,533 | - | 145,533 | 162,360 |
| Total Fees | 2,573,020 | - | 2,573,020 | 58,036 | 2,631,056 | 2,940,257 |
| Scholarship Allowances and Discounts: | | | | | | |
| Scholarship Allowances | (755,048) | - | (755,048) | (7,178) | (762,226) | (693,481) |
| Remissions and Exemptions - State | (334,753) | - | (334,753) | - | (334,753) | (428,311) |
| Title IV Federal Grants to Students | (1,463,006) | - | (1,463,006) | (19,295) | (1,482,301) | (1,551,487) |
| Total Scholarship Allowances and Discounts | (2,552,807) | - | (2,552,807) | (26,473) | (2,579,280) | (2,673,279) |
| Total Net Tuition and Fees | 2,276,870 | - | 2,276,870 | 31,563 | 2,308,433 | 2,708,288 |
| Additional Operating Revenues: | | | | | | |
| Federal Grants and Contracts | - | 7,131,994 | 7,131,994 | - | 7,131,994 | 3,255,489 |
| State Grants and Contracts | - | 446,633 | 446,633 | - | 446,633 | 367,738 |
| Private Grants and Scholarships | - | 751,856 | 751,856 | - | 751,856 | 701,782 |
| Other Operating Revenues | 225,090 | - | 225,090 | - | 225,090 | 223,278 |
| Total Additional Operating Revenues | 225,090 | 8,330,483 | 8,555,573 | - | 8,555,573 | 4,548,287 |
| Auxiliary Enterprises: | | | | | | |
| Residential Life | - | - | - | 749,574 | 749,574 | 672,485 |
| Less Scholarship Allowances and Discounts | - | - | - | (362,622) | (362,622) | (272,309) |
| Bookstore Commissions | - | - | - | 44,069 | 44,069 | 37,135 |
| Vending Commissions | - | - | - | 6,350 | 6,350 | 3,528 |
| Other Auxiliary Revenue | - | - | - | 144,307 | 144,307 | 121,019 |
| Total Auxiliary Enterprises | - | - | - | 581,678 | 581,678 | 561,858 |
| Total Operating Revenues | \$ 2,501,960 | \$ 8,330,483 | \$ 10,832,443 | \$ 613,241 | \$ 11,445,684 | \$ 7,818,433 |
| | | | | (Exhibit 2) | (Exhibit 2) | |

* In accordance with Education Code §56.003, \$122,393 and \$131,801 for years August 31, 2022 and 2021, respectively, of tuition was set aside for Texas Public Education Grants (TPEG)

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF OPERATING EXPENSES BY OBJECT
FOR THE YEAR ENDED AUGUST 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

Schedule B

| | Operating Expenses | | | | 2022 Total | 2021 Total |
|---|-----------------------|-------------------|---------------------|----------------------|-------------------------------------|-------------------------------------|
| | Salaries and Wages | Benefits | | Other Expenses | | |
| | | State | Local | | | |
| Unrestricted - Educational Activities: | | | | | | |
| Instruction | \$ 6,106,175 | \$ - | \$ 1,145,511 | \$ 680,904 | \$ 7,932,590 | \$ 8,183,211 |
| Public Service | - | - | - | 1,394 | 1,394 | 4,434 |
| Academic Support | 1,283,159 | - | 254,207 | 203,001 | 1,740,367 | 1,774,462 |
| Student Services | 1,560,836 | - | 328,387 | 796,382 | 2,685,605 | 2,462,216 |
| Institutional Support | 2,447,995 | - | 450,856 | 2,296,853 | 5,195,704 | 4,987,812 |
| Operation and Maintenance of Plant | 536,318 | - | 225,406 | 2,479,407 | 3,241,131 | 2,743,768 |
| Total Unrestricted Educational Activities | <u>11,934,483</u> | <u>-</u> | <u>2,404,367</u> | <u>6,457,941</u> | <u>20,796,791</u> | <u>20,155,903</u> |
| Restricted - Educational Activities: | | | | | | |
| Instruction | 503,548 | 427,867 | 136,013 | 743,160 | 1,810,588 | 1,642,350 |
| Academic Support | - | 97,794 | - | - | 97,794 | 136,632 |
| Student Services | 496,941 | 138,319 | 155,522 | 658,787 | 1,449,569 | 1,030,692 |
| Institutional Support | 33,600 | 55,746 | 2,570 | 163,581 | 255,497 | 428,087 |
| Operation and Maintenance of Plant | - | - | - | 367,146 | 367,146 | - |
| Scholarships and Fellowships | - | - | - | 4,859,126 | 4,859,126 | 2,862,901 |
| Total Restricted Educational Activities | <u>1,034,089</u> | <u>719,726</u> | <u>294,105</u> | <u>6,791,800</u> | <u>8,839,720</u> | <u>6,100,662</u> |
| Total Educational Activities | <u>12,968,572</u> | <u>719,726</u> | <u>2,698,472</u> | <u>13,249,741</u> | <u>29,636,511</u> | <u>26,256,565</u> |
| Auxiliary Enterprises | <u>191,274</u> | <u>-</u> | <u>64,735</u> | <u>941,370</u> | <u>1,197,379</u> | <u>1,009,202</u> |
| Depreciation Expense - Buildings and Other Real Estate Improvements | - | - | - | 733,013 | 733,013 | 717,268 |
| Depreciation Expense - Equipment, Furniture and Library Books | - | - | - | 567,861 | 567,861 | 459,687 |
| Total Operating Expenses | <u>\$ 13,159,846</u> | <u>\$ 719,726</u> | <u>\$ 2,763,207</u> | <u>\$ 15,491,985</u> | <u>\$ 32,134,764</u> (Exhibit 2) | <u>\$ 28,442,722</u> (Exhibit 2) |

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

Schedule C

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Auxiliary Enterprises</u> | <u>2022 Total</u> | <u>2021 Total</u> |
|--|----------------------|---------------------|----------------------------------|-------------------------------------|-------------------------------------|
| Non-Operating Revenues: | | | | | |
| State Appropriations: | | | | | |
| Education and General State Support | \$ 4,799,146 | \$ - | \$ - | \$ 4,799,146 | \$ 4,609,371 |
| State Group Insurance | - | 920,285 | - | 920,285 | 943,625 |
| State Retirement Match | - | (69,409) | - | (69,409) | 444,265 |
| | <u>4,799,146</u> | <u>850,876</u> | <u>-</u> | <u>5,650,022</u> | <u>5,997,261</u> |
| Total State Appropriations | | | | | |
| Property Taxes | 15,457,871 | - | - | 15,457,871 | 14,448,842 |
| Federal Student Assistance (Title IV Grants) | - | 3,647,025 | - | 3,647,025 | 3,600,353 |
| Investment Income | 315,702 | - | - | 315,702 | 35,344 |
| | <u>15,773,573</u> | <u>3,647,025</u> | <u>-</u> | <u>19,420,598</u> | <u>18,084,539</u> |
| Total Non-Operating Revenues | | | | | |
| Non-Operating Expenses: | | | | | |
| Interest on Capital-Related Debt | 477,366 | - | - | 477,366 | - |
| Debt Issuance Cost | 282,769 | - | - | 282,769 | - |
| Loss on Disposal of Capital Assets | 250,850 | - | - | 250,850 | - |
| | <u>1,010,985</u> | <u>-</u> | <u>-</u> | <u>1,010,985</u> | <u>-</u> |
| Total Non-Operating Expenses | | | | | |
| NET NON-OPERATING REVENUES | <u>\$ 19,561,734</u> | <u>\$ 4,497,901</u> | <u>\$ -</u> | <u>\$ 24,059,635</u> (Exhibit 2) | <u>\$ 24,081,800</u> (Exhibit 2) |

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
FOR THE YEAR ENDED AUGUST 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

Schedule D

| | Detail by Source | | | | | Available for Current Operations | |
|-------------------------------------|------------------|--------------|----------------|---|--------------|----------------------------------|--------------|
| | Unrestricted | Restricted | | Capital Assets Net of Depreciation & Related Debt | Total | Yes | No |
| | | Expendable | Non-Expendable | | | | |
| Current: | | | | | | | |
| Unrestricted | \$ 6,878,885 | \$ - | \$ - | \$ - | \$ 6,878,885 | \$ 6,878,885 | \$ - |
| Auxiliary | 637,226 | - | - | - | 637,226 | 637,226 | - |
| Scholarships | - | 216,320 | - | - | 216,320 | 216,320 | - |
| Plant: | | | | | | | |
| Unexpended | 1,277,176 | - | - | - | 1,277,176 | 1,277,176 | - |
| Debt Service | - | 1,865,400 | - | - | 1,865,400 | - | 1,865,400 |
| Investment in Plant | - | - | - | 25,886,546 | 25,886,546 | - | 25,886,546 |
| Total Net Position, August 31, 2022 | 8,793,287 | 2,081,720 | - | 25,886,546 | 36,761,553 | 9,009,607 | 27,751,946 |
| Total Net Position, August 31, 2021 | 7,512,593 | 237,583 | - | 25,640,822 | 33,390,998 | 7,750,176 | 25,640,822 |
| Net Increase in Net Position | \$ 1,280,694 | \$ 1,844,137 | \$ - | \$ 245,724 | \$ 3,370,555 | \$ 1,259,431 | \$ 2,111,124 |

(Exhibit 2)

SINGLE AUDIT REPORTS
AND REQUIRED SUPPLEMENTAL SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Regents
Galveston Community College District
Galveston, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Galveston Community College District (the College) as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 22, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on Texas Public Funds Investment Act

We also performed tests of the College's compliance with the requirements of the Texas Public Funds Investment Act (the Act). The results of our tests disclosed no instances of noncompliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and accordingly, we do not express an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
December 22, 2022



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Regents
Galveston Community College District
Galveston, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Galveston Community College District's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended August 31, 2022. The College's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
December 22, 2022

