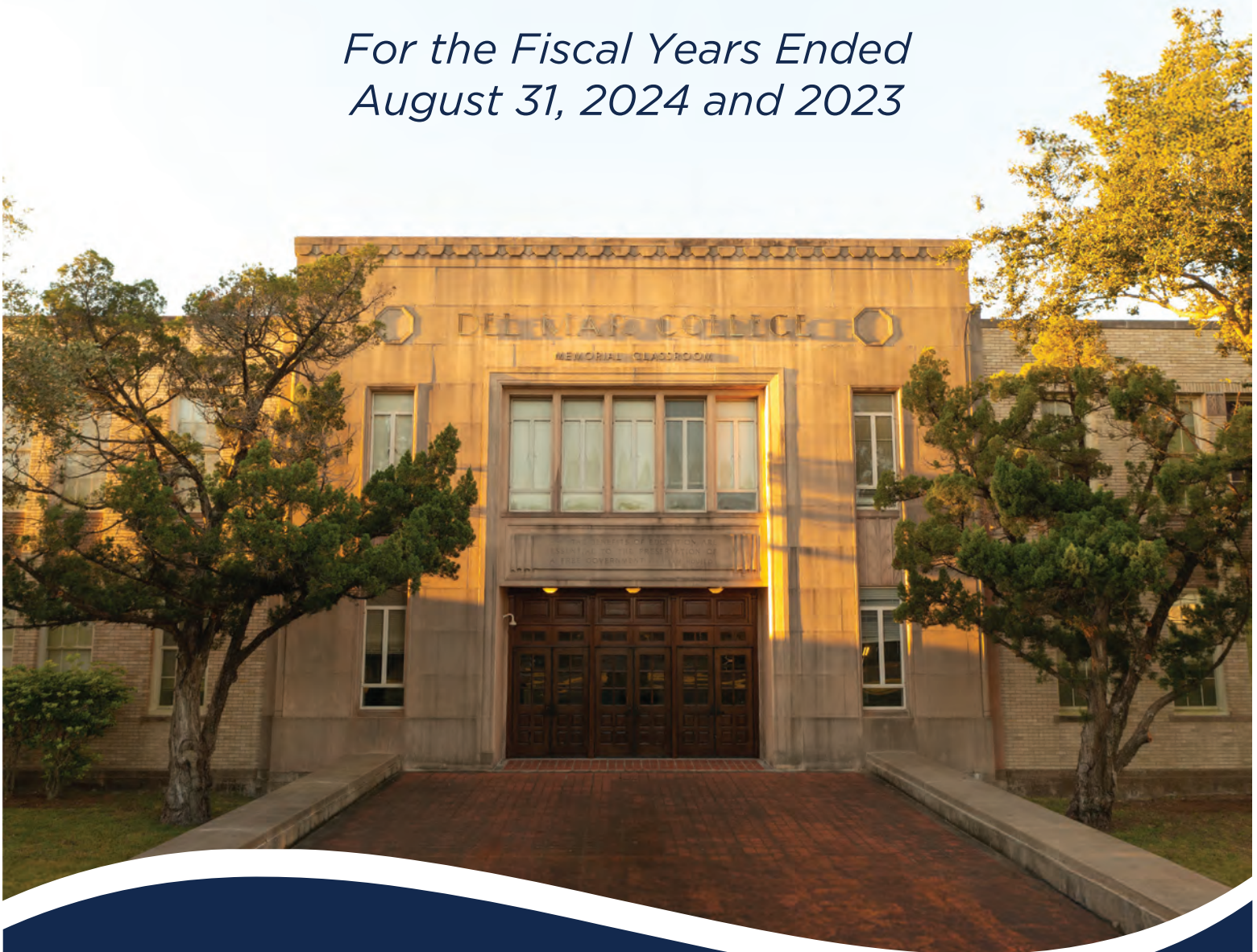


ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For the Fiscal Years Ended
August 31, 2024 and 2023*



DEL MAR COLLEGE

101 Baldwin Blvd.
Corpus Christi, TX 78404-3897
www.delmar.edu



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DEL MAR COLLEGE

Annual Comprehensive Financial Report For the Fiscal Years Ended August 31, 2024 and 2023

Prepared by:

Raul Garcia, CPA, MBA, *Vice President and Chief Financial Officer*
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Del Mar College
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

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INTRODUCTORY SECTION





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Transmittal Letter

December 10, 2024

To: President Mark Escamilla, Ph.D.
Members of the Board of Regents and
Citizens of the Del Mar College District

Del Mar College has completed the Annual Comprehensive Financial Report (ACFR) for the years ended August 31, 2024, and 2023. Our report has been audited by Collier, Johnson and Woods, P.C., as legally required by the Texas Education Code Section 44.008. The purpose of the ACFR is to provide financial information about the College's financial condition and performance. The financial report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and complies with the Annual Financial Reporting Requirements for Texas Public Community Colleges as set forth 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 the financial statements.

The College's management assumes responsibility for establishing and maintaining an internal control framework to provide reasonable assurance that the ACFR is presented in a manner that is free of material misstatements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis (MD&A) which immediately follows the independent auditor's report. The MD&A includes a narrative introduction, overview, and analysis of the basic financial statements.

Annual Comprehensive Financial Report

The ACFR contains a wealth of financial information divided into four sections: Introductory, Financial, Statistical, and Special Reports on Federal and State Awards. The Introductory section includes this transmittal letter, a listing of the Board of Regents and Administration, the Certificate of Excellence in Financial Reporting, and an organization chart. The Financial section includes the independent auditor's report, MD&A, the basic financial statements, notes to the financial statements, and the required supplementary information. The Statistical section includes selected unaudited financial and demographic information that is presented on a multi-year basis. Lastly, the Federal and State Awards section includes the independent auditor's reports on the College's internal controls and compliance with grant requirements, expenditure schedules, and finding and question costs. The College's financial records are maintained on the accrual basis of accounting, whereby all revenues are recorded when earned, and all expenses are recorded when incurred.

College Profile

Del Mar College District (DMC) is an independent political subdivision of the State of Texas located in Nueces County. The College started in 1935 under the control of the Corpus Christi Independent School District's Board of Trustees. In 1951, the College became an independent political subdivision, legally named Corpus Christi Junior College District. In 1999, the College's Board of Regents adopted Del Mar College District as the official name. The College provides access to a wide range of affordable academic programs, and we are accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). The College has successfully completed its most recent reaffirmation resulting in 100% compliance with their 74 standards with no recommendations for improvements.



The College serves over 24,000 learners in academic, career and technical, and continuing education courses. Our eight instructional pathways are designed to help students map and complete their degree, certificate, or continuing education programs on a timely basis. Our pathways include Architecture, Aviation and Automotive; Business Administration and Entrepreneurship; Communication, Fine Arts & Social Sciences; Health Sciences; Industrial Technology; Kinesiology & Education; Public Service and Science, Technology, Engineering, and Math (STEM). We take great pride in the fact that our students continue their academic journey transferring to one of the seven Texas public university systems and private institutions including Texas A&M (66.9%), University of Texas (14.0%), Texas State University (2.9%), University of Houston (5.1%), University of North Texas (0.3%) and Baylor University (1.0%).

Our certificate programs prepare students for middle skill careers leading to immediate employment and for the most part can complete any certificate program within one year. In addition, our programs are curated, in part, with regional industry in order to best design the program to deliver career readiness skills. The following are academic programs that will help fuel our region's economy:

Accounting Technician	Electrician
Vocational Nurse Education	Environmental/Petrochemical Lab Technology
Health Information Technology Coding Specialist	Automotive Applied Technology
Child Development and Early Childhood Admin.	Air Conditioning Applied Technology
Dental Assisting	Industrial Machining Applied Technology
Medical Assisting	Millwright – Industrial Maintenance Mechanic
Hospitality Management	Network Administration and Information Security
Pharmacy Technician	Welding Applied Technology
Paramedic	Law Enforcement

Del Mar College Strategic Plan

Del Mar’s Board of Regents ratified the mission, vision, values, and five-year Strategic Plan for the 2024-2029 years on June 7, 2024. It is designed using the integrated planning model developed by the Society of College & University Planning. Key parties of interest were engaged in developing the new plan, including students, faculty, staff, community members, and the Del Mar College Board. Our “CHARTING THE VIKING WAY” strategic plan focuses on the following three guiding stars:

- ★ COMMUNICATE *Goal 1: Collaborate across the College.*
Goal 2: Connect beyond the College.

- ★ ELEVATE *Goal 1: Increase completion for all students.*
Goal 2: Maximize resources entrusted to the College.

- ★ CULTIVATE *Goal 1: Nurture our faculty and staff to achieve their full potential.*
Goal 2: Optimize the Viking Student Experience.

Financial Outlook

The College’s forward motion is driven in part by our student value proposition which is to ensure they gain the necessary knowledge, skills, and experience to achieve their goals of academic completion paired with producing graduates who meet the workforce needs of our region. This is predicated, in part, on academic programming and student support service initiatives that will help drive up the trajectory of student outcomes described below. The activities to achieve student outcomes will be supported in part by grant funding including Del Mar, Conectamos, Continuamos, Completamos, and the SENDA grants and supported in part by investments in our instructional delivery space. It is also also predicated on the State’s and the region’s economic stability paired with the College’s financial resilience driven by prudent budget assumptions and positive operating results.

Student Outcomes

1. Increase the total number of students completing a degree, certificate or award every year for the next five years.
2. Increase the total number of students completing 15 semester credit hours in Dual Enrollment each year.
3. Increase the total number of high-demand institutional credentials leading to licensure by the first year and over the next five years.
4. Increase Fall to Fall retention each year for the next five years.
5. Increase the total number of transition students matriculating to credit every year for the next five years.
6. Increase Continuing Education enrollment and credit enrollment each year for the next five years.
7. Increase the number of students participating in college-sponsored activities by 10% each year for the next five years.

Del Mar, Conectamos, Continuamos, Completamos (DMC3) Grant

This is a 5-year Hispanic Serving Institution grant valued at \$2.9 million from the U.S. Department of Education. The grant is designed to support underprepared, socio-economically disadvantaged, and low income students. The grant objectives include elevating the Culturally Relevant Pedagogy-focused professional development activities for faculty and staff and increasing student retention, persistence, and graduation. The funding will also be used for redesigning our onboarding processes, enhancing advising, professional development, and general success coaches, as well as peer mentoring.

SENDA Grant

This is a 5-year Hispanic Serving Institution grant valued at \$2.8 million from the U.S. Department of Education. The grant will fund our student advisory initiatives that will help our students make informed and focused academic choices that will help drive on-time academic completion. The student advising framework includes student touchpoints at the 15/30/45 credit hour course enrollment to monitor their academic progress. Other student support services include delivering technology driven financial literacy content, instituting financial peer coaching and providing virtual career tours. The College will leverage technology to increase the number of student advising support services and to maintain an effective and quality advisory framework.

Instructional Delivery Space and Capital Plan

The College is nearing the end of its \$296 million capital spending plan with the renovation of the Fine Arts Music and White Library building in late 2024 and the Memorial Building in 2025. The student-centric capital plan was developed in collaboration with front-line student service employees, administrators, faculty, students, and the Board of Regents with consideration to student educational attainment and lifelong learning needs, improving the learning environment and enhancing student life.

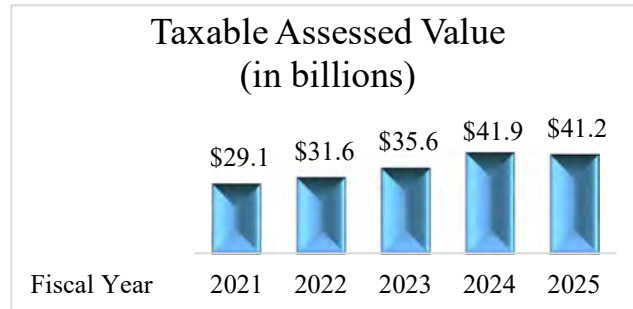
Economic Landscape

Corpus Christi is located on the Gulf Coast and it is described in the 2019 Coastal Bend Economic Development Guide, as “the largest industrial and energy-related project magnet in the world” with well over \$50 billion in capital expenditures since 2010. It has a wide range of supply chains to support both regional and international economic activity and abundant land space for expansion. This includes the Port of Corpus Christi, Class 1 railroads, an airport and highway network connectivity. The Port of Corpus Christi is ranked as the largest port in the U.S. in terms of total revenue tonnage and it is the nation’s largest energy export gateway. In addition, the Texas Department of Transportation is funding the \$1 billion harbor bridge expansion project next to the port that began in 2017 and is scheduled to be completed in 2025. The region’s major sectors include mining, oil and gas, construction, health care, agriculture and hospitality and food services. The economic activity for Texas and the College’s region has bounced back from the downside effects of the pandemic as measured by the District’s Housing Market, State tax collections, labor market information. The reported economic data below is for the Corpus Christi Metropolitan

Service Area “CCMSA” that includes Aransas, San Patricio, Jim Wells and Nueces counties. These counties represent nearly 85.5% of the District’s labor force. In addition, the majority of our fall 2022 students (90%) enrolled at Del Mar College claimed residency in any one of these four counties.

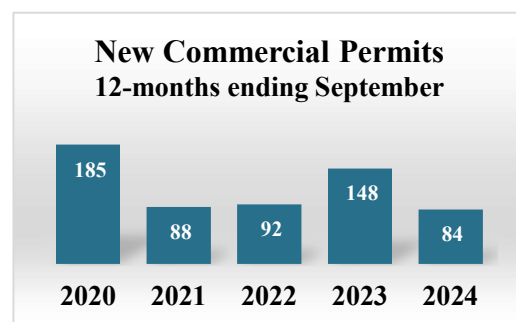
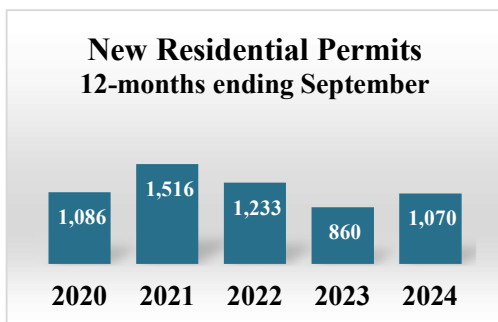
Property Taxes / Housing Market

Property tax revenue provides the College a sizable level of financial support that is fueled in part by the regions assessed property tax valuations and real-estate activity. The College has successfully secured the necessary property tax revenue to fund its operations despite recent downward property tax revenue pressures driven in part by a reduced assessed property valuations and real-estate activity. The College experienced for the first time in five years a reduced level in the region’s Taxable Assessed Value of \$41.2 billion from the previous 12-months valuation of \$41.9 billion or -1.7%.



This is attributed in part by lawsuits contesting property valuations filed by major petrochemical companies in our district. Fast forward today, settlements have been reached with the petrochemical companies providing much needed funding for the coming year.

The recent reduction in real-estate activity is driven in part by the increase in the cost of financing. The 30-year loan interest rates reported by Freddie Mac continue to be elevated despite a drop in rates in recent months with a reported rate at the end of August 2024 of 6.35%. As reported in August 2024 by the Texas Real Estate Research Center at Texas A&M, sales volume for single-family homes in the CCMSA declined for the 2nd year in a row on a year-over-year basis to 3,050 from the previous twelve months of 3,198 or -4.6%. Houses remain on the market for longer periods of time of up to 103 days representing an increase from the previous 12-months of 94 days. The average median sales price for a single family home scaled up to \$287,162 from \$285,000 reported a year ago. New permits issued during the 12-months ending September 2024 by the City of Corpus Chrisiti for residential (1,070) and Commercial property (86) have not reach the reported highs in 2021 (1,516) and 2020 (185), respectively.



State Tax Collections

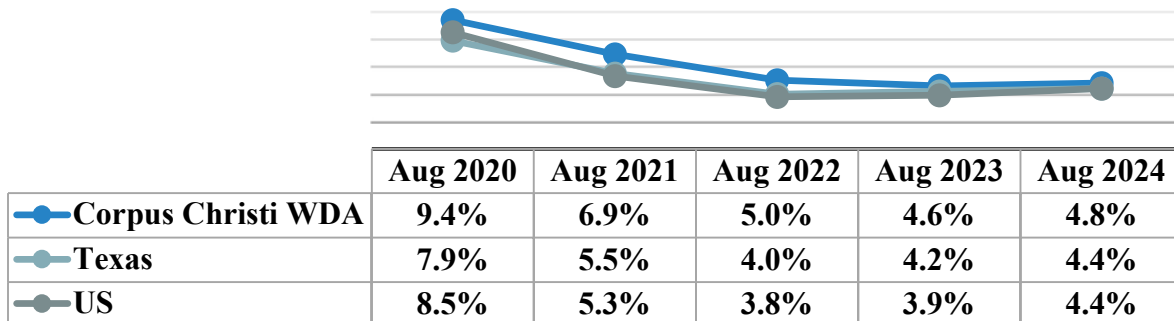
DMC's state appropriation revenues are dependent, in part, on state taxes that are fueled by the state's economic activity.

Based on the annual tax collection figures published by the Texas Comptroller of Public Accounts, the State experienced a slight pullback in the 2024 annual tax collections reported at \$81.9 billion from the previous 12-months reported tax collections value of \$82.1 billion. The change is mainly from natural gas productions (-\$1.2 billion), offset by an increase in sales taxes (.6 billion) and oil production (.4 billion). The leveling of the 2024 tax collections comes after five consecutive years of tax collection increases from 2019 (\$59.4 billion) to 2023 (\$82.1 billion).

Labor Markets

The labor force for the CCMSA added 1,800 of total nonfarm positions through the end of August 2024 for a year-over-year increase of 1%. The State of Texas also experienced a similar trend with a year-over-year increase of 2.2%. The sectors with the largest gains included construction (900) and education and health services (700). In addition, the region's unemployment rate improved significantly from the reported pandemic high in August 2020 of 9.4% to the current rate reported in August 2024 of 4.8%. The current rate did edge upward from the preceding 12-months rate of 4.6%. The Nation and the state of Texas experienced similar trends.

Unemployment Rate History



Budget Controls

DMC's annual budget is modeled around the strategic plan and supported by multiple revenue streams, including grants, tuition, property taxes, and state appropriations. The College's budget is prepared under the direction of the Vice-President and Chief Financial Officer (CFO), and the Budget Office in collaboration with the Budget Committee and personnel from various areas of the College. The budget process includes the solicitation of budget information from various cost centers, parties of interest, including Chairs, Deans, Managers, and Senior Leadership. Budget requests are measured against the annual department's Unit Assessment report. This report includes planned operating activities with measured outcomes aligned with the College's strategic plan, and, related resource requests and forms a baseline for measuring resource allocation by the

Budget Committee. The calendaring and activities of the budget plan includes the Board of Regents approval of the proposed detailed operating budget plan on or before September 1 in accordance with the Texas Education Code (Section 51.0051). A copy of the Board-approved annual operating budget and any subsequent amendments thereto are submitted to the Governor, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board by December 1. Thereafter, the Vice-President and CFO will report to the Board of Regents on a monthly basis the operating revenue and expense results relative to the planned budget.

Other Information

Awards

The College continues a tradition of issuing award winning financial reports recognized by the highly regarded Government Finance Officers Association of the United State and Canada (GFOA). The following are DMC's most recent GFOA financial reporting awards.

1. The Triple Crown Award (FY 2023)
2. The Distinguished Budget Presentation Award (FY 2023),
3. The Certificate of Achievement for Excellence in Financial Reporting, (FY 2023) and
4. The Award for Outstanding Achievement in Popular Annual Financial Reporting (FY 2023).

Independent Audits

The College has multiple state and federal statutory reporting and compliance audit requirements. The State of Texas requires an audit by an independent certified public accountant in accordance with The Texas Education Code section 44.008. An audit of our federal and state grants is also required in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Part 200.501), Audits of States, Local Governments and Non-Profit Organizations, and the Texas Single Audit Circular. The College has engaged Collier, Johnson and Woods, P.C. accounting firm to perform these audits. An unmodified opinion submits to the users that the financial statements adhere to the chosen reporting framework without exception. This opinion is the most favorable that an independent auditor can issue. The fiscal year 2024 audits on major federal and state programs disclosed no instances of noncompliance, and they did not identify a material deficiency in internal controls over financial reporting. The auditors issued an unmodified opinion for the following.

- Del Mar College District's Annual Comprehensive Financial Report
- Compliance with major federal programs
- Compliance with major state programs

The College community welcomes the opportunity to submit this application for the Annual Comprehensive Financial Report. The support of the President, the College's Board of Regents, faculty, and staff contribute to the high standard of financial stewardship and quality throughout the organization. It is with sincere appreciation that we thank all the individuals and departments for their support in this effort.

Respectfully submitted,



Raul Garcia, CPA, MBA
Vice President and Chief Financial Officer

Del Mar College Board of Regents

As of December 10, 2024

The Board of Regents, the governing body for Del Mar College, is elected by the citizens of the Del Mar College District. Three positions are filled every two years, with board members serving staggered six-year terms. In 1989, the Board adopted a modified single-member district plan with five Regents elected to represent single-member districts and four members elected at large. Vacancies on the Board are filled for an unexpired term according to Board bylaws.

	Term Ending	Position
Carol Scott, Chair	2026	At-Large
Dr. Nicholas L. Adame, First Vice Chair	2026	At-Large
Libby Averyt, Second Vice Chair	2028	At-Large
Rudy Garza, Jr., Secretary	2024	District 1
Dr. Anantha Babbili	2024	At-Large
Carl E. Crull, P.E.	2028	District 5
David Loeb	2028	District 2
William (Bill) J. Kelly	2024	District 3
Dr. Laurie Turner	2026	District 4

Administration

President and CEO	Dr. Mark S. Escamilla
General Counsel	Augustin Rivera, Jr.
Executive Vice President and Chief Operating Officer	Lenora Keas
Vice President and Chief Academic Officer	Dr. Jonda Halcomb
Vice President of Administration and Human Resources	Tammy McDonald
Vice President and Chief Financial Officer	Raul Garcia
Vice President of and Chief Information Officer	Ali Kolahdouz
Vice President and Chief Facilities Officer	John Strybos
Vice President for Student Affairs	Patricia Benavides-Dominguez
Vice President of Communications and Marketing	Jeff Olson
Associate Vice President, Institutional Effectiveness and Academics	Dr. Sydney Saumby
Associate Vice President for Student Affairs	Cheryl G. Sanders
Associate Vice President, Continuing Education and Off-Campus Programs	Dr. Leonard Rivera
Dean, Communication, Fine Arts and Social Sciences	Dr. Cynthia Bridges
Dean, Business, Entrepreneurship and Health Sciences	Dr. Jennifer Sramek
Dean, STEM, Kinesiology And Education	Dr. Jack Southard
Dean, Industry and Public Service	Davis Merrill
Dean, Learning Resources	Cody Gregg
Dean, Student Engagement and Retention	Rita Hernandez
Dean, Student Outreach and Enrollment Services	Graciela Martinez
Dean, Workforce Programs and Corporate Services	Dan Korus



Government Finance Officers Association

Certificate of
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in Financial
Reporting

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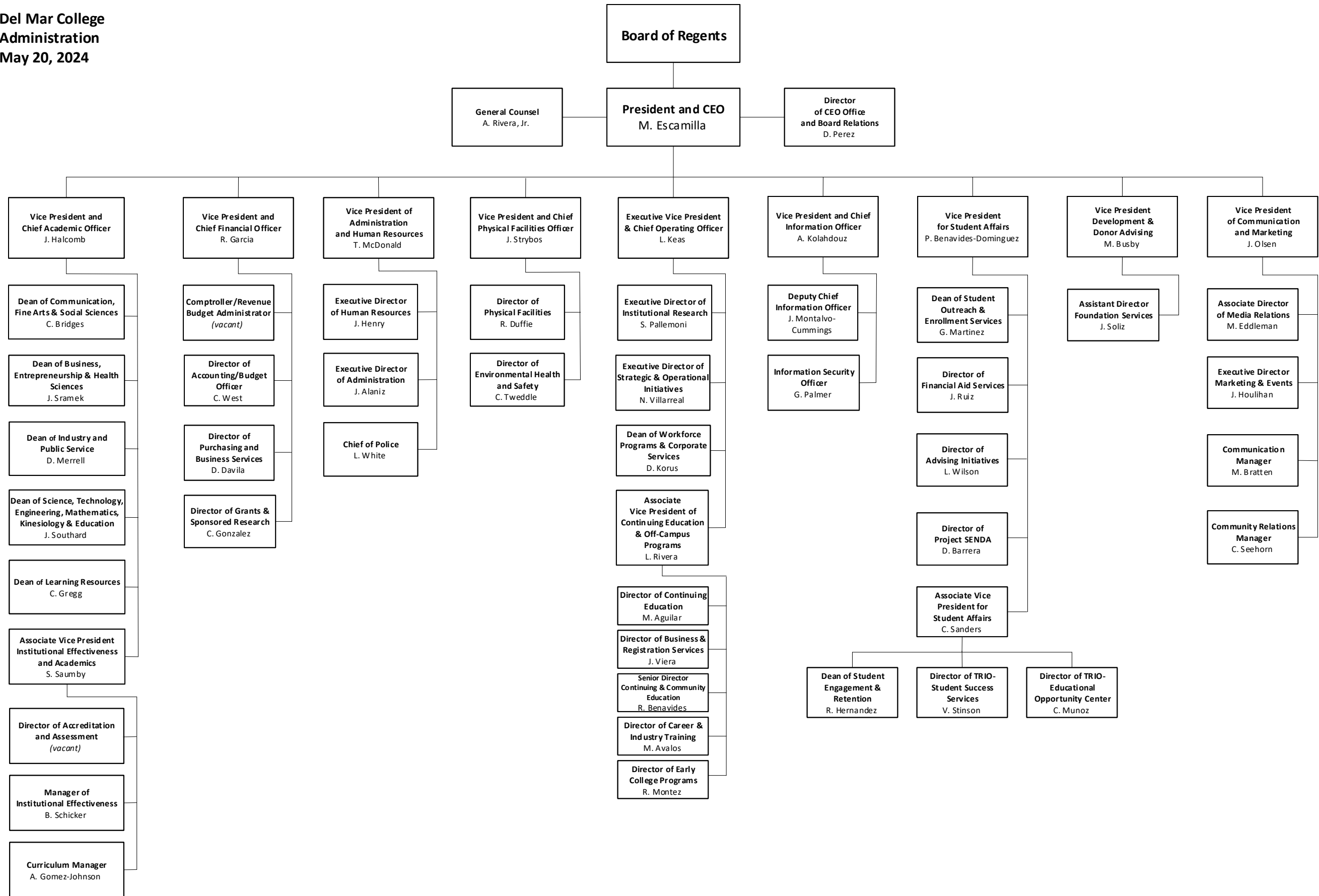
**Del Mar College
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2023

Christopher P. Morill

Executive Director/CEO





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FINANCIAL SECTION





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INDEPENDENT AUDITOR'S REPORT

December 5, 2024

Board of Regents
Del Mar College District
Corpus Christi, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Del Mar College District (the College) and its discretely presented component unit, as of and for the years ended August 31, 2024 and 2023 and June 30, 2024 and 2023, respectively, 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 respective financial position of the College and its discretely presented component unit, as of August 31, 2024 and 2023 and June 30, 2024 and 2023, respectively, and the respective changes in financial position and, where applicable, cash flow thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 Del Mar College District, and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 judgement 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 judgement 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 on 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.
- Consider whether, in our judgement, 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 and the other required supplementary information on pages 18 through 37, and pages 95 through 98 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. Schedules A through D on pages 99 through 102 are required by the Texas Higher Education Coordinating Board, and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards (Schedule E) on pages 144 through 146, 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of State Awards (Schedule F) on pages 154 and 155, as required by the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning, is presented for purposes of additional analysis and is 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 schedules required by the Texas Higher Education Coordinating Board; Schedule of Expenditures of Federal Awards; and Schedule of Expenditures of State Awards are 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 introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do 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 5, 2024, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.

