

**NOTICE OF REGULAR MEETING  
GALVESTON COMMUNITY COLLEGE DISTRICT  
BOARD OF REGENTS**

In compliance with the Open Meetings Act, Texas Government Code, Section 551.041, notice is hereby given that a Regular Meeting of the Galveston Community College District Board of Regents will be held on **Wednesday, January 14, 2026**, at 5:30 PM in Room M-220 Galveston College, 4015 Avenue Q, Galveston, Texas 77550.

The Board of Regents will gather in Room M-202 for refreshments prior to the Regular Meeting. Although a quorum may be present, no action will be taken by the Board at that time.

**- AGENDA -**

- I. Call to Order Regular Meeting**
- II. Moment of Silence and Pledge of Allegiance
- III. Certification of Posting Notice of Regular Meeting
- IV. Recognition of Guests
- V. Consider Approval of Minutes from the Regular Meeting of November 12, 2025, the Committee of the Whole Meeting of November 12, 2025, and the Special Board Meeting of December 11, 2025 (*Action Item*) 3
- VI. Citizens Desiring to Appear Before the Board on Agenda and Non-agenda Items  
(*Please complete a request card prior to the start of the meeting. The Board Chairperson may limit the time of appearance before the Board to three minutes.*)
- VII. Informative Reports:
  - 1. Student Success Story (*Dr. W. Myles Shelton*) 17
  - 2. Monthly Financial Reports - November and December (*Mr. M. Jeff Engbrock*) 18
- VIII. Consideration of Consent Agenda 67  
(*The purpose of the consent agenda is to allow the Board to identify and approve action items which require no additional information or discussion and for which there is unanimous approval. Regents receive agenda materials in advance of the meeting to prepare for the business to be conducted.*)
- IX. Action Items:
  - 1. Consider Acceptance of Fiscal Year 2025-26 First Quarter Investment Report 68
  - 2. Consider Approval of Finance Committee Recommendation Regarding Acceptance of Financial Statements and Single Audit Reports for the Years Ended August 31 2025 and 2024, and Required Communications Letter 72
  - 3. Consider Approval of Facilities Committee Recommendation Regarding Final Acceptance of Completed Hermes Gym Roof Replacement and Release of Retainage 212
  - 4. Consider Approval of Facilities Committee Recommendation Regarding the Health Sciences Education Center (HSEC) Project 225
  - 5. Consider Approval of Engineering Consulting Services 226
  - 6. Consider Approval of Proposal to Purchase New Chairs for the Blackbox Theater 228
  - 7. Consider Approval of Proposal to Purchase New Furniture for Room N-119 and Adjacent Foyer 229

8. Consider Adoption of Resolution Ordering the Galveston Community College District May 2, 2026, General Election and Accepting the Terms of the Contract for Election Services	230
9. Consider Ratifying Appointment of Full-time Instructors	252
X. Special Reports and Comments:	
1. Student Representative ( <i>Ms. Mariana Hernandez Lima</i> )	
2. Faculty Representative ( <i>Mr. Tyree Bearden</i> )	
3. President ( <i>Dr. W. Myles Shelton</i> )	
4. Regents	
5. Chairperson ( <i>Ms. Carolyn Sunseri</i> )	
XI. Adjournment	

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The notice for this meeting was posted on The notice for this meeting was posted on January 8, 2026, in compliance with the Texas Open Meetings Act., in compliance with the Texas Open Meetings Act.

W. Myles Shelton, Ed.D., President

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF REGENTS  
GALVESTON COMMUNITY COLLEGE DISTRICT  
4015 Avenue Q  
Galveston, Texas 77550  
Room M-220 – Moody Hall  
November 12, 2025  
5:30 p.m.**

At the Regular Meeting of the Galveston Community College District Board of Regents, duly held on Wednesday, November 12, 2025, in Room M-220 of Moody Hall, commencing at 5:30 p.m., the following Regents were present:

Ms. Karen F. Flowers, Chairperson  
Mr. Fred D. Raschke, Vice Chairperson  
Mr. Michael B. Hughes, Secretary  
Mr. Garrik Addison  
Mr. Armin Cantini  
Dr. Norman Hoffman  
Mr. Raymond Lewis, Jr. (attended virtually, joined at 5:33 p.m.)  
Ms. Mary R. Longoria  
Ms. Carolyn L. Sunseri

Faculty and staff present included Dr. W. Myles Shelton, President, Ms. Veronica Atterberry, Mr. Tyree Bearden, Dr. Amy Borgemenke, Dr. Conrad Breitbach, Mr. Ed Chrno, Mr. Jaime Cryer, Mr. Jeff Engbrock, Ms. Angie Hoermann, Ms. Vera Lewis-Jasper, Ms. Vicki Jernigan, Ms. Breanne Lorefice, Dr. Van Patterson, Ms. Jennifer Prochaska, Ms. LT Rivera, Ms. Ann Silvas, Ms. Kimberly Thomas, Dr. Mary Ana Thomas, and Dr. Tirizia York.

- I. CALL TO ORDER REGULAR MEETING:** Chair Flowers opened the Regular Meeting at 5:33 p.m. in Room M-220 of Moody Hall and determined a quorum was present.
- II. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE:** Mr. Flowers began with a moment of silence and asked Dr. Hoffman to lead the Pledge of Allegiance.
- III. CERTIFICATION OF POSTING NOTICE OF REGULAR MEETING:** Dr. Shelton confirmed that the notice of the Regular Meeting had been properly posted on November 6, 2025.
- IV. RECOGNITION OF GUESTS:** There were no guests in attendance.
- V. CONSIDER APPROVAL OF MINUTES FROM THE REGULAR MEETING OF OCTOBER 15, 2025, AND THE COMMITTEE OF THE WHOLE**

**WORKSHOP/SPECIAL MEETING OF OCTOBER 13, 2025:** A reading of the minutes was waived. Mr. Raschke moved to approve the minutes as published; Mr. Hughes seconded. The motion passed unanimously.

**VI. CITIZENS DESIRING TO APPEAR BEFORE THE BOARD ON AGENDA AND NON-AGENDA ITEMS:** There were no citizens desiring to appear before the Board.

**VII. INFORMATIVE REPORTS:**

1. Student Success Story: Dr. Shelton introduced this agenda item and Dr. Amy Borgemenke, Assessment and Survey Specialist who presented on the 2024-25 Graduate Profile. The number of certificates and degrees awarded each year reached a record high in academic year 2025. Seven hundred and fifty-nine degrees and certificates were awarded to 643 students. The top degree and certificate awarded in the 2024-2025 academic year was the AS in General Studies. The presentation also included the demographic profiles of the students, and looked at the percentages of first-generation students and Pell Grant eligible students that received degrees and certificates. Takeaways included, that awards continue to trend upward, General Studies, in preparation for transfer, continues to be the most popular major awarded, and graduates in different divisions have different profiles, much like the various students we serve.
2. Monthly Financial Reports –October: Mr. M. Jeff Engbrock, Comptroller/CFO, presented the financial report for the month of October. With 17 percent of the year completed, income generated was \$6,253,773 or 19.8 percent of the fiscal year 2025-26 revenue budget compared to 20 percent this time last year. State funds for September are \$2,662,968 or 50.5 percent of the budget, based on the change in how state funds are now distributed. Tuition and fees were \$3,083,613 or 54.9 percent of the budget compared to 48.2 percent last year. Local taxes are \$288,163 or 1.5 percent of the budget compared to 3.2 percent last year. Local Revenue is \$219,029 or 17.3 percent of the budget, compared to 21 percent last year. He reported that total expenses are \$5,958,926, or 18.9 percent of the expenditure budget, compared to 17.6 percent last year.

There was some discussion on the audit and timelines.

3. Annual Report of Required Training for New Board Members: Dr. Shelton presented this item to the Board. He let the Board know that in their folders is a document that has all the training requirements for governing members of Texas public institutions, for their reference. There is also a document that has what we have on file as completed trainings for each board member. If we are missing anything, please let Breanne know so that she can update the document.
4. Update on Identity Theft Prevention Program: Dr. Shelton presented this item to the Board. There have been no incidents of identity theft recorded on campus

during fiscal year 2025. The College continues to be diligent about training and following policies to protect our students and employees.

**VIII. CONSENT AGENDA:** Ms. Flowers proceeded with the Consent Agenda. Ms. Sunseri moved to approve the Consent Agenda and Action Items No. 5, 6, 7, 8, 9, and 11; Ms. Longoria seconded. The motion passed unanimously. A copy of the Consent Agenda is attached as **Exhibit A**.

**IX. ACTION ITEMS:**

1. Consider Facilities Committee Recommendation Regarding The Purchase of Real Property: Mr. Michael Hughes, Facilities Committee Chair, presented this item to the Board. The Facilities Committee met prior to this meeting to consider a recommendation to the Board regarding the purchase of Real Property. The Committee had no recommendation for the Board, and no action was taken on this item.
2. Consider Facilities Committee Recommendation regarding Interlocal Agreements with the City of Galveston for use of Bernard Davis “Pony Colt” Stadium and the Lassie Leage Sports Complex-Carter Field: Mr. Michael Hughes, Facilities Committee Chair, presented this item to the Board. The Facilities Committee met prior to this meeting to consider a recommendation to the Board regarding the interlocal agreements with the City of Galveston for use of Bernard Davis “Pony Colt” Stadium and the Lassie League Sports Complex-Carter Field. This will be a five-year agreement for the period of 11/13/25 through 11/13/30.

It was the Committee’s Recommendation, and Mr. Hughes moved to approve the Interlocal Agreements with the City of Galveston for use of the Bernard Davis “Pony Colt” Stadium and the Lassie Leage Sports Complex-Carter Field and authorize the President to sign the agreements; Mr. Raschke seconded. The motion passed unanimously.

3. Consider Committee of the Whole Recommendation Regarding President Search Timeline and Search Plan: Ms. Karen Flowers, Committee of the Whole Chair, presented this item to the Board. The Committee of the Whole met prior to this meeting to consider a recommendation to the Board regarding the President Search Timeline and Search Plan.

It was the Committee’s Recommendation, and Ms. Flowers moved to approve the President Search Timeline and Search Plan; Ms. Sunseri seconded. The motion passed unanimously.

4. Consider Committee of the Whole Recommendation Regarding Appointments to the President Search Committee: Ms. Karen Flowers, Committee of the Whole

Chair, presented this item to the Board. The Committee of the Whole met prior to this meeting to consider a recommendation to the Board regarding appointments to the President Search Committee. By law, the Committee must have 2 Board Members serving on it and one must Chair the Committee. The remaining committee members will be comprised of faculty, staff and community members, and one student.

It was the Committee's Recommendation, and Ms. Flowers moved to appoint:

**Galveston College Board Members**

- Carolyn Sunseri, Chair
- Fred Raschke
- Raymond Lewis

**Community Members**

- Vic Pierson – Moody Bank
- Keith Bassett – Bassett Family Business; GEDP and Chamber; Sealy-Smith Foundation
- Samantha Seale Miro - UTMB/SON
- Dr. Vivian Hernandez - GISD
- Alan Mathews – Retired from Moody Foundation, Former GC Assistant BB Coach

**Faculty, Staff, and Student**

Faculty

- Tyree Bearden – Electronics, Faculty Senate President
- Don Davison – Business, Faculty Senate Vice President
- Daniel Fink – Radiology, Division Director for Health Science Programs

Retired Faculty

- Dr. Larry Blomstedt – Retired GC History Professor, Author

Staff

- Amanda Lozano – Student Advisor, BBS
- Kelly Raines – Athletic Director and Head Softball Coach

Student

- Mariana Hernandez Lima – SGA President

Ms. Longoria seconded. The motion passed unanimously.

5. Consider Acceptance of Texas Higher Education Coordinating Board Texas Reskilling and Upskilling for Education (TRUE) 2025-2027 Grant Award: The Board unanimously accepted the Texas Higher Education Coordinating Board Texas Reskilling and Upskilling for Education (TRUE) 2025-2027 Grant Award. This item was passed in the Consent Agenda.
6. Consider Ratifying Acceptance of Houston Endowment Planning Grant for 2025-2026: The Board unanimously ratified the acceptance of the Houston Endowment Planning Grant for 2025-2026. This item was passed in the Consent Agenda.

7. Consider Ratifying Acceptance of CenterPoint Energy Foundation Grant: The Board unanimously ratified acceptance of the CenterPoint Energy Foundation Grant. This item was passed in the Consent Agenda.
8. Consider Approval of Proposal from America Mechanical Services, Inc. to Replace Central Plant Chiller #1: The Board unanimously approved the proposal from America Mechanical Services, Inc. to Replace Central Plant Chiller #1. This item was passed in the Consent Agenda.
9. Consider Approval of Proposal for Canon Copier Fleet Refresh: The Board unanimously approved the proposal for the Canon Copier Fleet Refresh. This item was passed in the Consent Agenda.
10. Consider Approval to Offer Engineering Technology Program (Level 1 Certificates, Level 2 Certificate, and Associate of Applied Science Degree): Ms. Vera Lewis Jasper, Dean of Technical and Professional Education, presented this item to the Board. Staff is requesting approval to offer an Engineering Technology Program in the Fall. The program will have 3 certificates. A Level 1 Certificate-Entry Level, a Level 1 Certificate-Advanced Level, and a Level 2 Certificate- Advanced Level along with the Associate of Applied Science Degree. Classes will be scheduled as a combination of face-to-face, hybrid and online classes and will include lecture and hands-on labs. All face-to-face meetings will be held at the main campus. This program will prepare students for entry-level positions as Engineering Technicians.

There was some discussion on what types of jobs these students would be eligible for after earning this certificate.

Ms. Sunseri moved to approve the Engineering Technology Program (Level 1 Certificates, Level 2 Certificate, and Associate of Applied Science Degree); Dr. Hoffman seconded. The motion passed unanimously.

11. Consider Approval of Faculty Change in Rank: The Board unanimously approved the Change in Rank for Ms. Angie Hoermann from Instructor to Assistant Professor, and Dr. Tirizia York, from Instructor to Associate Professor. This item was passed in the Consent Agenda.
12. Consider Adopting of Resolution to Cast Votes in the Galveston Central Appraisal District Board of Directors Election for the 2026 Term: Dr. Shelton presented this item to the Board. There are four candidates. Votes may be cast for one candidate or be divided between two candidates. Dr. Shelton asked the board to consider casting their votes for their nominee.

Mr. Cantini moved to cast all votes for Mr. Thomas Farmer; Mr. Raschke seconded. The motion passed unanimously.

## X. SPECIAL REPORTS AND COMMENTS:

1. Student Representative: Ms. Mariana Hernandez Lima presented this item to the Board. The following updates were shared:

Events since last update:

- October 13<sup>th</sup> M&M Day- there were 80 participants.
- October 14<sup>th</sup> Bowling Night -17 students attended.
- October 15<sup>th</sup> Fiesta - 125 people attended. Culinary arts provided food and Ball High School Hispanic Dance performed.
- October 21<sup>st</sup> Cancer Walk - 71 students and faculty attended. Everyone received a pink cancer awareness shirt.
- October 28<sup>th</sup> Movie Night- 51 Students attended.
- October 27-30 Spirit Week – Students participated by dressing up for Marvelous Monday, Twin Tuesday, and Way Back Wednesday.
- October 30<sup>th</sup> Fall Fest- there was face painting, pumpkin bowling, caricatures, a haunted house, and a costume contest and 600 people attend the event. It was the largest attendance at an on campus event in some time.
- November 5<sup>th</sup> National Donut Day - Free donuts were given out to students. Students took photos and participated in a word search, and 168 people attended.

Upcoming Events:

- November 13<sup>th</sup> Game Night
- November 18<sup>th</sup> and December 5<sup>th</sup> - Movie Night at Primetime Theater
- December 2<sup>nd</sup> Bowling Night
- November 20<sup>th</sup> Movie on the Lawn- the movie is Wicked
- December 1<sup>st</sup> Rosa Parks Day – SGA will host trivia
- December 3<sup>rd</sup> Career Clothing Drive -donations can be brought to the Main Campus Atrium between 10 a.m. and 3 p.m.
- December 4<sup>th</sup> SGA will hand out “survival kits” for De stress Week
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Other Updates:

- SGA will be attending the Region V Conference at San Jacinto College on November 14<sup>th</sup>.
- SGA is working on a Legacy Project that will be a Mardi Gras float. Welding students will help build a railing and the theme will be Waves of Success.

2. Faculty Representative: Mr. Tyree Bearden, Faculty Senate President, introduced Dr. Mary Ana Thomas who presented on the Nursing Department. She emphasized that the department is a team and they are very thankful to be in the new building. She also shared that staff and students worked together to pack boxes for the move, and Nursing faculty and staff assembled the majority of the

new equipment. She shared department successes including attaining BSN accreditation, the hiring of a new director and faculty member, the Board of Nursing visited and recommended that the ADN program be removed off warning, and pass rates for the ADN program have been above 80 percent for the last two years.

3. President: Dr. Shelton asked that the nursing department stand to be recognized. He also recognized the two faculty that were approved for changes in rank. Ms. Angie Hoerman and Dr. York.

Other updates Include:

- Fall enrollment is 2,717. Our number of full-time students has increased by about 6 percent.
- The Dates to Remember Sheet is in the Board folders. He pointed out that the date for the called meeting in December is now December 11<sup>th</sup> at 8 a.m. There is a theater production, a new art exhibit, the college is closed for Thanksgiving, and the tentative dates are included for the Public Forum for the President Search.
- December 5<sup>th</sup> is the Employee Holiday Party.
- January 14<sup>th</sup> is the first date to file for a place on the General Election Ballot for the Board of Regents.
- On the Consent Agenda tonight, the Board approved about a million dollars in new grants. There is a grant that will help fund equipment for the LMRT dual credit program at Ball High, the Houston Endowment Grant to help fund student success, and the TRUE Grant that will support our new shipfitting program. We are excited for the opportunities that those grants will give us.
- Also approved on the agenda was the new MOU for baseball and softball. It is a five-year agreement.
- New student housing is on track. Contracts have been signed. Construction should begin just after Thanksgiving.
- The facilities master plan is moving forward.
- We are still working through the punch list on the HSEC.

4. Regents: There were no Regent reports.

5. Chairperson: Ms. Flowers thanked everyone for doing such a great job. We appreciate the hard work and hours you put in. Have a great Thanksgiving.

**XI. ADJOURNMENT:** There being no further business to come before the Board, the Regular Meeting adjourned at 6:19 p.m.

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Michael B. Hughes, Secretary

APPROVED AS CORRECT:

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Karen F. Flowers, Chairperson

Consideration of Consent Agenda

The consent agenda format is an organization process for meetings that allows the governing board to focus its time and attention on action items that require more elaboration, information, and/or discussion. The intent of the consent agenda is to support efficiency and effectiveness of the meeting.

A roll call of individual action items will determine the consent agenda. If a Regent has a question or plans to cast a negative vote regarding a specific recommendation, then the Regent(s) need to acknowledge their intention to the Chairperson by show of hand during the roll call. This action item will be considered in the regular order of business as an individual action item.

Those action items that the Regents plan to approve without further question or discussion will be placed on the consent agenda during roll call of individual action items. Upon the creation of the consent agenda, a motion, a second to the motion, and unanimous approval of the Board of Regents is needed to approve the action items. Upon approval of the consent agenda, the Board of Regents will proceed with the remainder of the agenda.

Tally of  
Action Items:

	<u>Consent Agenda</u>	<u>President Recommended Separate Action</u>	<u>Board Separate Action</u>	<u>Page #</u>
#1 - Consider Facilities Committee Recommendation Regarding the Purchase of Real Property		✓		47
#2 – Consider Facilities Committee Recommendation Regarding Interlocal Agreements with the City of Galveston for use of Bernard Davis “Pony Colt” Stadium and the Lassie League Sports Complex-Carter Field		✓		48
#3 – Consider Committee of the Whole Recommendation Regarding President Search Timeline and Search Plan		✓		55
#4 – Consider Committee of the Whole Recommendation Regarding Appointments to the President Search Committee		✓		58
#5 – Consider Acceptance of Texas Higher Education Coordinating Board Texas Reskilling and Upskilling for Education (TRUE) 2025-2027 Grant Award	✓			59
#6 – Consider Ratifying Acceptance Houston Endowment Planning Grant for 2025-2026	✓			62
#7 – Consider Ratifying Acceptance of CenterPoint Energy Foundation Grant	✓			74

#8 – Consider Approval of Proposal from America Mechanical Services, Inc. to Replace Central Plant Chiller #1	✓		77
#9 – Consider Approval of Proposal for Canon Copier Fleet Refresh	✓		78
#10 – Consider Approval to Offer Engineering Technology Program (Level 1 Certificates, Level 2 Certificate, and Associate of Applied Science Degree)		✓	140
#11 – Consider Approval of Faculty Change in Rank	✓		142
#12 – Consider Adoption of Resolution to Cast Votes in the Galveston Central Appraisal District Board of Directors Election for the 2026 Term		✓	143

**MINUTES OF THE BOARD OF REGENTS  
COMMITTEE OF THE WHOLE WORKSHOP  
GALVESTON COMMUNITY COLLEGE DISTRICT  
4015 Avenue Q  
Galveston, Texas 77550  
Room M-202 – Moody Hall  
November 12, 2025  
4:30 p.m.**

At the Galveston Community College District Board of Regents Committee of the Whole Workshop, duly held on Wednesday, November 12, 2025, in Room M-202, of Moody Hall, located at 4015 Avenue Q, commencing at 4:30 p.m., the following Regents were present: Ms. Karen F. Flowers, Chairperson, Mr. Armin Cantini, Dr. Norman Hoffman, Mr. Michael B. Hughes, Mr. Raymond Lewis, Jr. (attended virtually), Ms. Mary Longoria, Mr. Fred Raschke, and Ms. Carolyn Sunseri. Mr. Garrik Addison was excused.

Staff present included Dr. W. Myles Shelton, President, and Ms. Debbie Mann.

- I. CALL TO ORDER:** Chairperson Flowers opened the meeting at 4:33 p.m. in Room M-202, and determined a quorum was present.
- II. CERTIFICATION OF POSTING NOTICE OF COMMITTEE OF THE WHOLE WORKSHOP:** Dr. Shelton confirmed that the notice of the Committee of the Whole Workshop had been properly posted on November 6, 2025.
- III. CITIZENS DESIRING TO APPEAR BEFORE THE BOARD ON AGENDA AND NON-AGENDA ITEMS:** There were no citizens desiring to appear before the Board.
- IV. DISCUSS AND CONSIDER PRESIDENT SEARCH TIMELINE AND SEARCH PLAN:** Ms. Karen Flowers, Board Chair, presented this item to the Committee. The Committee was provided a draft of the Search Timeline and Plan in their materials. Dr. Shelton added that the December 10<sup>th</sup> meeting date, to approve the Presidential Profile, is in conflict with the THECB Conference that several of the Board members will be attending. He recommended moving that meeting to December 11<sup>th</sup> at 8:00 a.m. General Discussion was had on the search timeline and plan and the process for the Search Committee. Dr. Shelton also added that the timeline is tentative and can be adjusted as the Search Committee, and the Board moves through the process.  
  
Ms. Sunseri moved to recommend approval of the Tentative President Search Timeline and Search Plan including the change of the Called Meeting of the Board from December 10<sup>th</sup> to December 11<sup>th</sup> at 8:00 a.m.; Ms. Longoria seconded. The motion passed unanimously.
- V. DISCUSS AND CONSIDER APPOINTMENTS TO THE PRESIDENT SEARCH COMMITTEE:** Ms. Flowers presented this item to the committee. She thanked everyone that sent her names of community leaders. She put the names into a list and in categories, to make sure that the different areas of the community were represented. She contacted the individuals to see if they would be willing to serve, and they all agreed. She distributed a list to the Committee for their review. Discussion was had about adding a student representative to the Committee after it is formed, and possibly having that

recommendation come from faculty. Discussion was also had on how many people total should serve on the Committee. Dr. Shelton added that the Faculty Senate Officers provided the recommendations for the Faculty members, and they did a good job of trying to find representation from across the different areas of the college.

Ms. Sunseri shared that she received a message from Ms. Kelly Raines, Athletic Director, stating that she would like to serve on the Search Committee. Mr. Lewis suggested that a student representative be added to the Search Committee at the beginning of the process and he recommended adding the President of the Student Government Association (SGA). Discussion followed regarding appointing both a student representative and possibly Ms. Raines to represent College Athletics on the Search Committee.

**VI. ADJOURNMENT TO CLOSED/EXECUTIVE SESSION IN ROOM M-202: THE COMMITTEE, AS AUTHORIZED BY THE OPEN MEETINGS ACT, TEXAS GOVERNMENT CODE, CHAPTER 551, RESERVES THE RIGHT TO ENTER INTO A CLOSED/EXECUTIVE SESSION UNDER THE FOLLOWING PROVISION OF THE ACT: SECTION 551.074 – PERSONNEL MATTERS: TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE.**

The Committee did not adjourn to closed session.

**VII. RECONVENE COMMITTEE OF THE WHOLE WORKSHOP (OPEN MEETING) IN ROOM M-202:**

The Committee did not adjourn to closed session.

**VIII. DETERMINE RECOMMENDATION TO THE BOARD OF REGENTS REGARDING PRESIDENT SEARCH TIMELINE AND SEARCH PLAN:**  
See agenda item IV. The committee made their motion immediately following discussion.

**IX. DETERMINE RECOMMENDATION TO THE BOARD OF REGENTS REGARDING APPOINTMENTS TO THE PRESIDENT SEARCH COMMITTEE:**

Ms. Longoria moved to recommend appointment of the Student Government Association (SGA) President, Ms. Marianna Hernandez Lima, to the President Search Committee, and added that if the SGA President is unable to serve, another student will be appointed; Mr. Cantini seconded. The motion passed unanimously.

Mr. Raschke moved to appoint Kelly Raines, Athletic Director, to the President Search Committee; Mr. Cantini seconded.

Discussion was had about the recommendation, and if the employee's reporting structure could cause a conflict.

The motion passed 6-3. (Ms. Flowers, Dr. Hoffman, and Mr. Addison dissented)

Mr. Raschke added that the Chair of the Search Committee should let members know that if they have a conflict of interest with a candidate that they should abstain from voting.

Mr. Raschke moved to recommend appointment of the following individuals to the President Search Committee:

**Galveston College Board Members:**

Carolyn Sunseri, Chair

Fred Rasche

Raymond Lewis

**Community Members:**

Vic Pierson – Moody Bank

Keith Basset- Basset Family Business, GEDP and Chamber, Sealy-Smith Foundation

Samatha Seale Miro-UTMB/SON

Dr. Vivian Hernandez-GISD

Alan Matthews – Retired from Moody Foundation, Former GC Assistant BB Coach

**Faculty and Staff:**

Tyree Bearden – Electronics, Faculty Senate President

Don Davison- Business, Faculty Senate Vice President

Daniel Fink- Radiology, Division Director for Health Science Programs

**Retired Faculty:**

Dr. Larry Blomstedt-Retired GC History Professor, Author

**Staff:**

Amanda Lozano – Student Advisor, BBS

Kelly Raines- Athletic Director

**Student:**

SGA President Ms. Mariana Hernandez Lima, or if they are unable to serve, another student will be appointed

Dr. Hoffman seconded. The motion passed unanimously.

- X. ADJOURNMENT:** There being no further business to come before the Committee of the Whole Workshop, the meeting adjourned at 5:01 p.m.

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Breanne Lorefice, Clerk

APPROVED AS CORRECT:

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Karen F. Flowers, Chairperson

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF REGENTS  
GALVESTON COMMUNITY COLLEGE DISTRICT  
4015 Avenue Q  
Galveston, Texas 77550  
Room M-220 – Moody Hall  
December 11, 2025  
8:00 a.m.**

At the Special Meeting of the Galveston Community College District Board of Regents, duly held on Thursday, December 11, 2025 in Room M-220 of Moody Hall, commencing at 8:00 a.m., the following Regents were present:

Ms. Karen F. Flowers, Chairperson  
Mr. Fred D. Raschke, Vice Chairperson  
Mr. Michael B. Hughes, Secretary  
Mr. Garrik Addison  
Mr. Armin Cantini  
Dr. Norman Hoffman  
Mr. Raymond Lewis, Jr.  
Ms. Mary R. Longoria  
Ms. Carolyn L. Sunseri

Faculty and staff present included Dr. W. Myles Shelton, President, and Dr. Van Patterson.

- I. CALL TO ORDER SPECIAL MEETING:** Chair Flowers opened the Special Meeting at 8:00 a.m. in Room M-220 of Moody. Hall and determined a quorum was present.
- II. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE:** Ms. Flowers began with a moment of silence and asked Mr. Cantini to lead the Pledge of Allegiance.
- III. CERTIFICATION OF POSTING NOTICE OF SPECIAL MEETING:** Dr. Shelton confirmed that the notice of the Special Meeting had been properly posted on December 5, 2025
- IV. ACTION ITEMS:**

Consider Approval of Presidential Profile: Ms. Carolyn Sunseri, Presidential Search Committee Chair, presented this item to the Board. The Presidential Search Committee met on December 4<sup>th</sup> to draft the Presidential Profile. During this meeting, Committee members reviewed the Presidential Profile Draft, added additional language, and recommended changes to the document. In addition, the Committee reviewed and incorporated the suggestions received during the public forums held on December 3<sup>rd</sup>, and the responses received via the online survey. ACCT has reviewed the document. Susan Moore-Fontenot, from ACCT is with us today, and Dr. Bill Holda as well. Mr. Cantini offered some suggestions to the document last night.

Ms. Sunseri went over the suggested changes from Mr. Cantini. She added that she reviewed the changes and she would offer the changes to the Board for approval.

Discussion was had with the Board on the suggested changes.

Mr. Raschke moved to approve the Presidential Profile as presented in the Board packet by the Presidential Search Committee; Mr. Lewis seconded. The motion passed 8-1, Mr. Cantini dissented.

1. Consider Acceptance of Resignation of Current Board Chair, and Nomination and Election of New Board Chair to Serve the Remainder of the 2024-2026 Term: Ms. Flowers presented this item to the Board. She stated that she was elected to the Board 13 ½ years ago, and she has loved serving and will continue to serve. When she was asked to be Chairman, it was supposed to be a two-year term, then during Covid she was asked to stay through that time, and then she was asked to serve another turn. After 7 ½ years as serving as Chairman, she feels that it is time to open it up for someone else to serve. She asked the Board for nominations for a new Board Chair.

Mr. Lewis moved to nominate Ms. Carolyn Sunseri to serve as Board Chair for the remainder of the 2024-2026 term; Mr. Raschke seconded. The motion passed unanimously.

Mr. Raschke thanked Ms. Flowers for her service and what she has done for the Board.

Ms. Sunseri thanked everyone for their willingness to let her serve in this position. She added that she owes her professional career to Galveston College, she worked for 10 years in the public affairs department. She was willing to step into her father's shoes and continue to lead the college and see it grow. She is so proud to be here and willing to do whatever she can for the betterment of the College. She thanked Dr. Bix Rathburn, for being at the meeting and supporting her. Ms. Sunseri worked under Dr. Rathburn at the College when he was the President. She promises to assist the leadership of the College however she can.

**VII. ADJOURN SPECIAL MEETING:** There being no further business to come before the Board, the Special Meeting adjourned at 8:13 a.m.

APPROVED AS CORRECT:

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Michael B. Hughes, Secretary

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Karen F. Flowers, Chairperson

Student Success Story

Dr. W. Myles Shelton, President, will present the Student Success Story for the month.

Monthly Financial Report –November and December

Attached is the monthly financial report for August, representing encumbrances and pre-encumbrances through December 31, 2025. The report is as follows:

**Education and General Fund:**

- Revenue Summary Sheet
- Expenditure Summary Sheet
- Summary Revenue/Expenditure Report
- Detail Revenue/Expenditure Report by State Classification

**Auxiliary Fund (Bookstore, Snack Bar, Athletics):**

- Summary Revenue/Expenditure Report by State Classification

**Student Services / Student Activity Fund:**

- Summary Revenue/Expenditure Report by State Classification

**Construction Fund:**

- Summary Revenue/Expenditure Report

**Bond Fund:**

- Summary Revenue/Expenditure Report

**Operating Fund**  
**Revenue Summary Sheet**  
**January 2026 Meeting**  
As of November 30, 2025 (25 % of Year)

Source	Budgeted 2025/2026	Year-to-Date		
		Received (\$) 2025/2026	Received (%) 2025/2026	Received (%) 2024/2025
State Funds	\$5,270,549	\$2,662,968	50.5%	50.7%
Tuition and Fees	\$5,616,300	\$4,192,871	74.7%	70.5%
Local Taxes	\$19,356,251	\$1,952,805	10.1%	10.8%
Local Revenues	\$1,268,100	\$321,008	25.3%	29.2%
<b>Total Revenue</b>	<b>\$31,511,200</b>	<b>\$9,129,652</b>	<b>29.0%</b>	<b>29.0%</b>

**Operating Fund**  
**Expenditure Summary Sheet**  
**January 2026 Meeting**  
As of November 30, 2025 (25 % of Year)

Source	Budgeted 2025/2026	Year-to-Date		
		Expended (\$) 2025/2026	Expended (%) 2025/2026	Expended (%) 2024/2025
Instruction	\$10,087,926	\$2,558,933	25.4%	22.4%
Community Service	\$82,515	\$10,384	12.6%	16.4%
Academic Support	\$2,249,843	\$610,816	27.1%	24.9%
Student Services	\$2,943,669	\$669,960	22.8%	21.9%
Institutional Support	\$6,823,246	\$1,893,790	27.8%	26.0%
Staff Benefits	\$16,000	\$39,415	246.3%	136.0%
Operations/ Maintenance	\$4,015,842	\$1,379,136	34.3%	35.4%
Interfund Transfers (out)	\$5,292,159	\$887,063	16.8%	16.9%
<b>Total Expenditures</b>	<b>\$31,511,200</b>	<b>\$8,049,497</b>	<b>25.5%</b>	<b>24.1%</b>

**GALVESTON COLLEGE**  
Fund 11 Education and General

November 30, 2025

	Current year Budget 2026	Current year (MTD) Actual November	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026	Current year % Expended 2026
<b>Revenue by State Classification</b>						
State Funds	5,270,549	0	2,662,968	0	2,607,581	50.5%
Tuition	3,475,100	638,516	2,619,845	0	855,255	75.4%
Course Fees	3,307,200	650,834	2,409,383	0	897,817	72.9%
Exemptions\Waivers	(1,166,000)	(180,338)	(836,357)	0	(329,643)	71.7%
Local Taxes	19,356,251	1,664,642	1,952,805	0	17,403,446	10.1%
Local Revenue	1,253,800	100,180	315,197	0	938,603	25.1%
Sales and Services	14,300	904	5,811	0	8,489	40.6%
<b>Total Revenue</b>	<b>31,511,200</b>	<b>2,874,738</b>	<b>9,129,652</b>	<b>0</b>	<b>22,381,548</b>	<b>29.0%</b>
<b>Expenditures by State Classification</b>						
Instruction	10,087,926	818,801	2,558,933	68,989	7,460,004	25.4%
Community Service	82,515	4,387	10,384	14,498	57,634	12.6%
Academic Support	2,249,843	182,273	610,816	34,571	1,604,456	27.1%
Student Services	2,943,669	242,475	669,960	63,371	2,210,338	22.8%
Institutional Support	6,798,146	428,110	1,893,790	311,879	4,592,477	27.9%
Operation and Maintenance	4,040,942	237,121	1,379,136	1,157,136	1,504,669	34.1%
Staff Benefits	16,000	0	39,415	0	(23,415)	246.3%
Inter-Fund Appropriations	5,292,159	165,966	887,063	0	4,405,096	16.8%
<b>Expenditures Total</b>	<b>31,511,200</b>	<b>2,079,133</b>	<b>8,049,497</b>	<b>1,650,444</b>	<b>21,811,258</b>	<b>25.5%</b>
<b>Expenditures by Type</b>						
General Operating	3,905,306	112,131	1,243,193	412,601	2,249,512	31.8%
Contracted Services	3,220,012	218,246	1,268,842	416,438	1,534,732	39.4%
Travel	470,650	33,593	75,981	9,205	385,465	16.1%
Equipment	109,373	7,907	25,528	(1,190)	85,035	23.3%
Utilities	1,137,600	85,014	192,321	813,392	131,887	16.9%
Faculty Full Time	4,820,486	394,076	1,174,447	0	3,646,039	24.4%
Faculty Overloads\Adjunct	1,979,638	198,558	568,481	0	1,411,157	28.7%
Stipends	563,814	45,041	129,693	0	434,121	23.0%
Administrator Salaries	2,488,500	198,632	600,126	0	1,888,374	24.1%
Professional Technical Salaries	2,455,109	212,028	623,940	0	1,831,169	25.4%
Classified Salaries	2,651,068	218,718	640,237	0	2,010,831	24.2%
Part-Time Salaries	746,405	59,356	191,059	0	555,346	25.6%
Staff Benefits	1,671,080	129,866	428,585	0	1,242,495	25.6%

GALVESTON COLLEGE  
Fund 11 Education and General

Interfund Appropriations	5,292,159	165,966	887,063	0	4,405,096	16.8%
<b>Expenditures Total</b>	31,511,200	2,079,133	8,049,497	1,650,444	21,811,258	25.5%
<b>Excess Rev/Exp</b>	0	795,606	1,080,155			

Galveston College

Fund 11 Detail Rev\Exp

as of the end of November 2025

	Budget 2026	(MTD) Actual November	(YTD) Actual 2026	Encumbrances 2026	Available 2026	% of Budget 2026
<b>State Appropriation</b>						
Academic/Technical	\$5,270,549	\$0	\$2,051,366	\$0	\$3,219,183	38.9%
Incentive	\$0	\$0	\$212,731	\$0	(\$212,731)	Infinity
Core	\$0	\$0	\$398,871	\$0	(\$398,871)	Infinity
Health Insurance	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total</b>	<b>\$5,270,549</b>	<b>\$0</b>	<b>\$2,662,968</b>	<b>\$0</b>	<b>\$2,607,581</b>	<b>50.5%</b>
<b>Tuition</b>						
In-District Tuition	\$1,398,600	\$274,344	\$1,042,152	\$0	\$356,448	74.5%
Out-of-District Tuition	\$1,225,000	\$240,424	\$852,030	\$0	\$372,970	69.6%
Non Resident Tuition	\$451,000	\$107,751	\$369,352	\$0	\$81,648	81.9%
CE Workforce Training	\$94,500	\$1,285	\$102,260	\$0	(\$7,760)	108.2%
CE Workforce Info Tech	\$0	\$0	\$0	\$0	\$0	NaN
CE Workforce Health Prof	\$220,400	\$4,438	\$188,807	\$0	\$31,593	85.7%
CE Leisure Learning	\$80,600	\$10,274	\$64,431	\$0	\$16,169	79.9%
CE Childrens Programs	\$0	\$0	\$0	\$0	\$0	NaN
CE-Misc 3rd Party	\$5,000	\$246	\$813	\$0	\$4,187	16.3%
<b>Total</b>	<b>\$3,475,100</b>	<b>\$638,762</b>	<b>\$2,619,845</b>	<b>\$0</b>	<b>\$855,255</b>	<b>75.4%</b>
<b>Course Fees</b>						
Building Use Fee	\$1,416,000	\$277,536	\$1,016,431	\$0	\$399,569	71.8%
Student Service Fee	\$66,000	\$12,700	\$47,220	\$0	\$18,780	71.5%
General Service Fee	\$309,400	\$54,708	\$203,639	\$0	\$105,761	65.8%
Registration Fee	\$185,700	\$32,406	\$122,319	\$0	\$63,381	65.9%
Out-of-District Fee	\$558,700	\$120,672	\$425,540	\$0	\$133,160	76.2%

Galveston College

Fund 11 Detail Rev/Exp

as of the end of November 2025

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	November	2026	2026	2026	2026
Course and Lab Fees	\$390,500	\$64,634	\$284,349	\$0	\$106,151	72.8%
Distance Education Fees	\$240,000	\$73,619	\$248,099	\$0	(\$8,099)	103.4%
Distance Education Fees N/R	\$7,800	\$2,800	\$7,000	\$0	\$800	89.7%
Testing Fees	\$8,000	\$735	\$3,350	\$0	\$4,650	41.9%
Testing Fees GED	\$0	\$0	\$0	\$0	\$0	NaN
Testing Fees-Contract	\$24,000	\$557	\$4,805	\$0	\$19,195	20.0%
Late Registration Fees	\$5,800	\$0	\$2,425	\$0	\$3,375	41.8%
Schedule Change Fees	\$2,500	\$10	\$1,070	\$0	\$1,430	42.8%
Student Health Insurance Fees	\$62,200	\$6,917	\$27,869	\$0	\$34,331	44.8%
SurCharge 3peat > 27 Dev hrs	\$30,600	\$3,540	\$15,066	\$0	\$15,534	49.2%
Other Fees	\$0	\$0	\$200	\$0	(\$200)	Infinity
<b>Total</b>	<b>\$3,307,200</b>	<b>\$650,834</b>	<b>\$2,409,383</b>	<b>\$0</b>	<b>\$897,817</b>	<b>72.9%</b>
<b>Exemptions/Waivers</b>						
Competitive Waiver	(\$24,000)	(\$16,926)	(\$37,037)	\$0	\$13,037	154.3%
Foster Care	(\$28,000)	(\$6,316)	(\$29,220)	\$0	\$1,220	104.4%
Hazelwood Waiver Credit	(\$12,000)	\$0	(\$5,929)	\$0	(\$6,071)	49.4%
Hazelwood Dependant	(\$60,000)	\$0	(\$34,570)	\$0	(\$25,430)	57.6%
Concurrent Enrollment	\$0	\$0	\$0	\$0	\$0	NaN
Blind	(\$5,400)	(\$3,456)	(\$7,217)	\$0	\$1,817	133.6%
Fireman	(\$12,400)	\$0	(\$1,760)	\$0	(\$10,640)	14.2%
Police	(\$1,700)	\$0	\$0	\$0	(\$1,700)	0.0%
TEC 54.052	(\$102,300)	\$0	(\$3,334)	\$0	(\$98,966)	3.3%
Military Waiver	(\$13,200)	(\$1,092)	(\$3,913)	\$0	(\$9,287)	29.6%
GISD Dual Credit	(\$904,000)	(\$150,728)	(\$710,010)	\$0	(\$193,990)	78.5%

Galveston College

Fund 11 Detail Rev/Exp

as of the end of November 2025

	Budget 2026	(MTD) Actual November	(YTD) Actual 2026	Encumbrances 2026	Available 2026	% of Budget 2026
Other	(\$3,000)	(\$1,820)	(\$3,367)	\$0	\$367	112.2%
<b>Total</b>	<b>(\$1,166,000)</b>	<b>(\$180,338)</b>	<b>(\$836,357)</b>	<b>\$0</b>	<b>(\$329,643)</b>	<b>71.7%</b>
<b>Local Taxes</b>						
Current Taxes	\$18,837,251	\$1,621,166	\$1,790,694	\$0	\$17,046,557	9.5%
Delinquent	\$295,000	\$33,395	\$119,582	\$0	\$175,418	40.5%
Penalty & Interest	\$190,000	\$10,081	\$39,120	\$0	\$150,880	20.6%
Other	\$34,000	\$0	\$3,410	\$0	\$30,590	10.0%
<b>Total</b>	<b>\$19,356,251</b>	<b>\$1,664,642</b>	<b>\$1,952,805</b>	<b>\$0</b>	<b>\$17,403,446</b>	<b>10.1%</b>
<b>Local Revenue</b>						
Interest Income	\$1,200,000	\$99,945	\$312,579	\$0	\$887,421	26.0%
Miscellaneous Revenue	\$10,500	\$30	\$1,850	\$0	\$8,650	17.6%
Misc. Revenue-Vehicles	\$3,000	\$205	\$768	\$0	\$2,232	25.6%
Administrative Allowance	\$5,400	\$0	\$0	\$0	\$5,400	0.0%
Indirect Cost Recovery	\$34,900	\$0	\$0	\$0	\$34,900	0.0%
Legal Settlements	\$0	\$0	\$0	\$0	\$0	NaN
Insurance Reimbursements	\$0	\$0	\$0	\$0	\$0	NaN
Donations	\$0	\$0	\$0	\$0	\$0	NaN
Sales and Services	\$14,300	\$904	\$5,811	\$0	\$8,489	40.6%
<b>Total</b>	<b>\$1,268,100</b>	<b>\$101,084</b>	<b>\$321,008</b>	<b>\$0</b>	<b>\$947,092</b>	<b>25.3%</b>
<b>Inter-Fund Appropriations</b>						
Transfers from Ed & Gen (Fund Bal...	\$0	\$0	\$0	\$0	\$0	NaN
Transfers from Federal Grants	\$0	\$0	\$0	\$0	\$0	NaN
Transfers from Bond Revenue	\$0	\$0	\$0	\$0	\$0	NaN

Galveston College

Fund 11 Detail Rev\Exp

as of the end of November 2025

Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
2026	November	2026	2026	2026	2026
	\$0	\$0	\$0	\$0	NaN
<b>Total Revenue</b>	<b>\$31,511,200</b>	<b>\$2,874,984</b>	<b>\$9,129,652</b>	<b>\$22,381,548</b>	<b>29%</b>

Galveston College

Fund 11 Detail Rev/Exp

as of the end of November 2025

Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
2026	November	2026	2026	2026	2026