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022

Schedule E

| Federal Grantor/Pass-Through Grantor/ Program Title | Assistance Listing Number | Pass-Through Grantor's Number | Expenditures and Pass-Through Disbursements | Expenditures to Subrecipients |
|---|---------------------------------|-------------------------------------|--|-------------------------------------|
| U.S. Department of Education | | | | |
| Direct Programs: | | | | |
| Student Financial Assistance Cluster: | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | | \$ 73,776 | \$ - |
| Federal Work-Study Program | 84.033 | | 58,123 | - |
| Federal Pell Grant Program | 84.063 | | 3,515,126 | - |
| Federal Direct Student Loans | 84.268 | | <u>1,262,471</u> | <u>-</u> |
| Total Student Financial Assistance Cluster | | | <u>4,909,496</u> | <u>-</u> |
| TRIO Cluster: | | | | |
| TRIO _ Student Support Services | 84.042A | | 268,856 | - |
| TRIO _ Upward Bound | 84.047A | | <u>319,623</u> | <u>-</u> |
| Total TRIO Cluster | | | <u>588,479</u> | <u>-</u> |
| Higher Education _ Institutional Aid - | | | | |
| Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic-Serving Community College | 84.031S | | 343,618 | - |
| COVID-19: Education Stabilization Fund: Higher Education Emergency Relief Fund: | | | | |
| COVID-19 Student Aid Portion | 84.425E | | 2,245,127 | - |
| COVID-19 Institutional Portion | 84.425F | | 3,026,929 | - |
| COVID-19 Minority Serving Institutions | 84.425L | | <u>233,612</u> | <u>-</u> |
| Total COVID-19: Higher Education Emergency Relief Fund Direct Funding | | | 5,505,668 | - |
| Passed-Through From: | | | | |
| Texas Higher Education Coordinating Board: | | | | |
| COVID-19: Education Stabilization Fund: | | | | |
| Governor's Emergency Education Relief (GEER) Fund | | | | |
| COVID-19 Texas Reskilling Support Fund Grant Program | 84.425 | 24093 | 2,129 | - |
| COVID-19 Texas Completion Repayment Grant Program | 84.425C | 26165 | 1,067 | - |
| COVID-19 Texas Reskilling and Upskilling for Education (TRUE) Institutional Capacity Grants | 84.425C | 25710 | <u>249,800</u> | <u>-</u> |
| Total Governor's Emergency Education Relief (GEER) Fund | | | 252,996 | - |
| Total COVID-19: Education Stabilization Fund | | | <u>5,758,664</u> | <u>-</u> |
| Passed-Through From: | | | | |
| Texas Higher Education Coordinating Board: | | | | |
| Career and Technical Education - Basic Grants | 84.048 | 23680 | <u>138,537</u> | <u>-</u> |
| Total U.S. Department of Education | | | <u>11,738,794</u> | <u>-</u> |
| U.S. Department of Labor | | | | |
| Passed-Through From: | | | | |
| Occupational Safety and Health Administration | | | | |
| Occupational Safety and Health Susan Harwood Training Grants | 17.502 | SH990055SH0 | <u>3,460</u> | <u>-</u> |
| Total U.S. Department of Labor | | | <u>3,460</u> | <u>-</u> |
| National Science Foundation | | | | |
| Direct Programs: | | | | |
| Research and Development Cluster: | | | | |
| HSI Institutional Transformation Project: Unified Community of Support - Building Capacity for STEM Transfer Students' Success | 47.076 | | <u>299,236</u> | <u>-</u> |
| Total Research and Development Cluster and National Science Foundation | | | <u>299,236</u> | <u>-</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 12,041,490</u> | <u>\$ -</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The schedule of expenditures of Federal awards presents the activity of Federal financial assistance programs of the College for the year ended August 31, 2022. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the College for the purposes of the award and may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedules.

Expenditures presented on the schedule of expenditures of Federal awards are recognized following the cost principles as found in the Uniform Guidance. The College has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. The College did not receive any federal noncash assistance for the year ended August 31, 2022.

NOTE 2 – FEDERAL ASSISTANCE RECONCILIATION

The information in this schedule of expenditures of Federal awards is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the College’s financial statements. See reconciliation below:

| | |
|--|----------------------|
| Federal Revenues: | |
| Federal Grants and Contracts – (Schedule A) | \$ 7,131,994 |
| Federal Student Assistance, Non-Operating – (Schedule C) | <u>3,647,025</u> |
| Total Federal Revenues, per Statement of Revenues, Expenses and Changes In Net Position | 10,779,019 |
| Reconciling Item – Direct Student Loans | <u>1,262,471</u> |
| Total Federal Revenues per Schedule of Expenditures of Federal Awards | <u>\$ 12,041,490</u> |

NOTE 3 – RELATIONSHIP TO FEDERAL REPORTS

Differences between amounts reflected in the financial reports filed with grantor agencies for the programs and in the schedule of expenditures of Federal awards are due to different program year ends and accruals that will be reflected in the next report filed with the agencies.

GALVESTON COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

| | |
|---|------------|
| Type of auditors’ report issued: | Unmodified |
| Internal control over financial reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiencies identified not considered to be material weaknesses? | None noted |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|------------|
| Internal control over major program: | |
| • Material weakness(es) identified? | No |
| • Significant deficiencies identified not considered to be material weaknesses? | None noted |
| Type of auditors’ report issued on compliance for major program | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with the <i>Uniform Guidance</i> ? | No |

Identification of major program:

| <u>Assistance Listing Number</u> | <u>Name of Federal Programs</u> |
|--|---|
| COVID-19: Education Stabilization Fund: Governor's Emergency Education Relief (GEER) Fund | |
| 84.425 | COVID-19 Texas Reskilling Support Fund Grant Program |
| 84.425C | COVID-19 Texas Completion Repayment Grant Program |
| 84.425C | COVID-19 Texas Reskilling and Upskilling for Education (TRUE) Institutional Capacity Grants |
| Higher Education Emergency Relief Fund | |
| 84.425E | COVID-19 Student Aid Portion |
| 84.425F | COVID-19 Institutional Portion |
| 84.425L | COVID-19 Minority Serving Institutions |

| | |
|--|-----------|
| Dollar threshold used to distinguish between Type A and type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |

GALVESTON COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
FOR THE YEAR ENDED AUGUST 31, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None for the year ended August 31, 2022

SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS

2021-001 Compliance and Internal Controls over Quarterly Reporting (Significant Deficiency)

U.S. Department of Education
COVID-19: Education Stabilization Fund: Higher Education Emergency Relief Fund
84.425E – COVID-19 Student Aid Portion

2020-2021 Funding

Condition: Grant quarterly reports for student aid portion were not posted publicly on the College’s website. The College’s established controls over the quarterly reporting process did not work effectively to detect and / or correct this non-compliance over the quarterly reporting process.

Current Status: The finding was corrected during the year.

2021-002 Compliance and Internal Controls over Enrollment Reporting (Significant Deficiency)

U.S. Department of Education
Cluster of Programs – Student Financial Assistance
84.007 – Federal Supplemental Educational Opportunity Grants
84.033 – Federal Work-Study Program
84.063 – Federal Pell Grant Program
84.268 – Federal Direct Student Loans

2020-2021 Funding

Condition: Enrollment status for eleven out of the forty student files reviewed was not reported accurately in the enrollment reports submitted to the Department of Education. The College’s established controls over the enrollment reporting process did not work effectively to detect and / or correct these non-compliances over the enrollment reporting process.

Current Status: The finding was corrected during the year.

SUPPLEMENTARY INFORMATION – STATISTICAL SECTION (UNAUDITED)

These statistical tables provide selected financial and demographic information.
The statistical tables are for informational purposes only and are not audited.

a beacon of light guiding lifelong learning

GALVESTON COMMUNITY COLLEGE DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)

Table 1

| | | For the Year Ended August 31, (Amounts Expressed in Thousands) | | | | | | | | | |
|---|----|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Invested in Capital Assets, Net of Related Debt | \$ | 25,887 | \$ 25,641 | \$ 25,086 | \$ 21,431 | \$ 20,901 | \$ 20,510 | \$ 20,188 | \$ 19,538 | \$ 17,990 | \$ 17,273 |
| Restricted - Expendable | | 2,082 | 237 | 221 | 217 | 188 | 253 | 242 | 174 | 879 | 887 |
| Unrestricted | | 8,793 | 7,513 | 4,626 | 3,953 | 2,829 | 13,428 | 11,002 | 9,383 | 11,349 | 10,304 |
| Total Net Position | \$ | <u>36,762</u> | <u>\$ 33,391</u> | <u>\$ 29,933</u> | <u>\$ 25,601</u> | <u>\$ 23,918</u> | <u>\$ 34,191</u> | <u>\$ 31,432</u> | <u>\$ 29,095</u> | <u>\$ 30,218</u> | <u>\$ 28,464</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Table 2

