



DEL MAR COLLEGE



Annual Comprehensive Financial Report

For the Fiscal Years Ended August 31, 2021 and 2020

Del Mar College
101 Baldwin Blvd | Corpus Christi, TX 78404
delmar.edu



This page intentionally left blank.



DEL MAR COLLEGE

Annual Comprehensive Financial Report
For the Fiscal Year Ending August 31, 2021

Prepared by

Raul Garcia, CPA
Vice President and Chief Financial Officer

John Johnson
Comptroller

Catherine West, CPA, Ed.D.
Director of Accounting and Budget Officer

Del Mar College
101 Baldwin Blvd., Corpus Christi, Texas 78404-3897
www.delmar.edu

Del Mar College
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

Table of Contents

	Page No.
INTRODUCTORY SECTION	
Transmittal Letter.....	1
Board of Regents and Administration	10
Certificate of Excellence in Financial Reporting	11
Organizational Chart	12
 FINANCIAL SECTION	
Independent Auditor’s Report.....	15
Management’s Discussion and Analysis.....	19
 Basic Financial Statements:	
<i>Exhibit 1</i>	
Statements of Net Position.....	39
Statements of Financial Position, Component Unit.....	40
 <i>Exhibit 2</i>	
Statements of Revenues, Expenses and Changes in Net Position	41
Statements of Activities, Component Unit	42
 <i>Exhibit 3</i>	
Statements of Cash Flows	43
Notes to Financial Statements.....	45
 Required Supplementary Information:	
<i>Exhibit 4</i>	
Schedule of District’s Proportionate Share of Net Pension Liability	95
 <i>Exhibit 5</i>	
Schedule of District’s Contributions for Pensions.....	96
 <i>Exhibit 6</i>	
Schedule of District’s Proportionate Share of Net OPEB Liability.....	97
 <i>Exhibit 7</i>	
Schedule of District’s Contributions for OPEB.....	98

Del Mar College
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020
TABLE OF CONTENTS (Continued)

Page No.

Schedules Required by the Texas Higher Education Coordinating Board:

<i>Schedule A</i>	
Schedule of Operating Revenues	99

<i>Schedule B</i>	
Schedule of Operating Expenses by Object.....	100

<i>Schedule C</i>	
Schedule of Non-Operating Revenues and Expenses	101

<i>Schedule D</i>	
Schedule of Net Assets by Source and Availability.....	102

STATISTICAL SECTION (UNAUDITED)

<i>Statistical Information</i>	105
--------------------------------------	-----

<i>Statistical Supplement 1</i>	
Net Position by Component (Unaudited).....	107

<i>Statistical Supplement 2</i>	
Revenues by Source (Unaudited).....	108

<i>Statistical Supplement 3</i>	
Program Expenses by Function (Unaudited)	110

<i>Statistical Supplement 4</i>	
Tuition and Fees (Unaudited)	112

<i>Statistical Supplement 5</i>	
Assessed Value and Taxable Assessed Value of Property (Unaudited)	113

<i>Statistical Supplement 6</i>	
State Appropriation Per FTSE and Contact Hour (Unaudited).....	114

<i>Statistical Supplement 7</i>	
Principal Taxpayers (Unaudited)	115

<i>Statistical Supplement 8</i>	
Property Tax Levies and Collections (Unaudited)	117

Del Mar College
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

TABLE OF CONTENTS (Continued)

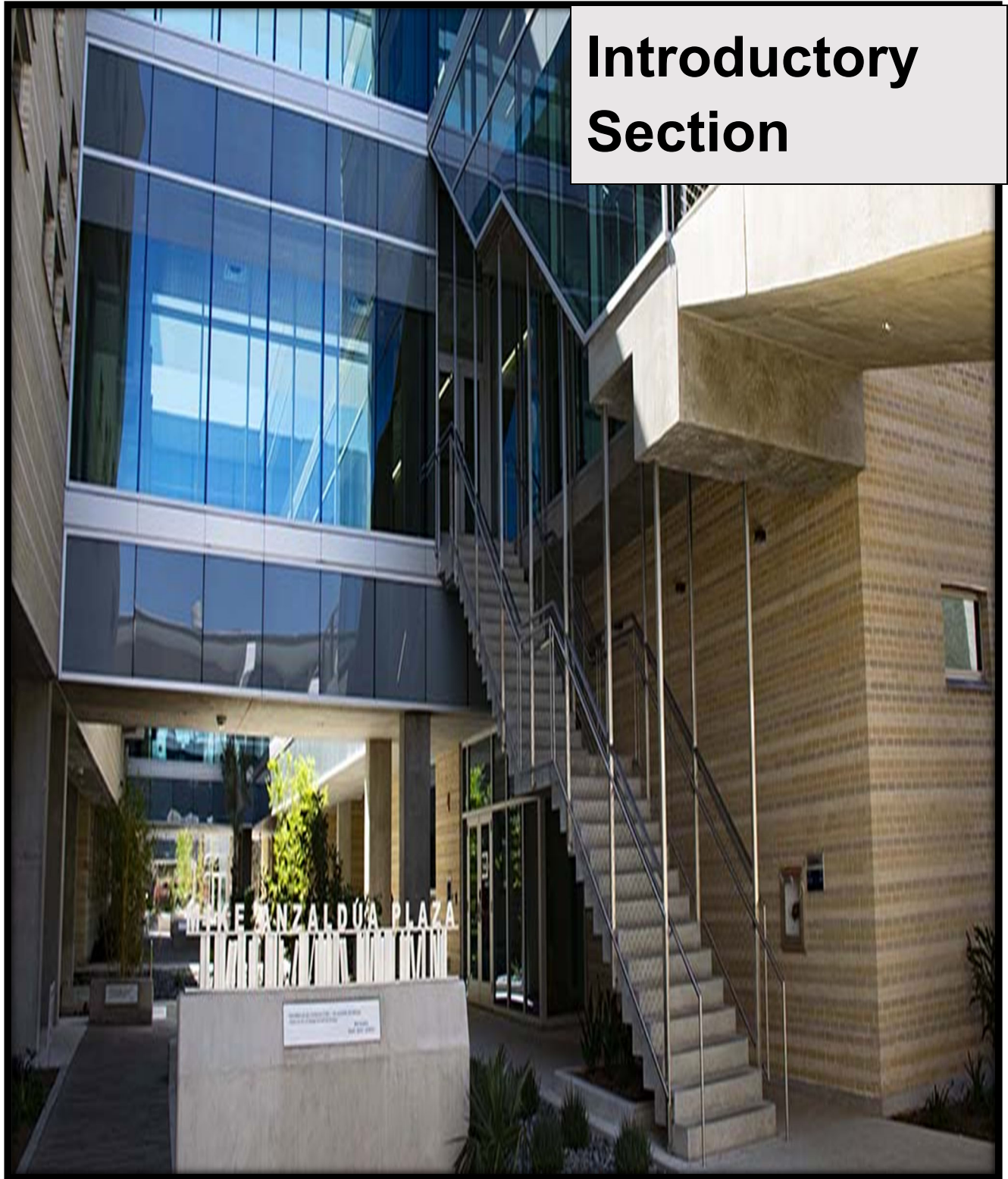
	Page No.
<i>Statistical Supplement 9</i>	
Ratios of Outstanding Debt (Unaudited)	118
<i>Statistical Supplement 10</i>	
Legal Debt Margin Information (Unaudited).....	119
<i>Statistical Supplement 11</i>	
Pledged Revenue Coverage (Unaudited)	120
<i>Statistical Supplement 12</i>	
Demographic and Economic Statistics – Taxing District (Unaudited)	121
<i>Statistical Supplement 13</i>	
Principal Employers (Unaudited).....	122
<i>Statistical Supplement 14</i>	
Faculty, Staff, and Administrators Statistics (Unaudited)	123
<i>Statistical Supplement 15</i>	
Enrollment Details (Unaudited)	124
<i>Statistical Supplement 16</i>	
Student Profile (Unaudited)	125
<i>Statistical Supplement 17</i>	
Transfers to Senior Institutions (Unaudited).....	126
<i>Statistical Supplement 18</i>	
Capital Asset Information (Unaudited)	127
<i>Statistical Supplement 19</i>	
Changes in Net Assets (Unaudited)	128
<i>Statistical Supplement 20</i>	
Ad Valorem Tax Rates Authorized (Unaudited)	130
<i>Statistical Supplement 21</i>	
Property Tax Rates – All Direct and Overlapping Governments (Unaudited)	131
<i>Statistical Supplement 22</i>	
Computation of Direct and Overlapping Debt (Unaudited).....	133

Del Mar College
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

TABLE OF CONTENTS (Continued)

	Page No.
FEDERAL AND STATE AWARDS SECTION	
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 <i>Government Auditing Standards</i>	137
Independent Auditor’s Report on Compliance for Each Federal Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	139
Schedule of Federal Findings and Questioned Costs.....	141
<i>Schedule E</i> Schedule of Expenditures of Federal Awards.....	143
Independent Auditor’s Report on Compliance for Each State Major Program and on Internal Control Over Compliance in Accordance with State Single Audit Circular	149
Schedule of State Findings and Questioned Costs.....	150
<i>Schedule F</i> Schedule of Expenditures of State Awards.....	151

Introductory Section





This page intentionally left blank.

Transmittal Letter

December 8, 2021

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, 2021 and 2020. Our report has been audited by Collier, Johnson and Woods 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 comply 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 complements and 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 which is why it is divided into four sections including the Introductory, Financial, Statistical, and 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 on the basic financial statements, 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 cost reports. The financial records of the College are maintained on the accrual basis of accounting, whereby all revenues are recorded when earned and all expenses are recorded when incurred.

College Profile

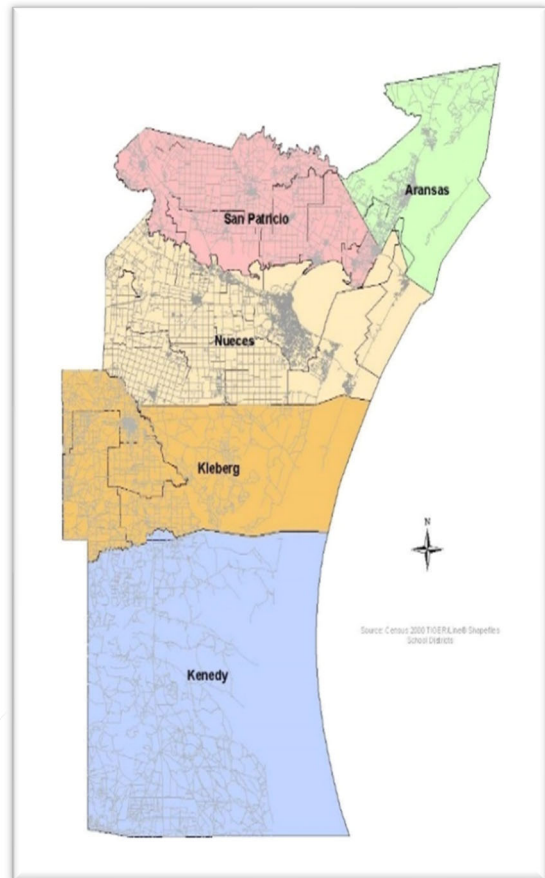
Del Mar College District (DMC) is an independent political subdivision of the State of Texas located in Nueces County. The College started in 1935 under the control of Corpus Christi Independent School District's Board of Trustees. In 1999, the College's Board of Regents adopted Del Mar College District as the official name. The College provides access to a wide range of affordable academic programs. Our programs include degree, certificate, continuing education, and customized workforce development in over 53 university transfer majors and more than 144 occupational fields. We take great pride in the fact that our students continue their degree completion at any one of seven public university systems.