Collier, Johnson & Woods

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Introduction

This section of Del Mar College's Annual Comprehensive Financial Report presents Management's Discussion and Analysis of the College's financial position and activities for the years ended August 31, 2024, and 2023, and comparative information for the year ended August 31, 2022. Since this Management's Discussion and Analysis is designed to focus on current activities, resulting change and currently known facts, it should be read in conjunction with the College's Basic Financial Statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Financial Section

The financial section of this annual report consists of three parts – Management's Discussion and Analysis, the Basic Financial Statements, and schedules required by the Texas Higher Education Coordinating Board. The financial statements, consisting of the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and, the Statements of Cash Flows are prepared in accordance with U. S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

These three statements will assist the reader in determining whether the College is performing financially better as compared to the prior year. These statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statements of Net Position include all assets and liabilities as well as deferred inflows and outflows of resources. The College's net position (which is the difference between assets plus deferred outflows, and liabilities plus deferred inflows) is one indicator of the College's financial health.

Over time, increases or decreases in net position indicate the improvement or erosion of the College's financial health, when considered with non-financial facts, such as enrollment levels and the condition of the facilities.

The Statements of Revenues, Expenses and Changes in Net Position present the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. The College's dependency on state allocations and ad-valorem taxes will result in operating deficits, because state allocations and ad-valorem taxes are non-operating revenues.

Another important factor to consider, when evaluating financial viability, is the College's ability to meet financial obligations as they mature. The Statements of Cash Flows present information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing and investing activities.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Overview of the Financial Statements and Financial Analysis

The following is management's discussion and analysis of the financial activity of Del Mar College (the College) for the fiscal years ended August 31, 2024 and 2023. The discussion and analysis provides summary financial information reflected in the statements and therefore, should be read in conjunction with the accompanying financial statements and footnotes. The financial statements consist of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, the Statements of Cash Flows, the Notes to Financial Statements, and the Required Supplementary Information. An accrual basis of accounting is employed. This means transactions are recorded as incurred rather than when cash changes hands. Each one of these statements will be discussed.

Financial Statements for the College's component unit, the Del Mar College Foundation (Foundation) are issued independent of the College. The Foundation's financial information for fiscal years 2024 and 2023 is shown on separate pages behind the College's basic financial statements. Refer to Note 24 in the Notes to the Financial Statements for more detail on the Foundation.

The following summary and management discussion and analysis of the results is intended to provide readers with an overview of the basic financial statements.

Financial Highlights

Some of the financial highlights of fiscal year 2024 are as follows:

- Capital assets increased \$22.4 million due to the ongoing construction projects to renovate facilities on the Heritage and Windward Campuses.
- Certified net assessed property values increased 17.8% from \$35.6 billion in the prior year to \$41.9 billion in the current year; the assessed tax rate decreased from .266104 to .237003, resulting in an increase in maintenance property tax revenues of \$2.6.
- Total liabilities and deferred inflows of resources decreased by \$20 million primarily attributable to the principal payments of \$11.5 million that reduced the College's outstanding bond balance.
- The College received an additional \$2.1 million in state appropriation funding as a result of the State's change in the funding methodology for community colleges moving from a funding model based on student's time in class to a performance-based funding system.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Net Position

The Statement of Net Position presents all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector Colleges. Net position, the difference between assets and liabilities, is one way to measure the financial health of the College. The Statement of Net Position is a point in time financial statement. The purpose of the Statement of Net Position is to present, to the readers of the financial statements, a fiscal snapshot of the Del Mar College District.

The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Deferred Outflows, Liabilities (current and noncurrent), Deferred Inflows, and Net Position. Current assets are things of value, which are available to the College in the short term, which is considered to be one year or less. Current liabilities are amounts owed which are expected to be paid in one year or less. Deferred outflows of resources represent a consumption of net position applicable to a future period. The College's deferred outflows of resources include deferred outflows related to pensions and other post-employment benefits. Deferred inflows of resources represent an acquisition of net position applicable to a future reporting period. The College's deferred inflows of resources include deferred inflows related to pensions, other post-employment benefits and leasing arrangements (the College as lessor).

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors and bond holders. Finally, the Statement of Net Position provides a picture of the net position (Total Assets and Deferred Outflows of Resources minus Total Liabilities and Deferred Inflows of Resources) and their availability for expenditure by the College.

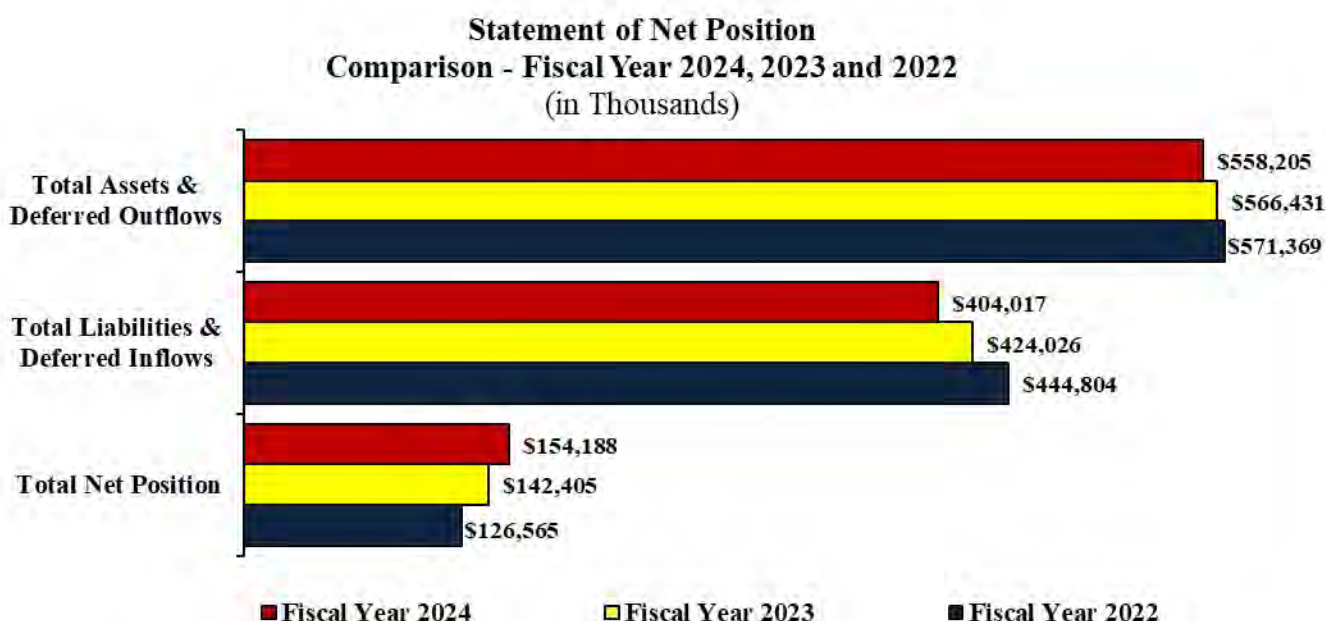
Net Position is divided into three major categories. The first category, the net investment in capital assets, represents the College's equity in property, plant and equipment owned by the college, net of debt. The next category is the restricted component of net position. Expendable restricted resources are available for expenditures by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted. These resources are available to the College for any lawful purpose of the College.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Net Position (Continued)

Statement of Net Position
Comparison - Fiscal Year 2024, 2023 and 2022
(In Thousands)

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>2024-2023 Variance</u>	<u>2023-2022 Variance</u>
Current Assets	\$ 83,334	\$ 86,009	\$ 97,982	\$ (2,675)	\$ (11,973)
Non-Current Assets:					
Capital Assets, Net of Depreciation	450,856	443,102	410,686	7,754	32,416
Lease Receivable	2,317	2,504	2,690	(187)	(186)
Restricted Cash & Investments	9,344	22,360	51,708	(13,016)	(29,348)
Total Assets	545,851	553,975	563,066	(8,124)	(9,091)
Deferred Outflows	12,354	12,456	8,303	(102)	4,153
Total Assets & Deferred Outflows of Resources	558,205	566,431	571,369	(8,226)	(4,938)
Current Liabilities	36,464	40,854	47,657	(4,390)	(6,803)
Non-Current Liabilities	348,854	363,714	376,782	(14,860)	(13,068)
Total Liabilities	385,318	404,568	424,439	(19,250)	(19,871)
Deferred Inflows	18,699	19,458	20,365	(759)	(907)
Total Liabilities & Deferred Inflows of Resources	404,017	424,026	444,804	(20,009)	(20,778)
Net Position:					
Net Investment in Capital Assets	171,903	165,395	147,654	6,508	17,741
Restricted	10,383	9,633	8,541	750	1,092
Unrestricted	(28,098)	(32,623)	(29,630)	4,525	(2,993)
Total Net Position	\$ 154,188	\$ 142,405	\$ 126,565	\$ 11,783	\$ 15,840



DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Net Position (Continued)

2023-2024

- For fiscal year 2024, total assets and deferred outflows of resources decreased by approximately \$8.2 million. This decrease includes the decrease in cash and investments of \$19.8 due to continued building renovation costs on the Heritage campus. The decrease in cash and investments was offset by the increase in capital assets of \$7.8 million as building renovation projects continue, the increase in property taxes receivable of \$2.2 million related to settlement of valuation disputes related to two large petrochemical industries within the College's district, which in the prior year, resulted in uncertainty of amounts that would be ultimately collected and a \$1.9 million increase in account receivables which is largely related to the increase in student Pell awards for fiscal year 2024.
- Total liabilities and deferred inflows of resources decreased by \$20 million. The largest portion of the decrease in liabilities was the principal payments of \$11.5 million that reduces the outstanding bond balance. The College's proportionate share of the ERS's OPEB liability decreased by \$4.1 million, but was offset by an increase in the College's proportionate share of the TRS's net pension liability of \$3.6 million. Current liabilities decreased by \$4.4 million largely due to the decrease of \$2.6 million in accounts payable due to the building renovation projects on the Heritage Campus nearing completion and the \$1.5 million decrease in unearned revenue related to the discontinuation of the CARES Act Higher Education Emergency Relief program that provided funding during the pandemic for enrollment losses, student financial needs, and health and safety supplies needs.
- The College's net position increased by \$11.8 million due to the \$6.5 increase in net investment in capital assets related to the continued building renovation projects on the Heritage Campus, offset by the \$5.9 million write-off in ERP implementation costs. The \$4.5 million increase in Unrestricted net position resulted from the change in fair value of investments of \$3.2 million, the increase maintenance ad valorem tax collections of \$2.6 million and the additional \$2.1 million received in state appropriation funding as a result of the State's new performance funding model, offset by the \$4.7 million increase in pension and other post-employment benefits costs as determined by the Employee Retirement System and the Teachers Retirement System of Texas.

2022-2023

- For fiscal year 2023, total assets and deferred outflows of resources decreased by approximately \$4.9 million. Items having the largest impact on this change include a decrease in cash and investments of \$40.3 million primarily due to continued building

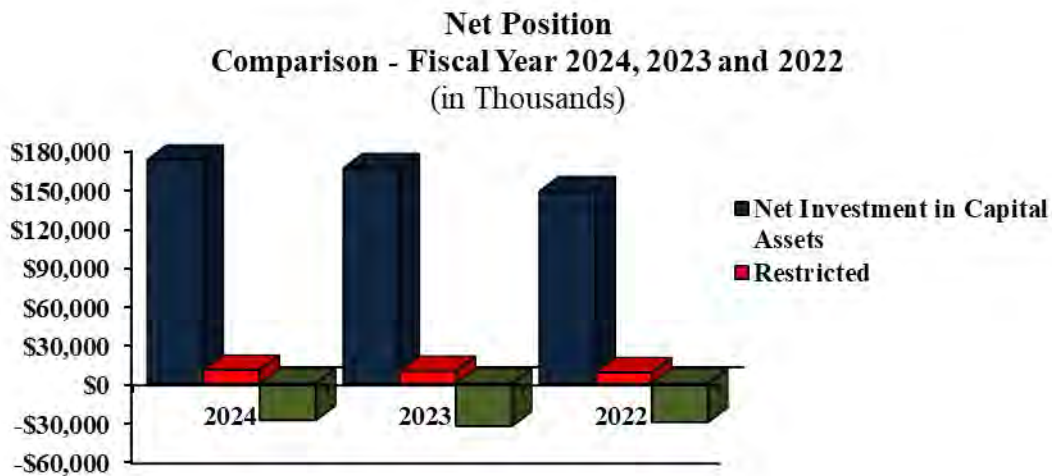
DEL MAR COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Net Position (Continued)

construction costs on the Oso Creek Campus. The increase in capital assets of \$32.4 million is a direct reflection of that decrease. Deferred outflows of resources increased by \$4.1 million primarily due to changes in actuarial assumptions related to the pension plan.

- Total liabilities and deferred inflows of resources decreased by \$20.8 million. Items having the largest impact on this included a \$14.3 million increase in the College’s proportionate share of the TRS’s net pension liability. This is partially offset by a \$13.2 million decrease in the College’s proportionate share of the ERS’s OPEB liability. Net pension liability increased by \$14.3 million largely due a change in economic assumptions including rate of salary increases for individual participants. Bonds payable decreased by \$15.1 million attributable to the final installments being made on the Limited Tax Refunding Bonds, Series 2013 and Limited Tax Refunding Bonds, Series 2021 during the fiscal year. Current liabilities decreased by \$6.8 million largely due to a decrease of \$2.1 million of remaining HEERF funds which remained unspent at year end 2022 and a decrease of \$3.2 million in accounts payable for ongoing renovations on both the Heritage and Windward Campuses.
- The College’s net position increased by \$15.8 million. This increase was largely due to the College’s substantial investment in net capital assets, an increase over the prior year of \$17.7 million. Unrestricted net position decreased by \$3.0 million. This was mostly attributable to the decrease in Coronavirus Aid, Relief, and Economic Security Act (CARES) funding received of \$10.9 million, offset by increased maintenance ad valorem tax collections of \$5.7 million and the increase in the change in fair value of investments of \$7.1 million.

The following is a graphic illustration of net position at August 31, 2024, 2023 and 2022:



DEL MAR COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues earned by the College, both operating and non-operating, and the expenses incurred by the College, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the College.

Operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the College. Non-operating revenues are revenues received for which goods and services are not provided. Non-operating expenses are those expenses incurred as the result of activities other than the primary function of the College.

Statement of Revenues, Expenses and Changes in Net Position
Years Ended August 31, 2024 Through 2022

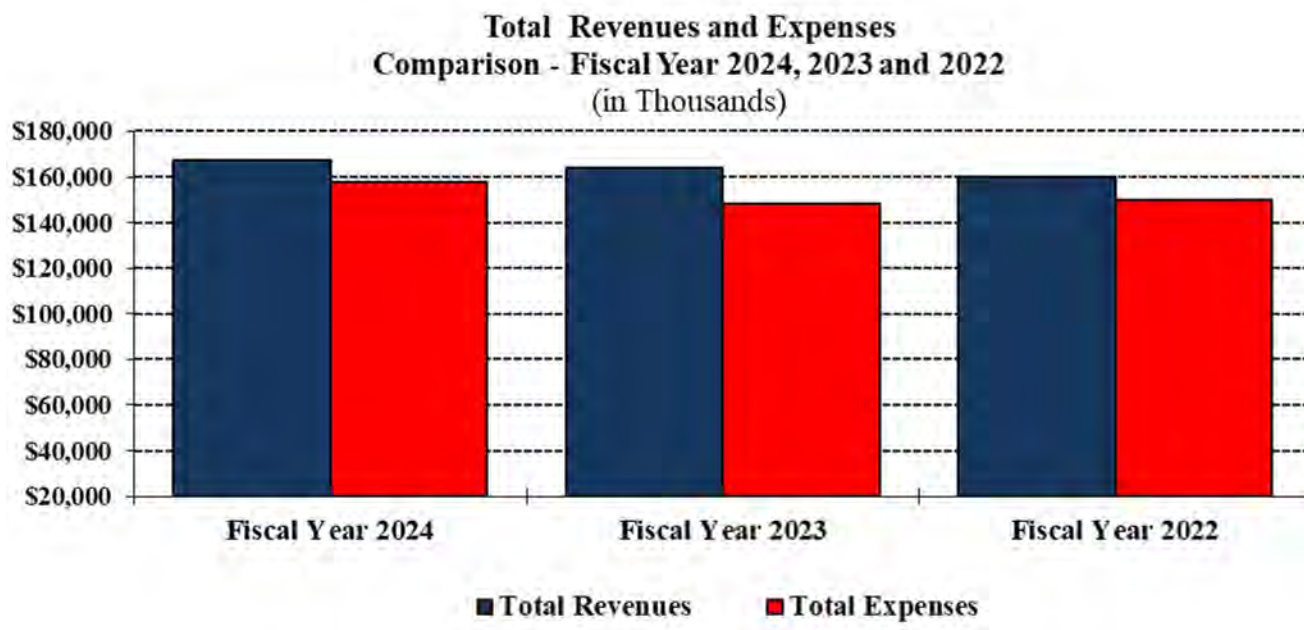
(In Thousands)

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	2024-2023 Variance	2023-2022 Variance
Operating Revenues	\$ 20,126	\$ 23,089	\$ 32,665	\$ (2,963)	\$ (9,576)
Non-Operating Revenues	147,404	140,889	127,165	6,515	13,724
Total Revenues	167,530	163,978	159,830	3,552	4,148
Operating Expenses	142,152	137,422	140,050	4,730	(2,628)
Non-Operating Expenses	15,486	10,765	10,086	4,721	679
Total Expenses	157,638	148,187	150,136	9,451	(1,949)
Contributions from Other Agencies	1,891	49	285	1,842	(236)
Increase (Decrease) in Net Position	11,783	15,840	9,979	(4,057)	5,861
Net Assets Beginning of Year	142,405	126,565	116,586	15,840	9,979
Net Position End of Year	\$ 154,188	\$ 142,405	\$ 126,565	\$ 11,783	\$ 15,840

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Revenues, Expenses and Changes in Net Position (Continued)

The following is a graphic illustration of total revenues and expenses for the years ended August 31, 2024, 2023 and 2022:



Operating revenues consisted of the following:

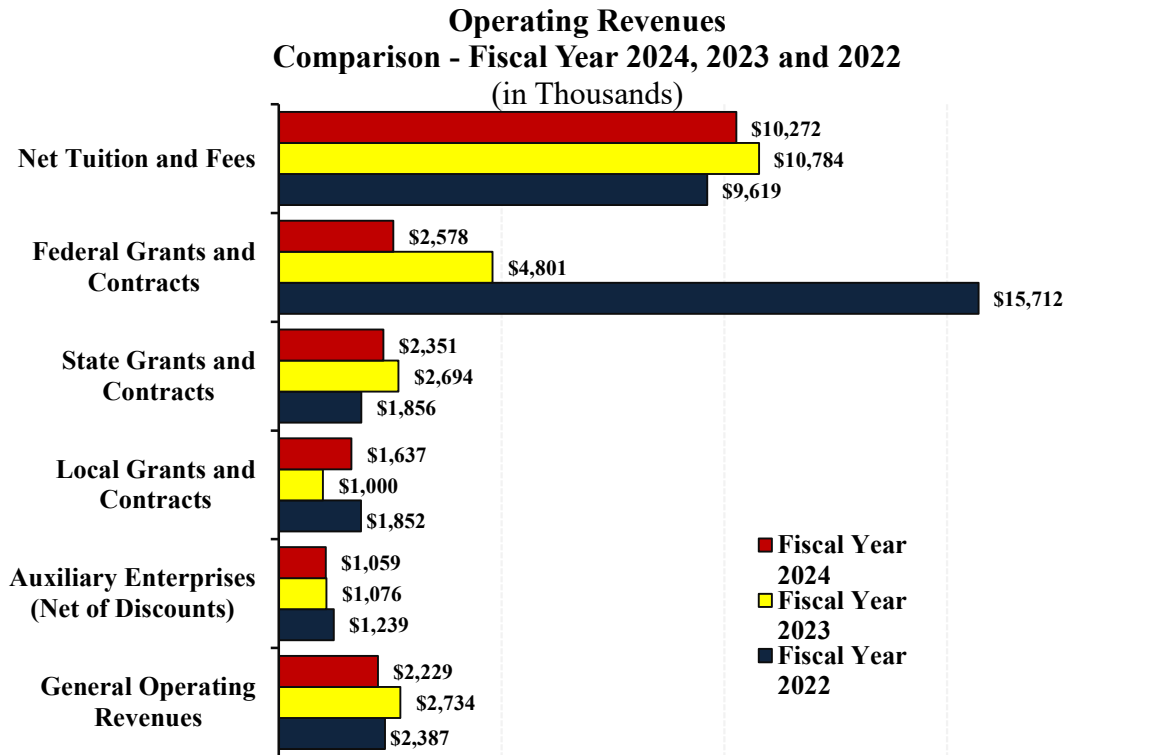
Operating Revenues
Years Ended August 31, 2024 through 2022
(In Thousands)

Operating Revenues	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	2024-2023 Variance	2023-2022 Variance
Tuition and Fees	\$ 26,463	\$ 26,987	\$ 26,593	\$ (524)	\$ 394
Scholarship Allowances and Discounts	(16,191)	(16,203)	(16,974)	12	771
Federal Grants and Contracts	2,578	4,801	15,712	(2,223)	(10,911)
State Grants and Contracts	2,351	2,694	1,856	(343)	838
Local Grants and Contracts	1,637	1,000	1,852	637	(852)
Auxiliary Enterprises (Net of Discounts)	1,059	1,076	1,239	(17)	(163)
General Operating Revenues	2,229	2,734	2,387	(505)	347
Total	\$ 20,126	\$ 23,089	\$ 32,665	\$ (2,963)	\$ (9,576)

DEL MAR COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Revenues, Expenses and Changes in Net Position (Continued)

The following is a graphic illustration of total operating revenues for the years ended August 31, 2024, 2023 and 2022:



Key factors impacting total operating revenues:

2023-2024

- Tuition and Fees, net of discounts, decreased by \$511 thousand due to the decrease in dual credit tuition of \$1.1 million that is now being funded through the State of Texas’s new Financial Aid for Swift Transfer (FAST) funding program rather than charging students directly for dual credit courses. This decrease was offset by the \$550 thousand increase in tuition and fees as a result of a \$2 per semester hour increase in tuition and the 2.6% increase in enrollment for fiscal year 2024.
- Federal grants and contracts decreased by \$2.2 million due primarily to the discontinuation of the CARES Act Higher Education Emergency Relief program that provided funding during the pandemic for enrollment losses, student financial needs, and health and safety supplies needs.
- General operating revenues decreased by \$505 thousand due a decrease in continuing education program course fees.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Revenues, Expenses and Changes in Net Position (Continued)

2022-2023

- Tuition and Fees, net of discounts, were up \$1.2 million. This increase was due in part by larger enrollments in customized training and continuing education departments which added \$700 thousand in revenue over the previous year and \$2 per semester hour increase in tuition.
- Federal grants and contracts decreased by \$10.9 million. The majority of this decrease was due to a reduction in funds received over the previous year for the CARES Act Higher Education Emergency relief fund for enrollment losses, student financial needs, and health and safety supplies needed for the ongoing pandemic.
- General operating revenues increased by \$347 thousand largely due to course testing fees which had previously been recorded against actual expenditures incurred being reclassified as revenue. Total fees during the current year totaled \$306 thousand.
- The College auxiliary services sustained losses in the fiscal year 2023 totaling \$163 thousand. The decrease in revenue was due to the elimination of CARES Act Higher Education Relief Funding which the College received in the prior year for losses sustained mainly in campus dining. The amount reimbursed totaled \$523 thousand.

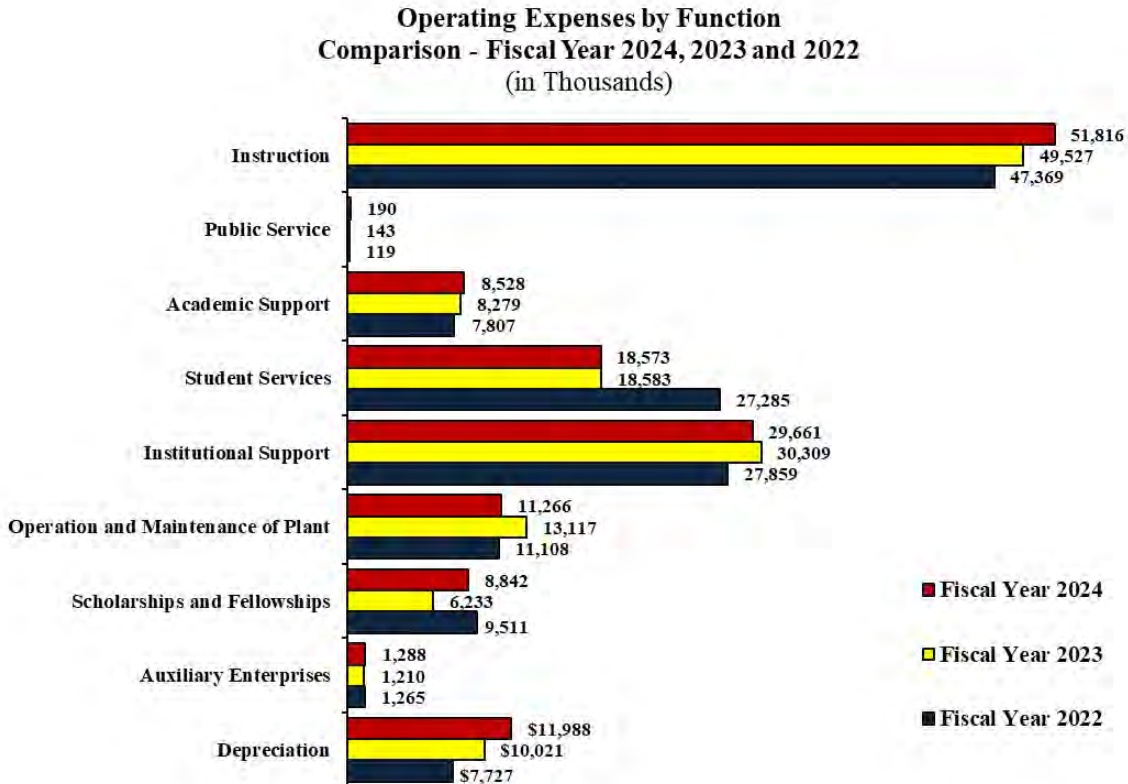
Operating expenses consisted of the following:

Operating Expenses					
Years Ended August 31, 2024 through 2022					
(In Thousands)					
Operating Expenses	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	2024-2023 Variance	2023-2022 Variance
Instruction	\$ 51,816	\$ 49,527	\$ 47,369	\$ 2,289	\$ 2,158
Public Service	190	143	119	47	24
Academic Support	8,528	8,279	7,807	249	472
Student Services	18,573	18,583	27,285	(10)	(8,702)
Institutional Support	29,661	30,309	27,859	(648)	2,450
Operation and Maintenance of Plant	11,266	13,117	11,108	(1,851)	2,009
Scholarships and Fellowships	8,842	6,233	9,511	2,609	(3,278)
Auxiliary Enterprises	1,288	1,210	1,265	78	(55)
Depreciation	11,988	10,021	7,727	1,967	2,294
Total	\$ 142,152	\$ 137,422	\$ 140,050	\$ 4,730	\$ (2,628)

DEL MAR COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Revenues, Expenses and Changes in Net Position (Continued)

The following is a graphic illustration of total operating expenses for the years ended August 31, 2024, 2023 and 2022:



Key factors impacting total operating expenses:

2023-2024

For the fiscal year, operating expenses increased by \$4.7 million. The primary factors contributing to this increase are:

- Employee benefits increased by \$5 million. At fiscal year end, the College accounted for its share of pension and other post-employment benefit costs, as determined by the Employee Retirement System and the Teachers Retirement System of Texas. This year, the net adjustment for these benefit costs increased by \$4.7 million compared to the previous year.
- Depreciation expense increased by \$2 million is primarily due to the addition of new and renovated building projects to capital assets. As these projects are completed and capitalized, their depreciation is recognized, resulting in an increase in depreciation expense.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Revenues, Expenses and Changes in Net Position (Continued)

- Salary expenses offset the increases to operating expenses with a decrease of \$1.1 million which is attributed to the decision to not implement salary raises and strategically limiting the filling positions as they became vacant for fiscal year 2024.