| | For the Year Ended August 31, (Amounts Expressed in Thousands) | | | | | | | | | |
|---------------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Tuition and Fees (Net of Discounts) | \$ 2,308 | \$ 2,708 | \$ 2,835 | \$ 2,901 | \$ 2,909 | \$ 2,767 | \$ 2,605 | \$ 2,574 | \$ 2,519 | \$ 2,521 |
| Governmental Grants and Contracts: | | | | | | | | | | |
| Federal Grants and Contracts | 7,132 | 3,255 | 2,501 | 2,227 | 1,180 | 1,756 | 1,543 | 2,078 | 2,222 | 1,712 |
| State Grants and Contracts | 447 | 368 | 303 | 361 | 441 | 224 | 505 | 604 | 265 | 216 |
| Non-Governmental Grants and Contracts | 752 | 702 | 2,815 | 950 | 638 | 782 | 556 | 581 | 681 | 553 |
| Auxiliary Enterprises | 582 | 562 | 311 | 341 | 315 | 244 | 233 | 298 | 305 | 248 |
| Other Operating Revenues | 225 | 223 | 116 | 259 | 175 | 261 | 217 | 137 | 141 | 115 |
| Total Operating Revenues | <u>11,446</u> | <u>7,818</u> | <u>8,881</u> | <u>7,039</u> | <u>5,658</u> | <u>6,034</u> | <u>5,659</u> | <u>6,272</u> | <u>6,133</u> | <u>5,365</u> |
| State Appropriations | 5,650 | 5,997 | 6,250 | 5,391 | 5,687 | 4,741 | 4,766 | 4,709 | 4,662 | 3,853 |
| Property Taxes | 15,458 | 14,449 | 14,284 | 13,870 | 12,762 | 12,355 | 11,815 | 11,022 | 10,512 | 10,086 |
| Federal Student Assistance | 3,647 | 3,601 | 3,573 | 3,528 | 2,932 | 2,845 | 2,729 | 2,852 | 3,343 | 3,809 |
| Investment and Other Income | 316 | 35 | 261 | 480 | 292 | 124 | 51 | 19 | 20 | 40 |
| Other Non-Operating Revenues | - | - | 3 | - | 58 | 137 | 49 | - | - | - |
| Total Non-Operating Revenues | <u>25,071</u> | <u>24,082</u> | <u>24,371</u> | <u>23,269</u> | <u>21,731</u> | <u>20,202</u> | <u>19,410</u> | <u>18,602</u> | <u>18,537</u> | <u>17,788</u> |
| Total Revenues | <u>\$ 36,517</u> | <u>\$ 31,900</u> | <u>\$ 33,252</u> | <u>\$ 30,308</u> | <u>\$ 27,389</u> | <u>\$ 26,236</u> | <u>\$ 25,069</u> | <u>\$ 24,874</u> | <u>\$ 24,670</u> | <u>\$ 23,153</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

Table 2 - Continued

| | For the Year Ended August 31, | | | | | | | | | |
|---------------------------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Tuition and Fees (Net of Discounts) | 6.32% | 8.49% | 8.52% | 9.57% | 10.62% | 10.55% | 10.39% | 10.35% | 10.21% | 10.89% |
| Governmental Grants and Contracts: | | | | | | | | | | |
| Federal Grants and Contracts | 19.53% | 10.21% | 7.52% | 7.35% | 4.31% | 6.69% | 6.16% | 8.35% | 9.01% | 7.39% |
| State Grants and Contracts | 1.22% | 1.15% | 0.91% | 1.19% | 1.61% | 0.85% | 2.01% | 2.43% | 1.07% | 0.93% |
| Non-Governmental Grants and Contracts | 2.06% | 2.20% | 8.47% | 3.13% | 2.33% | 2.98% | 2.22% | 2.34% | 2.76% | 2.39% |
| Auxiliary Enterprises | 1.59% | 1.76% | 0.93% | 1.13% | 1.15% | 0.93% | 0.93% | 1.20% | 1.24% | 1.07% |
| Other Operating Revenues | 0.62% | 0.70% | 0.35% | 0.85% | 0.64% | 1.00% | 0.87% | 0.55% | 0.57% | 0.50% |
| Total Operating Revenues | <u>31.34%</u> | <u>24.51%</u> | <u>26.70%</u> | <u>23.22%</u> | <u>20.66%</u> | <u>23.00%</u> | <u>22.58%</u> | <u>25.22%</u> | <u>24.86%</u> | <u>23.17%</u> |
| State Appropriations | 15.47% | 18.80% | 18.80% | 17.79% | 20.76% | 18.07% | 19.01% | 18.93% | 18.90% | 16.64% |
| Property Taxes | 42.33% | 45.29% | 42.96% | 45.76% | 46.60% | 47.09% | 47.13% | 44.31% | 42.61% | 43.56% |
| Federal Student Assistance | 9.99% | 11.29% | 10.75% | 11.65% | 10.71% | 10.84% | 10.89% | 11.46% | 13.55% | 16.45% |
| Investment and Other Income | 0.87% | 0.11% | 0.78% | 1.58% | 1.07% | 0.47% | 0.20% | 0.08% | 0.08% | 0.18% |
| Other Non-Operating Revenues | - | - | 0.01% | - | 0.20% | 0.53% | 0.19% | - | - | - |
| Total Non-Operating Revenues | <u>68.66%</u> | <u>75.49%</u> | <u>73.30%</u> | <u>76.78%</u> | <u>79.34%</u> | <u>77.00%</u> | <u>77.42%</u> | <u>74.78%</u> | <u>75.14%</u> | <u>76.83%</u> |
| Total Revenues | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Table 3

| | For the Year Ended August 31, (Amounts Expressed in Thousands) | | | | | | | | | |
|------------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Instruction | \$ 9,743 | \$ 9,826 | \$ 9,744 | \$ 9,774 | \$ 9,052 | \$ 8,436 | \$ 8,008 | \$ 7,520 | \$ 7,811 | \$ 7,464 |
| Public Service | 2 | 4 | 7 | 15 | 38 | 25 | 36 | 21 | 12 | 19 |
| Academic Support | 1,838 | 1,911 | 1,974 | 1,866 | 1,780 | 1,527 | 1,620 | 1,471 | 1,404 | 1,358 |
| Student Services | 4,135 | 3,493 | 3,541 | 3,808 | 3,491 | 2,894 | 2,729 | 2,785 | 2,760 | 2,405 |
| Institutional Support | 5,451 | 5,416 | 6,267 | 5,295 | 4,895 | 4,499 | 4,399 | 4,099 | 4,191 | 3,862 |
| Operation and Maintenance of Plant | 3,608 | 2,744 | 2,594 | 2,983 | 2,858 | 2,359 | 2,448 | 2,558 | 2,695 | 2,469 |
| Scholarships and Fellowships | 4,859 | 2,863 | 2,998 | 2,391 | 2,043 | 1,851 | 1,905 | 2,090 | 2,392 | 2,770 |
| Auxiliary Enterprises | 1,198 | 1,009 | 680 | 766 | 848 | 822 | 718 | 696 | 731 | 698 |
| Depreciation | 1,301 | 1,177 | 1,115 | 1,044 | 990 | 950 | 869 | 830 | 865 | 826 |
| Total Operating Expenses | <u>32,135</u> | <u>28,443</u> | <u>28,920</u> | <u>27,942</u> | <u>25,995</u> | <u>23,363</u> | <u>22,732</u> | <u>22,070</u> | <u>22,861</u> | <u>21,871</u> |
| Interest on Capital Related Debt | 477 | - | - | - | - | - | - | 28 | 54 | 76 |
| Loss on Disposal of Capital Assets | 251 | - | - | 683 | - | - | - | 332 | - | - |
| Debt Issuance Cost | 283 | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | 28 | 114 | - | - | 1 | 16 |
| Total Non-Operating Expenses | <u>1,011</u> | <u>-</u> | <u>-</u> | <u>683</u> | <u>28</u> | <u>114</u> | <u>-</u> | <u>360</u> | <u>55</u> | <u>92</u> |
| Total Expenses | <u>\$ 33,146</u> | <u>\$ 28,443</u> | <u>\$ 28,920</u> | <u>\$ 28,625</u> | <u>\$ 26,023</u> | <u>\$ 23,477</u> | <u>\$ 22,732</u> | <u>\$ 22,430</u> | <u>\$ 22,916</u> | <u>\$ 21,963</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Table 3 - Continued

| | For the Year Ended August 31, | | | | | | | | | |
|------------------------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Instruction | 29.39% | 34.55% | 33.69% | 34.14% | 34.78% | 35.93% | 35.23% | 33.53% | 34.09% | 33.98% |
| Public Service | 0.01% | 0.01% | 0.02% | 0.05% | 0.15% | 0.11% | 0.16% | 0.09% | 0.05% | 0.09% |
| Academic Support | 5.55% | 6.71% | 6.83% | 6.52% | 6.84% | 6.50% | 7.13% | 6.56% | 6.13% | 6.18% |
| Student Services | 12.48% | 12.28% | 12.24% | 13.30% | 13.42% | 12.33% | 12.01% | 12.42% | 12.04% | 10.95% |
| Institutional Support | 16.45% | 19.04% | 21.67% | 18.50% | 18.81% | 19.16% | 19.35% | 18.27% | 18.29% | 17.58% |
| Operation and Maintenance of Plant | 10.89% | 9.65% | 8.97% | 10.42% | 10.98% | 10.05% | 10.77% | 11.40% | 11.76% | 11.24% |
| Scholarships and Fellowships | 14.66% | 10.07% | 10.37% | 8.35% | 7.85% | 7.88% | 8.38% | 9.33% | 10.44% | 12.62% |
| Auxiliary Enterprises | 3.60% | 3.55% | 2.35% | 2.68% | 3.26% | 3.50% | 3.16% | 3.10% | 3.19% | 3.18% |
| Depreciation | 3.92% | 4.14% | 3.86% | 3.65% | 3.80% | 4.05% | 3.81% | 3.70% | 3.77% | 3.76% |
| Total Operating Expenses | <u>96.95%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>97.61%</u> | <u>99.89%</u> | <u>99.51%</u> | <u>100.00%</u> | <u>98.40%</u> | <u>99.76%</u> | <u>99.58%</u> |
| Interest on Capital Related Debt | 1.44% | - | - | - | - | - | - | 0.12% | 0.24% | 0.35% |
| Loss on Disposal of Capital Assets | 0.76% | - | - | 2.39% | - | - | - | 1.48% | - | - |
| Debt Issuance Cost | 0.85% | - | - | - | - | - | - | - | - | - |
| Other Expenses | - | - | - | - | 0.11% | 0.49% | - | - | 0.00% | 0.07% |
| Total Non-Operating Expenses | <u>3.05%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>2.39%</u> | <u>0.11%</u> | <u>0.49%</u> | <u>0.00%</u> | <u>1.60%</u> | <u>0.24%</u> | <u>0.42%</u> |
| Total Expenses | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