Our 2016-2017 transferring students registered at any one of seven Texas public university system including Texas A&M (71.5%), University of Texas (14.9%), Texas State University (7.3%), University of Houston (2.2%), Texas Tech (1.4%), University of North Texas (0.7%) and Texas Woman's University (0.2%)

The College is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). The College successfully completed the 10-year reaffirmation based on our compliance with 74 SACSCOC standards with no recommendations for improvements in June 2021. The College will next finalize the College's membership as a Level II baccalaureate degree-granting institution. The SACSCOC committee will be conducting interviews in the coming months regarding the implementation of the Bachelor of Science in Nursing degree and will seek to verify that we continue to meet the requirements of a Level II institution in the coming months.

Del Mar's Vision, Mission, Values and Strategic Plan

Del Mar's Board of Regents ratified the mission, vision, values and the five-year Strategic Plan for the 2020-2024 years on September 10, 2020. The "Aspire. Engage Achieve." strategic plan focuses on student success and the alignment of academic programs with workforce demands. It is designed using the integrated planning model developed by the Society of College & University Planning. Key stakeholder groups were engaged in developing the new plan including students, faculty, staff, community members, and the Del Mar College Board.



Vision: Del Mar College will be the premier choice for life-changing educational opportunities, provided by responsive, innovative faculty and staff who empower students to improve local and global communities.

Mission: Del Mar College is a multi-campus community college providing access to affordable degree and certificate programs, customized workforce development, and continuing education opportunities for the successful educational advancement and lifelong learning needs of our communities.

Strategic Plan: Aspire. Engage. Achieve.

Goal 1: Completion – Create coherent and seamless pathways that guide students to achieve their educational goals.

Goal 2: Recruitment and Persistence – Recruit and attract students to Del Mar College and provide resources to support continuous enrollment until achievement of their educational goals.

Goal 3: Academic Preparedness and Student Learning – Accelerate student attainment of academic preparedness and ensure optimal levels of learning in all instructional delivery formats.

Goal 4: Learning Environments – Provide engaging, effective, and student-ready environments with accomplished and qualified personnel to facilitate learning and productivity.

Goal 5: Workforce Development, Community Partnerships, and Advocacy – Strengthen connections with workforce and community partners, educational agencies, and governmental bodies and officials.

Goal 6: Financial Effectiveness and Affordability – Ensure financial capacity, demonstrate fiscal stewardship, and maintain affordability for students.

College Response to COVID-19

The College’s ability to navigate through a heightened level of uncertainty during the pandemic is attributed to our financial resilience and operational agility. Our financial resilience is driven in part by a sound balance sheet and the increased Federal Government Higher Education Emergency Relief Funding “HEERF”. Our sound balance sheet is attributed to the College’s decision to scale back operating costs midway through fiscal year 2020 to establish a \$8.8 million Risk Fund Reserve in response to the pandemic and the business lockdowns. This resulted in an increased liquidity to manage most business interruptions including the pandemic based on estimated downward revenue pressures.

Fast forward to today, the Risk Fund Reserve remains at \$8.8 million due to our Federal Government’s aggressive fiscal and monetary policy response to the pandemic and economic slowdown. Our government responded with a proliferation of fiscal policies that started with the CARES Act followed by the Corona Response and Relief Supplement and the American Rescue Plan Acts. In accordance with the HEERF sections of the all three Acts, Del Mar College received a total of \$42.3 million to defray expenses associated with the coronavirus and to deliver emergency financial grants to our students.

Lastly, the College’s operational agility is attributed to its ability to immediately organize itself into various committees in response to the pandemic. These committees include the Crises Management, Return to Campus, Academic Continuity, Emergency and Cares Act responsible for synthesizing external information and transitioning the College’s operations and executing the federal fiscal emergency funding in accordance with the grant requirements. Accordingly, the established College's health and safety protocols are predicated on the orders and guidelines issued by the President, Governor, local government, Center for Disease Control guidelines and local medical specialists.

Financial Outlook

The College’s financial outlook continues to weigh on the uncertainty and the longevity of the COVID-19 pandemic and an economic recovery to pre-pandemic levels. However, our forward motion focuses on our value proposition to our students to ensure that our students gain the necessary knowledge, skills, and experience to achieve their goals of graduation. This is predicated on our financial and operational agility to adjust our operations in response to any adverse external environment conditions similarly to what has been accomplished over the past 18 months of the pandemic. We believe operating plans including Guided Pathways, Student Engaged in Directed Advising (SEDA), new Bachelor of Science Nursing “BSN” degree program and improvements to our instructional delivery space will help drive up the trajectory of the College’s performance resulting in the following student outcomes.

Student Outcomes

- | | |
|--|---|
| <ol style="list-style-type: none">1. Reduce years to degree completion2. Reduce student’s average credit enrollment to degree completion3. Reduce student’s debt4. Increase first- and second-year student persistence rates5. Increase the annual number of students earning an associated degree | <ol style="list-style-type: none">6. Increase the annual number of students earning a certificate7. Increase the three-year graduation rates of Hispanic students8. Faculty will be trained and certified in academic, financial, and culturally inclusive advisement |
|--|---|

Guided Pathways

The Guided Pathways initiative will help the College achieve many of the above listed student outcomes. Other planned activities include course mapping into eight associate degree meta-majors; degree and transfer mapping into predictable course scheduling; and increasing student advisors and other student support services. The course mapping will reduce the complexity of student enrollment choices by detailing the class requirements leading to on-time degree completion. It will also reduce the number of unnecessary credit courses towards their degree or certificate attainment. The course mapping will also provide a pathway for continued educational attainment at a four-year institution. The college will also forge sound business partnerships with four-year institutions of higher education in order to secure the successful transfer of our students. Accordingly, the College will create, revise and implement articulation agreements that will align the academic programs at both institutions with a career outlook and incomes by field of study.

The College's student transferring process will be updated to include a structured pathway towards program completion with an online delivery platform to allow easy student access. In addition, the College will make changes to course scheduling making it easier for students to plan and organize around their work schedule and family obligations.

SENDA Operating Initiatives

SENDA is an advisory initiative to help our students make informed academic choices to stay on track towards on-time academic completion. The student advising framework includes monitoring and advising academic progress at the 15/30/45 credit hour course enrollment; delivering other supportive services when they go off track; academic planning for transitioning to a four-year institution and career choices; delivering technology driven financial literacy content; instituting financial peer coaching; and providing virtual career tours. There is also a plan to increase the number of advisors and leverage technology to maintain an effective and quality advisory framework. The College has secured a 5-year Hispanic Serving Institution grant valued at \$2.8 million from the U.S. Department of Education that will help fund this intrusive advisory framework.

Bachelor of Science Nursing "BSN" Degree

We take great pride in announcing our new BSN degree starting in the Fall of 2021. Our research indicates that our nursing graduates and currently enrolled students would consider BSN through DMC in order to improve their technical nursing skills; meet the technical skill requirement by hospitals; increase compensation; achieve job security; and job advancement opportunities. In addition, the BSN will support the current workforce demands of our local economy.

Local Economy

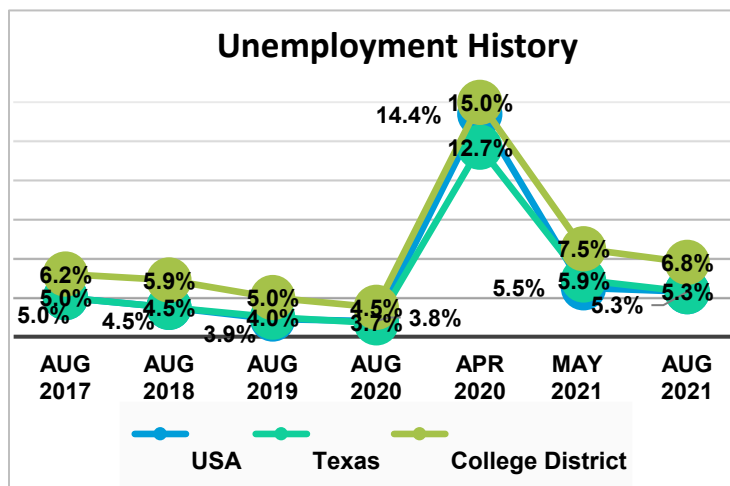
The opening of the economy early in the year appears to represent an inflection point for economic normalization. As measured by the Texas Business-Cycle Index, the Dallas Federal Reserve reported an overall modest statewide recovery in August attributed to an increase in economic activity, employment, consumer spending and oil and gas drilling. The Texas Business-Cycle Index, a composite of the unemployment rate, state payroll employment and gross state product, measures underlying economic activity in the state. The reported Texas Business-Cycle Index for the month of August rebounded to 358.8 (12.7%) from the pandemic low in May 2020 of 315.6. The August index remains below pre-pandemic levels representing 97.3% of January index of 368.7. This is attributed in part to an increased activity in the retail sales, energy activity, manufacturing and nonfinancial service sectors.

The Del Mar College District’s economy is experiencing a similar recovery to near pre-pandemic levels as measured by economic indicators reported below for the Corpus Christi Metropolitan Service Area (“CCMSA”). The CCMSA consists of the Aransas, San Patricio and Nueces counties. These counties represent slightly over 90% of the district’s work force and 88.5% of the College Fall 2020 student enrollment. Iain Vasey, President and CEO of Corpus Christi Regional Economic Development Corporation best describes the resilience of our local economy as follows:

“Despite the challenges, this year has seen growth for our region in steel, pipeline, and midstream terminal industries, which will spur exponential growth in our manufacturing sector and lead to future economic diversification for decades to come.”

Labor Markets/Workforce

The recent opening of the economy represents an inflection point towards economic normalization. We have experienced a surge in consumer mobility and spending resulting in the strengthening in employment to the extent it is now causing labor market shortages. As of July, the CCMSA labor market added 16,700 of the 26,400 jobs lost at the peak of the economic downturn. This increase is from the hardest hit industries by the pandemic including Leisure and Hospitality; Trade, Transportation, and Utilities; and Education and Health Services. The August 2021 unemployment rate for the district reached the lowest level (6.8%) from April 2020 (15.7%). This is near pre-pandemic levels with a reported unemployment rate for the month of February 2020 of 4.4%.