Exp by State Classification

Instructional

Welding	\$444,992	\$29,132	\$114,940	\$15,507	\$314,545	25.8%
Biology	\$392,775	\$34,535	\$97,674	\$0	\$295,101	24.9%
Biotechnology	\$0	\$0	\$0	\$0	\$0	NaN
Chemistry	\$242,161	\$20,303	\$59,104	\$0	\$183,057	24.4%
Env Science	\$48,912	\$3,311	\$8,833	\$0	\$40,079	18.1%
Physics	\$122,052	\$9,863	\$29,576	\$0	\$92,476	24.2%
Accounting	\$86,844	\$5,933	\$18,847	\$0	\$67,997	21.7%
Accounting Tech	\$0	\$0	\$0	\$0	\$0	NaN
Business Admin	\$11,846	\$2,103	\$8,572	\$0	\$3,274	72.4%
Hosp/Tourism	\$0	\$0	\$0	\$0	\$0	NaN
Medical Office Admin	\$237,596	\$24,830	\$56,201	\$500	\$180,895	23.7%
Logistics Op	\$107,656	\$9,749	\$27,240	\$500	\$79,916	25.3%
Med Off Admin	\$0	\$0	\$0	\$0	\$0	NaN
Sm Bus Manage	\$0	\$0	\$0	\$0	\$0	NaN
Office Tech	\$0	\$0	\$0	\$0	\$0	NaN
Paralegal	\$0	\$0	\$0	\$0	\$0	NaN
Speech	\$97,046	\$9,002	\$27,310	\$0	\$69,736	28.1%
Comp. Science	\$37,613	\$2,497	\$7,044	\$0	\$30,569	18.7%
Comp. Tech.	\$10,133	\$0	\$0	\$0	\$10,133	0.0%
Culinary Arts	\$161,671	\$17,622	\$48,929	\$16,479	\$96,263	30.3%
Cosmetology	\$276,151	\$28,776	\$85,311	\$6,536	\$184,304	30.9%
Engineering	\$0	\$0	\$0	\$0	\$0	NaN

Galveston College

Fund 11 Detail Rev\Exp

as of the end of November 2025

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	November	2026	2026	2026	2026
Develop-Read	\$141,609	\$12,718	\$36,181	\$0	\$105,428	25.5%
Develop-Write	\$0	\$0	\$0	\$0	\$0	NaN
Develop-Other	\$0	\$0	\$0	\$0	\$0	NaN
Education	\$16,096	\$2,684	\$9,663	\$0	\$6,433	60.0%
English	\$337,600	\$29,795	\$110,353	\$0	\$227,247	32.7%
Humanities	\$6,042	\$0	\$0	\$0	\$6,042	0.0%
Philosophy	\$31,142	\$3,074	\$10,102	\$0	\$21,040	32.4%
Foreign Lang-SPAN	\$10,170	\$1,171	\$2,342	\$0	\$7,828	23.0%
Nursing-RN	\$984,802	\$55,051	\$220,262	(\$6,113)	\$770,653	22.4%
Nursing Admin	\$194,715	\$16,644	\$47,475	\$300	\$146,940	24.4%
Allied Health	\$0	\$0	\$0	\$0	\$0	NaN
Clinical Research	\$0	\$0	\$0	\$0	\$0	NaN
Emer Med Serv	\$333,677	\$16,801	\$56,223	\$1,538	\$275,916	16.8%
Imaging-CT	\$158,549	\$13,228	\$35,896	\$4,786	\$117,867	22.6%
Imaging-MRI	\$179,656	\$14,129	\$42,696	\$0	\$136,960	23.8%
Imaging-Mam	\$0	\$0	\$0	\$0	\$0	NaN
Imaging-Nuclear	\$221,406	\$19,611	\$53,149	\$5,429	\$162,827	24.0%
Imaging-Rad Thy	\$216,712	\$16,555	\$47,774	\$2,856	\$166,082	22.0%
Imaging-Rad Tch	\$754,292	\$62,246	\$216,510	\$5,664	\$532,117	28.7%
Ophthalmic Asst	\$0	\$0	\$0	\$0	\$0	NaN
Pharmacy Tech	\$0	\$0	\$0	\$0	\$0	NaN
Phlebotomy Tech	\$0	\$0	\$0	\$0	\$0	NaN
Sonography	\$240,143	\$17,212	\$56,599	\$1,325	\$182,219	23.6%
Surgical Tech	\$162,687	\$10,617	\$32,364	\$0	\$130,323	19.9%

**Galveston College**  
**Fund 11 Detail Rev\Exp**  
**as of the end of November 2025**

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	November	2026	2026	2026	2026
Nursing-LVN	\$195,380	\$10,784	\$38,394	\$0	\$156,986	19.7%
Develop-Math	\$304,651	\$30,780	\$86,161	\$0	\$218,490	28.3%
Mathematics	\$445,273	\$41,246	\$116,512	\$0	\$328,761	26.2%
Auto Tech	\$0	\$0	\$0	\$0	\$0	NaN
HVAC Tech	\$145,432	\$12,966	\$36,803	\$3,849	\$104,780	25.3%
Industrial Sys	\$0	\$0	\$0	\$0	\$0	NaN
Electrical and Electronics	\$150,831	\$9,596	\$28,440	\$689	\$121,702	18.9%
Instrumentation	\$135,319	\$10,336	\$31,008	\$500	\$103,811	22.9%
Fitness Center	\$152,454	\$11,503	\$34,894	\$1,425	\$116,135	22.9%
Physical Ed.	\$146,219	\$11,126	\$34,231	\$0	\$111,988	23.4%
CJ-Academic	\$111,718	\$7,476	\$22,374	\$0	\$89,344	20.0%
Law Enforce	\$197,390	\$14,731	\$54,176	\$4,905	\$138,309	27.4%
Economics	\$76,776	\$4,573	\$13,720	\$0	\$63,056	17.9%
Government/PS	\$117,998	\$11,764	\$37,121	\$35	\$80,842	31.5%
History/Geog.	\$141,765	\$11,473	\$35,154	\$0	\$106,611	24.8%
Psychology	\$145,781	\$19,091	\$54,223	\$0	\$91,558	37.2%
Sociology	\$40,870	\$4,655	\$14,382	\$0	\$26,488	35.2%
Art	\$150,515	\$14,516	\$42,449	\$828	\$107,238	28.2%
Digital Imaging	\$0	\$0	\$0	\$0	\$0	NaN
Drama / Theater	\$161,880	\$17,299	\$45,641	\$0	\$116,239	28.2%
Music	\$36,293	\$2,811	\$11,320	\$0	\$24,973	31.2%
Business (Bachelors)	\$122,540	\$9,050	\$27,473	\$29	\$95,038	22.4%
Medical Bachelors	\$137,419	\$11,705	\$41,346	\$265	\$95,807	30.1%
Nursing BSN	\$228,331	\$19,102	\$57,510	\$0	\$170,821	25.2%

## Galveston College

## Fund 11 Detail Rev\Exp

as of the end of November 2025

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	November	2026	2026	2026	2026
Accreditation	\$18,025	\$673	\$7,576	\$0	\$10,449	42.0%
Accreditation QEP	\$84,563	\$8,355	\$23,644	\$250	\$60,669	28.0%
ATD	\$0	\$0	\$0	\$0	\$0	NaN
Faculty Dev.	\$84,700	\$6,430	\$15,510	\$0	\$69,190	18.3%
Lecture Series	\$4,250	\$8	\$8	\$0	\$4,243	0.2%
CE-Workforce	\$63,482	\$4,099	\$10,844	\$40	\$52,598	17.1%
CE Cisco	\$0	\$0	\$0	\$0	\$0	NaN
CE Allied Health	\$221,325	\$23,463	\$70,849	\$868	\$149,608	32.0%
<b>Total Instructional</b>	<b>\$10,087,926</b>	<b>\$818,801</b>	<b>\$2,558,933</b>	<b>\$68,989</b>	<b>\$7,460,004</b>	<b>25%</b>
<b>Community Service</b>						
CE Leisure Learning	\$82,515	\$4,387	\$10,384	\$14,498	\$57,634	12.6%
CE Children Programs	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total Community Service</b>	<b>\$82,515</b>	<b>\$4,387</b>	<b>\$10,384</b>	<b>\$14,498</b>	<b>\$57,634</b>	<b>12.6%</b>
<b>Academic Support</b>						
Vice President of Instruction	\$325,635	\$26,497	\$79,583	\$366	\$245,686	24.4%
Arts & Sciences Administration	\$59,479	\$4,815	\$15,152	\$0	\$44,327	25.5%
Tech\Professional Ed. Administration	\$287,619	\$34,612	\$78,290	\$2,473	\$206,856	27.2%
Adult & Continuing Ed. Administration	\$266,001	\$22,520	\$64,080	\$1,456	\$200,465	24.1%
Distance Education Administration	\$270,151	\$22,284	\$62,558	\$0	\$207,593	23.2%
Hamshire - Fannett Administration	\$0	\$0	\$0	\$0	\$0	NaN
Grants Development	\$84,453	\$6,755	\$20,267	\$0	\$64,186	24.0%
Library & Learning Resources	\$422,500	\$26,833	\$144,283	\$28,781	\$249,436	34.1%
Media Services	\$58,662	\$4,342	\$13,878	\$1,094	\$43,690	23.7%



Galveston College

Fund 11 Detail Rev\Exp

as of the end of November 2025

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	November	2026	2026	2026	2026
Communications	\$83,217	\$2,021	\$13,759	\$18,043	\$51,415	16.5%
Vice Pres. Community Engagement	\$0	\$0	\$0	\$0	\$0	NaN
Development	\$316,873	\$10,332	\$51,659	\$1,135	\$264,079	16.3%
GC Foundation	\$78,651	\$3,463	\$10,833	\$400	\$67,418	13.8%
Marketing & Media	\$735,302	\$49,806	\$131,715	\$106,300	\$497,288	17.9%
<b>Total for Institutional Support</b>	<b>\$6,798,146</b>	<b>\$428,110</b>	<b>\$1,893,790</b>	<b>\$311,879</b>	<b>\$4,592,477</b>	<b>27.9%</b>
<b>Staff Benefits</b>						
Staff Benefits - State Eligible	\$16,000	\$0	\$39,415	\$0	(\$23,415)	246.3%
Staff Benefits - Non-State Eligible	\$0	\$0	\$0	\$0	\$0	NaN
GASB 67/78 TRS net	\$0	\$0	\$0	\$0	\$0	NaN
GASB 74/75 ERS net	\$0	\$0	\$0	\$0	\$0	NaN
Staff Benefits - Retirees	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total For Staff Benefits</b>	<b>\$16,000</b>	<b>\$0</b>	<b>\$39,415</b>	<b>\$0</b>	<b>(\$23,415)</b>	<b>246.3%</b>
<b>Operations and Maintenance</b>						
Plant Administration	\$1,021,187	\$17,960	\$781,880	\$0	\$239,307	76.6%
Building Maintenance	\$1,051,794	\$77,834	\$224,904	\$240,899	\$585,991	21.4%
Custodial Services	\$740,931	\$55,905	\$174,512	\$47,010	\$519,408	23.6%
Custodial Services Tech Center	\$0	\$0	\$0	\$0	\$0	NaN
Grounds Maintenance	\$85,000	\$0	\$4,620	\$55,380	\$25,000	5.4%
Grounds Maintenance Tech Center	\$0	\$0	\$0	\$0	\$0	NaN
Transportation	\$29,030	\$408	\$4,455	\$18,499	\$6,076	15.3%
Utilities	\$995,000	\$78,284	\$173,944	\$696,056	\$125,000	17.5%
Utilities Tech Center	\$118,000	\$6,730	\$14,821	\$99,292	\$3,887	12.6%

**Galveston College**  
**Fund 11 Detail Rev\Exp**  
**as of the end of November 2025**

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	November	2026	2026	2026	2026
<b>Total for Operations and M...</b>	<b>\$4,040,942</b>	<b>\$237,121</b>	<b>\$1,379,136</b>	<b>\$1,157,136</b>	<b>\$1,504,669</b>	<b>34.1%</b>
<b>Inter-Fund Appropriations</b>						
Transfers to Auxiliary	\$721,760	\$0	\$0	\$0	\$721,760	0.0%
Transfers to Student Activity Fund	\$66,000	\$12,700	\$47,220	\$0	\$18,780	71.5%
Transfer to State Eligible Ben	\$1,657,293	\$153,266	\$278,726	\$0	\$1,378,567	16.8%
Transfers to State Grants & Aid	\$179,806	\$0	\$0	\$0	\$179,806	0.0%
Transfers to Bond Revenue	\$1,867,300	\$0	\$533,400	\$0	\$1,333,900	28.6%
Transfer to Construction	\$0	\$0	\$0	\$0	\$0	NaN
Transfers to Capital Project	\$800,000	\$0	\$27,718	\$0	\$772,282	3.5%
Transfers to Fixed Assets	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total Inter-Fund Appropriat...</b>	<b>\$5,292,159</b>	<b>\$165,966</b>	<b>\$887,063</b>	<b>\$0</b>	<b>\$4,405,096</b>	<b>16.8%</b>
<b>Expenditures Total</b>	<b>\$31,511,200</b>	<b>\$2,079,133</b>	<b>\$8,049,497</b>	<b>\$1,650,444</b>	<b>\$21,811,258</b>	<b>25.5%</b>

**Auxiliary Fund**  
as of November 30, 2025

November 30, 2025	Current year		Current year		Current year		Current year		Current year
	Budget	(MTD) Actual	(YTD) Actual	Encumbr...	Remaining	% Expended			
	2026	November	2026	2026	2026	2026	2026	2026	
<b>Revenue by State Classification</b>									
Inter-Fund Appropriat...	793,760	0	0	0	793,760	0%			
Bookstore Commission	45,000	8,844	8,844	0	\$36,156	20%			
Student Housing	358,585	134,210	338,869	0	19,716	95%			
Food Service	545,445	228,006	552,925	0	(7,480)	101%			
Special Event	0	0	0	0	0	NaN			
Sales and Services	157,630	8,656	39,968	0	117,662	25%			
<b>Total Revenue</b>	<b>1,900,420</b>	<b>379,715</b>	<b>940,607</b>	<b>0</b>	<b>959,813</b>	<b>49%</b>			

<b>Expenditures by Department</b>									
Student Housing	28,738	1,957	6,169	0	22,569	21%			
Food Service	415,700	41,163	187,002	0	228,698	45%			
Print Shop	131,296	8,245	24,767	25,149	81,380	19%			
Special Event	0	0	0	0	0	NaN			
Athletics General	128,014	4,772	32,305	3,352	92,358	25%			
Baseball	535,119	20,227	183,040	29,810	322,269	34%			
Softball	440,553	28,094	155,694	11,567	273,291	35%			
General Institutional	221,000	11,005	21,308	35,930	163,762	10%			
Transfer to Construction	0	0	0	0	0	NaN			
<b>Expenditures Total</b>	<b>1,900,420</b>	<b>115,462</b>	<b>610,285</b>	<b>105,808.32</b>	<b>1,184,327</b>	<b>32%</b>			

**Auxiliary Fund  
as of November 30, 2025**

**Expenditures by Type**

General Operating	277,825	9,512	34,280	67,894	175,651	12%
Contracted Services	558,496	50,369	215,381	11,730	331,385	39%
Travel	157,804	7,769	39,676	0	118,128	25%
Equipment	75,400	15,316	30,919	26,184	18,297	41%
Special Event	0	0	0	0	0	NaN
Transfer to Scholarships	25,000	0	0	0	25,000	0%
Transfer to Construction	0	0	0	0	0	NaN
Scholarships	443,254	3,475	203,342	0	239,912	46%
Salaries & Stipends	284,143	22,746	68,517	0	215,626	24%
Staff Benefits	78,498	6,274	18,171	0	60,327	23%
<b>Expenditures Total</b>	<b>1,900,420</b>	<b>115,462</b>	<b>610,285</b>	<b>105,808</b>	<b>1,184,327</b>	<b>32%</b>

**Student Service Fund  
as of November 30, 2025**

November 30, 2025	Current year		Current year (MTD) Actual	Current ... (YTD) Act...	Current ... Encumbr...	Current year Remaining	Current year % Expended
	Budget	2026					
<b>Revenue by State Classification</b>							
Interfund Appropriations	66,000		12,700	47,220	0	18,780	72%
Fund Balance Transfer	0		0	0	0	0	NaN
<b>Total Revenue</b>	<b>\$66,000</b>		<b>\$12,700</b>	<b>\$47,220</b>	<b>\$0</b>	<b>\$18,780</b>	<b>72%</b>

**Expenditures by Department**

Student Activities	27,475		4,356	8,818	4,808	13,850	32%
Student Government	19,570		1,322	10,929	828	7,813	56%
Phi Theta Kappa	2,600		0	0	0	2,600	0%
<b>Expenditures Total</b>	<b>49,645</b>		<b>5,678</b>	<b>19,747</b>	<b>5,635</b>	<b>24,263</b>	<b>40%</b>

**Expenditures by Type**

General Operating	37,000		3,678	15,747	5,823	15,430	43%
Contracted Services	0		0	0	0	0	NaN
Travel	15,000		0	0	0	15,000	0%
Equipment	0		0	0	0	0	NaN
Scholarships	0		0	0	0	0	NaN
Salaries & Stipends	14,000		2,000	4,000	0	10,000	29%
Staff Benefits	0		0	0	0	0	NaN
<b>Expenditures Total</b>	<b>66,000</b>		<b>5,678</b>	<b>19,747</b>	<b>5,823</b>	<b>40,430</b>	<b>30%</b>

**GALVESTON COLLEGE**  
**Construction/Capital Project fund**  
**as of November 30, 2025**

November 30, 2025	Current year	Current year	Current year	Current year	Current year	Current year
	Budget (MTD) 2026	Actual November 2026	(YTD) Actual 2026	Encumbrances 2026	Remaining 2026	Remaining 2026
<b>Fund 71</b>						
<b>Revenue 2025</b>						
Fund Balance Transfer	7,958,000	0	0	0	0	7,958,000
<b>Total Revenue</b>	<b>7,958,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,958,000</b>
<b>Expenditures</b>						
<b>Softball Field</b>						
Softball Field-Construction	1,500,000	0	0	0	0	1,500,000
Softball Field- Architectural and Engineering Fees	150,000	0	0	0	0	150,000
<b>Expenditures Total</b>	<b>1,650,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,650,000</b>
<b>Electrical Transformer Upgrade</b>						
Electrical Transformer Upgrade- Construction	0	0	0	0	0	0
Electrical Transformer Upgrade- Archit. and Engin.	0	0	0	0	0	0
Electrical Transformer Upgrade- Contingency	0	0	0	0	0	0
<b>Expenditures Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Student Housing</b>						
Facility Construction	4,320,000	0	42,493	0	0	4,277,507
Equipment	150,000	0	0	0	0	150,000
Furniture	150,000	0	0	0	0	150,000
Contingency	450,000	0	0	0	0	450,000
Architectural & Engineering Fees	150,000	0	21,728	0	0	128,272
<b>Expenditures Total</b>	<b>5,220,000</b>	<b>0</b>	<b>64,221</b>	<b>0</b>	<b>0</b>	<b>5,155,779</b>

**GALVESTON COLLEGE**  
**Construction/Capital Project fund**  
**as of November 30, 2025**

November 30, 2025	Current year Budget (MTD) Actual 2026	Current year Actual November	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026
	<b>HVAC Campus Upgrades</b>				
Equipment	638,000	0	0	318,716	319,284
<b>Expenditures Total</b>	<b>638,000</b>	<b>0</b>	<b>0</b>	<b>318,716</b>	<b>319,284</b>
	<b>Future Expansion</b>				
Land\Bldg Acquisition	450,000	3,700	3,700	0	446,300
<b>Projects Grand Total</b>	<b>7,958,000</b>	<b>3,700</b>	<b>67,921</b>	<b>318,716</b>	<b>7,571,363</b>

**GALVESTON COLLEGE**  
**Construction\Capital Project fund**  
**as of November 30, 2025**

November 30, 2025	Current year	Current year	Current year	Current year	Current year	Current year
	Budget	(MTD) Actual	(YTD) Actual	Actual	Encumbrances	Remaining
	2026	November	2026	2026	2026	2026

**Nursing Health Sciences Building**

Revenue	1,991,585	0	0	0	0	1,991,585
Bond Proceeds						
Transfer Bond Reserve interest	131,348	0	0	0	0	131,348
<b>Total Revenue</b>	<b>2,122,933</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,122,933</b>

**Expenditures**

Contingency-Owner	445,106	0	0	0	0	445,106
Furniture\Equip- Capital	0	0	0	0	(6,500)	6,500
Facility Construction	1,639,112	0	0	0	0	1,639,112
Archt and Engr Fees	38,715	0	0	0	0	38,715
<b>Expenditures Total</b>	<b>2,122,933</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,500)</b>	<b>2,129,433</b>

<b>Fund Revenue Total</b>	10,080,933	0	0	0	0	10,080,933
<b>Fund Expenditures Total</b>	10,080,933	3,700	67,921	312,216	9,700,796	
<b>Fund 71 total</b>	0	(3,700)	(67,921)	(312,216)		

**GALVESTON COLLEGE**  
**Construction\Capital Project fund**  
**as of November 30, 2025**

November 30, 2025	Current year Budget 2026	Current year (MTD) Actual November 2026	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026
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**Capital Projects Fund 72**

	Revenue				
Inkinds Service pay off PTK	150,000	0	0	0	150,000
Transfer from Fund 11	800,000	0	27,718	0	772,282
<b>Total Revenue</b>	<b>950,000</b>	<b>0</b>	<b>27,718</b>	<b>0</b>	<b>922,282</b>

**Instruction Expenditures**

ITMedia Equipment	223,134	0	18,027	91,687	113,420
Physic Lab Furniture	6,000	0	0	0	6,000
Medical Admin- Equipment	3,600	0	0	0	3,600
Culinary Arts- Equipment	30,000	0	0	0	30,000
Cosmetology - Equipment	13,500	0	0	0	13,500
HVAC- Equipment	8,000	0	0	0	8,000
Physical Ed\Fitness Center- Equipment	13,750	8,159	8,159	0	5,591
Art- Equipment	11,000	0	0	0	11,000
Drama- Equipment	8,000	0	0	0	8,000
Security/Lockdown- Equipment	30,000	0	0	0	30,000
<b>Expenditures Total</b>	<b>346,984</b>	<b>8,159</b>	<b>26,186</b>	<b>91,687</b>	<b>229,111</b>

**GALVESTON COLLEGE**  
**Construction\Capital Project fund**  
**as of November 30, 2025**

November 30, 2025	Current year Budget 2026	(MTD) Actual November	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026
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**Facilities Expenditures**

Master Plan- Architectural and Eng Fees	150,000	0	0	0	150,000
Culinary Dining- Furniture and Equipment	100,000	0	0	0	100,000
<b>Equipment (Blinds, Welding Shop, Cosmetology Ventilations, Electrical Lab )</b>					
Equipment	193,500	3,512	13,203	642	179,655
<b>Expenditures Total</b>	<b>443,500</b>	<b>3,512</b>	<b>13,203</b>	<b>642</b>	<b>429,655</b>

**Athletic\Student Life Expenditures**

Baseball Rework Home Plate- Equipment	28,000	0	0	0	28,000
Softball Scoreboard and Fencing- Equipment	65,116	0	0	65,080	36
E-Sports- Equipment	30,000	0	0	0	30,000
Virtual Reality- Equipment	30,000	0	0	0	30,000
<b>Expenditures Total</b>	<b>153,116</b>	<b>0</b>	<b>0</b>	<b>65,080</b>	<b>88,036</b>

<b>Fund Revenue Total</b>	950,000	0	27,718	0	922,282
<b>Fund Expenditures Total</b>	943,600	11,671	39,389	157,409	746,802
<b>Fund 72 Total</b>	6,400	(11,671)	(11,671)	(157,409)	



**Operating Fund**  
**Revenue Summary Sheet**  
**January 2026 Meeting**  
As of December 31, 2025 (33 % of Year)

Source	Budgeted 2025/2026	Year-to-Date		
		Received (\$) 2025/2026	Received (%) 2025/2026	Received (%) 2024/2025
State Funds	\$5,270,549	\$2,662,968	50.5%	50.7%
Tuition and Fees	\$5,616,300	\$5,255,356	93.6%	73.1%
Local Taxes	\$19,356,251	\$8,078,969	41.7%	30.9%
Local Revenues	\$1,268,100	\$421,500	33.2%	36.5%
<b>Total Revenue</b>	<b>\$31,511,200</b>	<b>\$16,418,793</b>	<b>52.1%</b>	<b>41.8%</b>

**Operating Fund**  
**Expenditure Summary Sheet**  
**January 2026 Meeting**  
As of December 31, 2025 (33 % of Year)

Source	Budgeted 2025/2026	Year-to-Date		
		Expended (\$) 2025/2026	Expended (%) 2025/2026	Expended (%) 2024/2025
Instruction	\$10,087,926	\$3,322,338	32.9%	29.8%
Community Service	\$82,515	\$32,858	39.8%	19.2%
Academic Support	\$2,249,843	\$768,156	34.1%	31.5%
Student Services	\$2,943,669	\$856,750	29.1%	29.6%
Institutional Support	\$6,823,246	\$2,291,602	33.6%	32.2%
Staff Benefits	\$16,000	\$40,384	252.4%	136.0%
Operations/ Maintenance	\$4,015,842	\$1,552,537	38.7%	39.0%
Interfund Transfers (out)	\$5,292,159	\$1,095,521	20.7%	18.7%
<b>Total Expenditures</b>	<b>\$31,511,200</b>	<b>\$9,960,146</b>	<b>31.6%</b>	<b>29.7%</b>

**GALVESTON COLLEGE**  
Fund 11 Education and General

	Current year		Current year		Current year		Current year		Current year	
	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Remaining	% Expended	2026	2026	2026	2026
December 31, 2025	2026	December	2026	2026	2026	2026	2026	2026	2026	2026
<b>Revenue by State Classification</b>										
State Funds	5,270,549	0	2,662,968	0	2,607,581	50.5%				
Tuition	3,475,100	692,782	3,312,627	0	162,473	95.3%				
Course Fees	3,307,200	695,823	3,105,206	0	201,994	93.9%				
Exemptions\Waivers	(1,166,000)	(326,120)	(1,162,477)	0	(3,523)	99.7%				
Local Taxes	19,356,251	6,126,164	8,078,969	0	11,277,282	41.7%				
Local Revenue	1,253,800	100,238	415,435	0	838,365	33.1%				
Sales and Services	14,300	254	6,065	0	8,235	42.4%				
<b>Total Revenue</b>	<b>31,511,200</b>	<b>7,289,141</b>	<b>16,418,793</b>	<b>0</b>	<b>15,092,407</b>	<b>52.1%</b>				
<b>Expenditures by State Classification</b>										
Instruction	10,087,926	763,406	3,322,338	64,765	6,700,823	32.9%				
Community Service	82,515	22,474	32,858	16,656	33,001	39.8%				
Academic Support	2,249,843	157,340	768,156	35,842	1,445,845	34.1%				
Student Services	2,943,669	186,791	856,750	50,914	2,036,005	29.1%				
Institutional Support	6,798,146	397,812	2,291,602	279,854	4,226,691	33.7%				
Operation and Maintenance	4,040,942	173,400	1,552,537	1,128,291	1,360,114	38.4%				
Staff Benefits	16,000	969	40,384	0	(24,384)	252.4%				
Inter-Fund Appropriations	5,292,159	208,458	1,095,521	0	4,196,638	20.7%				
<b>Expenditures Total</b>	<b>31,511,200</b>	<b>1,910,649</b>	<b>9,960,146</b>	<b>1,576,320</b>	<b>19,974,733</b>	<b>31.6%</b>				
<b>Expenditures by Type</b>										
General Operating	3,804,056	93,445	1,336,639	390,295	2,077,122	35.1%				
Contracted Services	3,321,262	152,897	1,421,739	367,949	1,531,574	42.8%				
Travel	470,650	14,411	90,392	5,370	374,888	19.2%				
Equipment	109,373	2,438	27,966	1,028	80,378	25.6%				
Utilities	1,137,600	1,714	194,035	811,677	131,887	17.1%				
Faculty Full Time	4,820,486	387,559	1,562,006	0	3,258,480	32.4%				
Faculty Overloads\Adjunct	1,979,638	198,195	766,676	0	1,212,962	38.7%				
Stipends	563,814	47,471	177,164	0	386,650	31.4%				
Administrator Salaries	2,488,500	207,702	807,828	0	1,680,672	32.5%				
Professional Technical Salaries	2,455,109	212,614	836,554	0	1,618,555	34.1%				
Classified Salaries	2,651,068	219,330	859,567	0	1,791,501	32.4%				
Part-Time Salaries	746,405	35,847	226,906	0	519,499	30.4%				
Staff Benefits	1,671,080	128,568	557,153	0	1,113,927	33.3%				

GALVESTON COLLEGE  
Fund 11 Education and General

Interfund Appropriations	5,292,159	208,458	1,095,521	0	4,196,638	20.7%
<b>Expenditures Total</b>	31,511,200	1,910,649	9,960,146	1,576,320	19,974,733	31.6%
<b>Excess Rev/Exp</b>	0	5,378,492	6,458,647			

Galveston College

Fund 11 Detail Rev\Exp

as of the end of December 2025

	Budget 2026	(MTD) Actual December	(YTD) Actual 2026	Encumbrances 2026	Available 2026	% of Budget 2026
<b>State Appropriation</b>						
Academic/Technical	\$5,270,549	\$0	\$2,051,366	\$0	\$3,219,183	38.9%
Incentive	\$0	\$0	\$212,731	\$0	(\$212,731)	Infinity
Core	\$0	\$0	\$398,871	\$0	(\$398,871)	Infinity
Health Insurance	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total</b>	<b>\$5,270,549</b>	<b>\$0</b>	<b>\$2,662,968</b>	<b>\$0</b>	<b>\$2,607,581</b>	<b>50.5%</b>
<b>Tuition</b>						
In-District Tuition	\$1,398,600	\$343,851	\$1,386,003	\$0	\$12,597	99.1%
Out-of-District Tuition	\$1,225,000	\$227,304	\$1,079,334	\$0	\$145,666	88.1%
Non Resident Tuition	\$451,000	\$118,923	\$488,275	\$0	(\$37,275)	108.3%
CE Workforce Training	\$94,500	\$825	\$103,085	\$0	(\$8,585)	109.1%
CE Workforce Info Tech	\$0	\$0	\$0	\$0	\$0	NaN
CE Workforce Health Prof	\$220,400	\$3,730	\$192,537	\$0	\$27,863	87.4%
CE Leisure Learning	\$80,600	(\$1,851)	\$62,580	\$0	\$18,020	77.6%
CE Childrens Programs	\$0	\$0	\$0	\$0	\$0	NaN
CE-Misc 3rd Party	\$5,000	\$0	\$813	\$0	\$4,187	16.3%
<b>Total</b>	<b>\$3,475,100</b>	<b>\$692,782</b>	<b>\$3,312,627</b>	<b>\$0</b>	<b>\$162,473</b>	<b>95.3%</b>
<b>Course Fees</b>						
Building Use Fee	\$1,416,000	\$308,230	\$1,324,660	\$0	\$91,340	93.5%
Student Service Fee	\$66,000	\$13,997	\$61,217	\$0	\$4,783	92.8%
General Service Fee	\$309,400	\$60,653	\$264,292	\$0	\$45,108	85.4%
Registration Fee	\$185,700	\$35,145	\$157,464	\$0	\$28,236	84.8%
Out-of-District Fee	\$558,700	\$116,832	\$542,372	\$0	\$16,328	97.1%

Galveston College

Fund 11 Detail Rev\Exp

as of the end of December 2025

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	December	2026	2026	2026	2026
Course and Lab Fees	\$390,500	\$83,204	\$367,554	\$0	\$22,946	94.1%
Distance Education Fees	\$240,000	\$62,892	\$310,991	\$0	(\$70,991)	129.6%
Distance Education Fees N/R	\$7,800	\$1,500	\$8,500	\$0	(\$700)	109.0%
Testing Fees	\$8,000	\$114	\$3,464	\$0	\$4,536	43.3%
Testing Fees GED	\$0	\$0	\$0	\$0	\$0	NaN
Testing Fees-Contract	\$24,000	\$380	\$5,185	\$0	\$18,815	21.6%
Late Registration Fees	\$5,800	\$75	\$2,500	\$0	\$3,300	43.1%
Schedule Change Fees	\$2,500	\$0	\$1,070	\$0	\$1,430	42.8%
Student Health Insurance Fees	\$62,200	\$10,642	\$38,511	\$0	\$23,689	61.9%
SurCharge 3peat > 27 Dev hrs	\$30,600	\$2,160	\$17,226	\$0	\$13,374	56.3%
Other Fees	\$0	\$0	\$200	\$0	(\$200)	Infinity
<b>Total</b>	<b>\$3,307,200</b>	<b>\$695,823</b>	<b>\$3,105,206</b>	<b>\$0</b>	<b>\$201,994</b>	<b>93.9%</b>

**Exemptions/Waivers**

Competitive Waiver	(\$24,000)	(\$1,456)	(\$38,493)	\$0	\$14,493	160.4%
Foster Care	(\$28,000)	(\$4,702)	(\$33,922)	\$0	\$5,922	121.1%
Hazelwood Waiver Credit	(\$12,000)	\$0	(\$5,929)	\$0	(\$6,071)	49.4%
Hazelwood Dependant	(\$60,000)	\$0	(\$34,570)	\$0	(\$25,430)	57.6%
Concurrent Enrollment	\$0	\$0	\$0	\$0	\$0	NaN
Blind	(\$5,400)	\$100	(\$7,117)	\$0	\$1,717	131.8%
Fireman	(\$12,400)	\$0	(\$1,760)	\$0	(\$10,640)	14.2%
Police	(\$1,700)	\$0	\$0	\$0	(\$1,700)	0.0%
TEC 54.052	(\$102,300)	\$0	(\$3,334)	\$0	(\$98,966)	3.3%
Military Waiver	(\$13,200)	\$0	(\$3,913)	\$0	(\$9,287)	29.6%
GISD Dual Credit	(\$904,000)	(\$318,970)	(\$1,028,980)	\$0	\$124,980	113.8%

**Galveston College**  
**Fund 11 Detail Rev\Exp**  
**as of the end of December 2025**

	Budget 2026	(MTD) Actual December 2026	(YTD) Actual 2026	Encumbrances 2026	Available 2026	% of Budget 2026
Other	(\$3,000)	(\$1,092)	(\$4,459)	\$0	\$1,459	148.6%
<b>Total</b>	<b>(\$1,166,000)</b>	<b>(\$326,120)</b>	<b>(\$1,162,477)</b>	<b>\$0</b>	<b>(\$3,523)</b>	<b>99.7%</b>
<b>Local Taxes</b>						
Current Taxes	\$18,837,251	\$6,068,631	\$7,859,325	\$0	\$10,977,926	41.7%
Delinquent	\$295,000	\$44,153	\$163,735	\$0	\$131,265	55.5%
Penalty & Interest	\$190,000	\$13,380	\$52,500	\$0	\$137,500	27.6%
Other	\$34,000	\$0	\$3,410	\$0	\$30,590	10.0%
<b>Total</b>	<b>\$19,356,251</b>	<b>\$6,126,164</b>	<b>\$8,078,969</b>	<b>\$0</b>	<b>\$11,277,282</b>	<b>41.7%</b>
<b>Local Revenue</b>						
Interest Income	\$1,200,000	\$98,104	\$410,683	\$0	\$789,317	34.2%
Miscellaneous Revenue	\$10,500	\$1,922	\$3,773	\$0	\$6,727	35.9%
Misc. Revenue-Vehicles	\$3,000	\$211	\$979	\$0	\$2,021	32.6%
Administrative Allowance	\$5,400	\$0	\$0	\$0	\$5,400	0.0%
Indirect Cost Recovery	\$34,900	\$0	\$0	\$0	\$34,900	0.0%
Legal Settlements	\$0	\$0	\$0	\$0	\$0	NaN
Insurance Reimbursements	\$0	\$0	\$0	\$0	\$0	NaN
Donations	\$0	\$0	\$0	\$0	\$0	NaN
Sales and Services	\$14,300	\$254	\$6,065	\$0	\$8,235	42.4%
<b>Total</b>	<b>\$1,268,100</b>	<b>\$100,492</b>	<b>\$421,500</b>	<b>\$0</b>	<b>\$846,600</b>	<b>33.2%</b>
<b>Inter-Fund Appropriations</b>						
Transfers from Ed & Gen (Fund Bal...	\$0	\$0	\$0	\$0	\$0	NaN
Transfers from Federal Grants	\$0	\$0	\$0	\$0	\$0	NaN
Transfers from Bond Revenue	\$0	\$0	\$0	\$0	\$0	NaN

Galveston College  
Fund 11 Detail Rev\Exp  
as of the end of December 2025

Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
2026	December	2026	2026	2026	2026
\$0	\$0	\$0	\$0	\$0	NaN
\$31,511,200	\$7,289,141	\$16,418,793	\$0	\$15,092,407	52%
<b>Total Revenue</b>					

Galveston College

Fund 11 Detail Rev\Exp

as of the end of December 2025

Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
2026	December	2026	2026	2026	2026

Exp by State Classification

Instructional

Welding	\$444,992	\$24,356	\$139,297	\$12,951	\$292,744	31.3%
Biology	\$392,775	\$35,647	\$133,321	\$761	\$258,694	33.9%
Biotechnology	\$0	\$0	\$0	\$0	\$0	NaN
Chemistry	\$242,161	\$19,687	\$78,792	\$0	\$163,369	32.5%
Env Science	\$48,912	\$3,302	\$12,135	\$200	\$36,577	24.8%
Physics	\$122,052	\$9,880	\$39,457	\$0	\$82,595	32.3%
Accounting	\$86,844	\$5,918	\$24,765	\$0	\$62,079	28.5%
Accounting Tech	\$0	\$0	\$0	\$0	\$0	NaN
Business Admin	\$11,846	\$2,100	\$10,671	\$0	\$1,175	90.1%
Hosp/Tourism	\$0	\$0	\$0	\$0	\$0	NaN
Medical Office Admin	\$237,596	\$20,128	\$76,329	\$500	\$160,767	32.1%
Logistics Op	\$107,656	\$9,740	\$36,980	\$500	\$70,176	34.3%
Med Off Admin	\$0	\$0	\$0	\$0	\$0	NaN
Sm Bus Manage	\$0	\$0	\$0	\$0	\$0	NaN
Office Tech	\$0	\$0	\$0	\$0	\$0	NaN
Paralegal	\$0	\$0	\$0	\$0	\$0	NaN
Speech	\$97,046	\$8,995	\$36,305	\$0	\$60,741	37.4%
Comp. Science	\$37,613	\$2,497	\$9,541	\$0	\$28,072	25.4%
Comp. Tech.	\$10,133	\$0	\$0	\$0	\$10,133	0.0%
Culinary Arts	\$161,671	\$10,206	\$59,134	\$15,298	\$87,239	36.6%
Cosmetology	\$276,151	\$26,340	\$111,652	\$6,536	\$157,964	40.4%
Engineering	\$0	\$0	\$0	\$0	\$0	NaN

## Galveston College

## Fund 11 Detail Rev\Exp

## as of the end of December 2025

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	December	2026	2026	2026	2026
Develop-Read	\$141,609	\$11,147	\$47,328	\$0	\$94,281	33.4%
Develop-Write	\$0	\$0	\$0	\$0	\$0	NaN
Develop-Other	\$0	\$0	\$0	\$0	\$0	NaN
Education	\$16,096	\$2,684	\$12,347	\$0	\$3,749	76.7%
English	\$337,600	\$29,725	\$140,078	\$0	\$197,522	41.5%
Humanities	\$6,042	\$0	\$0	\$0	\$6,042	0.0%
Philosophy	\$31,142	\$3,074	\$13,176	\$0	\$17,966	42.3%
Foreign Lang-SPAN	\$10,170	\$1,171	\$3,514	\$0	\$6,656	34.5%
Nursing-RN	\$984,802	\$54,723	\$274,984	(\$6,113)	\$715,931	27.9%
Nursing Admin	\$194,715	\$15,415	\$62,890	\$300	\$131,525	32.3%
Allied Health	\$0	\$0	\$0	\$0	\$0	NaN
Clinical Research	\$0	\$0	\$0	\$0	\$0	NaN
Emer Med Serv	\$333,677	\$18,235	\$74,458	\$1,261	\$257,958	22.3%
Imaging-CT	\$158,549	\$13,812	\$49,708	\$4,386	\$104,455	31.4%
Imaging-MRI	\$179,656	\$14,113	\$56,808	\$0	\$122,848	31.6%
Imaging-Mam	\$0	\$0	\$0	\$0	\$0	NaN
Imaging-Nuclear	\$221,406	\$15,315	\$68,464	\$5,321	\$147,621	30.9%
Imaging-Rad Thy	\$216,712	\$16,378	\$64,152	\$3,256	\$149,304	29.6%
Imaging-Rad Tch	\$754,292	\$54,777	\$271,287	\$4,272	\$478,733	36.0%
Ophthalmic Asst	\$0	\$0	\$0	\$0	\$0	NaN
Pharmacy Tech	\$0	\$0	\$0	\$0	\$0	NaN
Phlebotomy Tech	\$0	\$0	\$0	\$0	\$0	NaN
Sonography	\$240,143	\$18,387	\$74,986	\$1,100	\$164,057	31.2%
Surgical Tech	\$162,687	\$10,346	\$42,710	\$217	\$119,759	26.3%

Galveston College

Fund 11 Detail Rev\Exp

as of the end of December 2025

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	December	2026	2026	2026	2026
Nursing-LVN	\$195,380	\$10,795	\$49,189	\$0	\$146,191	25.2%
Develop-Math	\$304,651	\$28,092	\$114,252	\$0	\$190,399	37.5%
Mathematics	\$445,273	\$40,869	\$157,380	\$0	\$287,893	35.3%
Auto Tech	\$0	\$0	\$0	\$0	\$0	NaN
HVAC Tech	\$145,432	\$11,088	\$47,891	\$3,745	\$93,796	32.9%
Industrial Sys	\$0	\$0	\$0	\$0	\$0	NaN
Electrical and Electronics	\$150,831	\$10,077	\$38,517	\$689	\$111,625	25.5%
Instrumentation	\$135,319	\$10,336	\$41,343	\$500	\$93,476	30.6%
Fitness Center	\$152,454	\$10,905	\$45,799	\$1,440	\$105,215	30.0%
Physical Ed.	\$146,219	\$11,115	\$45,346	\$0	\$100,873	31.0%
CJ-Academic	\$111,718	\$7,422	\$29,796	\$0	\$81,922	26.7%
Law Enforce	\$197,390	\$17,605	\$71,780	\$4,928	\$120,682	36.4%
Economics	\$76,776	\$4,573	\$18,294	\$0	\$58,482	23.8%
Government/PS	\$117,998	\$11,763	\$48,884	\$35	\$69,079	41.4%
History/Geog.	\$141,765	\$11,471	\$46,625	\$0	\$95,140	32.9%
Psychology	\$145,781	\$19,085	\$73,308	\$0	\$72,473	50.3%
Sociology	\$40,870	\$4,636	\$19,019	\$0	\$21,851	46.5%
Art	\$150,515	\$11,055	\$53,504	\$828	\$96,183	35.5%
Digital Imaging	\$0	\$0	\$0	\$0	\$0	NaN
Drama / Theater	\$161,880	\$13,396	\$59,036	\$0	\$102,844	36.5%
Music	\$36,293	\$2,964	\$14,284	\$0	\$22,009	39.4%
Business (Bachelors)	\$122,540	\$9,217	\$36,691	\$29	\$85,820	29.9%
Medical Bachelors	\$137,419	\$11,869	\$53,216	\$265	\$83,938	38.7%
Nursing BSN	\$228,331	\$19,385	\$76,895	\$0	\$151,436	33.7%

**Galveston College**  
**Fund 11 Detail Rev\Exp**  
**as of the end of December 2025**

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	December	2026	2026	2026	2026
Accreditation	\$18,025	\$956	\$8,532	\$0	\$9,493	47.3%
Accreditation QEP	\$84,563	\$9,512	\$33,156	\$250	\$51,157	39.2%
ATD	\$0	\$0	\$0	\$0	\$0	NaN
Faculty Dev.	\$84,700	\$1,698	\$17,208	\$0	\$67,492	20.3%
Lecture Series	\$4,250	\$0	\$8	\$0	\$4,243	0.2%
CE-Workforce	\$63,482	\$2,655	\$13,499	\$40	\$49,943	21.3%
CE Cisco	\$0	\$0	\$0	\$0	\$0	NaN
CE Allied Health	\$221,325	\$12,766	\$83,615	\$1,270	\$136,439	37.8%
<b>Total Instructional</b>	<b>\$10,087,926</b>	<b>\$763,406</b>	<b>\$3,322,338</b>	<b>\$64,765</b>	<b>\$6,700,823</b>	<b>33%</b>
<b>Community Service</b>						
CE Leisure Learning	\$82,515	\$22,474	\$32,858	\$16,656	\$33,001	39.8%
CE Children Programs	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total Community Service</b>	<b>\$82,515</b>	<b>\$22,474</b>	<b>\$32,858</b>	<b>\$16,656</b>	<b>\$33,001</b>	<b>39.8%</b>
<b>Academic Support</b>						
Vice President of Instruction	\$325,635	\$25,121	\$104,703	\$366	\$220,566	32.2%
Arts & Sciences Administration	\$59,479	\$4,778	\$19,930	\$0	\$39,549	33.5%
Tech\Professional Ed. Administration	\$287,619	\$19,988	\$98,279	\$5,780	\$183,560	34.2%
Adult & Continuing Ed. Administration	\$266,001	\$20,321	\$84,401	\$1,263	\$180,337	31.7%
Distance Education Administration	\$270,151	\$22,819	\$85,376	\$0	\$184,775	31.6%
Hamshire - Fannett Administration	\$0	\$0	\$0	\$0	\$0	NaN
Grants Development	\$84,453	\$6,755	\$27,022	\$0	\$57,431	32.0%
Library & Learning Resources	\$422,500	\$25,500	\$169,783	\$27,191	\$225,526	40.2%
Media Services	\$58,662	\$4,510	\$18,388	\$842	\$39,432	31.3%