2022-2023

For the fiscal year, operating expenses decreased by \$2.6 million. Items having the largest impact on this increase were:

- Salaries increased by \$2.0 million. Salaries for all full-time faculty, exempt and non-exempt employees increased by 3%. Total cost of these raises was approximately \$900 thousand. In addition, the Board approved a one-time inflation relief payment of \$1,200 to all full-time employees and \$300 to part-time. Total cost of the payment was \$1.1 million.
- Employee benefits increased by \$2.5 million. At fiscal year end, the College recorded its portion of pension and other post-employment obligation costs as calculated by the Employee Retirement System and Teachers Retirement System of Texas. For the current year, the net adjustment for both benefit costs increased by \$2.1 million when compared to the prior year. Additional cost for all other benefits prior to the adjustment was \$347 thousand due to the increase in salary expenditures.
- Total other expenses decreased by \$7.4 million. The CARES and HEERF grants provided \$5.9 million in additional funding during the previous year to purchase equipment and supplies to enhance instructional support which was no longer available. In addition, \$1.6 million was provided in the prior year from the unrestricted plant fund to cover similar expenditure needs.

DEL MAR COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Revenues, Expenses and Changes in Net Position (Continued)

Non-operating revenues and expenses consisted of the following:

Non-Operating Revenues and Expenses
Years Ended August 31, 2024 through 2022
(In Thousands)

	Fiscal Year	Fiscal Year	Fiscal Year	2024-2023	2023-2022
	2024	2023	2022	Variance	Variance
Non-Operating Revenues					
State Appropriations	\$ 30,886	\$ 25,354	\$ 24,081	\$ 5,532	\$ 1,273
Maintenance Ad Valorem Taxes	68,541	65,972	60,516	2,569	5,456
Debt Service Ad Valorem Taxes	22,017	23,203	23,000	(1,186)	203
Federal Revenue, Non Operating	17,693	17,113	20,756	580	(3,643)
Investment Income	3,538	2,806	1,307	732	1,499
Change In Fair Value of Investments	3,201	2,107	(4,960)	1,094	7,067
Other Non-Operating Revenues	1,528	4,334	2,465	(2,806)	1,869
Total Non-Operating Revenues	147,404	140,889	127,165	6,515	13,724
Non-Operating Expenses					
Interest on Capital Related Debt	9,190	9,570	9,874	(380)	(304)
Other Non-Operating Expenses	336	1,191	8	(855)	1,183
Loss on Disposal of Capital Assets	5,960	4	204	5,956	(200)
Total Non-Operating Expenses	15,486	10,765	10,086	4,721	679
Net Non-Operating Revenues	\$ 131,918	\$ 130,124	\$ 117,079	\$ 1,794	\$ 13,045

Key factors impacting non-operating revenues and expenses:

2023-2024

- State appropriations increased by \$5.5 million. For fiscal year 2024, the College received an additional \$2.1 million in state appropriation funding as a result of the State’s change in the funding methodology for community colleges moving from a funding model based on student’s time in class to a performance-based funding system. Also included in the appropriation increase was \$1.3 million of the State of Texas’s new Financial Aid for Swift Transfer (FAST) funding to cover the tuition and fees for eligible dual credit students. At fiscal year end the College accounted for its share of pension and other post-employment obligations as determined by the Employee Retirement System and the Teachers Retirement System of Texas that resulted in state retirement contributions increasing to \$3.4 million in fiscal year 2024 from \$1.9 million in fiscal year 2023.
- Maintenance and operating ad valorem taxes collected during the year increased by \$2.6 million. The additional tax revenue resulted from a 17.8% increase in property tax values. The property tax rate decreased from .266104 to .237002 per hundred-dollar valuation.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Statement of Revenues, Expenses and Changes in Net Position (Continued)

- The increase in the Change in Fair Value of Investments of \$1 million was due to the investments in the College's investment portfolio that were purchased during the COVID-19 pandemic when the market interest rates were near zero maturing in fiscal year 2024.
- Other non-operating revenues decreased by \$2.8 million due primarily to the discontinuation of the CARES Act Higher Education Emergency Relief program that provided funding during the pandemic for enrollment losses, student financial needs, and health and safety supplies needs.

2022-2023

- Maintenance ad valorem taxes collected during the year increased by \$5.5 million. The additional tax revenue resulted from a 12.5% increase in property tax values. The property tax rate decreased from .283340 to .266104 per hundred-dollar valuation.
- State appropriations increased by \$1.3 million. At fiscal year end the College recorded the State's portion of pension and other post-employment obligations as calculated by the Employee Retirement System and Teachers Retirement System of Texas. Contributions for fiscal years 2023 and 2022 were \$1.9 million and \$33 thousand, respectively.
- The increase in investment income of \$1.5 million resulted from an increase in the average interest yield rate from .501% to 2.416%.
- The increase in the Change in Fair Value of Investments of \$7 million was due to the investments in the College's investment portfolio, that were purchased during the COVID-19 pandemic when the market interest rates were near zero, approaching their maturity dates at the end of fiscal year 2023.
- The decrease in Federal revenue of \$3.6 million was largely due to a reduction in COVID related funding to support students and provide educational institutions with monies to purchase protective equipment, and other needs when compared to the amount received in the prior year.
- Other non-operating revenues increased by \$1.9 million as a direct result of increased funding from the CARES Act Higher Education Relief Program for tuition losses sustained for enrollment declines during the COVID-19 pandemic. Total funds used totaled \$2.3 million.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

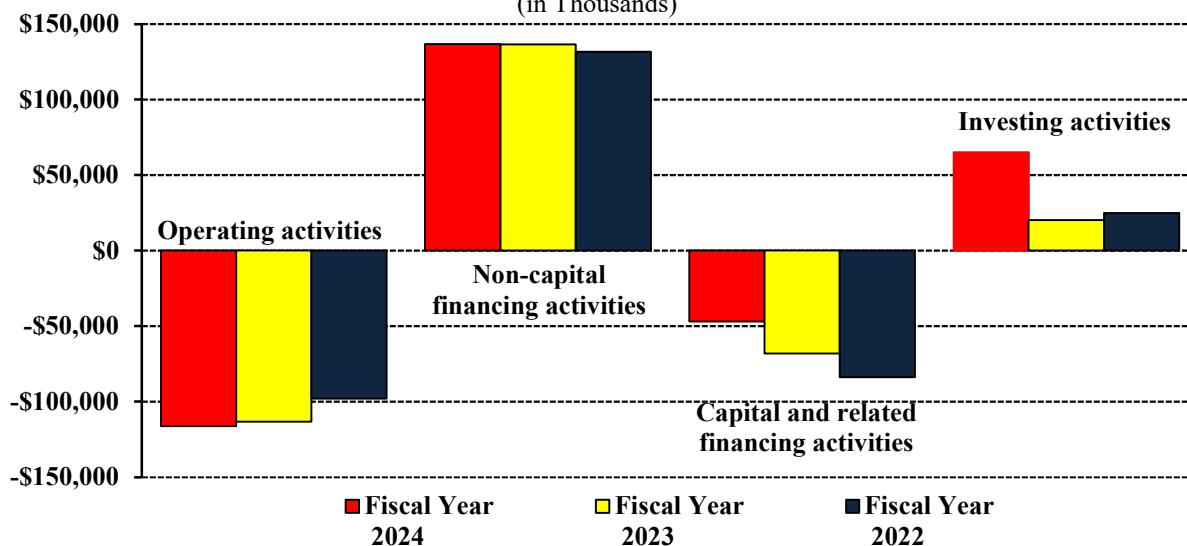
Statement of Cash Flows

The final statement presented by Del Mar College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the College during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the College. The second section reflects cash flows from non-capital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital assets and related items. The fourth section reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position. Condensed financial information from the Statement of Cash Flows is as follows:

Statement of Cash Flows
Years Ended August 31, 2024 through 2022
(In Thousands)

Cash provided (used) by:	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Operating activities	\$ (116,208)	\$ (113,379)	\$ (97,935)
Non-capital financing activities	136,746	136,528	131,592
Capital and related financing activities	(46,917)	(68,112)	(83,826)
Investing activities	65,223	20,113	24,752
Net change in cash and cash equivalents	38,844	(24,850)	(25,417)
Cash and cash equivalents - September 1	5,992	30,842	56,259
Cash and cash equivalents - August 31	\$ 44,836	\$ 5,992	\$ 30,842

Statement of Cash Flows
Comparison - Fiscal Year 2024, 2023 and 2022
(in Thousands)



DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Capital Asset and Debt Administration

The College had \$451 million invested in capital assets on August 31, 2024, and \$443 million on August 31, 2023. Capital assets are net of accumulated depreciation of \$141 million and \$129 million for fiscal years 2024 and 2023, respectively. Depreciation charges totaled \$12 million and \$10 million for fiscal years 2024 and 2023, respectively. New equipment purchases of \$1.7 million and \$1.4 million were made for fiscal years 2024 and 2023, respectively.

Additions of \$22.4 million were added to construction work in progress for the following projects:

Construction Work in Progress
Additions - Fiscal Year 2024

(\$'s in thousands)

<u>Project</u>	<u>Location</u>	<u>Amount</u>
Memorial Building	Heritage Campus	\$ 10,425
White Library Renovation	Heritage Campus	7,360
Fine Arts/Music Building	Heritage Campus	1,821
ERP Implementation	Heritage Campus	1,152
Emergency Response Facility	Windward Campus	559
Police Station	Heritage Campus	263
Central Plant Upgrade	Windward Campus	231
Main, STEM, Culinary Arts Buildings	Oso Creek	162
CED Board Room	Center for Economic Dev	162
Heldenfels Building	Heritage Campus	143
Harvin Center Building	Heritage Campus	82
Corpus Christi Police Academy	Oso Creek	5
Building Re-roofing projects	Heritage Campus	3
		<u>\$ 22,368</u>

Construction work in progress totaling \$4.8 million was moved to buildings and improvements with the completion of the following projects:

Project Completions
for FY 2024

(\$'s in thousands)

<u>Project</u>	<u>Location</u>	<u>Amount</u>
Central Plant Upgrade	Windward Campus	\$ 2,209
Fine Arts/Music Building	Heritage Campus	825
CED Board Room	Center for Economic Dev	752
Emergency Response Facility	Windward Campus	581
Police Station	Heritage Campus	263
Main, STEM, Culinary Arts Buildings	Oso Creek	161
General Academic/Music Building	Heritage Campus	50
		<u>\$ 4,841</u>

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

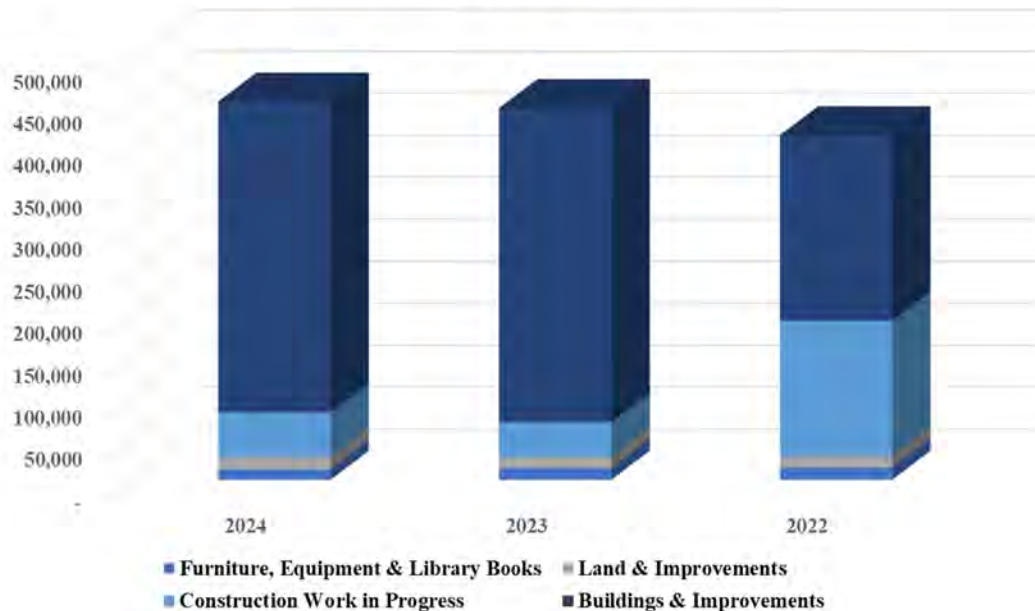
Capital Asset and Debt Administration (Continued)

The College had \$591.4 million in capital assets, and \$140.5 million in accumulated depreciation on August 31, 2024.

Capital Assets
(Net of Depreciation)
Years Ended August 31, 2024 through 2022
(In Thousands)

	2024	2023	2022
Land	\$ 13,325	\$ 12,649	\$ 12,649
Construction in Progress	52,446	40,860	161,412
Buildings and Improvements	370,499	374,212	220,693
Land Improvements	2,381	1,669	1,556
Library Books	709	711	659
Equipment	10,444	11,033	11,843
Right-to-use Leased Equipment	139	209	122
Right-to-use Subscription Assets	913	1,758	1,752
Net capital assets	\$ 450,856	\$ 443,101	\$ 410,686

Capital Asset Comparison
Fiscal Years 2024, 2023 and 2022
(in Thousands)



DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Capital Asset and Debt Administration (Continued)

Total bond payable liability balances at August 31, 2024, 2023, and 2022 are as follows:

Outstanding Debt - Bonds	(In Thousands)		
	2024	2023	2022
Del Mar College District Limited Tax Refunding Bonds, Series 2013	3,725	7,345	7,375
Del Mar College District Limited Tax Refunding Bonds, Series 2014	-	-	1,330
Del Mar College District Limited Tax Refunding and Improvement Bonds, Series 2015	9,615	9,880	11,875
Del Mar College District Limited Tax Bonds, Series 2016	57,140	58,665	60,120
Del Mar College District Combined Fee Revenue Refunding Bonds, Series 2016	6,920	8,450	9,910
Del Mar College District Limited Tax Bonds, Series 2017	6,480	6,860	7,225
Del Mar College District Limited Tax Bonds, Series 2018A	40,100	41,000	41,855
Del Mar College District Limited Tax Bonds, Series 2018B	52,040	53,200	54,305
Del Mar College District Limited Tax Bonds, Series 2020A	21,545	22,150	22,150
Del Mar College District Limited Tax Bonds, Series 2020B	54,785	56,285	56,285
Del Mar College District Limited Tax Bonds, Series 2021	-	-	4,230
Total	\$ 252,350	\$ 263,835	\$ 276,660

The College's bond ratings for the two issuances dated June 1, 2020, are "Aa2", and "AA" by Moody's Investor Service and Fitch Ratings, Inc., respectively. Certain of the District's outstanding tax supported debt has an underlying rating of "Aa2" by Moody's and/or "AA" by Standard and Poor's Global. See Notes 8 and 9 for additional information.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Economic Factors That Will Affect the Future

The economic condition of the Del Mar College District is influenced by the economic position of the State of Texas and the Coastal Bend Region. Fiscal year 2024 was the first year that state appropriation funding was based on the new outcomes-based community college funding model that ties state funding more closely to student outcomes. As a result of this change, the College received an additional \$2.1 in state appropriation funding for fiscal year 2024. Because student success continues to be a top institutional priority, the College is optimistic that it will be well positioned for favorable results under the new model.

The economic landscape of the Coastal Bend Region, particularly Corpus Christi, continues to show resilience and growth despite global economic challenges. Key sectors such as oil and gas, construction, healthcare and green industries are driving significant capital investments and job creation. The Port of Corpus Christi remains a critical economic engine, setting records in crude oil and liquefied natural gas exports. The ongoing dredging projects to deepen and widen the ship channel will further enhance its capacity to handle larger vessels, boosting trade and economic activity. Major projects, including the Tesla Lithium plant and Project Net Zero have brought substantial investments and high-paying jobs to the region. The region is also seeing a surge in green industry projects, including hydrogen/ammonia production and green steel manufacturing, which are expected to diversify the economy and create sustainable job opportunities.

Property tax revenues are a significant source of funding for Del Mar College. An increase in taxable assessed property values of 17.8% resulted in the College lowering its maintenance and operating property tax rate while increasing taxes collected by \$2.6 million in fiscal year 2024. The continued property valuation and growth reflects the strong local economy in the College's tax base.

The College's enrollment trends have shown positive signs of recovery and growth since the end of the pandemic with an increase in enrollment of 2.6% from fiscal year 2023 to 2024 and an increase in fall 2024 enrollment of 5.5% compared to fall 2023. The economic recovery post-pandemic has led to increased demand for workforce development programs. Del Mar College has capitalized on this by offering flexible learning options such as 8-week courses and programs that align with local industry needs, particularly in sectors like petrochemical, healthcare and tourism. The College offers competitive tuition rates and substantial financial aid and has implemented various support services and student success initiatives aimed at improving retention and graduation rates.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Request for Information

This financial report is designed to provide the District's citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. Requests for additional financial information may be addressed to the Del Mar College Fiscal Affairs Office, 101 Baldwin Blvd., Corpus Christi, Texas 78404.



Catherine West, Ed.D., CPA
Director of Accounting/Treasury Officer
Del Mar College

Del Mar College Statements of Net Position

	August 31,	
	2024	2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 4)	\$ 35,491,678	\$ 4,732,644
Short Term Investments (Note 4)	33,542,457	71,105,206
Accounts Receivable, Net (Note 6)	10,030,748	8,147,007
Taxes Receivable (Note 6)	4,268,974	2,024,371
Total Current Assets	83,333,857	86,009,228
Noncurrent Assets:		
Restricted Cash and Cash Equivalents (Note 4)	9,343,914	1,259,823
Restricted Investments (Note 4)	-	21,100,439
Lease Receivable (Note 10)	2,317,369	2,504,023
Capital Assets, Net (Note 7)	450,855,605	443,101,436
Total Noncurrent Assets	462,516,888	467,965,721
Total Assets	545,850,745	553,974,949
Deferred Outflows of Resources		
Deferred Loss on Refunding Bonds	282,830	432,555
Deferred Outflows Related to Pensions (Note 11)	10,546,642	10,330,905
Deferred Outflows Related to OPEB (Note 16)	1,524,422	1,692,507
Total Deferred Outflows of Resources	12,353,894	12,455,967
Total Assets and Deferred Outflows of Resources	558,204,639	566,430,916
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities (Note 6)	7,483,620	10,037,368
Accrued Compensable Absences - Current Portion (Note 8 and 14)	676,376	764,131
Subscription Based Information Technology Arrangement - Current Portion (Note 22)	410,498	1,064,427
Net OPEB Liability - Current Portion (Note 16)	1,392,616	1,401,343
Funds Held for Others	2,101,971	2,028,929
Unearned Revenues (Note 6)	12,418,859	14,072,764
Bonds Payable - Current Portion (Note 8 and 9)	11,980,000	11,485,000
Total Current Liabilities	36,463,940	40,853,962
Noncurrent Liabilities:		
Accrued Compensable Absences (Note 8 and 14)	7,297,425	7,170,135
Lease Liability (Note 10)	139,384	211,991
Subscription Based Information Technology Arrangement Liability (Note 8 and 22)	152,395	380,420
Net Pension Liability (Note 11)	28,361,304	24,717,359
Net OPEB Liability (Note 16)	48,394,531	52,500,876
Bonds Payable (Note 8 and 9)	264,508,840	278,733,531
Total Noncurrent Liabilities	348,853,879	363,714,312
Total Liabilities	385,317,819	404,568,274
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions (Note 11)	1,176,107	1,758,324
Deferred Inflows Related to OPEB (Note 16)	15,205,241	15,195,396
Deferred Inflows Related to Lease Receivable (Note 10)	2,317,443	2,504,083
Total Deferred Inflows of Resources	18,698,791	19,457,803
Total Liabilities and Deferred Inflows of Resources	404,016,610	424,026,077
NET POSITION		
Net Investment in Capital Assets	171,903,087	165,394,456
Restricted for:		
Expendable		
Debt Service	10,381,602	9,631,963
Loan Funds	1,419	1,423
Unrestricted	(28,098,079)	(32,623,003)
Total Net Position (Schedule D)	\$ 154,188,029	\$ 142,404,839

See Notes to Financial Statements

(Continued)

**Del Mar College
Component Unit
Statements of Financial Position**

ASSETS	Del Mar College Foundation, Inc. June 30,	
	2024	2023
Cash and Cash Equivalents (Note 4)	\$ 1,409,575	\$ 1,622,755
Certificates of Deposit	-	500,000
Accounts Receivable	4,116	11,906
Investments (Note 4 and 24)	16,837,821	13,102,836
Unconditional Promises to Give (Note 6)	252,944	290,606
Total Current Assets	18,504,456	15,528,103
Endowment Investments (Note 4)	15,634,325	15,083,121
Long-Term Unconditional Promises to Give (Note 6)	111,379	219,253
Beneficial Interest in Irrevocable Charitable Trust (Note 24)	856,684	818,243
Total Assets	35,106,844	31,648,720
LIABILITIES		
Accounts Payable	8,593	10,225
Due to Del Mar College	317,854	76,716
Total Liabilities	326,447	86,941
NET ASSETS		
Without Donor Restrictions	8,717,234	7,345,239
With Donor Restrictions	26,063,163	24,216,540
Total Net Assets	\$ 34,780,397	\$ 31,561,779

See Notes to Financial Statements.

Del Mar College
Statements of Revenues, Expenses and Changes in Net Position
Year Ended August 31,

Operating Revenues	2024	2023
Tuition and Fees (net of discounts of \$16,190,672 and \$16,202,905, respectively)	\$ 10,272,564	\$ 10,784,043
Federal Grants and Contracts	2,577,486	4,800,930
State Grants and Contracts	2,350,741	2,694,143
Local Grants and Contracts	1,637,037	999,306
Auxiliary Enterprises	1,058,306	1,076,226
General Operating Revenues	2,229,282	2,734,095
Total Operating Revenues (Schedule A)	20,125,416	23,088,743
Operating Expenses		
Instruction	51,816,207	49,526,937
Public Service	189,910	143,399
Academic Support	8,527,759	8,278,636
Student Services	18,572,905	18,582,537
Institutional Support	29,661,009	30,308,940
Operation and Maintenance of Plant	11,266,427	13,117,227
Scholarships and Fellowships	8,841,668	6,232,962
Auxiliary Enterprises	1,287,553	1,210,035
Depreciation	11,988,467	10,021,138
Total Operating Expenses (Schedule B)	142,151,905	137,421,811
Operating Loss	(122,026,489)	(114,333,068)
Non-Operating Revenues (Expenses)		
State Appropriations	30,886,454	25,353,817
Maintenance Ad Valorem Taxes	68,541,016	65,971,659
Debt Service Ad Valorem Taxes	22,016,865	23,202,803
Federal Revenue, Non Operating	17,693,360	17,113,420
Loss on Disposal of Capital Assets	(5,959,981)	(4,314)
Investment Income	3,538,319	2,805,734
Change in Fair Value of Investments	3,200,432	2,107,474
Interest on Capital Related Debt	(9,189,901)	(9,569,618)
Other Non-Operating Revenues	1,527,951	4,334,489
Other Non-Operating Expenses	(336,156)	(1,191,543)
Net Non-Operating Revenues (Schedule C)	131,918,359	130,123,921
Capital Contributions		
Contributions from Other Agencies	1,891,320	48,985
Increase in Net Position	11,783,190	15,839,838
Net Position		
Net Position - Beginning of Year	142,404,839	126,565,001
Net Position - End of Year	\$ 154,188,029	\$ 142,404,839

See Notes to Financial Statements

(Continued)

**Del Mar College
Component Unit
Statements of Activities**

	Del Mar College Foundation, Inc.			
	Year Ended June 30, 2024 With Comparative Totals			
	For the Year Ended June 30, 2023			
	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
Support, Revenue and Gains:				
Scholarship Contributions	\$ 23,922	\$ 1,178,384	\$ 1,202,306	\$ 1,444,625
Designated Scholarship Contributions	-	358,407	358,407	352,464
Grants, Managed Funds, and Other Contributions	282,668	943,673	1,226,341	1,251,744
Net Investment Income	1,473,571	2,416,534	3,890,105	2,642,004
Contributed Services and Expenses	779,844	-	779,844	810,986
Net Assets Released from Restrictions	3,050,375	(3,050,375)	-	-
Total Support, Revenue and Gains	5,610,380	1,846,623	7,457,003	6,501,823
Program Expenses:				
Foundation Services	3,825,730	-	3,825,730	3,382,013
Development Services	412,655	-	412,655	457,644
Total Program Expenses	4,238,385	-	4,238,385	3,839,657
Change in Net Assets	1,371,995	1,846,623	3,218,618	2,662,166
Net Assets, Beginning of Year	7,345,239	24,216,540	31,561,779	28,899,613
Net Assets - End of Year	\$ 8,717,234	\$ 26,063,163	\$ 34,780,397	\$ 31,561,779

See Notes to Financial Statements.

**Del Mar College
Statements of Cash Flows**

	Year Ended August 31,	
	2024	2023
Cash Flows from Operating Activities:		
Receipts from Students and Other Customers	\$ 11,227,582	\$ 11,708,422
Receipts from Grants and Contracts	4,881,311	6,413,871
Receipts from Student Organizations and Other Agency Transactions	1,459,314	1,187,896
Payments to Student Organizations and Other Agency Transactions	(1,386,272)	(1,399,523)
Payments to Suppliers for Goods and Services	(36,473,676)	(39,516,359)
Payments to or on Behalf of Employees	(79,412,257)	(77,617,355)
Payments for Scholarships and Fellowships	(18,658,513)	(16,815,107)
Other General Operating Receipts	2,154,282	2,659,095
Net Cash Used by Operating Activities	(116,208,229)	(113,379,060)
Cash Flows from Non-Capital Financing Activities:		
Receipts from State Appropriations	31,025,603	25,409,635
Receipts from Ad Valorem Taxes	88,313,278	89,148,799
Receipts from Non Operating Federal Revenue	17,406,500	21,970,094
Net Cash Provided by Non-Capital Financing Activities	136,745,381	136,528,528
Cash Flows from Capital and Related Financing Activities:		
Purchases of Capital Assets	(23,811,297)	(42,391,746)
Payments on Capital Debt - Principal	(11,485,000)	(12,825,000)
Payments on Capital Debt - Interest	(11,621,023)	(12,895,239)
Net Cash Used by Capital and Related Financing Activities	(46,917,320)	(68,111,985)
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investments	106,787,298	80,965,433
Interest on Investments	3,359,673	2,526,993
Purchase of Investments	(44,923,678)	(63,379,779)
Net Cash Provided by Investing Activities	65,223,293	20,112,647
Increase (Decrease) in Cash and Cash Equivalents	38,843,125	(24,849,870)
Cash and Cash Equivalents—September 1	5,992,467	30,842,337
Cash and Cash Equivalents—August 31	\$ 44,835,592	\$ 5,992,467

See Notes to Financial Statements

(Continued)

Del Mar College
Statements of Cash Flows

	Year Ended August 31,	
	2024	2023
Reconciliation of Net Operating Loss to Net Cash		
Used by Operating Activities:		
Operating Loss	(122,026,489)	(114,333,068)
Adjustments to Reconcile Net Loss to Net Cash		
Used by Operating Activities:		
Depreciation Expense	11,988,467	10,021,138
Bad Debt Expense	178,903	204,338
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Receivables, Net	(208,336)	242,647
Prepaid Expenses	-	271,808
Lease Receivable	186,654	186,657
Accounts Payable and Accrued Liabilities	(2,553,748)	(3,215,101)
Compensated Absences	39,535	56,593
Funds Held for Others	73,042	(211,627)
Unearned Revenues	(1,653,905)	(2,550,002)
Net Pension Liability	3,643,945	14,264,854
Net OPEB Liability	(4,115,072)	(13,150,638)
Net Lease Liability	(72,607)	85,559
Net SBITA Liability	(881,954)	21,400
Deferred Outflows of Resources	(47,652)	(4,366,620)
Deferred Inflows of Resources	(759,012)	(906,998)
Net Cash Used by Operating Activities	(116,208,229)	(113,379,060)
Noncash Investing, Capital and Financing Activities:		
Contribution of Capital Assets	\$ 1,891,320	\$ 48,985
Change in Fair Value of Investments	3,200,432	2,107,474
Total Noncash Investing, Capital and Financing Activities	\$ 5,091,752	\$ 2,156,459

See Notes to Financial Statements

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 1 - Reporting Entity

Del Mar College District, the College, was established in 1935, in accordance with the laws of the state of Texas, to serve the educational needs of Corpus Christi and the surrounding communities. The College is considered to be a special purpose, primary government engaged in business type activities. 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.