As reported by the Texas Workforce Commission, the Coastal Bend area is expected to grow by 11% by 2028 from 2018 with the largest growth in the construction and extraction occupations (24.9%). Other occupations of growth include food preparation and serving related occupations (20.0%), architecture and engineering (20%), community and social service (18%), computer and mathematical (16.1%), transportation and material moving (14.7%), personal care and service (14.1%), management (13.1%), business and financial (11.3%), healthcare practitioners and technical (7.6%), education, training, and library (7.3%), healthcare support (7.2%) and protective service (2.8%).

The College is well positioned to deliver the following academic programs to educate the skilled workforce needs of our district.

<i>PROGRAMS</i>	<i>ACADEMIC</i>	<i>OCCUPATIONAL</i>
<i>Art and Drama</i>	√	
<i>Communications, Languages and Reading</i>	√	
<i>English and Philosophy</i>	√	
<i>Liberal Arts</i>	√	
<i>Mathematics</i>	√	
<i>Allied Health</i>	√	√
<i>Natural Sciences</i>		√
<i>Dental and Imaging</i>		√
<i>Kinesiology</i>	√	
<i>Nurse Education</i>	√	√
<i>Social Sciences</i>	√	
<i>Human Science and Education</i>	√	√
<i>Social Sciences</i>	√	
<i>Public Safety</i>	√	√
<i>Business Administration</i>	√	√
<i>Computer Science, Engineering and Technology</i>		√
<i>Technology Education</i>		√
<i>Industrial Education</i>		√

Tax Abatements

The College enters into tax abatement agreements from time to time with industries who plan to construct new or expand existing facilities that stimulate economic growth within the area and/or provide new employment opportunities. Abatement means the temporary, full, or partial exemption from ad valorem taxes of certain added real and personal property in a zone designated for economic development. The agreement is made between the entity and approved by the Board of Regents of the College. It must also be authorized by the Texas Redevelopment and Tax Abatement Act, Texas Tax Code, Chapter 312.

As described in Note 21 of the Notes to the Financial Statements, the College currently has an agreement with EPIC Y-Grade Logistics. At the inception of the agreement the estimated added value for the improvements to be made was \$200 million. At the time of the agreement, the value of the improvements was \$5.6 million. Specific documentation on values and foregone taxes is included within the note. Documents regarding this agreement can be accessed by contacting the Nueces County Appraisal Districts.

Instructional Delivery Space and Capital Plan

The College’s instructional delivery space framework is a one college multi-campus consisting of multiple campuses throughout our service district including our Heritage, Windward, Oso Creek, Center for Economic Development, and our Northwest Center. In addition, the College continues to move forward with executing the 2014 and 2016 voter-approved bond referendums valued at

\$296 million. 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. Our recent instructional space expansion includes the Emerging Technology and the Workforce Development Center buildings, a new General Academic Music Building, and the near completion of our Oso Creek Campus.

The following are a few project highlights:

PROJECTS	STATUS	CAMPUS	PROJ. TYPE	BUDGET (\$000)	COMPLETION
General Academic Music Bldg.	Completed	Heritage (East)	New Building	\$59,519	Dec. 2019
Emerging Technology Expansion	Completed	Windward (West)	Renovation	\$11,780	Dec. 2019
Workforce Development Center	Completed	Windward (West)	Renovation	\$20,552	Dec. 2019
Pilot Plant Expansion	Completed	Windward (West)	New Facilities	\$20,552	Aug. 2021
New Multi-building Oso Creek Campus	In Progress	Oso Creek (South)	New Building	\$118,356	Aug. 2022
Fine Arts Music Bldg.	In Progress	Windward (West)	Renovation	\$7,200	Mar. 2023
Heldenfels - New Student Center	Planned	Heritage (East)	Renovation	\$4,570	Dec 2023
White Library	Planned	Heritage (East)	Renovation	\$14,369	Jun 2023

Budget Controls

DMC's annual budget is modeled around the strategic plan supported with multiple revenue streams including grants, tuition, ad valorem taxes, and state appropriations. The College's budget is prepared under the direction of the Vice-President and Chief Financial Officer and the Budget Office with collaboration from the Budget Committee and personnel from all areas of the College. The budget process includes solicitation of information from various cost center budget stakeholders including Chairs, Deans, Managers and Senior Leadership. Budget requests are measured against the annual department's Unit Assessment that includes planned operating activities, measured outcomes, findings/results, and resource requests. The budget requests are reported by departmental, function and object code and reviewed by the Budget Committee.

The proposed detailed operating budget plan is approved by the Board of Regents 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, is 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 state of the budget relative to the operating revenue and expense results.

Other Information

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has recognized DMC's commitment to excellence and transparency in financial reporting. DMC has been awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting, and, the Award for Outstanding Achievement in Popular Annual Financial Reporting for fiscal year 2019. The College believes this tradition of excellence in financial reporting will continue for fiscal years 2020 and 2021.

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 the accounting firm of Collier, Johnson, and Woods to perform these audits. An unmodified opinion is the highest level of assurance that an independent auditor can issue in an audit. The fiscal year 2021 audits on major federal and state programs disclosed no instances of noncompliance, and, they did not identify a material deficiency in internal control over financial reporting. The auditors issued an unmodified opinion for the following.

- Del Mar College District's Annual Comprehensive Financial Report
- Compliance for major federal programs
- Compliance for 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 8, 2021

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
Susan Hutchinson, Second Vice Chair	2022	District 2
Libby Averyt, Secretary	2022	At-Large
Ed Bennett	2022	District 5
Rudy Garza, Jr.	2024	District 1
Dr. Linda P. Villarreal	2024	At-Large
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	Vacant
Vice President and Chief Facilities Officer	John Strybos
Vice President for Student Affairs – (Interim)	Patricia Benavides-Dominguez
Associate Vice President Planning and Institutional Effectiveness	Dr. Kristina Wilson
Associate Vice President for Student Affairs – (Interim)	Cheryl G. Sanders
Executive Director of Governmental and Board Relations	Dr. Natalie Villareal
Executive Director of Communication and Marketing	Lorette Williams
Executive Director of Development	Mary McQueen
Dean, Communication, Fine Arts and Social Sciences	Dr. Cynthia Bridges
Dean, Business, Entrepreneurship and Health Sciences	Jennifer Sramek
Dean, STEM, Kinesiology And Education - (Interim)	Dr. Jack Southard
Dean, Industry and Public Service	Davis Merrill
Dean, Learning Resources	Cody Gregg
Dean, Student Engagement and Retention – (Interim)	Rita Hernandez
Dean, Student Outreach and Enrollment Services	Graciela Martinez
Dean, Continuing Education and Off-Campus Programs	Dr. Leonard Rivera
Dean, Workforce Programs and Corporate Services	Dan Korus



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Del Mar College
Texas**

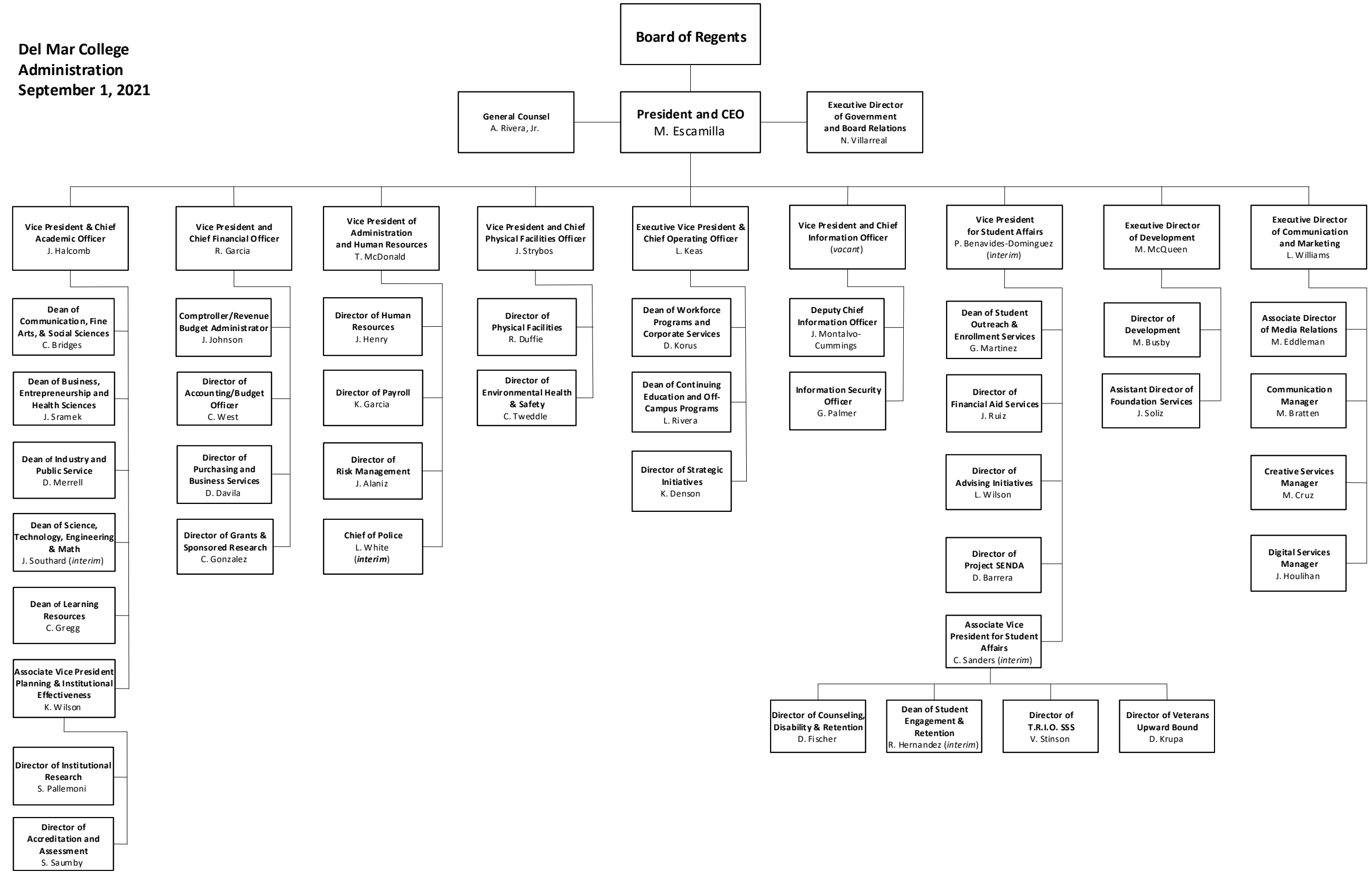
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2020