**Galveston College**  
**Fund 11 Detail Rev\Exp**  
**as of the end of December 2025**

	Budget	(MTD) Actual	(YTD) Actual	Encumbrances	Available	% of Budget
	2026	December	2026	2026	2026	2026
Student Success Center (Tutoring)	\$242,789	\$13,652	\$91,316	\$400	\$151,073	37.6%
Testing Center	\$232,554	\$13,896	\$68,958	\$0	\$163,596	29.7%
<b>Total For Academic Support</b>	<b>\$2,249,843</b>	<b>\$157,340</b>	<b>\$768,156</b>	<b>\$35,842</b>	<b>\$1,445,845</b>	<b>34.1%</b>
<b>Student Services</b>						
Vice President of Student Services	\$360,199	\$22,995	\$89,076	\$4,567	\$266,556	24.7%
Admissions\Records	\$630,779	\$47,184	\$202,045	\$0	\$428,734	32.0%
Campus Security	\$689,925	\$20,685	\$157,168	\$32,309	\$500,448	22.8%
Counseling	\$727,665	\$55,280	\$225,912	\$11,289	\$490,464	31.0%
Financial Aid	\$449,691	\$34,150	\$157,805	\$2,610	\$289,276	35.1%
Student Activities	\$85,410	\$6,497	\$24,745	\$138	\$60,527	29.0%
Phi Theta Kappa	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total For Student Services</b>	<b>\$2,943,669</b>	<b>\$186,791</b>	<b>\$856,750</b>	<b>\$50,914</b>	<b>\$2,036,005</b>	<b>29.1%</b>
<b>Institutional Support</b>						
Board of Regents	\$86,750	\$205	\$12,823	\$144	\$73,783	14.8%
President	\$704,983	\$39,682	\$166,663	\$580	\$537,739	23.6%
General Institutional Expenses	\$647,082	\$8,185	\$51,892	\$6,210	\$588,979	8.0%
Vice President for Administration	\$276,693	\$22,603	\$89,782	\$433	\$186,478	32.4%
Business Services	\$994,052	\$76,540	\$346,341	\$5,398	\$642,313	34.8%
Human Resources & Risk Mgmt.	\$474,461	\$32,311	\$138,292	\$45,499	\$290,670	29.1%
Professional Development	\$11,600	\$2,706	\$4,977	\$109	\$6,514	42.9%
Purchasing	\$107,757	\$14,563	\$43,386	\$1,992	\$62,379	40.3%
Research and Planning	\$271,784	\$62,178	\$118,168	\$926	\$152,690	43.5%
Information Technology	\$2,008,941	\$65,662	\$1,038,134	\$113,613	\$857,194	51.7%

**Galveston College**  
**Fund 11 Detail Rev\Exp**  
**as of the end of December 2025**

	Budget 2026	(MTD) Actual December	(YTD) Actual 2026	Encumbrances 2026	Available 2026	% of Budget 2026
Communications	\$83,217	\$3,735	\$17,494	\$16,329	\$49,394	21.0%
Vice Pres. Community Engagement	\$0	\$0	\$0	\$0	\$0	NaN
Development	\$316,873	\$20,966	\$72,626	\$553	\$243,694	22.9%
GC Foundation	\$78,651	\$5,177	\$16,011	\$247	\$62,393	20.4%
Marketing & Media	\$735,302	\$43,298	\$175,013	\$87,819	\$472,470	23.8%
<b>Total for Institutional Support</b>	<b>\$6,798,146</b>	<b>\$397,812</b>	<b>\$2,291,602</b>	<b>\$279,854</b>	<b>\$4,226,691</b>	<b>33.7%</b>
<b>Staff Benefits</b>						
Staff Benefits - State Eligible	\$16,000	\$969	\$40,384	\$0	(\$24,384)	252.4%
Staff Benefits - Non-State Eligible	\$0	\$0	\$0	\$0	\$0	NaN
GASB 67/68 TRS net	\$0	\$0	\$0	\$0	\$0	
GASB 74/75 ERS net	\$0	\$0	\$0	\$0	\$0	
Staff Benefits - Retirees	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total For Staff Benefits</b>	<b>\$16,000</b>	<b>\$969</b>	<b>\$40,384</b>	<b>\$0</b>	<b>(\$24,384)</b>	<b>252.4%</b>
<b>Operations and Maintenance</b>						
Plant Administration	\$1,021,187	\$22,069	\$803,950	\$0	\$217,237	78.7%
Building Maintenance	\$1,051,794	\$84,736	\$309,640	\$223,530	\$518,624	29.4%
Custodial Services	\$740,931	\$56,571	\$231,083	\$45,558	\$464,290	31.2%
Custodial Services Tech Center	\$0	\$0	\$0	\$0	\$0	NaN
Grounds Maintenance	\$85,000	\$9,240	\$13,860	\$46,140	\$25,000	16.3%
Grounds Maintenance Tech Center	\$0	\$0	\$0	\$0	\$0	NaN
Transportation	\$29,030	\$784	\$5,239	\$17,715	\$6,076	18.0%
Utilities	\$995,000	\$0	\$173,944	\$696,056	\$125,000	17.5%
Utilities Tech Center	\$118,000	\$0	\$14,821	\$99,292	\$3,887	12.6%

## Galveston College

## Fund 11 Detail Rev\Exp

as of the end of December 2025

	Budget 2026	(MTD) Actual December	(YTD) Actual 2026	Actual 2026	Encumbrances 2026	Available 2026	% of Budget 2026
<b>Total for Operations and M...</b>	<b>\$4,040,942</b>	<b>\$173,400</b>	<b>\$1,552,537</b>	<b>\$1,128,291</b>		<b>\$1,360,114</b>	<b>38.4%</b>
<b>Inter-Fund Appropriations</b>							
Transfers to Auxiliary	\$721,760	\$0	\$0	\$0	\$0	\$721,760	0.0%
Transfers to Student Activity Fund	\$66,000	\$13,997	\$61,217	\$0	\$0	\$4,783	92.8%
Transfer to State Eligible Ben	\$1,657,293	\$194,461	\$473,186	\$0	\$0	\$1,184,107	28.6%
Transfers to State Grants & Aid	\$179,806	\$0	\$0	\$0	\$0	\$179,806	0.0%
Transfers to Bond Revenue	\$1,867,300	\$0	\$533,400	\$0	\$0	\$1,333,900	28.6%
Transfer to Construction	\$0	\$0	\$0	\$0	\$0	\$0	NaN
Transfers to Capital Project	\$800,000	\$0	\$27,718	\$0	\$0	\$772,282	3.5%
Transfers to Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	NaN
<b>Total Inter-Fund Appropriat...</b>	<b>\$5,292,159</b>	<b>\$208,458</b>	<b>\$1,095,521</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,196,638</b>	<b>20.7%</b>
<b>Expenditures Total</b>	<b>\$31,511,200</b>	<b>\$1,910,649</b>	<b>\$9,960,146</b>	<b>\$1,576,320</b>		<b>\$19,974,733</b>	<b>31.6%</b>

**Auxiliary Fund  
as of December 31, 2025**

December 31, 2025	Current year		Current year		Current year		Current year		Current year	
	Budget	(MTD) Actual	December	(YTD) Actual	Encumbr...	Remaining	% Expended	2026	2026	2026
<b>Revenue by State Classification</b>										
Inter-Fund Appropriat...	793,760	0	0	0	0	793,760	0%			
Bookstore Commission	45,000	0	8,844	0	0	\$36,156	20%			
Student Housing	358,585	3,350	342,219	0	0	16,366	95%			
Food Service	545,445	8,479	561,404	0	0	(15,959)	103%			
Special Event	0	0	0	0	0	0	NaN			
Sales and Services	157,630	7,435	47,403	0	0	110,227	30%			
<b>Total Revenue</b>	<b>1,900,420</b>	<b>19,264</b>	<b>959,871</b>	<b>0</b>	<b>0</b>	<b>940,549</b>	<b>51%</b>			

**Expenditures by Department**

Student Housing	28,738	1,839	8,008	0	0	20,730	28%			
Food Service	415,700	40,590	227,591	0	0	188,109	55%			
Print Shop	131,296	6,860	31,627	41,179	0	58,490	24%			
Special Event	0	0	0	0	0	0	NaN			
Athletics General	128,014	4,257	36,562	3,352	0	88,100	29%			
Baseball	535,119	32,234	215,274	15,076	0	304,769	40%			
Softball	440,553	16,337	172,032	4,834	0	263,687	39%			
General Institutional	221,000	12,373	33,681	42,558	0	144,761	15%			
Transfer to Construction	0	0	0	0	0	0	NaN			
<b>Expenditures Total</b>	<b>1,900,420</b>	<b>114,491</b>	<b>724,776</b>	<b>106,998.72</b>	<b>0</b>	<b>1,068,646</b>	<b>38%</b>			

**Auxiliary Fund  
as of December 31, 2025**

<b>Expenditures by Type</b>								
General Operating	277,825	15,752	50,032	70,922	156,872	18%		
Contracted Services	558,496	47,834	263,216	27,760	267,520	47%		
Travel	157,804	877	40,553	0	117,251	26%		
Equipment	75,400	17,916	48,835	8,317	18,248	65%		
Special Event	0	0	0	0	0	NaN		
Transfer to Scholarships	25,000	0	0	0	25,000	0%		
Transfer to Construction	0	0	0	0	0	NaN		
Scholarships	443,254	3,210	206,552	0	236,702	47%		
Salaries & Stipends	284,143	22,638	91,154	0	192,989	32%		
Staff Benefits	78,498	6,263	24,434	0	54,064	31%		
<b>Expenditures Total</b>	<b>1,900,420</b>	<b>114,491</b>	<b>724,776</b>	<b>106,999</b>	<b>1,068,646</b>	<b>38%</b>		

**Student Service Fund  
as of December 31, 2025**

December 31, 2025	Current year		Current year (MTD) Actual	Current ...		Current ...	Current year		Current year % Expended
	Budget	2026		(YTD) Act...	2026		Encumbr...	Remaining	
<b>Revenue by State Classification</b>									
Interfund Appropriations	66,000		13,997	61,217	0	0	4,783		93%
Fund Balance Transfer	0		0	0	0	0	0		NaN
<b>Total Revenue</b>	<b>\$66,000</b>		<b>\$13,997</b>	<b>\$61,217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,783</b>		<b>93%</b>

**Expenditures by Department**

Student Activities	27,475		2,847	11,665	9,329		6,482		42%
Student Ambassador	16,355		176	176	188		15,991		1%
Student Government	19,570		1,033	11,962	(169)		7,777		61%
Phi Theta Kappa	2,600		0	0	0		2,600		0%
<b>Expenditures Total</b>	<b>66,000</b>		<b>4,055</b>	<b>23,802</b>	<b>9,348</b>		<b>32,850</b>		<b>36%</b>

**Expenditures by Type**

General Operating	37,000		2,555	18,302	9,348		9,350		49%
Contracted Services	0		0	0	0		0		NaN
Travel	15,000		0	0	0		15,000		0%
Equipment	0		0	0	0		0		NaN
Scholarships	0		0	0	0		0		NaN
Salaries & Stipends	14,000		1,500	5,500	0		8,500		39%
Staff Benefits	0		0	0	0		0		NaN
<b>Expenditures Total</b>	<b>66,000</b>		<b>4,055</b>	<b>23,802</b>	<b>9,348</b>		<b>32,850</b>		<b>36%</b>

**GALVESTON COLLEGE**  
**Construction\Capital Project fund**  
**as of December 31, 2025**

December 31, 2025	Current year	Current year	Current year	Current year	Current year	Current year
	Budget (MTD) 2026	Actual December 2026	(YTD) Actual 2026	Actual 2026	Encumbrances 2026	Remaining 2026
<b>Fund 71</b>						
<b>Revenue 2025</b>						
Fund Balance Transfer	7,958,000	0	0	0	0	7,958,000
<b>Total Revenue</b>	<b>7,958,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,958,000</b>
<b>Expenditures</b>						
<b>Softball Field</b>						
Softball Field-Construction	1,500,000	0	0	0	0	1,500,000
Softball Field- Architectural and Engineering Fees	150,000	0	0	0	0	150,000
<b>Expenditures Total</b>	<b>1,650,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,650,000</b>
<b>Electrical Transformer Upgrade</b>						
Electrical Transformer Upgrade- Construction	0	0	0	0	0	0
Electrical Transformer Upgrade- Archit. and Engin.	0	0	0	0	0	0
Electrical Transformer Upgrade- Contingency	0	0	0	0	0	0
<b>Expenditures Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Student Housing</b>						
Facility Construction	4,320,000	0	42,493	0	0	4,277,507
Equipment	150,000	0	0	0	0	150,000
Furniture	150,000	0	0	0	0	150,000
Contingency	450,000	0	0	0	0	450,000
Architectural & Engineering Fees	150,000	0	21,728	0	0	128,272
<b>Expenditures Total</b>	<b>5,220,000</b>	<b>0</b>	<b>64,221</b>	<b>0</b>	<b>0</b>	<b>5,155,779</b>

**GALVESTON COLLEGE**  
**Construction\Capital Project fund**  
**as of December 31, 2025**

December 31, 2025	Current year Budget (MTD) Actual 2026 December	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026
	<b>HVAC Campus Upgrades</b>			
Equipment	638,000	0	318,716	319,284
<b>Expenditures Total</b>	<b>638,000</b>	<b>0</b>	<b>318,716</b>	<b>319,284</b>
	<b>Future Expansion</b>			
Land\Bldg Acquisition	450,000	349,410	353,110	96,890
<b>Projects Grand Total</b>	<b>7,958,000</b>	<b>349,410</b>	<b>417,331</b>	<b>7,221,953</b>

**GALVESTON COLLEGE**  
**Construction\Capital Project fund**  
**as of December 31, 2025**

December 31, 2025

	Current year Budget 2026	Current year (MTD) Actual December 2026	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026
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**Nursing Health Sciences Building**

	Current year Budget 2026	Current year (MTD) Actual December 2026	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026
<b>Revenue</b>					
Bond Proceeds	1,991,585	0	0	0	1,991,585
Transfer Bond Reserve interest	131,348	0	0	0	131,348
<b>Total Revenue</b>	2,122,933	0	0	0	2,122,933

**Expenditures**

Contingency-Owner	445,106	0	0	0	445,106
Furniture\Equip- Capital	0	0	0	(6,500)	6,500
Facility Construction	1,639,112	0	0	0	1,639,112
Archit and Engr Fees	38,715	0	0	0	38,715
<b>Expenditures Total</b>	2,122,933	0	0	(6,500)	2,129,433

<b>Fund Revenue Total</b>	10,080,933	0	0	0	10,080,933
<b>Fund Expenditures Total</b>	10,080,933	349,410	417,331	312,216	9,351,386
<b>Fund 71 total</b>	0	(349,410)	(417,331)	(312,216)	

**GALVESTON COLLEGE**  
**Construction/Capital Project fund**  
**as of December 31, 2025**

December 31, 2025	Current year	Current year	Current year	Current year	Current year	Current year
	Budget (MTD) Actual 2026	December 2026	(YTD) Actual 2026	Encumbrances 2026	Remaining 2026	Remaining 2026

**Capital Projects Fund 72**

	Revenue					
Inkinds Service pay off PTK	150,000	0	0	0	0	150,000
Transfer from Fund 11	800,000	0	27,718	0	0	772,282
<b>Total Revenue</b>	<b>950,000</b>	<b>0</b>	<b>27,718</b>	<b>0</b>	<b>0</b>	<b>922,282</b>

**Instruction Expenditures**

IT/Media Equipment	223,134	9,106	27,133	82,581	113,420
Physic Lab Furniture	6,000	0	0	0	6,000
Medical Admin- Equipment	3,600	0	0	0	3,600
Culinary Arts- Equipment	30,000	0	0	24,704	5,296
Cosmetology- Equipment	13,500	0	0	0	13,500
HVAC- Equipment	8,000	0	0	0	8,000
Physical Ed/Fitness Center- Equipment	13,750	0	8,159	2,661	2,930
Art- Equipment	11,000	0	0	0	11,000
Drama- Equipment	8,000	0	0	0	8,000
Security/Lockdown- Equipment	30,000	0	0	0	30,000
<b>Expenditures Total</b>	<b>346,984</b>	<b>9,106</b>	<b>35,292</b>	<b>109,946</b>	<b>201,745</b>

**GALVESTON COLLEGE**  
**Construction\Capital Project fund**  
**as of December 31, 2025**

December 31, 2025	Current year Budget (MTD) Actual 2026	Current year December 2026	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026
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**Facilities Expenditures**

Master Plan- Architectural and Eng Fees	150,000	0	0	9,375	140,625
Culinary Dining- Furniture and Equipment	100,000	0	0	0	100,000
<b>Equipment (Blinds, Welding Shop, Cosmetology Ventilations, Electrical Lab )</b>					
Equipment	193,500	0	13,203	642	179,655
<b>Expenditures Total</b>	<b>443,500</b>	<b>0</b>	<b>13,203</b>	<b>10,017</b>	<b>420,280</b>

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**Athletic\Student Life Expenditures**

Baseball Rework Home Plate- Equipment	28,000	18,625	18,625	9,375	0
Softball Scoreboard and Fencing- Equipment	65,116	0	0	65,080	36
E-Sports- Equipment	30,000	0	0	1,500	28,500
Virtual Reality- Equipment	30,000	0	0	0	30,000
<b>Expenditures Total</b>	<b>153,116</b>	<b>18,625</b>	<b>18,625</b>	<b>75,955</b>	<b>58,536</b>

<b>Fund Revenue Total</b>	950,000	0	27,718	0	922,282
<b>Fund Expenditures Total</b>	943,600	27,731	67,120	195,919	680,561
<b>Fund 72 Total</b>	6,400	(27,731)	(39,403)	(195,919)	

GALVESTON COLLEGE

Bond Funds 51, 52, 53

	Current year Budget 2026	Current year (MTD) Actual December	Current year (YTD) Actual 2026	Current year Encumbrances 2026	Current year Remaining 2026	Current year % Expended 2026
<b>Fund 51 Revenue-Bond Payment</b>						
<b>Revenue</b>						
Transfer from E&G	1,867,300	0	533,400	0	1,333,900	28.6%
Interest income-Bond	0	5,259	21,855	0	(21,855)	Infinity
<b>Revenue Total</b>	<b>1,867,300</b>	<b>5,259</b>	<b>555,255</b>	<b>0</b>	<b>1,312,045</b>	<b>29.7%</b>
<b>Expenses</b>						
Transfers to Bond Reserve (N/A)	0	0	0	0	0	NaN
Transfer to Interest and Sinking	1,867,300	0	98,678	0	1,768,622	5.3%
<b>Expenditures Total</b>	<b>1,867,300</b>	<b>0</b>	<b>98,678</b>	<b>0</b>	<b>1,768,622</b>	<b>5.3%</b>
<b>Fund 52 Bond Interest and Sinking Fund</b>						
Transfer from Bond Revenue Fd 51	1,867,300	0	98,678	0	1,768,622	5.3%
<b>Total Fund Revenue</b>	<b>1,867,300</b>	<b>0</b>	<b>98,678</b>	<b>0</b>	<b>1,768,622</b>	<b>5.3%</b>
<b>Expenses</b>						
Admin Fees\Professional Service	500	0	0	0	500	0.0%
Bond Redemption Principal	800,000	0	0	0	800,000	0.0%
Bond Redemption Interest	1,066,800	0	98,678	0	968,122	9.2%
<b>Expenditures Total</b>	<b>1,867,300</b>	<b>0</b>	<b>98,678</b>	<b>0</b>	<b>1,768,622</b>	<b>5.3%</b>
<b>Fund 53 Bond Reserve</b>						
Transfers from Bond Revenue	0	0	0	0	0	NaN
Interest income-Reserve	72,000	7,032	29,225	0	42,775	40.6%
<b>Revenue Total</b>	<b>72,000</b>	<b>7,032</b>	<b>29,225</b>	<b>0</b>	<b>42,775</b>	<b>0</b>
<b>Expenses</b>						
Transfer to Construction	0	0	0	0	0	NaN
<b>Expenditures Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NaN</b>

December 31, 2025

Consideration of Consent Agenda

The consent agenda format is an organization process for meetings that allows the governing board to focus its time and attention on action items that require more elaboration, information, and/or discussion. The intent of the consent agenda is to support efficiency and effectiveness of the meeting.

A roll call of individual action items will determine the consent agenda. If a Regent has a question or plans to cast a negative vote regarding a specific recommendation, then the Regent(s) need to acknowledge their intention to the Chairperson by show of hand during the roll call. This action item will be considered in the regular order of business as an individual action item.

Those action items that the Regents plan to approve without further question or discussion will be placed on the consent agenda during roll call of individual action items. Upon the creation of the consent agenda, a motion, a second to the motion, and unanimous approval of the Board of Regents is needed to approve the action items. Upon approval of the consent agenda, the Board of Regents will proceed with the remainder of the agenda.

Tally of  
Action Items:

	<u>Consent Agenda</u>	<u>President Recommended Separate Action</u>	<u>Board Separate Action</u>	<u>Page #</u>
#1 – Consider Acceptance of Fiscal Year 2025-26 First Quarter Investment Report	_____	_____	_____	72
#2 – Consider Approval of Finance Committee Recommendation Regarding Acceptance of Financial Statements and Single Audit Reports for the Years Ended August 31, 2025 and 2024, and Required Communications Letter	_____	_____ ✓ _____	_____	76
#3 – Consider Approval of Facilities Committee Recommendation Regarding Final Acceptance of Completed Hermes Gym Roof Replacement and Release of Retainage	_____	_____ ✓ _____	_____	77
#4 – Consider Approval of Facilities Committee Recommendation Regarding Health Sciences Education Center (HSEC) Project	_____	_____ ✓ _____	_____	90
#5 – Consider Approval of Engineering Consulting Services	_____	_____ ✓ _____	_____	91
#6 – Consider Approval of Proposal to Purchase New Chairs for the Blackbox Theater	_____	_____	_____	93
#7 – Consider Approval of Proposal to Purchase New Furniture for Room N-119 and Adjacent Foyer	_____	_____	_____	94
#8 – Consider Adoption of Resolution Ordering the Galveston Community College District May 2, 2026, General Election and Accepting the Terms of the Contract for Election Services	_____	_____ ✓ _____	_____	95
#9 – Consider Ratifying Appointment of Full-time Instructors	_____	_____	_____	117

Consider Acceptance of Fiscal Year 2025-2026 First Quarter Investment Report

Following is the Investment Report describing the fiscal year 2025-26 first quarter investment activity for Galveston College. All investments are in compliance with the Board-approved investment policy, and the report provides detailed information regarding each investment classified by major fund groups.

It is recommended that the Board of Regents accept the Investment Report for the first quarter of fiscal year 2025-26 as presented.

**Board Investment Report FY 2026  
Cash Equivalents and Investments  
First Quarter Fiscal Year 2026 Activity  
For September 1, 2025 through November 30, 2025**

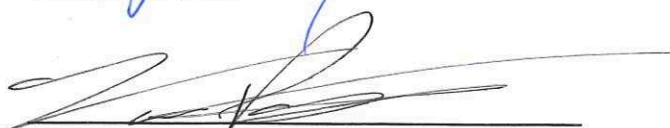
	<u>Fair Value</u>	<u>Book Value</u>
Beginning Value - September 1, 2025	\$ 36,139,893	\$ 36,139,893
Additions/Subtractions (Net)	(764,897)	(764,897)
Change in Fair Value	-	-
Ending Value - November 30, 2025	<u>\$ 35,374,996</u>	<u>\$ 35,374,996</u>


Earnings for the First Quarter	351,368
Weighted Average Maturity at Ending Period Date (Days)	1
Weighted Average Earnings Rate for the First Quarter	4.12%
Benchmark - Quarterly Average of the 4 Week Treasury Yield	3.99%

The above reported investments have been recorded in compliance with generally accepted accounting principles. In the opinion of the investment officers of the College, both this report and the investment portfolio of the College are in compliance with the requirements of the Public Funds Investment Act of the State of Texas and the Investment Policy of the Board of Regents of Galveston Community College District.

For information regarding Galveston College's investment portfolio, please contact Jeff Engbrock at (409) 944-1215.

  
\_\_\_\_\_  
W. Myles Shelton, Ed.D.  
Investment Officer

  
\_\_\_\_\_  
Dr. Van Patterson  
Investment Officer

  
\_\_\_\_\_  
Jeff Engbrock  
Investment Officer

Board Investment Report FY 2026  
Cash Equivalents and Investments  
First Quarter Fiscal Year 2026 Activity  
For September 1, 2025 through November 30, 2025

Description of Security	Account No. / CUSIP No.	Average Interest Rate	Maturity Date	Beginning Book Value	Ending Book Value	Beginning Fair Value	Additions	Withdrawals	Ending Fair Value	% of Total Portfolio	Weighted Avg. Earnings Rate	Accrued Interest	Days to Maturity	Weighted Avg. Maturity-Days
<b>OPERATING</b>														
Lone Star Investment Pool - Corp	84502	4.213%	Demand	148,828	150,407	148,828	1,579	-	150,407	0.43%	0.02%	-	1	0.00
Lone Star Investment Pool - Gov	84502	4.563%	Demand	10,334,868	9,379,094	10,334,868	3,044,226	(4,000,000)	9,379,094	26.51%	1.21%	-	1	0.27
Logic	151720001	4.195%	Demand	7,427,000	7,505,430	7,427,000	78,430	-	7,505,430	21.22%	0.89%	-	1	0.21
Texpool	000020101	4.102%	Demand	6,610,132	6,678,388	6,610,132	68,257	-	6,678,388	18.86%	0.77%	-	1	0.19
Texas Term Pool	1216-00	4.089%	Demand	5,923,659	5,984,625	5,923,659	60,965	-	5,984,625	16.92%	0.69%	-	1	0.17
MNB Repurchase Account	3128X1PZ4	0.100%	Open	1,137,091	1,071,930	1,137,091	-	(65,161)	1,071,930	3.03%	0.00%	-	1	0.03
Vanguard Mutual Fund	09914660032	4.026%	Demand	795,168	803,186	795,168	8,018	-	803,186	2.27%	0.09%	-	1	0.02
<b>TOTAL OPERATING</b>				<b>32,376,746</b>	<b>31,573,060</b>	<b>32,376,746</b>	<b>3,261,475</b>	<b>(4,065,161)</b>	<b>31,573,060</b>	<b>89.25%</b>	<b>3.68%</b>	<b>-</b>		<b>0.89</b>
<b>RESTRICTED</b>														
Lone Star Invest. - 2022 Bond Proceeds	84502	4.095%	Demand	1,610,119	1,626,715	1,610,119	16,597	-	1,626,715	4.60%	0.19%	-	1	0.05
Lone Star Invest. - 2022 Bond Reserve	84502	4.095%	Demand	2,153,028	2,175,221	2,153,028	22,193	-	2,175,221	6.15%	0.25%	-	1	0.06
<b>TOTAL RESTRICTED</b>				<b>3,763,147</b>	<b>3,801,936</b>	<b>3,763,147</b>	<b>38,789</b>	<b>-</b>	<b>3,801,936</b>	<b>10.75%</b>	<b>0.44%</b>	<b>-</b>		<b>0.11</b>
<b>GRAND TOTAL</b>				<b>36,139,893</b>	<b>35,374,996</b>	<b>36,139,893</b>	<b>3,300,264</b>	<b>(4,065,161)</b>	<b>35,374,996</b>	<b>100%</b>	<b>4.12%</b>	<b>-</b>		<b>1.00</b>

The above reported investments have been recorded in compliance with generally accepted accounting principles. In the opinion of the investment officers of the College, both this report and the investment portfolio of the College are in compliance with the requirements of the Public Funds Investment Act of the State of Texas and the Investment Policy of the Board of Regents of Galveston Community College District.

For information regarding Galveston College's investment portfolio, please contact Jeff Engbrock at (409) 944-1215.

W. Myles Shelton, Ed.D.  
Investment Officer



Van Patterson, Ed.D.  
Investment Officer



Jeff Engbrock  
Investment Officer

**Board Investment Report FY 2026**  
**Interest Earned - First Quarter**  
**For September 1, 2025 through November 30, 2025**

<u>Investments</u>	<u>Nov</u>	<u>1st Quarter</u>	<u>Fiscal YTD</u>
<b>Operating</b>			
MNB Money Market Account	111	497	497
Lonestar Corp	504	1,579	1,579
Lonestar Gov	30,314	94,831	94,831
LOGIC	25,142	78,430	78,430
Texpool	21,822	68,257	68,257
Texas Term	19,474	60,965	60,965
Vanguard	2,578	8,018	8,018
<b>Total Investment Operating Interest</b>	<b>99,945</b>	<b>312,576</b>	<b>312,576</b>
<b>Restricted</b>			
Lonestar - 2022 Bond Reserve	7,070	22,193	22,193
Lonestar - 2022 Bond Proceeds	5,287	16,597	16,597
<b>Total Investment Restricted Interest</b>	<b>12,357</b>	<b>38,789</b>	<b>38,789</b>
<b>Demand Deposit</b>			
Moody National Bank	1	2	2
<b>Total Demand Deposit Interest</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>GRAND TOTAL INTEREST EARNED</b>	<b>112,302</b>	<b>351,368</b>	<b>351,368</b>

Consider Approval of Finance Committee Recommendation Regarding Acceptance of Financial Statements and Single Audit Reports for the Years Ended August 31, 2025 and 2024, and Required Communications Letter

The Board Finance Committee was scheduled to meet prior to the January 14, 2026 Regular Meeting of the Board of Regents to consider a recommendation to the Board on the acceptance of the financial statements and single audit reports for the years ended August 31, 2025 and 2024, and required communications letter.

Mr. Fred Raschke, Finance Committee Chairperson, will provide a report of the discussion and the Committee's recommendation for Board consideration.



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FINANCIAL STATEMENTS AND  
SINGLE AUDIT REPORTS

AUGUST 31, 2025 AND 2024

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, 2025

BOARD OF REGENTS

		Term Expires <u>May 31,</u>
<u>OFFICERS</u>		
Ms. Karen F. Flowers – Chairperson	Galveston, Texas	2030
Mr. Fred D. Raschke – Vice Chairperson	Galveston, Texas	2030
Mr. Michael B. Hughes - Secretary	Galveston, Texas	2026

<u>MEMBERS</u>		
Ms. Mary R. Longoria	Galveston, Texas	2030
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



**CARR, RIGGS & INGRAM, L.L.C.**

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

Two Riverway  
15th Floor  
Houston, TX 77056

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## **INDEPENDENT AUDITOR'S 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, 2025 and 2024, 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, 2025 and 2024, 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 Auditor's 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 opinions.

#### ***Emphasis of Matter***

As described in Note 2 to the accompanying financial statements, beginning net position as of September 1, 2023 was restated for the implementation of Government Accounting Standard Board Statement 101, Compensated Absences. Our opinion is not modified with respect to this matter.

#### ***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.

### ***Auditor's 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 auditor's 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 34, 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 69, 70, 72 and 73 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 Schedules of Expenditures of Federal and State Awards for the year ended August 31, 2025, 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 Texas Grant Management Standards and the supplementary schedules on pages 75 through 78, 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 auditor's 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 19, 2025, 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 19, 2025

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Galveston Community College District's (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, 2025 and 2024. 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, 2025 and 2024; 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 2025**

- As of August 31, 2025, the College reported a net position of \$49.9 million, an increase of \$4.1 million (8.8%) from the prior year. The College continued to strengthen its financial foundation, highlighted by a \$1.7 million (11.9%) increase in unrestricted net position. This growth reflects strong operating results and prudent fiscal management. Unrestricted cash and cash equivalents also increased by \$1.15 million, underscoring improved liquidity to support ongoing programs and future initiatives. While the continuing impact of GASB No. 75 (Other Postemployment Benefits, adopted in FY 2018) and GASB No. 68 (Pensions, adopted in FY 2015) reduces reported net position by \$17.9 million, these accounting requirements do not diminish the positive operational and financial performance achieved during the year.
- For fiscal year 2025, the College reduced its annual tax rate by 3.6%, from \$0.124 to \$0.1195 per \$100 of assessed valuation. Despite this decrease, growth in the overall tax base - driven by both existing properties and new construction - generated an additional \$586,000 (3.2%) in property tax revenue compared to the prior year.
- Implementation of GASB Statement No. 101 – *Compensated Absences*: In fiscal year 2025, the College implemented GASB No. 101, which revised the recognition and measurement of sick leave liability. For the first time, the College recorded a liability for accrued sick leave expected to be paid, resulting in approximately \$246,000 in compensated absences liability at August 31, 2025. Implementation of this standard also required a restatement of FY2023 net position by \$181,000.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Highlights for 2025 – Continued**

- This was the second year under House Bill 8 (HB 8), which shifted the state’s community college funding model away from enrollment-based formulas to outcomes tied directly to student success. HB 8 restructured the finance system to better align funding with workforce needs while also expanding access to dual credit opportunities at no cost to high school students. FY 2025 also marked the first year Galveston College participated in FAST (Financial Aid for Swift Transfers), as outlined in Texas Administrative Code Chapter 13, Subchapter Q. This program provided state funding of \$464,000 to cover dual credit courses for educationally disadvantaged students. In addition, through waiver agreements with local ISDs and support additional financial support from ISDs, and the Galveston College Foundation, no public high school student incurred any costs to enroll in dual credit courses. This initiative enables students to graduate with both a high school diploma and an associate degree, saving them an estimated \$8,000 in direct tuition and fees costs providing a significant head start in their higher education journey. Students may also earn workforce certificates that provide a direct and efficient pathway to high-demand, high-wage careers. As a result, Galveston College realized a funding increase of \$311,000 (6.4%) in FY 2025 and received \$464,000 of additional FAST funding from the state to be able to realize the vision of free Tuition to public high school students.
- Galveston College continued its upward trajectory with record-setting enrollment growth. Fall 2024 enrollment reached 2,405 students—an increase of 13.5% over Fall 2023 - and included more than 800 dual credit students. Growth continued into Fall 2025, when the College achieved a new all-time high with an unofficial headcount of 2,685 students, representing an 11.6% increase over the prior year and a 26.7% increase compared to Fall 2023. Dual credit participation also expanded, exceeding 900 students in Fall 2025. The number of credentials awarded to dual credit students rose by 34%, from 73 in FY2024 to 98 in FY2025, while associate degrees nearly doubled, increasing from 25 to 49.
- Galveston College continued to modernize campus facilities to support 21st-century learning, recognizing that building design measurably influences student outcomes. With the Health Sciences Education Center completed in FY 2024, the College remodeled and repurposed the vacated space in FY 2025 to create new offices, classrooms, and a relocated Student Success Center in alignment with the campus master plan. Despite a 7% increase in local rental costs over the past year, the College maintains affordable student housing—at rates approximately 71% below Galveston’s average of \$1,390 per month for a one-bedroom apartment—ensuring accessible housing options that help sustain enrollment growth in new academic and workforce programs. (See Building Construction, Renovations, and Furniture Purchases - Fiscal Year 2025 table for more details.)
- In FY 2025, Galveston College strengthened its technology ecosystem, upgrading core IT infrastructure, expanding classroom capabilities, and hardening network security—while continuing to acquire high-fidelity simulation equipment for hands-on instruction. Following the late-FY 2024 opening of the Nursing & Health Sciences facility (designed to mirror hospital operations, including stretcher-capable elevators), the College focused on renovating spaces vacated by relocated programs, replacing a campus transformer and upgrading electrical infrastructure. The College also introduced its first mascot costume, “Rip,” to support student engagement and sense of belonging. Since 1967, Galveston College has remained committed to continually adapting its infrastructure to deliver high-quality education and meet evolving community needs. (see Computers - Hardware and Software, and Equipment Purchases in Fiscal Year 2025 table for more details.)

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS

**Financial Highlights for 2025 – Continued**

- Computers - Hardware and Software and Equipment Purchases - Fiscal Year 2025:

DESCRIPTION	FUNDING SOURCE	AMOUNT
Faculty/Staff PC Refresh	Local - Education & General Fund	\$383,000
Nursing Sim Lab-In Progress	State Grant - Nursing Shortage	\$63,000
Replace Security Cameras	Local - Education & General Fund	\$46,000
Compensation Study	Local - Education & General Fund	\$43,000
Rigging Learning System	Federal Grant - TRUE Grant Program 2024	\$41,000
Refresh Laptops (30)	Federal Grant – Perkins	\$36,000
Student Loaner Laptops (50)	Local - Education & General Fund	\$35,000
Cisco Webex Phone Services	Local - Education & General Fund	\$29,000
Modular Battery Replacements	Local - Education & General Fund	\$28,000
Flange and Gasket Torquing Trainer	Federal Grant - TRUE Grant Program 2024	\$24,000
Portable PLC Learning System	Federal Grant – Perkins	\$16,000
Library Books	Local - Education & General Fund	\$23,000
Mechanical Fabrication Learning System	Federal Grant - TRUE Grant Program 2024	\$15,000
Custom Mascot “Rip”	Local - Student Services Fund	\$12,000
Security Camera Upgrades	Local - Education & General Fund	\$11,000
F270 Printer System	Federal Grant - TRUE Grant Program 2023	\$10,000
	<b>TOTAL</b>	<b>\$815,000</b>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Highlights for 2025 – Continued**

- Building Construction, Renovations, and Furniture Purchases - Fiscal Year 2025:

DESCRIPTION	FUNDING SOURCE	AMOUNT
Building Improvements - Backfill Project	Local - Construction Fund	\$2,150,000
Utility Transformer Electrical Upgrades	Local - Construction Fund	\$927,000
General Facility Maintenance	Local - Education & General Fund	\$572,000
Property Purchased - 3806 Avenue R	Local - Construction Fund	\$419,000
Property Purchased - 4013 Avenue R	Local - Construction Fund	\$341,000
Gym Roof Replacement	Local - Construction Fund	\$331,000
Nursing/HSEC Building - Phase 2	Local - Construction Fund	\$203,000
HVAC - IT Server Room	Local - Education & General Fund	\$63,000
Student Housing Architect/Engineering Fees	Local - Construction Fund	\$54,000
Lighthouse Renovation	Local - Education & General Fund	\$43,000
Scoreboard Baseball/Softball Field	Local - Capital Projects Fund	\$40,000
Site Preparation for Student Housing	Local - Education & General Fund	\$34,000
Chiller # 2 Repairs	Local - Education & General Fund	\$31,000
HVAC Repairs in Student Center	Local - Education & General Fund	\$15,000
	<b>TOTAL</b>	<b>\$5,223,000</b>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Highlights for 2025 – Continued**

- Grant Funds Received – Fiscal Year 2025:

GRANT FUNDED BY	GRANT NAME/PURPOSE	TERM	AMOUNT
U.S. Department of Education - Federal	Title V FY24-FY28 - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic- Serving Community College	09/01/24 - 08/31/25	\$805,000
Texas Higher Education Coordinating Board - State Pass-Through	Texas Educational Opportunity Grant	09/01/24 - 08/31/25	\$468,000
National Science Foundation - Federal	Hispanic Serving Institution Program - Institutional Transformation Project	09/01/24 - 08/31/25	\$354,000
U.S. Department of Education - Federal	TRIO - Upward Bound Program	09/01/24 - 08/31/25	\$331,000
U.S. Department of Education - Federal	TRIO - Building Bridges to Success Program	09/01/24 - 08/31/25	\$304,000
Texas Higher Education Coordinating Board - Federal Pass-Through	Carl D. Perkins Career and Technical Education Program - Basic Grants	09/01/24 - 08/31/25	\$188,000
Texas Higher Education Coordinating Board - State Pass-Through	The Texas Reskilling and Upskilling Through Education (TRUE) 2024 Grant Program	12/02/24 - 12/02/25	\$174,000
Galveston Career Connect - Private	Strengthen Career Skills of High School Students	09/01/24 - 08/31/25	\$141,000
Texas Higher Education Coordinating Board - State Pass-Through	The Texas Reskilling and Upskilling Through Education (TRUE) 2023 Grant Program	09/01/24 - 12/16/24	\$131,000
Texas Higher Education Coordinating Board - State Pass-Through	Nursing Shortage Reduction Program - Regular	09/01/24 - 08/31/25	\$81,000

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Highlights for 2025 – Continued**

<b>GRANT FUNDED BY</b>	<b>GRANT NAME/PURPOSE</b>	<b>TERM</b>	<b>AMOUNT</b>
Texas Higher Education Coordinating Board - State Pass-Through	Nursing Students Scholarship Program IR-02108	09/01/24 - 08/31/25	\$69,000
Texas Higher Education Coordinating Board - State Pass-Through	Texas College Work Study	09/01/24 - 08/31/25	\$64,000
Texas Higher Education Coordinating Board - State Pass-Through	Nursing & Allied Health - Nursing Innovation Grant Program 2023-2025	09/01/24 - 07/31/25	\$48,000
U.S. Department of Agriculture-Federal Pass- Through From UTMB	Detection of SARS CoV-2 on Texas Meat and Dairy Farms	09/01/24 - 08/31/25	\$23,000
Ellucian Foundation	Progress, Accomplishment, Thriving, Hope (PATH) Scholarship Program	09/01/24 - 12/16/24	\$15,000
		<b>TOTAL</b>	<b>\$3,196,000</b>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Highlights for 2024**

- As of August 31, 2024, the College's net position stood at \$46 million, reflecting a \$5.4 million increase (13.3%) compared to 2023. The ongoing impact of GASB No. 75 (Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions) implemented in fiscal year 2018, and GASB No. 68 (Accounting and Financial Reporting for Pensions) in 2015, continues to influence the financial statements, reducing the College's overall net position by \$17.8 million. The College's unrestricted net position increased by \$2.6 million (22%), with cash and cash equivalents rising slightly by \$126,000, primarily due to a surplus from operations.
- For fiscal year 2024, the College reduced its annual tax rate by 6%, from \$0.132 to \$0.124 per \$100 of assessed valuation. Despite this reduction, growth in the overall tax base of existing properties and new construction resulted in an additional \$1.66 million (10%) in property tax revenue compared to the previous year.
- Galveston College reached substantial completion on construction of its new Nursing and Health Sciences Center in May 2024, with the facility opening to students in Fall 2024. This state-of-the-art Health Sciences Education Center includes offices, classrooms, labs, simulation facilities, lecture halls, and study areas to support the College's expanding Nursing and Health Sciences programs. The project was funded through bonds with a favorable true interest cost (TIC) of 2.66%, a benefit to the College as interest rates have more than doubled since issuance. The College capitalized \$34.1 million for the building's construction and infrastructure, the remaining \$2.99 million of construction in progress is tied to the ongoing renovations of vacated nursing and health science spaces \$1.4 million and \$1.5 million associated with replacing the College's electrical transformer.
- Galveston College's enrollment continued to recover from COVID-19-related declines, with a Fall 2024 headcount of 2,405, a 13.5% increase from 2,119 in Fall 2023 and a 17% increase from 2,060 in Fall 2020, the first major term post-pandemic. The new Health Sciences Education Center expanded capacity for the College's healthcare programs, contributing to enrollment growth and providing students with pathways to rewarding careers in the medical field. In May 2024, the college conferred 681 degrees and certificates to 554 students, which included 44 dual credit students from Ball High School. Dual credit enrollment, students earning college credit while in high school increased 58% in Fall 2024 compared to Fall 2023.
- Fiscal year 2024 marked the shift to performance-based funding for community colleges in Texas, with the passage of Texas House Bill 8 (HB 8). This bill ties funding to student success metrics, such as the awarding of valuable credentials, successful transfers to four-year universities, and completion of dual credit courses that prepare students for in-demand careers opposed to prior funding models tied primarily to enrollment. HB 8 reforms the community college finance system to align its policy and funding incentives with the rapidly changing needs of the workforce. HB 8 also expands dual credit opportunities, allowing high school students to take courses at no additional cost and putting them on pathways to meaningful credentials. The additional \$683 million allocated to the state's community college funding, positions Texas as a leader in outcome-based funding, aligning community college resources with workforce demands and adult learning opportunities. The new funding model resulted in Galveston College receiving an increase of \$452,000 (7.7%) in funding for fiscal year 2024 and an additional projected 7% increase for fiscal year 2025 compared to fiscal year 2024.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Highlights for 2024 – Continued**

- Galveston College renovated key areas on campus to enhance its facilities for 21st-century learners, recognizing that building design has a measurable impact on student outcomes. With the completion of the Health Sciences Education Center in fiscal year 2024, the College is in the process of remodeling/repurposing this vacated space to create new offices, classrooms, and a relocated Student Success Center, aligning with its master plan. Despite an 11% increase in rental costs across Galveston the past year, the College continues to offer affordable student housing at rates 70% below the island's average of \$1,312 per month for a 1 bed room apartment, supporting enrollment growth in the new Health Sciences Education Center programs. (see Building Construction, Renovations, and Furniture Purchases - Fiscal Year 2024 table for more details)
  
- In 2024, the College further invested in information technology infrastructure, expanding “Smart” classroom capabilities and strength network security. Continuing to acquire advanced simulation equipment for Welding, HVAC, Nursing, Health Sciences, and Electrical programs to provide students with realistic, hands-on training. The new Nursing Health Sciences building, design is very similar to that of a hospital including “stretcher elevators” designed to transport patients and medical equipment identical to real world situations. The equipment purchased for the new building was also selected to simulate what will be used in their health care career. The College remains committed to evaluating and adapting its infrastructure to support high-quality education and serve the community's evolving needs since 1967. (see Computers - Hardware and Software and Equipment Purchases - Fiscal Year 2024 table for more details)

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Highlights for 2024 – Continued**

- Computers - Hardware and Software and Equipment Purchases - Fiscal Year 2024:

DESCRIPTION	FUNDING SOURCE	AMOUNT
Sonography Machine	Grant - Moody PEF	\$534,000
Radiation Therapy - Seminar Simulator	Grant - Moody PEF	\$184,000
IT - Network Infrastructure Upgrade	Local - Capital Project Fund	\$171,000
IT - Network Security Upgrades	Local - Education & General Fund	\$149,000
IT - Data Storage	Local - Education & General Fund	\$123,000
EMS - Cardiac Monitor/Defibrillator (2)	Grant - Moody PEF	\$69,000
Nuclear Med - E-Camera	Grant - Moody PEF	\$65,000
IT - AV Refresh	Local - Education & General Fund	\$62,000
EMS - Manikin Trainers	Grant - Moody PEF	\$56,000
EMS - Stretcher (6)	Grant - Moody PEF	\$48,000
Sonography - Manikin Trainers	Grant - Moody PEF	\$43,000
Universal Robots UR3e	Grant - True Grant	\$41,000
HVAC - Mini Split Training Unit	Grant - True Grant	\$40,000
Surg Tech - Surgical table (4)	Grant - Perkins	\$38,000
Library - Books	Local - Education & General Fund	\$32,000
IT - Refresh Datacenter	Local - Education & General Fund	\$25,000
Facilities - Scissor Lift	Local - Education & General Fund	\$25,000
Security - Refresh Security Cameras	Local - Education & General Fund	\$25,000
Facilities - Riding Floor Scrubber	Local - Education & General Fund	\$13,000
	<b>TOTAL</b>	<b>\$1,743,000</b>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS

**Financial Highlights for 2024 – Continued**

- Building Construction, Renovations, and Furniture Purchases - Fiscal Year 2024:

DESCRIPTION	FUNDING SOURCE	AMOUNT
Health Science Center - Construction	Local - Construction Fund	\$4,661,000
Electrical - Transformer Upgrades- CIP	Local - Construction Fund	\$1,480,000
Health Science Center - Furniture	Local - Construction Fund	\$1,380,000
Backfill Project - Construction in Progress	Local - Construction Fund	\$854,000
General Facility Maintenance	Local - Education & General Fund	\$424,000
Architectural Design - Health Science Center	Local - Construction Fund	\$299,000
HVAC Upgrades	Local - Education & General Fund	\$81,000
Security Infrastructure -Health Science Center	Local - Education & General Fund	\$76,000
Welding Booths (8)	Local - Construction Fund	\$61,000
Architectural Design - Backfill Project - CIP	Local - Construction Fund	\$59,000
Boiler Replacement Central Plant	Local - Education & General Fund	\$54,000
Baseball Field - Resurfacing	Local - Education & General Fund	\$35,000
Renovate ATC Network Cabling	Local - Education & General Fund	\$18,000
Interior Signage Refresh	Local - Education & General Fund	\$12,000
	<b>TOTAL</b>	<b>\$9,494,000</b>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Financial Highlights for 2024 – Continued**

- Grant Funds Received – Fiscal Year 2024:

<b>GRANT FUNDED BY</b>	<b>GRANT NAME/PURPOSE</b>	<b>TERM</b>	<b>AMOUNT</b>
Moody Methodist Permanent Endowment Fund- Private	Purchase New Equipment for Health Sciences Education Center	10/27/23 - 08/31/24	\$1,000,000
National Science Foundation - Federal	Hispanic Serving Institution Program - Institutional Transformation Project	09/01/23 - 08/31/24	\$524,000
Texas Higher Education Coordinating Board - State Pass-Through	Texas Educational Opportunity Grant	09/01/23 - 08/31/24	\$470,000
U.S. Department of Education - Federal	TRIO - Building Bridges to Success Program	09/01/23 - 08/31/24	\$296,000
U.S. Department of Education - Federal	TRIO - Upward Bound Program	09/01/23 - 08/31/24	\$289,000
U.S. Department of Education - Federal	Title V FY24-FY28 - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic- Serving Community College	10/01/23 - 08/31/24	\$224,000
U.S. Department of Education - Federal	Title V - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic- Serving Community College	09/01/23 - 09/30/23	\$204,000
Texas Higher Education Coordinating Board - Federal Pass-Through	Carl D. Perkins Career and Technical Education Program - Basic Grants	09/01/23 - 08/31/24	\$197,000
Texas Higher Education Coordinating Board - State Pass-Through	Nursing Shortage Reduction Program - Regular	12/15/23 - 08/31/24	\$127,000
Texas Higher Education Coordinating Board - State Pass-Through	The Texas Reskilling and Upskilling Through Education (TRUE) 2023 Grant Program	12/15/23 - 08/31/24	\$119,000

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS

**Financial Highlights for 2024 – Continued**

<b>GRANT FUNDED BY</b>	<b>GRANT NAME/PURPOSE</b>	<b>TERM</b>	<b>AMOUNT</b>
Galveston Career Connect - Private	Strengthen Career Skills of High School Students	09/01/23 - 08/31/24	\$117,000
Texas Higher Education Coordinating Board - State Pass-Through	Nursing & Allied Health - Nursing Innovation Grant Program 2023-2025	09/01/23 - 08/31/24	\$82,000
Greater Texas Foundation - Private	Greater Texas Foundation - Emergency Aid Grant	09/01/23 - 08/31/24	\$26,000
Texas Higher Education Coordinating Board - Federal Pass-Through	Texas Reskilling and Upskilling through Education (TRUE) Grant Program 2022	09/01/23 - 09/30/23	\$21,000
U.S. Department of Agriculture-Federal Pass- Through From UTMB	Detection of SARS CoV-2 on Texas Meat and Dairy Farms	12/27/23 - 08/31/24	\$17,000
Texas Higher Education Coordinating Board - State Pass-Through	Texas College Work Study	09/01/23 - 08/31/24	\$12,000
		<b>TOTAL</b>	<b>\$3,725,000</b>

**Statements of Net Position**

The statements of net position present financial information on all 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 relate 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 statements are 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 fiscal 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 ending August 31 follows:

**Net Position  
(in thousands)**

	<u>2025</u>	<u>2024</u> (Restated)	Increase (Decrease) 2025 - 2024	<u>2023</u> (Restated)	Increase (Decrease) 2024 - 2023
<b>Assets:</b>					
Current Assets	\$ 36,326	\$ 36,020	\$ 306	\$ 35,455	\$ 565
Noncurrent Assets:					
Restricted bond cash funds	3,763	4,340	(577)	8,906	(4,566)
Capital Assets, Net of Depreciation	66,215	63,697	2,518	54,206	9,491
Other	<u>56</u>	<u>51</u>	<u>5</u>	<u>72</u>	<u>(21)</u>
Total Assets	<u>106,360</u>	<u>104,108</u>	<u>2,252</u>	<u>98,639</u>	<u>5,469</u>
<b>Deferred Outflows of Resources:</b>					
Pension Related Deferred Outflows	1,534	2,573	(1,039)	2,367	206
OPEB Related Deferred Outflows	<u>1,538</u>	<u>1,180</u>	<u>358</u>	<u>1,842</u>	<u>(662)</u>
Total Deferred Outflows of Resources	<u>3,072</u>	<u>3,753</u>	<u>(681)</u>	<u>4,209</u>	<u>(456)</u>
<b>Liabilities:</b>					
Current Liabilities	7,169	8,147	(978)	7,223	924
Noncurrent Liabilities	<u>49,546</u>	<u>49,648</u>	<u>(102)</u>	<u>50,358</u>	<u>(710)</u>
Total Liabilities	<u>56,715</u>	<u>57,795</u>	<u>(1,080)</u>	<u>57,581</u>	<u>214</u>
<b>Deferred Inflows of Resources:</b>					
Pension Related Deferred Inflows	211	431	(220)	672	(241)
OPEB Related Deferred Inflows	<u>2,632</u>	<u>3,814</u>	<u>(1,182)</u>	<u>4,170</u>	<u>(356)</u>
Total Deferred Inflows of Resources	<u>2,843</u>	<u>4,245</u>	<u>(1,402)</u>	<u>4,842</u>	<u>(597)</u>
<b>Net Position:</b>					
Invested in Capital Assets, Net of Related Debt	31,684	29,429	2,255	26,641	2,788
Restricted – Expendable	2,176	2,079	97	2,072	7
Unrestricted	<u>16,014</u>	<u>14,313</u>	<u>1,701</u>	<u>11,712</u>	<u>2,601</u>
<b>Total Net Position</b>	<b>\$ <u>49,874</u></b>	<b>\$ <u>45,821</u></b>	<b>\$ <u>4,053</u></b>	<b>\$ <u>40,425</u></b>	<b>\$ <u>5,396</u></b>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Statements of Net Position - Continued**

***Fiscal Year 2025 Compared to 2024***

Current assets consist primarily of cash and investments held in LOGIC, Lone Star, TexPool, Texas Range and Vanguard, as well as student and grant receivables. Current assets increased by \$306,000 (0.85%). Year-to-year changes are mainly influenced by enrollment activity, the timing of student billing, and receipt of grants and property taxes. Student receivables decreased by \$1.3 million due to the transition to 8-week terms beginning Fall 2025. Classes began earlier than in the prior year, resulting in more student payments and financial aid being received by August 31, 2025. Noncurrent assets typically increase as capital projects progress and are placed into service. When construction projects reach substantial completion, restricted bond funds, and construction-in-progress decrease, while capital assets subject to depreciation increase as the asset is capitalized. Non-current assets increased by \$1.9 million (2.9%) and total assets increased \$2.25 million (2.2%). Deferred outflows of resources represent transactions applicable to future periods, primarily related to pension and other post-employment benefit (OPEB) obligations allocated to the College under GASB guidance. These balances fluctuate based on actuarial valuations performed at the State level decreasing \$681,000 (18%) from fiscal year 2024 to 2025. Current liabilities consist mainly of accounts payable, unearned revenue and the current bond payment due. Current liabilities decreased by \$978,000 (12%) primarily due to a decrease in unearned revenue due to the earlier start date of 2025FA 8-week terms for Fall 2025. Noncurrent liabilities primarily include outstanding bond debt as well as pension and OPEB liabilities. Bond payments reduce non-current liabilities annually, while changes in pension and OPEB liabilities reflect updated actuarial valuations and are non-cash entries. Non-current liabilities remained relatively stable, decreasing slightly by \$102,000. Bonds payable decreased by \$1 million offset by a net increase of Pension and OPEB liabilities of \$817,000 (4.7%) Deferred inflows of resources represent transactions applicable to future periods, primarily related to pension and OPEB obligations allocated to the College under GASB guidance. This decreased \$1.4 million (33%) from FY24 to FY25, which is based on market conditions and each college's proportional share of the state agency's amount. Unrestricted net position reflects resources available to support ongoing operations and increased \$1.7 million (11.9%) from prior year. The growth in unrestricted net position results from positive operating results and strong cash management practices. The implementation of GASB No. 68 (Pensions) and GASB No. 75 (OPEB) continues to materially affect the Statement of Net Position by recording long-term actuarial estimated deferred outflow and inflows and liabilities and reduced reported net position by \$17.9 million. These accounting requirements do not diminish the positive operational and financial performance achieved during the year. These entries are non-cash in nature and do not require immediate or future cash outflows from the College. Overall, year-to-year net position was \$49.9 million, reflecting a \$4.1 million (8.8%) increase influenced by enrollment levels, capital project activity, timing of state and federal funding, and actuarial adjustments related to pension and OPEB programs. The capitalization of major construction projects typically results in decreases to restricted bond funds and construction-in-progress, with corresponding increases to capital assets and depreciation expense in future periods.

***Fiscal Year 2024 Compared to 2023***

Current assets consist primarily of cash investments in LOGIC, Lone Star, TexPool, and Texas Range investment pools, along with receivables; increased slightly \$565,000 (1.6%). As of August 31, 2024, the College's net position was \$46 million, reflecting a \$5.4 million (13%) increase from 2023. Current assets rose slightly by \$565,000 (1.6%), driven by an increase in student receivables due to a 9.5% rise in enrollment for Fall 2024 and a tuition and fee rate increase effective the 2024 Fall semester. Noncurrent assets increased by \$4.9 million (7.7%), while restricted bond funds decreased by \$4.6 million (51%) as the College reached substantial completion of the Health Sciences Education Center in May 2024. Final payments for this project are expected in the first quarter of fiscal year 2025. Capital assets not subject to depreciation decreased by \$24 million (77%), while assets subject to depreciation increased by \$33 million (140%), primarily due to the capitalization of the new building, which shifted from assets not subject to depreciation in the last quarter of fiscal year 2024.

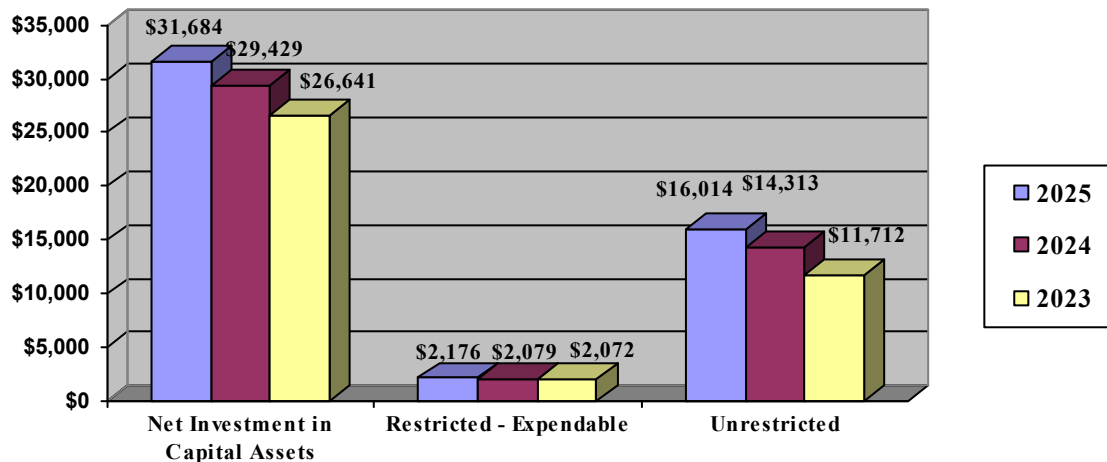
GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Statements of Net Position – Continued**

***Fiscal Year 2024 Compared to 2023 – Continued***

Deferred outflows, representing net assets consumed for future periods, decreased by \$456,000 (11%), related to retiree pensions and healthcare (OPEB) costs allocated by the State to each proportionally to each community College District. Current liabilities increased by \$924,000 (13%), mainly due to increases in accounts payable and unearned revenue. Accounts payable rose due to outstanding payments for the Health Sciences Education Center, while unearned revenue increased due to a 9.5% enrollment growth in Fall 2024, adding 286 (13.5%) students compared to Fall 2023's 2,119. Noncurrent liabilities decreased by \$710,000 (1.4%) due to bond payments in fiscal year 2024 on outstanding debt, with OPEB liabilities declining but offset by a 17% increase in retiree pension liability. Overall, total liabilities increased slightly by \$214,000 (0.37%). Deferred inflows of resources, which represent revenue not yet available, tied to pension and OPEB, decreased by \$597,000 (12%). Unrestricted net position increased by \$2.6 million (22%) as a result of operational cash surpluses. The adoption of GASB No. 75 (Postemployment Benefits Other Than Pensions) in 2018 and GASB No. 68 (Pensions) in 2015 continues to significantly impact the statement of net position, reducing the College's net position by \$17.8 million. These entries are non-cash liabilities and are unlikely to require future cash outflows. Overall, the substantial completion and capitalization of the Health Sciences Education Center significantly impacted the College's 2024 statement of net position, with most restricted bond funds and construction-in-progress converted to capital assets.

The following is a graphic illustration of net position (in thousands) for the years ended August 31, 2023 through 2025. 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 2023, 2024, and 2025 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 2025 is \$1,866,800 which meets the full reserve requirement and explains the increase in restricted – expendable funds in 2025.



GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**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 details are presented in the Statements of Revenues, Expenses and Changes in Net Position and notes to the financial statements.

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

**Operating Results  
(in thousands)**

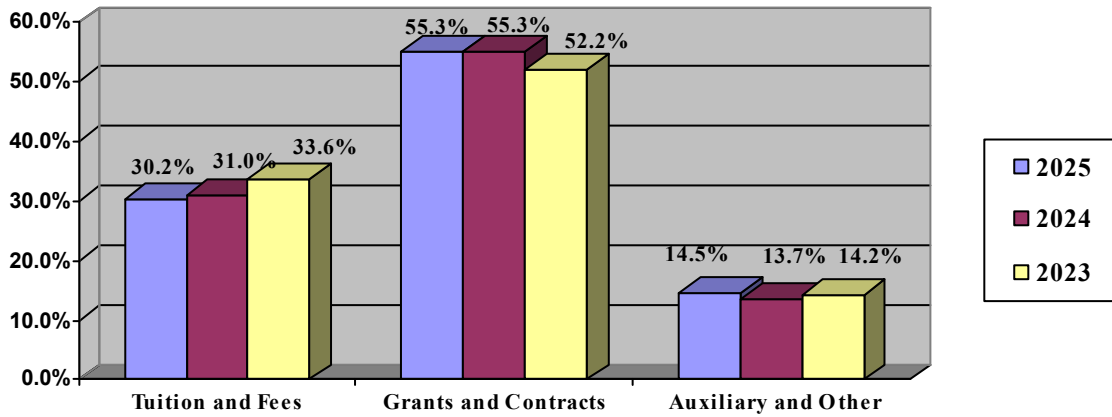
	<u>2025</u>	<u>2024</u> (Restated)	Increase (Decrease) 2025 - <u>2024</u>	<u>2023</u> (Restated)	Increase (Decrease) 2024 - <u>2023</u>
Operating Revenues:					
Tuition and Fees, Net of Scholarship Allowance	\$ 2,225	\$ 2,454	\$ (229)	\$ 2,439	\$ 15
Grants and Contracts	4,068	4,378	(310)	3,786	592
Auxiliary Enterprises, Net	640	636	4	620	16
Other Operating Revenues	<u>423</u>	<u>447</u>	<u>(24)</u>	<u>413</u>	<u>34</u>
Total Operating Revenues	7,356	7,915	(559)	7,258	657
Less Operating Expenses	<u>35,921</u>	<u>32,945</u>	<u>2,976</u>	<u>31,226</u>	<u>1,719</u>
Operating Loss	<u>(28,565)</u>	<u>(25,030)</u>	<u>(3,535)</u>	<u>(23,968)</u>	<u>(1,062)</u>
Non-Operating Revenues (Expenses):					
State Appropriations	7,114	6,316	798	5,864	452
Property Taxes	18,833	18,247	586	16,585	1,662
Federal Student Assistance	5,828	4,629	1,199	4,267	362
Investment and Other Income	1,646	2,059	(413)	2,159	(100)
Other Non-Operating Income (Expense)	<u>(803)</u>	<u>(825)</u>	<u>22</u>	<u>(1,244)</u>	<u>419</u>
Total Non-Operating Revenues (Expenses), Net	<u>32,618</u>	<u>30,426</u>	<u>2,192</u>	<u>27,631</u>	<u>2,795</u>
Increase in Net Position	<u>\$ 4,053</u>	<u>\$ 5,396</u>	<u>\$ (1,343)</u>	<u>\$ 3,663</u>	<u>\$ 1,733</u>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

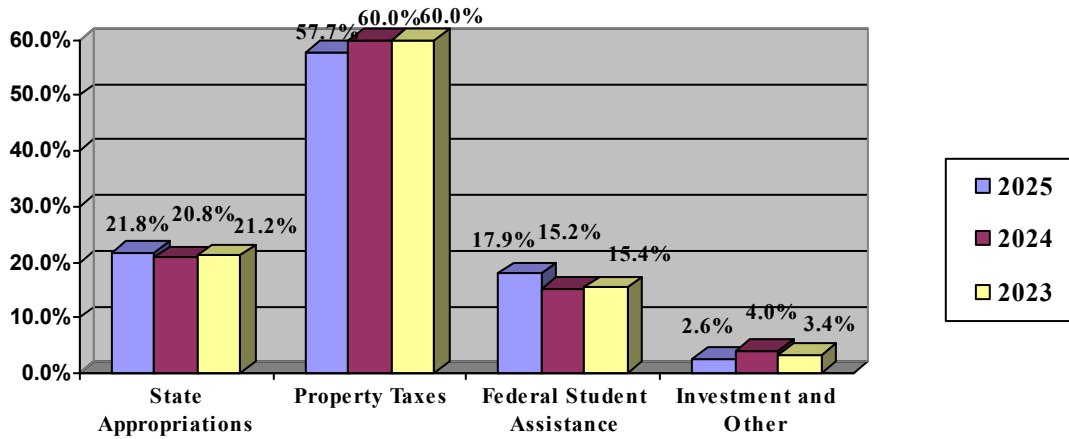
**Statements of Revenues, Expenses and Change in Net Position - Continued**

The following are graphic illustrations of revenues by source for the years ended August 31, 2023 through 2025:

**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 2025 Compared to 2024***

The College has four principal revenue sources: property taxes, state appropriations, grants and contracts, and tuition and fees. Overall, total revenues increased by approximately \$1.6 million (4%) in FY2025, driven primarily by strong property tax collections, increased state appropriations under the HB 8 funding model, and higher federal student assistance. Operating revenues decreased by \$560,000 (7%), while non-operating revenues increased by \$2.2 million (7%). Operating revenues totaled \$7.36 million in FY2025, a decrease of \$560,000 (7%) from FY2024. The change reflects shifts in enrollment patterns, timing of private scholarship support, and variations in federal and state grant activity. Tuition and fees, excluding scholarships allowances, increased by \$1.25 million (21%). This increase is attributed to higher enrollment and more students completing coursework that contributes to success-point funding under the State's HB 8 model and the continuing growth in dual credit enrollment. Federal grants and contracts increased by \$235,000 (13%). Galveston College received notice in May 2025 of the unexpected termination of its National Science Foundation (NSF) grant, which had approximately \$1.2 million and one year remaining. In addition, on September 10, 2025, the College was notified of the end of its Title V grant, having approximately \$1.8 million and three years remaining. State and local grants and contracts increased by \$327,000 (46%). These gains reflect strengthened state and local partnerships and funded program expansions. Private grants and scholarships decreased by \$872,000 (46%). The decline is primarily due to the absence of a large, one-time \$1 million donation in FY2024 by the Moody Permanent Endowment Fund. Auxiliary Enterprises' revenue remained stable, increasing slightly by \$4,000, indicating consistent housing and related enterprise activity. Non-operating revenues increased from \$30.43 million to \$32.62 million, an increase of \$2.19 million (7%), driven by higher state appropriations, property tax revenues, and federal student financial aid. Property taxes increased by \$586,000 (3%). Although the College lowered its adopted tax rate, continued growth in the local tax base - particularly from new property and increased valuations of existing property - resulted in higher overall collections. State appropriations increased by \$798,000 (13%). This reflects the continued implementation of House Bill 8, which restructured community college funding to a performance-based model and FAST funding (see Schedule C for the breakdown). The College experienced improved outcomes in key success metrics, leading to a stronger funding allocation. Federal student assistance (Title IV) increased by \$1.2 million (26%). This growth reflects increased Pell grant eligibility, enrollment growth, and higher utilization among enrolled students. Investment income decreased by \$413,000 (20%). Earnings declined due to interest rate adjustments in mid-FY2025 and reduced available cash balances as capital project spending continued. Interest expense on capital-related debt decreased by \$22,000 (3%), consistent with the College's scheduled debt amortization.

***Fiscal Year 2024 Compared to 2023***

The College has four principal revenue sources: property taxes, state appropriations, grants and contracts, and tuition and fees. Overall, revenue increased by \$3.4 million (9.9%). Operating revenues increased by \$658,000 (9%) over the prior year, driven primarily by a \$463,000 (210%) increase in state grants received. The Texas Higher Education Coordinating Board allocated an additional \$279,000 in state grant funds in fiscal year 2024 for the Texas Educational Opportunity Grant, \$118,000 for the Texas Reskilling and Upskilling Through Education (TRUE) 2023 Grant Program, and \$82,000 for the Nursing and Allied Health Nursing Innovation Grant Program, offset by a decrease of \$16,000 for ending state grants. Private grants and scholarships rose by \$1.1 million (126%), mostly due to a \$1 million donation from the Moody Permanent Endowment Fund to purchase equipment for the new Health Sciences Education Center. These increases were partially offset by a \$919,000 (34%) decline in federal grant funds received, largely due to a decrease of \$869,000 in funding for the Coronavirus/COVID-19 grant funds which ended in fiscal year 2023 (i.e., HEERF, GEER, GEER II, and TRUE), a decrease of \$86,000 in National Science Foundation grant funds, and a decrease of \$36,000 in Career and Technical Education-Basic Grants funds, offset by a \$72,000 combined increase in other state grants funds received. Tuition and fees, net of scholarships, increased by \$16,000 in fiscal year 2024.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

***Fiscal Year 2024 Compared to 2023 - Continued***

Non-operating revenue grew by \$2.8 million (10%), led by increases in property taxes, state appropriations, and federal student assistance. The College reduced its tax rate by 6%, from \$0.132 to \$0.124 per \$100 of assessed valuation in fiscal year 2024. Despite this reduction, the expanding tax base from existing properties and new construction resulted in a \$1.7 million (10%) increase in property tax revenue compared to fiscal year 2023. State appropriations rose by \$452,000 (8%), impacted by the implementation of House Bill 8 (HB 8) in fiscal year 2024, which replaced the static funding model based primarily on enrollment with a performance-based model that rewards colleges for outcomes such as graduation rates and credentials earned. Federal student assistance increased by \$362,000 (8%), most notably due to a \$500 (7%) per recipient increase in the maximum Pell Grant award and a slight uptick in the number of recipients. Investment income decreased slightly, primarily due to the use of bond funds throughout the year, which reduced available interest-earning balances, alongside a slight cooling of interest rates beginning in mid-fiscal year 2024.

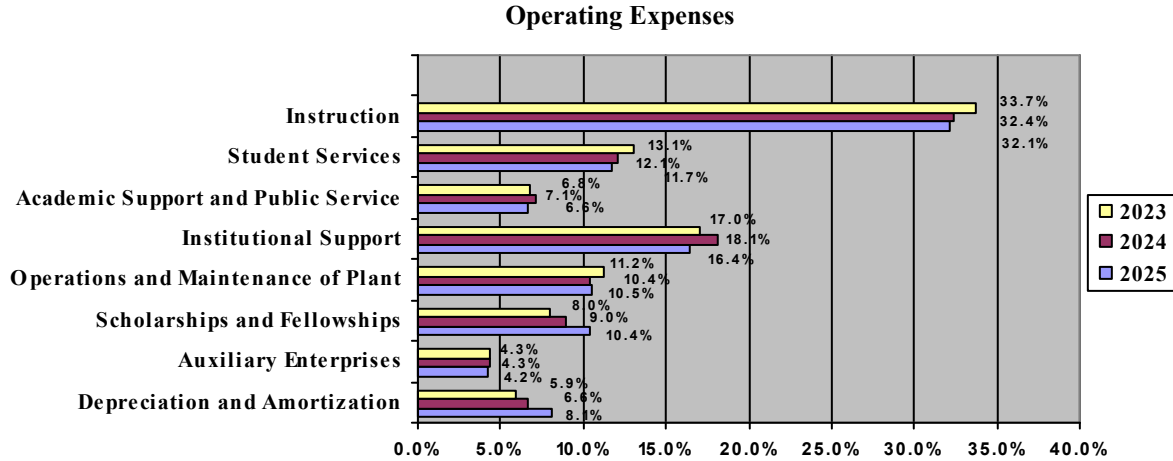
Below is a schedule and a graphic illustration of operating expenses by function for the years ended August 31:

**Operating Expenses  
(in thousands)**

	2025	2024 (Restated)	Increase (Decrease) 2025-2024	2023 (Restated)	Increase (Decrease) 2024-2023
<b>Operating Expenses:</b>					
<b>Instruction</b>	\$ 11,542	\$ 10,675	\$ 867	\$ 10,536	\$ 139
<b>Public Service</b>	79	73	6	17	56
<b>Academic Support</b>	2,247	2,236	11	2,081	155
<b>Student Services</b>	4,194	3,995	199	4,086	(91)
<b>Institutional Support</b>	5,898	5,967	(69)	5,299	668
<b>Operation and Maintenance of   Plant</b>	3,789	3,439	350	3,485	(46)
<b>Scholarships and Fellowships</b>	3,738	2,980	758	2,508	472
<b>Auxiliary Enterprises</b>	1,522	1,417	105	1,358	59
<b>Depreciation and Amortization</b>	2,912	2,163	749	1,856	307
<b>Total</b>	<u>\$ 35,921</u>	<u>\$ 32,945</u>	<u>\$ 2,976</u>	<u>\$ 31,226</u>	<u>\$ 1,719</u>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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



**Fiscal Year 2025 Compared to 2024**

In fiscal year 2025, Galveston College’s operating expenses increased by approximately \$3.0 million (9%) compared to fiscal year 2024. This growth reflects rising personnel costs, continued inflationary pressure across key functional areas, and expanded support services aligned with enrollment growth and new academic initiatives. Total salary and benefit costs rose as the College’s staff received a salary increase of 3%, the filling of previously vacant positions, and support new instructional and student-service needs associated with the Health Sciences Education Center and other high-demand programs. Instruction remained the College’s largest expense category, accounting for roughly one-third of all operating expenses. Instructional costs increased by \$867,000 (8%), driven by additional full-time and adjunct instructional staffing, competitive compensation adjustments, and higher operating costs required to support academic programs experiencing enrollment growth. Several of the most significant year-over-year increases occurred in Scholarships and Fellowships, Depreciation and Amortization, and Student Services. Scholarships and Fellowships expenses increased by \$758,000 (25%), reflecting higher scholarship commitments, increased FAST funding activity, and expanded support to reduce students’ net cost of attendance. This increase aligns with federal and state financial-aid trends and greater utilization of aid programs by students. Depreciation and Amortization expenses rose by \$749,000 (35%), largely due to new assets placed in service, most notably the equipment and facility components associated with the Health Sciences Education Center. As additional capital improvements reached completion during, depreciation expense increased proportionately. Student Services expenses grew by \$199,000 (5%), driven by expanded advising, counseling, enrollment management, and compliance-related support functions intended to improve student retention and completion outcomes. Increased staffing and technology investments contributed to the upward trend. Operation and Maintenance of Plant expenses increased by \$350,000 (10%), reflecting higher utilities, service contracts, and building-maintenance costs associated with operating new and upgraded facilities. Inflation in materials, supplies, and contracted maintenance services also contributed to this rise. Other functional categories remained relatively stable. Institutional Support decreased modestly by \$69,000 (1%), Academic Support saw only a slight increase of \$11,000 (0.5%), reflecting consistent activity in instructional technology, libraries, and academic administration. Auxiliary Enterprises rose by \$105,000 (7%), consistent with steady operations in housing, athletic scholarships, and related auxiliary activities. Overall, the increase in operating expenses reflects strategic investments in instructional quality, student support, and campus infrastructure, as well as the financial impact of new facilities coming online. These expenditures support the College’s mission to expand access, improve student outcomes, and maintain high-quality academic and workforce programs.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

***Fiscal Year 2024 Compared to 2023***

In fiscal year 2024, Galveston College's operating expenses rose by \$1.7 million, marking a 6% increase compared to fiscal year 2023. This growth was partly due to a 3% salary increase approved by the Board of Regents for all employees, as well as ongoing inflation affecting various expense categories. Total salaries rose by \$694,000, of which approximately \$418,000 was directly related to the salary increase, while the remaining increase was due to fewer vacancies in fiscal year 2024 than in fiscal year 2023 as labor markets stabilized and the addition of new positions to support the Health Sciences Education Center. The largest expense category remains Instruction, which accounted for 32.4% of total expenses and remained relatively stable year-over-year. The most significant increases, however, occurred in Institutional Support, Scholarships and Fellowships, and Depreciation/Amortization. Institutional Support expenses increased by \$668,000, or 13%, primarily due to a substantial rise in pension expenses related to the state's proportional allocation of GASB No. 68 (Accounting and Financial Reporting for Pensions) for fiscal year 2024. Additional contracted services for ERP support and consulting expenses in the Business Office contributed to this increase, as did elevated marketing and development expenses tied to the opening of the Health Sciences Education Center. Scholarships and Fellowships expenses grew by \$472,000, primarily due to a \$500 (7%) rise in the maximum Pell Grant award per student and a higher number of recipients. Pell-related expenses rose by \$345,000, or 8%, compared to fiscal year 2023. Additionally, state scholarships grew by \$177,000, a 50% increase from fiscal year 2023, mainly due to additional state TEOG funds received. Depreciation and Amortization expenses rose by \$307,000 (17%), largely driven by an additional \$213,000 in depreciation linked to the new Health Sciences Education Center and its associated equipment.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**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:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash Provided by (Used in):			
Operating Activities	\$ (26,444)	\$ (22,753)	\$ (23,410)
Non-Capital Financing Activities	30,322	27,706	25,708
Capital and Related Financing Activities	(4,944)	(11,472)	(23,913)
Investing Activities	<u>1,646</u>	<u>2,059</u>	<u>5,206</u>
Net Increase (Decrease) in Cash and Cash Equivalents	580	(4,460)	(16,409)
Cash and Cash Equivalents – Beginning of Year	<u>35,561</u>	<u>40,021</u>	<u>56,430</u>
Cash and Cash Equivalents – End of Year	<u>\$ 36,141</u>	<u>\$ 35,561</u>	<u>\$ 40,021</u>

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Statements of Cash Flows Activity – Continued**

The Statements of Cash Flows illustrate how Galveston College generates and uses cash across operating, non-capital financing, capital and related financing, and investing activities. As is typical for public community colleges, cash flows from operating activities reflect a use of cash because the College relies heavily on property taxes, state appropriations, and federal student aid to support operations. These major revenue sources are classified as non-capital financing activities under GASB standards.

For FY2025, net cash used in operating activities was \$26.4 million, compared to \$22.8 million in FY2024, an increase of \$3.7 million in operating cash outflows. The increase is primarily attributable to higher personnel-related costs of approximately \$1.4 million, increased payments to suppliers of \$902,000 driven by inflationary pressures and expanded instructional and student-support activity, and a \$758,000 increase in scholarship disbursements consistent with greater student financial-aid activity and increased enrollment. These higher outflows were partially offset by continued payments made directly by the State for employee benefits. Receipts from grants and contracts declined modestly compared to the prior year, reflecting the conclusion of several federal grant programs. Overall, the FY2025 operating activities reflect increased instructional and service-level activity associated with the College's enrollment growth.

Cash flows from non-capital financing activities provided substantial inflows again in FY2025, increasing from \$27.7 million to \$30.3 million, a rise of \$2.6 million. This growth is primarily due to a \$1.2 million increase in federal student assistance (Title IV) resulting from higher Pell grant utilization, as well as a \$765,000 increase in state appropriations driven by performance-based funding under House Bill 8. Property tax collections also increased by \$618,000, supported by continued growth in the local tax base. These non-capital financing inflows remain critical in offsetting the structural operating cash deficit characteristic of community colleges.

Cash flows from capital and related financing activities show a significant reduction in outflows in FY2025. Net cash used in this area totaled \$4.9 million, compared to \$11.5 million in FY2024, an improvement of \$6.5 million. Capital asset purchases decreased substantially to \$3.1 million, as major construction associated with the Health Sciences Education Center reached completion. Principal and interest payments on long-term debt totaled \$1.9 million, consistent with scheduled amortization. No new bond proceeds or capital asset sales were recorded during FY2025. The decline in capital spending reflects a transition from heavy construction to regular maintenance and smaller-scale facility improvements.

Cash flows from investing activities provided \$1.7 million in FY2025, compared to \$2.1 million in FY2024. The decrease is primarily due to lower investment income as interest rates moderated and available balances declined with ongoing capital expenditures. Despite this decline, investment earnings remained an important supplemental revenue source for the College.

Overall, Galveston College experienced a net increase in cash and cash equivalents of \$580,000 in FY2025, ending the year with \$36.1 million in cash and cash equivalents. This compares favorably to the \$4.5 million decrease in FY2024 and reflects improved cash flow performance driven by increased non-capital financing inflows and reduced capital spending following the completion of major construction activities.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Capital Assets**

As shown in Note 6, the College's gross capital assets increased from \$84.4 million to \$89.8 million in FY2025. This increase is primarily attributable to equipment purchases, ongoing construction activity, and the capitalization of renovations to areas vacated when programs relocated to the new Health Sciences Education Center (HSEC), as well as the completion of the campus-wide electrical transformer upgrade project. These additions were offset by \$2.9 million in depreciation expense for the year. The major changes within each capital asset category are summarized below.

- **Land and Improvements** increased by \$6.8 million, driven largely by renovation costs associated with backfilling and repurposing the areas vacated when programs moved into the HSEC. The backfill project incurred \$2.1 million in expenses during FY2025 and included \$1.4 million of construction in progress (CIP) at year-end. The utility transformer electrical upgrade project added \$927,000 in costs during FY2025 with an additional \$1.6 million of CIP costs, totaling \$2.5 million for FY2025. In addition, a new gym roof costing \$331,000 contributed to the overall increase.
- **Construction in Progress** decreased by \$2.9 million, reflecting the substantial completion of the utility transformer upgrade (\$1.6 million) and the HSEC backfill project (\$1.4 million). These decreases were partially offset by new CIP additions related to the student housing project currently in development.
- **Buildings** increased by \$553,000, primarily due to the purchase of two residential properties located at 3806 Avenue R and 4013 Avenue R, which will be used for future student housing.
- **Equipment, Furniture, Software, and Vehicles** increased by \$205,000, reflecting the acquisition of various instructional and operational equipment, including printer systems, a scoreboard, a commercial shredder, and multiple instructional learning systems and trainers.
- **Library Books** increased \$23,000 due to the capitalization of new books purchased in FY2025.
- **Subscription-Based Assets** increased by \$690,000. This category, established under GASB No. 96 (Subscription-Based Information Technology Arrangements – SBITA), reflects the capitalization of IT software subscription contracts. The increase is due to the continuation of existing contracts, an increase in the estimated interest rate, as well as the addition of new subscription-based software agreements during the year.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Capital Assets - Continued**

**Capital Assets  
(in thousands)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Capital Assets:			
Land and Improvements	\$ 17,434	\$ 10,594	\$ 10,303
Construction in Progress	117	2,999	26,734
Buildings	59,677	59,124	25,012
Equipment, Furniture, Software, and Vehicles	7,704	7,498	7,002
Library Books	786	763	730
Subscription-Based Assets	<u>4,117</u>	<u>3,427</u>	<u>2,970</u>
 Total	 <u>89,835</u>	 <u>84,405</u>	 <u>72,751</u>
Less Accumulated Depreciation	<u>(23,620)</u>	<u>(20,707)</u>	<u>(18,545)</u>
Net Capital Assets	<u>\$ 66,215</u>	<u>\$ 63,698</u>	<u>\$ 54,206</u>

**Currently Known Facts, Decisions and Conditions**

- Galveston College (GC) continues to build momentum with record growth in enrollment. Fall 2024 enrollment reached 2,406 students—an increase of 13.5% over Fall 2023—and included more than 800 dual credit students. Fall 2025 shattered all previous enrollment records with an unofficial headcount of 2,685, representing an 11.6% increase over Fall 2024 and a 26.7% increase over Fall 2023. Dual credit enrollment also continued to climb, exceeding 900 students. The number of degrees and certificates awarded to dual credit students rose by 34%, from 73 in FY2024 to 98 in FY2025, while the number of associate degrees awarded nearly doubled, from 25 to 49.
- In FY2025, the College launched a groundbreaking partnership with Dickinson High School, becoming the only institution in Texas to offer a Limited Medical Radiologic Technologist (LMRT) certificate to dual credit students. This innovative program enables students to enter the healthcare workforce while continuing their higher education. Enrollment in the first year has exceeded expectations, and the program is gaining recognition as a national model.
- In FY2025, GC was approved to offer its third bachelor's degree, a Bachelor of Applied Science (BAS) in Business Administration. The degree is designed to offer an affordable, accessible pathway to a four-year degree for students in the region, the first cohort began in Fall 2025. The new program supports local workforce development by preparing students with the skills needed in today's competitive job market, adding to the existing Bachelor degree programs in Nursing and Health Care Administration.
- The College remains committed to supporting the Pathways advising model of providing frequent feedback and targeted support to help students stay on their career pathway and complete their program of study leading to successful career opportunities or transfer. According to the Texas Higher Education Coordinating Board, 97% of FY2024 were working or enrolled in higher education one year of graduation from GC, compared to only 89% of graduates from two-year institutions statewide.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Currently Known Facts, Decisions and Conditions - Continued**

- Eleven Galveston College dual credit students from Ball High School showcased their exceptional welding skills at Rodeo Houston's Industrial Craft Competition on March 8, 2025. The team earned top honors among nearly 500 students from 20 schools across Texas. Competing as the first-ever dual credit team, the Galveston College/Ball High School students excelled in multiple categories and took home four awards making history in the competition.
- Galveston College, along with many higher education institutions, received notice in May 2025 of the unexpected termination of its National Science Foundation (NSF) grant, which had approximately \$1.2 million and one year remaining. This grant primarily supported STEM (Science, Technology, Engineering, and Mathematics) initiatives, including enhanced tutoring opportunities and a study-abroad experience in Costa Rica that provided GC students with hands-on learning opportunities. In addition, on September 10, 2025, the College was notified of the end of its Title V grant, having approximately \$1.8 million and three years remaining. The Title V Grant was funding transformative initiatives to strengthen teaching, advising, and transfer pathways from 2023 to 2028. The *"Pathway Model for Improved Teaching, Advising, and Transfer at a Hispanic-Serving Community College"* aimed to improve student retention, enrollment revenue, and graduation rates. The College's long-standing Federal TRIO BBS and Upward Bound Grants remain active, but the termination of the Title V and NSF grants means that the College's largest federal grants will not be active in FY2026. Title V will persist in FY2026 only in close-out mode, focused on completing required reporting following the abrupt mid-cycle conclusion of the grant.
- Galveston College's TRIO - Building Bridges to Success (BBS) program recently celebrated 28 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 students with disabilities at Galveston College. For the past academic year, BBS served 206 students, with 53 students graduating. 97% of participants were in good academic standing (2.0 or above GPA), and 43% of participants earned an associate's degree or certificate within 4 years of entering the program. Of those who graduated with an associate's degree or certificate, 21% also transferred to a four-year institution. Additionally, the persistence rate of BBS students from fall to fall (including graduation or transfer) was 83%.
- Galveston College's TRIO-Upward Bound program has continued to demonstrate outstanding results in recent years. Funded by the U.S. Department of Education, the program served 68 high school students during FY2024–2025, fully meeting participation requirements. Impressively, 100% of seniors passed state assessments and graduated with a distinguished level of achievement, meeting rigorous curriculum standards. In Spring 2025, the program celebrated the graduation of eight seniors, all of whom enrolled in postsecondary education by the following fall. Among them, two students earned associate degrees from Galveston College prior to high school graduation and transferred to four-year universities in Fall 2025, while five enrolled at Galveston College and one enrolled at a university. The program achieved a 100% persistence and graduation rate, with all participants either advancing to the next grade level or graduating on time. In addition, 74% of students earned a GPA above 2.5, exceeding the program's academic performance benchmark. The six-year college graduation rate for the 2019 cohort was an impressive 79%, surpassing program targets.

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Currently Known Facts, Decisions and Conditions – Continued**

- Galveston College is expanding its health sciences offerings with a new Associate of Applied Science (AAS) in Magnetic Resonance Imaging (MRI) launching in Fall 2025. Building on the success of the MRI certificate program, the AAS will be offered through the Allied Health Department and based in the new three-story, 64,000-square-foot Health Education Sciences Center on the main campus. The college also began recruitment for a new Paralegal Studies program, which launched in Fall 2025. This program offers hands-on training, expert instruction and a fast-track to in-demand legal careers. The College's Paralegal Studies program offers a two-year associate of applied science degree for students interested in pursuing a career in the legal field. The program provides comprehensive training in legal research, writing and case preparation. In addition, coursework includes contracts, torts, and family law.