Discrete Component Unit

Using the criteria established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, the College's management has determined the Del Mar College Foundation ("the Foundation") should be reported as a discrete component unit of the College because of the nature and significance of its relationship with the College. The Foundation is a component unit if the Foundation raises and holds economic resources for the direct benefit of the College and the Foundation is significant compared to the College.

Del Mar College Foundation ("the Foundation") is a Texas nonprofit corporation, chartered in 1983, to provide supplemental financial resources to advance the institutional goals and expand the educational services of the College. It is the intention of the Foundation to support educational initiatives which will enhance the quality of facilities and instruction, increase and diversify educational services, and improve accessibility to educational opportunities for students, faculty, staff, and residents of the geographic areas served by the College. The Foundation is accounted for separately in the Basic Financial Statements of the College and has a June 30 fiscal year end. The Foundation's Notes to Financial Statements are disclosed in Note 24. Complete financial statements of Del Mar College Foundation can be obtained from the administrative offices of the Foundation.

Note 2 - Summary of Significant Accounting Policies

A. 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Nature of Operations

Del Mar College is a political subdivision of the State of Texas located in Nueces County. The College offers academic, general occupational, developmental, and continuing adult education programs. The College is governed by a nine member Board of Regents who serve staggered six-year terms. Five Regents are elected to represent single-member districts and four members are elected at large. Three positions are filled every two years. Vacancies on the Board are filled for an unexpired term according to Board bylaws.

C. Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships for qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fees revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Agency Program Funds

Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially 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 a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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 amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

D. 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. The College's financial statements are prepared using the economic resources measurement focus. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

E. Budgetary Data

Each community college 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 District's Board of Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments 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.

F. 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.

G. Investments

Investments consist of balances in privately managed public funds investment pools, municipal notes, commercial paper and investments in United States (U.S.) Agency securities. The College reports all investments at fair value, except for investment pools. The College's investment pools are valued and reported at amortized cost, which approximates fair value. (The governing board has designated public funds investment pools to be short-term and included in cash and cash equivalents.) Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase. Restricted cash and investments are for capital projects funded by external debt issuances and reserves set aside in accordance with bond covenants for certain bond issuances.

H. Capital Assets

Capital assets are stated at cost. Donated capital assets are valued at their estimated acquisition value on the date received. Purchases of items with a life expectancy of greater than one year and with a cost in excess of \$5,000 are considered capital assets. Renovations to buildings, infrastructure 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

Buildings	50 years
Facilities and Other Improvements	20 years
Library Books	15 years
Furniture, Machinery, Vehicles and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years
Works of Art	Not depreciated

Right to Use Asset

A right to use asset conveys control of the right to use another entity's nonfinancial asset over the duration of an agreed-upon lease term or other arrangement in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Right of use assets derived from leases are amortized over the shorter of the lease term or the useful life of the underlying asset.

Subscription Asset

A subscription asset derives from subscription-based information technology arrangements (SBITAs) that convey control of the right to use another entity's information technology software, alone or in combination with tangible capital assets, for a specified period in an exchange or exchange-like transaction. Right of use assets derived from SBITAs are amortized over the subscription term.

I. 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 the other post-employment 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.

J. 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, and liabilities and additions

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

K. Deferred Outflows of Resources

In addition to assets, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by the GASB. Typical deferred outflows for community colleges are deferred charges on refunded debt, pensions and OPEB.

The gain or loss on the early retirement of debt is deferred and amortized over the shorter of (1) the remaining amortization period that was used in the original refunding or (2) the life of the newly issued debt.

L. Funds Held in Trust for Others

At August 31, 2024 and 2023, the College held, in trust funds, amounts of \$2,101,971 and \$2,028,929 respectively, that pertain primarily to student organizations. These funds are not available to support the College's programs.

M. Unearned Revenues

Unearned revenues include the (1) amounts received for tuition and fees for the fall term of the next fiscal year and are not revenue in the current year, (2) unearned lease revenue that has not been earned, and (3) amounts received from grants and contract sponsors that also have not been earned.

N. Bond Discounts/Premiums

Bond discounts/premiums are deferred and amortized over the term of the bond. Bond discounts/premiums are presented as a reduction/addition of the face amount of bonds payable.

O. Deferred Inflows of Resources

In addition to liabilities, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by the GASB.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Estimates

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

Q. Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. As business-type activities, the College's operating revenues and expenses generally result from providing services in connection with the college's principal ongoing operations. The principal operating revenues are tuition and related fees, net of discounts. The College also recognizes as operating revenue Federal/State/Local Grants, Non-Governmental Grants and Contracts, Auxiliary Enterprises, and Other Operating Revenues. The Texas Higher Education Coordinating Board requires colleges to classify the revenue received for federal Title IV grant programs (i.e., Pell grants) as operating revenue rather than non-operating revenue. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. The operation of the bookstore is not performed by the College.

R. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first when allowable, then unrestricted resources as they are needed.

S. 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.

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

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, sales and services of educational departments and auxiliary enterprises which are substantially self-supporting activities that provide services for students, faculty and staff. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. 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 restricted resources.

Note 3 - Authorized Investments

Del Mar College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) constant-dollar, Texas Local Government Investment Pools, (3) money market mutual funds, (4) certificates of deposit, and (5) other instruments and obligations authorized by the statute.

Note 4 - Deposits and Investments

Cash and cash equivalents included on Exhibit 1, Statement of Net Position, consist of the items reported below:

Reconciliation of Cash and Cash Equivalents to Exhibit 1, Statement of Net Position

	<u>2024</u>		<u>2023</u>	
	<u>College</u>	<u>Foundation</u>	<u>College</u>	<u>Foundation</u>
Demand Deposits	\$ 156,270	\$ 233,387	\$ 89,112	\$ 183,078
Money Market	-	1,173,778	-	1,436,767
Sweep Account	4,874,095	-	1,847,646	-
Logic Pool	39,784,671	-	4,032,153	-
Certificate of Deposit	-	-	-	500,000
Petty Cash on Hand	20,556	2,410	23,556	2,910
Total Cash and Deposits	<u>\$ 44,835,592</u>	<u>\$ 1,409,575</u>	<u>\$ 5,992,467</u>	<u>\$ 2,122,755</u>
<u>Exhibit 1</u>				
Cash and Cash Equivalents	\$ 35,491,678	\$ 1,409,575	\$ 4,732,644	\$ 2,122,755
Restricted Cash and Cash Equivalents	9,343,914	-	1,259,823	-
	<u>\$ 44,835,592</u>	<u>\$ 1,409,575</u>	<u>\$ 5,992,467</u>	<u>\$ 2,122,755</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 4 – Deposits and Investments (Continued)

Investments included on Exhibit 1, Statement of Net Position, consist of the items reported below:

Reconciliation of Investments to Exhibit 1, Statement of Net Position

<u>Type of Security</u>	<u>2024</u>		<u>2023</u>	
	<u>College</u>	<u>Foundation</u>	<u>College</u>	<u>Foundation</u>
Municipal Notes	\$ 3,715,000	\$ -	\$ 23,896,339	\$ -
Mutual Funds	-	31,439,813	-	27,016,286
Commercial Paper	14,870,432	-	7,966,111	-
U.S. Government Agencies	14,957,025	-	60,343,195	-
Alternative Investments	-	1,032,333	-	1,169,671
Total Investments	<u>\$ 33,542,457</u>	<u>\$ 32,472,146</u>	<u>\$ 92,205,645</u>	<u>\$ 28,185,957</u>
 Exhibit 1				
Short Term Investments	\$ 33,542,457	\$ 16,837,821	\$ 71,105,206	\$ 13,102,836
Restricted Investments	-	15,634,325	21,100,439	15,083,121
	<u>\$ 33,542,457</u>	<u>\$ 32,472,146</u>	<u>\$ 92,205,645</u>	<u>\$ 28,185,957</u>

Interest Rate Risk

College

In order to limit interest and market rate risk from changes in interest rates, the College's adopted Investment Policy sets a maximum stated maturity limit of two years for operating funds and five years for reserve funds. The maximum weighted average maturity (WAM) is restricted to one-year for the operating and reserve funds portfolios and compared quarterly to the six-month and one year Treasury Bill. As of August 31, 2024, the College's portfolio had no holdings with stated maturities beyond 236 days.

Foundation

In order to limit interest and market rate risk from changes in interest rates, the Foundation's Investment Policy sets a maximum stated maturity limit of one year for capital campaigns, special projects and short-term funds. Short-term funds will be held in limited-risk investment vehicles.

The Foundation's endowment assets will have a long-time life span which parallels the life of the institution. As such, assets are invested in funds with maturities that extend well beyond a normal market cycle. However, by careful management and sufficient portfolio diversification, there will be lessened volatility in the investments, which will help to assure a reasonable consistency of return.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 4 – Deposits and Investments (Continued)

Credit Risk

College

In accordance with state law and the College's investment policy, investments in U.S. government agencies, mutual funds, and local governmental investment pools must be rated at least AAA; commercial paper must be rated at least A-1 or P-1; investments in municipal notes must be rated at least AA.

As of August 31, 2024, the College's investments in local governmental investment pools were all rated AAA by Standard and Poor's. The College's commercial paper investments were rated A-1 by Standard and Poor's and P-1 by Moody's.

Foundation

It is the Foundation's investment policy to invest in equity securities, fixed income investment bonds and various other investment alternatives as deemed appropriate. The principal category of equity investments are mutual funds, with emphasis on high quality, investment grade, dividend-paying stocks in companies that are financially sound and that have favorable prospects for earnings growth. In recognition of the increasing opportunities available in today's dynamic investment universe to seek returns that may be less correlated to the traditional broad equity and fixed income markets, the Trustees may allocate up to 30% of the Fund Assets to alternative investments. Fixed Income bonds are invested in domestic, high quality corporate bonds with a minimum of an AA rating.

Concentration of Credit Risk

College

The College recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a quarterly basis.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 4 - Deposits and Investments (Continued)

Diversification limits are set as follows:

<u>Investment Type</u>	<u>Percentage of Portfolio</u>	
	<u>Allowable</u>	<u>Actual</u>
U.S. Obligations	80%	0%
U.S. Agencies/Instrumentalities	75%	19%
Certificates of Deposit	75%	0%
Repurchase Agreements	100%	0%
Local Governmental Investment Pools	100%	51%
Money Market Mutual Funds	50%	6%
Commercial Paper	30%	19%
Bankers Acceptances	20%	0%
Mutual Funds	10%	0%
State & Municipal Obligations	30%	5%
Corporate Obligations	25%	0%
Negotiable Certificates of Deposit	25%	0%
Interest Bearing Accounts - Texas Banks	100%	0%

Foundation

The Foundation recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a quarterly basis. The general policy is to diversify investments of long-term funds among both equity and fixed-income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. As a long-term guideline, the investment categories should be equities 0%-66%, alternatives 0%-30%, and fixed income 0%-50% and cash 0% to 20%.

Custodial Credit Risk

College

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College's Investment Policy and state law require that a third party hold collateral for all time and demand deposits and repurchase agreements in the College's name. All demand deposits balances were secured by the depository institution pledging collateral to the College. The collateral was held by an independent institution and maintained at 102%.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 4 - Deposits and Investments (Continued)

Foundation

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Foundation maintains its cash and cash equivalents with financial institutions and money market accounts with investment companies. The Foundation's deposits at financial institutions exceeded federal depository insurance by \$31,946 and \$426,382 as of June 30, 2024 and 2023, respectively. Management believes that the risk of loss is minimal due to the strength of the institutions. Cash and cash equivalents held with investment companies exceeded federal depository insurance by \$391,832 and \$662,131 as of June 30, 2024 and 2023, respectively.

Note 5 – Fair Value of Financial Instruments

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to their fair value measurement of the instrument.

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Because the investments are restricted by Policy and state law to active secondary market, the *market approach* is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The exit or fair market prices used for the fair market valuations of the portfolio are all Level 2 and represent unadjusted quoted prices in active markets for similar assets and liabilities that have been accessed at the measurement date.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 5 – Fair Value of Financial Instruments (Continued)

As of August 31, 2024 and 2023 the College’s securities to be priced in the portfolio were as follows:

	Fair Value	Fair Value Measurements Using:	
		Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
August 31, 2024:			
Municipal Notes	\$ 3,715,000	\$ -	\$ 3,715,000
Commercial Paper	14,870,432	-	14,870,432
U.S. Gov't Agencies	14,957,025	-	14,957,025
Total	\$ 33,542,457	\$ -	\$ 33,542,457
August 31, 2023:			
Municipal Notes	\$ 23,896,339	\$ -	\$ 23,896,339
Commercial Paper	7,966,111	-	7,966,111
U.S. Gov't Agencies	60,343,195	-	60,343,195
Total	\$ 92,205,645	\$ -	\$ 92,205,645

Note 6 - Disaggregation of Receivables, Payables, and Unearned Revenues

Receivables at August 31, 2024 and 2023 were as follows:

Accounts Receivable, Net:

	2024	2023
Student Receivables	\$ 7,217,256	\$ 7,137,808
Federal Receivables	3,005,124	1,151,718
Interest Receivables	485,602	306,956
Total Receivables	10,707,982	8,596,482
Less: Allowance for Doubtful Accounts	677,234	449,475
Accounts Receivable, Net	\$ 10,030,748	\$ 8,147,007

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 6 - Disaggregation of Receivables, Payables, and Unearned Revenues (Continued)

Taxes Receivable, Net:

	<u>2024</u>	<u>2023</u>
Taxes Receivable	\$ 4,757,977	\$ 9,727,626
Less Allowance for Doubtful Accounts	489,003	7,703,255
Taxes Receivable, Net	<u>\$ 4,268,974</u>	<u>\$ 2,024,371</u>

The Foundation has received promises and been awarded grants. Unconditional promises to give at June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Student Scholarships	\$ 369,444	\$ 524,856
Less Unamortized Discount	(5,121)	(14,997)
Net Unconditional Promises to Give	364,323	509,859
Less Amount Due in One Year or Less	252,944	290,606
Net Long-Term Unconditional Promises to Give	<u>\$ 111,379</u>	<u>\$ 219,253</u>

Long-term promises to give are expected to be collected during the year ended June 30, 2026. The discount rate of 4.52 percent and 4.49 percent was used on long-term promises to give as of June 30, 2024 and 2023, respectively. The Foundation considers promises to give fully collectible; accordingly, no allowance for uncollectible promises has been provided.

Accounts Payable and Accrued Liabilities:

Payables at August 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Vendors Payable	\$ 5,827,293	\$ 7,377,199
Salaries & Benefits Payable	1,207,861	2,191,172
Accrued Interest	448,466	468,997
Total Payables	<u>\$ 7,483,620</u>	<u>\$ 10,037,368</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 6 - Disaggregation of Receivables, Payables, and Unearned Revenues (Continued)

Unearned Revenues:

Unearned revenues at August 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Tuition and Fees	\$ 9,360,447	\$ 9,420,784
Unearned Lease Revenue	931,250	1,006,250
Federal, State and Local Grants	2,127,162	3,645,730
	<u>\$ 12,418,859</u>	<u>\$ 14,072,764</u>

Note 7 - Capital Assets

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

	<u>Balance</u> <u>Sept 1, 2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>August 31, 2024</u>
Capital Assets Not Depreciated:				
Land	\$ 12,649,523	\$ 675,210	\$ -	\$ 13,324,733
Construction in Progress	40,859,919	22,368,026	10,782,000	52,445,945
Total Capital Assets Not Depreciated	53,509,442	23,043,236	10,782,000	65,770,678
Capital Assets Being Depreciated:				
Building and Improvements	456,208,258	4,704,861	-	460,913,119
Land Improvements	12,387,655	752,180	-	13,139,835
Library Books	7,145,816	100,814	-	7,246,630
Furniture, Machinery, Vehicles, and other Equipment	40,047,150	1,691,426	737,142	41,001,434
Right-To-Use Leased Equipment	387,038	111,217	130,694	367,561
Right-To-Use Subscription Asset	2,830,406	247,224	133,780	2,943,850
Total Capital Assets Being Depreciated	519,006,323	7,607,722	1,001,616	525,612,429
Less Accumulated Depreciation:				
Buildings and Improvements	81,996,116	8,418,334	-	90,414,450
Land Improvements	10,718,416	40,384	-	10,758,800
Library Books	6,434,621	102,665	-	6,537,286
Furniture, Machinery, Vehicles, and other Equipment	29,014,565	2,256,456	713,197	30,557,824
Right-To-Use Leased Equipment	177,683	78,912	28,317	228,278
Right-To-Use Subscription Asset	1,072,928	1,091,716	133,780	2,030,864
Total Accumulated Depreciation	129,414,329	11,988,467	875,294	140,527,502
Net Capital Assets Being Depreciated	389,591,994	(4,380,745)	126,322	385,084,927
Capital Assets, Net	\$ 443,101,436	\$ 18,662,491	\$ 10,908,322	\$ 450,855,605

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 7 - Capital Assets (Continued)

During 2024, the College disposed of \$5,941,069 of undepreciated capitalized costs related to an unimplemented college-wide Enterprise Resource Planning system. This is reported as a loss on disposal of capital assets in the statement of revenues, expenses and changes in net position.

Capital assets activity for the year ended August 31, 2023 was as follows:

	<u>Balance</u> <u>Sept 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>August 31, 2023</u>
Capital Assets Not Depreciated:				
Land	\$ 12,649,523	\$ -	\$ -	\$ 12,649,523
Construction in Progress	161,411,541	39,886,588	160,438,210	40,859,919
Total Capital Assets Not Depreciated	174,061,064	39,886,588	160,438,210	53,509,442
Capital Assets Being Depreciated:				
Building and Improvements	295,904,071	160,304,187	-	456,208,258
Land Improvements	12,253,632	134,023	-	12,387,655
Library Books	6,988,129	157,687	-	7,145,816
Furniture, Machinery, Vehicles, and other Equipment	39,675,880	1,416,877	1,045,607	40,047,150
Right-To-Use Leased Equipment	230,430	156,608	-	387,038
Right-To-Use Subscription Asset	1,991,999	838,407	-	2,830,406
Total Capital Assets Being Depreciated	357,044,141	163,007,789	1,045,607	519,006,323
Less Accumulated Depreciation:				
Buildings and Improvements	75,211,411	6,784,705	-	81,996,116
Land Improvements	10,698,106	20,310	-	10,718,416
Library Books	6,328,834	105,787	-	6,434,621
Furniture, Machinery, Vehicles, and other Equipment	27,832,593	2,207,829	1,025,857	29,014,565
Right-To-Use Leased Equipment	108,438	69,245	-	177,683
Right-To-Use Subscription Asset	239,666	833,262	-	1,072,928
Total Accumulated Depreciation	120,419,048	10,021,138	1,025,857	129,414,329
Net Capital Assets Being Depreciated	236,625,093	152,986,651	19,750	389,591,994
Capital Assets, Net	\$ 410,686,157	\$ 192,873,239	\$ 160,457,960	\$ 443,101,436

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 8 – Noncurrent Liabilities

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

	<u>Balance Sept. 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Aug. 31, 2024</u>	<u>Current Portion</u>
<u>Bonds Payable</u>					
General obligation bonds	\$ 255,385,000	\$ -	\$ 9,955,000	\$ 245,430,000	\$ 10,375,000
Bond premium	26,383,531	-	2,244,691	24,138,840	-
Revenue bonds	8,450,000	-	1,530,000	6,920,000	1,605,000
Total Bonds Payable	290,218,531	-	13,729,691	276,488,840	11,980,000
SBITA Liability	1,444,847	247,224	1,129,178	562,893	410,498
Lease Liability	211,991	111,217	183,824	139,384	-
Accrued Compensable Absences	7,934,266	727,283	687,748	7,973,801	676,376
Net Pension Liability	24,717,359	3,643,945	-	28,361,304	-
Net OPEB Liability	53,902,219	-	4,115,072	49,787,147	1,392,616
Total Noncurrent liabilities	\$ 378,429,213	\$ 4,729,669	\$ 19,845,513	\$ 363,313,369	\$ 14,459,490

Noncurrent liability activity for the year ended August 31, 2023 was as follows:

	<u>Balance Sept. 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Aug. 31, 2023</u>	<u>Current Portion</u>
<u>Bonds Payable</u>					
General obligation bonds	\$ 266,750,000	\$ -	\$ 11,365,000	\$ 255,385,000	\$ 9,955,000
Bond premium	28,730,618	-	2,347,087	26,383,531	-
Revenue bonds	9,910,000	-	1,460,000	8,450,000	1,530,000
Total Bonds Payable	305,390,618	-	15,172,087	290,218,531	11,485,000
SBITA Liability	1,423,447	838,407	817,007	1,444,847	1,064,427
Lease Liability	126,432	130,694	45,135	211,991	-
Accrued Compensable Absences	7,877,673	817,069	760,476	7,934,266	764,131
Net Pension Liability	10,452,505	14,264,854	-	24,717,359	-
Net OPEB Liability	67,052,857	-	13,150,638	53,902,219	1,401,343
Total Noncurrent liabilities	\$ 392,323,532	\$ 16,051,024	\$ 29,945,343	\$ 378,429,213	\$ 14,714,901

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 9 – Bonds Payable

- Limited Tax Refunding Bonds, Series 2013
 - To refund a portion of Limited Tax Bonds, Series 2006
 - Issued October 1, 2013
 - Total authorized and issued \$9,010,000
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$3,725,000 and \$7,345,000
 - Bond payable installments vary from \$250,350 to \$3,840,350, with interest rates at 2% to 3%, and with the final installment due in 2025
- Limited Tax Refunding Bonds, Series 2014
 - To refund a portion of Limited Tax Bonds, Series 2006
 - Issued January 15, 2014
 - Total authorized and issued \$8,995,000
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$0 and \$0
 - Bond payable installments varied from \$1,383,200 to \$3,370,375, with interest rates at 3.25% to 4%, and with the final installment paid 2023
- Limited Tax Refunding and Improvement Bonds, Series 2015
 - To refund a portion of Limited Tax Bonds, Series 2006 and provide funds to construct and equip school facilities within the district
 - Issued February 3, 2015
 - Total authorized \$157,000,000; \$23,580,000 issued
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$9,615,000 and \$9,880,000
 - Bond payable installments vary from \$493,787 to \$4,345,687, with interest rates at 2% to 5%, and with the final installment due in 2040
- Combined Fee Revenue Refunding Bonds, Series 2016
 - To refund Combined Fee Revenue Bonds, Series 2005
 - Issued February 8, 2016
 - Total authorized and issued \$15,110,000
 - Advance refunding of the 2005 Series Bonds reduced the College's debt service payments over the next twelve years by \$1,843,819
 - Economic Gain – (\$1,481,048) difference between the net present value of the old and new debt service payments
 - Source of revenue for debt service includes pledged building use fees, matriculation fees, tuition fees and interest earnings on certain funds, including the Unrestricted Local Maintenance Fund
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$6,920,000 and \$8,450,000
 - Bond payable installments vary from \$1,950,750 to \$1,955,500, with interest rates at 4% to 5%, and with the final installment due in 2028

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 9 – Bonds Payable (Continued)

- Limited Tax Bonds, Series 2016
 - To construct and equip school buildings in the District and to pay the cost of issuing bonds
 - Issued July 13, 2016
 - Total authorized \$157,000,000; \$67,645,000 issued
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$57,140,000 and \$58,665,000
 - Bond payable installments vary from \$3,792,150 to \$3,797,400, with interest rates at 2% to 5%, and with the final installment due in 2046
- Limited Tax Bonds, Series 2017
 - To construct and equip classrooms, laboratories, and infrastructure for an undeveloped site, and other facilities related to Phase 1 of the District’s new Oso Creek Campus
 - Issued June 1, 2017
 - Total authorized \$139,000,000; \$9,070,000 issued
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$6,480,000 and \$6,860,000
 - Bond payable installments vary from \$48,400 to \$1,258,400, with interest rates at 2% to 4%, and with the final installment due in 2037
- Limited Tax Bonds, Series 2018A
 - To construct and equip school buildings, classrooms, laboratories, infrastructure for workforce technology and training programs, academic transfer courses, high school dual credit classes, student support services and library facilities, and renovating and/or replacing certain existing education facilities
 - Issued July 15, 2018
 - Total authorized \$157,000,000; \$44,275,000 issued
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$40,100,000 and \$41,000,000
 - Bond payable installments vary from \$2,840,000 to \$2,845,250, with interest rates at 4% to 5%, and with the final installment due in 2048

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 9 – Bonds Payable (Continued)

- Limited Tax Bonds, Series 2018B
 - To construct and equip school buildings, classrooms, laboratories, infrastructure for an undeveloped site, and other facilities relating to Phase 1 of the District’s new Oso Creek Campus
 - Issued August 15, 2018
 - Total authorized \$139,000,000; \$57,305,000 issued
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$52,040,000 and \$53,200,000
 - Bond payable installments vary from \$3,532,100 to \$3,537,100, with interest rates at 4% to 5%, and with the final installment due in 2048
- Limited Tax Bonds, Series 2020A
 - To construct and equip school buildings, classrooms, laboratories, infrastructure for workforce technology and training programs, academic transfer courses, high school dual credit classes, student support services and library facilities, and renovating and/or replacing certain existing education facilities
 - Issued June 30, 2020
 - Total authorized \$157,000,000; \$22,150,000 issued
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$21,545,000 and \$22,150,000
 - Bond payable installments vary from \$857,800 to \$1,467,300 with interest rates at 3% to 5%, and with the final installment due in 2045
- Limited Tax Bonds, Series 2020B
 - To construct and equip school buildings, classrooms, laboratories, infrastructure for an undeveloped site, and other facilities relating to Phase 1 of the District’s new Oso Creek Campus
 - Issued June 30, 2020
 - Total authorized \$139,000,000; \$56,285,000 issued
 - Source of revenue for debt service is ad valorem taxes
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$54,785,000 and \$56,285,000
 - Bond payable installments vary from \$2,490,450 to \$3,994,950 with interest rates at 4% to 5%, and with the final installment due in 2045.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 9 – Bonds Payable (Continued)

- Limited Tax Refunding Bonds, Series 2021
 - To refund a portion of Limited Tax Refunding Bonds, Series 2011, reduced the College’s debt service payments over the next two years by \$574,425
 - Issued June 15, 2021
 - Total authorized and issued \$8,435,000
 - Economic gain of \$483,857, difference between the net present value of the old and new debt service payments, adjusted for cash paid out for the refunding transaction
 - Accounting gain of \$125,207 resulting from advanced refund
 - Source of Revenue for debt is ad valorem taxes
 - The refunding proceeds were deposited into an irrevocable trust with an escrow agent to provide all debt service payments, the bonds are considered fully defeased
 - Outstanding principal balance as of August 31, 2024 and 2023 was \$0 and \$0
 - Bonds payable installments vary from \$4,247,175 to \$4,251,150, with interest rate at 5%, and with the final installment paid in 2023

The principal and interest requirements for all general obligation and revenue bonds for the next five years and beyond are summarized below:

Year Ending August 31	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 10,375,000	\$ 10,417,188	\$ 1,605,000	\$ 346,000
2026	10,640,000	9,982,388	1,685,000	265,750
2027	7,315,000	9,454,488	1,770,000	181,500
2028	7,670,000	9,095,988	1,860,000	93,000
2029	8,045,000	8,719,988	-	-
2030-2034	46,410,000	37,426,088	-	-
2035-2039	56,010,000	26,546,564	-	-
2040-2044	63,640,000	14,985,600	-	-
2045-2048	35,325,000	3,227,350	-	-
Total 8-31-2024	\$ 245,430,000	\$ 129,855,642	\$ 6,920,000	\$ 886,250

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 10 - Leases

Right-To-Use Lease

The College (Lessee) entered into Right-To-Use lease agreements, as defined by GASB *Statement No. 87, Leases* (GASB 87), with Xerox Business Solutions Southwest (Lessor) and Toshiba Business Solutions (Lessor) for copying equipment. The estimated useful life of the copying equipment is the same as the lease terms. The following table includes the leased equipment asset and liability amounts recorded along with the term and interest rate of the lease agreement:

<u>Lease Description</u>	<u>State Date</u>	<u>End Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Lease Liabilities</u>		<u>Right-to-use Assets, Net</u>	
					<u>August 31, 2024</u>	<u>August 31, 2023</u>	<u>August 31, 2024</u>	<u>August 31, 2023</u>
Xerox Copiers	7/17/2020	6/17/2025	4%	256,344	\$ 46,201	\$ 99,652	\$ 46,997	\$ 98,265
Toshiba Copiers	12/20/2022	11/20/2027	4%	111,217	93,183	112,339	92,286	111,090
				<u>367,561</u>	<u>\$ 139,384</u>	<u>\$ 211,991</u>	<u>\$ 139,283</u>	<u>\$ 209,355</u>

The future minimum lease payment requirements are as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 73,604	\$ 4,080	\$ 77,684
2026	28,511	2,113	30,624
2027	29,672	951	30,623
2028	7,597	51	7,648
	<u>\$ 139,384</u>	<u>\$ 7,195</u>	<u>\$ 146,579</u>

Lease Agreement – Del Mar College as Lessor

In February 2013, the College (Lessor) entered into an “Expiring Term Lease” with South Texas Public Broadcasting System, Inc. (STPBS) (Lessee) to build a facility adjacent to and adjoining the existing Del Mar College Center for Economic Development bounded between South Staples Street, Kostoryz Road and Orlando Drive. Under a joint-use agreement, STPBS will occupy the facility and provide equipment and training opportunities for Del Mar College students. The term of this lease shall be for 20 years, unless sooner terminated or extended, and may be extended up to four times for an additional term of 10 years each, with each renewal being upon written notice given by STPBS to the College either before or after the expiration of the existing term of this lease. Upon execution of the agreement, STPBS contributed \$1.5M toward the cost of construction. The funds contributed were recorded as deferred lease revenue and are being amortized over the term of the lease. Total construction costs attributable to the facilities being leased by STPBS was \$5,232,265 and this is recorded as a capital asset by the College.