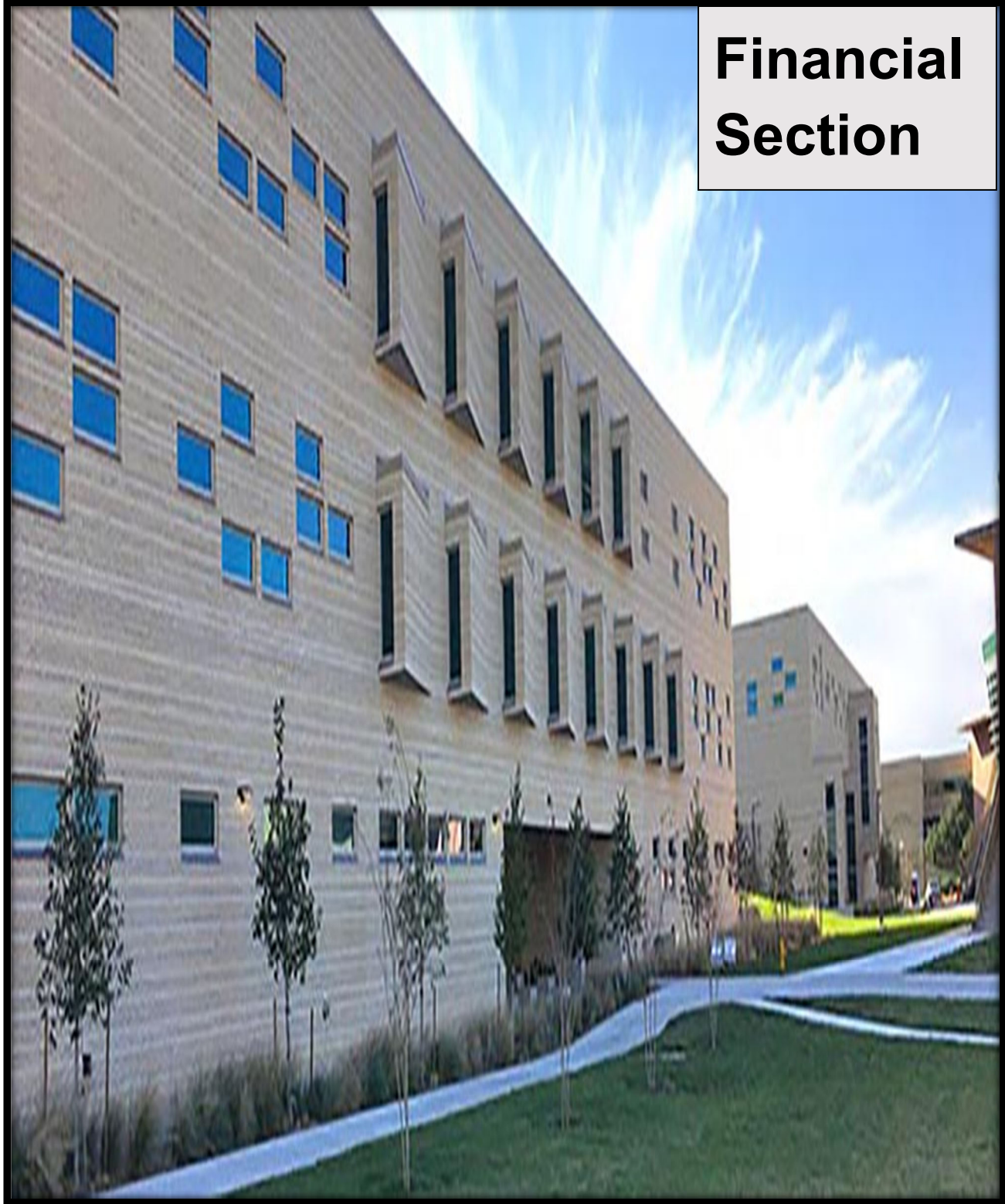
Christopher P. Morill

Executive Director/CEO

**Del Mar College
Administration
September 1, 2021**



Financial Section





This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

December 8, 2021

Board of Regents
Del Mar College District
Corpus Christi, Texas

Report on the Financial Statements

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, 2021 and 2020 and June 30, 2021 and 2020, respectively, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Del Mar College District and its discretely presented component unit, as of August 31, 2021 and 2020 and June 30, 2021 and 2020, respectively, and the respective changes in financial position and cash flows, where applicable, thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 19 through 38, and pages 95 through 98 be presented to supplement the basic financial statements. Such information, 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 management's discussion and analysis 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The introductory section, Schedules A through D on pages 99 through 102 are required by the Texas Higher Education Coordinating Board, and statistical section 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 143 and 145 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The Schedule of Expenditures of State Awards (Schedule F) on pages 151 and 152 is presented for purposes of additional analysis as required by the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning and is not a required part of the basic financial statements.

The schedules required by the Texas Higher Education Coordinating Board; Schedule of Expenditures of Federal Awards; and Schedule of Expenditures of State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, 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



This page intentionally left blank.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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, 2021, and 2020, and comparative information for the year ended August 31, 2019. 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, as a whole, 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, 2021 and 2020

Overview of the Financial Statements and Financial Analysis

Following is management's discussion and analysis of the financial activity of Del Mar College for the fiscal years ended August 31, 2021 and 2020. 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 Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement 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 2021 and 2020 is shown on separate pages behind the College's basic financial statements. Refer to Note 23 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 2021 are as follows:

- In June, the College issued \$8,435,000 in Limited Tax Refunding Bonds, Series 2021. Proceeds from the sale of the Bonds was used to pay costs of issuance and refund the Series 2011 Tax Refunding Bonds maturing on or after August 15, 2022. The refunding will result in a gross debt service savings and present value debt service savings for the benefit of the taxpayers. The net present value savings from the refunding was \$483,857.
- In the fiscal year ended August 31, 2021 total District revenues exceeded total expenses by \$23.3 million as a result of careful budgeting, prudent fiscal management conservation of resources and also a decrease of expenditures due to the COVID-19 pandemic.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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 and other post-employment benefits.

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.

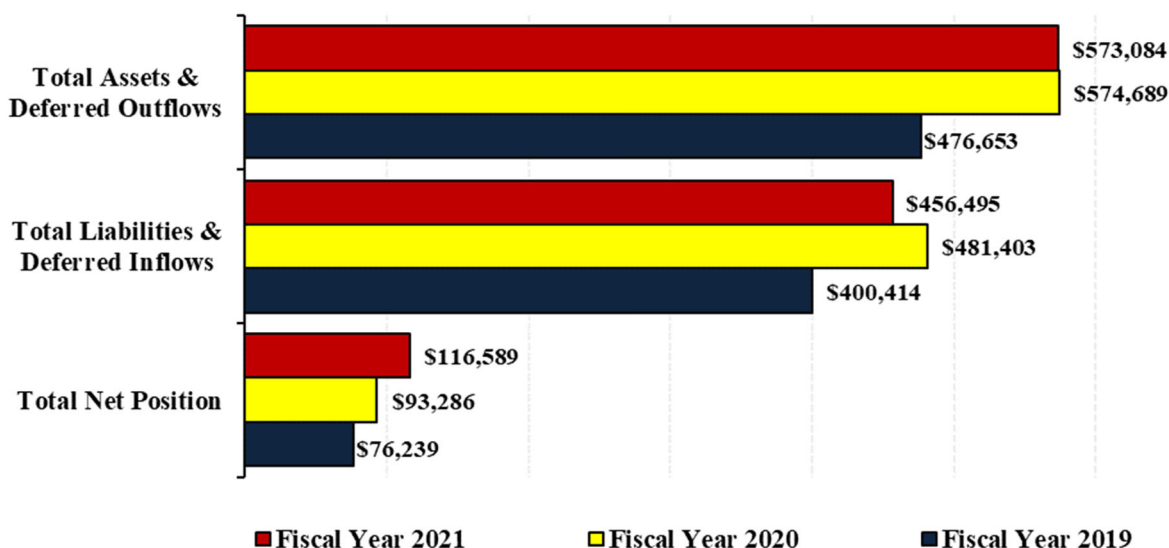
Net Position is divided into three major categories. The first category, the net investment in capital assets, represents the College's equity in property, plant and equipment owned by the college, net of debt. The next category is the restricted component of net position. Expendable restricted resources 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, 2021 and 2020

Statement of Net Position (Continued)

Statement of Net Position					
Comparison - Fiscal Year 2021, 2020 and 2019					
(In Thousands)					
	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>2021-2020</u>	<u>2020-2019</u>
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>Variance</u>	<u>Variance</u>
Current Assets	\$ 90,555	\$ 88,810	\$ 78,859	\$ 1,745	\$ 9,951
Non-Current Assets:					
Capital Assets, Net of Depreciation	359,063	296,614	255,950	62,449	40,664
Restricted Cash & Investments	112,672	176,444	127,275	(63,772)	49,169
Total Assets	562,290	561,868	462,084	422	99,784
Deferred Outflows	10,794	12,821	14,569	(2,027)	(1,748)
Total Assets & Deferred Outflows of Resources	573,084	574,689	476,653	(1,605)	98,036
Current Liabilities	41,286	47,062	40,587	(5,776)	6,475
Non-Current Liabilities	396,075	408,870	327,175	(12,795)	81,695
Total Liabilities	437,361	455,932	367,762	(18,571)	88,170
Deferred Inflows	19,134	25,471	32,652	(6,337)	(7,181)
Total Liabilities & Deferred Inflows of Resources	456,495	481,403	400,414	(24,908)	80,989
Net Position:					
Net Investment in Capital Assets	140,284	126,543	120,406	13,741	6,137
Restricted	8,176	8,432	8,161	(256)	271
Unrestricted	(31,871)	(41,689)	(52,328)	9,818	10,639
Total Net Position	\$ 116,589	\$ 93,286	\$ 76,239	\$ 23,303	\$ 17,047

Statement of Net Position
Comparison - Fiscal Year 2021, 2020 and 2019
(in Thousands)



DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Statement of Net Position (continued)

2020-2021

- For fiscal year 2021, total assets and deferred outflows of resources decreased by approximately \$1.6 million. Items having the largest impact on this change include a decrease in cash and investments of \$58.5 million primarily due to continued building construction costs on the Oso Creek Campus. The increase in capital assets of \$62.4 million is a direct reflection of that decrease. Accounts receivable decreased by \$1.4 million due to enrollment declines caused by the ongoing pandemic. Prepaid expenses included within the current asset category decreased by \$2 million due to delivery of the X-RAY equipment and an industrial process trainer included in the prior year.
- Total liabilities and deferred inflows of resources decreased by \$24.9 million. The largest contribution factor was bond principal payments of \$11.3 million and bond premium amortization of \$2.9 million. In addition, current liabilities decreased by \$5 million largely due to a decrease in construction costs to vendors on capital construction improvement projects of \$4.1 million and a decrease in unearned revenue of \$1.5 million from a loss in comparative subsequent fiscal year fall enrollments of 12.5%. Deferred inflows related to OPEB decreased by \$5.8 million. This amount represents a decrease in the total OPEB liability from assumption changes.
- The College's net position increased by \$23.3 million. This increase was in part due to the College's substantial investment in net capital assets, an increase over the prior year of \$12.9 million. Unrestricted net position increased by \$9.8 million. This was mostly attributable to increases in operating federal, state, and local revenues of \$2.5 million, \$1.7 million savings in instructional salaries, \$2.2 million in Cares Act funding for lost tuition revenue due to enrollment declines caused by pandemic, and prudent fiscal monitoring of operating expenses which were maintained at the previous year level.