The following grants will be active in fiscal year 2026:

<b>GRANT FUNDED BY</b>	<b>PURPOSE</b>	<b>TERM</b>	<b>AMOUNT</b>
Texas Higher Education Coordinating Board - State Pass-Through	Texas Educational Opportunity Grant	09/01/25 - 08/31/26	\$633,000
Houston Endowment - Private	Houston Endowment- HB 8 Maximizing Student Success	10/01/25 - 11/31/26	\$500,000
Texas Higher Education Coordinating Board - State Pass-Through	The Texas Reskilling and Upskilling Through Education (TRUE) 2025 Grant Program	12/01/25-12/01/27	\$499,000
U.S. Department of Education - Federal	TRIO - Upward Bound Program	09/01/25 - 08/31/26	\$315,000
U.S. Department of Education - Federal	TRIO - Building Bridges to Success Program	09/01/25 - 08/31/26	\$295,000
Texas Higher Education Coordinating Board - Federal Pass-Through	Carl D. Perkins Career and Technical Education Program - Basic Grants	09/01/25 - 08/31/26	\$187,000
U.S. Department of Education - Federal	Title V FY24-FY28 - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic-Serving Community College	09/01/25 - 08/31/26	\$173,000
Galveston Career Connect - Private	Strengthen Career Skills of High School Students	09/01/25 - 08/31/26	\$167,000
Texas Higher Education Coordinating Board - State Pass-Through	The Texas Reskilling and Upskilling Through Education (TRUE) 2024 Grant Program	12/02/24 - 12/02/25	\$83,000
Texas Higher Education Coordinating Board - State Pass-Through	Nursing Shortage Reduction Program - Regular	09/01/25 - 08/31/26	\$75,000

GALVESTON COMMUNITY COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Currently Known Facts, Decisions and Conditions – Continued**

<b>GRANT FUNDED BY</b>	<b>PURPOSE</b>	<b>TERM</b>	<b>AMOUNT</b>
Texas Higher Education Coordinating Board - State Pass-Through	Texas First Scholarship Program	09/01/25 - 08/31/26	\$54,000
U.S. Department of Agriculture-Federal Pass-Through From UTMB	Detection of SARS CoV-2 on Texas Meat and Dairy Farms	09/01/25 - 08/31/26	\$45,000
CenterPoint Energy - Private	CenterPoint Energy	10/1/25-8/31/26	\$25,000
Texas Higher Education Coordinating Board - State Pass-Through	Nursing Students Scholarship Program IR-02108	09/01/25 - 08/31/26	\$22,000
Texas Higher Education Coordinating Board - State Pass-Through	Texas College Work Study	09/01/25 - 08/31/26	\$11,000
Greater Texas Foundation - Private	Greater Texas Foundation - Emergency Aid and Technical Assistance Grant	09/01/25 - 08/31/26	\$10,000
		<b>TOTAL</b>	<b>\$3,094,000</b>

**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, 2025 AND 2024

Exhibit 1

	2025	2024 (Restated)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents (Note 4)	\$ 32,322,353	\$ 31,170,547
Accounts Receivable (Note 5)	559,318	500,390
Property Tax Receivable, Net (Note 5)	904,205	865,283
Student Receivables, Net (Note 5)	1,375,303	2,716,690
Other Assets	1,164,834	767,339
Total Current Assets	36,326,013	36,020,249
<b>NONCURRENT ASSETS:</b>		
Restricted Bond Funds Cash and Cash Equivalents (Note 4)	3,763,147	4,339,850
Restricted Agency Funds Cash and Cash Equivalents (Note 4)	55,592	51,006
Capital Assets, Net (Note 6):		
Not Subjected to Depreciation	4,049,748	6,700,385
Subjected to Depreciation	62,165,098	56,997,152
Total Noncurrent Assets	70,033,585	68,088,393
Total Assets	106,359,598	104,108,642
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Deferred Outflows (Note 10)	1,534,341	2,572,750
Other Post Employee Benefits Related Deferred Outflows (Note 13)	1,537,701	1,179,967
Total Deferred Outflows of Resources	3,072,042	3,752,717
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable (Note 5)	3,291,537	2,951,253
Funds Held for Others - Agency	55,592	51,006
Unearned Revenues	2,014,671	3,368,991
Deposits	37,000	27,800
Subscription-Based Liabilities - Current Portion (Notes 7 and 8)	600,433	615,979
Compensated Absences - Current Portion (Notes 7 and 14)	95,000	85,000
Bonds Payable - Current Portion (Notes 7 and 9)	1,074,260	1,047,352
Total Current Liabilities	7,168,493	8,147,381
<b>NONCURRENT LIABILITIES:</b>		
Compensated Absences (Notes 7 and 14)	681,857	601,517
Net Pension Liability (Notes 7 and 10)	6,306,406	6,848,347
Net Other Post Employee Benefit Liability (Notes 7 and 13)	11,784,604	10,425,212
Subscription-Based Liabilities (Notes 7 and 8)	1,145,471	1,070,789
Bonds Payable (Notes 7 and 9)	29,627,778	30,702,038
Total Noncurrent Liabilities	49,546,116	49,647,903
Total Liabilities	56,714,609	57,795,284
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Deferred Inflows (Note 10)	211,321	430,504
Other Post Employee Benefits Related Deferred Inflows (Note 13)	2,631,481	3,814,222
Total Deferred Inflows of Resources	2,842,802	4,244,726
<b>NET POSITION</b>		
Net Investment in Capital Assets, Net of Related Debt	31,684,122	29,428,845
Restricted - Expendable:		
Student Aid	308,957	216,625
Debt Service	1,866,800	1,862,400
Unrestricted	16,014,350	14,313,479
Total Net Position (Schedule D)	\$ 49,874,229	\$ 45,821,349

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, 2025 AND 2024

Exhibit 2

	2025	2024 (Restated)
<b>OPERATING REVENUES:</b>		
Tuition and Fees, Net of Scholarship Allowance of \$5,048,844 for 2025 and \$3,564,562 for 2024	\$ 2,224,907	\$ 2,454,636
Federal Grants and Contracts	2,005,317	1,770,659
State and Local Grants and Contracts	1,035,178	708,267
Private Grants and Scholarships	1,027,851	1,899,413
Auxiliary Enterprises, Net of Scholarship Allowance of \$486,943 for 2025 and \$447,215 for 2024	640,386	636,154
Other Operating Revenues	423,271	447,296
	<u>7,356,910</u>	<u>7,916,425</u>
<b>OPERATING EXPENSES:</b>		
Instruction	11,541,999	10,675,142
Public Service	79,085	72,762
Academic Support	2,247,461	2,236,210
Student Services	4,193,750	3,995,125
Institutional Support	5,897,845	5,967,628
Operation and Maintenance of Plant	3,788,668	3,438,553
Scholarships and Fellowships	3,738,167	2,980,034
Auxiliary Enterprises	1,522,300	1,417,085
Depreciation and Amortization	2,912,319	2,162,788
	<u>35,921,594</u>	<u>32,945,327</u>
<b>OPERATING LOSS</b>	<u>(28,564,684)</u>	<u>(25,028,902)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State Appropriations	7,113,861	6,316,166
Property Taxes	18,832,611	18,247,018
Federal Student Assistance (Title IV Grants)	5,828,264	4,629,025
Investment Income	1,646,401	2,059,365
Interest on Capital-Related Debt	(803,573)	(825,754)
	<u>32,617,564</u>	<u>30,425,820</u>
<b>INCREASE IN NET POSITION</b>	4,052,880	5,396,918
<b>NET POSITION, BEGINNING OF YEAR</b>	45,821,349	40,605,389
Cumulative Effect of Change in Accounting Principle (Note 2)	-	(180,958)
	<u>45,821,349</u>	<u>40,424,431</u>
<b>NET POSITION, BEGINNING OF YEAR, AS RESTATED</b>	45,821,349	40,424,431
<b>NET POSITION, END OF YEAR</b>	<u>\$ 49,874,229</u>	<u>\$ 45,821,349</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, 2025 AND 2024

Exhibit 3

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Students and Other Customers	\$ 2,128,693	\$ 2,372,498
Receipts from Grants and Contracts	4,095,718	4,510,609
Payments to or on Behalf of Employees	(19,696,141)	(18,303,453)
Payments to Suppliers for Goods and Services	(10,298,080)	(9,436,049)
Payments for Scholarships	(3,738,167)	(2,980,034)
Other Cash Receipts	<u>1,063,657</u>	<u>1,083,450</u>
Net Cash Used in Operating Activities	<u>(26,444,320)</u>	<u>(22,752,979)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Proceeds from State Appropriations	5,688,990	4,923,888
Proceeds from Property Taxes	18,793,689	18,175,647
Proceeds from Federal Student Assistance (Title IV Grants)	<u>5,838,988</u>	<u>4,606,214</u>
Net Cash Provided by Non-Capital Financing Activities	<u>30,321,667</u>	<u>27,705,749</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchases of Capital Assets	(3,081,659)	(9,605,081)
Payments on Bonds - Principal	(765,000)	(740,000)
Payments on Bonds - Interest	<u>(1,097,400)</u>	<u>(1,127,000)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(4,944,059)</u>	<u>(11,472,081)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment Income	<u>1,646,401</u>	<u>2,059,365</u>
Net Cash Provided by Investing Activities	<u>1,646,401</u>	<u>2,059,365</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	579,689	(4,459,946)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>35,561,403</u>	<u>40,021,349</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 36,141,092</u>	<u>\$ 35,561,403</u>

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, 2025 AND 2024

Exhibit 3 - Continued

	2025	2024 (Restated)
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss	\$ (28,564,684)	\$ (25,028,902)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expense	2,912,319	2,162,788
Payments Made Directly by State for Benefits	1,424,914	1,393,166
Changes in Assets and Liabilities:		
Receivables, Net	1,271,692	(338,289)
Other Assets	(397,495)	(7,726)
Pension Related Deferred Outflows	1,038,409	(205,966)
Other Post Employee Benefits Related Deferred Outflows	(357,734)	661,826
Accounts Payable	(1,306,666)	(1,209,187)
Funds Held for Others - Agency Funds	4,586	(19,760)
Unearned Revenues	(1,354,320)	410,181
Deposits	9,200	(2,000)
Subscription-Based Liabilities	(630,408)	(570,716)
Compensated Absences	90,340	16,997
Net Pension Liability	(541,941)	999,007
Net Other Post Employee Benefit Liability	1,359,392	(417,297)
Pension Related Deferred Inflows	(219,183)	(241,652)
Other Post Employee Benefits Related Deferred Inflows	(1,182,741)	(355,449)
Net Cash Used in Operating Activities	\$ (26,444,320)	\$ (22,752,979)
Schedule of Non-Cash Capital and Related Financing Activities		
Capital Assets Additions Included in Accounts Payable	\$ 1,658,425	\$ 1,591,851
Accrued Interest Expense Included in Accounts Payable	\$ 400,050	\$ 411,525
Amortization of Bond Premium	\$ 282,352	\$ 290,146
Subscription-Based Assets Obtained Through Subscription-Based Liabilities	\$ 689,544	\$ 456,930

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, 2025 and 2024 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 fees 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, the 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

Subscription-based assets resulting from qualifying subscription-based information technology arrangements (SBITAs) are amortized over the subscription term.

Subscription-Based Assets and Liabilities

For subscription agreements that have a maximum possible term of 12 months or less at commencement, the College recognizes expense based on the provisions of the subscription agreement.

For all other subscription-based agreements, the College recognizes a subscription-based liability and an intangible right-to-use subscription asset. The College recognizes subscription agreements that allow the College the right to control another party’s IT software alone or in combination with tangible capital assets.

At agreement commencement, the College initially measures the subscription liability at the present value of all payments expected to be made during the subscription term using the then current discount rate. The College uses its estimated incremental borrowing rate as the discount rate. The incremental borrowing rate for subscription-based agreements is based on the rate of interest it would have to pay if it issued general obligation bonds to borrow an amount equal to the subscription payment under similar terms at the commencement or remeasurement date. The subscription liability is reduced by the principal portion of payments made to the vendor. Subscription assets are amortized into amortization expense on a straight-line basis over the subscription term.

The subscription term includes a non-cancellable period to use certain third-party vendor information technology software plus any additional periods covered by either the College or the vendor’s option to extend or terminate. Extension of additional periods is reasonably certain to be exercised, while termination of periods is reasonably certain to not be exercised. Periods for which both the College and the SBITA vendor have an option to terminate without permission from the other party are cancelable periods and are excluded from the subscription term. Preliminary project costs and training costs are expensed as incurred. Initial implementation costs are capitalized but are excluded from the present value calculation of the subscription asset. Operation and additional implementation costs that occur after putting the IT software in place are expensed as incurred. (See Note 8)

Revenue Recognition and Unearned Income

Tuition and fees revenue is recorded when earned. Tuition, fees, and other revenues related to periods after August 31, 2025 and 2024, respectively, have been deferred to the subsequent fiscal year.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on that criteria, two types of leave qualify for liability recognition for compensated absences.

Vacation – The College’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment. 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.

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 70 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. Additionally, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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.

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.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 taxes, 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, 2025 and 2024.

Subsequent Events

The College has evaluated subsequent events through December 19, 2025 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. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences (GASB 101)*. GASB 101 utilizes a principles-based approach to establish a unified recognition and measurement framework applicable to all types of leave. The Standard requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The College adopted the standard on September 1, 2024. The implementation of GASB 101 represents a change in accounting principle which needs to be applied retroactively. Accordingly, a restatement to the unrestricted net position as of September 1, 2023 was required for the recording of the beginning compensated absences liability to include sick leave accruals of \$180,958 in addition to the vacation leave already accrued by the College. Additionally, institutional support expense for 2024 increased and change in net position for 2024 reduced by \$13,051 to record sick leave expense for fiscal year 2024.

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 Regent’s 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, 2025 and 2024, the carrying amount of the College’s deposits was \$1,137,090 and \$902,694, respectively and bank balances equaled \$1,323,877 and \$1,115,432, 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. Funds are swept into the demand deposit accounts as needed to cover disbursements.

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

	2025	2024
Cash and Cash Equivalents:		
Petty Cash	\$ 1,200	\$ 1,200
Demand Deposits	1,137,090	902,694
Vanguard Admiral Treasury Money Market Fund	795,168	760,877
Investment Pools:		
Lone Star Investment Pool	14,246,843	14,820,294
Local Government Investment Cooperative	7,427,000	7,092,963
Texas Local Government Investment Pool	6,610,132	6,319,781
Texas Range Government Investment Pool	5,923,659	5,663,594
Total Deposits and Investments	\$ 36,141,092	\$ 35,561,403

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 an AAA or equivalent rating from at least one nationally recognized rating agency. LOGIC has been assigned a rating of AAA 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 AAAMmf 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:

	<u>2025</u>	<u>2024</u>
Student Receivables	\$ 1,695,483	\$ 2,972,220
Less Allowance for Doubtful Accounts	<u>(320,180)</u>	<u>(255,530)</u>
Total Student Receivables	<u>\$ 1,375,303</u>	<u>\$ 2,716,690</u>
Federal Receivables	\$ 205,145	\$ 331,297
Other Receivables	<u>354,173</u>	<u>169,093</u>
Total Accounts Receivable	<u>\$ 559,318</u>	<u>\$ 500,390</u>
Property Tax Receivable	\$ 1,018,458	\$ 974,858
Less Allowance for Doubtful Accounts	<u>(114,253)</u>	<u>(109,575)</u>
Total Property Tax Receivable	<u>\$ 904,205</u>	<u>\$ 865,283</u>

Payables consist of the following at August 31:

Vendors Payable	\$ 2,726,623	\$ 2,425,454
Bond Interest Payable	400,050	411,525
Benefits Payable	<u>164,864</u>	<u>114,274</u>
Total Accounts Payables	<u>\$ 3,291,537</u>	<u>\$ 2,951,253</u>

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2025 was as follows:

	Balance September 1, 2024	Increase	Decrease/ Transfer	Balance August 31, 2025
Not Depreciated:				
Land	\$ 3,701,465	\$ 230,910	\$ -	\$ 3,932,375
Construction in Progress	<u>2,998,920</u>	<u>3,727,975</u>	<u>(6,609,522)</u>	<u>117,373</u>
Total Not Depreciated	<u>6,700,385</u>	<u>3,958,885</u>	<u>(6,609,522)</u>	<u>4,049,748</u>
Other Capital Assets:				
Buildings	59,124,361	552,384	-	59,676,745
Land Improvements	6,892,085	-	6,609,522	13,501,607
Furniture, Equipment and Vehicles	4,415,910	205,346	-	4,621,256
Computer System	3,082,383	-	-	3,082,383
Library Books	762,679	23,469	-	786,148
Subscription-Based Assets	<u>3,427,207</u>	<u>689,544</u>	<u>-</u>	<u>4,116,751</u>
Total Depreciated and Amortized	<u>77,704,625</u>	<u>1,470,743</u>	<u>6,609,522</u>	<u>85,784,890</u>
Less Accumulated Depreciation and Amortization:				
Buildings	10,572,334	1,151,664	-	11,723,998
Land Improvements	3,018,060	372,144	-	3,390,204
Furniture, Equipment and Vehicles	2,731,554	381,097	-	3,112,651
Computer System	2,166,144	337,902	-	2,504,046
Library Books	478,941	39,104	-	518,045
Subscription-Based Assets	<u>1,740,440</u>	<u>630,408</u>	<u>-</u>	<u>2,370,848</u>
Total Accumulated Depreciation and Amortization:	<u>20,707,473</u>	<u>2,912,319</u>	<u>-</u>	<u>23,619,792</u>
Net Capital Assets	<u>\$ 63,697,537</u>	<u>\$ 2,517,309</u>	<u>\$ -</u>	<u>\$ 66,214,846</u>

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS – CONTINUED

Capital assets activity for the year ended August 31, 2024 was as follows:

	<u>Balance</u> <u>September 1,</u> <u>2023</u>	<u>Increase</u>	<u>Decrease/</u> <u>Transfer</u>	<u>Balance</u> <u>August 31,</u> <u>2024</u>
Not Depreciated:				
Land	\$ 3,701,465	\$ -	\$ -	\$ 3,701,465
Construction in Progress	<u>26,733,685</u>	<u>2,909,519</u>	<u>(26,644,284)</u>	<u>2,998,920</u>
Total Not Depreciated	<u>30,435,150</u>	<u>2,909,519</u>	<u>(26,644,284)</u>	<u>6,700,385</u>
Other Capital Assets:				
Buildings	25,011,957	7,695,817	26,416,587	59,124,361
Land Improvements	6,601,747	62,641	227,697	6,892,085
Furniture, Equipment and Vehicles	4,140,461	275,449	-	4,415,910
Computer System	2,861,379	221,004	-	3,082,383
Library Books	730,177	32,502	-	762,679
Subscription-Based Assets	<u>2,970,277</u>	<u>456,930</u>	<u>-</u>	<u>3,427,207</u>
Total Depreciated and Amortized	<u>42,315,998</u>	<u>8,744,343</u>	<u>26,644,284</u>	<u>77,704,625</u>
Less Accumulated Depreciation and Amortization:				
Buildings	10,050,783	521,551	-	10,572,334
Land Improvements	2,679,504	338,556	-	3,018,060
Furniture, Equipment and Vehicles	2,366,723	364,831	-	2,731,554
Computer System	1,837,200	328,944	-	2,166,144
Library Books	440,751	38,190	-	478,941
Subscription-Based Assets	<u>1,169,724</u>	<u>570,716</u>	<u>-</u>	<u>1,740,440</u>
Total Accumulated Depreciation and Amortization:	<u>18,544,685</u>	<u>2,162,788</u>	<u>-</u>	<u>20,707,473</u>
Net Capital Assets	<u>\$ 54,206,463</u>	<u>\$ 9,491,074</u>	<u>\$ -</u>	<u>\$ 63,697,537</u>

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2025 was as follows:

	Balance September 1, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance August 31, <u>2025</u>	Current <u>Portion</u>
<b>Bonds</b>					
Revenue bonds	\$27,975,000	\$ -	\$ (765,000)	\$27,210,000	\$ 800,000
Unamortized bond premium	<u>3,774,390</u>	<u>-</u>	<u>(282,352)</u>	<u>3,492,038</u>	<u>274,260</u>
Subtotal	31,749,390	-	(1,047,352)	30,702,038	1,074,260
Subscription Based Leases	1,686,768	689,544	(630,408)	1,745,904	600,433
Net Compensated Absences (Note 2, 14)	686,517	90,340	-	776,857	95,000
Net Pension Liability (Note 2, 10)	6,848,347	39,860	(581,801)	6,306,406	-
Net OPEB Liability (Note 2, 13)	<u>10,425,212</u>	<u>1,730,774</u>	<u>(371,382)</u>	<u>11,784,604</u>	<u>-</u>
<b>Total Noncurrent Liabilities</b>	<b><u>\$51,396,234</u></b>	<b><u>\$ 2,550,518</u></b>	<b><u>\$(2,630,943)</u></b>	<b><u>\$ 51,315,809</u></b>	<b><u>\$ 1,769,693</u></b>

Noncurrent liability activity for the year ended August 31, 2024 was as follows:

	Balance September 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance August 31, <u>2024</u>	Current <u>Portion</u>
<b>Bonds</b>					
Revenue bonds	\$28,715,000	\$ -	\$ (740,000)	\$27,975,000	\$ 765,000
Unamortized bond premium	<u>4,064,536</u>	<u>-</u>	<u>(290,146)</u>	<u>3,774,390</u>	<u>282,352</u>
Subtotal	32,779,536	-	(1,030,146)	31,749,390	1,047,352
Subscription Based Leases	1,800,554	456,930	(570,716)	1,686,768	615,979
Net Compensated Absences restated (Note 2, 14)	669,520	16,997	-	686,517	85,000
Net Pension Liability (Note 2, 10)	5,849,340	1,511,483	(512,476)	6,848,347	-
Net OPEB Liability (Note 2, 13)	<u>10,842,509</u>	<u>1,036,729</u>	<u>(1,454,026)</u>	<u>10,425,212</u>	<u>-</u>
<b>Total Noncurrent Liabilities</b>	<b><u>\$51,941,459</u></b>	<b><u>\$ 3,022,139</u></b>	<b><u>\$(3,567,364)</u></b>	<b><u>\$ 51,396,234</u></b>	<b><u>\$ 1,748,331</u></b>

NOTE 8 – SUBSCRIPTION-BASED LIABILITIES

The College has the non-cancellable right to use certain third-party vendor information technology software. These subscription-based technology arrangements primarily consist of software used for the College’s accounting and operational needs as well as student assessment and engagement and other software needs. These arrangements have terms ranging from 2 to 9 years.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – SUBSCRIPTION-BASED LIABILITIES - CONTINUED

The principal and interest payments to maturity for subscription-based liabilities at August 31, 2025 are as follows:

<b>Fiscal Year Ending August 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 600,433	\$ 51,600	\$ 652,033
2027	394,652	33,942	428,594
2028	331,468	19,680	351,148
2029	308,140	11,560	319,700
2030	111,211	1,500	112,711
Total	\$ 1,745,904	\$ 118,282	\$ 1,864,186

NOTE 9 – 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, 2025 and 2024 was \$27,210,000 and \$27,975,000, respectively. Unamortized bond premium balance as of August 31, 2025 and 2024 was \$3,492,038 and \$3,774,390, respectively, and amortization charged for the years ended August 31, 2025 and 2024 was \$282,352 and \$290,146, respectively.
- For the year ended August 31, 2025 and 2024, interest expense was \$803,573 and \$825,754, respectively. Interest payable as of August 31, 2025 and 2024 was \$400,050 and \$411,525 respectively.
- 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 9 – 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**

<b>Mandatory Redemption Date (April 15)</b>	<b>Principal Amount to be Redeemed (\$)</b>
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, 2025 and 2024 is \$1,866,800 and \$1,862,400, respectively, 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, 2025 are as follows:

<b>Fiscal Year Ending August 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 800,000	\$ 1,066,800	\$ 1,866,800
2027	830,000	1,034,800	1,864,800
2028	865,000	1,001,600	1,866,600
2029	900,000	967,000	1,867,000
2030	935,000	931,000	1,866,000
2031-2035	5,260,000	4,063,800	9,323,800
2036-2040	6,400,000	2,924,000	9,324,000
2041-2045	7,700,000	1,628,800	9,328,800
2046-2047	3,520,000	212,600	3,732,600
Total	\$ 27,210,000	\$ 13,830,400	\$ 41,040,400

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – BONDS PAYABLE – CONTINUED

Bond premium is deferred and amortized over the life of the bonds using the effective interest method. Bonds payable 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, 2025 are as follows:

<u>Fiscal Year</u> <u>Ending August 31</u>	<u>Bond Premium</u> <u>Amortization</u>
2026	\$ 274,260
2027	265,822
2028	257,053
2029	247,920
2030	238,424
2031-2035	1,036,117
2036-2040	735,311
2041-2045	395,581
2046-2047	41,550
	<u>\$ 3,492,038</u>

NOTE 10 – 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 workload 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 Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the online at <https://www.trs.texas.gov/learning-resources/publications>; by writing to TRS at attention Finance Division, PO Box 149676, Austin, Texas, 78714-0185, or by calling 1-800-223-8778.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – 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, the three highest annual salaries are used. 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. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA.

A one-time stipend, regardless of annuity amount, was paid in September 2023 to annuitants who met the qualifying age requirements on or before August 31, 2023. A one-time \$7,500 stipend was paid to eligible annuitants who are 75 years of age or older. A one-time \$2,400 stipend was paid to eligible annuitants age 70 to 74.

A COLA was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election, and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

	<b>Contribution Rates</b>	
	2025	2024
Member	8.25%	8.25%
Non – employer contributing entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
Fiscal year 2024 College contributions		\$ 581,801
Fiscal year 2024 State of Texas on-behalf contributions		\$ 403,315
Fiscal year 2024 Member contributions		\$ 997,931

Contributors to the plan include active members, employers, and the State of Texas as the only non-employers contributing entity. The State is also the employer for senior colleges and universities, medical schools, and other entities, including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

The College’s contributions to the TRS pension plan in 2025 were \$620,436 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 2025 were \$436,494.

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. 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.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

*Actuarial Assumptions.* The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2023 rolled forward to August 31, 2024
Actuarial cost method	Individual Entry Age Normal
Asset valuation method	Fair Value
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Municipal bond rate as of August 31, 2023	3.87%*
Last year ending August 31 in projection period (100 years)	2123
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

\* Source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.

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, 2023, except as disclosed.

*Discount Rate.* The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. 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 9.54% of payroll in fiscal year 2025 and thereafter. 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 7.00%. 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 weighing 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 10 – 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, 2024, are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0 %	4.4 %	1.0 %
Non-US Developed	13.0	4.2	0.8
Emerging Markets	9.0	5.2	0.7
Private Equity	14.0	6.7	1.2
<b>Stable Value</b>			
Government Bonds	16.0	1.9	0.4
Stable Value Hedge Funds	5.0	3.0	0.2
Absolute Return*	0.0	4.0	0.0
<b>Real Return</b>			
Real Estate	15.0	6.6	1.2
Energy, Natural Resources & Infrastructure	6.0	5.6	0.4
Commodities	0.0	2.5	0.0
<b>Risk Parity</b>	8.0	4.0	0.4
<b>Asset Allocation Leverage</b>			
Cash	2.0	1.0	0.0
Asset Allocation Leverage	(6.0)	1.3	(0.1)
Inflation Expectation			2.4
Volatility Drag****			(0.7)
<b>Expected Return</b>	<b>100.0 %</b>		<b>7.9 %</b>
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2024 policy model.			
***Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023)			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – 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 (7.00%) in measuring the net pension liability.

	<u>6.00%</u> <u>Discount Rate</u>	<u>7.00%</u> <u>Discount Rate</u>	<u>8.00%</u> <u>Discount Rate</u>
College’s proportionate share of the net pension liability	\$ 10,072,928	\$ 6,306,406	\$ 3,185,574

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At August 31, 2025, the College reported a liability of \$6,306,406 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	\$ 6,306,406
State’s proportionate share that is associated with College	<u>4,371,714</u>
 Total	 <u>\$ 10,678,120</u>

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 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, 2023, through August 31, 2024.

At the measurement date of August 31, 2024, the employer’s proportion of the collective net pension liability was 0.0103241% which was an increase of 0.0003542% from its proportion measured as of August 31, 2023.

*Changes Since the Prior Actuarial Valuation*

- The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability.
- The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc COLA to certain retirees in early 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and HJR 2 of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For the year ended August 31, 2025, the College recognized pension expense of \$522,493 and revenue of \$522,493 for support provided by the State.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – EMPLOYEE RETIREMENT PLANS – CONTINUED

Teacher Retirement System of Texas - Continued

At August 31, 2025, 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	\$ 347,600	\$ 49,237
Changes in actuarial assumptions	325,613	43,654
Difference between projected and actual investment earnings	38,335	-
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	202,357	118,430
Contributions paid to TRS subsequent to the measurement date	<u>620,436</u>	<u>-</u>
 Total	 <u>\$ 1,534,341</u>	 <u>\$ 211,321</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>	
2026	\$ 23,322
2027	668,839
2028	90,811
2029	(122,752)
2030	<u>42,364</u>
 Total	 <u>\$ 702,584</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 10 – 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 2025, 2024, and 2023 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 2025, 2024, and 2023, 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 83<sup>rd</sup> 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 \$42,384, \$51,866, and \$55,908 for the fiscal years ended August 31, 2025, 2024 and 2023, respectively.

The total payroll for all College employees was \$15,307,220, \$14,602,615, and \$13,827,477 for the fiscal years ended August 31, 2025, 2024 and 2023, respectively. The total payroll of employees covered by ORP was \$1,334,924, \$1,635,681 and \$1,747,923 for fiscal years August 31, 2025, 2024 and 2023, respectively. The total payroll of employees covered by TRS was \$12,808,714, \$12,096,114, and \$11,105,394 for fiscal years August 31, 2025, 2024 and 2023, respectively.

NOTE 11 – 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, 2025, the College had 31 employees participating in the program and a total of \$179,280 in contributions was invested in the plan during the fiscal year. As of August 31, 2024, the College had 26 employees participating in the program and a total of \$164,770 in contributions was invested in the plan during the fiscal year.

NOTE 12 – 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 both fiscal years 2025 and 2024. The State's maximum contribution for dependent coverage was \$1,223 per month for both fiscal years 2025 and 2024. 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 12 – HEALTH CARE AND LIFE INSURANCE BENEFITS – CONTINUED

	2025	2024
Number of retirees	74	79
Cost of health benefits for retirees	\$ 617,068	\$ 601,167
Number of active full-time employees	168	170
Cost of health benefits for active full-time employees	\$ 1,539,598	\$ 1,526,606
State appropriation for health insurance	\$ 903,526	\$ 903,526

NOTE 13 – 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 online; 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 13 – 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 2024**

Retiree Only	\$ 624.82
Retiree & Spouse	\$ 1,340.82
Retiree & Children	\$ 1,104.22
Retiree & Family	\$ 1,820.22

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, 2024 and 2023**

	2024	2023
Employers	\$ 1,226,333	\$ 1,163,647
Members (Employees)	\$ 295,849	\$ 542,919
Non-Employer Contributing Entity (State)	\$ 903,528	\$ 930,648

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of August 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2024
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years
Asset valuation method	Not applicable
Discount rate	3.87%
Projected annual salary increase	2.30% to 8.95% including inflation
Annual healthcare trend rate	<u>HealthSelect</u> 5.60% for FY2026, 5.60% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY2031 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years
	<u>HealthSelect Medicare Advantage</u> 36.00% for FY2026, 8.00% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY2031, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years
	<u>Pharmacy</u> 11.50% for FY2026, 11.00% for FY2027, 10.00% for FY2028, 8.50% for FY2029, 7.00% for FY2030 decreasing 100 basis points per year to 5.00% for FY2032 and 4.30% for FY2033 and later years
Inflation assumption rate	2.30%
Ad hoc 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 2021.
Disability retiree	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates for four per 100 male members and two per 100 female members.
Active members	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuary as of August 31, 2021.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – 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 amended the investment policy statement in August 2022 to require that all funds in this plan be invested in cash and equivalent securities.

*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 3.81%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.87%, which amounted to an increase 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>2.87%</u> <u>Discount Rate</u>	<u>3.87%</u> <u>Discount Rate</u>	<u>4.87%</u> <u>Discount Rate</u>
College’s proportionate share of the net OPEB liability (in thousands)	\$13,711	\$11,785	\$10,238

*Health Care Trend Rate Sensitivity Analysis* The initial healthcare trend rate is 5.60% for HealthSelect, 36.00% for HealthSelect Medicare Advantage and 11.50% 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: 4.60% decreasing to 3.30%; HealthSelect Medicare Advantage: 35.00% to 3.30%; Pharmacy: 10.50% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.60% decreasing to 4.30%; HealthSelect Medicare Advantage: 36.00% to 4.30%; Pharmacy: 11.50% decreasing to 4.30%)	1% Increase (HealthSelect: 6.60% decreasing to 5.30%; HealthSelect Medicare Advantage: 37.00% to 5.30%; Pharmacy: 12.50% decreasing to 5.30%)
College’s proportionate share of the net OPEB liability (in thousands)	\$10,112	\$11,785	\$13,917

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – 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, 2025, the College reported a liability of \$11,784,604 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	\$ 11,784,604
State’s proportionate share that is associated with College	<u>8,682,470</u>
Total	<u>\$ 20,467,074</u>

The net OPEB liability was measured as of August 31, 2024, 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, 2023, through August 31, 2024.

At the measurement date of August 31, 2024, the employer’s proportion of the collective net OPEB liability was 0.04021282% which was an increase of 0.00119270% from its proportion measured as of August 31, 2023.

For the year ended August 31, 2025, the College recognized a reversal in OPEB expense of \$1,789 and revenue of \$1,789 for OPEB support provided by the State.

Unpaid contributions to the OPEB plan included in payables were \$106,467 and \$101,745 at August 31, 2025 and 2024, respectively.

*Changes Since the Prior Actuarial Valuation.* Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- The 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.
- The proportion of future retirees assumed to be married and electing coverage for their spouse.
- 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 expenses directly related to the payment of GBP health benefits for (a) HealthSelect medical services and (b) prescription drug benefits under HealthSelect and HealthSelect Medicare Advantage have been updated since the previous valuation to reflect recent new administrative services contracts.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect the most recent available information.
- The discount rate assumption was changed from 3.81% as of August 31, 2023 to 3.87% as of August 31, 2024 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 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – CONTINUED

*Changes of Benefit Terms Since Prior Measurement Date.* No material benefit revisions have been adopted since the prior valuation.

At August 31, 2025, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 194,432
Changes in actuarial assumptions	645,202	2,347,582
Differences between projected and actual investment earnings	-	450
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	648,472	89,017
Contributions paid to ERS subsequent to the measurement date	244,027	-
<b>Total</b>	<b>\$ 1,537,701</b>	<b>\$ 2,631,481</b>

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:

Year Ending <u>August 31,</u>	
2026	\$ (643,068)
2027	(514,335)
2028	(343,012)
2029	78,677
2030	83,931
<b>Total</b>	<b>\$ (1,337,807)</b>

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – COMPENSATED ABSENCES

The College has three ways in which compensated absences can be earned. Also see Note 2 for more information about how these absences are accrued.

Sick Leave

The College has recognized an accrued liability for unpaid sick leave in the amount of \$245,881 and \$194,009 as of August 31, 2025 and 2024, respectively.

Vacation

The College has recognized an accrued liability for unpaid vacation leave in the amount of \$530,976 and \$492,508 as of August 31, 2025 and 2024, 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.

NOTE 15 – 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>2025</u>	<u>2024</u>
Certified Taxable Valuation of the College	\$14,919,806,937	\$14,188,752,114
Adjustments	<u>694,033,300</u>	<u>427,719,806</u>
Net Assessed Valuation of the College	<u>\$15,613,840,237</u>	<u>\$14,616,471,920</u>
	<u>2025</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	\$.119500	\$.270000
	<u>2024</u>	<u>Total</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	\$.124000	\$.124000

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – PROPERTY TAX - CONTINUED

Taxes levied for the years ended August 31, 2025 and 2024, based on certified rolls, as reported by the taxing authorities amounted to \$18,675,688 and \$18,132,593, 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, 2025 and 2024 were as follows:

	2025	2024
Current Taxes Collected	\$ 18,194,506	\$ 17,693,816
Delinquent Taxes Collected	360,438	306,666
Penalties and Interest Collected	226,707	200,351
Total Collections	\$ 18,781,651	\$ 18,200,833

Tax collections for the years ended August 31, 2025 and 2024 were 97.42% and 97.58% 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 when 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.

NOTE 16 – CONTRACTS AND GRANT AWARDS

Contracts and grant awards are accounted for in accordance with accounting principles generally accepted in the United States of America. Contracts 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, 2025 and 2024, \$402,530 and \$305,463, respectively, of grant funds have been received in advance.

NOTE 17 – 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.

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS

NOTE 18 – 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 19 – GALVESTON COLLEGE FOUNDATION AND RELATED PARTY DISCLOSURE REQUIRED BY THE U.S. DEPARTMENT OF EDUCATION

The following list of related party transactions is provided solely to comply with the Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit regulation promulgated by the U.S. Department of Education:

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

The Foundation remitted \$496,575 and \$427,900 to the College for scholarship awards during the years ended August 31, 2025 and 2024, respectively. The Foundation funded \$1,000,000 in grant programs in 2024. No grant programs were funded by the Foundation during 2025.

During the years ended August 31, 2025 and 2024, 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 \$51,022 and \$75,519 for fiscal years 2025 and 2024, 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)

For the years ended August 31*	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportionate share of collective net pension liability	0.0103241%	0.0099699%	0.0098528%	0.0100491%	0.0103272%	0.0106717%	0.0099487%	0.0102763%	0.0104586%	0.0103144%
College's proportionate share of collective net pension liability	\$ 6,306,406	\$ 6,848,347	\$ 5,849,340	\$ 2,559,160	\$ 5,531,062	\$ 5,547,478	\$ 5,475,997	\$ 3,285,796	\$ 3,952,159	\$ 3,646,003
State's proportionate share of net pension liability associated with College	4,371,714	4,877,656	4,242,731	1,932,466	4,190,817	3,967,963	3,979,071	2,073,938	2,466,383	2,388,048
Total	<u>10,678,120</u>	<u>11,726,003</u>	<u>10,092,071</u>	<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>
College's covered payroll	<u>\$ 12,096,114</u>	<u>\$ 11,105,394</u>	<u>\$ 10,335,278</u>	<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>
College's proportionate share of collective net pension liability as a percentage of covered payroll	52.14%	61.67%	56.60%	25.48%	55.28%	58.11%	63.85%	40.72%	50.15%	49.16%
Plan fiduciary net position as percentage of the total pension liability	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

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

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

For the years ended August 31*	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Legally required contributions	\$ 620,436	\$ 581,695	\$ 512,476	\$ 459,759	\$ 428,844	\$ 426,105	\$ 373,127	\$ 334,968	\$ 336,796	\$ 332,513
Actual contributions	<u>(620,436)</u>	<u>(581,695)</u>	<u>(512,476)</u>	<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>
Contributions deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
College's covered payroll amount	<u>\$ 12,808,714</u>	<u>\$ 12,096,114</u>	<u>\$ 11,105,394</u>	<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>
Contributions as a percentage of covered payroll	4.84%	4.81%	4.61%	4.45%	4.27%	4.26%	3.91%	3.91%	4.17%	4.22%

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

GALVESTON COMMUNITY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES FOR PENSIONS  
FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1 - CHANGES OF BENEFIT TERMS INCLUDE:

There were no changes in benefit terms for the fiscal year ended August 31, 2025.

NOTE 2 - CHANGES OF ASSUMPTIONS:

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc COLA to certain retirees in early 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and HJR 2 of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

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*	2025	2024	2023	2022	2021	2020	2019	2018
College's proportion of collective net OPEB liability	0.04021282%	0.03902012%	0.03806130%	0.03724318%	0.03561330%	0.03802483%	0.03727228%	0.02926327%
College's proportionate share of collective net OPEB liability	\$ 11,784,604	\$ 10,425,212	\$ 10,842,509	\$ 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	8,682,470	8,337,753	8,991,232	11,263,707	10,372,590	10,342,591	8,714,666	9,948,492
Total	<u>20,467,074</u>	<u>18,762,965</u>	<u>19,833,741</u>	<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	\$ 14,801,528	\$ 14,032,841	\$ 12,129,971	\$ 11,871,132	\$ 11,785,731	\$ 11,398,722	\$ 10,505,500	\$ 10,018,381
College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	79.62%	74.29%	89.39%	112.55%	99.85%	115.30%	105.15%	99.53%
Plan fiduciary net position as percentage of the total OPEB liability	0.47%	0.63%	0.57%	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*	2025	2024	2023	2022	2021	2020	2019	2018
Legally required contributions	\$ 1,251,443	\$ 1,227,583	\$ 1,165,209	\$ 1,026,233	\$ 1,119,322	\$ 980,737	\$ 1,126,497	\$ 1,087,352
Actual contributions	<u>(1,251,443)</u>	<u>(1,227,583)</u>	<u>(1,165,209)</u>	<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>	<u>-</u>	<u>-</u>	<u>-</u>
College's covered-employee payroll amount	<u>\$ 15,377,364</u>	<u>\$ 14,801,528</u>	<u>\$ 14,032,841</u>	<u>\$ 12,129,971</u>	<u>\$ 11,871,132</u>	<u>\$ 11,785,731</u>	<u>\$ 11,398,722</u>	<u>\$ 10,505,500</u>
Contributions as a percentage of covered-employee payroll	8.14%	8.29%	8.30%	8.46%	9.43%	8.32%	9.88%	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, 2025

NOTE 1 - CHANGES OF BENEFIT TERMS INCLUDE:

Since the last valuation was prepared for this plan, Texas Senate Bill 1055, which was signed by the Governor on May 10, 2023, added Stephen F. Austin State University into the University of Texas System. As a result, eligible employees of Stephen F. Austin State University ceased being members under this OPEB plan effective August 31, 2023. This change is reflected in the Total OPEB Liability as of August 31, 2023. In addition, this valuation reflects the minor benefit changes that became effective September 1, 2023, since these changes were announced to plan members in advance of August 31, 2023. These minor benefit changes, which are not expected to have a significant impact on plan costs for FY2024, are provided for in the FY2024 Assumed Per Capita Health Benefit Costs.

NOTE 2 - CHANGES OF ASSUMPTIONS:

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

**Demographic Assumptions**

- 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 retirees assumed to cover dependent children.
- 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.

**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 Outcomes Research institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.
- The discount rate assumption was changed from 3.81% as of August 31, 2023 to 3.87% as of August 31, 2024 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.