Inflows of resources at August 31, 2024 and 2023 were recorded as lease revenue of \$186,640 for both years and interest revenue of \$36,280 and \$39,080, respectively. The unpaid balance of

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 10 – Leases (Continued)

construction costs is due in monthly installments of \$15,551 by STPBS commencing on February of 2017 for a period of 240 months. In addition, a quarterly rent payment in an amount equal to the average yield per quarter on the unpaid balance of the lease shall be paid to the College. The rate shall be the same as the College’s cost of funds for the “Interest Accrual Period” with the implementation of GASB 87 on September 1, 2020, the present value of the lease receivable was recorded and will be amortized over the life of the lease. The amount of unearned lease revenue related to the lease receivable at August 31, 2024 and 2023 was \$931,250 and \$1,006,250, respectively.

Also recorded on September 1, 2020 was the deferred inflow of resources associated with the lease. The deferred inflow of resources will be amortized over the life of the lease and recognized as rental income. The amount of deferred inflows related to the lease at August 31, 2024 and 2023 was \$2,317,443 and \$2,504,083, respectively.

The schedule of future payments for the lease receivable for the STPBS lease for the next five years and beyond are summarized below:

Year Ending			
August 31	Principal	Interest	Total
2025	186,651	33,480	220,131
2026	186,649	30,680	217,329
2027	186,646	27,880	214,526
2028	186,642	25,080	211,722
2029	186,639	22,281	208,920
2030-2034	933,149	69,407	1,002,556
2035-2037	450,993	8,457	459,450
Total 8-31-24	\$ 2,317,369	\$ 217,265	\$ 2,534,634

Non-Exchange Rental Transactions

Lease Obligation – Bay Area Healthcare Group, LTD

In February 2010, the College entered into an “Expiring Term Lease with Bay Area Healthcare Group, LTD” for a building located at 13725 Northwest Boulevard, Corpus Christi, Texas. The commencement date of the lease is February 15, 2010 and the expiration date is February 20, 2020. The college is currently operating under the “Automatic One Year Extension Terms” of the lease. Under those terms, the parties agreed that the lease could be extended automatically for an additional one year term unless otherwise notified by the Landlord. Under the terms of the lease, the College was required to pay \$1 per year which was defined as the “Annual Base Rent”. The College was responsible for general upkeep of the property during the term of the lease along with all normally incurred general expenses associated with the property. The College was notified by the Landlord during fiscal year 2024 that they were no longer extending the lease agreement. The Del Mar College Northwest Center was closed after spring classes ended in May 2024.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 10 – Leases (Continued)

Lease Obligation – City of Corpus Christi – Aviation Hangar

In May 2011, the College entered into an “Expiring Term Lease with the City of Corpus Christi” for land, existing hanger, parking lot, and office area located at the Corpus Christi International Airport. Under the terms of the lease the College is required to make improvements to the facility in order to provide an Aviation Maintenance Technical Education Program to its students. The lease is for a base term of fifteen years and may be extended for an additional ten year term, upon agreement of the City Manager and College President. So long as the College uses the entire premises solely for the program stated above the annual rent shall be \$1 per year, the payment of which is due on January 1st of each year. The College is responsible for all upkeep of the property during the term of the lease along with all normally incurred general expenses associated with the property.

Lease Obligation – City of Corpus Christi – Police Training Academy and Substation

In April 2021, the College entered into an “Expiring Term Lease with the City of Corpus Christi” to locate the City’s Police Training Academy on the College property that is located on Yorktown Blvd on the College’s Oso Creek Campus. In January 2023, the agreement was amended to locate the City’s Police Substation on the Oso Creek Campus. Under the terms of the contract, the City may use the premises to develop, construct, and operate a Police Training Academy and Substation, and for no other purpose without the written consent of the College. The Police Training Academy and the Substation may consist of single or multiple buildings, including a parking lot. Any buildings, improvements, additions, alterations, and fixtures constructed, placed, or maintained on any of the leased premises during the lease term are the property of the City. Upon expiration or termination of the lease, all premises become the property of the College, unless the College elects not to retain the property, in which case, the City must remove, any and all property, within 12 months. The term of this lease shall be for 50 years and may be extended up to 50 additional years by giving the College written notice of the City’s intention to do so within the last two years before the lease term expires but no later than six months before it expires. So long as the City uses the entire premises solely for the contractual terms the stated rent is \$10 per year.

Note 11 – Defined Benefit Pension Plan

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). It is a defined benefit pension plan 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 11 – Defined Benefit Pension Plan (Continued)

The Texas Legislature establishes benefits and contributions 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 that includes financial statements and required supplementary information. That report is available at <http://www.trs.texas.gov> or write to TRS at 1000 Red River Street, Austin, Texas, 78701-2698.

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 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description above.

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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 11 – Defined Benefit Pension Plan (Continued)

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

	2024	2023
Member	8.25%	8.00%
Non-Employer Contributing Entity (State)	8.25%	8.00%
Employers	8.25%	8.00%
College Contributions	\$ 2,249,314	\$ 2,162,743
Member Contributions	4,068,462	3,834,710
State of Texas On-behalf Contributions	1,669,368	1,542,943

The College’s contribution to the TRS pension plan for plan year 2024 was \$2,249,314 as reported in the Schedule of College’s contribution for pension in the required supplemental information section of these financial statements. Estimated state of Texas on-behalf contribution for 2024 was \$1,669,368.

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 or all of all of an employee’s salary is paid by federal, private, local or non-educational and general 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 11 – Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
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%
Last year ended August 31, in Projection period (100 years)	2122
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

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 in the actuarial valuation as of August 31, 2022.

Discount Rate

The 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% and a municipal bond rate of 4.13%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made by the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 gradually increasing to 9.56% 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 11 – Defined Benefit Pension Plan (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, 2023 are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
U. S.	18.0%	4.0%	1.00%
Non-U. S. Developed	13.0	4.5	0.90
Emerging Markets	9.0	4.8	0.70
Private Equity	14.0	7.0	1.50
Stable Value			
Government Bonds	16.0	2.5	0.5
Absolute Return (Including Credit Sensitive Investments)	--	3.6	--
Stable Value Hedge Funds	5.0	4.1	0.20
Real Return			
Real Estate	15.0	4.9	1.1
Energy and Natural Resources and Infrastructure	6.0	4.8	0.40
Commodities	--	4.4	--
Risk Parity			
Risk Parity	8.0	4.5	0.40
Asset Allocation Leverage			
Cash	2.0	3.7	--
Asset Allocation Leverage	(6.00)	4.4	(0.10)
Inflation Expectation			2.30
Volatility Drag***			(0.90)
Expected Return	100%		8.00%

* Absolute Returns includes Credit Sensitive investments.

** Target Allocatons are based on the FY2023 policy model.

*** Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023).

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 11 – Defined Benefit Pension Plan (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 2023 Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Del Mar proportionate share of net pension liability:	<u>\$ 42,401,720</u>	<u>\$ 28,361,304</u>	<u>\$ 16,686,690</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2024 and 2023, the College reported a liability of \$28,361,304 and \$24,717,359 respectively, for its proportionate share of the TRS’s net pension liability. This liability reflects a increase 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:

Fiscal Year Ended August 31, 2024:

College's Proportionate share of collective net pension liability	\$ 28,361,304
State's Proportionate share associated with College	<u>22,308,200</u>
Total	<u><u>\$ 50,669,504</u></u>

Fiscal Year Ended August 31, 2023:

College's Proportionate share of collective net pension liability	\$ 24,717,359
State's Proportionate share associated with College	<u>19,630,257</u>
Total	<u><u>\$ 44,347,616</u></u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 11 – Defined Benefit Pension Plan (Continued)

The net pension liability was measured as of August 31, 2023 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, 2022 thru August 31, 2023.

At the measurement date of August 31, 2023, the employer's proportion of the collective net pension liability was .0413% which was a decrease of .0003% from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation

- The total pension liability as of August 31, 2023 was developed using a roll-forward method from the August 31, 2022 valuation.
- Demographic assumptions including postretirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The single discount rate as of August 31, 2023 was 7.00% and 7.00% as of August 31, 2022.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2024, the College recognized pension expense of \$3,368,345 and revenue of \$3,368,345 for support provided by the State.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 11 – Defined Benefit Pension Plan (Continued)

At August 31, 2024 and 2023, 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:

Fiscal Year Ended August 31, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,010,523	\$ 343,424
Changes in actuarial assumptions	2,682,424	656,450
Differences between projected and actual investment earnings	4,127,258	-
Changes in proportion and difference between employer's contributions and the proportionate share of contributions	477,123	176,233
Contributions paid to TRS subsequent to measurement date	2,249,314	-
Total	<u>\$ 10,546,642</u>	<u>\$ 1,176,107</u>

Fiscal Year Ended August 31, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 358,400	\$ 538,885
Changes in actuarial assumptions	4,605,648	1,147,856
Differences between projected and actual investment earnings	2,441,996	-
Changes in proportion and difference between employer's contributions and the proportionate share of contributions	762,118	71,583
Contributions paid to TRS subsequent to measurement date	2,162,743	-
Total	<u>\$ 10,330,905</u>	<u>\$ 1,758,324</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 11 – Defined Benefit Pension Plan (Continued)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$2,249,314 and \$2,162,743 will be recognized as a reduction of the net pension liability for the measurement year ending August 31, 2024 and 2023, respectively (i.e. recognized in the College’s financial statements August 31, 2024). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2024	\$ 1,583,519
2025	963,701
2026	3,471,609
2027	1,016,119
2028	86,273
	\$ 7,121,221

Note 12 – Optional and Alternate Retirement Plans

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 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.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.6% and 6.65%, respectively. The College contributes an additional 1.90% for employees who were participating in the optional retirement program prior to 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. Senate Bill (SB) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state’s contribution to 50% of eligible employees in the reporting district.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 12 – Optional and Alternate Retirement Plans (Continued)

The retirement expense to the state for the College was \$2,157,168 and \$2,078,045 for the fiscal years ended August 31, 2024 and 2023, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll of employees covered by the Teacher Retirement System was \$49,316,723 and \$47,938,019 and the total payroll of employees covered by the Optional Retirement Program was \$9,118,489 and \$9,268,669 for fiscal years 2024 and 2023, respectively.

Note 13 - Deferred Compensation Program

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The plan is essentially an unfunded promise to pay by the employer to each of the plan participants.

As of August 31, 2024, the College had 97 employees vested and participating in the program. A total of \$802,441 in contributions was invested in the plan during the fiscal year.

As of August 31, 2023, the College had 104 employees vested and participating in the program. A total of \$738,661 in contributions was invested in the plan during the fiscal year.

Note 14 - Compensable Absences

Twelve-month employees and personnel, whose duties are not primarily teaching, earn annual vacation leave from 80 to 120 hours per year, depending on the number of years employed by the College. The College's policy is that an employee may carry his/her accrued leave forward from one fiscal year to another fiscal year up to a maximum of 120 hours. Persons terminating employment will receive, in lieu of the vacation itself, cash payment for unused vacation not to exceed 120 hours of vacation.

The College grants sick leave to regular full-time employees and to regular part-time employees who work twenty or more hours per week, and full-time term employees whose term is for one semester or longer. Sick leave, which can be accumulated, is earned at the rate of up to 10 hours per month for a maximum of 960 hours. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. Up to 640 hours of unused sick leave may be paid to an employee, upon his/her retirement from the College, with at least ten (10) years of service at Del Mar College and with eligibility for normal age retirement or early age service retirement under the definitions as set forth by the regulations of the Teacher Retirement System (TRS). The College's policy is to accrue the cost of the sick leave when earned.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 14 – Compensable Absences (Continued)

At August 31, 2024 and 2023, the College had an accrued liability for the unpaid vacation and sick leave as follows:

	<u>2024</u>	<u>2023</u>
Vacation	\$ 1,210,041	\$ 1,292,961
Sick Leave	6,763,760	6,641,305
Total Liability for Compensable Absences	<u>\$ 7,973,801</u>	<u>\$ 7,934,266</u>

The College recognized \$676,376 and \$764,131 of the liability above as a current liability for fiscal years August 31, 2024 and 2023, respectively.

Note 15 – 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 the benefits by expending the annual insurance premiums. The state's contribution per full-time employee ranged from \$625 to \$1,222 per month for both fiscal years ended August 31, 2024 and August 31, 2023 and totaled \$4,246,848 and \$4,281,372, respectively. The cost of providing those benefits for 421 retirees was \$3,597,619 for the year ended 2024 and \$3,613,252 for 419 retirees in 2023. For 776 active employees, the cost of providing benefits was \$6,319,663 for the year ended August 31, 2024. Active employee benefits for 760 employees cost \$6,225,289 for the year ended August 31, 2023. SB 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

Note 16 – Other Post-Employment Benefits (OPEB)

Plan Description

The College participates in a cost-sharing, multiple-employer, defined benefit 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

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 Comprehensive Financial Report (ACFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/about-ers/reports-and-studies/reports-on-overall-ers-operations-and-financial-ma/2022-acfr.pdf>; or by writing 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.

Contribution

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 recommendation 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. 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

	<u>FY2023</u>	<u>FY2022</u>
Retiree Only	\$ 625	\$ 623
Retiree & Spouse	1,341	1,339
Retiree & Children	1,104	1,102
Retiree & Family	1,820	1,818

Contribution 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, 2023 and 2022

	<u>FY 2023</u>	<u>FY2022</u>
Employers	\$1,205,637	\$1,209,400
Member (Employees)	-0-	-0-
Non-employer Contributing Entity (State of Texas)	4,281,372	4,281,372

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumption
ERS Group Benefits Program Plan

Valuation Date	August 31, 2023
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll, Open
Remaining amortization period	30 Years
Asset valuation method	Not Applicable
Discount rate	3.81%
Projected annual salary increase	2.3% to 8.95%, including inflation
Annual healthcare trend rate	5.6% for FY 2025, 5.3% for FY 2026, 5.0% for FY2027, 4.75% for FY2028, 4.6 % for FY 2029, decreasing 10 basis points per year to an ultimate rate of 4.3% for FY 2032 and later years
Inflation assumption rate	2.3%
Ad hoc post-employment benefit changes	None
Mortality Assumptions:	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021
Service retirees, survivors and other Inactive members	
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct Pub-2010 Amount-Weighted Below-Medium Income Teacher Mortality with 2-year set forward for males with Ultimate MP Projection Scale from the year 2010

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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 statement in August 2022 to require that all funds in the plan be invested in cash and equivalent securities.

Discount Rate

Because the State Retiree Health Plan 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 3.59%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.81%, which amounted to a increase of .22%. 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 (PAYGO) 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

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 (3.81%) in measuring the net OPEB Liability:

	Sensitivity of Net OPEB Liability to Changes In Discount Rate		
	State Retiree Health Plan		
	1% Decrease in Discount Rate <u>(2.81%)</u>	Discount Rate <u>(3.81%)</u>	1% Increase in Discount Rate <u>(4.81%)</u>
College’s proportionate Share of the net OPEB liability:	\$57,770,831	\$49,787,147	\$43,365,664

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

Healthcare Cost Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 5.60% for HealthSelect and 16.40% for HealthSelect Medicare Advantage and the ultimate rate is 4.30%. 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 (4.3%) in measuring the net OPEB Liability.

**Sensitivity of Net OPEB Liability to Changes in
Healthcare Cost Trend Rates
State Retiree Health Plan**

	1% Decrease in Trend Rates <u>(3.30%)</u>	Current Trend Rates <u>(4.30%)</u>	1% Increase in Trend Rates <u>(5.30%)</u>
College’s proportionate Share of the net OPEB liability	\$42,823,866	\$49,787,147	\$58,630,548

OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

At August 31, 2024, the College reported a liability of \$49,787,147 for its proportionate share of the ERS’s net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the College as it’s 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:

Fiscal Year Ended August 31, 2024:

College’s proportionate share of the collective net OPEB liability	\$ 49,787,147
State’s proportionate share that is associated with the College	<u>38,357,169</u>
Total	<u>\$ 88,144,316</u>

Fiscal Year Ended August 31, 2023:

College’s proportionate share of the collective net OPEB liability	\$ 53,902,219
State’s proportionate share that is associated with the College	<u>41,363,445</u>
Total	<u>\$ 95,265,664</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

The net OPEB liability was measured as of August 31, 2023, 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 contribution to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2022 thru August 31, 2023.

At the measurement date of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.1863%, which was a decrease of .0029% from its proportionate share measured at August 31, 2022.

For the year ended August 31, 2024, the District recognized OPEB expense of \$1,138,322 and revenue of \$1,138,322 for support provided by the State.

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:

- Discount rate increased from 3.59% to 3.81%;
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence;
- Proportion of future retirees assumed to cover dependent children;
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement;
- Assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.
- The discount rate was changed from 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

Changes of Benefit Terms Since Prior Measurement Date

Benefit changes have been reflected in the fiscal year 2024 Assumed Per Capita Health Benefit Costs.

At August 31, 2024, 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.

For the Year Ended August 31, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,316,897
Changes in actuarial assumptions	-	13,888,344
Changes in proportion and differences between the employer's contribution and the proportionate share of contributions	4,021	-
Differences between projected and actual investment earnings	314,764	-
Contributions paid to ERS subsequent to measurement date	1,205,637	-
Total	<u>\$ 1,524,422</u>	<u>\$ 15,205,241</u>

For the Year Ended August 31, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,700,680
Changes in actuarial assumptions	-	13,494,716
Changes in proportion and differences between the employer's contribution and the proportionate share of contributions	473,810	-
Differences between projected and actual investment earnings	9,297	-
Contributions paid to ERS subsequent to measurement date	1,209,400	-
Total	<u>\$ 1,692,507</u>	<u>\$ 15,195,396</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

Deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date of \$1,205,637 and \$1,209,400 will be recognized as a reduction of the net pension liability for the measurement year ending August 31, 2024 and 2023, respectively (i.e., recognized in the College’s financial statements for August 31, 2024). Other amounts reported as deferred outflows and inflows of resources related to OPEBs will be recognized in pension expense as follows:

Year ended August 31:	<u>OPEB Expense</u> <u>Amount</u>
2025	\$ (3,820,693)
2026	(3,804,142)
2027	(3,892,253)
2028	(2,809,655)
2029	(559,713)
	<u>\$ (14,886,456)</u>

Note 17 – On-behalf Payments

For the fiscal years ended August 31, 2024 and 2023, the College recorded the following State on-behalf contributions as revenues and expenses in the accompanying basic financial statements:

	<u>2024</u>	<u>2023</u>
Teacher Retirement System	\$ 1,669,368	\$ 1,542,943
Optional Retirement Programs	319,099	353,758
Health Insurance	4,246,848	4,281,372
Total On-behalf Payments	<u>\$ 6,235,315</u>	<u>\$ 6,178,073</u>

Note 18 - Pending Lawsuits and Claims

At August 31, 2024, various lawsuits and claims involving Del Mar College were pending. While the ultimate liability, with respect to litigation asserted against the College, cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 19 - Contract and Grant Awards

For federal contract and grant awards, funds expended but not collected, are reported as Federal Receivables in Note 6. Non-federal contract and grant awards, for which funds are expended but not collected, are reported in Accounts Receivable on Exhibit 1. Revenues are recognized on Exhibit 2 and Schedule A. Contract and grant awards that are not yet funded and for which the institution has not performed services are not included in the financial statements. Contract and grant award funds already committed, e.g. multi-year awards, or funds awarded during fiscal year 2024 and 2023 for which monies have not been received nor funds expended totaled \$8,292,667 and \$8,248,459 respectively. Of these amounts, \$5,981,883 and \$5,327,077 were from Federal Contract and Grant Awards; \$894,458 and \$1,612,811 were from State Contract and Grant awards; \$1,416,326 and \$1,308,571 were from Private Contract and Grant Awards, for the fiscal years ended 2024 and 2023, respectively.

Note 20 - Ad Valorem 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 and business personal property located in the College District.

	2024	2023
Assessed Valuation of the College District	\$ 50,063,872,178	\$ 42,118,448,850
Less: Exemptions	8,129,147,699	6,532,116,536
Net Assessed Valuation of the College District	\$ 41,934,724,479	\$ 35,586,332,314

	2024			2023		
		Debt			Debt	
Tax Rate per \$100 Valuation	Operations	Service	Total	Operations	Debt Service	Total
for authorized	\$0.5000	\$0.5000	\$1.0000	\$0.5000	\$0.5000	\$1.0000
for assessed	\$0.1794	\$0.0576	\$0.2370	\$0.1969	\$0.0692	\$0.2661

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 20 – Ad Valorem Tax (Continued)

Taxes levied, including any penalty and interest assessed, are due on receipt of the tax bill and delinquent if not paid before February 1 of the year following the year in which imposed. 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 expenditures.

	2024	2023
Taxes Levied	\$ 95,984,946	\$ 91,193,146
Maintenance and Operations Taxes:		
Current Taxes Collected	65,739,882	63,054,953
Delinquent Taxes Collected	487,565	2,335,468
Penalties and Interest Collected	610,605	553,374
Total Maintenance and Operations Taxes	66,838,052	65,943,795
Debt Service Taxes:		
Current Taxes Collected	21,087,209	22,174,819
Delinquent Taxes Collected	192,693	837,720
Penalties and Interest Collected	198,544	190,263
Total Debt Service Taxes	21,478,446	23,202,802
Total Taxes Collected	\$ 88,316,498	\$ 89,146,597
Current Tax Levy Collection Percent	92%	98%

Note 21 – Tax Abatements

The College enters into property tax abatement agreements with local businesses. These agreements are authorized by the Texas Property Redevelopment and Tax Abatement Act, Texas Tax Code, Chapter 312, as amended (the “Act”), and is subject to the laws of the State of Texas and the charter, ordinances, and orders of the Governmental Unit.

Tax abatements are a reduction in tax revenue that result from an agreement between the College and an entity in which (a) the College promises to forgo tax revenues to which it would be otherwise entitled and (b) the entity promises to take a specific action after the agreement has been entered into that contributes to the economic development to the local community and its citizens.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 21 – Tax Abatements (Continued)

For the fiscal year ended August 31, 2024, the College had a property tax abatement agreements with the following entities:

EPIC Y-Grade Logistics – The abatement covers as eligible property any supplemental improvements to the eligible property that are added or constructed during the abatement period. The abatement period shall commence January 1, 2019, and shall continue for up to ten years. In no event shall the abatement period extend beyond December 31 of the 10th year. The facility has been identified as a basic manufacturing facility and the percentage of tax abatement shall be in accordance with the following schedule conditioned upon the facility providing at least 10 net new full-time jobs. During the construction phase (not to exceed 3 years) the percentage of abatement is 100%. For years 4 through 10 the amount abated shall be 50%. At the time of execution of the agreement the added value comprising permanent improvements upon completion of the construction phase is estimated to be \$200 million. In the event that completion of the construction phase the added value of permanent improvements, as determined by the Appraisal District, shall at any time thereafter during the period of abatement be less than eighty-five percent (85%) of the estimated value, not due to circumstances beyond the control of owner, the owner agrees to pay, as additional taxes, hereunder, an amount equal to the then current tax rate of the District applied to the difference between the added value from eighty-five percent (85%) of the estimated added value, multiplied by 100% minus the net percentage of abatement provided under the agreement.

CC Polymers (formerly M&G Resins) – This is a plastics plant that is emerging from bankruptcy. They have already spent \$770 million on the plant. Three companies have bought them out of bankruptcy and will complete the two plants. This was the last year of the abatement agreement since the agreement expired on December 31, 2023. They are projected to invest an additional \$200 million in the project and create 200 jobs.

In the event that completion of the construction phase the added value of permanent improvements, as determined by the Appraisal District, shall at any time thereafter during the period of abatement be less than 85% percent of the estimated value, not due to circumstances beyond the control of the owner, the owner agrees to pay, as additional taxes, hereunder, an amount equal to the then-current tax rate of the District applied to the difference between the added value from eighty-five percent (85%) of the estimated added value, multiplied by 100% minus the net percentage of abatement provided under the agreement.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 21 – Tax Abatements (Continued)

Below is the abatement information as required by GASB Statement No. 77 for M&O purposes. It includes the net benefit to the District but does not include any I&S impact.

Entity	Project Value 2024	Percent Abated 2024	Tax Rate per \$100 Valuation 2024	Foregone Taxes 2024
EPIC Y-Grade Logistics	\$ 225,726,250	50%	0.179436	\$ 202,517
CC Polymers	518,554,400	40%	0.179436	\$ 372,189

Note 22 – Subscription Based Information Technology Agreements

The College has a total of fourteen (14) arrangements subject to the requirements of GASB *Statement No. 96, Subscription-Based Information Technology Arrangements* (SBITA). These agreements can be described in groups – those related to the provision of assisting students, those related to the training of professors and support personnel, and those used for administrative purposes. The College makes monthly, quarterly, or annual payments and the agreements are for varying terms. The SBITA liability is the present value of these payments using the College’s incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA asset is measured as the SBITA Liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement.