GALVESTON COMMUNITY COLLEGE DISTRICT
TUITION AND FEES
LAST TEN ACADEMIC YEARS
(Unaudited)

| Academic Year (Fall) | Registration Fee (per student) | Resident Fees per Semester Credit Hour (SCH) | | | | | Student Activity Fees (per student) | General Service Fee | Cost for 12 SCH In-District | Cost for 12 SCH Out-of-District | Increase from Prior Year In-District | Increase from Prior Year Out-of-District |
|----------------------|--------------------------------|---|-------------------------|------------------|-----------------|-------|-------------------------------------|---------------------|-----------------------------|---------------------------------|--------------------------------------|--|
| | | In-District Tuition | Out-of-District Tuition | Building Use Fee | Technology Fees | | | | | | | |
| 2022 | \$ 30 | \$ 45 | \$ 22 | \$ 25 | \$ - | \$ 15 | \$ 50 | \$ 935 | \$ 1199 | 0.00% | 0.00% | |
| 2021 | 30 | 45 | 22 | 25 | - | 15 | 50 | 935 | 1199 | 0.00% | 0.00% | |
| 2020 | 30 | 45 | 22 | 25 | - | 15 | 50 | 935 | 1199 | 11.44% | 11.12% | |
| 2019 | 30 | 40 | 20 | 22 | - | 15 | 50 | 839 | 1079 | 0.00% | 0.00% | |
| 2018 | 30 | 40 | 20 | 22 | - | 15 | 50 | 839 | 1079 | 0.00% | 0.00% | |
| 2017 | 30 | 40 | 20 | 22 | - | 15 | 50 | 839 | 1079 | 0.00% | 0.00% | |
| 2016 | 30 | 40 | 20 | 22 | - | 15 | 50 | 839 | 1079 | 7.70% | 11.12% | |
| 2015 | 30 | 37 | 16 | 20 | - | 15 | 50 | 779 | 971 | 0.00% | 5.20% | |
| 2014 | 30 | 37 | 12 | 20 | - | 15 | 50 | 779 | 923 | 0.00% | 0.00% | |
| 2013 | 30 | 37 | 12 | 20 | - | 15 | 50 | 779 | 923 | 0.00% | 0.00% | |

| Academic Year (Fall) | Registration Fee (per student) | Non - Resident Fees per Semester Credit Hour (SCH) | | | | | Student Activity Fees | General Service Fee | Cost for 12 SCH Out of State | Cost for 12 SCH International | Increase from Prior Year Out of State | Increase from Prior Year International |
|----------------------|--------------------------------|---|------------------------------------|------------------|-----------------|-------|-----------------------|---------------------|------------------------------|-------------------------------|---------------------------------------|--|
| | | Non-Resident Tuition Out of State | Non-Resident Tuition International | Building Use Fee | Technology Fees | | | | | | | |
| 2022 | \$ 30 | \$ 120 | 22 | \$ 25 | \$ - | \$ 15 | \$ 50 | \$ 2,099 | \$ 2,099 | 0.00% | 0.00% | |
| 2021 | 30 | 120 | 22 | 25 | - | 15 | 50 | 2,099 | 2,099 | 0.00% | 0.00% | |
| 2020 | 30 | 120 | 22 | 25 | - | 15 | 50 | 2,099 | 2,099 | 12.91% | 12.91% | |
| 2019 | 30 | 105 | 105 | 22 | - | 15 | 50 | 1,859 | 1,859 | 0.00% | 0.00% | |
| 2018 | 30 | 105 | 105 | 22 | - | 15 | 50 | 1,859 | 1,859 | 0.00% | 0.00% | |
| 2017 | 30 | 105 | 105 | 22 | - | 15 | 50 | 1,859 | 1,859 | 0.00% | 0.00% | |
| 2016 | 30 | 105 | 105 | 22 | - | 15 | 50 | 1,859 | 1,859 | 7.64% | 7.64% | |
| 2015 | 30 | 100 | 100 | 20 | - | 15 | 50 | 1,727 | 1,727 | 2.86% | 2.86% | |
| 2014 | 30 | 100 | 100 | 20 | - | 15 | 50 | 1,679 | 1,679 | 0.00% | 0.00% | |
| 2013 | 30 | 100 | 100 | 20 | - | 15 | 50 | 1,679 | 1,679 | 0.00% | 0.00% | |

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

GALVESTON COMMUNITY COLLEGE DISTRICT
 ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 5

| Fiscal Year | (Amounts Expressed in Thousands) | | | | Direct Rate | | |
|-------------|----------------------------------|-------------|--------------------------------|---|------------------------------|------------------|-------------|
| | Certified Taxable Valuation | Adjustments | Assessed Valuation of Property | Ratio of Taxable Assessed Value to Assessed Value | Maintenance & Operations (a) | Debt Service (a) | Total (a) |
| 2021-22 | \$ 10,019,296 | \$ 481,393 | \$ 10,500,689 | 95.42% | \$ 0.146188 | \$ - | \$ 0.146188 |
| 2020-21 | 8,558,750 | 347,729 | 8,906,479 | 96.10% | 0.159188 | - | 0.159188 |
| 2019-20 | 8,017,532 | 243,910 | 8,261,442 | 97.05% | 0.171188 | - | 0.171188 |
| 2018-19 | 7,494,157 | 337,879 | 7,832,036 | 95.69% | 0.175190 | - | 0.175190 |
| 2017-18 | 7,192,912 | 403,273 | 7,596,185 | 94.69% | 0.166188 | - | 0.166188 |
| 2016-17 | 6,673,918 | 519,168 | 7,193,086 | 92.78% | 0.170250 | - | 0.170250 |
| 2015-16 | 5,984,833 | 532,190 | 6,517,023 | 91.83% | 0.178750 | - | 0.178750 |
| 2014-15 | 5,300,704 | 521,565 | 5,822,269 | 91.04% | 0.187000 | - | 0.187000 |
| 2013-14 | 5,293,746 | 269,062 | 5,562,808 | 95.16% | 0.187000 | - | 0.187000 |
| 2012-13 | 4,919,249 | 331,813 | 5,251,062 | 93.68% | 0.189400 | - | 0.189400 |

Source: Galveston Central Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

GALVESTON COMMUNITY COLLEGE DISTRICT
STATE APPROPRIATION PER FULL TIME STUDENT EQUIVALENT AND CONTACT HOURS
LAST TEN FISCAL YEARS
(Unaudited)

Table 6

| Fiscal Year | State Appropriation | Appropriation per FTSE | | Appropriation per Contact Hour | | | | |
|-------------|------------------------|------------------------|------------------------------------|-------------------------------------|-------------------------------------|--|------------------------|---|
| | | FTSE (a) | State Appropriation per FTSE | Academic Contact Hours (a) | Voc/Tech Contact Hours (b) | Continuing Education Contact Hours (c) | Total Contact Hours | State Appropriation per Contact Hour |
| 2021-2022 | \$ 4,799,146 | 1,335 | \$ 3,595 | 489,797 | 460,480 | 38,205 | 988,482 | \$ 4.86 |
| 2020-2021 | 4,609,371 | 1,517 | 3,038 | 551,600 | 526,256 | 38,792 | 1,116,648 | 4.13 |
| 2019-2020 | 4,609,458 | 1,607 | 2,868 | 608,624 | 519,888 | 54,313 | 1,182,825 | 3.90 |
| 2018-2019 | 4,086,685 | 1,607 | 2,543 | 610,827 | 521,792 | 52,962 | 1,185,581 | 3.45 |
| 2017-2018 | 4,086,757 | 1,472 | 2,776 | 567,424 | 461,712 | 52,360 | 1,081,496 | 3.78 |
| 2016-2017 | 3,659,631 | 1,414 | 2,588 | 580,608 | 426,064 | 28,551 | 1,035,223 | 3.54 |
| 2015-2016 | 3,654,400 | 1,414 | 2,584 | 556,496 | 413,664 | 44,763 | 1,014,923 | 3.60 |
| 2014-2015 | 3,759,208 | 1,412 | 2,662 | 573,491 | 389,040 | 22,975 | 985,506 | 3.81 |
| 2013-2014 | 3,759,208 | 1,483 | 2,535 | 619,467 | 401,440 | 11,335 | 1,032,242 | 3.64 |
| 2012-2013 | 3,143,636 | 1,560 | 2,015 | 677,200 | 375,472 | 5,333 | 1,058,005 | 2.97 |

Notes:

Full-Time Student Equivalent (FTSE) = Total annual semester credit hours (b) divided by 30 plus total annual continuing education contact hours (c) divided by 900.