2019-2020

- For fiscal year 2020, total assets and deferred outflows of resources increased by approximately \$98 million. Current assets increased by \$10 million primarily due to an increase in short term investments necessary to pay for obligations on capital improvement projects. Prepaid expenses included within the current asset category increased by \$2.1 million for the purchase of X-RAY equipment and an industrial process trainer. Offsetting this was a \$1.7 million decrease in accounts receivable caused by an 8.5% enrollment decrease for the fall term of 2020. Net capital assets increased by approximately \$40.7 million. Restricted noncurrent cash decreased by \$21.9 million primarily due to construction payments made on capital projects. Noncurrent restricted investments increased by \$71 million largely due to proceeds of \$92.2 million received for the issuance of the 2020A and 2020B Limited Tax Bonds.

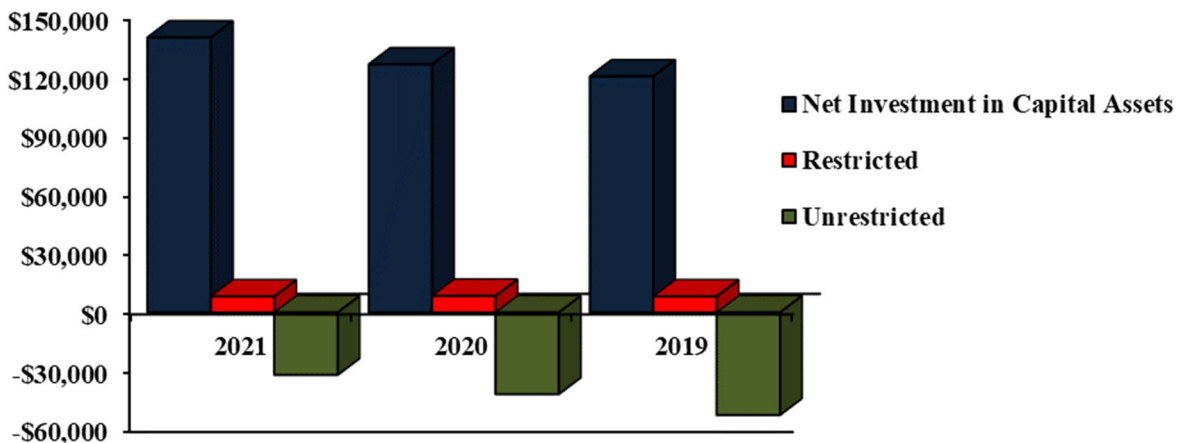
DEL MAR COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Statement of Net Position (continued)

- Total liabilities and deferred inflows of resources increased by \$81 million. The largest contributing factor was the issuance and recording of the Limited Tax Bonds, Series 2020A & 2020B debt totaling \$78.4 million. Current liabilities increased by \$6.5 million from the recording of the current portion of OPEB liability of \$1.9 million and increase in accounts payable and accrued liabilities of \$3.5 million for construction vendors on capital improvement projects. Deferred inflows related to OPEB decreased by \$9.4 million. The decrease in liability was largely due to a 1.37% reduction in the College’s proportionate share of the State’s unfunded liability.
- The College’s net position increased by \$17 million. This increase was in part due to the College’s substantial investment in net capital assets, an increase over the prior year of \$6.1 million. Unrestricted net position increased by \$10.6 million. This was mostly attributable to increased maintenance ad valorem tax collections of \$3.9 million, increase in non-operating federal revenue of \$3.6 million, and prudent fiscal monitoring of operating expenses which were maintained at the previous year level.

The following is a graphic illustration of net position at August 31, 2021, 2020 and 2019:

Net Position
Comparison - Fiscal Year 2021, 2020 and 2019
(in Thousands)



DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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.

Generally speaking, 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, 2021 Through 2019

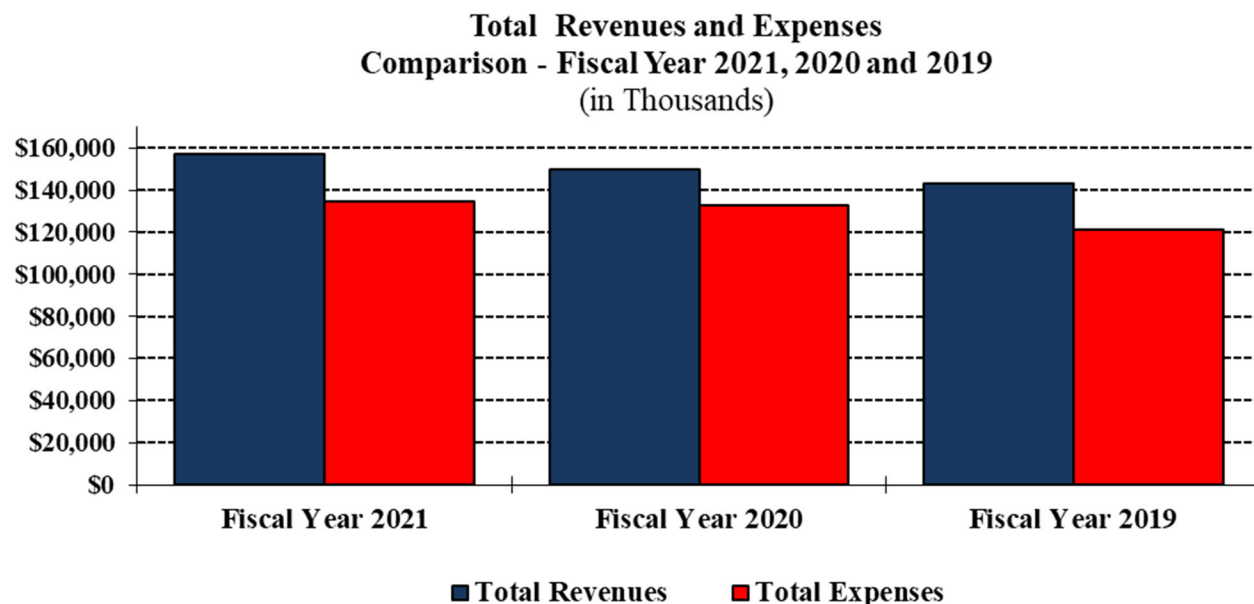
(In Thousands)

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	2021-2020 Variance	2020-2019 Variance
Operating Revenues	\$ 23,219	\$ 22,658	\$ 23,761	\$ 561	\$ (1,103)
Non-Operating Revenues	134,034	126,858	119,245	7,176	7,613
Total Revenues	157,253	149,516	143,006	7,737	6,510
Operating Expenses	124,142	122,505	112,273	1,637	10,232
Non-Operating Expenses	10,638	10,024	8,985	614	1,039
Total Expenses	134,780	132,529	121,258	2,251	11,271
Contributions from Other Agencies	830	60	5	770	55
Increase (Decrease) in Net Assets	23,303	17,047	21,753	6,256	(4,706)
Net Assets Beginning of Year	93,286	76,239	54,486	17,047	21,753
Net Assets End of Year	\$ 116,589	\$ 93,286	\$ 76,239	\$ 23,303	\$ 17,047

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

The following is a graphic illustration of total revenues and expenses at August 31, 2021, 2020 and 2019:



Operating revenues consisted of the following:

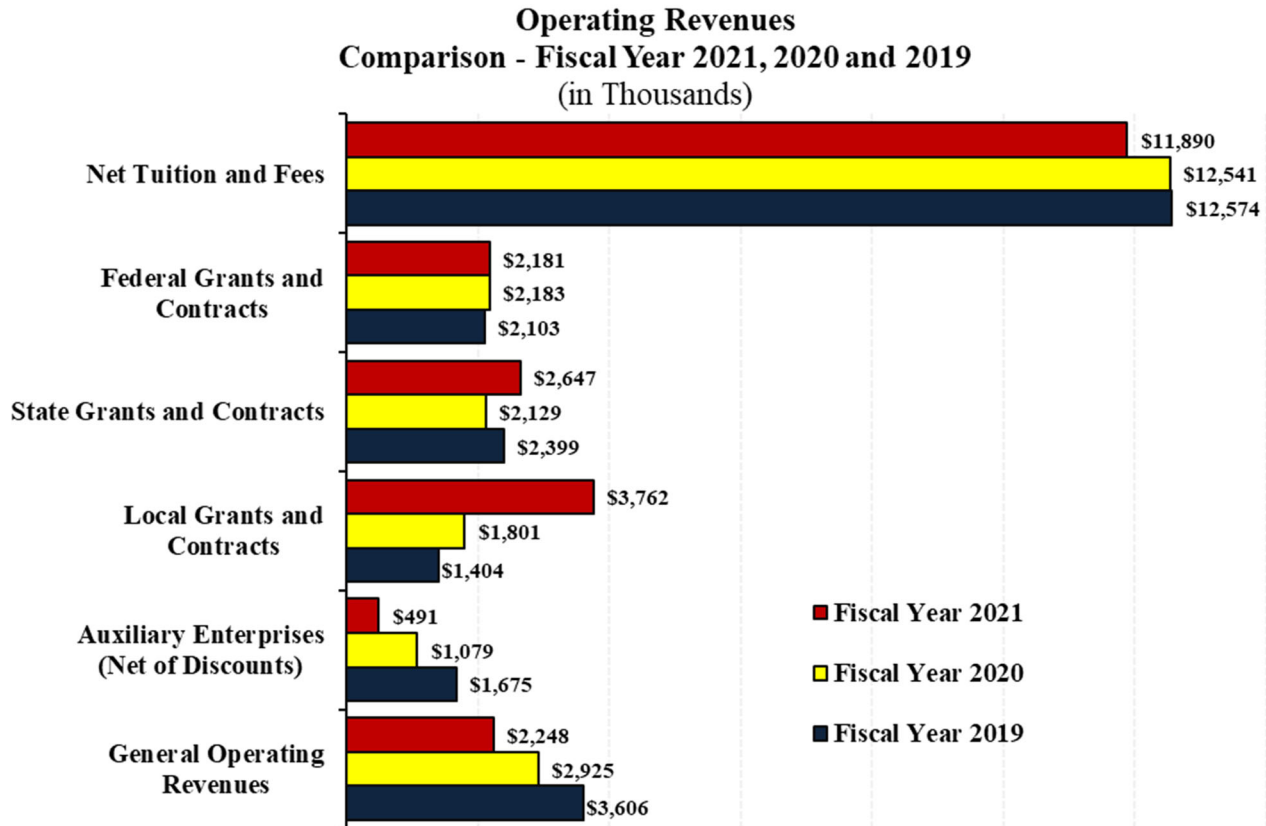
Operating Revenues
Years Ended August 31, 2021 through 2019
(In Thousands)