Total Amount of Subscription Assets and Accumulated Amortization:

	Term in Months	SBITA Assets, Net	
		August 31, 2024	August 31, 2023
Educational Assistance for Students	24-48	\$ 464,751	\$ 953,095
Training Programs for Faculty and Support Staff	36	28,333	43,561
Administrative Software	21-60	419,902	760,822
		\$ 912,986	\$ 1,757,478

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 22 – Subscription Based Information Technology Agreements (Continued)

SBITA Liabilities and Associated Principal and Interest Requirements:

	Term in Months	Interest Rate	SBITA Liabilities	
			August 31, 2024	August 31, 2023
Educational Assistance for Students	24-48	4.00%	\$ 193,077	\$ 695,806
Training Programs for Faculty and Support Staff	36	4.00%	18,164	33,601
Administrative Software	21-60	4.00%	351,652	715,440
			\$ 562,893	\$ 1,444,847

The future principal and interest SBITA arrangement payments as of fiscal year-end are follows:

Year Ended August 31	Principal	Interest	Total
2025	\$ 410,498	\$ 11,314	\$ 421,812
2026	152,395	1,070	153,465
	\$ 562,893	\$ 12,384	\$ 575,277

Commitments and Impairments:

There were no additional commitments made before the commencement of the SBITA term(s). There were also no impairments or modifications to be reported during the reporting period.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 23 - Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to 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, 2024 and 2023.

Note 24 - Component Unit

Del Mar College Foundation (the Foundation) was established as a separate nonprofit organization in 1983 to raise funds to provide student scholarships and assistance in the development and growth of the College. Accordingly, the Foundation financial statements are included in the College's annual report as a discrete component unit (see table of contents).

Significant Accounting Policies

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, net assets and changes therein are classified as follows:

Net Assets

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grant) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, including grant contracts with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 24 – Component Unit (Continued)

The Foundation utilizes donor agreements in an on-going attempt to further clarify donors' intentions. If it becomes clear the fund classification was incorrect, or if the donor(s) change their intentions, the funds are appropriately reclassified and shown as a transfer from one fund type to another.

Fair Value Measurement

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds and money market funds is based on quoted net asset values of the shares held by the Foundation in active markets at the reporting date.

Level 3 Fair Value Measurement

The fair value of the beneficial interest in the irrevocable charitable trust that holds a structured settlement with future stream of cash flow is based on unobservable inputs. There is currently no market in which beneficial interests in charitable trusts trade, so no observable exit price will exist for a beneficial interest.

Alternative investments are principally investments in limited partnerships whose underlying assets include residential and commercial real estate. The fair values for alternative investments have been estimated using the net assets value per share provided by the fund and partnerships managers, which are primarily valued with level 3 inputs.

FASB ASU 820 also requires disclosures about transfers into and out of Level 1 and 2 investments and separate disclosures about purchases, sales issuance and settlements in the reconciliation for fair value measurements using significant unobservable inputs (Level 3).

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 24 – Component Unit (Continued)

The Foundation’s investments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at June 30, 2024 and 2023 are as follows:

	Fair Value	Fair Value Measurement Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
June 30, 2024			
Investments:			
Mutual Funds	\$ 31,439,813	\$ 31,439,813	\$ -
Alternative Investments	1,032,333	-	1,032,333
Total Investments	<u>32,472,146</u>	<u>31,439,813</u>	<u>1,032,333</u>
Beneficial Interest in Irrevocable Charitable Trust	856,684	-	856,684
Total	<u>\$ 33,328,830</u>	<u>\$ 31,439,813</u>	<u>\$ 1,889,017</u>
June 30, 2023			
Investments:			
Mutual Funds	\$ 27,016,286	\$ 27,016,286	\$ -
Alternative Investments	1,169,671	-	1,169,671
Total Investments	<u>28,185,957</u>	<u>27,016,286</u>	<u>1,169,671</u>
Beneficial Interest in Irrevocable Charitable Trust	818,243	-	818,243
Total	<u>\$ 29,004,200</u>	<u>\$ 27,016,286</u>	<u>\$ 1,987,914</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 24 – Component Unit (Continued)

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) at June 30, 2024 and 2023:

	Beneficial Interest in Irrevocable Trust	Alternative Investments	Total
Beginning Balance, July 1, 2022	\$ 785,484	\$ 1,141,008	\$ 1,926,492
Purchases	-	28,663	28,663
Sales	-	-	-
Total Unrealized Gain			
Included in Changes in Net Assets	32,759	-	32,759
Ending Balance, June 30, 2023	818,243	1,169,671	1,987,914
Purchases	-	-	-
Sales	-	(202,886)	(202,886)
Total Unrealized Gain			
Included in Changes in Net Assets	38,441	65,548	103,989
Ending Balance, June 30, 2024	\$ 856,684	\$ 1,032,333	\$ 1,889,017

Note 25 - Risk Management

The College is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal years 2024 and 2023, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Note 26 - Workers' Compensation Aggregate Deductible

During the year ended August 31, 2024, the College met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers' Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members injured employees.

The College participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 and 2023

Note 26 – Workers’ Compensation Aggregate Deductible (Continued)

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund’s self-insured retention of \$2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2023, the Fund carries a discounted reserve of \$48,919,036 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended August 31, 2024, the Fund anticipated no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund’s Board of Trustees in February of the following year. The Fund’s audited financial statements as of August 31, 2023, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Note 27 – Commitments

Facilities

The College initiated a Facilities Master Plan in 2012, that created a roadmap for meeting the higher education and workforce development needs of the citizens of the College’s Service Area for the next 25 years. In November 2014, voters elected to authorize the issuance of up to \$157,000,000 of Del Mar College Limited Tax Bonds for the purpose of constructing, renovating, and equipping school buildings on the Heritage and Windward Campuses of the College. The construction of the General Academic and Music (Heritage), Workforce Development (Windward), and Emerging Technology (Windward) buildings have been completed. The remaining renovation projects are currently underway and expected to be completed in fiscal year 2025.

DEL MAR COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
EXHIBIT 4

Fiscal Year Ended August 31, *	Measurement Date Year Ended August 31,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
College's Proportion of the Net Pension Liability	0.00041289	0.00041635	0.00041044	0.00041131	0.000395742	0.000398877	0.000381252	0.000370818	0.000347864	0.000346008
College's Proportionate Share of Net Pension Liability	\$28,361,304	\$24,717,359	\$10,452,505	\$22,030,050	\$20,571,896	\$21,955,179	\$12,190,380	\$14,012,665	\$12,296,529	\$9,242,352
State's Proportionate Share of the Net Pension Liability Associated with the District	22,308,200	19,630,257	8,326,741	17,617,867	16,319,588	17,400,379	9,751,441	10,697,440	9,047,629	7,116,186
TOTAL	<u>\$50,669,504</u>	<u>\$44,347,616</u>	<u>\$18,779,246</u>	<u>\$39,647,917</u>	<u>\$36,891,484</u>	<u>\$39,355,558</u>	<u>\$21,941,821</u>	<u>\$24,710,105</u>	<u>\$21,344,158</u>	<u>\$16,358,538</u>
College's Covered Payroll	\$47,938,019	\$45,141,670	\$41,962,673	\$40,713,466	\$36,895,354	\$35,500,740	\$32,929,636	\$30,129,463	\$26,992,189	\$20,858,983
College's Proportional Share of the Net Pension Liability as a percentage of its Covered Payroll	59.16%	54.76%	24.91%	54.11%	55.76%	61.84%	37.02%	46.51%	45.56%	44.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

* The amount presented are as of the measurement date of the collective net pension liability for the respective year.

DEL MAR COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
EXHIBIT 5

	Fiscal Year Ended August 31,									
* Fiscal Year Ended August 31, *	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$2,249,314	\$2,162,743	\$1,966,278	\$1,783,331	\$1,724,517	\$1,383,030	\$1,344,534	\$1,249,598	\$1,178,183	\$1,030,041
Contribution in Relation to the Contractually Required Contribution	<u>(2,249,314)</u>	<u>(2,162,743)</u>	<u>(1,966,278)</u>	<u>(1,783,331)</u>	<u>(1,724,517)</u>	<u>(1,383,030)</u>	<u>(1,344,534)</u>	<u>(1,249,598)</u>	<u>(1,178,183)</u>	<u>(1,030,041)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
College's Covered Payroll	\$49,316,723	\$47,938,019	\$45,141,670	\$41,962,673	\$40,713,466	\$36,895,354	\$35,500,740	\$32,929,636	\$30,129,463	\$26,992,189
Contribution as a Percentage of Covered Payroll	4.56%	4.51%	4.36%	4.25%	4.24%	3.75%	3.79%	3.79%	3.91%	3.82%

* The amount presented are as of the fiscal year ended date of the collective net pension liability for the respective year.

DEL MAR COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2024
EXHIBIT 6

	Measurement Year Ended August 31,						
	2023	2022	2021	2020	2019	2018	2017
College's Proportionate of the Net OPEB Liability (Asset)	0.1863463700%	0.1892171300%	0.1869042800%	0.1853133800%	0.1744136400%	0.1881207300%	0.2169992500%
College's Proportionate Share of the Net OPEB Liability (Asset)	\$ 49,787,147	\$ 53,902,219	\$ 67,052,857	\$ 61,236,124	\$ 60,282,020	\$ 55,754,737	\$ 73,938,180
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the College	38,357,169	41,363,445	50,891,805	46,865,554	51,410,699	43,247,818	56,463,411
Total	<u>\$ 88,144,316</u>	<u>\$ 95,265,664</u>	<u>\$ 117,944,662</u>	<u>\$ 108,101,678</u>	<u>\$ 111,692,719</u>	<u>\$ 99,002,555</u>	<u>\$ 130,401,591</u>
College's Covered Payroll	\$ 36,676,952	\$ 36,995,084	\$ 34,261,193	\$ 34,494,924	\$ 33,597,726	\$ 33,096,904	\$ 32,924,204
College's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	136%	146%	196%	178%	179%	168%	225%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0.63%	0.57%	0.38%	0.32%	0.17%	1.27%	2.04%

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

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

DEL MAR COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS FOR OPEB
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2024
EXHIBIT 7

	Fiscal Year Ended August 31,							
	2024	2023	2022	2021	2020	2019	2018	
Contractually Required Contribution	\$ 1,205,637	\$ (1,209,400)	\$ 1,076,376	\$ 1,200,056	\$ 2,058,220	\$ 2,032,179	\$ 2,039,351	
Contribution in Relation to the Contractually Required Contribution	(1,205,637)	(1,209,400)	(1,076,376)	(1,200,056)	(2,058,220)	(2,032,179)	(2,039,351)	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
College's Covered Payroll	\$ 36,465,520	\$ 36,676,952	\$ 36,995,084	\$ 34,261,193	\$ 34,494,924	\$ 33,597,726	\$ 33,096,904	
Contributions as a percentage of covered-employee payroll	3.31%	-3.30%	2.91%	3.50%	5.97%	6.05%	6.16%	

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

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

Del Mar College
Schedule of Operating Revenues
Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2024 Total</u>	<u>2023 Total</u>
Tuition:						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 8,799,187	\$ -	\$ 8,799,187	\$ -	\$ 8,799,187	\$ 8,369,021
Out-of-District Resident Tuition	3,338,563	-	3,338,563	-	3,338,563	3,082,566
Non-Resident Tuition	625,116	-	625,116	-	625,116	640,825
TPEG - Credit (Set Aside) *	794,869	-	794,869	-	794,869	754,284
State-Funded Continuing Education	636,089	-	636,089	-	636,089	1,016,180
TPEG - Non-Credit (Set Aside) *	140,060	-	140,060	-	140,060	185,517
Non-State Funded Educational Programs	62,313	-	62,313	-	62,313	20,088
Total Tuition	14,396,197	-	14,396,197	-	14,396,197	14,068,481
Fees:						
Building Use Fee	2,236,202	-	2,236,202	-	2,236,202	2,187,021
General Fee	6,412,621	-	6,412,621	-	6,412,621	6,284,425
Student Service Fee	-	-	-	379,982	379,982	376,619
Out-of-District Fee	1,857,527	-	1,857,527	-	1,857,527	1,799,640
Class Repeat Fee	191,150	-	191,150	-	191,150	212,895
Dual Credit Fee	40,649	-	40,649	-	40,649	1,117,077
Non-Instructional Contract Training Fees	519,106	-	519,106	-	519,106	531,764
Laboratory Fees	429,802	-	429,802	-	429,802	409,026
Total Fees	11,687,057	-	11,687,057	379,982	12,067,039	12,918,467
Scholarship Allowances and Discounts:						
Bad Debt Allowance	(178,903)	-	(178,903)	-	(178,903)	(204,338)
Remissions and Exemptions - State	(4,767,615)	-	(4,767,615)	-	(4,767,615)	(4,355,405)
Remissions and Exemptions - Local	(1,990,508)	-	(1,990,508)	-	(1,990,508)	(1,774,089)
Title IV Federal Grants	(8,983,727)	-	(8,983,727)	-	(8,983,727)	(8,809,435)
Other Federal Grants	(14,031)	-	(14,031)	-	(14,031)	(618,356)
TPEG Awards	(183,032)	-	(183,032)	-	(183,032)	(361,775)
Other State Grants	(72,856)	-	(72,856)	-	(72,856)	(79,507)
Total Scholarship Allowances	(16,190,672)	-	(16,190,672)	-	(16,190,672)	(16,202,905)
Total Net Tuition and Fees	9,892,582	-	9,892,582	379,982	10,272,564	10,784,043
Additional Operating Revenues:						
Federal Grants and Contracts	-	2,577,486	2,577,486	-	2,577,486	4,800,930
State Grants and Contracts	-	2,350,741	2,350,741	-	2,350,741	2,694,143
Local Grants and Contracts	-	1,637,037	1,637,037	-	1,637,037	999,306
General Operating Revenues	2,229,282	-	2,229,282	-	2,229,282	2,734,095
Total Additional Operating Revenues	2,229,282	6,565,264	8,794,546	-	8,794,546	11,228,474
Auxiliary Enterprises:						
Food Service	-	-	-	418,528	418,528	423,556
Vending	-	-	-	63,345	63,345	60,151
Rents	-	-	-	68,283	68,283	32,125
Childcare Center	-	-	-	146,546	146,546	132,846
Other	-	-	-	361,604	361,604	427,548
Total Net Auxiliary Enterprises	-	-	-	1,058,306	1,058,306	1,076,226
Total Operating Revenues	\$ 12,121,864	\$ 6,565,264	\$ 18,687,128	\$ 1,438,288	\$ 20,125,416	\$ 23,088,743
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, tuition of \$934,929 and \$939,801 for years August 31, 2024 and 2023, respectively, was set aside for Texas Public Education Grants (TPEG).

Del Mar College
Schedule of Operating Expenses by Object
Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

	Operating Expenses			2024 Total	2023 Total	
	Salaries and Wages	Benefits State Local	Other Expenses			
Unrestricted - Educational Activities						
Instruction	\$ 36,408,156	\$ -	\$ 7,136,907	\$ 3,022,140	\$ 46,567,203	\$ 45,288,488
Public Service	147,355	-	19,358	8,960	175,673	133,512
Academic Support	5,442,145	-	1,307,219	816,973	7,566,337	7,478,730
Student Services	5,389,828	-	1,249,139	859,966	7,498,933	7,165,678
Institutional Support	12,593,063	-	2,781,209	12,241,233	27,615,505	28,667,638
Operation and Maintenance of Plant	1,949,451	-	511,357	8,429,530	10,890,338	12,846,482
Total Unrestricted Educational Activities	61,929,998	-	13,005,189	25,378,802	100,313,989	101,580,528
Restricted - Educational Activities						
Instruction	-	5,249,004	-	-	5,249,004	4,238,449
Public Service	-	14,237	-	-	14,237	9,887
Academic Support	-	961,422	-	-	961,422	799,906
Student Services	2,471,192	1,235,133	430,231	6,937,416	11,073,972	11,416,859
Institutional Support	-	2,045,504	-	-	2,045,504	1,641,302
Operation and Maintenance of Plant	-	376,089	-	-	376,089	270,745
Scholarships and Fellowships	-	-	-	8,841,668	8,841,668	6,232,962
Total Restricted Educational Activities	2,471,192	9,881,389	430,231	15,779,084	28,561,896	24,610,110
Total Educational Activities	64,401,190	9,881,389	13,435,420	41,157,886	128,875,885	126,190,638
Auxiliary Enterprises	468,722	-	169,668	649,163	1,287,553	1,210,035
Depreciation Expense - Buildings and other real estate improvements	-	-	-	8,458,717	8,458,717	6,973,123
Depreciation Expense - Equipment and furniture	-	-	-	3,529,750	3,529,750	3,048,015
Total Operating Expenses	\$ 64,869,912	\$ 9,881,389	\$ 13,605,088	\$ 53,795,516	\$ 142,151,905	\$ 137,421,811
					(Exhibit 2)	(Exhibit 2)

Del Mar College
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2024 Total</u>	<u>2023 Total</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 19,745,299	\$ -	\$ -	\$ 19,745,299	\$ 17,410,064
FAST Appropriation	1,259,766	-	-	1,259,766	-
State Group Insurance	-	4,351,517	-	4,351,517	3,987,111
State Retirement Matching	-	5,529,872	-	5,529,872	3,956,642
Total State Appropriations	21,005,065	9,881,389	-	30,886,454	25,353,817
Maintenance Ad Valorem Taxes	68,541,016	-	-	68,541,016	65,971,659
Debt Service Ad Valorem Taxes	-	22,016,865	-	22,016,865	23,202,803
Federal Revenue, Non Operating	-	17,693,360	-	17,693,360	17,113,420
Investment Income	3,538,319	-	-	3,538,319	2,805,734
Change in Fair Value of Investment	3,200,432	-	-	3,200,432	2,107,474
Other Non-Operating Revenue	1,527,951	-	-	1,527,951	4,334,489
Total Non-Operating Revenues	97,812,783	49,591,614	-	147,404,397	140,889,396
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	9,189,901	-	-	9,189,901	9,569,618
Loss on Disposal of Capital Assets	5,959,981	-	-	5,959,981	4,314
Other Non-Operating Expense	336,156	-	-	336,156	1,191,543
Total Non-Operating Expenses	15,486,038	-	-	15,486,038	10,765,475
Net Non-Operating Revenues	\$ 82,326,745	\$ 49,591,614	\$ -	\$ 131,918,359	\$ 130,123,921
				(Exhibit 2)	(Exhibit 2)

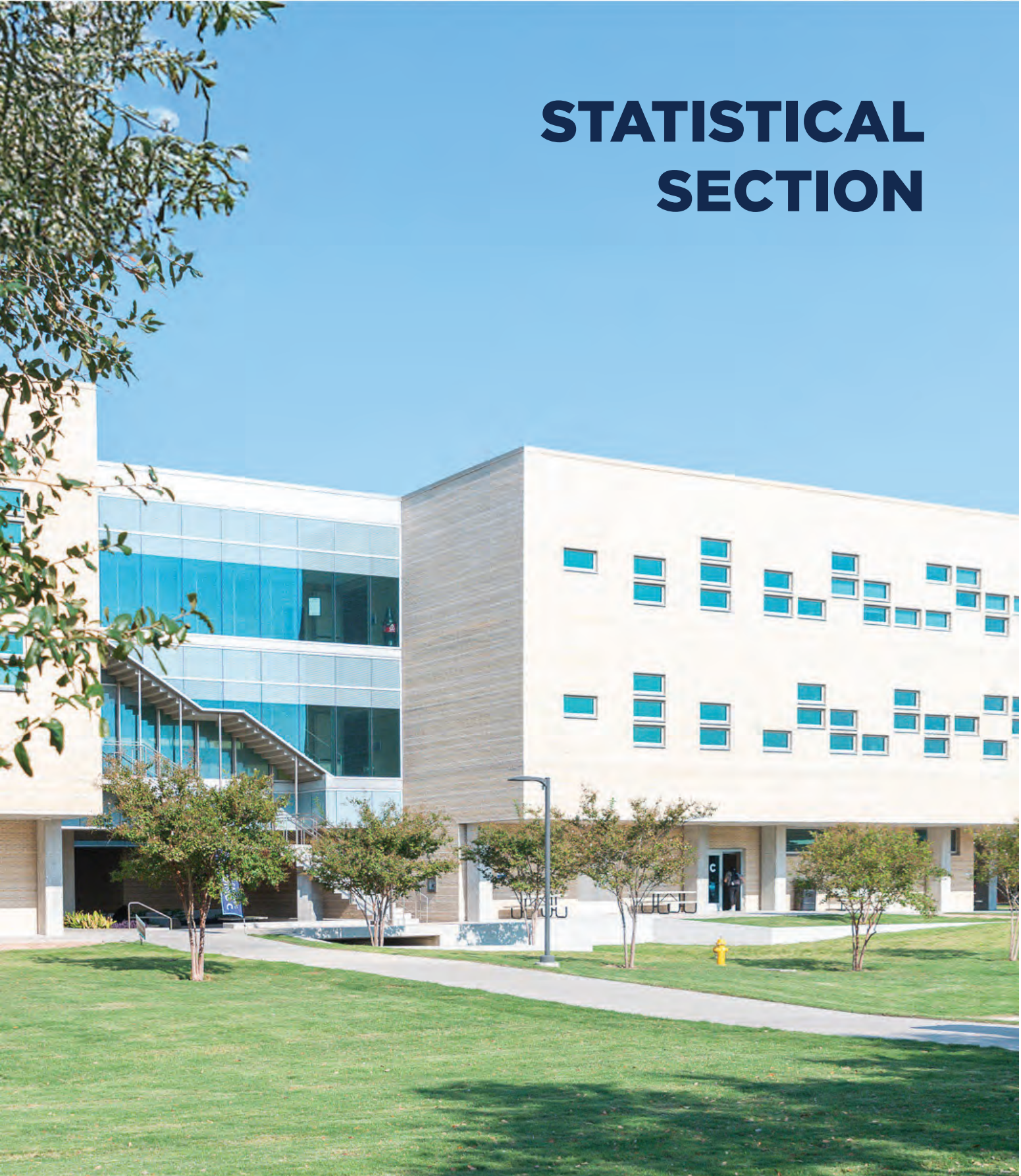
Del Mar College
Schedule of Net Position by Source and Availability
Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

	Detail by Source				Available for Current Operations	
	Restricted		Net Investment in Capital Assets	Total	Yes	No
	Unrestricted	Expendable				
Current:						
Unrestricted	\$ (33,924,527)	\$ -	\$ -	\$ (33,924,527)	\$ (33,924,527)	\$ -
Restricted	-	-	-	-	-	-
Auxiliary enterprises	2,317,526	-	-	2,317,526	2,317,526	-
Loan	-	1,419	-	1,419	-	1,419
Endowment:						
Quasi:						
Unrestricted	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Endowment						
True	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-
Annuities	-	-	-	-	-	-
Plant:						
Unexpended	3,508,922	-	-	3,508,922	-	3,508,922
Renewals	-	-	-	-	-	-
Debt Service	-	10,381,602	-	10,381,602	-	10,381,602
Investment in Plant	-	-	171,903,087	171,903,087	-	171,903,087
Total Net Position, August 31, 2024	\$ (28,098,079)	\$ 10,383,021	\$ 171,903,087	\$ 154,188,029 (Exhibit 1)	\$ (31,607,001)	\$ 185,795,030
Total Net Position, August 31, 2023	(32,623,003)	9,633,386	165,394,456	142,404,839 (Exhibit 1)	(36,154,761)	178,559,600
Net Increase (Decrease) in Net Position	\$ 4,524,924	\$ 749,635	\$ 6,508,631	\$ 11,783,190 (Exhibit 2)	\$ 4,547,760	\$ 7,235,430



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STATISTICAL SECTION





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Statistical Information

This part of Del Mar College's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

CONTENTS	PAGE
Financial Trends (Schedules 1-3, 19) <i>These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.</i>	107-111, 128-129
Revenue Capacity (Schedules 4-8, 20-21) <i>These schedules contain information to help the reader assess the College's most significant local revenue sources, including the property tax.</i>	112-117, 130-131
Debt Capacity (Schedules 9-11, 22) <i>These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future</i>	118-120, 133
Demographic and Economic Information (Schedules 12-13) <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.</i>	121-122
Operating and Other Information (Schedules 14-18) <i>These schedules contain service, infrastructure and other data to help the reader understand how the information in the College's financial report relates to the services the government provides and the activities it performs.</i>	123-127

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



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Del Mar College
Statistical Supplement 1
Net Position by Component
Fiscal Years 2015 to 2024
(unaudited)

For the Fiscal Year Ended August 31,
(in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 171,903	\$ 165,395	\$ 147,654	\$ 140,281	\$ 126,543	\$ 120,406	\$ 100,961	\$ 95,287	\$ 90,491	\$ 79,669
Restricted - expendable	10,383	9,633	8,541	8,176	8,431	8,161	12,247	12,343	12,251	13,546
Unrestricted	(28,098)	(32,623)	(29,630)	(31,871)	(41,688)	(52,328)	(58,722)	23,231	23,076	23,510
Total primary government net position	\$ 154,188	\$ 142,405	\$ 126,565	\$ 116,586	\$ 93,286	\$ 76,239	\$ 54,486	\$ 130,861	\$ 125,818	\$ 116,725

Source: Annual Comprehensive Financial Report

Del Mar College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2015 to 2024
(unaudited)

For the Fiscal Year Ended August 31,
(in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenues:										
Tuition and Fees (Net of Discounts)	\$ 10,272	\$ 10,784	\$ 9,619	\$ 11,890	\$ 12,541	\$ 12,574	\$ 12,528	\$ 12,755	\$ 11,976	\$ 10,878
Federal Grants and Contracts	2,578	4,801	15,712	2,181	2,182	2,103	3,181	3,268	4,650	5,424
State Grants and Contracts	2,351	2,694	1,856	2,647	2,129	2,399	2,342	3,718	4,334	3,090
Local Grants and Contracts	1,637	1,000	1,852	3,762	1,800	1,404	524	548	2,212	593
Auxiliary enterprises	1,059	1,076	1,239	491	1,079	1,675	1,390	1,249	1,323	1,508
General Operating Revenues	2,229	2,734	2,387	2,203	2,925	3,606	2,188	1,768	2,305	1,379
Total Operating Revenues	20,126	23,089	32,665	23,174	22,656	23,761	22,153	23,306	26,800	22,872
Non-Operating Revenues:										
State Appropriations	30,886	25,354	24,081	23,517	25,499	23,437	22,928	20,176	19,800	19,918
Maintenance Ad Valorem Taxes	68,541	65,972	60,516	57,023	58,319	54,449	51,689	47,179	46,704	43,342
Debt Service Ad Valorem Taxes	22,017	23,203	23,000	23,200	19,158	18,706	13,423	12,387	8,338	8,385
Federal Revenue, Non Operating	17,693	17,113	20,756	27,236	20,413	16,860	16,238	16,715	16,323	16,265
Investment Income	3,538	2,806	1,307	1,101	3,442	5,755	2,308	1,108	337	206
Change in Fair Value of Investments	3,201	2,107	(4,960)	(330)	-	-	-	-	-	-
Other Non-Operating Revenues	1,528	4,334	2,465	2,331	26	37	28	12	22	30
Total Non-Operating Revenues	147,404	140,889	127,165	134,078	126,857	119,244	106,614	97,577	91,524	88,146
Total Revenues	\$ 167,530	\$ 163,978	\$ 159,830	\$ 157,252	\$ 149,513	\$ 143,005	\$ 128,767	\$ 120,883	\$ 118,324	\$ 111,018

Source: Annual Comprehensive Financial Report

Del Mar College
Statistical Supplement 2 (Continued)
Revenues by Source
Fiscal Years 2015 to 2024
(unaudited)