- (a) FTSE - calculated value
- (b) Academic CH's - CBM004
- (c) Technical CH's - CBM004
- (d) Continuing Ed. CH's - CBM00C

GALVESTON COMMUNITY COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 7

| Taxpayer | Type of Business | Taxable Assessed Value (TAV) by Fiscal Year (\$000) | | | | | | | | | | |
|---|------------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|
| | | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | |
| TEXAS INTERNATIONAL TERMINALS | Transportation | \$ 64,580 | \$ 56,534 | \$ 11,997 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CENTERPOINT ENERGY HOUSTON | Utilities | 56,395 | 52,586 | 52,088 | 80,272 | 46,451 | 46,207 | 44,882 | 47,163 | 46,500 | 41,553 | |
| FERTITTA HOSPITALITY INC | Hospitality | 49,636 | 51,077 | 43,026 | 43,126 | 43,130 | 38,570 | 34,120 | 33,173 | 30,703 | 28,380 | |
| 2014 GALVESTON JONES DRIVE LLC | Real Estate | 37,881 | 21,984 | 14,161 | 14,061 | 13,835 | 12,893 | - | - | - | - | |
| SEAWALL HOSPITALITY LLC | Hospitality | 37,243 | - | - | - | - | - | - | - | - | - | |
| AMERICAN NATIONAL INS CO | Insurance | 24,611 | - | - | 10,992 | 11,199 | 10,539 | 10,534 | 10,534 | 10,534 | 10,534 | |
| SILVERLEAF RESORTS INC | Hospitality | 20,735 | 18,202 | 17,957 | 17,993 | 17,858 | 17,711 | 18,168 | 18,788 | 15,135 | 14,824 | |
| TPI CAMPECHE COVE LLC | Real Estate | 20,500 | 17,298 | 12,000 | 11,845 | 11,573 | 9,959 | - | - | - | - | |
| HAF HOSPITALITY TREMONT REALTY LLC | Real Estate | 19,330 | - | - | - | - | - | - | - | - | - | |
| GALVESTON ISLAND WATER PARK LP | Hospitality | 17,946 | 17,808 | 17,243 | 17,248 | 17,293 | 17,293 | 17,055 | 16,785 | 19,235 | 15,980 | |
| BEATTY STREET PROPERTIES INC | Real Estate | 17,877 | 18,977 | 20,035 | 22,453 | - | - | - | - | - | - | |
| TFT GALVESTON PORTFOLIO LTD | Real Estate | 17,732 | 27,688 | 18,679 | 19,343 | 18,699 | 18,501 | 12,381 | 10,340 | - | 8,932 | |
| CANTOR GROUP LLC | Healthcare | 17,207 | - | - | - | - | - | - | - | - | - | |
| UNION PACIFIC RAILROAD CO | Railroad | 16,795 | 15,548 | 14,784 | 14,243 | - | - | - | - | - | - | |
| ISLAND HOSPITALITY INC | Hospitality | 16,477 | 16,550 | 15,160 | 15,160 | 15,201 | 13,991 | 12,782 | 12,782 | 12,082 | 11,834 | |
| RAAMCO BROADWATER LLC | Real Estate | 16,325 | - | - | - | - | - | - | - | - | - | |
| CRESTMARC REDWOOD CARELTON HOLDINGS LLC | Real Estate | 15,819 | 13,868 | - | - | - | - | - | - | - | - | |
| BNSF RAILWAY CO | Railroad | 15,113 | 14,762 | 13,861 | 13,277 | 11,880 | 11,704 | 11,177 | 11,162 | - | 9,236 | |
| GULF COAST KINGTON PROPERTIES LLC | Real Estate | 14,608 | 14,624 | - | - | - | - | - | - | - | - | |
| GALVESTON TERMINALS INC | Transportation | 14,322 | 14,503 | 14,609 | 14,492 | 14,556 | 15,019 | 15,639 | 15,757 | 16,418 | 24,831 | |
| EIGHTEEN SEVENTY STRAND CORP | Hospitality | - | 44,535 | 18,520 | 16,830 | 16,500 | 22,125 | 16,791 | 14,765 | 13,556 | 12,940 | |
| PHI INC | Transportation | - | 16,933 | - | - | - | - | - | - | - | - | |
| G&H TOWING COMPANY | Transportation | - | 16,635 | - | - | - | - | - | - | - | - | |
| INTERCHEM USA INC | Oil/Gas | - | 15,181 | 13,236 | 13,269 | - | - | - | - | - | - | |
| MOSAIC FERTILIZER LLC | Refinery | - | - | 28,992 | - | - | - | - | - | - | 11,878 | |
| EMERALD GATHER & TRANS LLC | Oil/Gas | - | - | 13,142 | - | - | 22,477 | 22,477 | - | 33,071 | 27,479 | |
| G&I VIII CLUB OF THE ISLE JV LP | Real Estate | - | - | 12,582 | 12,582 | 12,582 | - | - | - | - | - | |
| WILLIE G'S POST OAK INC | Hospitality | - | - | 11,984 | 18,814 | 23,927 | 30,077 | 31,377 | 31,379 | 31,500 | - | |
| WALMART REALTY CO #504 | Real Estate | - | - | 11,875 | 11,875 | 12,566 | 12,500 | 12,500 | 12,600 | 13,015 | 13,015 | |
| LAKESIDE GALVESTON PARTNERS LP | Real Estate | - | - | - | 11,549 | - | - | - | - | - | - | |
| TRANSOCEAN OFFSHORE DEEPWATER | Oil/Gas | - | - | - | 10,966 | - | - | - | - | - | - | |
| LAFITTES HARBOR DEVELOPMENT 11 LP | Insurance | - | - | - | - | 18,523 | - | - | - | - | - | |
| RANGER OFFSHORE INC | Oil/Gas | - | - | - | - | 13,645 | - | - | - | - | - | |
| AET LIGHTERING SERVICES LLC | Transportation | - | - | - | - | 12,460 | - | - | - | - | - | |
| CLARK OIL TRADING COMPANY | Oil/Gas | - | - | - | - | 11,994 | - | - | - | - | - | |
| CAMERON HIGHWAY OIL PIPELINE | Oil/Gas | - | - | - | - | 11,323 | - | - | - | - | - | |
| AET OFFSHORE SERVICES INC | Oil/Gas | - | - | - | - | - | 14,297 | 14,843 | 15,842 | 14,402 | - | |
| CHS INC | Oil/Gas | - | - | - | - | - | 13,055 | 18,648 | - | 16,851 | 9,123 | |
| MP ISLAND INVESTMENTS LLC | Real Estate | - | - | - | - | - | 11,941 | 11,941 | 10,994 | 10,994 | 11,017 | |
| 9550 SEAWALL BLVD LLP | Hospitality | - | - | - | - | - | 10,152 | - | - | 10,639 | - | |
| GULF SULPHUR SERVICES LTD LLP | Transportation | - | - | - | - | - | 9,950 | 10,098 | 9,916 | 9,985 | 10,393 | |
| HALLIBURTON ENERGY SERVICES IN | Oil/Gas | - | - | - | - | - | - | 11,368 | 13,908 | 12,850 | 18,968 | |
| OLCC TEXAS LLC | Computers | - | - | - | - | - | - | 10,391 | 9,942 | - | 9,860 | |
| SWS HOLDINGS-BRADY ISLAND LP | Real Estate | - | - | - | - | - | - | 9,844 | - | - | - | |
| Totals | | 511,132 | 465,293 | 375,931 | 390,390 | 355,195 | 358,961 | 347,021 | 295,830 | 329,348 | 278,899 | |
| Total Taxable Assessed Value | | \$ 10,019,296 | \$ 8,906,860 | \$ 8,261,450 | \$ 7,494,157 | \$ 7,192,912 | \$ 6,673,918 | \$ 5,984,833 | \$ 5,300,704 | \$ 5,293,746 | \$ 4,919,249 | |

Source: Local County Appraisal District

GALVESTON COMMUNITY COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 7 - Continued