Operating Revenues	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	2021-2020 Variance	2020-2019 Variance
Tuition and Fees	\$ 28,403	\$ 30,335	\$ 29,153	\$ (1,932)	\$ 1,182
Scholarship Allowances and Discounts	(16,513)	(17,794)	(16,579)	1,281	(1,215)
Federal Grants and Contracts	2,181	2,183	2,103	(2)	80
State Grants and Contracts	2,647	2,129	2,399	518	(270)
Local Grants and Contracts	3,762	1,801	1,404	1,961	397
Auxiliary Enterprises (Net of Discounts)	491	1,079	1,675	(588)	(596)
General Operating Revenues	2,248	2,925	3,606	(677)	(681)
Total	\$ 23,219	\$ 22,658	\$ 23,761	\$ 561	\$ (1,103)

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

The following is a graphic illustration of total operating revenues at August 31, 2021, 2020 and 2019:



Key factors impacting total operating revenues:

2020-2021

- Revenue from tuition and fees decreased \$1.9 million over 2020. The decrease in revenue was due to a 10.75% enrollment decline caused by the ongoing pandemic.
- The decrease in Scholarship Allowances and Discounts of \$1.3 million mostly resulted from decrease Pell Grant funding to students of \$1.1 million.
- Due to the continued circumstances directly related to COVID-19 which forced the closure of most on-campus instruction, the college auxiliary services sustained losses of \$588 thousand. The majority of these losses were within campus dining, vending machine, and auditorium rental facilities.
- The decrease in General operating revenues of \$677 thousand was due largely to a decrease in indirect costs and administrative fees earned on contract instruction and grants. This totaled \$1 million and was offset by increased book and supplies revenues of \$304 thousand.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

- Local grants and contracts increased by \$2 million due to funds received from Gulf Coast Growth Ventures and the City of Corpus Christi who each contributed approximately \$1 million respectively for the process technology pilot plant project.

2019-2020

- Revenue from tuition and fees increased \$1.2 million or 4% over 2019. The increase in revenue resulted from a \$3 per semester hour increase in tuition charged to students and slight increase in enrollment. The tuition revenue increase would have been significantly greater but contract instruction for local industry decreased by \$902 thousand largely due to the completion of a contract with Gulf Coast Growth Ventures of \$1.4 million in the previous year.
- The increase in Scholarship Allowances and Discounts of \$1.2 million mostly resulted from increased Pell Grant funding to students of \$948 thousand.
- Due to circumstances directly related to COVID-19 which forced the closure of most on-campus instruction the college auxiliary services sustained losses of \$596 thousand. The majority of these losses were within campus dining, vending machine, and auditorium rental facilities.
- The decrease in General operating revenues of \$681 thousand was due largely to a decrease in indirect costs and administrative fees earned on contract instruction and grants. This totaled \$213 thousand.

Operating expenses consisted of the following:

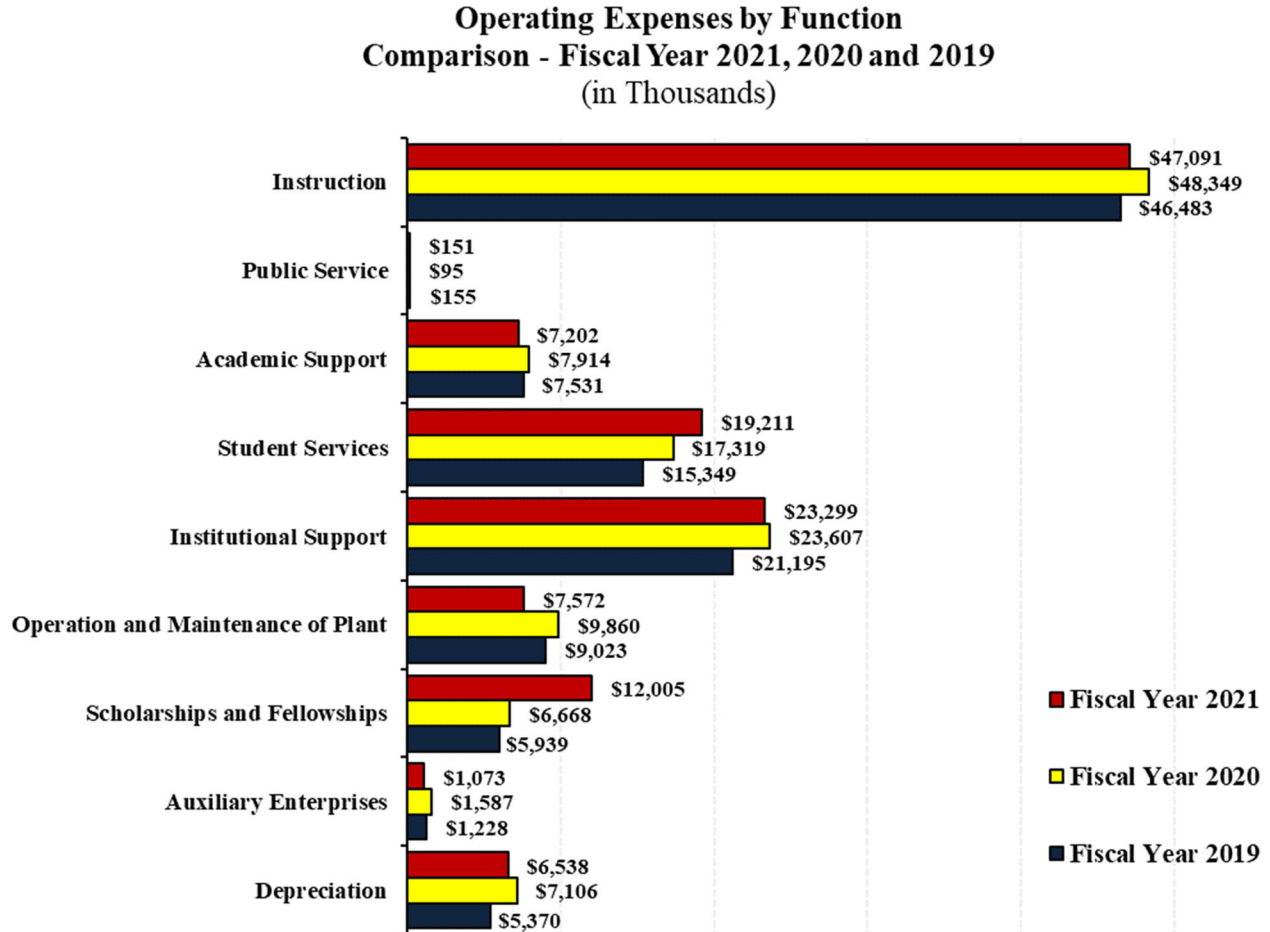
Operating Expenses
Years Ended August 31, 2021 through 2019
(In Thousands)

Operating Expenses	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	2021-2020 Variance	2020-2019 Variance
Instruction	\$ 47,091	\$ 48,349	\$ 46,483	\$ (1,258)	\$ 1,866
Public Service	151	95	155	56	(60)
Academic Support	7,202	7,914	7,531	(712)	383
Student Services	19,211	17,319	15,349	1,892	1,970
Institutional Support	23,299	23,607	21,195	(308)	2,412
Operation and Maintenance of Plant	7,572	9,860	9,023	(2,288)	837
Scholarships and Fellowships	12,005	6,668	5,939	5,337	729
Auxiliary Enterprises	1,073	1,587	1,228	(514)	359
Depreciation	6,538	7,106	5,370	(568)	1,736
Total	\$ 124,142	\$ 122,505	\$ 112,273	\$ 1,637	\$ 10,232

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

The following is a graphic illustration of total operating expenses at August 31, 2021, 2020 and 2019:



Key factors impacting total operating expenses:

2020-2021

For the fiscal year, operating expenses increased by \$1.6 million. Items having the largest impact on this increase were:

- Salaries decreased by \$1.1 million. The largest contributing factor to this decrease was the reduction in instruction and academic support salaries of \$1.3 million due to a loss in enrollment of 10.75% caused by the ongoing pandemic. Salary for all full-time faculty, exempt and non-exempt employees increased by 1%. Total cost of these raises was approximately \$615 thousand.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

- Employee benefits decreased by \$1.7 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 prior year net adjustments for both decreased benefit costs by \$195 thousand. For the current year the net adjustment for both decreased benefit costs by \$1.4 million.
- Other expenses increased by \$4.4 million. Scholarships and Fellowships increased by \$5.3 million mostly the result of funds disbursed to students under the CARES and HEERF grants to provide additional financial support during the pandemic. During the prior year the remaining balance of depreciation was taken on the Northwest Center. This reduced building depreciation by \$823 thousand.