For the Fiscal Year Ended August 31,
(in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenues:										
Tuition and fees (net of discounts)	6.13%	6.58%	6.02%	7.56%	8.39%	8.79%	9.73%	10.55%	10.12%	9.80%
Federal grants and contracts	1.54%	2.93%	9.83%	1.39%	1.46%	1.47%	2.47%	2.70%	3.93%	4.89%
State grants and contracts	1.41%	1.64%	1.16%	1.68%	1.42%	1.68%	1.82%	3.08%	3.66%	2.78%
Local grants and contracts	0.98%	0.61%	1.16%	2.39%	1.20%	0.98%	0.41%	0.45%	1.87%	0.53%
Auxiliary enterprises	0.63%	0.66%	0.78%	0.31%	0.72%	1.17%	1.08%	1.03%	1.12%	1.36%
General Operating Revenues	1.33%	1.67%	1.49%	1.40%	1.96%	2.52%	1.70%	1.46%	1.95%	1.24%
Total Operating Revenues	12.02%	14.09%	20.44%	14.73%	15.15%	16.61%	17.21%	19.27%	22.65%	20.60%
Non-Operating Revenues:										
State Appropriations	18.44%	15.46%	15.07%	14.97%	17.05%	16.39%	17.81%	16.69%	16.73%	17.94%
Maintenance Ad Valorem Taxes	40.91%	40.23%	37.86%	36.26%	39.01%	38.07%	40.14%	39.03%	39.47%	39.04%
Debt Service Ad Valorem Taxes	13.14%	14.15%	14.39%	14.75%	12.81%	13.08%	10.42%	10.25%	7.05%	7.55%
Federal Revenue, Non Operating	10.56%	10.44%	12.99%	17.32%	13.65%	11.79%	12.61%	13.83%	13.80%	14.65%
Investment Income	2.11%	1.71%	0.82%	0.70%	2.30%	4.03%	1.79%	0.92%	0.28%	0.19%
Change in Fair Value of Investments	1.91%	1.28%	-3.10%	-0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Non-Operating Revenues	0.91%	2.64%	1.53%	1.48%	0.03%	0.03%	0.02%	0.01%	0.02%	0.03%
Total Non-Operating Revenues	87.98%	85.91%	79.56%	85.27%	84.85%	83.39%	82.79%	80.73%	77.35%	79.40%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Annual Comprehensive Financial Report

Del Mar College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2015 to 2024
(unaudited)

For the Fiscal Year Ended August 31,
(in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Expenses:										
Instruction	\$ 51,816	\$ 49,527	\$ 47,369	\$ 47,091	\$ 48,349	\$ 46,483	\$ 46,536	\$ 43,909	\$ 39,580	\$ 36,441
Public service	190	143	119	151	95	155	151	129	111	21
Academic support	8,528	8,279	7,807	7,202	7,914	7,531	7,734	7,189	6,946	6,193
Student services	18,573	18,583	27,285	19,211	17,319	15,349	15,662	16,487	18,040	16,106
Institutional support	29,661	30,309	27,859	23,240	23,607	21,195	20,888	19,430	18,690	16,792
Operation and maintenance of plant	11,266	13,117	11,108	7,572	9,859	9,023	8,786	10,128	9,702	8,771
Scholarships and fellowships	8,842	6,233	9,511	12,006	6,668	5,940	5,826	5,906	5,111	6,286
Auxiliary enterprises	1,288	1,210	1,265	1,073	1,587	1,228	1,400	1,484	1,417	1,470
Depreciation	11,988	10,021	7,727	6,592	7,106	5,369	5,430	5,566	5,516	5,590
Total Operating Expenses	142,152	137,422	140,050	124,138	122,504	112,273	112,413	110,228	105,113	97,670
Non-Operating Expenses:										
Interest on capital related debt	9,190	9,570	9,874	10,465	9,945	8,952	5,285	5,075	4,091	3,961
Other Non-Operating Expenses	6,296	1,195	212	180	78	34	1,825	602	86	88
Total Non-Operating Expenses	15,486	10,765	10,086	10,645	10,023	8,986	7,110	5,677	4,177	4,049
Total Expenses	\$ 157,638	\$ 148,187	\$ 150,136	\$ 134,783	\$ 132,527	\$ 121,259	\$ 119,523	\$ 115,905	\$ 109,290	\$ 101,719

Source: Annual Comprehensive Financial Report

Del Mar College
Statistical Supplement 3 (Continued)
Program Expenses by Function
Fiscal Years 2015 to 2024
(unaudited)

For the Fiscal Year Ended August 31,
(in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Expenses:										
Instruction	32.87%	33.42%	31.55%	34.94%	36.48%	38.33%	38.93%	37.88%	36.22%	35.83%
Public service	0.12%	0.10%	0.08%	0.11%	0.07%	0.13%	0.13%	0.11%	0.10%	0.02%
Academic support	5.41%	5.59%	5.20%	5.34%	5.97%	6.21%	6.47%	6.20%	6.36%	6.09%
Student services	11.78%	12.54%	18.17%	14.25%	13.07%	12.66%	13.10%	14.22%	16.51%	15.83%
Institutional support	18.82%	20.45%	18.56%	17.24%	17.81%	17.48%	17.48%	16.76%	17.10%	16.51%
Operation and maintenance of plant	7.15%	8.85%	7.40%	5.62%	7.44%	7.44%	7.35%	8.74%	8.88%	8.62%
Scholarships and fellowships	5.61%	4.21%	6.33%	8.91%	5.03%	4.90%	4.87%	5.10%	4.68%	6.18%
Auxiliary enterprises	0.82%	0.82%	0.84%	0.80%	1.20%	1.01%	1.17%	1.28%	1.30%	1.45%
Depreciation	7.60%	6.76%	5.15%	4.89%	5.37%	4.43%	4.55%	4.81%	5.03%	5.49%
Total Operating Expenses	90.18%	92.74%	93.28%	92.10%	92.44%	92.59%	94.05%	95.10%	96.18%	96.02%
Non-Operating Expenses:										
Interest on capital related debt	5.83%	6.46%	6.58%	7.76%	7.50%	7.38%	4.42%	4.38%	3.74%	3.89%
Other Non-Operating Expenses	3.99%	0.80%	0.14%	0.14%	0.06%	0.03%	1.53%	0.52%	0.08%	0.09%
Total Non-Operating Expenses	9.82%	7.26%	6.72%	7.90%	7.56%	7.41%	5.95%	4.90%	3.82%	3.98%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Annual Comprehensive Financial Report

Del Mar College
Statistical Supplement 4
Tuition and Fees
Per Semester Credit Hour
Last Ten Academic Years
(unaudited)

Resident

Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Building Use Fee	General Use Fee	Matriculation Fee	Student Activity Fees	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
2023	\$ 73	\$ 123	\$ 12	\$ 12	\$ 12	\$ 85	\$ 1,393	\$ 1,993	1.75%	1.22%
2022	71	121	12	12	12	85	1,369	1,969	1.78	1.23
2021	69	119	12	12	12	85	1,345	1,945	0.00	0.00
2020	69	119	12	12	12	85	1,345	1,945	1.82	1.25
2019	67	117	12	12	12	85	1,321	1,921	6.45	4.35
2018	61	111	12	12	12	77	1,241	1,841	5.08	3.37
2017	56	106	12	12	12	77	1,181	1,781	0.00	0.00
2016	56	106	12	12	12	77	1,181	1,781	0.00	0.00
2015	56	106	12	12	12	77	1,181	1,781	1.03	0.68
2014	55	105	12	12	12	77	1,169	1,769	5.60	3.63

Non - Resident

Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Building Use Fee	General Use Fee	Matriculation Fee	Student Activity Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	% Increase from Prior Year Out of State	% Increase from Prior Year International
2023	\$ 160	\$ 160	\$ 12	\$ 12	\$ 12	\$ 85	\$ 2,437	\$ 2,437	0.99%	0.99%
2022	158	158	12	12	12	85	2,413	2,413	1.00	1.00
2021	156	156	12	12	12	85	2,389	2,389	0.00	0.00
2020	156	156	12	12	12	85	2,389	2,389	1.01	1.01
2019	154	154	12	12	12	85	2,365	2,365	3.50	3.50
2018	148	148	12	12	12	77	2,285	2,285	2.70	2.70
2017	143	143	12	12	12	77	2,225	2,225	0.00	0.00
2016	143	143	12	12	12	77	2,225	2,225	0.00	0.00
2015	143	143	12	12	12	77	2,225	2,225	0.54	0.54
2014	142	142	12	12	12	77	2,213	2,213	2.88	2.88

Note: (1) Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees

(2) Registration Fee: Not applicable

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year	(in Thousands)			Direct Rate			
	Assessed Valuation of Property (a)	Less: Exemptions	Taxable Assessed Value (TAV)	% Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (b)	Debt Service (b)	Total (b)
2023-24	\$ 50,063,872	\$ 8,129,147	\$ 41,934,725	0.84	\$ 0.179436	\$ 0.057566	\$ 0.237002
2022-23	42,118,448	6,532,116	35,586,332	0.84	0.196870	0.069234	0.266104
2021-22	38,514,875	6,883,587	31,631,288	0.82	0.205296	0.078044	0.283340
2020-21	35,539,719	6,487,532	29,052,187	0.82	0.205296	0.083304	0.288600
2019-20	35,034,885	6,061,795	28,973,090	0.83	0.211260	0.069405	0.280665
2018-19	33,527,327	6,301,621	27,225,706	0.81	0.209700	0.072200	0.281900
2017-18	31,619,662	5,950,780	25,668,882	0.81	0.205700	0.053463	0.259163
2016-17	29,841,475	4,975,595	24,865,880	0.83	0.194718	0.051441	0.246159
2015-16	27,500,612	4,683,363	22,817,249	0.83	0.210549	0.037524	0.248073
2014-15	25,746,282	4,622,735	21,123,547	0.82	0.207910	0.040163	0.248073

Source: Local Appraisal District

Notes: (a) Property is assessed at full market value

(b) per \$100 Taxable Assessed Valuation

Del Mar College
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation (in thousands)	Annual FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (in thousands) (b)	Voc/Tech Contact Hours (in thousands) (b)	Total Contact Hours (in thousands)	State Appropriation per Contact Hour
2023-24	\$ 30,886	6,142	\$ 5,029	2,164	1,961	4,125	\$ 7.49
2022-23	25,354	5,996	4,228	2,158	1,856	4,014	\$ 6.32
2021-22	24,081	6,093	3,952	2,252	1,877	4,342	5.55
2020-21	23,517	6,524	3,605	2,513	1,829	4,342	5.42
2019-20	25,499	7,271	3,507	2,788	2,046	4,834	5.27
2018-19	23,437	7,064	3,318	2,817	1,833	4,650	5.04
2017-18	22,928	7,103	3,228	2,757	1,873	4,630	4.95
2016-17	20,176	7,290	2,768	2,827	1,939	4,766	4.23
2015-16	19,800	6,948	2,850	2,715	1,820	4,535	4.37
2014-15	19,918	6,590	3,022	2,655	1,660	4,315	4.62
2013-14	19,554	6,650	2,940	2,823	1,615	4,438	4.41

Notes:

Full-time Student Equivalent (FTSE) is defined by the THECB as the annual total semester credit hours divided by 30

State Appropriation (Schedule C) include benefits/ORP contributions

(a) Source: Coordinating Board Management Report 004/OCS.

(b) Source: Coordinating Board Management Report 004/OCS (includes funded and non-funded excess developmental and three-peat hours)

Del Mar College
Statistical Supplement 7
Principal Taxpayers
Taxable Assessed Value
Last Ten Tax Years
(unaudited)
(in Thousands)

Taxpayer	Type of Business	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Flint Hills Resources West LP	Petrochemical	\$ 747,429	\$ 1,849,308	\$ 1,337,014	\$ 1,272,928	\$ 1,396,033	\$ 1,275,786	\$ 994,320	\$ 901,967	\$ 795,171	\$ 809,036
Valero Refining Texas LP (W)	Petrochemical	858,428	1,656,308	1,273,099	1,228,795	1,335,095	1,180,094	992,798	782,638	982,007	732,218
Citgo Refining/Chemical Co LP	Petrochemical	784,729	784,729	823,096	647,031	717,443	662,713	636,937	598,035	576,842	609,788
Corpus Christi Polymers LLC	Petrochemical	519,077	329,200	297,257	271,329	532,193	532,193	-	-	-	-
Equistar Chemicals LP	Petrochemical	-	437,357	437,357	437,357	450,375	476,587	498,921	525,325	187,352	198,039
Equistar Chemicals LP	Petrochemical	592,699	-	164,390	150,811	-	-	169,513	178,657	-	-
Flint Hills Resources East LP	Petrochemical	-	388,624	189,161	184,602	202,176	192,216	174,379	154,846	165,685	180,163
AEP Texas Central Company	Utility	467,620	427,197	384,113	387,831	325,205	375,892	290,124	249,585	197,103	198,622
Valero Marketing & Supply	Petrochemical	261,767	253,598	-	-	185,721	187,744	186,973	-	-	139,352
Epic Y-Grade Logistics LP	Petrochemical	178,252	-	161,902	174,867	181,276	173,917	-	-	-	-
Nueces Bay WLE	Utility	-	-	-	-	-	-	-	-	179,958	-
Buckeye Texas Processing LLC	Petrochemical	266,988	271,063	272,640	267,564	277,459	281,540	266,934	252,476	255,721	173,856
Buckeye Texas HUB LLC	Petrochemical	-	-	-	-	-	-	166,772	177,212	161,468	155,421
Barney M Davis LP	Utility	-	-	-	-	-	-	-	132,802	182,407	-
Flint Hills Res LLC-West Plant	Petrochemical	258,043	-	-	-	-	-	-	-	-	-
Flint Hill Resources	Petrochemical	-	-	-	-	-	-	-	-	-	107,045
Totals		\$ 4,935,032	\$ 6,397,384	\$ 5,340,029	\$ 5,023,115	\$ 5,602,976	\$ 5,338,682	\$ 4,377,671	\$ 3,953,543	\$ 3,683,714	\$ 3,303,540
Total Taxable Assessed Value		\$ 41,934,725	\$ 35,586,332	\$ 31,631,288	\$ 29,052,187	\$ 28,973,090	\$ 27,225,706	\$ 25,668,882	\$ 24,865,880	\$ 22,817,249	\$ 21,123,547

Source: Local County Appraisal District as of valuation date

Note: Tax assessed value is the basis for following FY Maintenance Ad Valorem taxes

**Del Mar College
Statistical Supplement 7 (Continued)
Principal Taxpayers
Taxable Assessed Value
Last Ten Tax Years
(unaudited)**

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Flint Hills Resources LP	Petrochemical	1.78%	5.20%	4.23%	4.38%	4.82%	4.69%	3.87%	3.63%	3.48%	3.83%
Valero Refining Texas LP	Petrochemical	2.05	4.65	4.02	4.23	4.61	4.33	3.87	3.15	4.30	3.47
Citgo Refining/Chemical Co LP	Petrochemical	1.87	2.21	2.60	2.23	2.48	2.43	2.48	2.41	2.53	2.89
Corpus Christi Polymers LLC	Petrochemical	1.24	0.93	0.94	0.93	1.84	1.95	0.00	0.00	0.00	0.00
Equistar Chemicals LP	Petrochemical	0.00	1.23	1.38	1.51	1.55	1.75	1.94	2.11	0.82	0.94
Equistar Chemicals LP	Petrochemical	1.41	0.00	0.52	0.52	0.00	0.00	0.66	0.72	0.00	0.00
Flint Hills Resources East LP	Petrochemical	0.00	1.09	0.60	0.64	0.70	0.71	0.68	0.62	0.73	0.85
AEP Texas Central Company	Utility	1.12	1.20	1.21	1.33	1.12	1.38	1.13	1.00	0.86	0.94
Valero Marketing & Supply	Petrochemical	0.62	0.71	0.00	0.00	0.64	0.69	0.73	0.00	0.00	0.66
Epic Y-Grade Logistics LP	Petrochemical	0.43	0.00	0.51	0.60	0.63	0.64	0.00	0.00	0.00	0.00
Nueces Bay WLE	Utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.00
Buckeye Texas Processing LLC	Petrochemical	0.64	0.76	0.86	0.92	0.96	1.03	1.04	1.02	1.12	0.82
Buckeye Texas HUB LLC	Petrochemical	0.00	0.00	0.00	0.00	0.00	0.00	0.65	0.71	0.71	0.74
Barney M Davis LP	Utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.53	0.80	0.00
Flint Hills Res LLC-West Plant	Petrochemical	0.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Flint Hill Resources	Petrochemical	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.51
Totals		11.78%	17.98%	16.87%	17.29%	19.35%	19.60%	17.05%	15.90%	16.14%	15.65%

Source: Local County Appraisal District as of valuation date

Note: Tax assessed value is the basis for following FY Maintenance Ad Valorem taxes

Del Mar College
Statistical Supplement 8
Property Tax Levies and Collections
(unaudited)
(in Thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy		Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	% Cumulative Collections of Adjusted Levy
				(c)	Percentage				
2024	\$ 95,985	\$ (7,526)	\$ 88,459	\$ 87,086	98.45%	\$ -	\$ 532	\$ 87,618	99.05%
2023	91,193	(1,587)	89,606	85,677	95.62	-	2,973	88,650	98.93
2022	86,355	(781)	85,574	81,690	95.46	-	1,147	82,837	96.80
2021	85,042	(610)	84,432	79,363	94.00	-	810	80,173	94.96
2020	80,012	(791)	79,221	75,442	95.23	-	1,410	76,852	97.01
2019	74,310	(866)	73,444	71,737	97.68	-	950	72,687	98.97
2018	65,697	(381)	65,316	63,078	96.57	-	1,661	64,739	99.12
2017	60,296	(838)	59,458	57,956	97.47	-	1,082	59,038	99.29
2016	56,481	(1,617)	54,864	53,473	97.46	-	39	53,512	97.54
2015	52,752	(358)	52,394	51,113	97.56	-	1,052	52,165	99.56

Source: Local Tax Assessor/Collector and District records

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

(b) As of August 31st of the current reporting year

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

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy

(e) Represents current year collections of prior years levies

**Del Mar College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years Ending August 31**

(in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Bonded Debt										
General obligation bonds	\$ 245,430	\$ 255,385	\$ 266,750	\$ 278,040	\$ 288,060	\$ 219,355	\$ 228,195	\$ 134,695	\$ 132,860	\$ 71,170
Premium	24,139	26,384	28,731	31,185	34,115	20,749	22,800	14,907	15,649	5,827
Net general bonded debt	\$ 269,569	\$ 281,769	\$ 295,481	\$ 309,225	\$ 322,175	\$ 240,104	\$ 250,995	\$ 149,602	\$ 148,509	\$ 76,997
Other Debt										
Revenue bonds	\$ 6,920	\$ 8,450	\$ 9,910	\$ 11,300	\$ 12,620	\$ 13,890	\$ 15,110	\$ 16,345	\$ 17,530	\$ 21,385
SBITA obligations	563	1,445	1,423	-	-	-	-	-	-	-
Lease obligations	139	212	126	179	-	-	-	-	-	-
Total Outstanding Debt	\$ 277,191	\$ 291,876	\$ 306,940	\$ 320,704	\$ 334,795	\$ 253,994	\$ 266,105	\$ 165,947	\$ 166,039	\$ 98,382

General Bonded Debt Ratios

Per Capita	\$ 765.19	\$ 801.22	\$ 836.63	\$ 875.55	\$ 889.26	\$ 662.79	\$ 692.85	\$ 414.16	\$ 410.78	\$ 213.62
Per FTSE	43,889	46,993	48,495	47,398	44,310	33,947	35,336	20,522	21,374	11,684
As a percentage of Taxable Assessed Value	0.72%	0.88%	1.03%	1.12%	1.20%	0.96%	1.05%	0.65%	0.69%	0.38%

Total Outstanding Debt Ratios

Per Capita	\$ 786.83	\$ 829.96	\$ 869.08	\$ 908.05	\$ 924.10	\$ 701.13	\$ 734.56	\$ 459.41	\$ 459.27	\$ 272.95
Per FTSE	45,130	48,678	50,376	49,158	46,045	35,910	37,464	22,764	23,897	14,929
As a percentage of Taxable Assessed Value	0.74%	0.91%	1.07%	1.16%	1.25%	1.02%	1.12%	0.72%	0.78%	0.49%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment
(a) 2024 information not yet available

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31 (in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Taxable Assessed Value	\$50,063,872	\$42,118,448	\$38,514,875	\$35,539,719	\$35,034,885	\$33,527,327	\$25,668,882	\$24,865,880	\$22,817,249	\$21,123,547
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	250,319	210,592	192,574	177,699	175,174	167,637	128,344	124,329	114,086	105,618
Less: Funds Restricted for Repayment of General Obligation Bonds	(7,012)	(5,758)	(4,661)	(4,309)	(4,646)	(4,478)	(4,099)	(3,865)	(3,831)	(4,303)
Total Net General Obligation Debt	243,307	204,834	187,913	173,390	170,528	163,159	124,245	120,464	110,255	101,315
Current Year Debt Service Requirements	21,478	23,203	22,953	23,184	19,084	18,654	13,407	12,387	8,649	8,413
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 221,829	\$ 181,631	\$ 164,960	\$ 150,206	\$ 151,444	\$ 144,505	\$ 110,838	\$ 108,077	\$ 101,606	\$ 92,902
Net Current Requirements as a % of Statutory Limit	5.78%	8.28%	9.50%	10.62%	8.24%	8.46%	7.25%	6.85%	4.22%	3.89%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation

Source: College Annual Financial Reports

**Del Mar College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)**

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (in Thousands)					Debt Service Requirements (in Thousands)			
	Tuition Fee	Building Use Fee	Matriculation Fee	Income Revenues	Total	Principal	Interest	Total	Coverage Ratio
2024	\$3,594	\$2,236	\$2,236	\$2,605	\$10,671	\$1,530	\$422	\$1,952	5.47
2023	3,514	2,187	2,187	1,999	9,887	1,460	495	1,955	5.06
2022	3,423	2,219	2,219	355	8,216	1,390	565	1,955	4.20
2021	3,630	2,378	2,378	304	8,690	1,320	631	1,951	4.45
2020	3,884	2,650	2,650	1,353	10,537	1,270	682	1,952	5.40
2019	3,635	2,572	2,572	125	8,904	1,220	731	1,951	4.56
2018	3,511	2,581	2,581	872	9,545	1,235	780	2,015	4.74
2017	3,324	2,656	2,656	242	8,878	1,185	827	2,012	4.41
2016	3,210	2,537	2,537	232	8,516	2,100	963	3,063	2.78
2015	3,003	2,403	2,403	108	7,917	2,020	1,044	3,064	2.58
2014	2,939	2,413	2,413	64	7,829	1,930	1,121	3,051	2.57

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District (Nueces County)
Last Ten Fiscal Years
(unaudited)

Calendar Year	Nueces County Population (a)	Nueces County Personal Income (in Thousands) (b)	Nueces County Personal Income Per Capita (b)	Nueces County Unemployment Rate (c)
2023	352,289	\$ (d)	\$ (d)	4.2%
2022	351,674	19,595,351	55,720	4.7%
2021	353,178	18,661,085	52,852	6.8%
2020	363,148	17,430,572	47,999	9.0%
2019	362,347	16,755,502	46,242	4.1%
2018	362,177	15,699,826	43,348	4.6%
2017	361,328	15,466,649	42,805	5.4%
2016	361,753	14,656,692	40,516	5.6%
2015	360,587	15,501,254	42,989	4.9%
2014	356,717	15,742,090	44,130	5.1%

Sources:

- (a) 2020 Population from U.S. Census Bureau 2020 Decennial Census
2014-2023 population estimates from U.S. Bureau of Economic Analysis as of July 2023
- (b) Personal income from U.S. Bureau of Economic Analysis as of November 2023
- (c) Unemployment rate from U.S. Department of Labor as of April 2024
- (d) Not yet available

Note: With each new release of annual estimates, the entire time series of estimates is revised for all years back to the last census.

**Del Mar College
Statistical Supplement 13
Principal Employers
(unaudited)**

Employer	2023		2013	
	Number of Employees	Percentage of Total Employment ¹	Number of Employees	Percentage of Total Employment
Corpus Christi ISD	6,200	3.12%	5,178	2.65%
Corpus Christi Naval Air Station	5,000	2.52%	2,822	1.44%
City of Corpus Christi	4,100	2.06%	3,171	1.62%
H.E.B.	3,847	1.94%	5,000	2.56%
Corpus Christi Army Depot	3,100	1.56%	6,500	3.33%
CHRISTUS Spohn Health Systems	3,000	1.51%	5,144	2.63%
Driscoll Children's Hospital	3,000	1.51%	1,800	0.92%
Corpus Christi Medical Center	2,250	1.13%	1,300	0.67%
Kiewit Offshore Service	2,184	1.10%	2,200	1.13%
Bay, Ltd.	1,700	0.86%	2,100	1.07%
Del Mar College	1,366	0.69%	1,229	0.63%
Total	35,747	18.00%	36,444	18.65%
Corpus Christi MSA Total Annual Employment²	198,724		195,391	

Source:

1. Corpus Christi Regional Economic Development Corporation
2. US Bureau of Labor Statistics - Corpus Christi MSA Annual Employment

Del Mar College
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instructional Faculty										
Full-Time (Credit)	297	304	309	302	310	314	316	311	298	282
Part-Time (Credit)	163	175	180	167	213	218	223	216	227	236
Total	460	479	489	469	523	532	539	527	525	518
Percent Full-Time (Credit)	64.6%	63.5%	63.2%	64.4%	59.3%	59.0%	58.6%	59.0%	56.8%	54.4%
Percent Part-Time (Credit)	35.4%	36.5%	36.8%	35.6%	40.7%	41.0%	41.4%	41.0%	43.2%	45.6%
Staff and Administrators										
Full-Time	456	453	433	428	411	374	381	367	348	309
Part-Time	281	314	277	312	353	359	417	445	408	331
Total	737	767	710	740	764	733	798	812	756	640
Percent Full-Time	61.9%	59.1%	61.0%	57.8%	53.8%	51.0%	47.7%	45.2%	46.0%	48.3%
Percent Part-Time	38.1%	40.9%	39.0%	42.2%	46.2%	49.0%	52.3%	54.8%	54.0%	51.7%
College Total										
Full-Time	753	757	742	730	721	688	697	678	646	591
Part-Time	444	489	457	479	566	577	640	661	635	567
Grand Total	1,197	1,246	1,199	1,209	1,287	1,265	1,337	1,339	1,281	1,158
Percent Full-Time	62.9%	60.8%	61.9%	60.4%	56.0%	54.4%	52.1%	50.6%	50.4%	51.0%
Percent Part-Time	37.1%	39.2%	38.1%	39.6%	44.0%	45.6%	47.9%	49.4%	49.6%	49.0%
Faculty FTE	465.39	501.59	516.07	484.97	508.82	498.72	513.19	502.06	454.07	432.28
Student FTE (Total SCH/12)	6,026.67	5,941.25	6,431.75	6,282.83	7,863.25	7,759.33	7,677.58	7,888.75	7,395.83	7,096.75
FTSE per Full-time Faculty	12.95	11.84	12.46	12.96	15.45	15.56	14.96	15.71	16.29	16.42
FTSE per Full-Time Staff Member	13.22	13.12	14.85	14.68	19.13	20.75	20.15	21.50	21.25	22.97
Average Annual Faculty Salary	\$75,566	\$75,566	\$74,215	\$72,119	\$72,214	\$71,020	\$69,237	\$68,279	\$64,487	\$60,656

Notes: Year 2024 is not yet available. FTSE: Full Time Student Equivalent (as reported on CBM001).

Source: College Statistical Profiles.