| Taxpayer | Type of Business | % of Taxable Assessed Value (TAV) by Fiscal Year | | | | | | | | | |
|---|------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| TEXAS INTERNATIONAL TERMINALS | Transportation | 0.64% | 0.63% | 0.15% | - | - | - | - | - | - | - |
| CENTERPOINT ENERGY HOUSTON | Utilities | 0.56% | 0.59% | 0.63% | 1.07% | 0.65% | 0.69% | 0.75% | 0.89% | 0.88% | 0.84% |
| FERTITTA HOSPITALITY INC | Hospitality | 0.50% | 0.57% | 0.52% | 0.58% | 0.60% | 0.58% | 0.57% | 0.63% | 0.58% | 0.58% |
| 2014 GALVESTON JONES DRIVE LLC | Real Estate | 0.38% | 0.25% | 0.17% | 0.19% | 0.19% | 0.19% | - | - | - | - |
| SEAWALL HOSPITALITY LLC | Hospitality | 0.37% | - | - | - | - | - | - | - | - | - |
| AMERICAN NATIONAL INS CO | Insurance | 0.25% | - | - | 0.15% | 0.16% | 0.16% | 0.18% | 0.20% | 0.20% | 0.21% |
| SILVERLEAF RESORTS INC | Hospitality | 0.21% | 0.20% | 0.22% | 0.24% | 0.25% | 0.27% | 0.30% | 0.35% | 0.29% | 0.30% |
| TPI CAMPECHE COVE LLC | Real Estate | 0.20% | 0.19% | 0.15% | 0.16% | 0.16% | 0.15% | - | - | - | - |
| HAF HOSPITALITY TREMONT REALTY LLC | Real Estate | 0.19% | - | - | - | - | - | - | - | - | - |
| GALVESTON ISLAND WATER PARK LP | Hospitality | 0.18% | 0.20% | 0.21% | 0.23% | 0.24% | 0.26% | 0.28% | 0.32% | 0.36% | 0.32% |
| BEATTY STREET PROPERTIES INC | Real Estate | 0.18% | 0.21% | 0.24% | 0.30% | - | - | - | - | - | - |
| TFT GALVESTON PORTFOLIO LTD | Real Estate | 0.18% | 0.31% | 0.23% | 0.26% | 0.26% | 0.28% | 0.21% | 0.20% | - | 0.18% |
| CANTOR GROUP LLC | Healthcare | 0.17% | - | - | - | - | - | - | - | - | - |
| UNION PACIFIC RAILROAD CO | Railroad | 0.17% | 0.17% | 0.18% | 0.19% | - | - | - | - | - | - |
| ISLAND HOSPITALITY INC | Hospitality | 0.16% | 0.19% | 0.18% | 0.20% | 0.21% | 0.21% | 0.24% | 0.23% | 0.24% | 0.24% |
| RAAMCO BROADWATER LLC | Real Estate | 0.16% | - | - | - | - | - | - | - | - | - |
| CRESTMARC REDWOOD CARELTON HOLDINGS LLC | Real Estate | 0.16% | 0.16% | - | - | - | - | - | - | - | - |
| BNSF RAILWAY CO | Railroad | 0.15% | 0.17% | 0.17% | 0.18% | 0.17% | 0.18% | 0.19% | 0.21% | - | 0.19% |
| GULF COAST KINGTON PROPERTIES LLC | Real Estate | 0.15% | 0.16% | - | - | - | - | - | - | - | - |
| GALVESTON TERMINALS INC | Transportation | 0.14% | 0.16% | 0.18% | 0.19% | 0.20% | 0.23% | 0.26% | 0.30% | 0.31% | 0.50% |
| EIGHTEEN SEVENTY STRAND CORP | Hospitality | - | 0.50% | 0.22% | 0.22% | 0.23% | 0.33% | 0.28% | 0.28% | 0.26% | 0.26% |
| PHI INC | Transportation | - | 0.19% | - | - | - | - | - | - | - | - |
| G&H TOWING COMPANY | Transportation | - | 0.19% | - | - | - | - | - | - | - | - |
| INTERCHEM USA INC | Oil/Gas | - | 0.17% | 0.16% | 0.18% | - | - | - | - | - | - |
| MOSAIC FERTILIZER LLC | Refinery | - | - | 0.35% | - | - | - | - | - | 0.22% | - |
| EMERALD GATHER & TRANS LLC | Oil/Gas | - | - | 0.16% | - | - | 0.34% | 0.38% | - | 0.62% | 0.56% |
| G&I VIII CLUB OF THE ISLE JV LF | Real Estate | - | - | 0.15% | 0.17% | 0.17% | - | - | - | - | - |
| WILLIE G'S POST OAK INC | Hospitality | - | - | 0.15% | 0.25% | 0.33% | 0.45% | 0.52% | 0.59% | 0.60% | - |
| WALMART REALTY CO #504 | Real Estate | - | - | 0.14% | 0.16% | 0.17% | 0.19% | 0.21% | 0.24% | 0.25% | 0.26% |
| LAKESIDE GALVESTON PARTNERS LP | Real Estate | - | - | - | 0.15% | - | - | - | - | - | - |
| TRANSOCEAN OFFSHORE DEEPWATER | Oil/Gas | - | - | - | 0.15% | - | - | - | - | - | - |
| LAFITTES HARBOR DEVELOPMENT 11 LP | Insurance | - | - | - | - | 0.26% | - | - | - | - | - |
| RANGER OFFSHORE INC | Oil/Gas | - | - | - | - | 0.19% | - | - | - | - | - |
| AET LIGHTERING SERVICES LLC | Transportation | - | - | - | - | 0.17% | - | - | - | - | - |
| CLARK OIL TRADING COMPANY | Oil/Gas | - | - | - | - | 0.17% | - | - | - | - | - |
| CAMERON HIGHWAY OIL PIPELINE | Oil/Gas | - | - | - | - | 0.16% | - | - | - | - | - |
| AET OFFSHORE SERVICES INC | Oil/Gas | - | - | - | - | - | 0.21% | 0.25% | 0.30% | 0.27% | - |
| CHS INC | Oil/Gas | - | - | - | - | - | 0.20% | 0.31% | - | 0.32% | 0.19% |
| MP ISLAND INVESTMENTS LLC | Real Estate | - | - | - | - | - | 0.18% | 0.20% | 0.21% | 0.21% | 0.22% |
| 9550 SEAWALL BLVD LLP | Hospitality | - | - | - | - | - | 0.15% | - | - | 0.20% | - |
| GULF SULPHUR SERVICES LTD LLP | Transportation | - | - | - | - | - | 0.15% | 0.17% | 0.19% | 0.19% | 0.21% |
| HALLIBURTON ENERGY SERVICES IN | Oil/Gas | - | - | - | - | - | - | 0.19% | 0.26% | 0.24% | 0.39% |
| OLCC TEXAS LLC | Computers | - | - | - | - | - | - | 0.17% | 0.19% | - | 0.20% |
| SWS HOLDINGS-BRADY ISLAND LF | Real Estate | - | - | - | - | - | - | 0.16% | - | - | - |
| Totals | | 5.10% | 5.21% | 4.56% | 5.22% | 4.94% | 5.40% | 5.79% | 5.60% | 6.23% | 5.65% |

Source: Local County Appraisal District

GALVESTON COMMUNITY COLLEGE DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(Unaudited)
(Amounts Expressed in Thousands)

Table 8

| Fiscal Year Ended August 31 | Levy (a) | Collections - Year of Levy (b) | Percentage | Current Collections of Prior Levies (b) | Total Collections | Percentage of Current and Prior Levies |
|-----------------------------------|-------------|--------------------------------------|------------|--|----------------------|--|
| 2022 | \$ 15,357 | \$ 14,975 | 97.51% | \$ 253 | \$ 15,228 | 99.16% |
| 2021 | 14,183 | 13,744 | 96.90% | 380 | 14,124 | 99.58% |
| 2020 | 14,149 | 13,771 | 97.33% | 328 | 14,099 | 99.65% |
| 2019 | 13,728 | 13,395 | 97.57% | 314 | 13,709 | 99.86% |
| 2018 | 12,628 | 12,330 | 97.64% | 277 | 12,607 | 99.83% |
| 2017 | 12,253 | 11,977 | 97.75% | 227 | 12,204 | 99.60% |
| 2016 | 11,656 | 11,409 | 97.89% | 251 | 11,660 | 100.03% |
| 2015 | 10,894 | 10,648 | 97.74% | 213 | 10,861 | 99.70% |
| 2014 | 10,403 | 10,144 | 97.52% | 215 | 10,359 | 99.58% |
| 2013 | 9,950 | 9,537 | 95.85% | 382 | 9,919 | 99.69% |

Source: Local Tax Assessor/Collector and District records.

(a) As reported in the notes to the financial statements for the year of the levy.

(b) Property tax only - does not include penalties and interest.

GALVESTON COMMUNITY COLLEGE DISTRICT
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(Unaudited)

Table 9

| | For the Year Ended August 31 (Amounts Expressed in Thousands) | | | | | | | | | |
|--|---|------|------|------|------|------|------|------|---------|----------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Revenue Bonds (excluding unamortized bond premium) | \$ 29,425 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 690 | \$ 1,355 |
| Total Outstanding Debt Ratios: | | | | | | | | | | |
| Per Capita | \$ 82.87 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 2.25 | \$ 4.51 |
| Per full time student equivalent | \$ 22,041 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$ 465 | \$ 869 |
| As a Percentage of Taxable Assessed Value | 0.28% | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0.01% | 0.03% |

Notes: i) Galveston College has no general obligation bonds

ii) Ratios calculated using population and taxable assessed value from respective years. Debt per student calculated using full-time-equivalent enrollment.

GALVESTON COMMUNITY COLLEGE DISTRICT
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 10

| Fiscal Year Ended August 31 | Pledged Revenues (\$000 omitted) | | | | | | Debt Service Requirements (\$000 omitted) | | | Coverage Ratio |
|--------------------------------|----------------------------------|-------------|----------------------|-----------------------------|--------------------|-------|---|----------|-------|-------------------|
| | Tuition | All Fees | Auxillary Revenue | Other Pledged Revenue | Interest Income | Total | Principal | Interest | Total | |
| 2022 | \$ 2,257 | 2,631 | 944 | - | 316 | 6,148 | - | 212 | 212 | 29.00 |
| 2021 | - | - | - | - | - | - | - | - | - | N/A |
| 2020 | - | - | - | - | - | - | - | - | - | N/A |
| 2019 | - | - | - | - | - | - | - | - | - | N/A |
| 2018 | - | - | - | - | - | - | - | - | - | N/A |
| 2017 | - | - | - | - | - | - | - | - | - | N/A |
| 2016 | - | - | - | - | - | - | - | - | - | N/A |
| 2015 | 1,944 | 2,171 | 442 | - | 19 | 4,576 | 690 | 28 | 718 | 6.37 |
| 2014 | 1,981 | 2,209 | 486 | - | 20 | 4,696 | 665 | 54 | 719 | 6.53 |
| 2013 | 1,977 | 2,318 | 416 | - | 27 | 4,738 | 645 | 76 | 721 | 6.57 |

Note: Principal and interest amounts represents scheduled cash payments for respective years.

GALVESTON COMMUNITY COLLEGE DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT
 LAST TEN CALENDAR YEARS
 (Unaudited)

Table 11

| Calendar Year | Galveston County Population | Galveston County Personal Income (in millions of dollars) | Galveston County Personal Income Per Capita | Galveston County Unemployment Rate |
|------------------|-----------------------------------|---|---|--|
| 2021 | 355,062 * | \$ * | \$ * | 6.7% |
| 2020 | 345,089 ** | 19,995 ** | 57,941 ** | 8.7% |
| 2019 | 342,139 | 18,561 | 54,250 | 4.0% |
| 2018 | 337,890 | 17,498 | 51,785 | 4.6% |
| 2017 | 335,036 | 16,443 | 49,079 | 5.2% |
| 2016 | 329,431 | 15,683 | 47,605 | 5.8% |
| 2015 | 322,225 | 15,464 | 47,991 | 5.0% |
| 2014 | 314,198 | 14,741 | 46,917 | 5.5% |
| 2013 | 306,782 | 14,479 | 47,186 | 6.2% |
| 2012 | 300,484 | 13,652 | 45,433 | 6.9% |

Sources:

- County Population -- U.S. Bureau of Economic Analysis -- BEARFACTS Report
- Personal Income -- U.S. Bureau of Economic Analysis -- BEARFACTS Report
- Annual Unemployment Rate -- Texas Workforce Commission - Labor Market & Career Information -- LAUS Report
- ** 2020 County Population, Personal Income, and Personal Income Per Capita figures updated to align with new statistics provided by U.S. Bureau of Economic Analysis
 (Last Updated: November 16, 2021. BEA - Interactive Data Tools - Regional Data - GDP and Personal Income - CAINC1-Personal Income Summary)
- * 2021 County Population estimate -- Texas Association of Counties (and U.S. Census Bureau - QuickFacts - July 1, 2021). Remaining information not available at this time.