2019-2020

For the fiscal year, operating expenses increased by \$10.2 million. Items having the largest impact on this increase were:

- Salaries increased by \$3.7 million. Full-time faculty received a 2.6% increase to their base salary, a 1.24% increase in experience pay, and educational and promotion increases for those eligible. Salary for all full-time exempt and non-exempt employees increased by 3%. Total cost of these raises was approximately \$1.3 million. In addition, new personnel were hired in the academic support and learning environment areas to facilitate learning, productivity, and help guide students in achieving their educational goals. Total cost of these new positions was approximately \$826 thousand. Another increase was the expansion of contract instruction for workforce programs. Additional personnel hired to cover growth in these areas was \$869 thousand.
- Employee benefits increased by \$1.4 million. The college average benefit costs to total salaries is 33.04% over the last five years. When used as a percentage to the increase in total salaries this would represent \$1.2 million of the above mentioned amount.
- Other expenses increased by \$5.1 million. Items having the largest impact on this was the purchase of non-capitalized instructional and staffing equipment for the opening of the new General Purpose and Academic Building, Workforce Development Center, and Emerging Technology Expansion.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

Non-operating revenues and expenses consisted of the following:

Years Ended August 31, 2021 through 2019
(In Thousands)

Non-Operating Revenues	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	2021-2020 Variance	2020-2019 Variance
State Appropriations	\$ 23,517	\$ 25,500	\$ 23,437	\$ (1,983)	\$ 2,063
Maintenance Ad Valorem Taxes	57,023	58,319	54,449	(1,296)	3,870
Debt Service Ad Valorem Taxes	23,200	19,158	18,706	4,042	452
Federal Revenue, Non Operating	27,236	20,413	16,860	6,823	3,553
Investment Income	726	3,442	5,755	(2,716)	(2,313)
Other Non-Operating Revenues	2,332	26	37	2,306	(11)
Total Non-Operating Revenues	134,034	126,858	119,244	7,176	7,614
Non-Operating Expenses					
Interest on Capital Related Debt	10,457	9,020	8,951	1,437	69
Bond Issuance Costs	75	925	-	(850)	925
Other Non-Operating Expenses	12	7	7	5	-
Loss on Disposal of Capital Assets	94	72	26	22	46
Total Non-Operating Expenses	10,638	10,024	8,984	614	1,040
Net Non-Operating Revenues	\$ 123,396	\$ 116,834	\$ 110,260	\$ 6,562	\$ 6,574

Key factors impacting non-operating revenues and expenses:

2020-2021

- Maintenance ad valorem taxes collected during the year decreased by \$1.3 million. The decrease in tax revenue resulted from current year collections falling by 1.23%. In addition, a refund of \$366 thousand was made to a local industry who had filed a lawsuit on a prior year assessed property valuation. The maintenance property tax rate decreased from .211260 to .205296 per hundred dollar valuation. Debt service tax revenue increased by \$4 million due to an increase in the debt service tax rate from .069405 to .083304 per hundred dollar valuation. The increase in the tax rate was necessary to pay for the additional debt requirement created by the issuance of the Limited Tax Bond Series 2020A and 2020B at the end of the prior year
- The decreased in investment income of \$2.7 million resulted from the declining average yield rate from 1.502% to 0.383%.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

- Other non-operating revenues increased by \$2.3 million due to CARES and HEERF federal funds received for tuition losses incurred for lower enrollments due to the ongoing pandemic.
- Interest on capital related debt increased by \$1.4 million due to additional debt service requirements for the issuance of the Limited Tax Bond Series, 2020A and 2020B of \$3.2 million at the end of the prior fiscal year, offset by the gradual decrease of interest payments due and premiums amortized.
- The increase in Federal revenue was largely due to COVID related funding received to support students and provide educational institutions with monies to purchase personal protective equipment, expand virtual learning capabilities, and purchase personal computers for both faculty and staff to allow them to work remotely. Funds received exceeded the amount funded in the prior year by \$9 million. Pell fund grants to students decreased by \$2.2 million due to lower enrollment.

2019-2020

- Maintenance ad valorem taxes collected during the year increased by \$3.9 million. The additional tax revenue resulted from a 7.71% increase in property values along with a .75% Board approved increase in the maintenance tax rate. The maintenance property tax rate increased from .209693 to .211260 per hundred dollar valuation.
- State Appropriations increased by \$2.1 million due to larger enrollments which generated 9.2% in additional contact hours used to calculate funding. Average contact hours among all community colleges was just over 2%.
- The decrease in investment income of \$2.3 million directly resulted from a reduction in the average yield of investments from 2.68% to 1.50%. In addition, bond funds of \$43.2 million were spent on capital projects during the fiscal year.
- Non-operating expenses increased by \$1 million largely due to bond issuance costs on the 2020A and 2020B Limited Tax Bonds.
- The increase in Federal revenue was largely due to COVID related funding received to support students and provide educational institutions with monies to purchase personal protective equipment, expand virtual learning capabilities, and purchase personal computers for both faculty and staff to allow them to work remotely. Funds received totaled \$2.1 million. In addition, the PELL grants to students increased by \$1.8 million.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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 reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fourth 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 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:

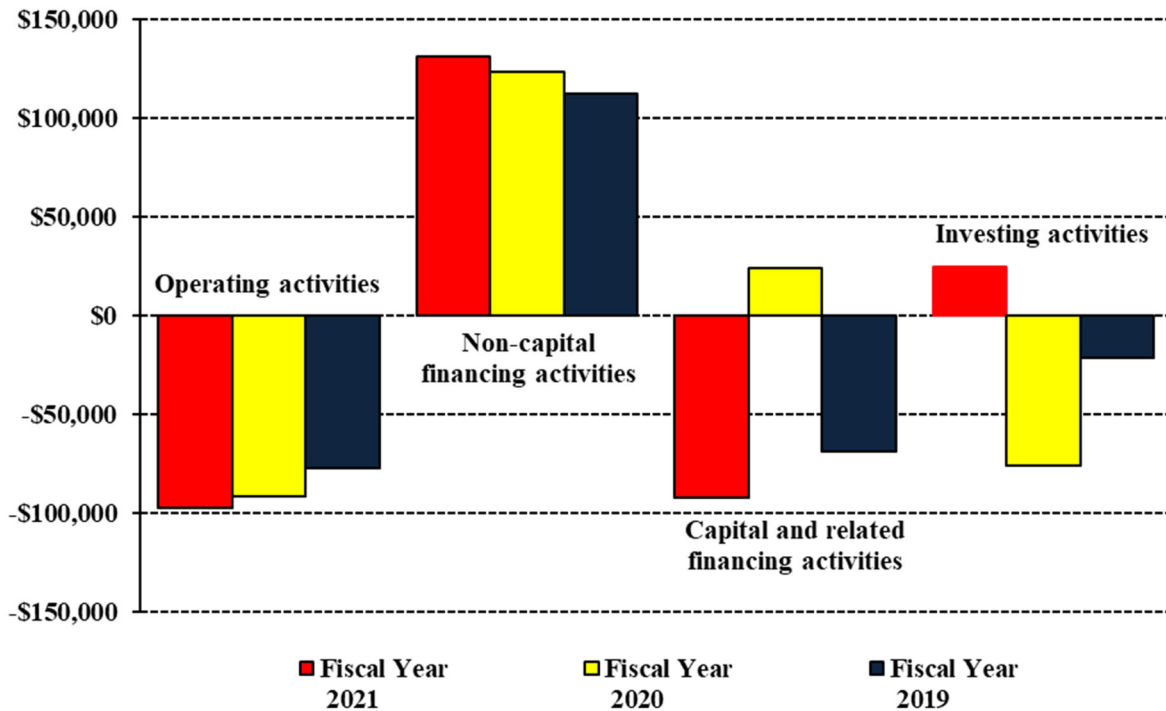
Statement of Cash Flows
Years Ended August 31, 2021 through 2019
(In Thousands)

	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019
Cash provided (used) by:			
Operating activities	\$ (97,782)	\$ (92,052)	\$ (77,246)
Non-capital financing activities	130,826	123,137	112,390
Capital and related financing activities	(92,618)	23,536	(69,248)
Investing activities	24,654	(76,344)	(21,570)
Net change in cash and cash equivalents	(34,920)	(21,723)	(55,674)
Cash and cash equivalents - September 1	91,179	112,902	168,575
Cash and cash equivalents - August 31	\$ 56,259	\$ 91,179	\$ 112,901

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Statement of Cash Flows (continued)

Statement of Cash Flows
Comparison - Fiscal Year 2021, 2020 and 2019
(in Thousands)



Capital Asset and Debt Administration

The College had \$359 million invested in capital assets at August 31, 2021 and \$297 million at August 31, 2020. Additions of \$64.7 million were added to construction work in progress for costs of \$58.1 million associated with the new Main, STEM, and Culinary buildings on the Oso Creek Campus, \$1.6 million for the Central Plant for the Oso Creek Campus, \$1.2 million for the White Library renovation, \$1.7 million for redesign and renovations of east and west campus buildings, \$1.0 million related to the new ERP implementation program, and \$448 thousand for new police station facility. \$2.4 million in construction work in progress was moved to buildings with the completion of the remodeling of the White Library for \$1.2 million, additional completion cost associated with Workforce Development Center moved in the prior year for \$592 thousand, \$157 thousand for improvements completed as part of the campus edge project, \$195 thousand for additional costs for the Academic Music Building, and \$189 thousand for re-roofing projects. New equipment purchases of \$4.3 million were made during the year. In the prior year, new equipment purchases were made totaling \$1.0 million.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

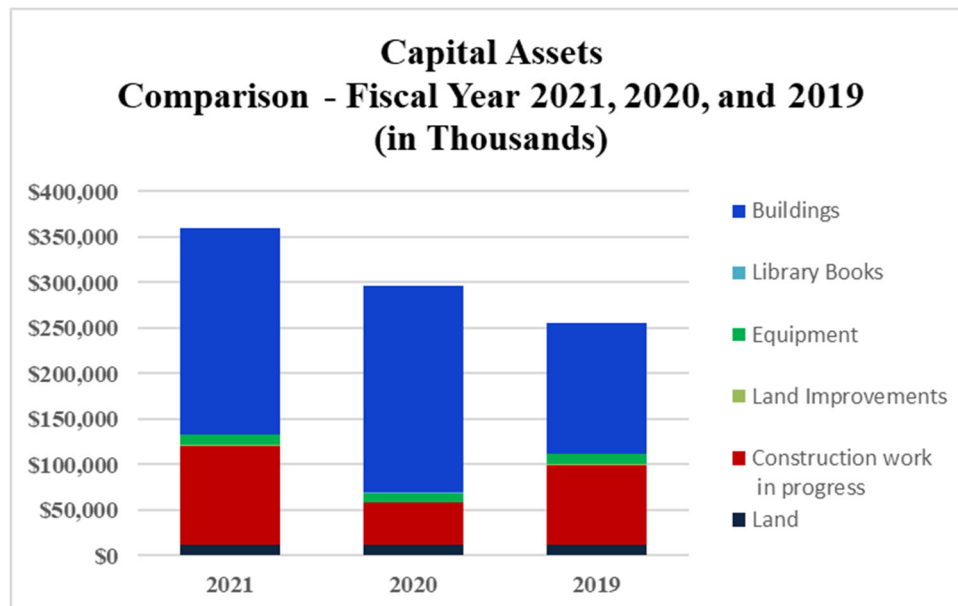
Capital Asset and Debt Administration (Continued)

Capital assets are net of accumulated depreciation of \$116 million and \$110 million for fiscal years 2021 and 2020, respectively. Depreciation charges totaled \$6.5 million and \$7.1 million for fiscal years 2021 and 2020, respectively.

The College had \$475.3 million in capital assets, and \$116.2 million in accumulated depreciation on August 31, 2021.