Del Mar College
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	5,611	57.73%	5,677	58.38%	6,113	58.81%	6,392	59.86%	7,097	59.10%
Male	4,109	42.27%	4,048	41.62%	4,282	41.19%	4,286	40.14%	4,911	40.90%
Total	9,720	100%	9,725	100%	10,395	100%	10,678	100%	12,008	100.00%

	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
Hispanic	6,913	71.12%	6,904	70.99%	7,380	71.00%	7,497	70.21%	8,310	69.20%
White, non-Hispanic	1,835	18.88%	1,981	20.37%	2,247	21.62%	2,400	22.48%	2,783	23.18%
Black, non-Hispanic	192	1.97%	198	2.04%	225	2.16%	248	2.32%	328	2.73%
Asian/Pacific Islander	237	2.44%	224	2.30%	234	2.25%	238	2.23%	265	2.21%
Indian/Alaskan Native	25	0.26%	21	0.22%	19	0.18%	18	0.17%	25	0.21%
Unknown	518	5.33%	397	4.08%	290	2.79%	277	2.59%	297	2.47%
Total	9,720	100%	9,725	100%	10,395	100%	10,678	100%	12,008	100.00%

	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 20	4,302	44.26%	4,073	41.88%	3,987	38.35%	4,328	40.53%	4,952	41.24%
20 -24	2,737	28.16%	2,789	28.68%	3,086	29.69%	3,094	28.98%	3,499	29.14%
25 - 29	1,021	10.50%	1,067	10.97%	1,253	12.05%	1,298	12.16%	1,402	11.67%
30 - 34	627	6.45%	683	7.02%	799	7.69%	751	7.03%	837	6.97%
35 - 39	390	4.01%	435	4.47%	512	4.92%	490	4.59%	528	4.40%
40 - 44	293	3.01%	303	3.12%	349	3.36%	340	3.18%	321	2.67%
45 - 49	156	1.61%	176	1.81%	192	1.85%	189	1.77%	234	1.95%
50 & over	194	2.00%	199	2.05%	217	2.09%	188	1.76%	235	1.96%
Total	9,720	100%	9,725	100%	10,395	100%	10,678	100%	12,008	100.00%

Average Age	23.2	23.6	24.0	24.0	24.0
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Notes: Year 2024 is not yet available

Source: College Statistical Profiles/CBM001 Report

Del Mar College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2022-23 Students as of Fall 2023
(Includes only public senior colleges in Texas)
(unaudited)

Arbitral Universities:	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Transfer Students	Percent of Total Transfer Students
1 Texas A&M University - Corpus Christi	509	54	0	563	42.4%
2 Texas A&M University - Kingsville	119	14	0	133	10.0%
3 Texas A&M University	157	8	0	165	12.4%
4 The University of Texas at San Antonio	99	0	0	99	7.5%
5 Texas State University	74	10	0	84	6.3%
6 The University of Texas at Austin	83	5	0	88	6.6%
7 Texas Tech University	35	4	0	39	2.9%
8 The University of Texas at Arlington	17	5	0	22	1.7%
9 University of Houston	14	0	0	14	1.1%
10 University of North Texas	7	0	0	7	0.5%
11 Sam Houston State University	13	1	0	14	1.1%
12 Stephen F. Austin State University	1	0	0	1	0.1%
13 The University of Texas - Rio Grande Valley	9	0	0	9	0.7%
14 The University of Texas at Dallas	5	0	0	5	0.4%
15 Tarleton State University	6	2	0	8	0.6%
16 Texas A&M University - San Antonio	7	0	0	7	0.5%
17 Texas A&M University at Galveston	7	0	0	7	0.5%
18 Texas A&M International University	4	1	0	5	0.4%
19 Texas A&M University System Health Science Center	5	0	0	5	0.4%
20 University of Houston - Victoria	4	1	0	5	0.4%
21 Angelo State University	1	2	0	3	0.2%
22 Sul Ross State University	0	0	0	0	0.0%
23 Texas Southern University	2	1	0	3	0.2%
24 Texas Woman's University	2	0	0	2	0.1%
25 Texas A&M University - Commerce	1	2	0	3	0.2%
26 The University of Texas at El Paso	1	1	0	2	0.1%
27 The University of Texas Health Science Center at San Antonio	2	9	0	11	0.8%
28 The University of Texas Medical Branch at Galveston	0	0	0	0	0.0%
29 The University of Texas of the Permian Basin	1	0	0	1	0.1%
30 Midwestern State University	0	0	0	0	0.0%
31 University of Houston - Clear Lake	0	0	0	0	0.0%
32 Texas Tech University Health Sciences Center	0	0	0	0	0.0%
33 The University of Texas Health Science Center at Houston	1	0	0	1	0.1%
34 The University of Texas at Tyler	3	1	0	4	0.3%
35 University of Houston - Downtown	1	3	0	4	0.3%
Others Universities	13	1	0	14	1.1%
	1,203	125	0	1,328	100.0%

Source: Texas Higher Education Coordinating Board Automated Student and Adult Learner Follow-Up System Students Pursuing Additional Education by Institution

Del Mar College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2015 to 2024
(unaudited)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Academic buildings	34	39	39	37	37	34	34	34	35	34
Square footage (in thousands)	1,166	1,270	1,270	1,129	1,129	921	897	897	914	894
Libraries	3	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	134	114	114	114	114	114	114	114	114	114
Number of Volumes (in thousands)	132	187	187	187	187	187	187	187	187	187
Administrative and support buildings	10	9	7	7	7	7	7	7	7	7
Square footage (in thousands)	358	340	253	253	253	253	253	253	253	253
Athletic Facilities	3	3	3	3	3	3	3	3	3	3
Square footage (in thousands)	60	60	60	60	60	60	60	60	60	60
Aquatic Center	1	1	1	1	1	1	1	1	1	1
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	7	7	7	6	6	6	6	6	6	6
Square footage (in thousands)	78	78	78	70	70	70	70	70	70	70
Transportation										
Cars	20	20	19	20	22	22	7	4	9	33
Light Trucks/Vans	74	78	74	74	81	81	63	55	50	43
Buses	3	3	3	3	3	3	2	0	0	1

Source: Del Mar College Physical Facilities Building Report

Del Mar College
Statistical Supplement 19
Changes in Net Position
Fiscal Years 2015 to 2024
(unaudited)

For the Year Ended August 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Revenues:										
Tuition and Fees (net of discounts)	\$ 10,272,564	\$ 10,784,043	\$ 9,619,277	\$ 11,890,143	\$ 12,540,731	\$ 12,574,086	\$ 12,528,094	\$ 12,755,431	\$ 11,975,986	\$ 10,878,328
Federal Grants and Contracts	2,577,486	4,800,930	15,711,535	2,180,811	2,182,843	2,103,407	3,181,036	3,268,403	4,650,416	5,423,812
State Grants and Contracts	2,350,741	2,694,143	1,855,831	2,646,861	2,128,904	2,399,247	2,341,669	3,717,804	4,334,183	3,090,218
Local Grants and Contracts	1,637,037	999,306	1,852,274	3,761,525	1,800,395	1,403,419	523,681	547,774	2,211,054	592,945
Auxiliary Enterprises (net of discounts)	1,058,306	1,076,226	1,239,174	491,537	1,078,975	1,675,087	1,390,301	1,248,486	1,323,238	1,507,338
General Operating Revenues	2,229,282	2,734,095	2,386,870	2,203,214	2,924,699	3,605,925	2,187,741	1,767,755	2,304,931	1,378,951
Total Operating Revenues	20,125,416	23,088,743	32,664,961	23,174,091	22,656,547	23,761,171	22,152,522	23,305,653	26,799,808	22,871,592
Operating Expenses:										
Instruction	51,816,207	49,526,937	47,368,438	47,091,274	48,349,080	46,483,218	46,536,019	43,908,899	39,580,321	36,440,531
Public Service	189,910	143,399	119,430	150,811	94,985	154,635	151,245	129,056	110,626	21,290
Academic Support	8,527,759	8,278,636	7,806,899	7,201,562	7,913,959	7,531,038	7,734,321	7,189,179	6,946,425	6,193,494
Student Services	18,572,905	18,582,537	27,285,414	19,210,872	17,319,456	15,348,900	15,662,326	16,486,986	18,039,997	16,105,881
Institutional Support	29,661,009	30,308,940	27,859,243	23,240,007	23,607,141	21,194,945	20,887,777	19,429,845	18,690,329	16,792,500
Operating and Maintenance of Plant	11,266,427	13,117,227	11,107,937	7,572,279	9,859,544	9,022,898	8,785,591	10,128,134	9,701,525	8,770,592
Scholarships and Fellowships	8,841,668	6,232,962	9,510,978	12,005,369	6,667,609	5,939,657	5,825,627	5,905,955	5,111,125	6,285,920
Auxiliary Enterprises	1,287,553	1,210,035	1,264,698	1,073,036	1,586,671	1,227,858	1,400,092	1,483,984	1,417,025	1,469,943
Depreciation	11,988,467	10,021,138	7,727,017	6,592,389	7,106,091	5,369,523	5,430,143	5,565,557	5,515,438	5,589,559
Total Operating Expenses	142,151,905	137,421,811	140,050,054	124,137,599	122,504,536	112,272,672	112,413,141	110,227,595	105,112,811	97,669,710
Operating Loss	\$ (122,026,489)	\$ (114,333,068)	\$ (107,385,093)	\$ (100,963,508)	\$ (99,847,989)	\$ (88,511,501)	\$ (90,260,619)	\$ (86,921,942)	\$ (78,313,003)	\$ (74,798,118)

Source: Annual Comprehensive Financial Report

Del Mar College
Statistical Supplement 19 (Continued)
Changes in Net Position
Fiscal Years 2015 to 2024
(unaudited)

For the Year Ended August 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Non-Operating Revenues (Expenses):										
State Appropriations	\$ 30,886,454	\$ 25,353,817	\$ 24,081,016	\$ 23,516,879	\$ 25,499,749	\$ 23,437,046	\$ 22,927,559	\$ 20,175,851	\$ 19,800,318	\$ 19,917,744
Maintenance Ad Valorem Taxes	68,541,016	65,971,659	60,515,606	57,023,250	58,318,766	54,449,297	51,688,633	47,179,178	46,704,072	43,341,908
Debt Service Ad Valorem Taxes	22,016,865	23,202,803	23,000,450	23,200,091	19,157,747	18,706,260	13,423,409	12,386,836	8,338,292	8,384,937
Federal Revenue, Non Operating	17,693,360	17,113,420	20,756,257	27,236,182	20,412,808	16,860,116	16,237,471	16,714,930	16,322,598	16,265,164
Loss on Disposal of Capital Assets	(5,959,981)	(4,314)	(203,695)	(94,275)	(71,492)	(26,208)	(800,597)	(302,112)	(80,308)	(85,079)
Investment Income	3,538,319	2,805,734	1,307,263	1,100,553	3,442,061	5,754,478	2,308,152	1,107,980	337,362	205,840
Change in Fair Value of Investments	3,200,432	2,107,474	(4,960,357)	(329,835)	-	-	-	-	-	-
Interest on Capital Related Debt	(9,189,901)	(9,569,618)	(9,873,962)	(10,464,504)	(9,945,074)	(8,951,490)	(5,284,975)	(5,075,351)	(4,090,597)	(3,961,174)
Other Non-Operating Revenues	1,527,951	4,334,489	2,464,571	2,331,401	26,697	37,368	28,316	11,704	21,428	30,022
Other Non-Operating Expenses	(336,156)	(1,191,543)	(8,049)	(86,158)	(6,999)	(7,299)	(1,024,243)	(299,981)	(6,000)	(2,750)
Net Non-Operating Revenues	131,918,359	130,123,921	117,079,100	123,433,584	116,834,263	110,259,568	99,503,725	91,899,035	87,347,165	84,096,612
Capital Contributions	1,891,320	48,985	285,000	829,997	60,434	5,000	689,500	65,500	59,513	151,333
Increase in Net Position	11,783,190	15,839,838	9,979,007	23,300,073	17,046,708	21,753,067	9,932,606	5,042,593	9,093,675	9,449,827
Net Position										
Net Position - Beginning of Year	142,404,839	126,565,001	116,585,994	93,285,921	76,239,213	54,486,146	130,861,035	125,660,831	116,567,156	117,588,953
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	(86,307,495)	-	-	(10,471,624)
Net Position - Beginning of Year - as rest	142,404,839	126,565,001	116,585,994	93,285,921	76,239,213	54,486,146	44,553,540	125,660,831	116,567,156	107,117,329
Net Position - End of Year	\$ 154,188,029	\$ 142,404,839	\$ 126,565,001	\$ 116,585,994	\$ 93,285,921	\$ 76,239,213	\$ 54,486,146	\$ 130,703,424	\$ 125,660,831	\$ 116,567,156

Source: Annual Comprehensive Financial Report

Del Mar College
Statistical Supplement 20
Ad Valorem Property Tax Rates Authorized
Last Ten Fiscal Years
(unaudited)

Calendar Year	Current Operations	Debt Service	Total
2023	0.5000	0.5000	1.0000
2022	0.5000	0.5000	1.0000
2021	0.5000	0.5000	1.0000
2020	0.5000	0.5000	1.0000
2019	0.5000	0.5000	1.0000
2018	0.5000	0.5000	1.0000
2017	0.5000	0.5000	1.0000
2016	0.5000	0.5000	1.0000
2015	0.5000	0.5000	1.0000
2014	0.5000	0.5000	1.0000

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 21
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years for Year End August 31
(unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Del Mar College District	0.237	0.266	0.283	0.288	0.280	0.281	0.282	0.259	0.246	0.248
Special Districts:										
Hospital District	0.085	0.099	0.111	0.111	0.112	0.117	0.121	0.126	0.127	0.127
Downtown Management District	0.400	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.370	0.370
Nueces County	0.237	0.288	0.306	0.307	0.307	0.309	0.304	0.304	0.304	0.304
Drainage District No. 2	0.328	0.341	0.339	0.339	0.354	0.348	0.337	0.332	0.333	0.333
Drainage District No. 3	0.146	0.146	0.146	0.146	0.146	0.193	0.193	0.193	0.193	0.030
South Texas Water Authority	0.070	0.078	0.082	0.086	0.086	0.087	0.087	0.085	0.083	0.083
Cities:										
Corpus Christi	0.600	0.620	0.646	0.646	0.646	0.626	0.606	0.606	0.606	0.606

Source: Nueces County Tax Office

Del Mar College
Statistical Supplement 21 (Continued)
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years for Year End August 31
(unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School Districts:										
Calallen ISD	1.020	1.186	1.232	1.243	1.311	1.403	1.375	1.375	1.375	1.375
Corpus Christi ISD	0.969	1.211	1.240	1.256	1.270	1.305	1.237	1.237	1.237	1.237
Flour Bluff ISD	0.768	0.958	1.006	1.066	1.070	1.140	1.145	1.150	1.150	1.154
London ISD	1.169	1.355	1.200	1.317	1.347	1.303	1.349	1.357	1.357	1.357
Port Aransas ISD	0.743	0.929	0.934	0.994	1.054	1.118	1.118	1.118	1.118	1.118
Tuloso Midway ISD	0.925	1.156	1.180	1.175	1.213	1.372	1.372	1.408	1.409	1.409
West Oso ISD	0.977	1.241	1.271	1.300	1.408	1.450	1.450	1.450	1.450	1.450
Fire Districts:										
Fire District No. 1	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Fire District No. 2	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Fire District No. 3	0.100	0.100	0.100	0.093	0.100	0.100	0.100	0.100	0.030	0.030
Fire District No. 4	0.092	0.095	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Fire District No. 5	0.100	0.100	0.100	0.100	0.100	0.030	0.030	0.030	0.030	0.030
TOTAL:	9.096	10.599	10.706	10.997	11.334	11.712	11.636	11.660	11.648	11.491

Source: Nueces County Tax Office

Del Mar College
Statistical Supplement 22
Computation of Direct and Overlapping Debt
August 31, 2024
(unaudited)

Bonded Debt of Individual Governmental Subdivisions:	Estimated Gross Debt	Percent Applicable	Applicable to Direct
Special Districts:			
Nueces County	\$ 153,360,000	84.28%	\$ 129,251,808
City:			
Corpus Christi	453,555,436	99.19%	449,881,637
School Districts:			
Calallen ISD	119,065,000	100.00%	119,065,000
Corpus Christi ISD	912,532,011	100.00%	912,532,011
Flour Bluff ISD	48,492,427	100.00%	48,492,427
London ISD	83,873,416	39.45%	33,088,063
Port Aransas ISD	35,707,800	10.42%	3,720,753
Tuloso-Midway ISD	83,391,000	100.00%	83,391,000
West Oso ISD	35,752,363	100.00%	35,752,363
Sub-total direct and overlapping debt	1,925,729,453		1,815,175,062
 Del Mar College District	 245,430,000	 100.00%	 245,430,000
Total direct and overlapping debt	\$ 2,171,159,453	94.91%	\$ 2,060,605,062

Source: Debt outstanding data provided by each entity



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FEDERAL AND STATE AWARD SECTION





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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

December 5, 2024

Board of Regents
Del Mar College District
Corpus Christi, Texas

We have audited, 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, the financial statements of the Del Mar College District (the College) and its discretely presented component unit, as of and for the years ended August 31, 2024 and 2023 and June 30, 2024 and 2023, respectively, 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 5, 2024.

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 opinions 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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*.

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.

Collier, Johnson & Woods

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

December 5, 2024

Board of Regents
Del Mar College District
Corpus Christi, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Del Mar College District's (the College's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2024. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal 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 programs for the year ended August 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our Responsibilities under those standards and the Uniform Guidance are further described in the 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 program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Accordingly, this report is not suitable for any other purpose.

Collier, Johnson & Woods

DEL MAR COLLEGE DISTRICT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2024

Section I:
Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies reported that are not considered to be material weaknesses?	None reported
• Noncompliance material to the financial statements noted?	No

Federal Awards:

• Material weakness identified?	No
• Significant deficiencies reported that are not considered to be material weaknesses?	None reported
Type of auditor’s report on compliance for major federal programs:	Unmodified
Any audit findings required to be reported in accordance with the Uniform Guidance?	No

The programs tested as major programs include:

U.S. Department of Education:

 Financial Aid Cluster:

- 84.007 Federal Supplemental Educational Opportunity Grants (FSEOG)
- 84.033 Federal College Work Study Program
- 84.063 Federal Pell Grant Program
- 84.268 Federal Direct Loan Program

 Texas Higher Education Coordinating Board

 Career and Technical Education – Basic Grants to States (Perkins V)

- 84.048 Carl Perkins Vocational Education-Basic
- 84.048 Carl Perkins Equitable Access & Opportunity

U.S. Department of Labor:

Texas Workforce Commission

WIOA Cluster:

17.258 Building Construction Trades 2022

17.258 Building Construction Trades 2023

17.278 WIOA Dislocated Worker Formula Grant

Dollar threshold used to distinguish between Type A
and Type B programs:

\$750,000

Auditee qualified as low risk auditee:

Yes

Section II:

Findings - Financial Statement Audit

None reported

Section III:

Findings and Questioned Costs – Major Federal Award Programs

None Reported

Section IV:

Prior Year Findings

None Reported



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DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2024

Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number	Assistance Listing Number	Direct Awards	Expenditures		Subrecipients Expenditures
			Pass-Through Awards	Total	
U.S. DEPARTMENT OF EDUCATION					
Direct Programs:					
Student Financial Assistance Cluster					
SEOG	84.007	\$ 252,660	-	\$ 252,660	-
Federal College Workstudy Program	84.033	237,518	-	237,518	-
Federal Pell Grant	84.063	16,168,125	-	16,168,125	-
Direct Student Loans	84.268	2,457,521	-	2,457,521	-
	Total Student Financial Assistance Cluster	19,115,824	-	19,115,824	-
Title V Cluster					
Conectamos, Continuamos, Completamos DMC3	84.031S	135,958	-	135,958	-
Project SENDA	84.031S	414,203	-	414,203	-
	Total Title V Cluster	550,161	-	550,161	-
TRIO Cluster					
Student Support Services	84.042A	282,320	-	282,320	-
Educational Opportunities Center	84.066A	244,476	-	244,476	-
	Total TRIO Cluster	526,796	-	526,796	-
Governor's Emergency Education Relief (GEER)					
THECB TRUE 2023	84.425C	-	94,057	94,057	-
	Total GEER	-	94,057	94,057	-
Pass-Through From:					
Texas Higher Education Coordinating Board:					
Carl Perkins Vocational Education-Basic - 19204	84.048	-	748,529	748,529	-
Carl Perkins Equitable Access & Opportunity	84.048	-	97,782	97,782	-
Texas Workforce Commission:					
Adult Education and Literacy Service Provider Grant 231	84.002	-	9,395	9,395	-
Adult Education and Literacy Service Provider Grant 243	84.002	-	4,996	4,996	-
		-	860,702	860,702	-
Total of U.S. Department of Education		20,192,781	954,759	21,147,540	-
U.S. DEPARTMENT OF AGRICULTURE					
Pass-Through From:					
Texas State Department of Agriculture					
Child & Adult Care Food Program - 02190	10.558	-	17,084	17,084	-
Total U.S. Department of Agriculture		-	17,084	17,084	-
U.S. DEPARTMENT OF DEFENSE					
Direct Program:					
Procurement Technical Assistance of Business Firms - W56KGU-23-2-0014	12.002	349,186	-	349,186	-
Procurement Technical Assistance of Business Firms - SP4800-22-2-2287	12.002	187,327	-	187,327	-
Total U.S. Department of Defense		536,513	-	536,513	-

DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2024

Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number	Assistance Listing Number	Expenditures			Subrecipients Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF LABOR					
Pass-Through From:					
Texas Workforce Commission:					
WIOA Cluster					
Building Construction Trades 2022	17.258	-	41,525	41,525	-
Building Construction Trades 2023	17.258	-	135,870	135,870	-
WIOA Dislocated Worker Formula Grant 2224ATP001	17.278	-	52,572	52,572	-
Total WIOA Cluster (ALN 17.258 & 17.278)		-	229,967	229,967	-
Apprenticeship USA Grants	17.285	-	117,509	117,509	-
Apprenticeship Texas Expansion - 2222ATG002	17.285	-	80,496	80,496	-
Total ALN 17.285		-	198,005	198,005	-
Total U.S. Department of Labor		-	427,972	427,972	-
NATIONAL SCIENCE FOUNDATION					
Direct Programs:					
Education and Human Resources Cluster					
STELLAR-Technical Workforce in South Texas	47.076	65,169	-	65,169	-
Robert Noyce Teacher Scholarship Program	47.076	1,203	-	1,203	-
Total Education and Human Resources Cluster		66,372	-	66,372	-
Pass-Through From:					
The Board of Regents of the University of Oklahoma					
AI Institute: Artificial Intelligence for Envir. Sci. - NSF 20-503	47.050	-	151,451	151,451	-
Texas A&M University-Corpus Christi - 2307996	47.074; 47.075	-	6,864	6,864	-
DISES: Through the Prism of Groundwater Pollution					
Total National Science Foundation		66,372	158,315	224,687	-
NATIONAL AERONAUTICS & SPACE ADMINISTRATION					
Pass-Through From:					
Texas A&M Kingsville - 80NSSC21M0304					
	43.008	-	65,298	65,298	-
Total National Aeronautics & Space Administration (NASA)		-	65,298	65,298	-
U.S. SMALL BUSINESS ADMINISTRATION					
Pass-Through From:					
University of Texas at San Antonio					
Small Business Development Center - 13-603001	59.006	-	14,852	14,852	-
Small Business Administration - 24-603001-Z-0049-38-DMC	59.037	-	260,936	260,936	-
Total Small Business Administration		-	275,788	275,788	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Pass-Through From:					
Texas Workforce Commission					
Temporary Assistance for Needy Families-Code Camp - 2221TAN002	93.558	-	23,100	23,100	-
Total U.S. Department of Health and Human Services		-	23,100	23,100	-
U.S. DEPARTMENT OF HOMELAND SECURITY					
Federal Emergency Management Agency (FEMA) Hurricane Harvey					
	97.036	10,385	-	10,385	-
Total U.S. Department of Homeland Security		10,385	-	10,385	-
Total Federal Financial Assistance		\$20,806,051	\$1,922,316	\$22,728,367	-

DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2024

Note 1: Federal Assistance Reconciliation

Other Operating Revenue-Federal Grants and Contracts revenue - per Schedule A	\$	2,577,486
Add: Non-Operating Revenues-Federal Revenue, non-operating-per Schedule C		17,693,360
Total Federal Revenues per Schedule A and C	\$	<u>20,270,846</u>

Reconciling Item:

Add: Direct Student Loans		2,457,521
Total Federal Expenditures per Schedule of Expenditures and Federal Awards	\$	<u>22,728,367</u>

Note 2: Significant Accounting Policies used in Preparing the Schedule

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. 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 schedule. Since the College has agency-approved indirect recovery rate, it has elected not to use the 10% de minimis cost rate as permitted in the UG, section 200.414.

Note 3: Expenditures Not Subject to Federal Single Audit

None

Note 4: Student Loans Processed and Administrative Costs Recovered

None

Note 5: Nonmonetary Federal Assistance

None

Note 6: Amounts Passed Through by the College

None



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

December 5, 2024

Board of Regents
Del Mar College District
Corpus Christi, Texas

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Del Mar College District's (the College's) compliance with the types of compliance requirements identified as subject to audit in the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the College's major state programs for the year ended August 31, 2024. The College's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state 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 state programs for the year ended August 31, 2024.

Basis for Opinion on Each Major State 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 Comptroller General of the United States; and the audit requirements of the *State of Texas Single Audit Circular* (Circular) issued by the Governor's Office of Budget and Planning. Our Responsibilities under those standards and the Circular 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 state 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 state 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*, and the Circular 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 judgement made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgement 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 Circular, but not for the purpose of expressing an opinion on the effectiveness on 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 state 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 state 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 Circular. Accordingly, this report is not suitable for any other purpose.

Collier, Johnson & Woods

DEL MAR COLLEGE DISTRICT

SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2024

Section I:
Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies reported that are not considered to be material weaknesses?	None reported
• Noncompliance material to the financial statements noted?	No

State Awards:

• Material weakness identified?	No
• Significant deficiencies reported that are not considered to be material weaknesses?	None reported
Type of auditor's report on compliance for major state programs:	Unmodified
Any audit findings required to be reported in accordance with Section 510(a) of the State of Texas Single Audit Circular?	No
The programs tested as major programs include:	
Texas Higher Education Coordinating Board: Texas Educational Opportunity Grant Program	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low risk auditee:	Yes

Section II:
Findings - Financial Statement Audit

None reported

Section III:
Findings and Questioned Costs – Major State Award Programs

None Reported

Section IV:
Prior Year Findings

None reported



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DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2024

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Texas College Work Study	22339	\$ 35,464
Texas Educational Opportunity Grant Program	13399	1,313,902
Nursing Shortage Over 70		170,770
Workstudy Mentorship	15555	27,739
Nursing Shortage Regular		139,335
Total Texas Higher Education Coordinating Board		<u>1,687,210</u>
TEXAS WORKFORCE COMMISSION		
Child Care Relief Funds		156,071
TWC- SDF Voestalpine	2222SDF002	(6,863)
TWC- SDF GULF ISLAND	2222SDF001	48,560
TWC-SDF Contingency	2224SDF001	405
Total Skills Development		<u>198,173</u>
Apprenticeship Training Program	2223ATP002	192,924
Pre-Apprenticeship Pilot	2222DON001	2,014
Pre-Apprenticeship Career	2224PAP001	8,112
Total Workforce Commission		<u>401,223</u>
OFFICE OF THE GOVERNOR-PUBLIC SAFETY OFFICE		
Coastal Bend Council of Governors	1465918	98,308
		<u>98,308</u>
UNIVERSITY OF TEXAS AT SAN ANTONIO		
Small Business Development	13-603001-Z-0049-37-DMC	65,000
SBDC Rural	13-603001-Z-0049-37-DMC	99,000
Total University of Texas at San Antonio		<u>164,000</u>
Total State Financial Assistance		<u><u>\$2,350,741</u></u>

DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2024

Note 1: State Assistance Reconciliation

State Revenues-per Schedule A	
State Financial Assistance	
Per Schedule of expenditures of state awards	2,350,741
Total State Revenues per Schedule A	<u><u>\$ 2,350,741</u></u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for Del Mar College's significant accounting policies. These expenditures are reported on Del Mar College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.



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Del Mar College is an Equal Opportunity
Employer and Educational Institution.



DMC

DEL MAR COLLEGE

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