GALVESTON COMMUNITY COLLEGE DISTRICT
 PRINCIPAL EMPLOYERS
 LAST FIVE YEARS
 (Unaudited)

Table 12

| Employer | 2022 | | 2021 | | 2020 | | 2019 | 2018 |
|--|---------------------------|----------------|---------------|----------------|---------------|----------------|---------------------------|---------------------------|
| University of Texas Medical Branch | 8,937 | 50.79% | 8,948 | 49.88% | 8,324 | 47.74% | | |
| Landry's Inc. | 1,930 | 10.97% | 1,930 | 10.76% | 1,930 | 11.07% | | |
| Galveston Independent School District | 1,358 | 7.72% | 1,251 | 6.98% | 1,069 | 6.13% | | |
| Schlitterbahn (during peak tourist season) | 1,100 | 6.25% | 700 | 3.90% | 500 | 2.87% | | |
| American National Insurance Company | 934 | 5.31% | 900 | 5.02% | 950 | 5.45% | | |
| Galveston County (on Island only) | 855 | 4.86% | 888 | 4.95% | 1,247 | 7.15% | | |
| City of Galveston | 804 | 4.57% | 803 | 4.48% | 868 | 4.98% | Information not available | Information not available |
| Texas A&M University of Galveston | 696 | 3.96% | 319 | 1.78% | 319 | 1.83% | | |
| Moody Gardens (during peak tourist season) | 605 | 3.44% | 1,000 | 5.58% | 1,034 | 5.93% | | |
| Shriners Children's Texas | 377 | 2.13% | | | | | | |
| Wal-Mart | | | 360 | 2.01% | 360 | 2.06% | | |
| I. L. A. (Local-20, 1665, 1504-8, 1443) | Information not available | | 500 | 2.79% | 500 | 2.87% | | |
| Mitchell Historic Properties | | | 335 | 1.87% | 335 | 1.92% | | |
| Total | 17,596 | 100.00% | 17,934 | 100.00% | 17,436 | 100.00% | | |

Source:

Galveston Economic Development Partnership (GEDP)

<https://www.gedp.org/site-selection>

Notes:

The numbers above represent only the employees who work on Galveston Island (i.e. this survey does not include total employment for each organization)

GALVESTON COMMUNITY COLLEGE DISTRICT
 FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 13

| | Fiscal Year | | | | | | | | | |
|---|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Faculty: | | | | | | | | | | |
| Full-Time | 58 | 55 | 62 | 60 | 59 | 56 | 56 | 56 | 58 | 52 |
| Part-Time | 49 | 43 | 50 | 47 | 55 | 42 | 41 | 40 | 43 | 62 |
| Total | <u>107</u> | <u>98</u> | <u>112</u> | <u>107</u> | <u>114</u> | <u>98</u> | <u>97</u> | <u>96</u> | <u>101</u> | <u>114</u> |
| Percent: | | | | | | | | | | |
| Full-Time | 54.2% | 56.1% | 55.4% | 56.1% | 51.8% | 57.1% | 57.7% | 58.3% | 57.4% | 45.6% |
| Part-Time | 45.8% | 43.9% | 44.6% | 43.9% | 48.2% | 42.9% | 42.3% | 41.7% | 42.6% | 54.4% |
| Staff and Administrators: | | | | | | | | | | |
| Full-Time | 106 | 101 | 109 | 109 | 101 | 100 | 102 | 99 | 96 | 90 |
| Part-Time | 58 | 54 | 46 | 64 | 52 | 56 | 53 | 47 | 46 | 38 |
| Total | <u>164</u> | <u>155</u> | <u>155</u> | <u>173</u> | <u>153</u> | <u>156</u> | <u>155</u> | <u>146</u> | <u>142</u> | <u>128</u> |
| Percent: | | | | | | | | | | |
| Full-Time | 64.6% | 65.2% | 70.3% | 63.0% | 66.0% | 64.1% | 65.8% | 67.8% | 67.6% | 70.3% |
| Part-Time | 35.4% | 34.8% | 29.7% | 37.0% | 34.0% | 35.9% | 34.2% | 32.2% | 32.4% | 29.7% |
| FTSE per Full-time Faculty | 23.0 | 27.6 | 25.9 | 26.8 | 24.9 | 25.3 | 25.3 | 25.2 | 25.6 | 30.0 |
| FTSE per Full-Time Staff Member | 12.6 | 15.0 | 14.7 | 14.7 | 14.6 | 14.1 | 13.9 | 14.3 | 15.4 | 17.3 |
| Average Annual Faculty Staff Equated to 9 Month Contract | \$ 65,473 | \$ 66,320 | \$ 65,384 | \$ 70,523 | \$ 77,418 | \$ 74,786 | \$ 69,278 | \$ 64,486 | \$ 64,779 | \$ 65,613 |

GALVESTON COMMUNITY COLLEGE DISTRICT
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS
(Unaudited)

Table 14

| Student Classification | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | | Fall 2013 | | Fall 2012 | |
|------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 00-30 hours | 1,055 | 56.42% | 1,268 | 61.55% | 1,484 | 64.35% | 1,601 | 66.08% | 1,404 | 63.91% | 1,436 | 65.27% | 1,275 | 61.56% | 1,323 | 64.60% | 1,354 | 63.57% | 1,398 | 63.75% |
| 31-60 hours | 512 | 27.38% | 479 | 23.25% | 477 | 20.69% | 489 | 20.18% | 455 | 20.71% | 451 | 20.50% | 509 | 24.58% | 420 | 20.51% | 496 | 23.29% | 529 | 24.12% |
| > 60 hours | 107 | 5.72% | 143 | 6.94% | 156 | 6.76% | 141 | 5.82% | 138 | 6.28% | 101 | 4.59% | 95 | 4.59% | 103 | 5.03% | 98 | 4.60% | 78 | 3.56% |
| Unclassified | 196 | 10.48% | 170 | 8.26% | 189 | 8.20% | 192 | 7.92% | 200 | 9.10% | 212 | 9.64% | 192 | 9.27% | 202 | 9.86% | 182 | 8.54% | 188 | 8.57% |
| Total | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% | 2,130 | 100.00% | 2,193 | 100.00% |

| Semester Hour Load | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | | Fall 2013 | | Fall 2012 | |
|----------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than 3 | 14 | 0.75% | 5 | 0.24% | 11 | 0.48% | 11 | 0.45% | 12 | 0.55% | 19 | 0.83% | 9 | 0.43% | 17 | 0.83% | 17 | 0.80% | 20 | 0.91% |
| 3-5 semester hours | 364 | 19.47% | 440 | 21.36% | 557 | 24.15% | 609 | 25.13% | 572 | 26.04% | 584 | 23.58% | 499 | 24.09% | 483 | 23.58% | 526 | 24.69% | 469 | 21.39% |
| 6-8 Semester hours | 472 | 25.24% | 532 | 25.83% | 556 | 24.11% | 631 | 26.04% | 671 | 30.54% | 672 | 29.83% | 678 | 32.74% | 611 | 29.83% | 592 | 27.79% | 669 | 30.51% |
| 9-11 semester hours | 359 | 19.20% | 403 | 19.56% | 451 | 19.56% | 462 | 19.07% | 358 | 16.29% | 360 | 19.43% | 381 | 18.40% | 398 | 19.43% | 418 | 19.62% | 421 | 19.20% |
| 12-14 semester hours | 446 | 23.85% | 435 | 21.12% | 482 | 20.90% | 451 | 18.61% | 379 | 17.25% | 383 | 17.19% | 332 | 16.03% | 352 | 17.19% | 387 | 18.17% | 478 | 21.80% |
| 15-17 semester hours | 198 | 10.59% | 225 | 10.92% | 233 | 10.10% | 232 | 9.58% | 197 | 8.97% | 173 | 8.84% | 163 | 7.88% | 181 | 8.84% | 187 | 8.78% | 134 | 6.11% |
| 18 & over | 17 | 0.90% | 20 | 0.97% | 16 | 0.70% | 27 | 1.12% | 8 | 0.36% | 9 | 0.30% | 9 | 0.43% | 6 | 0.30% | 3 | 0.15% | 2 | 0.08% |
| Total | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% | 2,130 | 100.00% | 2,193 | 100.00% |

| | | | | | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Average Course Load | 8.9 | 8.8 | 8.5 | 8.9 | 8.6 | 8.5 | 8.5 | 8.7 | 8.7 | 8.8 |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

| Tuition Status | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | | Fall 2013 | | Fall 2012 | |
|----------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Texas Resident (In-District) | 1,036 | 55.40% | 1,143 | 55.49% | 1,255 | 54.42% | 1,321 | 54.52% | 1,166 | 53.07% | 1,230 | 55.91% | 1,139 | 55.00% | 1,068 | 52.15% | 1,106 | 51.92% | 1,197 | 54.58% |
| Texas Resident (Out-of-District) | 722 | 38.61% | 783 | 38.01% | 898 | 38.94% | 942 | 38.88% | 890 | 40.51% | 823 | 37.41% | 816 | 39.40% | 873 | 42.63% | 907 | 42.58% | 897 | 40.90% |
| Non-Resident Tuition | 78 | 4.17% | 89 | 4.32% | 92 | 3.99% | 117 | 4.83% | 98 | 4.46% | 91 | 4.13% | 83 | 4.01% | 77 | 3.76% | 80 | 3.76% | 72 | 3.28% |
| Tuition Exemption/Wavier | 34 | 1.82% | 45 | 2.18% | 61 | 2.65% | 43 | 1.77% | 43 | 1.96% | 56 | 2.55% | 33 | 1.59% | 30 | 1.46% | 37 | 1.74% | 27 | 1.24% |
| Total | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% | 2,130 | 100.00% | 2,193 | 100.00% |