SUPPLEMENTARY SCHEDULES

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GALVESTON COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF OPERATING REVENUES  
FOR THE YEAR ENDED AUGUST 31, 2025  
(With Memorandum Totals for the Year Ended August 31, 2024)

Schedule A

	Unrestricted	Restricted	Total Educational Activity	Auxiliary Enterprises	2025 Total	2024 Total
<b>Tuition:</b>						
<b>State Funded Credit Courses:</b>						
In-District Resident Tuition	\$ 3,066,684	\$ -	\$ 3,066,684	\$ -	\$ 3,066,684	\$ 2,351,287
TPEG - Credit (set aside) *	204,912	-	204,912	-	204,912	161,131
Non-Resident Tuition	327,646	-	327,646	-	327,646	246,552
Non-State Funded Educational Programs	104,680	-	104,680	-	104,680	125,630
<b>Total Tuition</b>	<b>3,703,922</b>	<b>-</b>	<b>3,703,922</b>	<b>-</b>	<b>3,703,922</b>	<b>2,884,600</b>
<b>Fees:</b>						
Student Service Fee	-	-	-	73,534	73,534	63,699
Course Fees	801,400	-	801,400	-	801,400	743,313
Building Use Fee	1,531,128	-	1,531,128	-	1,531,128	1,321,962
Out of District Fee	640,691	-	640,691	-	640,691	550,630
General Service Fee	325,858	-	325,858	-	325,858	284,387
Registration Fee	197,218	-	197,218	-	197,218	170,607
<b>Total Fees</b>	<b>3,496,295</b>	<b>-</b>	<b>3,496,295</b>	<b>73,534</b>	<b>3,569,829</b>	<b>3,134,598</b>
<b>Scholarship Allowances and Discounts:</b>						
FAST State Funding Scholarships	(392,728)	-	(392,728)	-	(392,728)	-
Scholarship Allowances	(1,164,118)	-	(1,164,118)	(10,054)	(1,174,172)	(1,026,375)
Remissions and Exemptions - State	(1,036,102)	-	(1,036,102)	-	(1,036,102)	(700,967)
Title IV Federal Grants to Students	(2,420,620)	-	(2,420,620)	(25,222)	(2,445,842)	(1,837,220)
<b>Total Scholarship Allowances and Discounts</b>	<b>(5,013,568)</b>	<b>-</b>	<b>(5,013,568)</b>	<b>(35,276)</b>	<b>(5,048,844)</b>	<b>(3,564,562)</b>
<b>Total Net Tuition and Fees</b>	<b>2,186,649</b>	<b>-</b>	<b>2,186,649</b>	<b>38,258</b>	<b>2,224,907</b>	<b>2,454,636</b>
<b>Additional Operating Revenues:</b>						
Federal Grants and Contracts	-	2,005,317	2,005,317	-	2,005,317	1,770,659
State Grants and Contracts	-	1,035,178	1,035,178	-	1,035,178	708,267
Private Grants and Scholarships	-	1,027,851	1,027,851	-	1,027,851	1,899,413
Other Operating Revenues	423,271	-	423,271	-	423,271	447,296
<b>Total Additional Operating Revenues</b>	<b>423,271</b>	<b>4,068,346</b>	<b>4,491,617</b>	<b>-</b>	<b>4,491,617</b>	<b>4,825,635</b>
<b>Auxiliary Enterprises:</b>						
Residential Life	-	-	-	944,125	944,125	897,087
Less Scholarship Allowances and Discounts	-	-	-	(486,943)	(486,943)	(447,215)
Bookstore Commissions	-	-	-	47,168	47,168	52,617
Vending Commissions	-	-	-	1,819	1,819	2,608
Other Auxiliary Revenue	-	-	-	134,217	134,217	131,057
<b>Total Auxiliary Enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>640,386</b>	<b>640,386</b>	<b>636,154</b>
<b>Total Operating Revenues</b>	<b>\$ 2,609,920</b>	<b>\$ 4,068,346</b>	<b>\$ 6,678,266</b>	<b>\$ 678,644</b>	<b>\$ 7,356,910</b>	<b>\$ 7,916,425</b>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code §56.003, \$204,912 and \$161,131 for years August 31, 2025 and 2024, respectively, 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, 2025  
(With Memorandum Totals for the Year Ended August 31, 2024)

Schedule B

	Operating Expenses			2025 Total	2024 Total (Restated)	
	Salaries and Wages	Benefits				Other Expenses
		State	Local			
Unrestricted - Educational Activities:						
Instruction	\$ 7,180,300	\$ -	\$ 1,348,223	\$ 1,035,755	\$ 9,564,278	\$ 9,124,303
Public Service	7,392	-	763	70,930	79,085	72,762
Academic Support	1,516,434	-	303,112	264,768	2,084,314	2,062,188
Student Services	1,813,386	-	384,033	944,916	3,142,335	3,004,442
Institutional Support	2,752,450	-	629,578	2,143,449	5,525,477	5,681,627
Operation and Maintenance of Plant	779,659	-	321,147	2,687,862	3,788,668	3,438,553
<b>Total Unrestricted Educational Activities</b>	<b>14,049,621</b>	<b>-</b>	<b>2,986,856</b>	<b>7,147,680</b>	<b>24,184,157</b>	<b>23,383,875</b>
Restricted - Educational Activities:						
Instruction	460,501	717,481	121,287	678,452	1,977,721	1,550,839
Academic Support	-	163,147	-	-	163,147	174,022
Student Services	559,419	213,621	150,764	127,611	1,051,415	990,683
Institutional Support	-	372,368	-	-	372,368	286,001
Scholarships and Fellowships	-	-	-	3,738,167	3,738,167	2,980,034
<b>Total Restricted Educational Activities</b>	<b>1,019,920</b>	<b>1,466,617</b>	<b>272,051</b>	<b>4,544,230</b>	<b>7,302,818</b>	<b>5,981,579</b>
<b>Total Educational Activities</b>	<b>15,069,541</b>	<b>1,466,617</b>	<b>3,258,907</b>	<b>11,691,910</b>	<b>31,486,975</b>	<b>29,365,454</b>
Auxiliary Enterprises	261,234	-	69,783	1,191,283	1,522,300	1,417,085
Depreciation Expense - Buildings and Other Real Estate						
Improvements	-	-	-	1,523,808	1,523,808	860,107
Depreciation Expense - Equipment, Furniture and Library Books	-	-	-	758,103	758,103	731,965
Amortization Expense - Subscription-Based Assets	-	-	-	630,408	630,408	570,716
<b>Total Operating Expenses</b>	<b>\$ 15,330,775</b>	<b>\$ 1,466,617</b>	<b>\$ 3,328,690</b>	<b>\$ 15,795,512</b>	<b>\$ 35,921,594</b>	<b>\$ 32,945,327</b>
				(Exhibit 2)	(Exhibit 2)	

GALVESTON COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2025  
(With Memorandum Totals for the Year Ended August 31, 2024)

Schedule C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2025 Total</u>	<u>2024 Total</u>
Non-Operating Revenues:					
State Appropriations:					
Education and General State Support	\$ 5,182,362	\$ -	\$ -	\$ 5,182,362	\$ 4,871,134
State Group Insurance	-	903,526	-	903,526	903,526
State Retirement Match	-	563,772	-	563,772	541,506
State Student Assistance (FAST Program)	-	464,201	-	464,201	-
Total State Appropriations	<u>5,182,362</u>	<u>1,931,499</u>	<u>-</u>	<u>7,113,861</u>	<u>6,316,166</u>
Property Taxes	18,832,611	-	-	18,832,611	18,247,018
Federal Student Assistance (Title IV Grants)	-	5,828,264	-	5,828,264	4,629,025
Investment Income	1,646,401	-	-	1,646,401	2,059,365
Total Non-Operating Revenues	<u>20,479,012</u>	<u>5,828,264</u>	<u>-</u>	<u>26,307,276</u>	<u>24,935,408</u>
Non-Operating Expenses:					
Interest on Capital-Related Debt	803,573	-	-	803,573	825,754
Total Non-Operating Expenses	<u>803,573</u>	<u>-</u>	<u>-</u>	<u>803,573</u>	<u>825,754</u>
NET NON-OPERATING REVENUES	<u>\$ 24,857,801</u>	<u>\$ 7,759,763</u>	<u>\$ -</u>	<u>\$ 32,617,564</u> (Exhibit 2)	<u>\$ 30,425,820</u> (Exhibit 2)

GALVESTON COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
FOR THE YEAR ENDED AUGUST 31, 2025  
(With Memorandum Totals for the Year Ended August 31, 2024)

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	\$ 14,277,756	\$ -	\$ -	\$ -	\$ 14,277,756	\$ 14,277,756	\$ -
Auxiliary	634,088	-	-	-	634,088	634,088	-
Scholarships	-	308,957	-	-	308,957	308,957	-
Plant:							
Unexpended	1,102,506	-	-	-	1,102,506	1,102,506	-
Debt Service	-	1,866,800	-	-	1,866,800	-	1,866,800
Investment in Plant	-	-	-	31,684,122	31,684,122	-	31,684,122
Total Net Position, August 31, 2025	16,014,350	2,175,757	-	31,684,122	49,874,229	16,323,307	33,550,922
Total Net Position, August 31, 2024	14,507,488	2,079,025	-	29,428,845	46,015,358	14,724,113	31,291,245
Restatement relating to implementation of GASB 101 (Note 2)	(194,009)	-	-	-	(194,009)	(194,009)	-
Total Net Position, August 31, 2024 as restated	14,313,479	2,079,025	-	29,428,845	45,821,349	14,530,104	31,291,245
Net Increase in Net Position	\$ 1,700,871	\$ 96,732	\$ -	\$ 2,255,277	\$ 4,052,880	\$ 1,793,203	\$ 2,259,677

(Exhibit 2)

SINGLE AUDIT REPORTS  
AND REQUIRED SUPPLEMENTAL SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE OF TEXAS AWARDS

*a beacon of light guiding lifelong learning*



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**INDEPENDENT AUDITOR'S 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, 2025, 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 19, 2025.

**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 19, 2025



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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE OF TEXAS PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND TEXAS GRANT MANAGEMENT STANDARDS**

Board of Regents  
Galveston Community College District  
Galveston, Texas

**Report on Compliance for Each Major Federal Program and State of Texas Program**

***Opinion on Each Major Federal Program and State of Texas Program***

We have audited Galveston Community College District’s (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the Texas Grant Management Standards that could have a direct and material effect on each of the College’s major federal and state of Texas programs for the year ended August 31, 2025. The College’s major federal and state of Texas programs are identified in the summary of auditor’s 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 each of its major federal and state of Texas programs for the year ended August 31, 2025.

***Basis for Opinion on Each Major Federal Program and State of Texas 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; 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) and Texas Grant Management Standards. Our responsibilities under those standards, the Uniform Guidance and Texas Grant Management Standards are further described in the Auditor’s 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 each major federal and state of Texas 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 and state of Texas programs.

### ***Auditor's 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*, the Uniform Guidance, and the Texas Grant Management Standards 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 each major federal and state of Texas program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Texas Grant Management Standards 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 and the Texas Grant Management Standards, 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 or state of Texas 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 or state of Texas 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 or state of Texas 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 Auditor's 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 and of the Texas Grant Management Standards. Accordingly, this report is not suitable for any other purpose.

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

Houston, Texas  
December 19, 2025

GALVESTON COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2025

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		\$ 99,800	\$ -
Federal Work-Study Program	84.033		73,158	-
Federal Pell Grant Program	84.063		5,655,306	-
Federal Direct Student Loans	84.268		<u>1,189,148</u>	<u>-</u>
Total Student Financial Assistance Cluster			<u>7,017,412</u>	<u>-</u>
TRIO Cluster:				
TRIO - Building Bridges to Success: Student Support Services	84.042A		304,315	-
TRIO - Upward Bound	84.047A		<u>330,932</u>	<u>-</u>
Total TRIO Cluster			<u>635,247</u>	<u>-</u>
Passed-Through From:				
Texas Higher Education Coordinating Board:				
Career and Technical Education - Basic Grants	84.048	29769	<u>188,335</u>	<u>-</u>
Total U.S. Department of Education			<u>7,840,994</u>	<u>-</u>
U.S. Department of Agriculture				
Passed-Through From:				
The University of Texas Medical Branch at Galveston				
Agriculture and Food Research Initiative (AFRI)				
Rapid Detection of Incursions of SARS-CoV-2 and Novel Coronaviruses on Texas Meat and Dairy Farms	10.310	24-86575-01	<u>22,541</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>22,541</u>	<u>-</u>
Research and Development Cluster:				
U.S. Department of Education				
Higher Education - Institutional Aid -				
Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic-Serving Community College	84.031S		<u>805,070</u>	<u>-</u>
Total U.S. Department of Education			<u>805,070</u>	<u>-</u>
National Science Foundation				
HSI Institutional Transformation Project: Unified Community of Support - Building Capacity for STEM Transfer Students' Success	47.076		<u>354,124</u>	<u>-</u>
Total National Science Foundation			<u>354,124</u>	<u>-</u>
Total Research and Development Cluster			<u>1,159,194</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 9,022,729</u>	<u>\$ -</u>

GALVESTON COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2025

Schedule F

<u>State Grantor / Program Title</u>	<u>Grant Award Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board:		
Nursing & Allied Health-Nursing Innovation Grant Program	29980	\$ 47,595
Nursing Shortage Reduction Program	00888	81,487
Nursing Students Scholarship Program	MSG-002121	68,904
Texas College Work Study	19327	63,772
Texas Educational Opportunity Grant	19339	468,265
Texas Reskilling and Upskilling Through Education (TRUE) 2023 Grant Program	00288	131,437
Texas Reskilling and Upskilling Through Education (TRUE) 2024 Grant Program	01489	<u>173,718</u>
Total Texas Higher Education Coordinating Board and Total Expenditures of State of Texas Awards		<u>\$ 1,035,178</u>

GALVESTON COMMUNITY COLLEGE DISTRICT  
 NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE OF TEXAS AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The Schedules of Expenditures of Federal Awards and of State of Texas Awards presents the activity of Federal and state of Texas financial assistance programs of the College for the year ended August 31, 2025. 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 reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Texas Grant Management Standards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected not to use the de minimus indirect cost rate as allowed under the Uniform Guidance. The College did not receive any federal or state of Texas noncash assistance for the year ended August 31, 2025.

NOTE 2 – FEDERAL AND STATE OF TEXAS ASSISTANCE RECONCILIATION

The information in the Schedules of Expenditures of Federal Awards and of State of Texas Awards are 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) and the Texas Grant Management Standards. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the College’s financial statements. See reconciliations below:

Federal Revenues:	
Federal Grants and Contracts (Schedule A)	\$ 2,005,317
Federal Student Assistance, Non-Operating (Schedule C)	<u>5,828,264</u>
Total Federal Revenues, per Statement of Revenues, Expenses and Changes in Net Position	7,833,581
Reconciling Item – Direct Student Loans	<u>1,189,148</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 9,022,729</u>
State Revenues:	
State Grants and Contracts (Schedule A)	<u>\$ 1,035,178</u>
Total State Revenues per Schedule of Expenditures of State Awards	<u>\$ 1,035,178</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 Schedules of Expenditures of Federal and State of Texas Awards are due to different program year-end dates 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, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s 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 and State of Texas Awards***

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiencies identified not considered to be material weaknesses? None noted

Type of auditor’s report issued on compliance for each major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or Texas Grant Management Standards? No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Programs</u>
Student Financial Assistance Cluster:	
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
84.031S	Higher Education – Institutional Aid - Pathway Model for Improved Teaching, Advising, and Transfer at Hispanic- Serving Community College

<u>State Grant Number</u>	<u>Name of State Program</u>
19339	Texas Educational Opportunity Grant
Dollar threshold used to distinguish between Type A and type B programs:	
	Federal <span style="float: right;">\$750,000</span>
	State of Texas <span style="float: right;">\$750,000</span>
Auditee qualified as low-risk auditee?	
	Federal <span style="float: right;">Yes</span>
	State of Texas <span style="float: right;">No</span>

GALVESTON COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED  
FOR THE YEAR ENDED AUGUST 31, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AND STATE OF TEXAS AWARD FINDINGS AND QUESTIONED COSTS

*FEDERAL AWARDS*

None for the year ended August 31, 2025.

*STATE OF TEXAS AWARDS*

None for the year ended August 31, 2025.

SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS

*FEDERAL AWARDS*

None for the year ended August 31, 2024.

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.

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)									
	2025	2024 (Restated)	2023 (Restated)	2022	2021	2020	2019	2018	2017	2016
Invested in Capital Assets, Net of Related Debt	\$ 31,684	\$ 29,429	\$ 26,641	\$ 25,887	\$ 25,641	\$ 25,086	\$ 21,431	\$ 20,901	\$ 20,510	\$ 20,188
Restricted - Expendable	2,176	2,079	2,072	2,082	237	221	217	188	253	242
Unrestricted	<u>16,014</u>	<u>14,313</u>	<u>11,711</u>	<u>8,793</u>	<u>7,513</u>	<u>4,626</u>	<u>3,953</u>	<u>2,829</u>	<u>13,428</u>	<u>11,002</u>
<b>Total Net Position</b>	<u>\$ 49,874</u>	<u>\$ 45,821</u>	<u>\$ 40,424</u>	<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>

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

Table 2

	For the Year Ended August 31, (Amounts Expressed in Thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tuition and Fees (Net of Discounts)	\$ 2,225	\$ 2,455	\$ 2,439	\$ 2,308	\$ 2,708	\$ 2,835	\$ 2,901	\$ 2,909	\$ 2,767	\$ 2,605
Governmental Grants and Contracts:										
Federal Grants and Contracts	2,005	1,771	2,690	7,132	3,255	2,501	2,227	1,180	1,756	1,543
State Grants and Contracts	1,035	708	258	447	368	303	361	441	224	505
Non-Governmental Grants and Contracts	1,028	1,899	838	752	702	2,815	950	638	782	556
Auxiliary Enterprises	640	636	620	582	562	311	341	315	244	233
Other Operating Revenues	424	447	413	225	223	116	259	175	261	217
Total Operating Revenues	<u>7,357</u>	<u>7,916</u>	<u>7,258</u>	<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>
State Appropriations	7,114	6,316	5,864	5,650	5,997	6,250	5,391	5,687	4,741	4,766
Property Taxes	18,833	18,247	16,585	15,458	14,449	14,284	13,870	12,762	12,355	11,815
Federal Student Assistance	5,828	4,629	4,267	3,647	3,601	3,573	3,528	2,932	2,845	2,729
Investment and Other Income	1,646	2,059	2,159	316	35	261	480	292	124	51
Other Non-Operating Revenues	-	-	-	-	-	3	-	58	137	49
Total Non-Operating Revenues	<u>33,421</u>	<u>31,251</u>	<u>28,875</u>	<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>
Total Revenues	<u>\$ 40,778</u>	<u>\$ 39,167</u>	<u>\$ 36,133</u>	<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>

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

Table 2 - Continued

	For the Year Ended August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tuition and Fees (Net of Discounts)	5.46%	6.27%	6.75%	6.32%	8.49%	8.52%	9.57%	10.62%	10.55%	10.39%
Governmental Grants and Contracts:										
Federal Grants and Contracts	4.92%	4.52%	7.44%	19.53%	10.21%	7.52%	7.35%	4.31%	6.69%	6.16%
State Grants and Contracts	2.54%	1.81%	0.71%	1.22%	1.15%	0.91%	1.19%	1.61%	0.85%	2.01%
Non-Governmental Grants and Contracts	2.52%	4.85%	2.32%	2.06%	2.20%	8.47%	3.13%	2.33%	2.98%	2.22%
Auxiliary Enterprises	1.57%	1.62%	1.72%	1.59%	1.76%	0.93%	1.13%	1.15%	0.93%	0.93%
Other Operating Revenues	1.04%	1.13%	1.14%	0.62%	0.70%	0.35%	0.85%	0.64%	1.00%	0.87%
Total Operating Revenues	<u>18.05%</u>	<u>20.20%</u>	<u>20.08%</u>	<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>
State Appropriations	17.45%	16.13%	16.23%	15.47%	18.80%	18.80%	17.79%	20.76%	18.07%	19.01%
Property Taxes	46.18%	46.59%	45.90%	42.33%	45.29%	42.96%	45.76%	46.60%	47.09%	47.13%
Federal Student Assistance	14.29%	11.82%	11.81%	9.99%	11.29%	10.75%	11.65%	10.71%	10.84%	10.89%
Investment and Other Income	4.03%	5.26%	5.98%	0.87%	0.11%	0.78%	1.58%	1.07%	0.47%	0.20%
Other Non-Operating Revenues	-	-	-	-	-	0.01%	-	0.20%	0.53%	0.19%
Total Non-Operating Revenues	<u>81.95%</u>	<u>79.80%</u>	<u>79.92%</u>	<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>
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)

	2025	2024 (Restated)	2023 (Restated)	2022	2021	2020	2019	2018	2017	2016
Instruction	\$ 11,542	\$ 10,675	\$ 10,536	\$ 9,743	\$ 9,826	\$ 9,744	\$ 9,774	\$ 9,052	\$ 8,436	\$ 8,008
Public Service	79	73	17	2	4	7	15	38	25	36
Academic Support	2,247	2,236	2,081	1,838	1,911	1,974	1,866	1,780	1,527	1,620
Student Services	4,194	3,995	4,086	4,135	3,493	3,541	3,808	3,491	2,894	2,729
Institutional Support	5,898	5,968	5,299	5,451	5,416	6,267	5,295	4,895	4,499	4,399
Operation and Maintenance of Plant	3,789	3,439	3,485	3,608	2,744	2,594	2,983	2,858	2,359	2,448
Scholarships and Fellowships	3,738	2,980	2,508	4,859	2,863	2,998	2,391	2,043	1,851	1,905
Auxiliary Enterprises	1,522	1,417	1,358	1,198	1,009	680	766	848	822	718
Depreciation	2,912	2,163	1,856	1,301	1,177	1,115	1,044	990	950	869
Total Operating Expenses	<u>35,921</u>	<u>32,946</u>	<u>31,226</u>	<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>
Interest on Capital Related Debt	804	826	847	477	-	-	-	-	-	-
Loss on Disposal of Capital Assets	-	-	397	251	-	-	683	-	-	-
Debt Issuance Cost	-	-	-	283	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	28	114	-
Total Non-Operating Expenses	<u>804</u>	<u>826</u>	<u>1,244</u>	<u>1,011</u>	<u>-</u>	<u>-</u>	<u>683</u>	<u>28</u>	<u>114</u>	<u>-</u>
Total Expenses	<u>\$ 36,725</u>	<u>\$ 33,772</u>	<u>\$ 32,470</u>	<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>

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

Table 3 - Continued

	For the Year Ended August 31,									
	2025	2024 (Restated)	2023 (Restated)	2022	2021	2020	2019	2018	2017	2016
Instruction	31.43%	31.61%	32.45%	29.39%	34.55%	33.69%	34.14%	34.78%	35.93%	35.23%
Public Service	0.22%	0.22%	0.05%	0.01%	0.01%	0.02%	0.05%	0.15%	0.11%	0.16%
Academic Support	6.12%	6.62%	6.41%	5.55%	6.71%	6.83%	6.52%	6.84%	6.50%	7.13%
Student Services	11.42%	11.83%	12.58%	12.48%	12.28%	12.24%	13.30%	13.42%	12.33%	12.01%
Institutional Support	16.06%	17.67%	16.32%	16.45%	19.04%	21.67%	18.50%	18.81%	19.16%	19.35%
Operation and Maintenance of Plant	10.32%	10.18%	10.73%	10.89%	9.65%	8.97%	10.42%	10.98%	10.05%	10.77%
Scholarships and Fellowships	10.18%	8.82%	7.72%	14.66%	10.07%	10.37%	8.35%	7.85%	7.88%	8.38%
Auxiliary Enterprises	4.14%	4.20%	4.18%	3.60%	3.55%	2.35%	2.68%	3.26%	3.50%	3.16%
Depreciation	7.93%	6.40%	5.72%	3.92%	4.14%	3.86%	3.65%	3.80%	4.05%	3.81%
Total Operating Expenses	<u>97.82%</u>	<u>97.55%</u>	<u>96.16%</u>	<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>
Interest on Capital Related Debt	2.18%	2.45%	2.61%	1.44%	-	-	-	-	-	-
Loss on Disposal of Capital Assets	-	-	1.23%	0.76%	-	-	2.39%	-	-	-
Debt Issuance Cost	-	-	-	0.85%	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	0.11%	0.49%	-
Total Non-Operating Expenses	<u>2.18%</u>	<u>2.45%</u>	<u>3.84%</u>	<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>
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)					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	Student Activity Fees (per student)					
2025	\$ 33	\$ 56	\$ 24	\$ 28	\$ -	\$ 15	\$ 55	\$ 1,111	\$ 1,399	0.00%	0.00%
2024	\$ 33	\$ 56	\$ 24	\$ 28	\$ -	\$ 15	\$ 55	\$ 1,111	\$ 1,399	6.93%	5.43%
2023	\$ 33	\$ 50	\$ 24	\$ 28	\$ -	\$ 15	\$ 55	\$ 1,039	\$ 1,327	11.12%	10.68%
2022	\$ 30	\$ 45	\$ 22	\$ 25	\$ -	\$ 15	\$ 50	\$ 935	\$ 1,199	0.00%	0.00%
2021	\$ 30	\$ 45	\$ 22	\$ 25	\$ -	\$ 15	\$ 50	\$ 935	\$ 1,199	0.00%	0.00%
2020	\$ 30	\$ 45	\$ 22	\$ 25	\$ -	\$ 15	\$ 50	\$ 935	\$ 1,199	11.44%	11.12%
2019	\$ 30	\$ 40	\$ 20	\$ 22	\$ -	\$ 15	\$ 50	\$ 839	\$ 1,079	0.00%	0.00%
2018	\$ 30	\$ 40	\$ 20	\$ 22	\$ -	\$ 15	\$ 50	\$ 839	\$ 1,079	0.00%	0.00%
2017	\$ 30	\$ 40	\$ 20	\$ 22	\$ -	\$ 15	\$ 50	\$ 839	\$ 1,079	0.00%	0.00%
2016	\$ 30	\$ 40	\$ 20	\$ 22	\$ -	\$ 15	\$ 50	\$ 839	\$ 1,079	7.70%	11.12%

Academic Year (Fall)	Registration Fee (per student)	Non - Resident Fees per Semester Credit Hour (SCH)					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	Student Activity Fees (per student)					
2025	\$ 33	\$ 147	\$ 24	\$ 28	\$ -	\$ 15	\$ 55	\$ 2,491	\$ 2,491	0.00%	0.00%
2024	\$ 33	\$ 147	\$ 24	\$ 28	\$ -	\$ 15	\$ 55	\$ 2,491	\$ 2,491	7.79%	7.79%
2023	\$ 33	\$ 132	\$ 24	\$ 28	\$ -	\$ 15	\$ 55	\$ 2,311	\$ 2,311	10.10%	10.10%
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%

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)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Certified Taxable Valuation	Adjustments	Assessed Valuation of Property		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2024-25	\$ 14,919,807	\$ 694,033	\$ 15,613,840	95.56%	0.1195	-	0.1195
2023-24	\$ 14,188,752	\$ 427,720	\$ 14,616,472	97.07%	0.1240	-	0.1240
2022-23	\$ 12,199,358	\$ 262,033	\$ 12,461,391	97.90%	0.1320	-	0.1320
2021-22	\$ 10,019,296	\$ 481,393	\$ 10,500,689	95.42%	0.1462	-	0.1462
2020-21	\$ 8,558,750	\$ 347,729	\$ 8,906,479	96.10%	0.1592	-	0.1592
2019-20	\$ 8,017,532	\$ 243,910	\$ 8,261,442	97.05%	0.1712	-	0.1712
2018-19	\$ 7,494,157	\$ 337,879	\$ 7,832,036	95.69%	0.1752	-	0.1752
2017-18	\$ 7,192,912	\$ 403,273	\$ 7,596,185	94.69%	0.1662	-	0.1662
2016-17	\$ 6,673,918	\$ 519,168	\$ 7,193,086	92.78%	0.1703	-	0.1703
2015-16	\$ 5,984,833	\$ 532,190	\$ 6,517,023	91.83%	0.1788	-	0.1788

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
2024-25	\$ 5,182,362	\$ 1,723	\$ 3,008	621,152	544,288	73,826	1,239,266	\$ 4.18
2023-24	\$ 4,871,134	\$ 1,466	\$ 3,323	542,784	473,184	32,136	1,048,104	\$ 4.65
2022-23	\$ 4,799,136	\$ 1,436	\$ 3,342	534,672	476,224	34,517	1,045,413	\$ 4.59
2021-22	\$ 4,799,146	\$ 1,335	\$ 3,595	489,797	460,480	38,205	988,482	\$ 4.86
2020-21	\$ 4,609,371	\$ 1,517	\$ 3,038	551,600	526,256	38,792	1,116,648	\$ 4.13
2019-20	\$ 4,609,458	\$ 1,607	\$ 2,868	608,624	519,888	54,313	1,182,825	\$ 3.90
2018-19	\$ 4,086,685	\$ 1,607	\$ 2,543	610,827	521,792	52,962	1,185,581	\$ 3.45
2017-18	\$ 4,086,757	\$ 1,472	\$ 2,776	567,424	461,712	52,360	1,081,496	\$ 3.78
2016-17	\$ 3,659,631	\$ 1,414	\$ 2,588	580,608	426,064	28,551	1,035,223	\$ 3.54
2015-16	\$ 3,654,400	\$ 1,414	\$ 2,584	556,496	413,664	44,763	1,014,923	\$ 3.60

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 TAX YEARS  
(Unaudited)

Table 7

Taxable Assessed Value (TAV) by Fiscal Year (\$000)											
Taxpayer	Type of Business	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FERTITTA HOSPITALITY INC	Hospitality	\$ 102,575	\$ 89,900	\$ 87,777	\$ 49,636	\$ 51,077	\$ 43,026	\$ 43,126	\$ 43,130	\$ 38,570	\$ 34,120
CENTERPOINT ENERGY HOUSTON	Utilities	73,578	67,006	64,777	56,395	52,586	52,088	80,272	46,451	46,207	44,882
TEXAS INTERNATIONAL TERMINALS	Transportation	58,587	60,488	60,407	64,580	56,534	11,997	-	-	-	-
2014 GALVESTON JONES DRIVE LLC	Real Estate	52,110	48,700	37,882	37,881	21,984	14,161	14,061	13,835	12,893	-
AMERICAN NATIONAL INS CO	Insurance	42,997	38,148	31,848	24,611	-	-	10,992	11,199	10,539	10,539
3433 COVE VIEW BLVD LLC	Real Estate	41,941	36,491	25,000	-	-	-	-	-	-	-
CR GALVESTON PROPCO LLC	Real Estate	39,187	33,000	-	-	-	-	-	-	-	-
SEAWALL HOSPITALITY LLC	Hospitality	34,236	32,695	55,516	37,243	-	-	-	-	-	-
BROWNSTONE GYB APARTMENTS LLC	Real Estate	33,177	-	-	-	-	-	-	-	-	-
CW CAMPECHE OWNER LLC	Real Estate	32,500	32,500	-	-	-	-	-	-	-	-
ISLAND HOSPITALITY INC	Hospitality	31,615	24,322	20,803	16,477	16,550	15,160	15,160	15,201	13,991	12,782
GE RENEWABLES NORTH AMERICA LLC	Manufacturing	29,244	-	-	-	-	-	-	-	-	-
TPI CAMPECHE COVE LLC	Real Estate	28,820	23,988	21,234	20,500	17,298	12,000	11,845	11,573	9,959	-
GULF COAST KINGTON PROPERTIES LLC	Real Estate	27,311	19,608	-	14,608	14,624	-	-	-	-	-
CHICORY COURT I LP	Hospitality	27,003	-	34,101	-	-	-	-	-	-	-
33RD STREET PROPERTIES LTD	Real Estate	26,575	-	25,000	-	-	-	-	-	-	-
VANTAGE CORN PROCESSORS, LLC	Refinery	25,158	-	-	-	-	-	-	-	-	-
SIFAT LLC	Real Estate	24,985	-	-	-	-	-	-	-	-	-
CRESTMARC REDWOOD CARELTON HOLDINGS LLC	Real Estate	24,691	-	21,436	15,819	13,868	-	-	-	-	-
GSMV VILLAGE BY THE SEA OWNER LLC	Real Estate	22,000	19,786	23,196	-	-	-	-	-	-	-
CITY-GALVESTON WARVES	Transportation	-	98,630	-	-	-	-	-	-	-	-
GULF COPPER DRYDOCK & RIG REPAIR	Transportation	-	24,989	-	-	-	-	-	-	-	-
RAAMCO BROADWATER LLC	Real Estate	-	21,500	20,000	16,325	-	-	-	-	-	-
TFT GALVESTON PORTFOLIO LTD	Real Estate	-	20,400	29,866	17,732	27,688	18,679	19,343	18,699	18,501	12,381
UNION PACIFIC RAILROAD CO	Railroad	-	19,961	-	16,795	15,548	14,784	14,243	-	-	-
BNSF RAILWAY CO	Railroad	-	18,893	-	15,113	14,762	13,861	13,277	11,880	11,704	11,177
HAF HOSPITALITY TREMONT REALTY LLC	Hospitality	-	-	37,697	19,330	-	-	-	-	-	-
BBCRV PARTNERS LLC	Real Estate	-	-	35,299	-	-	-	-	-	-	-
LAKESIDE GALVESTON PARTNERS LP	Real Estate	-	-	22,000	-	-	-	11,549	-	-	-
SILVERLEAF RESORTS INC	Hospitality	-	-	20,722	20,735	18,202	17,957	17,993	17,858	17,711	18,168
17TH STREET PROPERTIES LLC	Real Estate	-	-	19,500	-	-	-	-	-	-	-
GALVESTON ISLAND WATER PARK LP	Hospitality	-	-	-	17,946	17,808	17,243	17,248	17,293	17,293	17,055
BEATTY STREET PROPERTIES INC	Real Estate	-	-	-	17,877	18,977	20,035	22,453	-	-	-
CANTOR GROUP LLC	Healthcare	-	-	-	17,207	-	-	-	-	-	-
GALVESTON TERMINALS INC	Transportation	-	-	-	14,322	14,503	14,609	14,492	14,556	15,019	15,639
EIGHTEEN SEVENTY STRAND CORP	Hospitality	-	-	-	-	44,535	18,520	16,830	16,500	22,125	16,791
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	-	-	-	-
EMERALD GATHER & TRANS LLC	Oil/Gas	-	-	-	-	-	13,142	-	-	22,477	22,477
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
WALMART REALTY CO #504	Real Estate	-	-	-	-	-	11,875	11,875	12,566	12,500	12,500
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
CHS INC	Oil/Gas	-	-	-	-	-	-	-	-	13,055	18,648
MP ISLAND INVESTMENTS LLC	Real Estate	-	-	-	-	-	-	-	-	11,941	11,941
9550 SEAWALL BLVD LLP	Hospitality	-	-	-	-	-	-	-	-	10,152	-
GULF SULPHUR SERVICES LTD LLP	Transportation	-	-	-	-	-	-	-	-	9,950	10,098
HALLIBURTON ENERGY SERVICES IN	Oil/Gas	-	-	-	-	-	-	-	-	-	11,368
OLCC TEXAS LLC	Computers	-	-	-	-	-	-	-	-	-	10,391
SWS HOLDINGS-BRADY ISLAND LP	Real Estate	-	-	-	-	-	-	-	-	-	9,844
<b>Totals</b>		<b>778,290</b>	<b>731,005</b>	<b>694,061</b>	<b>511,132</b>	<b>465,293</b>	<b>375,931</b>	<b>390,390</b>	<b>355,195</b>	<b>358,961</b>	<b>347,021</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 14,919,806</b>	<b>\$ 14,188,752</b>	<b>\$ 12,199,358</b>	<b>\$ 10,019,296</b>	<b>\$ 8,558,750</b>	<b>\$ 8,017,532</b>	<b>\$ 7,494,157</b>	<b>\$ 7,192,912</b>	<b>\$ 6,673,918</b>	<b>\$ 5,984,833</b>

Source: Local County Appraisal District

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

Table 7 - Continued

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FERTITTA HOSPITALITY INC	Hospitality	0.69%	0.63%	0.72%	0.50%	0.60%	0.54%	0.58%	0.60%	0.58%	0.57%
CENTERPOINT ENERGY HOUSTON	Utilities	0.49%	0.47%	0.53%	0.56%	0.61%	0.65%	1.07%	0.65%	0.69%	0.75%
TEXAS INTERNATIONAL TERMINALS	Transportation	0.39%	0.43%	0.50%	0.64%	0.66%	0.15%	-	-	-	-
2014 GALVESTON JONES DRIVE LLC	Real Estate	0.35%	0.34%	0.31%	0.38%	0.26%	0.18%	0.19%	0.19%	0.19%	-
AMERICAN NATIONAL INS CO	Insurance	0.29%	0.27%	0.26%	0.25%	-	-	0.15%	0.16%	0.16%	0.18%
3433 COVE VIEW BLVD LLC	Real Estate	0.28%	0.26%	0.20%	-	-	-	-	-	-	-
CR GALVESTON PROP CO LLC	Real Estate	0.26%	0.23%	-	-	-	-	-	-	-	-
SEAWALL HOSPITALITY LLC	Hospitality	0.23%	0.23%	0.46%	0.37%	-	-	-	-	-	-
BROWNSTONE GYB APARTMENTS LLC	Real Estate	0.22%	-	-	-	-	-	-	-	-	-
CW CAMPECHE OWNER LLC	Real Estate	0.22%	0.23%	-	-	-	-	-	-	-	-
ISLAND HOSPITALITY INC	Hospitality	0.21%	0.17%	0.17%	0.16%	0.19%	0.19%	0.20%	0.21%	0.21%	0.21%
GE RENEWABLES NORTH AMERICA LLC	Manufacturing	0.20%	-	-	-	-	-	-	-	-	-
TPI CAMPECHE COVE LLC	Real Estate	0.19%	0.17%	0.17%	0.20%	0.20%	0.15%	0.16%	0.16%	0.15%	-
GULF COAST KINGTON PROPERTIES LLC	Real Estate	0.18%	0.14%	-	0.15%	0.17%	-	-	-	-	-
CHICORY COURT I LP	Hospitality	0.18%	-	0.28%	-	-	-	-	-	-	-
33RD STREET PROPERTIES LTD	Real Estate	0.18%	-	0.20%	-	-	-	-	-	-	-
VANTAGE CORN PROCESSORS, LLC	Refinery	0.17%	-	-	-	-	-	-	-	-	-
SIFAT LLC	Real Estate	0.17%	-	-	-	-	-	-	-	-	-
CRESTMARC REDWOOD CARELTON HOLDINGS LLC	Real Estate	0.17%	-	0.18%	0.16%	0.16%	-	-	-	-	-
GSMV VILLAGE BY THE SEA OWNER LLC	Real Estate	0.15%	0.14%	0.19%	-	-	-	-	-	-	-
CITY-GALVESTON WARVES	Transportation	-	0.70%	-	-	-	-	-	-	-	-
GULF COPPER DRYDOCK & RIG REPAIR	Transportation	-	0.18%	-	-	-	-	-	-	-	-
RAAMCO BROADWATER LLC	Real Estate	-	0.15%	0.16%	0.16%	-	-	-	-	-	-
TFT GALVESTON PORTFOLIO LTD	Real Estate	-	0.14%	0.24%	0.18%	0.32%	0.23%	0.26%	0.26%	0.28%	0.21%
UNION PACIFIC RAILROAD CO	Railroad	-	0.14%	-	0.17%	0.18%	0.18%	0.19%	-	-	-
BNSF RAILWAY CO	Railroad	-	0.13%	-	0.15%	0.17%	0.17%	0.18%	0.17%	0.18%	0.19%
HAF HOSPITALITY TREMONT REALTY LLC	Hospitality	-	-	0.31%	0.19%	-	-	-	-	-	-
BBCRV PARTNERS LLC	Real Estate	-	-	0.29%	-	-	-	-	-	-	-
LAKESIDE GALVESTON PARTNERS LP	Real Estate	-	-	0.18%	-	-	-	0.15%	-	-	-
SILVERLEAF RESORTS INC	Hospitality	-	-	0.18%	0.21%	0.21%	0.22%	0.24%	0.25%	0.27%	0.30%
17TH STREET PROPERTIES LLC	Real Estate	-	-	0.16%	-	-	-	-	-	-	-
GALVESTON ISLAND WATER PARK LP	Hospitality	-	-	-	0.18%	0.21%	0.22%	0.23%	0.24%	0.26%	0.28%
BEATTY STREET PROPERTIES INC	Real Estate	-	-	-	0.18%	0.22%	0.25%	0.30%	-	-	-
CANTOR GROUP LLC	Healthcare	-	-	-	0.17%	-	-	-	-	-	-
GALVESTON TERMINALS INC	Transportation	-	-	-	0.14%	0.19%	0.18%	0.19%	0.20%	0.23%	0.26%
EIGHTEEN SEVENTY STRAND CORP	Hospitality	-	-	-	-	0.52%	0.23%	0.22%	0.23%	0.33%	0.28%
PHI INC	Transportation	-	-	-	-	0.20%	-	-	-	-	-
G&H TOWING COMPANY	Transportation	-	-	-	-	0.19%	-	-	-	-	-
INTERCHEM USA INC	Oil/Gas	-	-	-	-	0.18%	0.17%	0.18%	-	-	-
MOSAIC FERTILIZER LLC	Refinery	-	-	-	-	-	0.36%	-	-	-	-
EMERALD GATHER & TRANS LLC	Oil/Gas	-	-	-	-	-	0.16%	-	-	0.34%	0.38%
G&I VIII CLUB OF THE ISLE JV LP	Real Estate	-	-	-	-	-	0.16%	0.17%	0.17%	-	-
WILLIE G'S POST OAK INC	Hospitality	-	-	-	-	-	0.15%	0.25%	0.33%	0.45%	0.52%
WALMART REALTY CO #504	Real Estate	-	-	-	-	-	0.15%	0.15%	0.17%	0.19%	0.21%
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%
CHS INC	Oil/Gas	-	-	-	-	-	-	-	-	0.20%	0.31%
MP ISLAND INVESTMENTS LLC	Real Estate	-	-	-	-	-	-	-	-	0.16%	0.20%
9550 SEAWALL BLVD LLP	Hospitality	-	-	-	-	-	-	-	-	0.15%	-
GULF SULPHUR SERVICES LTD LLP	Transportation	-	-	-	-	-	-	-	-	0.15%	0.17%
HALLIBURTON ENERGY SERVICES INC	Oil/Gas	-	-	-	-	-	-	-	-	-	0.19%
OLCC TEXAS LLC	Computers	-	-	-	-	-	-	-	-	-	0.18%
SWS HOLDINGS-BRADY ISLAND LP	Real Estate	-	-	-	-	-	-	-	-	-	0.16%
Totals		5.22%	5.15%	5.69%	5.10%	5.44%	4.69%	5.21%	4.94%	5.38%	5.80%

Source: Local County Appraisal District  
\* Tax Year = Fiscal Year -1

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
2025	\$ 18,676	\$ 18,195	97.42%	\$ 360	\$ 18,555	99.35%
2024	\$ 18,133	\$ 17,693	97.57%	\$ 307	\$ 18,000	99.27%
2023	\$ 16,455	\$ 15,997	97.22%	\$ 347	\$ 16,344	99.33%
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	97.88%	\$ 251	\$ 11,660	100.03%

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)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenue Bonds (excluding unamortized bond premium)	\$ 27,210	\$ 27,975	\$ 28,715	\$ 29,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Outstanding Debt Ratios:										
Per Capita	\$ 74.06	\$ 77.33	\$ 82.40	\$ 82.87	N/A	N/A	N/A	N/A	N/A	N/A
Per full time student equivalent	\$ 18,561	\$ 19,083	\$ 20,491	\$ 22,041	N/A	N/A	N/A	N/A	N/A	N/A
As a Percentage of Taxable Assessed Value	0.19%	0.20%	0.24%	0.28%	N/A	N/A	N/A	N/A	N/A	N/A

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	Auxiliary Revenue	Other Pledged Revenue	Interest Income	Total	Principal	Interest	Total	
2025	\$ 849	\$ 3,570	\$ 1,127	\$ -	\$ 1,471	\$ 7,017	\$ 765	\$ 1,097	\$ 1,862	3.77
2024	\$ 664	\$ 3,140	\$ 1,094	\$ -	\$ 1,742	\$ 6,640	\$ 740	\$ 1,127	\$ 1,867	3.56
2023	\$ 642	\$ 3,024	\$ 1,072	\$ -	\$ 1,314	\$ 6,052	\$ 710	\$ 1,155	\$ 1,865	3.25
2022	\$ 531	\$ 2,646	\$ 951	\$ -	\$ 162	\$ 4,290	\$ -	\$ 212	\$ 212	20.24
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A

Note: Principal and interest amounts represent 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
2024	367,407 *	***	***	4.3%
2023	361,744 *	\$ 23,359 **	\$ 64,573 **	4.3%
2022	357,117	\$ 21,774	\$ 60,972	4.4%
2021	355,062	\$ 21,329	\$ 60,071	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	322,255	\$ 15,464	\$ 47,991	5.0%

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
- \* 2024 County Population estimate -- U.S. Census Bureau [Data & Maps - Data Tool & Apps - QuickFacts] (Note: 2024 -- as of Nov. 30, 2025)
- \*\* Personal Income -- U.S. Bureau of Economic Analysis [BEA - Interactive Data Tools - Regional Data - GDP and Personal Income - CAINC1-Personal Income Summary] (Note: 2023 -- as of Feb. 20, 2025)
- \*\*\* Information not available at this time

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

Table 12

Employer	2025		2024		2023		2022		2021	
University of Texas Medical Branch	10,690	58.45%	10,103	51.31%	9,627	49.93%	8,937	50.79%	8,948	49.89%
Landry's Inc.	2,400	13.12%	1,980	10.06%	1,980	10.27%	1,930	10.97%	1,930	10.76%
Galveston I. S. D.	1,366	7.47%	989	5.02%	1,218	6.32%	1,358	7.72%	1,251	6.98%
Schlitterbahn <i>(during peak tourist season)</i>	***	***	1,035	5.26%	1,035	5.37%	1,100	6.25%	700	3.90%
Galveston County (on Island only)	586	3.20%	1,063	5.40%	991	5.14%	855	4.86%	888	4.95%
American National Insurance Co. (ANICO)	428	2.34%	934	4.74%	934	4.84%	934	5.31%	900	5.02%
Moody Gardens <i>(during peak tourist season)</i>	802	4.39%	888	4.51%	883	4.58%	605	3.44%	1,000	5.58%
City of Galveston	909	4.97%	830	4.22%	812	4.21%	804	4.57%	803	4.48%
Texas A&M – Galveston	426	2.33%	746	3.79%	713	3.70%	696	3.96%	319	1.78%
U.S. Army Corps of Engineers (USACOE)	321	1.76%	449	2.28%	415	2.15%	***	***	***	***
Shriners Children's Texas	361	1.97%	363	1.84%	362	1.88%	377	2.13%	***	***
Wal-Mart	***	***	310	1.57%	310	1.61%	***	***	360	2.01%
I. L. A. (Local-20, 1665, 1504-8, 1443)	***	***	***	***	***	***	***	***	500	2.79%
Mitchell Historic Properties	***	***	***	***	***	***	***	***	335	1.86%
<b>Total</b>	<b>18,289</b>	<b>100.00%</b>	<b>19,690</b>	<b>100.00%</b>	<b>19,280</b>	<b>100.00%</b>	<b>17,596</b>	<b>100.00%</b>	<b>17,934</b>	<b>100.00%</b>

\*\*\* Information not available

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

Table 13

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Faculty:										
Full-Time	69	58	61	58	55	62	60	59	56	56
Part-Time	67	60	55	49	43	50	47	55	42	41
Total	<u>136</u>	<u>118</u>	<u>116</u>	<u>107</u>	<u>98</u>	<u>112</u>	<u>107</u>	<u>114</u>	<u>98</u>	<u>97</u>
Percent:										
Full-Time	50.7%	49.2%	52.6%	54.2%	56.1%	55.4%	56.1%	51.8%	57.1%	57.7%
Part-Time	49.3%	50.8%	47.4%	45.8%	43.9%	44.6%	43.9%	48.2%	42.9%	42.3%
Staff and Administrators:										
Full-Time	126	111	106	106	101	109	109	101	100	102
Part-Time	108	88	59	58	54	46	64	52	56	53
Total	<u>234</u>	<u>199</u>	<u>165</u>	<u>164</u>	<u>155</u>	<u>155</u>	<u>173</u>	<u>153</u>	<u>156</u>	<u>155</u>
Percent:										
Full-Time	53.8%	55.8%	64.2%	64.6%	65.2%	70.3%	63.0%	66.0%	64.1%	65.8%
Part-Time	46.2%	44.2%	35.8%	35.4%	34.8%	29.7%	37.0%	34.0%	35.9%	34.2%
FTSE per Full-time Faculty	19	23	22	23	28	26	27	25	25	25
FTSE per Full-Time Staff Member	11	12	13	13	15	15	15	15	14	14
Average Annual Faculty Staff Equated to 9 Month Contract	\$ 69,476	\$ 70,961	\$ 71,177	\$ 65,473	\$ 66,320	\$ 65,384	\$ 70,523	\$ 77,418	\$ 74,786	\$ 69,278

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

Table 14

Student Classification	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	1,712	71.19%	1,385	65.36%	1,214	59.92%	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%
31-60 hours	474	19.71%	474	22.37%	484	23.89%	512	27.38%	479	23.25%	477	20.69%	489	20.18%	455	20.71%	451	20.50%	509	24.58%
> 60 hours	140	5.82%	162	7.65%	175	8.64%	107	5.72%	143	6.94%	156	6.76%	141	5.82%	138	6.28%	101	4.59%	95	4.59%
Unclassified	79	3.28%	98	4.62%	153	7.55%	196	10.48%	170	8.26%	189	8.20%	192	7.92%	200	9.10%	212	9.64%	192	9.27%
<b>Total</b>	<b>2,405</b>	<b>100.00%</b>	<b>2,119</b>	<b>100.00%</b>	<b>2,026</b>	<b>100.00%</b>	<b>1,870</b>	<b>100.00%</b>	<b>2,060</b>	<b>100.00%</b>	<b>2,306</b>	<b>100.00%</b>	<b>2,423</b>	<b>100.00%</b>	<b>2,197</b>	<b>100.00%</b>	<b>2,200</b>	<b>100.00%</b>	<b>2,071</b>	<b>100.00%</b>

Semester Hour Load	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	46	1.91%	30	1.42%	8	0.39%	14	0.75%	5	0.24%	11	0.48%	11	0.45%	12	0.55%	19	0.86%	9	0.43%
3-5 semester hours	487	20.25%	453	21.38%	407	20.09%	364	19.47%	440	21.36%	557	24.15%	609	25.13%	572	26.04%	584	26.55%	499	24.09%
6-8 Semester hours	601	24.99%	542	25.58%	584	28.83%	472	25.24%	532	25.83%	556	24.11%	631	26.04%	671	30.54%	672	30.55%	678	32.74%
9-11 semester hours	485	20.17%	391	18.45%	371	18.31%	359	19.20%	403	19.56%	451	19.56%	462	19.07%	358	16.29%	360	16.36%	381	18.40%
12-14 semester hours	529	22.00%	456	21.52%	425	20.98%	446	23.85%	435	21.12%	482	20.90%	451	18.61%	379	17.25%	383	17.41%	332	16.03%
15-17 semester hours	218	9.06%	216	10.19%	204	10.07%	198	10.59%	225	10.92%	233	10.10%	232	9.57%	197	8.97%	173	7.86%	163	7.87%
18 & over	39	1.62%	31	1.46%	27	1.33%	17	0.90%	20	0.97%	16	0.70%	27	1.13%	8	0.36%	9	0.41%	9	0.44%
<b>Total</b>	<b>2,405</b>	<b>100.00%</b>	<b>2,119</b>	<b>100.00%</b>	<b>2,026</b>	<b>100.00%</b>	<b>1,870</b>	<b>100.00%</b>	<b>2,060</b>	<b>100.00%</b>	<b>2,306</b>	<b>100.00%</b>	<b>2,423</b>	<b>100.00%</b>	<b>2,197</b>	<b>100.00%</b>	<b>2,200</b>	<b>100.00%</b>	<b>2,071</b>	<b>100.00%</b>

Average Course Load	8.8		8.7		8.7		8.9		8.8		8.5		8.9		8.6		8.5		8.5	
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Tuition Status	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,282	53.31%	1,180	55.69%	1,135	56.02%	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%
Texas Resident (out-of-District)	914	38.00%	792	37.38%	766	37.81%	722	38.61%	783	38.01%	898	38.94%	942	38.88%	890	40.51%	823	37.41%	816	39.40%
Non-Resident Tuition	110	4.57%	80	3.78%	69	3.41%	78	4.17%	89	4.32%	92	3.99%	117	4.83%	98	4.46%	91	4.14%	83	4.01%
Tuition Exemption/Wavier	99	4.12%	67	3.15%	56	2.76%	34	1.82%	45	2.18%	61	2.65%	43	1.77%	43	1.96%	56	2.54%	33	1.59%
<b>Total</b>	<b>2,405</b>	<b>100.00%</b>	<b>2,119</b>	<b>100.00%</b>	<b>2,026</b>	<b>100.00%</b>	<b>1,870</b>	<b>100.00%</b>	<b>2,060</b>	<b>100.00%</b>	<b>2,306</b>	<b>100.00%</b>	<b>2,423</b>	<b>100.00%</b>	<b>2,197</b>	<b>100.00%</b>	<b>2,200</b>	<b>100.00%</b>	<b>2,071</b>	<b>100.00%</b>

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 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
<b>Gender</b>																					
Female	1,567	65.16%	1,405	66.30%	1,337	65.99%	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%	
Male	838	34.84%	714	33.70%	689	34.01%	651	34.81%	762	36.99%	891	38.64%	929	38.34%	856	38.96%	919	41.77%	797	38.48%	
<b>Total</b>	<b>2,405</b>	<b>100.00%</b>	<b>2,119</b>	<b>100.00%</b>	<b>2,026</b>	<b>100.00%</b>	<b>1,870</b>	<b>100.00%</b>	<b>2,060</b>	<b>100.00%</b>	<b>2,306</b>	<b>100.00%</b>	<b>2,423</b>	<b>100.00%</b>	<b>2,197</b>	<b>100.00%</b>	<b>2,200</b>	<b>100.00%</b>	<b>2,071</b>	<b>100.00%</b>	
<b>Ethnic Origin</b>																					
White	698	29.02%	627	29.59%	647	31.93%	652	34.87%	723	35.10%	845	36.64%	894	36.90%	855	38.92%	925	42.05%	878	42.39%	
Hispanic	1,030	42.83%	912	43.04%	846	41.76%	771	41.23%	860	41.75%	933	40.46%	961	39.66%	834	37.96%	822	37.36%	771	37.23%	
African American	378	15.72%	358	16.89%	343	16.93%	308	16.47%	315	15.29%	337	14.61%	363	14.98%	342	15.57%	314	14.27%	266	12.84%	
Asian	54	2.25%	43	2.03%	52	2.57%	60	3.21%	65	3.16%	73	3.17%	88	3.63%	61	2.78%	52	2.36%	60	2.90%	
International	9	0.37%	7	0.33%	9	0.44%	11	0.59%	10	0.49%	15	0.65%	20	0.83%	22	1.00%	23	1.05%	25	1.21%	
Native American	8	0.33%	13	0.61%	9	0.44%	7	0.37%	10	0.49%	6	0.26%	8	0.33%	7	0.32%	8	0.36%	10	0.48%	
Multi-racial	74	3.08%	63	2.97%	40	1.97%	26	1.39%	35	1.70%	43	1.86%	42	1.73%	22	1.00%	10	0.45%	8	0.39%	
Native Hawaiian/Pacific Islander	2	0.08%	3	0.15%	5	0.26%	-	0.00%	5	0.24%	5	0.22%	3	0.12%	4	0.18%	-	0.00%	-	0.00%	
Unknown/Not Reported	152	6.32%	93	4.39%	75	3.70%	35	1.87%	37	1.78%	49	2.13%	44	1.82%	50	2.27%	46	2.10%	53	2.56%	
<b>Total</b>	<b>2,405</b>	<b>100.00%</b>	<b>2,119</b>	<b>100.00%</b>	<b>2,026</b>	<b>100.00%</b>	<b>1,870</b>	<b>100.00%</b>	<b>2,060</b>	<b>100.00%</b>	<b>2,306</b>	<b>100.00%</b>	<b>2,423</b>	<b>100.00%</b>	<b>2,197</b>	<b>100.00%</b>	<b>2,200</b>	<b>100.00%</b>	<b>2,071</b>	<b>100.00%</b>	
<b>Age</b>																					
Under 18	788	32.77%	514	24.26%	455	22.46%	319	17.06%	427	20.73%	556	24.11%	589	24.31%	391	17.80%	467	21.23%	316	15.26%	
18 - 21	750	31.19%	745	35.16%	695	34.30%	675	36.10%	707	34.32%	769	33.35%	738	30.46%	745	33.91%	698	31.73%	705	34.04%	
22 - 24	267	11.10%	237	11.18%	227	11.20%	223	11.93%	295	14.32%	275	11.93%	295	12.17%	267	12.15%	294	13.36%	288	13.91%	
25 - 35	380	15.80%	374	17.65%	400	19.74%	416	22.25%	391	18.98%	454	19.69%	531	21.91%	522	23.76%	488	22.18%	531	25.64%	
36 - 50	173	7.19%	204	9.63%	209	10.32%	191	10.21%	172	8.35%	204	8.85%	216	8.91%	214	9.74%	193	8.77%	176	8.50%	
51 & over	47	1.95%	45	2.12%	40	1.98%	46	2.45%	68	3.30%	48	2.07%	54	2.24%	58	2.64%	60	2.73%	55	2.65%	
<b>Total</b>	<b>2,405</b>	<b>100.00%</b>	<b>2,119</b>	<b>100.00%</b>	<b>2,026</b>	<b>100.00%</b>	<b>1,870</b>	<b>100.00%</b>	<b>2,060</b>	<b>100.00%</b>	<b>2,306</b>	<b>100.00%</b>	<b>2,423</b>	<b>100.00%</b>	<b>2,197</b>	<b>100.00%</b>	<b>2,200</b>	<b>100.00%</b>	<b>2,071</b>	<b>100.00%</b>	
<b>Average Age</b>	<b>23</b>		<b>24</b>		<b>24</b>		<b>25</b>		<b>24</b>		<b>24</b>		<b>24</b>		<b>25</b>		<b>25</b>		<b>25</b>		

Source:  
Data from THECB CBM001 certified reports

GALVESTON COMMUNITY COLLEGE DISTRICT  
 TRANSFERS TO SENIOR INSTITUTIONS  
 2023-2024 STUDENTS AS OF FALL 2024  
 (Includes Only Public Senior Universities 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
Lamar University	6	2		8	3.51%
Midwestern State University	2			2	0.88%
Prairie View A&M University	2	1		3	1.32%
Sam Houston State University	5			5	2.19%
Stephen F. Austin State University	3	1		4	1.75%
Texas A&M University	33			33	14.47%
Texas A&M University - Kingsville	2			2	0.88%
Texas A&M University - San Antonio	1			1	0.44%
Texas A&M University at Galveston	45	1		46	20.18%
Texas Southern University	3			3	1.32%
Texas State University	12	1		13	5.70%
Texas Tech University	6			6	2.63%
Texas Woman's University	3			3	1.32%
The University of Texas at Arlington	2	1		3	1.32%
The University of Texas at Austin	9			9	3.95%
The University of Texas at Dallas	4			4	1.75%
The University of Texas at El Paso	1			1	0.44%
The University of Texas at San Antonio	4			4	1.75%
The University of Texas at Tyler		2		2	0.88%
The University of Texas M.D. Anderson Cancer Center	1	1		2	0.88%
The University of Texas Medical Branch at Galveston	9	9		18	7.88%
University of Houston	18	2		20	8.77%
University of Houston - Clear Lake	33			33	14.47%
University of Houston - Downtown	2			2	0.88%
University of North Texas	1			1	0.44%
Totals	<u>207</u>	<u>21</u>	<u>0</u>	<u>228</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>

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

Table 17

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Academic buildings	8	8	6	6	6	6	6	6	6	6
Square footage (in thousands)	365	365	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	13	13	12	12	12	12	8	5	5	5
Square footage (in thousands)	43	43	58	58	58	34	10	14	14	14
Number of beds	126	126	113	113	113	113	51	48	48	48
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	5	5	5	4	4	4
Buses	3	3	3	3	3	3	3	4	3	3



**Galveston Community College District**

**REQUIRED COMMUNICATIONS**

**August 31, 2025**



**CARR, RIGGS & INGRAM, L.L.C.**

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

Two Riverway  
15th Floor  
Houston, TX 77056

713.621.8090  
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CRIadv.com

December 19, 2025

The Board of Regents and Management of  
Galveston Community College District

We are pleased to present the results of our audit of the 2025 financial statements of Galveston Community College District (the College).

This report to the Board of Regents and management summarizes our audit, the reports issued and various analyses and observations related to the College's accounting and reporting. The document also contains the communications required by our professional standards.

Our audit was designed, primarily, to express an opinion on the College's 2025 financial statements. We considered the College's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the College's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Board of Regents and management of the College and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 832-333-7408 or [agallardo@CRIadv.com](mailto:agallardo@CRIadv.com).

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ana Gallardo', is written over a light blue horizontal line.

Ana Gallardo

Partner



As discussed with management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the College. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Regents and management, 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, in order to express an opinion on the College's financial statements for the year ending August 31, 2025.
- 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*; Uniform Guidance 2 CFR Part 200; and Texas Grant Management Standards in order to express an opinion on compliance with requirements applicable to each major federal and state of Texas program.
- Report on internal control over compliance with the types of compliance requirements described in Uniform Guidance 2 CFR Part 200, Texas Grant Management Standards and the OMB Compliance Supplement.
- Communicate directly with the Board of Regents and management regarding the results of our procedures.
- Address with the Board of Regents and management any accounting and financial reporting issues.
- Anticipate and respond to concerns of the Board of Regents and management; and
- Address other audit-related projects as they arise and upon request.

We identified the following significant risks of material misstatement as part of our audit planning:

- Management override of internal controls.
- Inherent risk of improper revenue recognition.
- Valuation of pension and other postemployment benefits (OPEB) liability.

For areas that are determined to have a higher assessed risk of material misstatement, we generally reduce our testing scopes, and consider additional tests, in order to increase the extent of the audit procedures we perform.



We have audited the financial statements of Galveston Community College District (the College) for the year ended August 31, 2025, and have issued our report thereon dated December 19, 2025. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR’S RESPONSE
<p><b>Auditor’s responsibility under Generally Accepted Auditing Standards and Government Auditing Standards</b></p>	<p>As stated in our engagement letter dated March 31, 2025, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the College. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p><b>Client’s responsibility</b></p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p><b>Planned scope and timing of the audit</b></p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p><b>Management judgments and accounting estimates</b> <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor’s conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled “Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality.”</p>
<p><b>Potential effect on the financial statements of any significant risks and exposures</b> <i>Major risks and exposures facing the College and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</b></p> <ul style="list-style-type: none"> <li><i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i></li> <li><i>The auditor should also discuss the auditor's judgment about the quality, not just the acceptability, of the College's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures.</i></li> <li><i>Critical accounting policies and practices applied by the College in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations.</i></li> </ul>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the College are described in Note 2 to the financial statements.</p> <p>Effective September 1, 2024, the College adopted GASB Statement No. 101, <i>Compensated Absences</i>. The implementation of GASB 101 represents a change in accounting principle which needs to be applied retroactively. Accordingly, a restatement to the unrestricted net position as of September 1, 2023 was required for the recording of the beginning compensated absences liability to include sick leave accruals of \$180,958 in addition to the vacation leave already accrued by the College. Additionally, institutional support expense for 2024 increased and change in net position for 2024 reduced by \$13,051 to record sick leave expense for fiscal year 2024.</p> <p>No other changes in accounting policies or their application occurred during the current fiscal year.</p> <p>We noted no transactions entered into by the College during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures of revenue bonds, employee retirement plans and other post employment benefits in Notes 9, 10 and 13, respectively, to the financial statements.</p> <p>Further, the disclosures in the College's financial statements are neutral, consistent, and clear.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<ul style="list-style-type: none"> <li>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; Furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</li> </ul>	
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial accounting, reporting, or auditing matter, that could be significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>None noted.</p>
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by the College, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested.</i></p>	<p>See "Management Representation Letter" section.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Internal control deficiencies</b></p> <p><i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	<p>See "Internal Control Findings" section.</p>
<p><b>Fraud and illegal acts</b></p> <p><i>Fraud involving the College's personnel or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving senior management and any other illegal acts, unless clearly inconsequential.</i></p>	<p>We are unaware of any fraud or illegal acts involving personnel or causing material misstatement of the financial statements.</p>
<p><b>Other information in documents containing audited financial statements</b></p> <p><i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such other items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p><b>Significant unusual accounting transactions</b></p> <p><i>Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>



MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p><b>Required Supplementary Information</b></p> <p><i>The auditor's responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) consisting of management's discussion and analysis, schedule of College's proportionate share of net pension and OPEB liability and the schedule of College's contributions for pension and OPEB that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>
<p><b>Supplementary Information in relation to the financial statements as a whole</b></p> <p><i>The auditor's responsibility for supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We made certain inquiries of management and evaluated the form, content, and methods of preparing the supplementary schedules (Schedules A through D) and the schedules of expenditures of federal and state of Texas awards accompanying the basic financial statements to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p> <p>We were not engaged to report on the statistical section required by the Texas Higher Education Coordinating Board. We did not audit or perform other procedures on this information and we do not express any opinion or provide any assurance on it.</p>

## Accounting Policies, Judgements and Sensitive Estimates & CRI Comments on Quality



We are required to communicate our judgments about the quality, not just the acceptability, of the College's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Regents may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Collectability of tuition, property tax and grant receivables	All receivables are booked at net realizable value. Receivables not expected to be collected within 12 months are discounted, if material.	Yes	<p>Management calculates allowance for tuition receivables using semester wise student balances. Allowance is calculated using lower % for latest semester and higher % is used for prior year semester balances.</p> <p>Management's estimate of the allowance for property tax receivables is based on year wise balances. Old year balances allowance is calculated using higher % and recent year balances allowance is calculated using lower %.</p> <p>Grant receivables are assessed based on history with the grantor agency. Generally no collection issues have been noted in prior years.</p>	The methods used by management in the application of these accounting policies and the related financial statement disclosures are consistent with government accounting standards, as well as the College's specific circumstances.

## Accounting Policies, Judgements and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Depreciation of capital assets	Assets are depreciated over the expected remaining useful life of the individual asset.	Yes	Judgments in this area relate to the estimate of the remaining useful life of the asset.	The College's policies are in accordance with all applicable accounting guidelines.
Defined benefit pension plan	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). TRS utilizes an independent actuary to provide an actuarial valuation report specific to each participating employer. This report provides each participating employer with estimates of the total pension liability, fiduciary net position, related deferred outflows/inflows and actuarially required contributions in accordance with the provisions of GASB 68.	Yes	Key assumptions utilized by the actuary in making the estimates in accordance with GASB 68. The total pension liability was determined by an actuarial valuation as of August 31, 2023 rolled forward to August 31, 2024.	We evaluated the assumptions used by the actuary in estimating the College's total pension liability, the fiduciary net position, and the related deferred outflows / inflows and found them to be in accordance with the provisions of GASB 68 and reasonable in relation to the financial statements taken as a whole.

## Accounting Policies, Judgements and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Other post-employment benefit obligation	The College records a liability for its post-employment benefits obligation other than pensions.	Yes	The OPEB liability is projected using methods and assumptions as provided in the most recent actuarial valuation, in accordance with the provisions of GASB Statement No. 75. Health care cost trend rates were based on market assessments.	We evaluated the assumptions used by the actuary in determining the total OPEB liability and found them to be in accordance with the provisions of GASB 75 and reasonable in relation to the financial statements taken as a whole.
Functional allocation of expenses	The costs of providing the various programs have been summarized on a functional basis in the statements of revenues, expenses and changes in net position. Accordingly, certain costs have been allocated among the various functions.	Yes	Expenses specific to each function are recorded in that particular functional code in the general ledger. Allocations between functions are made based on various determinations by management.	The methods used by management in the application of these accounting policies and the related financial statement disclosures are consistent with government accounting standards, as well as College's specific circumstances.

## Accounting Policies, Judgements and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Subscription-Based Information Technology Arrangements (SBITAs)	The College has the noncancellable right to use certain third-party vendor information technology software. These subscription-based technology arrangements primarily consist of software used for the College's accounting and operational needs as well as student assessment and engagement and other software needs. Management determines if an arrangement is a SBITA or contains a SBITA at inception. For subscription agreements that have a maximum possible term of 12 months or less at commencement, the College recognizes expense based on the provisions of the subscription agreement. For all other subscription-based agreements, the College recognizes a subscription-based liability and an intangible right-to-use subscription-based-asset.	X	In determining the discount rate used to measure the subscription-based assets and liabilities, the College uses its estimated incremental borrowing rate as the discount rate. The incremental borrowing rate for subscription-based agreements is based on the rate of interest it would have to pay if it issued general obligation bonds to borrow an amount equal to the subscription payment under similar terms at the commencement or remeasurement date. The subscription term includes noncancellable period to use certain third-party vendor information technology software plus any additional periods covered by either the College or the vendor's option to extend or terminate. Extension of additional periods is reasonably certain to be exercised, while termination of periods is reasonably certain to not be exercised. Periods for which both the College and the SBITA vendor have an option to terminate without permission from the other party are cancelable periods and are excluded from the subscription term.	We evaluated the key factors and assumptions used to develop the estimated useful lives, incremental borrowing rate and fair value of assets in determining that they are reasonable in relation to the financial statements taken as a whole.

## Accounting Policies, Judgements and Sensitive Estimates & CRI Comments on Quality



AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATE	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Compensated Absences	The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on that criteria, two types of leave (vacation and sick leave) qualify for liability recognition for compensated absences.	X	<p>Vacation - 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. Current pay rate is used for calculation for these benefits.</p> <p>Sick - Sick leave can accumulate to a maximum of 70 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. Additionally, a liability, based on historical leave trends, for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.</p>	The methods used by management in the application of these accounting policies and the related financial statement disclosures are consistent with government accounting standards, as well as College's specific circumstances.

## Summary of Audit Adjustments



During the course of our audit, we accumulate differences between amounts recorded by the College and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the College or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditor's judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

The following is a list of adjustments recorded (corrected) by the College. These entries are primarily Provided by Client (PBC) entries provided after the initial trial balance:

### Corrected audit adjustments

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
PBC - To reclass Fall 2025 Fast Scholarships from Prepaid to Student Receivables			
10401	Due from Students	388,985.00	
10910	Prepaid Expense		388,985.00
<b>Total</b>		<b>388,985.00</b>	<b>388,985.00</b>
<b>Adjusting Journal Entries JE # 2</b>			
PBC - To record YE SBITA Asset and Liability			
11530	GASB96 Subscription Asset, net	59,136.00	
21906	GASB96 Subscription Liability		59,136.00
<b>Total</b>		<b>59,136.00</b>	<b>59,136.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
To record sick leave payable per GASB 101 implementation			
56450	Sick leave Payable GASB 101	94,078.00	
57450	Salary GASB 101	151,803.00	
21602	Sick Leave		245,881.00
<b>Total</b>		<b>245,881.00</b>	<b>245,881.00</b>



Uncorrected audit adjustments

Account	Description	Debit	Credit
<b>Proposed Journal Entries JE # 201</b>			
To adjust old outstanding checks			
10011	General Account	16,093.00	
50820	Bad Debt Expense		16,093.00
<b>Total</b>		<b>16,093.00</b>	<b>16,093.00</b>
<b>Proposed Journal Entries JE # 202</b>			
To record effect of asset and liability difference impact on P&L			
51220	Contr Serv Comp Lic	95,545.00	
11530	GASB96 Subscription Asset, net		95,545.00
<b>Total</b>		<b>95,545.00</b>	<b>95,545.00</b>
<b>Proposed Journal Entries JE # 203</b>			
To record ROU Asset and Lease Liability as of 8/31/2025			
11600	GASB 87 ROU Asset	34,306.00	
21810	GASB 87 Lease Liability		34,306.00
<b>Total</b>		<b>34,306.00</b>	<b>34,306.00</b>
<b>Proposed Journal Entries JE # 204</b>			
To record tuition fee that should be recognized as revenue in FY2025			
20301	Academic	110,641.00	
41010	Academic		110,641.00
<b>Total</b>		<b>110,641.00</b>	<b>110,641.00</b>



### QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the College's operating environment that has been identified as playing a significant role in the College's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



December 19, 2025

Carr, Riggs & Ingram, LLC  
Two Riverway, 15<sup>th</sup> Floor  
Houston, Texas 77056

This representation letter is provided in connection with your audits of the financial statements of Galveston Community College District (the College), which comprise the financial position as of August 31, 2025 and 2024, and the changes in financial position and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 31, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

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- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the College is contingently liable, if any, have been properly recorded or disclosed.
- 11) We believe that the actuarial assumptions and methods used to measure pension and other post-employment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 12) Receivables recorded in the financial statements represents valid claims against debtors for transactions arising on or before the statement of net position date have been reduced to their estimated net realizable value.
- 13) We have implemented GASB issued Statement No. 101, Compensated Absences during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the GASB. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.

#### Information Provided

- 14) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the College from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Regents or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 15) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedules of expenditures of federal and State of Texas awards.
- 16) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 17) We have no knowledge of any fraud or suspected fraud that affects the College and involves—
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- 18) We have no knowledge of any allegations of fraud or suspected fraud affecting the College's financial statements communicated by employees, former employees, regulators, or others.
- 19) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.



- 20) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 21) We have disclosed to you the names of the College's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

- 22) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 23) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 24) No investigations or legal proceedings that have been initiated with respect to the period under audit.
- 25) The College has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 27) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No.87.
- 28) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96 .
- 29) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 30) We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASBS No. 101 .
- 31) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 32) As part of your audit, you assisted with preparation of the financial statements and disclosures, required supplementary information and related notes, supplementary information, other information, and preparation and submission of data collection form. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating Jeff Engbrock, Chief Financial Officer / Comptroller, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures, required supplementary information and related notes, supplementary information, other information, and preparation and submission of data collection form.
- 33) The College has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 34) The College has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 35) The financial statements properly classify all funds and activities in accordance with GAAP.

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- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenue, expenses and changes in net position, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of revenue, expenses and changes in net position within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 40) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 42) We have appropriately disclosed the College's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the statistical section, we acknowledge that we have informed you of all documents that may comprise other information we expect to issue. The financial statements and other information you obtained prior to the auditor's report date are consistent with one another, and the other information does not contain any material misstatements.
- 46) With respect to the supplementary information, required supplementary information and other information required by the Texas Higher Education Coordinating Board:
  - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 47) With respect to federal and State of Texas award programs:
  - a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Texas Grant Management Standards, including requirements relating to preparation of the schedules of expenditures of federal and State of Texas awards.




- b) We acknowledge our responsibility for preparing and presenting the schedules of expenditures of federal and State of Texas awards (Schedules) and related disclosures in accordance with the requirements of the Uniform Guidance and the Texas Grant Management Standards and we believe the Schedules, including its form and content, are fairly presented in accordance with the Uniform Guidance and the Texas Grant Management Standards. The methods of measurement or presentation of the Schedules have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the Schedules.
- c) If the Schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the Schedules no later than the date we issue the Schedules and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance and the Texas Grant Management Standards compliance audits, and have included in the Schedules, expenditures made during the audit period for all awards provided by federal and State of Texas agencies in the form of federal and State of Texas awards, federal and State of Texas cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal and State of Texas statutes, regulations, and the terms and conditions of federal and State of Texas awards related to each of our federal and State of Texas programs and have identified and disclosed to you the requirements of federal and State of Texas statutes, regulations, and the terms and conditions of federal and State of Texas awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal and State of Texas programs that provides reasonable assurance that we are managing our federal and State of Texas awards in compliance with federal and State of Texas statutes, regulations, and the terms and conditions of federal and State of Texas awards that could have a material effect on our federal and State of Texas programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal and State of Texas awards (including amendments, if any) and any other correspondence with federal and State of Texas agencies or pass-through entities relevant to federal and State of Texas programs and related activities.
- h) We have received no requests from a federal and State of Texas agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement* relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal and State of Texas awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

4015 Avenue Q, Galveston, Texas 77550 | [gc.edu](http://gc.edu) | phone: 409-944-GCGC | fax: 409-944-1500


Galveston College is an equal opportunity institution in education and employment.



- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and State of Texas program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal and State of Texas program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s) The copies of federal and State of Texas program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal and State of Texas awards in accordance with applicable cost principles.
- u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

  
 Myles Shelton (Dec 19, 2025 11:27:48 CST)

W. Myles Shelton, Ed.D.  
 President

  
 Karen Flowers (Dec 19, 2025 10:42:52 EST)

Karen F. Flowers  
 Chairperson, Board of Regents



M. Jeff Engbrock  
 Chief Financial Officer / Comptroller



Uncorrected audit adjustments for 2025

Account	Description	Debit	Credit
<b>Proposed JE # 201</b>			
To adjust old outstanding checks			
10011	General Account	16,093.00	
50820	Bad Debt Expense		16,093.00
<b>Total</b>		<u>16,093.00</u>	<u>16,093.00</u>
<b>Proposed JE # 202</b>			
Entry to record effect of asset and liability difference impact on P&L			
51220	Contr Serv Comp Lic	95,545.00	
11530	GASB96 Subscription Asset, net		95,545.00
<b>Total</b>		<u>95,545.00</u>	<u>95,545.00</u>
<b>Proposed JE # 203</b>			
To record ROU Asset and Lease Liability as of 8/31/2025.			
11600	GASB 87 ROU Asset	34,306.00	
21810	GASB 87 Lease Liability		34,306.00
<b>Total</b>		<u>34,306.00</u>	<u>34,306.00</u>
<b>Proposed JE # 204</b>			
To record tuition fee that should be recognized as revenue in FY2025			
20301	Academic	110,641.00	
41010	Academic		110,641.00
<b>Total</b>		<u>110,641.00</u>	<u>110,641.00</u>



The Board of Regents and Management  
Galveston Community College District

In planning and performing our audit of the financial statements of Galveston Community College District (the College) as of and for the year ended August 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the College's internal control over financial reporting (internal control) as a basis for designing auditing 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 and was not designed to identify all deficiencies in internal control that might be material weakness. Given these limitations, during our audit we did not identify any deficiencies in internal control and, therefore, that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The attached chart that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated December 19, 2025, on the financial statements of the College.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various College personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Regents and others within the College, and is not intended to be, and should not be, used by anyone other than those specified parties.

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

Houston, Texas  
December 19, 2025



The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

<b>IP = Improvement Point</b>	<b>D = Control Deficiency</b>	<b>SD = Significant Deficiency</b>	<b>MW = Material Weakness</b>
-------------------------------	-------------------------------	------------------------------------	-------------------------------

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION
<b>25-01</b>	<b>IP</b>	ITGC	During termination testing, 5 of 8 selections were not timely removed due to incomplete or no UAACF submitted to IT to disable accounts. CRI was able to verify no activity on these accounts after termination date.	We recommend HR consistently fill out and retain completed User Account Access Control Forms (UAACF) for all employees upon new hire and at termination. CRI also recommends HR submits these forms to IT on a timely basis to ensure accesses are properly disabled upon termination.

Consider Approval of Facilities Committee Recommendation Regarding Final Acceptance of Completed Hermes Gym Roof Replacement and Release of Retainage

Hyperion Construction has completed the roof replacement project on Hermes Gym and has also completed all punch list items. The work has been reviewed and approved by Karl Schaack, President of Price Consulting, Inc.

Staff recommend acceptance of the Hermes Gym roof replacement project and release of the retainage (\$31,134.10) to Hyperion Construction.

Mr. Michael B. Hughes, Facilities Committee Chairperson, will provide a report of the discussion and the Committee's recommendation for Board consideration.



7122 WORCESTER DRIVE , SUITE A , SPRING , TEXAS 77379 ~ 281.209.1724  
7600 CHEVY CHASE DRIVE , SUITE 300B , AUSTIN , TEXAS 78752 ~ 800.966.6088  
8117 PRESTON ROAD , SUITE 300 , DALLAS , TEXAS 75225 ~ 800.966.6088  
950 W. BANNOCK STREET , SUITE 1100 , BOISE , IDAHO 83702 ~ 208.292.9130

November 14, 2025

Mr. Tracy Morgan  
Director of Facilities  
Galveston College  
4015 Ave Q., Suite N-106  
Galveston, Texas 77550

Re: Application and Certificate for Payment - Retainage  
Galveston College: Gym – Roof Retrofit  
PCI Project No. 12369.25.01

Dear Mr. Morgan:

Enclosed is the revised Application and Certificate for Payment - Retainage submitted by Hyperion Construction for the referenced project. We find this application to be correct and commensurate with the work completed to date. In addition, PCI has performed a site visit and Hyperion has provided documentation of completion of punchlist items and Hyperion has provided applicable warranties. Please process this invoice in the amount of \$31,134.10 at your earliest convenience. If you have any questions, please contact me.

Sincerely,

PRICE CONSULTING, INC.

A handwritten signature in black ink, appearing to read 'KAS', with a horizontal line extending to the right.

Karl A. Schaack, P.E., RRC  
President

enclosure

# AIA® Document G702® – 1992

## Application and Certificate for Payment

<b>TO OWNER:</b> Galveston College - Hermes Athletic Center 4015 Avenue Q Galveston, TX 77550	<b>PROJECT:</b> Galveston College - Hermes Athletic BLDGS 4015 Avenue Q Galveston, TX 77550	<b>APPLICATION NO:</b> 003	<b>Distribution to:</b>
		<b>PERIOD TO:</b> November 10, 2025	OWNER :
		<b>CONTRACT FOR:</b> Roof Retrofit - Gym	ARCHITECT :
<b>FROM</b> Hyperion Construction	<b>VIA</b> Price Consulting, Inc.	<b>CONTRACT DATE:</b> 09-07-2025	CONTRACTOR :
<b>CONTRACTOR:</b> 13320 Telge Rd., STE 201 Cypress, TX 77429	<b>ARCHITECT:</b> 7122 Worcester Dr., STE A Spring, TX 77379	<b>PROJECT NOS:</b> 12369-25.01/ /	FIELD :
			OTHER :

### CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. AIA Document G703®, Continuation Sheet, is attached.

1. ORIGINAL CONTRACT SUM.....	311,340.99
2. NET CHANGE BY CHANGE ORDERS.....	0.00
3. CONTRACT SUM TO DATE (Line 1 + 2).....	311,340.99
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703).....	311,340.99
5. RETAINAGE:	
a. 0.00% of Completed Work	
(Column D + E on G703:     \$311,340.99)=	0.00
b. 0.00% of Stored Material	
(Column F on G703:         \$0.00)=	0.00
Total Retainage (Lines 5a + 5b or Total in Column I of G703).....	0.00
6. TOTAL EARNED LESS RETAINAGE.....	311,340.99
(Line 4 Less Line 5 Total)	
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT.....	280,206.89
(Line 6 from prior Certificate)	
8. CURRENT PAYMENT DUE.....	31,134.10
9. BALANCE TO FINISH, INCLUDING RETAINAGE	
(Line 3 less Line 6)	0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	0.00	0.00
Total approved this Month	0.00	0.00
<b>TOTALS</b>	0.00	0.00
<b>NET CHANGES by Change Order</b>		0.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

### CONTRACTOR:

By: \_\_\_\_\_



State of: \_\_\_\_\_

Texas

County of: \_\_\_\_\_

Harris

Date: \_\_\_\_\_

11/12/2025

214

Subscribed and sworn to before

me this

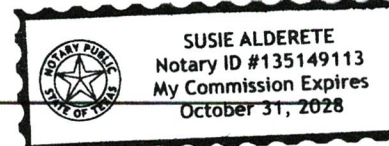
12 day of November, 2025

Notary Public: \_\_\_\_\_

Susie Alderete 

My Commission expires: \_\_\_\_\_

10-31-2028



### ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

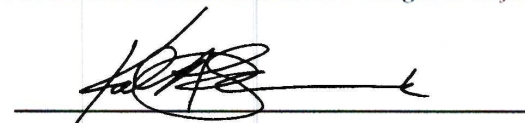
### AMOUNT CERTIFIED.....

\$31,134.10

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

### ARCHITECT:

By: \_\_\_\_\_



Date: \_\_\_\_\_

11/14/2025

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.





Warranty No.: 252254

**20 YEAR NO REPAIR LIMIT WEATHERTIGHTNESS LIMITED WARRANTY**

McElroy Metal, Inc. (hereinafter referred to as "McElroy") and the undersigned contractor (hereinafter referred to as "Roofing Contractor"), warrant to the undersigned building owner ("Owner") that subject to the terms, conditions, limitations, allocations of this warranty, and the responsibilities of McElroy, Roofing Contractor and Owner, as stated herein, the Roofing System (defined below) as supplied by McElroy will be adequate to prevent intrusion of water from the exterior of the Roofing System into the building envelope (hereinafter "leaks"), when exposed to ordinary weather conditions and ordinary wear and usage, for a period of 20 years commencing with the date of substantial completion of installation of the Roofing System. The obligations of McElroy and roofing contractor hereunder shall be limited solely to the repair of the Roofing system, and any such repairs shall carry a warranty against leaks only for any then remaining balance of the original 20 year warranty period.

Notwithstanding the foregoing and any provision contained herein to the contrary, McElroy's repair obligations hereunder are limited to the repair of the roof system to prevent leaks. With respect to any Warranty Claims (as defined in Terms, conditions, and Limitations below) made during the period commencing with the substantial completion of the installation of the Roofing System and ending on that date which is two years later, plus any extension of this warranty (as set forth in the Terms, conditions, and Limitations below) which are covered hereunder, Roofing Contractor shall be solely responsible for the performance of such repairs, and Owner agrees that it will look solely to Roofing Contractor for the performance of such repairs. With respect to any Warranty Claims made thereafter which are covered hereunder, McElroy shall be solely responsible for the performance of such repairs, and Owner agrees that it will look solely to McElroy for the performance of such repairs.

As used herein, the term "Roofing System" means the McElroy furnished roof panels, flashing and related items used to fasten the roof panels and flashing to the roof structure.

This Weathertightness Limited Warranty is not transferable or assignable. It becomes valid only when signed by each of Roofing Contractor, Owner and McElroy.

The laws of the State of Louisiana shall govern the rights and duties of the parties under this agreement and jurisdiction and venue is fixed in Bossier Parish, Louisiana.

**Project Information**

**Project Name:** Galveston College gym Roof Retrofit  
**Project Address:** 4015 Avenue Q, Galveston, TX 77550  
**Building End Use:** Gymnasium **Roof Pitch:** 3:12  
**Type of Roof Covering:** 238T 16", 24 Gauge, Galvalume Plus  
**Amount of Material (Sq. Ft.):** 10,438 **Date of Substantial Completion:** September 26, 2025  
**McElroy Invoice No.:** 6240970, 6250378, 6253556, 6258425, 6260851, 6260853, 6264930

**McElroy Metal, Inc.**

**Signature:** \_\_\_\_\_  
Tommy L. Johnson, P.E.  
Director of Engineering

**THIS WARRANTY IS NOT VALID UNLESS SIGNED BY MCELROY METAL, INC**

**TERMS, CONDITIONS, LIMITATIONS**

1. The respective responsibilities of McElroy and the Roofing Contractor hereunder shall be as follows: For any Warranty Claim or repair made during the period commencing on the date of substantial completion of the Roofing System and ending two years later, plus any extensions, Roofing Contractor shall be liable for all costs and expenses of repair of the Roofing System as required hereunder and limited above. In the event that repairs are required as a result of a Warranty Claim presented during the said two-year period, or any extension thereof, the Roofing Contractor's obligations under this warranty shall be extended for a two-year period commencing on the date of the last repair. After the expiration of such two-year period and all extensions thereof, Roofing Contractor shall have no further liability hereunder except as otherwise provided herein. Thereafter, and only for the balance [remaining after the end of such period and any and all such extensions thereof] of the original warranty period, McElroy shall be responsible for performance of the repair obligations required by this warranty.
2. Owner shall provide McElroy and Roofing Contractor with written notice within thirty (30) days of the discovery of any leaks in the Roofing System (the "Warranty Claim"). Failure of the Owner to do so shall automatically relieve both McElroy and the Roofing Contractor of any and all responsibility and/or liability under this Weathertightness Limited Warranty.
3. Upon receipt of a Warranty Claim, McElroy will send a representative to the roof location for an inspection of the roof area noted in the claim. If upon McElroy 's inspection, McElroy determines the leaks in the Roofing System are not covered by this warranty, the party requesting McElroy's inspection shall be liable for all expenses incurred by McElroy to conduct the inspection.
4. If any of the following should occur, McElroy shall have no liability or responsibility under or in connection with either this Weathertightness Limited Warranty or the Roofing System.
  - a. Deterioration caused by marine (salt water) atmosphere or by regular spray of either salt or fresh water.
  - b. Corrosion caused by heavy fallout or exposure to corrosive chemicals, ash or fumes from any chemical plant, foundry, plating works, kiln, fertilizer manufacturing, paper plant, aviation fuel or the like.
  - c. Deterioration caused by any corrosive substance or any condensate of any harmful substance contained, generated or released inside the building.
  - d. Damage caused by fire, riot, war, flying objects, or acts of God.
  - e. Damage caused by worker(s), other than McElroy's or Roofing Contractor's on the roof.
  - f. Leakage resulting from any other cause beyond the control of McElroy, except leakage resulting from the installation by the Roofing Contractor not otherwise excluded hereunder.
  - g. Failure by Roofing Contractor or by any contractor or subcontractor to follow McElroy's recommended installation instructions or approved specifications or drawings for the layout, design and erection of the roofing system.
  - h. If, after installation of the Roofing System by Roofing Contractor, there are any alterations, such as, but not limited to, structures, fixtures or utilities being placed upon or attached to the roof without prior written authorization from McElroy.
  - i. If Owner fails to comply with every term and condition of this Limited Weathertightness Warranty.
  - j. If any panels or other parts are installed in a manner that does not permit proper drainage of water from all surfaces.
  - k. If any panels or other parts are installed to allow water to cascade on any part of the Roofing System.
  - l. If roof leaks are due to ventilators, light transmitting panels, valley gutters, dormers, dead valleys, gutters, downspouts, or penetrations of the roof associated with signs, vents, equipment, or other causes.
  - m. If roof leaks are due to curbs or penetrations not pre-approved by McElroy in writing.
  - n. If roof leaks are at a tie-in to: (i) an existing metal roof manufactured by another company or (ii) a dissimilar roof such as but not limited to a built-up roof, or a rubber roof , or (iii) any wall material not by McElroy such as , but not limited to, CMU block, brick, or vinyl siding.
  - o. If any flashings, roof penetrations or accessory details are modified without the written approval of McElroy.
5. McElroy shall not have any liability or responsibility under or in connection with this Weathertightness Limited Warranty or the Roofing System in the event of a failure by Roofing Contractor or by any contractor or subcontractor to use all sealants, mastic, subframing, roof panels, clips and flashing provided by McElroy.
6. During the term of this warranty, McElroy, its sales representative and employees shall have free access to the roof during regular business hours.
7. McElroy shall not issue nor have any obligation under this Weathertightness Limited Warranty until (i) final drawings of the completed roof are submitted to McElroy by the Roofing Contractor and accepted in writing by McElroy; (ii) all McElroy procedures have been followed, and (iii), all bills owing to McElroy for installation, supplies and services have been paid in full to McElroy.
8. Under no circumstances shall McElroy nor Roofing Contractor be liable for any special, indirect or consequential damages or for any loss to the building, its contents or other materials.
9. Neither McElroy's nor Roofing Contractor's failure at any time to enforce any of the terms, conditions, or provisions stated herein shall not be construed to be a waiver of such term condition, or provision or of the right to exercise any right in the future.
10. The terms, conditions, and limitations outlined in McElroy Metal's Coating Warranties and Galvalume Substrate Warranty apply to and are incorporated into this Weathertightness Limited Warranty. Any exclusions, limitations, or conditions specified in those warranties, including but not limited to environmental restrictions, handling requirements, and maintenance obligations, shall also apply to this warranty. EXCEPT AS EXPRESSLY PROVIDED HEREIN, MCELROY MAKES NO REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY AND NO WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE ALL OF WHICH ARE HEREBY DISCLAIMED BY OWNER AND ROOFING CONTRACTOR AND EXCLUDED FROM THIS WEATHERTIGHTNESS LIMITED WARRANTY, AND NO WARRANTIES SHALL BE IMPLIED.
11. If the subject roof is covered by products of more than one roofing products manufacturer, this Weathertightness Limited Warranty applies only to those portions of such roof which are covered solely by McElroy manufactured products.
12. Notwithstanding any other provision of this Weathertightness Limited Warranty, McElroy shall not have any liability or responsibility at any time for or as a consequence of any condensation or underside corrosion which is or was caused at any time in part or wholly by condensation.
13. **SPECIAL EXCLUSIONS:**  
- None

**Owner acknowledgment of Special Exclusions (NA if None): Signature:   N/A**

**Roofing Contractor: Hyperion Construction**

**Building Owner: Galveston College**

**Signature: \_\_\_\_\_**

**Signature: \_\_\_\_\_**

**Print: \_\_\_\_\_**

**Print: \_\_\_\_\_**

**WARRANTY NOT VALID WITHOUT SIGNATURES OF BOTH CONTRACTOR AND OWNER**

# HYPERION CONSTRUCTION OF TEXAS

## 2-YEAR WORKMANSHIP WARRANTY

**Project:** Galveston College – Gym Roof Retrofit

**Owner:** Galveston College

**Architect/Engineer:** Price Consulting, Inc. / Karl Schaack

**Date of Completion:** 09/25/2025

**Warranty Term:** Two (2) Years from Date of Substantial Completion

### 1. Warranty Coverage

Hyperion Construction of Texas (“Contractor”) hereby warrants to the Owner and the Architect/Engineer that the commercial roofing system installed at the above-referenced project has been furnished and installed in accordance with the project specifications, approved submittals, and applicable manufacturer requirements.

Contractor guarantees that all workmanship associated with the installation of the roofing system shall be free from defects in installation, flashing integration, sealing, and attachment for a period of two (2) years from the date of substantial completion.

### 2. Contractor’s Obligation

During the warranty period, Contractor shall, upon written notice from the Owner, promptly inspect any alleged defect in workmanship and, if confirmed to be caused by defective installation, shall repair or replace the affected area at no cost to the Owner.

All corrective work shall be performed in a timely manner and in accordance with applicable codes, industry standards, and manufacturer specifications.

### 3. Exclusions

This warranty does not cover:

- Damage resulting from acts of God, wind exceeding manufacturer-specified design limits, hail, lightning, fire, explosion, vandalism, or impact.
- Damage caused by structural movement, settlement, or failure of the substrate.
- Damage resulting from improper maintenance, neglect, abuse, or alterations performed by others.
- Leaks or defects caused by mechanical equipment, HVAC units, curbs, or penetrations installed after the date of completion by others.
- Failure to maintain proper drainage or cleaning of roof drains and scuppers.

#### 4. Owner Responsibilities

Owner shall provide reasonable access to the roof for inspection and repairs and shall maintain the roof system in accordance with manufacturer recommendations, including cleaning, drain maintenance, and prompt reporting of leaks.

#### 5. Limitation of Liability

This warranty is limited to the repair or replacement of defective workmanship and shall not extend to incidental or consequential damages of any kind. This warranty does not supersede the manufacturer's material warranty, which remains separate and in full force.

#### 6. Transferability

This warranty is transferable to a new Owner upon written notice to Contractor within 30 days of property transfer, provided the roof remains unaltered.