Source:
Data from THECB CBM001 certified reports, does not include flex entry

GALVESTON COMMUNITY COLLEGE DISTRICT
STUDENT PROFILE
LAST TEN FISCAL YEARS
(Unaudited)

Table 15

| | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | | Fall 2013 | | Fall 2012 | | | |
|----------------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----|--------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | | |
| Gender | | | | | | | | | | | | | | | | | | | | | | |
| Female | 1,219 | 65.19% | 1,298 | 63.01% | 1,415 | 61.36% | 1,494 | 61.66% | 1,341 | 61.04% | 1,281 | 58.23% | 1,274 | 61.52% | 1,255 | 61.28% | 917 | 43.05% | 1,298 | 59.19% | | |
| Male | 651 | 34.81% | 762 | 36.99% | 891 | 38.64% | 929 | 38.34% | 856 | 38.96% | 919 | 41.77% | 919 | 41.77% | 797 | 38.48% | 793 | 38.72% | 1,213 | 56.95% | 895 | 40.81% |
| Total | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% | 2,130 | 100.00% | 2,193 | 100.00% | | |
| Ethnic Origin | | | | | | | | | | | | | | | | | | | | | | |
| White | 652 | 34.87% | 723 | 35.10% | 845 | 36.64% | 894 | 36.90% | 855 | 38.92% | 925 | 42.05% | 878 | 42.39% | 915 | 44.68% | 971 | 45.59% | 971 | 44.28% | 971 | 44.28% |
| Hispanic | 771 | 41.23% | 860 | 41.75% | 933 | 40.46% | 961 | 39.66% | 342 | 15.57% | 822 | 37.36% | 771 | 37.23% | 668 | 32.62% | 634 | 29.77% | 678 | 30.92% | 678 | 30.92% |
| African American | 308 | 16.47% | 315 | 15.29% | 337 | 14.61% | 363 | 14.98% | 834 | 37.95% | 314 | 14.27% | 266 | 12.84% | 313 | 15.28% | 357 | 16.76% | 372 | 16.96% | 372 | 16.96% |
| Asian | 60 | 3.21% | 65 | 3.16% | 73 | 3.17% | 88 | 3.63% | 61 | 2.78% | 52 | 2.36% | 60 | 2.90% | 56 | 2.73% | 59 | 2.77% | 67 | 3.06% | 67 | 3.06% |
| International | 11 | 0.59% | 10 | 0.48% | 15 | 0.65% | 20 | 0.83% | 7 | 0.32% | 23 | 1.05% | 25 | 1.21% | 18 | 0.88% | 14 | 0.66% | 8 | 0.36% | 8 | 0.36% |
| Native American | 7 | 0.37% | 10 | 0.48% | 6 | 0.26% | 8 | 0.33% | 22 | 1.00% | 8 | 0.36% | 10 | 0.48% | 8 | 0.39% | 7 | 0.33% | 7 | 0.32% | 7 | 0.32% |
| Multi-racial | 26 | 1.39% | 35 | 1.70% | 43 | 1.86% | 42 | 1.73% | 22 | 1.00% | 10 | 0.45% | 8 | 0.39% | 12 | 0.59% | 7 | 0.33% | 9 | 0.41% | 9 | 0.41% |
| Native Hawaiian/Pacific Islander | - | - | 5 | 0.24% | 5 | 0.22% | 3 | 0.12% | 4 | 0.18% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Unknown/Not Reported | 35 | 1.87% | 37 | 1.80% | 49 | 2.13% | 44 | 1.82% | 50 | 2.28% | 46 | 2.10% | 53 | 2.56% | 58 | 2.83% | 81 | 3.79% | 81 | 3.69% | 81 | 3.69% |
| Total | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% | 2,130 | 100.00% | 2,193 | 100.00% | | |
| Age | | | | | | | | | | | | | | | | | | | | | | |
| Under 18 | 319 | 17.06% | 427 | 20.73% | 556 | 24.11% | 589 | 24.31% | 391 | 17.80% | 467 | 21.23% | 316 | 15.26% | 283 | 13.82% | 277 | 13.00% | 262 | 11.95% | 262 | 11.95% |
| 18 - 21 | 675 | 36.10% | 707 | 34.32% | 769 | 33.35% | 738 | 30.46% | 745 | 33.91% | 698 | 31.73% | 705 | 34.04% | 674 | 32.91% | 741 | 34.79% | 794 | 36.21% | 794 | 36.21% |
| 22 - 24 | 223 | 11.93% | 295 | 14.32% | 275 | 11.93% | 295 | 12.17% | 267 | 12.15% | 294 | 13.36% | 288 | 13.91% | 303 | 14.79% | 303 | 14.23% | 318 | 14.50% | 318 | 14.50% |
| 25 - 35 | 416 | 22.25% | 391 | 18.98% | 454 | 19.69% | 531 | 21.92% | 522 | 23.76% | 488 | 22.18% | 531 | 25.64% | 506 | 24.71% | 501 | 23.52% | 499 | 22.75% | 499 | 22.75% |
| 36 - 50 | 191 | 10.21% | 172 | 8.35% | 204 | 8.84% | 216 | 8.91% | 214 | 9.74% | 193 | 8.77% | 176 | 8.50% | 219 | 10.69% | 231 | 10.85% | 245 | 11.17% | 245 | 11.17% |
| 51 & over | 46 | 2.45% | 68 | 3.30% | 48 | 2.08% | 54 | 2.23% | 58 | 2.64% | 60 | 2.73% | 55 | 2.65% | 63 | 3.08% | 77 | 3.61% | 75 | 3.42% | 75 | 3.42% |
| Total | 1,870 | 100.00% | 2,060 | 100.00% | 2,306 | 100.00% | 2,423 | 100.00% | 2,197 | 100.00% | 2,200 | 100.00% | 2,071 | 100.00% | 2,048 | 100.00% | 2,130 | 100.00% | 2,193 | 100.00% | | |
| Average Age | 25 | | 24 | | 24 | | 24 | | 25 | | 25 | | 25 | | 25 | | 26 | | 26 | | 26 | |

Source:
Data from THECB CBM001 certified reports

GALVESTON COMMUNITY COLLEGE DISTRICT
TRANSFER STUDENTS TO SENIOR INSTITUTIONS
2019-2020 STUDENTS AS OF FALL 2020
(Includes Only Public Senior Colleges in Texas)

Table 16

| | Transfer Student Count ACADEMIC | Transfer Student Count TECHNICAL | Transfer Student Count CEU | Total of All Transfer Students | % of All Transfer Students |
|---|---------------------------------------|--|----------------------------------|--------------------------------------|----------------------------------|
| 1 Lamar University | 18 | 1 | | 19 | 5.49% |
| 2 Midwestern State University | 1 | 2 | | 3 | 0.87% |
| 3 Prairie View A&M University | 1 | 1 | | 2 | 0.58% |
| 4 Sam Houston State University | 10 | 2 | | 12 | 3.47% |
| 5 Stephen F. Austin State University | 9 | | | 9 | 2.60% |
| 6 Texas A&M University | 33 | | | 33 | 9.54% |
| 7 Texas A&M University - Corpus Christi | 1 | | | 1 | 0.29% |
| 8 Texas A&M University - Kingsville | 2 | | | 2 | 0.58% |
| 9 Texas A&M University at Galveston | 104 | 3 | 2 | 109 | 31.50% |
| 10 Texas Southern University | 2 | | | 2 | 0.58% |
| 11 Texas State University | 11 | 1 | | 12 | 3.47% |
| 12 Texas Tech University | 7 | | | 7 | 2.02% |
| 13 Texas Woman's University | 1 | | | 1 | 0.29% |
| 14 The University of Texas at Arlington | 3 | 14 | | 17 | 4.91% |
| 15 The University of Texas at Austin | 22 | 1 | | 23 | 6.65% |
| 16 The University of Texas at Dallas | 3 | | | 3 | 0.87% |
| 17 The University of Texas at San Antonio | 10 | | | 10 | 2.89% |
| 18 The University of Texas at Tyler | 2 | 1 | | 3 | 0.87% |
| 19 University of Houston | 24 | 1 | | 25 | 7.23% |
| 20 University of Houston - Clear Lake | 44 | 2 | | 46 | 13.29% |
| 21 University of Houston - Downtown | 1 | 2 | | 3 | 0.87% |
| 22 University of Houston - Victoria | 1 | | | 1 | 0.28% |
| 23 University of North Texas | 2 | | | 2 | 0.58% |
| 24 West Texas A&M University | 1 | | | 1 | 0.28% |
| Totals | <u>313</u> | <u>31</u> | <u>2</u> | <u>346</u> | <u>100.00%</u> |

Source:

Data from THECB Automated Student and Adult Learner Follow-Up System - Students Pursuing Additional Education by Institution
<http://www.txhighereddata.org/reports/performance/ctcasalf/>
Information for 2020-2021 is not available.

GALVESTON COMMUNITY COLLEGE DISTRICT
 CAPITAL ASSETS INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

Table 17

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Academic buildings | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Square footage (in thousands) | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 | 241 |
| Libraries | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Number of volumes (in thousands) | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 |
| Administrative and support buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square footage (in thousands) | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 |
| Apartments | 12 | 12 | 12 | 8 | 5 | 5 | 5 | 5 | 10 | 11 |
| Square footage (in thousands) | 58 | 58 | 34 | 10 | 14 | 14 | 14 | 14 | 22 | 23 |
| Number of beds | 113 | 113 | 113 | 51 | 48 | 48 | 48 | 48 | 65 | 65 |
| Dining Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Average daily customers | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Athletic Facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square footage (in thousands) | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Gymnasiums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fitness Centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Plant Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square footage (in thousands) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Light Trucks/Vans | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 3 | 3 |
| Buses | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 3 | 3 | 3 |