Issued this 26th day of September, 2025.

By:

**Hyperion Construction of Texas**

Jason Nicholson, President

13320 Telge Rd., Ste 201, Cypress, TX 77429

315-240-6413 | jason@hyperionoftexas.com

Owner Acknowledgment of Receipt: \_\_\_\_\_

**MCELROY METAL**  
**GALVALUME® SUBSTRATE WITH FLUROPON KYNAR 500® (PVDF) COATING,**  
**LIMITED WARRANTY**  
**APPLICABLE PRODUCTS: ALL MCELROY FLUROPON PVDF COATED PRODUCTS WITH**  
**GALVALUME SUBSTRATES**

McElroy Metal, Inc. ("McElroy") warrants to the purchaser of McElroy panels using standard Fluoropon Kynar 500® or Hylar 5000® (PVDF) coating systems that when used in exterior applications the coating system will meet the following standards. For warranty terms on special and/or non-standard colors, please contact a McElroy representative.

1. For a period of 40 years from date of shipment, coating exhibits cracking, flaking, or peeling (loss of adhesion) to an extent that is apparent on ordinary outdoor visual observation. Failure due to substrate corrosion is not a covered Warranty Condition.
2. For a period of 30 years from date of shipment, coating chalks in excess of ASTM D-4214 method A number 8 rating when properly maintained as described herein.
3. For a period of 30 years from date of shipment, coating changes color more than five (5.0) Hunter delta-E units as determined by ASTM method D-2244. Color change shall be measured on an exposed painted surface that has been cleaned of surface soils and chalk, and the corresponding values measured on the original or unexposed painted surface. Color changes may not be uniform on surfaces that are not equally exposed to the sun and elements and McElroy Metal does not warrant that color changes will be uniform.

Orange, Casco Orange, Safety Orange and Brite Red are warranted under the same testing methods and limitations as indicated on this warranty, but have special numerical ratings as indicated below:

1. For a period of 20 years from the date of shipment, the coating system will not crack, check or peel (loss of adhesion).
2. For a period of 10 years from the date of shipment, the coating system will not chalk in excess of numerical rating eight (8).
3. For a period of 10 years from the date of shipment, the coating system will not change color (fade) more than five (5.0) ΔE Hunter units.

McElroy Metal also warrants to the purchaser that McElroy Metal's hot dipped aluminum-zinc alloy coated GALVALUME (TM) sheet steel sold for use as painted roofing and siding panels, if erected within the United States will not rupture, fail structurally, or perforate due to exposure to normal environmental conditions for the warranty period listed below.

- 50 years for AZ 50 Galvalume substrate with Fluoropon PVDF coating

Warranties are subject to the conditions, limitations and exclusions set forth below:

#### Coating Warranty

If any panels fail to comply with the coating warranty specifications set forth above, McElroy will pay for labor and material reasonably necessary to repaint, repair or replace, at our option, the metal panels showing the Warranty Conditions. The Warranty Benefits shall not exceed the costs of the then-current panel and labor to replace the affected metal panels (not including any accessories or attachments).

#### Substrate Warranty

If any panels fail to comply with the substrate warranty specifications set forth above, McElroy Metal's liability for breach of this warranty shall be limited exclusively to the cost of either repairing nonconforming panels, or at McElroy Metal's sole option replacing nonconforming panels. McElroy Metal shall not in any event be liable for the cost of labor expended by others on any nonconforming sheet.

McElroy shall not be held liable for any special, indirect or consequential damages to anyone by reason of the fact that such panels are nonconforming. These Warranties will continue to apply to any metal panels that were repainted, repaired or replaced due to a Warranty Condition, but only for the unexpired portion of the Warranty period applicable to the original part.

All claims filed under this warranty must be presented in writing by the purchaser to McElroy during the warranty period and not more than 30 days after discovery by the purchaser of the problem for which the claim is made. All claims must reference McElroy's invoice number and be sent by registered or certified mail to McElroy Metal at 1500 Hamilton Road, Bossier City, Louisiana 71111.

(Continued)  
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**MCELROY METAL**  
**GALVALUME® SUBSTRATE WITH FLUROPON KYNAR 500® (PVDF) COATING,**  
**LIMITED WARRANTY**  
**APPLICABLE PRODUCTS: ALL MCELROY FLUROPON PVDF COATED PRODUCTS WITH**  
**GALVALUME SUBSTRATES**

THIS WARRANTY SHALL BE SUBJECT TO THE FOLLOWING CONDITIONS, LIMITATIONS AND EXCLUSIONS:

- A. This warranty covers only panels erected in the continental United States, which are exposed to normal weather and atmospheric conditions.
- B. This warranty is for the benefit of the original purchaser only and is not transferable or assignable.
- C. This warranty is null and void for any material that is subjected to salt spray or installed on property 1,500 feet or fewer from a salt water environment.
- D. This warranty does not apply to defects or failures which arise out of any of the following:
  - 1. the formation of rust on the panel edges;
  - 2. acts of God, falling objects, external forces, explosions, fire, riots, civil commotions, acts of war, radiation, harmful gases, harmful fumes, salt atmosphere or standing water due to failure to provide adequate slope and drainage;
  - 3. failure to properly insulate panels from direct contact fallout or runoff from dissimilar metals such as copper, lead, nickel, stainless steel, etc., contact with damp insulation, chemicals, fumes, ash, debris, soil, vegetation, animal waste, decaying materials, wet absorptive materials, concrete, cement dust, animal waste, other foreign or corrosive materials from contact with or in close proximity to the panel;
  - 4. paint adhesion loss and/or staining as a result of excessive sealant or failure to remove steel debris/iron particles that come in contact with the panel surface;
  - 5. significant differences in insulation below-coated metal panel;
  - 6. use in a manner not intended or improper storage or handling, including but not limited to damage from condensation on the panels attributable to improper handling;
  - 7. conditions / circumstances where corrosive fumes or condensates are generated or released inside the building;
  - 8. minute fracturing, which may occur in the proper fabrication of the building parts; bends less than 2T inside bend diameter for sheet thickness 0.030" and thinner, and less than 4T for sheet thickness 0.031 and thicker;
  - 9. slopes of the roof or sections of the roof flatter than 1/4:12;
  - 10. if panels are applied without protection over lumber that has been treated with preservatives or fire-resistant materials, regardless of whether such treatments are present with or without the knowledge of the buyer, the owner, or any other party. This exclusion shall include but is not limited to, lumber that has been treated with pentachlorophenol, chromated copperarsenated salts, creosote, fluorochrome arsenate phenol, alkaline copper quaternary, or any similar treatment for fire and rot resistance. Protection of lumber as provided for in the exclusion shall be defined as any barrier that prevents the transfer of moisture and salts between the treated lumber and pre-finished metal panel;
  - 11. abnormal corrosive atmospheric conditions. this exclusion includes, but is not limited to, contamination from external sources such as manufactured chemicals and salt spray, and internal contamination created by improper ventilation (design or operational defects) or improper housekeeping;
  - 12. discontinuities in the paint film as a result of damage during installation or use of the building, e.g., scratches;
  - 13. attachment or adhesion of materials or items such as snow guards and solar panels to the metal panels;
  - 14. damage due to improper forming, scouring, cleaning procedures or use of any bleach-based cleaner;
  - 15. any condition, which occurs in any chemically aggressive environment containing salts, or other chemicals, whether naturally occurring or caused by man, is stored/installed in an environment that includes a high degree of humidity, sand, dirt, or grease;
  - 16. design flaws or elements that would result in moisture (water) or other foreign materials to accumulate resulting in excessive exposure to moisture or foreign material, including dirt, leaves, soil, vegetation, mold, mildew, fungus and rubbish,
- E. McElroy shall have no obligation under this warranty unless and until McElroy receives payment in full for the materials furnished.

(Continued)  
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**MCELROY METAL  
GALVALUME® SUBSTRATE WITH FLUROPON KYNAR 500® (PVDF) COATING,  
LIMITED WARRANTY  
APPLICABLE PRODUCTS: ALL MCELROY FLUROPON PVDF COATED PRODUCTS WITH  
GALVALUME SUBSTRATES**

- F. The supplier of the Galvalume substrate and paint coating applied to McElroy panels and the applicator of the paint coating has made certain warranties to McElroy that are the same (or substantially similar) as the warranties made by McElroy under this limited warranty. This limited warranty shall be of no further force or effect if such supplier, or its successors or assigns, can no longer perform its obligations under the substrate and coating system warranties made to McElroy.

THERE ARE NO OTHER GUARANTEES OR WARRANTIES, EXPRESSED OR IMPLIED, WHICH EXTEND BEYOND THE DESCRIPTION AS STATED HEREIN, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS OF PURPOSE. MCELROY METAL SHALL NOT BE RESPONSIBLE FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES (SUCH AS DAMAGES TO THE CONTENTS OR FURNISHINGS OF ANY BUILDING) OR ANY LOSS OF ANY KIND WHATSOEVER.

**REV. 1 MM613-GM**



# WARRANTY FORM

## PROJECT INFORMATION

\* required field

Project Name *	Galveston Collge - Gym Roof Retrofit		
Address *	4015 Avenue Q		
City/State *	Galveston, TX	Zip Code *	77550

## MCELROY INVOICE NUMBERS

6240970 6250378 6253556
6258425 6260851
6260853 6264930

## CONTRACTOR

Company Name *	Hyperion Construction
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## PURCHASER NAME LISTED ON INVOICES

Company Name *	Hyperion Construction
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## PROJECT DATE OF COMPLETION \*

09/26/2025
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## OWNER

Name *	Galveston College		
Address *	4015 Ave Q		
City/State *	Galveston, TX	Zip Code *	77550



# Certificate of Compliance

## WPI-8

### Location of Property to be Insured

**Street:** 4015 AVENUE Q

**Block:**

**City:** Galveston

**Lot:**

**Tract or Addition:**

**County:** Galveston

Inside City Limits

Design wind speed 159 mph

International Building Code, 2018 Edition - Risk Category III

**Date of Construction:** 08-08-2025

**Application ID:** 2449741

**Occupancy Type:** Commercial

**Certificate Number:** 2449741

**Building Type:** College/University

**Certificate Type:** Roof

**Certificate Detail:** Entire Re-Roof

Bldg: Hermes Athletic Building; Comments: Manufactured Metal - Roof-Over

**Certificate Date:** September 22, 2025

**Inspector Type:** Appointed Qualified Inspector

This Certificate of Compliance, Form WPI-8, is issued by the Texas Department of Insurance under Insurance Code § 2210.251 and § 2210.2515 and demonstrates that the ongoing improvement identified in the certificate complies with the applicable windstorm building code under 28 Texas Administrative Code §§ 5.4007 – 5.4011.

Consider Facilities Committee Recommendation Regarding the Health Sciences Education Center  
(HSEC) Project

The Board Facilities Committee was scheduled to meet prior to the January 14, 2026 Regular Meeting of the Board of Regents to consider a recommendation to the Board regarding the HSEC.

Mr. Michael B. Hughes, Facilities Committee Chairperson, will provide the Committee's recommendation for Board consideration.

Consider Approval of Engineering Consulting Services

A request for Qualifications for a professional Engineering Services on an open end (continuing Service) was sent to thirty-three vendors and was advertised in the local newspaper. Eleven responses were received. The Qualification proposals are available for Board review, if desired.

After review of the firms that submitted responses, staff recommends 8 firms be awarded contracts according to each firm’s in-house engineering specialties. These contracts will be used when the College needs an engineering firm for specific projects.

- Geotech, and Construction Material: Raba Kistner, as the primary, and CMT Technical Services as the Secondary.
- Building Envelope, roofing: Raba Kistner as the primary and PCI as secondary
- MEP- Mechanical, Electrical and Plumbing, Sigma as primary and Jones DBR as secondary
- Fire Protection: Wylie Engineering
- Low voltage/tech design: EMA Engineering as primary and CMT Technical Services as secondary
- Structural and Civil Engineering: Sigma as primary and Infrastructure as secondary
- Construction Management and Telecommunications security design, Infrastructure.

<b>Company</b>	<b>Engineering Specialty</b>	<b>Position</b>
Raba Kistner 10819 W. Fairmont Parkway La Porte, Texas 77571	Geotech and Construction Material Building Envelope, Waterproofing	Primary Primary
CMT Technical Service 4014 Blue Bonnet Dr Suite B Stafford, Texas 77477	Geotech and Construction Material Low Voltage/tech design	Secondary Secondary
PCI- Price Consulting, Inc 7022 Worcester Drive Suite A Spring, Texas 77379	Building Envelope, Waterproofing	Secondary
Sigma Engineers, Inc 4099 Calder Ave Beaumont, Texas 77706	MEP Structural and Civil Engineering	Primary Primary
Jones DBR Engineering Company, LLC 9990 Richmond Ave South Building, Suite 310 Houston, Texas 77042	MEP	Secondary

Wylie Engineering 1177 West Loop South, Suite 900 Houston, Texas 77027	Fire Protection	Primary
EMA Engineering & Consulting, Inc 2900 North Loop W. Suite 600 Houston, Texas 77092	Low Voltage/tech design	Primary
Infrastructure Associates 6117 Richmond Avenue Suite 200 Houston, Texas 77057	Structural and Civil Engineering Construction Management and Telecommunications security design	Secondary Primary Primary

Consider Approval of Proposal to Purchase New Chairs for the Blackbox Theater

Staff requests Board approval of the proposal from Wenger Corporation (Buy Board Contract No. 712-23), in the amount of \$42,348.27 to purchase new chairs for the Blackbox Theater.

Funding for this project will be the Education and General Fund. The proposal is available for review upon request.

Consider Approval of Proposal to Purchase New Furniture for Room N-119 and Adjacent Foyer

Staff requests Board approval of the proposal from McCoy Rockford Commercial Interiors (Steelcase E&I CDA # 21Z00987 & OT0047945A Omnia Contract Region 4 #R240109), in the amount of \$108,823.20, to purchase new conference room and lounge furnishings for room N-119 in the Northern Center and adjacent foyer.

Funding for this project will be the Capital Projects Fund. The proposal is available for review upon request.

Consider Adoption of Resolution Ordering the Galveston Community College District  
May 2, 2026, General Election and Accepting the Terms of the Contract for Election Services

The Board will consider the adoption of the following resolution ordering the May 2, 2026 General Election and accepting the terms of the Contract for Election Services.

**RESOLUTION ORDERING THE  
GALVESTON COMMUNITY COLLEGE DISTRICT  
MAY 2, 2026 GENERAL ELECTION AND  
APPROVING THE CONTRACT FOR ELECTION SERVICES**

On this date, the 14<sup>th</sup> day of January 2026, the Board of Regents (“Board”) of the Galveston Community College District (“District”) convened at a regularly called meeting, and among other business conducted by the Board, adopted this resolution ordering the May 2, 2026 General Election:

WHEREAS, Section 3.004 and Section 41.001, Texas Election Code, require the governing body of a political subdivision to order an election of those officers for each general or special election on one of the following dates: (1) the first Saturday in May in an odd-numbered year, (2) the first Saturday in May in an even-numbered year, for an election held by a political subdivision other than a county, or (3) the first Tuesday after the first Monday in November; and

WHEREAS, Section 130.082(e), Texas Education Code, requires that three Trustees (Regents) shall be elected at each election to serve terms of six (6) years; and

WHEREAS, Section 31.093(a), Texas Election Code, authorizes the contracting for election services with the county elections administrator; and

WHEREAS, various provisions of the Texas Election Code require the election order to contain certain information;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF REGENTS OF THE GALVESTON COMMUNITY COLLEGE DISTRICT:

Section 1. That an election shall be held on the first Saturday in May 2026, which is the 2<sup>nd</sup> day of May 2026, to elect three (3) members of the Board of Regents of the Galveston Community College District, Positions 4, 5, and 6, for six-year terms to expire in May 2032.

Section 2. That all applications by candidates to have their names placed on the ballot shall be in writing, signed by the applicant, and filed with the Secretary of the Board of Regents by mail or in person at Galveston College, 4015 Avenue Q, Room M-200, Galveston, Texas, 77550, not later than 5:00 p.m. on February 13, 2026, for the Regular Election. Candidates may also file an application by fax to (409) 944-1500 or by email at [gcboardelections@gc.edu](mailto:gcboardelections@gc.edu). Each candidate shall disclose the position number or name of the incumbent member of the Board holding the position for

which he or she desires to run. The Secretary of the Board of Regents, hereby, appoints the Assistant Secretary to the Board of Regents, Dr. W. Myles Shelton, an employee of the District, as the Secretary’s Agent (“Agent”) to perform the duties of secretary related to the conduct and maintenance of records of the election as required under the Texas Election Code. This includes, but is not limited to, posting or publishing notices not covered by the Contract for Election Services, providing applications for candidates, accepting applications from candidates for a place on the ballot, accepting and maintaining records regarding campaign finance reporting, ballot preparation, and post-election procedures. The Agent shall publish the notice of election in *The Daily News* according to the Texas Election Code. The Agent is authorized to designate staff in the District to perform any or all of the various responsibilities of the Board’s Agent.

Section 3. That early voting by personal appearance shall begin on April 20, 2026, end on April 28, 2026, and shall be conducted at the following locations within the District:

**Main Early Voting Location**

**Galveston County Justice Center**

10000 Emmett F. Lowry Expressway, Suite 1152, Texas City, TX 77591

**Branch Early Voting Locations**

**Galveston County Courthouse (2<sup>nd</sup> Floor Mezzanine)**

722 Moody, Galveston, Texas 77550

**Moody Methodist Church**

2803 53<sup>rd</sup> Street, Galveston, Texas 77551

**Seaside Church**

16534 Termini San Luis Pass Road, Jamaica Beach, Texas 77554

**Joe Faggard Community Center**

1750 Highway 87, Crystal Beach, Texas 77650

The hours for early voting by personal appearance shall be:

April 20 through April 24	Monday through Friday	8:00 a.m. to 5:00 p.m.
April 25 and April 26	Saturday and Sunday	<i>Closed</i>
April 27 and April 28	Monday and Tuesday	7:00 a.m. to 7:00 p.m.

Section 4. That the County Clerk of the County of Galveston, Texas, Dwight D. Sullivan, shall serve as the early voting clerk for the May 2, 2026 general election. Ballot-by-mail applications should be sent to the early voting clerk by:

- *Mail* - Dwight D. Sullivan, Galveston County Clerk, Attention: Ballots by Mail, Galveston County Justice Center, P. O. Box 17253, Galveston, TX 77552-7253;

- *Mail by common contract carrier* – Dwight D. Sullivan, Galveston County Clerk, 600 59<sup>th</sup> Street, Suite 2001, Galveston, TX 77551-4180;
- *Fax* - (409) 765-3249; or
- *Email* - [absenteeballotapplications@co.galveston.tx.us](mailto:absenteeballotapplications@co.galveston.tx.us)
- *Early Voting Clerk's Website* - [www.galvestonvotes.org](http://www.galvestonvotes.org)

The first day to apply for a ballot by mail is January 1, 2026 (applies to an annual Application for Ballot by Mail or a Federal Post Card Application) and the last day to apply is April 20, 2026 (received, not postmarked).

Section 5. That this election will be conducted as a countywide vote center election and polling places of said election and persons appointed as officers to conduct said election shall be those places and persons designated by the Galveston County Contracting Officer as authorized by the Contract for Election Services, Exhibit A, including members of the Signature Verification Committee / Early Voting Ballot Board and the Central Counting Station / Resolution Board. A list of proposed polling locations within the District is attached, Exhibit B. A comprehensive list of polling locations designated by the Galveston County Contracting Officer will be submitted to the Board of Regents for approval once all application filing deadlines have passed and the entities conducting an election have been determined.

Section 6. That the duly appointed election officials shall make a written return of the election results to the District in accordance with the provisions of the Contract for Election Services. The Board of Regents shall call a Special Meeting to canvass the returns and declare the results of the District's election, by law, no later than May 13, 2026. That meeting will be held at Galveston College, 4015 Avenue Q, Galveston, Texas, in Room M-220.

Section 7. That, with the Board's adoption of this resolution ordering the May 2, 2026 general election, it also accepts the terms of the attached Contract for Election Services, Exhibit A, and the Hart Intercivic Verity equipment, as approved by the Texas Secretary of State, for the voting system used in providing services under this contract.

Section 8. That the Board authorizes the Agent to post and/or publish the Order of General Election (*Orden de Elecciones General*), Exhibit C, as notification that this election has been called.

**WITNESS THE ACT OF GALVESTON COMMUNITY COLLEGE DISTRICT BOARD OF REGENTS**, on this the 14<sup>th</sup> day of January, 2026.

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Carolyn L. Sunseri  
Chairperson, Board of Regents

ATTEST:

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Michael B. Hughes  
Secretary, Board of Regents

APPROVED AS TO FORM:

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Robert E. Booth, Attorney for  
Galveston Community College District

Exhibit A

**Contract for Election Services**

**Contract for Election Services**  
*Local Entity Countywide Vote Center Elections*

**This Contract** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Hon. Dwight D. Sullivan, County Clerk and County Election Officer for Galveston County (herein known as "Galveston County") and \_\_\_\_\_ on behalf of \_\_\_\_\_ ("Entity").

**This Contract** is being entered into pursuant to Texas Election Code, Chapter 31, Subchapter D for the purpose of ensuring that Galveston County and the Entity understand the tasks each is to perform in connection with the following election and any subsequent runoff election, to-wit:

Purpose of Election: \_\_\_\_\_

**May 2, 2026**  
Election Date

**TBD**  
Runoff Election Date

Early Voting will be held on **April 20-24, 2026** from 8 a.m. to 5 p.m., Monday, **April 27–Tuesday, April 28, 2026** from 7 a.m. to 7 p.m. On Election Day, the polls will be open from 7 a.m. to 7 p.m.

- 1. Duties and Services of Galveston County.** Galveston County shall be responsible for performing the following duties and furnishing the following services and equipment in connection with the election and any subsequent runoff election.
  - 1.1. Program, or arrange to have programmed, the ballot.
  - 1.2. Arrange to have published the legal notices of the first test of the electronic tabulating equipment as provided in Texas Election Code §127.096 and conduct all required tests of the electronic tabulating equipment under Texas Election Code §§127.096-127.098 and §§129.021-129.023. The first test shall be conducted at least five days prior to the election where possible. In addition, it will be performed during normal business hours and open to the public.
  - 1.3. Provide all election services, as required by law, for all portions of Galveston County.
  - 1.4. Provide technical and equipment support for the electronic poll pads, voting machines and equipment being provided to the Entity. In the event there is an equipment failure Galveston County shall try to remedy the problem over the phone. If unable to do so, will dispatch to locations within Galveston County the appropriate technical support personnel and equipment to correct the failure.
  - 1.5. On behalf of the Entity, obtain Official Voter Registration lists from the Voter Registrar to be used during Early Voting and on Election Day.  
***[See Section 2.3 below]***
  - 1.6. Provide Ballot by Mail services for the Entity.

- 1.7. Hire Judges, Alternate Judges, and clerks to serve as election workers at the various polling locations. Workers will be paid in accordance with Section 5 of this contract and will be required to complete election training (at the discretion of the Elections Division) as a prerequisite for serving. Workers will be paid for attending training.
- 1.8. Select the countywide vote center polling locations in coordination and assistance with the Entity and with the approval of Galveston County Commissioners' Court. Entity will be required to provide voting locations as may be needed within their jurisdiction. Polling locations must be in compliance with Chapter 43 of the Texas Election Code.
- 1.9. Provide the Entity *\*and where possible the candidates running for office*, a sample ballot for them to proof and approve or provide corrections.  
**[See sections 2.6 and 2.7 for related information]**  
  
**\*The Entity will be responsible for providing Galveston County with the email and contact information for each candidate who will be on the ballot.**
- 1.10 As required by §67.017(b) and the Secretary of State's Office, Galveston County will provide all reports needed to the Entity so they can submit precinct-by-precinct reports no later than the 30th day after Election Day.

For additional Duties of Galveston County see section **(5) Fee Schedule of Galveston County** below.

**2. Duties and Services of the Entity.** The Entity will be responsible for performing the duties and services set forth in this section and will consummate this contract **on or before February 6, 2026**. Contracts submitted after this date will require a \$500 fee, which **will be non-refundable regardless of whether the Entity cancels its election.**

- 2.1. Prepare and submit any required submissions to the U.S. Department of Justice under the Federal Voting Rights Act of 1965 for its election and runoff election.
- 2.2. Publish notices of the election in accordance with Section 4.003(a) of the Texas Election Code.
- 2.3. Provide Galveston County with the Entity's requirements for Official Voter Registration lists for early voting and Election Day.
- 2.4. In accordance with Texas Election Code §4.008 as amended, deliver written notice of the election to Galveston County.
- 2.5 It is understood that the Entity may need to modify its election order after **February 17, 2026**, to reflect the actual early voting and Election Day polling locations once the final determination has been made as to which entities will actually be holding an election.

If the Entity wishes to select additional polling locations within its footprint, it will submit a list and the contact information for each facility to Galveston County by **February 6, 2026**. Regardless of who selects the polling locations the Entity shall comply with Texas Election Code §43.062, and shall notify prospective voters of the new location by placing a notice at the old polling location and a notice at the new polling location.

***[See Section 1.7 for additional information on the selection of countywide polling places]***

- 2.5. Provide to Galveston County the language for any ballot propositions, the names of election contests, the names of candidates, as they are to appear on the ballot, a copy of a sample ballot, ballot draw information and a completed "Requirements to Program the Ballot" form. These materials will be provided in an electronic form to Galveston County by **no later than February 18, 2026**. All language on the ballot must be provided in both English and Spanish in a MS Word format. Any other languages required by law, must also be provided in a MS Word format as well (e.g., Harris County, Chinese and Vietnamese). In addition, the Entity will collect and provide to Galveston County the names, addresses, phone numbers and email addresses of all the candidates who are to appear on its ballot. This information will be used to send candidates copies of the ballot proofs for their review. ***[See Section 1.8]***
- 2.6. Return to Galveston County, by **March 11, 2026 5 p.m.**, confirmation that the sample ballots Galveston County has prepared and provided to the Entity are satisfactory or provide changes that need to be made. Galveston County intends to conduct the L&A test on the Entity's ballot no later than **March 17, 2026 at 9a.m.**

The Entity shall have a representative present during the testing who will sign an affidavit signifying the ballot proofs are accurate and acceptable to the Entity. If unable to attend, a representative may send a signed electronic response approving the ballot. ***[See Section 1.8 for related information on ballot proofing]***

- 2.7. Galveston County will be conducting elections for numerous Entities on the same day. The parties understand that each election has its own challenges and requirements and that failure to provide the information outlined in Section 2 of this contract by the dates specified will place an undue burden on Galveston County that may hinder the ability to provide the services to the Entity in a timely and accurate manner. **Should the Entity miss the deadlines, and/or fail to notify the County of any special circumstances (e.g., adding portions of another county to their election, additional languages required, or unopposed candidates on the ballot) there may be additional charges incurred, up to \$1,000.00 and additional labor and material costs, to be determined by the Chief Deputy of Elections. Should Galveston County be unable to provide the services in a timely and accurate manner the Entity, to the extent allowed under the Constitution and Laws of the State of Texas, shall hold Galveston County and employees harmless from any election errors and corresponding liability and/or damages that may result, including but not limited to the costs incurred related to an election contest and/or the need to conduct a subsequent election.**
  - 2.8. Unless otherwise stipulated, Galveston County will transport or have the Presiding Election Judges transport on its behalf, the voting machines and equipment to and from the Entity's early voting and Election Day voting locations.
  - 2.9. Monitor, with the assistance of Galveston County, the overall conduct of its election in Entity's jurisdiction including the observation of the tabulating of the results.
  - 2.10. Entity to pay a **\$125** fee per early voting and Election Day polling locations within its jurisdiction for additional support staff to provide the Entity and its Judges election support services throughout the term of this contract.
3. **Cancellation of Contract:** Except for contracts consummated after **February 6, 2026**, the Entity may cancel this contract without incurring any expenses by notifying Galveston County of its intention to cancel by no later than two (2) business days after its

candidates' filing deadline of **February 17, 2026**. The Entity will be obligated to pay Galveston County a **\$500** fee if cancelled after this grace period.

**4. Special Provision: Bilingual Poll Worker Requirements.** Galveston County is permanently committed to:

- a) Provide in Spanish "any registration or voting notices, forms, instructions, assistance, or other materials or information relating to the electoral process, including ballots," that they provide in English as required by Section 4(f)(4) of the Voting Rights Act, 43 U.S.C. 1973b(f)(4); and
- b) Ensure that poll workers provide and receive adequate training regarding (1) the use of providing provisional ballots under Section 302(a) of HAVA; and (2) the display of all HAVA-required signs under Section 302(b) of HAVA.

**5. Fee Schedule of Galveston County:** Galveston County agrees to perform these services at the following rates:

- a) Provide to the Election Judges all necessary election supplies, which are to be returned to Galveston County after the polls close on Election Night.  
***Cost: \$100 per kit***
- b) Arrange for staff to receive the supplies and equipment being returned by the Election Judges on Election Night.  
***Cost: Overtime for staff and part time workers hired to provide this service will be evenly split between the entities contracting with Galveston County.***
- c) Provide all necessary voting machines and equipment for use at early voting and Election Day locations.  
***Cost: \$465 per Verity Duo, \$506 per Verity Controller, \$577 per Verity Duo with access, \$610 per Verity Scanner and \$150 per Verity Duo Go.***
- d) Transport the voting machines and equipment to and from the voting locations.  
***Cost: \$200 delivery per location***
- e) Program the ballot and conduct the Logic and Accuracy Testing of the counting equipment.  
***Cost determined by the number of contests on the ballot: \$1500 for up to 5, \$2530 for up to 10, \$3,300 for up to 20, \$4,180 for up to 40 and \$5280 for up to 75, and \$6720 for up to 100 contests.***
- f) Provide a central counting station, supplies, equipment and the tabulating and supervisory personnel needed to tabulate. Prepare the unofficial tabulation results and unofficial/official canvass report.  
***Cost: \$1000 for use of the equipment plus overtime for county employees doing the tabulation if applicable.***
- g) Assist the Entity in the general overall supervision of the election and any subsequent runoff election.  
***Cost: Included in the 10% election fee***
- h) Conduct early voting and Election Day Voting training.  
***Cost: \$75 per person per class***
- i) Two or more electronic **poll pads** will be deployed (at the discretion of the Elections Division) to each polling location.  
***Cost \$100 per poll pad***

- j) Galveston County will partner with the Entities to determine the polling locations within their jurisdictions.
- k) Hire judges, alternate judges, and clerks that are trained by Galveston County and are registered voters from within one of the jurisdictions holding an election.  
**Cost: Total amount reimbursable by the Entity.**
- l) Elections Mobile App: Entities contracting elections with Galveston County will have their election information included on the Elections Mobile App.  
**Cost: up to \$500.**
- m) The cost for all printed ballots (ballots by mail, sample ballots and test ballots) is **\$ .50** per sheet.
- n) Ballots by Mail: Galveston County will provide ballot by mail processing services to the Entity. **The cost for this service is \$4.00 per ballot (\$4.50, if a multi-page ballot).**
- o) The Entity may have an observer present during the tabulation of the votes. The name and contact information of the observer must be provided to and approved by the Presiding Judge of the Central Count Station on the form prescribed by the Texas Secretary of State upon arrival at the location.

**6. Compensation, Billing, and Payment.** In accordance with Section 31.100(d) of the Texas Election Code, the Entity will pay Galveston County the greater of Seventy-Five (\$75.00) Dollars or ten percent (10%) of the total amount of this contract for general supervision of the election. Pursuant to Texas Election Code §31.098, Galveston County may contract with third persons for election services and supplies agreed to herein and the Entity hereby agrees to pay for these third-party costs when invoiced by Galveston County.

Galveston County will invoice the Entity for services rendered under this contract. The Entity will make payment to Galveston County in accordance with the terms and provisions of what is commonly referred to as the Texas Prompt Payment Act.

**7. Voting System.** The Hart Intercivic Verity Duo equipment as approved by the Texas Secretary of State will be the voting system used in providing services under this contract.

**8. Authorized Representatives.** Galveston County’s authorized representative for all purposes of this contract is its Chief Deputy Clerk for Elections.

The Entity’s authorized representative for all purposes of this contract is:

\_\_\_\_\_

Name

\_\_\_\_\_

Phone #

**9. General Provisions.** As specified in Texas Election Code §31.096 this contract may not change:

- a) The authority with whom applications of candidates for a place on a ballot are filed;

- b) The authority with whom documents are filed under Texas Election Code §251.001 et. seq.; or
- c) The political subdivision's requirement to maintain office hours under section 31.122.

As set forth in Texas Election Code §31.099 not later than the 10th day after the date this contract is executed Galveston County shall file a copy of this contract with the County Treasurer and the County Auditor.

**10. WAIVER OF DAMAGES.** The parties acknowledge that the Hart Intercivic Verity Duo System and the programming of paper ballots is highly technical and that it is conceivable that despite the efforts of Galveston County it might fail during an election or might contain errors. The Entity agrees that should the electronic voting system fail, it will not make any claim against Galveston County or any of their full or part-time employees, independent contractors or agents for damages of any kind, including but not limited to any and all costs relating to an election contest and/or costs and damages incurred for having to conduct a second election caused as a result of such failure or error.

The Entity acknowledges that holding multiple simultaneous elections presents logistical problems and other problems over and above a single election. Galveston County and its employees and agents will attempt to help ensure that these simultaneous elections are conducted without error or mishap, but on occasion, errors or mishaps do occur. Accordingly, the Entity agrees that should an error or mishap occur that it will not make any claim against Galveston County, or their full or part-time employees, independent contractors or agents for damages of any kind including but not limited to any and all costs relating to an election contest and/or costs and damages incurred by the Entity for having to conduct a second election, as a result of such error or mishap.

If legal action is filed against the Entity involving its election and if Galveston County is named as a party to this legal action and the complaint is based solely on allegations made against the Entity, the Entity shall be solely responsible for all costs and defense of that suit. In addition, the Entity shall be required to provide adequate legal counsel for Galveston County and, upon notice to the Entity, Galveston County shall be entitled to settle such claim or legal action upon terms it deems most advantageous to itself.

For purposes of implementing this contract, Galveston County and the Entity designate the following individuals to submit and/or receive information or notices to Galveston County or the Entity:

***Galveston County:***

Dwight D. Sullivan, County Clerk  
Attention: Wendi Fragoso, Chief Deputy of Elections  
Galveston County Records and Election Center  
10000 Emmett F. Lowry Expressway, Suite 1152  
Texas City, TX 77591

P.O. Box 17253  
Galveston, Texas 77552-7253  
409-770-5108  
Email: [Wendi.Fragoso@co.galveston.tx.us](mailto:Wendi.Fragoso@co.galveston.tx.us)

***Entity:***

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Phone: \_\_\_\_\_

Email: \_\_\_\_\_

This contract will be submitted to the Galveston County Commissioners' Court to be placed on the Consent Agenda as a Receive and File Item.

**11. Galveston County Title VI Assurance Clause.** Galveston County is committed to ensuring that no person, on the ground of race, color, national origin, religion, sex, age, disability or Veteran status, shall be subjected to discrimination, excluded from participation, or denied the benefits of, its programs and activities.

In accordance with this policy Galveston County requires its service providers and contractors to agree that during the performance of this contract the service provider or contractor for itself, its assignees and successors will abide by the following:

**Compliance with Non-Discrimination Laws and Regulations.** During the performance of this contract, contractor, for itself, its assignees and successors in interest (hereinafter referred to as "contractor") agrees as follows:

- 1) **Compliance with Regulations.** The contractor shall comply with the Regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter, DOT) Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are incorporated herein by reference and made a part of this contract.
- 2) **Nondiscrimination.** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the basis of race, color, national origin, religion, sex, age, disability or Veteran status in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
- 3) **Solicitations for Subcontractors, Including Procurement of Materials and Equipment.** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, national origin, religion, sex, age, disability or Veteran status.
- 4) **Information and Reports.** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by Galveston County or the Texas Department of Transportation to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information the contractor shall so certify to Galveston County or the Texas Department of

Transportation as appropriate, and shall set forth what efforts it has made to obtain the information.

- 5) **Sanctions for Noncompliance.** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, Galveston County shall impose such contract sanctions as it or the Texas Department of Transportation may determine to be appropriate, including, but not limited to:
- a) withholding of payments to the contractor under the contract until the contractor complies, and/or
  - b) cancellation, termination, or suspension of the contract, in whole or in part.
- 6) **Incorporation of Provisions.** The contractor shall include the provisions of paragraphs (1) through (6) in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as Galveston County or the Texas Department of Transportation may direct as a means of enforcing such provisions including sanctions for non-compliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request Galveston County to enter into such litigation to protect the interests of Galveston County, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**Galveston County:**

\_\_\_\_\_  
Dwight D. Sullivan  
County Clerk

**Entity:**

Name: \_\_\_\_\_  
(Please Print)

\_\_\_\_\_  
(Signature)

- City Manager
- Superintendent
- City Secretary
- Chair County Executive Committee
- Mayor
- President
- Other

**Received and Filed:**

Galveston County

\_\_\_\_\_  
Hon. Mark Henry  
County Judge  
Attest:

\_\_\_\_\_  
Dwight D. Sullivan  
County Clerk

Date: \_\_\_\_\_

Date Copy of Agreement Furnished  
to County Treasurer: \_\_\_\_\_

Date Copy of Agreement Furnished  
to County Auditor: \_\_\_\_\_



Exhibit B

**Galveston Community College District  
PROPOSED EARLY VOTING AND ELECTION DAY VOTING LOCATIONS  
May 2, 2026 General Election**

**EARLY VOTING**

Monday through Friday (April 20 through April 24), 8:00 a.m. to 5:00 p.m.  
 Saturday and Sunday (April 25 and April 26), *Closed*  
 Monday and Tuesday (April 27 and April 28), 7:00 a.m. to 7:00 p.m.

<b>Main Early Voting Location</b>	
<b>Location</b>	<b>Address</b>
Galveston County Justice Center	10000 Emmett F. Lowry Expressway, Suite 1152, Texas City, TX 77591
<b>Branch Early Voting Locations (within the district)</b>	
Galveston County Courthouse (2 <sup>nd</sup> Floor Mezzanine)	722 Moody, Galveston, TX 77550
Moody Methodist Church	2803 53 <sup>rd</sup> Street, Galveston, TX 77551
Seaside Church	16534 Termini San Luis Pass Road, Jamaica Beach, TX 77554
Joe Faggard Community Center	1750 Highway 87, Crystal Beach, TX 77650

**ELECTION DAY**

Saturday (May 2), 7:00 a.m. to 7:00 p.m.

<b>Election Day Voting Locations (within the district)</b>	
<b>Location</b>	<b>Address</b>
Joe Faggard Community Center	1750 Highway 87, Crystal Beach, TX 77650
UTMB - Rebecca Sealy Hospital (1 <sup>st</sup> Floor Classroom)	404 8 <sup>th</sup> Street, Galveston, TX 77555
Galveston County Courthouse (2 <sup>nd</sup> Floor Mezzanine)	722 Moody, Galveston, TX 77550
GISD Administration Building (Board Room)	3904 Avenue T, Galveston, TX 77550
Moody Methodist Church	2803 53 <sup>rd</sup> Street, Galveston, TX 77551
Seaside Church	16534 Termini San Luis Pass Road, Jamaica Beach, TX 77554

**NOTE:** This election is being conducted as a countywide vote center election. Locations will be confirmed once all application filing deadlines have passed and the entities conducting an election have been determined.

Exhibit C

**Order of General and Special Elections**  
*(Orden de Elecciones General y Especial)*

## ORDER OF GENERAL ELECTION

An election is hereby ordered to be held on May 2, 2026, for the purpose of voting on three (3) members of the Board of Regents of the Galveston Community College District, Positions 4, 5, and 6, for six-year terms to expire in May 2032.

Early voting by personal appearance shall begin on April 20, 2026, end on April 28, 2026, and shall be conducted on:

April 20 through April 24	Monday through Friday	8:00 a.m. to 5:00 p.m.
April 25 and April 26	Saturday and Sunday	<i>Closed</i>
April 27 and April 28	Monday and Tuesday	7:00 a.m. to 7:00 p.m.

<b>Main Early Voting Location</b>	
<b>Location</b>	<b>Address</b>
Galveston County Justice Center	10000 Emmett F. Lowry Expressway, Suite 1152, Texas City, TX 77591
<b>Branch Early Voting Locations (within the district)</b>	
Galveston County Courthouse (2 <sup>nd</sup> Floor Mezzanine)	722 Moody, Galveston, TX 77550
Moody Methodist Church	2803 53 <sup>rd</sup> Street, Galveston, TX 77551
Seaside Church	16534 Termini San Luis Pass Road, Jamaica Beach, TX 77554
Joe Faggard Community Center	1750 Highway 87, Crystal Beach, TX 77650

Applications for ballot by mail shall be mailed to the early voting clerk:

Dwight D. Sullivan  
 Galveston County Clerk  
 Attention: Ballots by Mail  
 Galveston County Justice Center  
 P. O. Box 17253  
 Galveston, TX 77552-7253

If mailing by common contract carrier:  
 Dwight D. Sullivan, Galveston County Clerk  
 600 59<sup>th</sup> Street, Suite 2001  
 Galveston, TX 77551-4180  
 (409) 770-5108

Or FAX to: (409) 765-3249

Or e-mail to: [absenteeballotapplications@co.galveston.tx.us](mailto:absenteeballotapplications@co.galveston.tx.us)

Early Voting Clerk's Website: [www.galvestonvotes.org](http://www.galvestonvotes.org)

Applications for Ballots by Mail (ABBM)s must be received no later than the close of business on April 22, 2026.

Federal Post Card Applications (FPCAs) must be received no later than the close of business on April 22, 2026.

Issued this the 14<sup>th</sup> day of January, 2026.

GALVESTON COMMUNITY COLLEGE DISTRICT

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Carolyn L. Sunseri  
Chairperson, Board of Regents

ATTEST:

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Michael B. Hughes  
Secretary, Board of Regents

## **ORDEN DE ELECCIONES GENERAL Y ESPECIAL**

Por la presente se ordena que una elección se lleve a cabo el 2 de mayo del 2026, para elegir a tres (3) miembros de la Junta de Regentes del Galveston Community College District, posiciones 4, 5, y 6, para un término de seis años que vence en mayo del 2032.

La votación adelantada en persona comenzará el 20 de abril del 2026, finaliza el 28 de abril del 2026 y se llevará a cabo el:

del 20 de abril al 24 de abril	de <b>lunes</b> a viernes	8:00 a.m. - 5:00 p.m.
25 de abril y 26 de abril	<b>sábado y domingo</b>	Cerrado
27 de abril y 28 de abril	lunes y martes	7:00 a.m. - 7:00 p.m.

<b>Sitio Principal de Votación Adelantada</b>	
<b>Sitio</b>	<b>Dirección</b>
Galveston County Justice Center	10000 Emmett F. Lowry Expressway, Suite 1152, Texas City, TX 77591
<b>Sucurales de Votación Adelantada (dentro del distrito)</b>	
Galveston County Courthouse (2 <sup>nd</sup> Floor Mezzanine)	722 Moody, Galveston, TX 77550
Moody Methodist Church	2803 53 <sup>rd</sup> Street, Galveston, TX 77551
Seaside Church	16534 Termini San Luis Pass Road, Jamaica Beach, TX 77554
Joe Faggard Community Center	1750 Highway 87, Crystal Beach, TX 77650

Las solicitudes para boletas adelantadas por correo deberán enviarse a:

Dwight D. Sullivan  
Galveston County Clerk  
Attention: Ballots by Mail  
Galveston County Justice Center  
P. O. Box 17253  
Galveston, TX 77552-7253

Si se envía por correo a través de un transportista común contratado:

Dwight D. Sullivan, Galveston County Clerk  
600 59<sup>th</sup> Street, Suite 2001  
Galveston, TX 77551-4180  
(409) 770-5108

O FAX a: (409) 765-3249

O enviar un correo electrónico a: [absenteeballotapplications@co.galveston.tx.us](mailto:absenteeballotapplications@co.galveston.tx.us)

Sitio web del Secretario/a de Votación Adelantada: [www.galvestonvotes.org](http://www.galvestonvotes.org)

Las solicitudes para boletas adelantadas por correo deberán recibirse no más tardar de las horas de negocio el 22 de abril del 2026.

La solicitud para la Tarjeta Federal Postal deberá recibirse no más tardar de las horas de negocio el 22 de abril del 2026.

*Emitida este día 14 de enero, 2026.*

*GALVESTON COMMUNITY COLLEGE DISTRICT*

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*Carolyn L. Sunseri*  
*Presidente, Junta de Regentes*

*DECLARER:*

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*Michael B. Hughes*  
*Secretario, Junta de Regentes*

Consider Ratifying Appointment of Full-time Instructors

It is recommended that the following individual be appointed to the position indicated and that the Board ratify the contractual appointment:

Jaime Cryer, VN Program Coordinator: 12 month, non tenure track

An annual salary rate of \$59,655 will be prorated beginning January 1, 2026.

Education: VN, San Jacinto College; AAS in Nursing, San Jacinto; BSN, Western Governors University; MSN, Western Governors University

Experience: UTMB ; RN, Charge Nurse, Ally ER; RN, Charge Nurse, CHI St. Luke's; RN, Charge Nurse, HCA Clearlake; RN, PACU, CHI St. Luke's; RN, Charge Nurse

Angie Hoermann, Assistant Professor of Nursing: 9 month, non tenure track

An annual salary rate of \$35,212 will be prorated beginning January 1, 2026.

Education: AAS in Nursing, San Antonio College; BSN, Capella University; MSN Education, Capella University

Experience: The Hartford, Clinical Intake nurse; Registered Nurse, University Health Systems; Patient Care Technician