Capital Assets (Net of Depreciation)
Years Ended August 31, 2021 through 2019
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 12,649	\$ 12,649	\$ 12,649
Construction in Progress	107,365	45,091	86,912
Buildings and Improvements	225,377	227,428	143,900
Land Improvements	1,341	1,187	1,304
Library Books	634	700	776
Furniture, machinery, vehicles, and other equipment	11,697	9,559	10,409
Net capital assets	<u>\$ 359,063</u>	<u>\$ 296,614</u>	<u>\$ 255,950</u>



DEL MAR COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Capital Asset and Debt Administration (Continued)

Total bond payable liability balances at August 31, 2021, 2020, and 2019 are as follows:

Outstanding Debt - Bonds	(In Thousands)		
	2021	2020	2019
Del Mar College District Limited Tax Refunding Bonds, Series 2011	\$ -	\$ 12,395	\$ 16,165
Del Mar College District Limited Tax Refunding Bonds, Series 2013	7,405	8,365	8,450
Del Mar College District Limited Tax Refunding Bonds, Series 2014	4,535	5,950	8,930
Del Mar College District Limited Tax Refunding and Improvement Bonds, Series 2015	12,125	12,370	12,610
Del Mar College District Limited Tax Bonds, Series 2016	61,505	62,835	64,115
Del Mar College District Combined Fee Revenue Refunding Bonds, Series 2016	11,300	12,620	13,890
Del Mar College District Limited Tax Bonds, Series 2017	7,575	7,910	8,235
Del Mar College District Limited Tax Bonds, Series 2018A	42,670	43,445	43,945
Del Mar College District Limited Tax Bonds, Series 2018B	55,355	56,355	56,905
Del Mar College District Limited Tax Bonds, Series 2020A	22,150	22,150	-
Del Mar College District Limited Tax Bonds, Series 2020B	56,285	56,285	-
Del Mar College District Limited Tax Bonds, Series 2021	8,435	-	-
Total	\$ 289,340	\$ 300,680	\$ 233,245

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, 2021 and 2020

Economic Factors That Will Affect the Future

The economic outlook for the College District is strong and directly tied to the increase in capital investment by industry within the Coastal Bend region. The Corpus Christi Economic Development Board identified demand for an educated workforce as key to the Coastal Bend's expansion in the petro-chemical industrial presence. The region continues to benefit from the worldwide demand for natural gas. Because the Port of Corpus Christi is strategically located on the western Gulf of Mexico with a 36 mile, soon to be 54-foot-deep channel, the port remains the leading energy export seaport in the United States. Deepening of the Port of Corpus Christi and the investment of \$1 billion in a new harbor bridge to link Nueces County to the Northshore of the region are strategic investments which will solidify the continued growth.

While most indications are that Corpus Christi's economy will remain strong due to \$35-\$40 billion in new capital investments announced during the last five years in the region, there are national indicators that a recession is in progress. While we can't predict the future of the COVID-19 pandemic, any change in the economy will likely have some impact on the College District. Typically, in periods of growth, property values rise, and enrollment can decline if workers are in high demand. In periods of recession, property values rise at a much slower pace or decline, and enrollment can increase as the unemployment rate rises and unemployed workers go back to school to increase their skills and opportunities.

The Coastal Bend continues to be a strong market for business growth, according to the region's largest business agency. In fact, the region ranks eighth in the U.S in private industry investments made the past decade. In 2021, the \$1.9 billion flat roll steel mill from Steel Dynamics opened its' new facility in the region. In addition, within the next two years the \$700 million natural gas liquids project from Permico Midstream Partners LLC, the \$9.5 billion Exxon Mobile/Sabic plant and the 700-mile, 30-inch EPIC crude oil pipeline that links the Port of Corpus Christi with the Permian Basin are all scheduled to be completed.

While there has been a large growth in industry, unemployment in the City has grown to 6.4% due the current pandemic crises. Due to the necessity created by the pandemic to move to social distancing, face-to-face instruction was in most circumstances moved to a virtual learning platform. While instruction was successfully and timely transitioned to virtual learning, the college has seen an approximately 12% decline in enrollments when compared to 2019. This decline has led to a loss in tuition revenue of approximately \$2.1 million for fiscal year 2021.

In 2021, the State legislature met to debate and finalize funding to all state agencies for the 2022-2023 biennium. Although reductions in state revenues were anticipated due to the ongoing pandemic additional appropriations of approximately \$880 thousand for fiscal years 2022 and 2023 were awarded to the College District. This increase was attributable to a 9% growth in contact hour generation over the previous biennium by the College District. In comparison, average contact hour growth among all community colleges in the State was only 2%.

DEL MAR COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Economic Factors That Will Affect the Future (continued)

In order to position the College for any possible losses in revenues, administration leaders with approval of the Board of Directors, created a "Risk Reserve Fund" from unrestricted operating reserves added during fiscal year 2020 of \$8.6 million. This reserve would make funds available should unanticipated potential losses occur from reduced state funding, reduced property tax collections, loss in tuition revenue or catastrophic loss in future periods.

Request for Information

This financial report is intended to provide a general overview of Del Mar College's finances. Requests for additional financial information may be addressed to Del Mar College Comptroller's Office, 101 Baldwin Blvd., Corpus Christi, Texas 78404.



John Johnson
Comptroller
Del Mar College

Del Mar College Statements of Net Position

ASSETS	August 31,	
	2021	2020
Current Assets:		
Cash and Cash Equivalents (Note 4)	\$ 33,945,704	\$ 35,371,718
Short Term Investments (Note 4)	45,665,447	38,958,667
Accounts Receivable, Net (Note 6)	8,126,315	9,535,627
Taxes Receivable (Note 6)	1,857,367	2,009,220
Prepaid Expenses	959,819	2,934,425
Total Current Assets	90,554,652	88,809,657
Noncurrent Assets:		
Restricted Cash and Cash Equivalents (Note 4)	22,313,276	55,807,276
Restricted Investments (Note 4)	90,358,510	120,637,341
Capital Assets, Net (Note 7):	359,063,260	296,613,981
Total Noncurrent Assets	471,735,046	473,058,598
Total Assets	562,289,698	561,868,255
Deferred Outflows of Resources		
Deferred Loss on Refunding Bonds	928,873	1,376,616
Deferred Outflows Related to Pensions (Note 11)	8,646,766	9,361,448
Deferred Outflows Related to OPEB (Note 16)	1,218,332	2,083,004
Total Deferred Outflows of Resources	10,793,971	12,821,068
Total Assets and Deferred Outflows of Resources	573,083,669	574,689,323
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities (Note 6)	10,087,409	15,980,256
Accrued Compensable Absences - Current Portion (Note 8 and 14)	743,251	710,105
Net OPEB Liability - Current Portion (Note 11)	2,042,618	1,910,602
Funds Held for Others	2,102,665	1,966,116
Unearned Revenues (Note 6)	13,630,365	15,155,167
Bonds Payable - Current Portion (Note 8)	12,680,000	11,340,000
Total Current Liabilities	41,286,308	47,062,246
Noncurrent Liabilities:		
Accrued Compensable Absences (Note 8 and 14)	7,006,137	6,470,512
Net Pension Liability (Note 11)	22,030,050	20,571,896
Net OPEB Liability (Note 16)	59,193,505	58,371,418
Bonds Payable (Note 8)	307,845,119	323,455,951
Total Noncurrent Liabilities	396,074,811	408,869,777
Total Liabilities	437,361,119	455,932,023
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions (Note 11)	2,869,576	3,452,115
Deferred Inflows Related to OPEB (Note 16)	16,264,090	22,019,264
Total Deferred Inflows of Resources	19,133,666	25,471,379
Total Liabilities and Deferred Inflows of Resources	456,494,785	481,403,402
NET POSITION		
Net Investment in Capital Assets	140,283,810	126,543,032
Restricted for:		
Expendable		
Debt Service	8,173,897	8,428,543
Loan Funds	1,713	2,957
Unrestricted	(31,870,536)	(41,688,611)
Total Net Position (Schedule D)	\$ 116,588,884	\$ 93,285,921

See Notes to Financial Statements

(Continued)

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

	Del Mar College Foundation, Inc.	
	June 30,	
ASSETS	2021	2020
Cash and Cash Equivalents (Note 4)	\$ 1,647,432	\$ 1,368,919
Accounts Receivable	51,938	6,188
Investments (Note 4 and 23)	16,141,257	10,206,615
Unconditional Promises to Give (Note 6)	289,900	367,753
Total Current Assets	18,130,527	11,949,475
Endowment Investments (Note 4)	13,864,583	12,854,250
Long-Term Unconditional Promises to Give (Note 6)	145,044	243,441
Beneficial Interest in Irrevocable Charitable Trust (Note 23)	825,481	809,050
Total Assets	32,965,635	25,856,216
LIABILITIES		
Accounts Payable	42,770	34,048
Due to Del Mar College	29,796	417,174
Total Liabilities	72,566	451,222
NET ASSETS		
Without Donor Restrictions	7,750,020	4,990,093
With Donor Restrictions	25,143,049	20,414,901
Total Net Assets	\$ 32,893,069	\$ 25,404,994

See Notes to Financial Statements.

Del Mar College
Statements of Revenues, Expenses and Changes in Net Position

	Year Ended August 31,	
	2021	2020
Operating Revenues		
Tuition and Fees (net of discounts of \$16,512,629 and \$17,793,854, respectively)	\$ 11,890,143	\$ 12,540,731
Federal Grants and Contracts	2,180,811	2,182,843
State Grants and Contracts	2,646,861	2,128,904
Local Grants and Contracts	3,761,525	1,800,395
Auxiliary Enterprises	491,537	1,078,975
General Operating Revenues	2,247,918	2,924,699
Total Operating Revenues (Schedule A)	23,218,795	22,656,547
Operating Expenses		
Instruction	47,091,274	48,349,080
Public Service	150,811	94,984
Academic Support	7,201,562	7,913,959
Student Services	19,210,872	17,319,456
Institutional Support	23,298,859	23,607,141
Operation and Maintenance of Plant	7,572,279	9,859,545
Scholarships and Fellowships	12,005,369	6,667,609
Auxiliary Enterprises	1,073,036	1,586,671
Depreciation	6,538,170	7,106,091
Total Operating Expenses (Schedule B)	124,142,232	122,504,536
Operating Loss	(100,923,437)	(99,847,989)
Non-Operating Revenues (Expenses)		
State Appropriations	23,516,879	25,499,749
Maintenance Ad Valorem Taxes	57,023,250	58,318,766
Debt Service Ad Valorem Taxes	23,200,091	19,157,747
Federal Revenue, Non Operating	27,236,182	20,412,808
Loss on Disposal of Capital Assets	(94,275)	(71,492)
Investment Income	726,037	3,442,061
Interest on Capital Related Debt	(10,457,004)	(9,019,901)
Bond Issuance Costs	(74,658)	(925,173)
Other Non-Operating Revenues	2,331,401	26,697
Other Non-Operating Expenses	(11,500)	(6,999)
Net Non-Operating Revenues (Schedule C)	123,396,403	116,834,263
Capital Contributions		
Contributions from Other Agencies	829,997	60,434
Increase in Net Position	23,302,963	17,046,708
Net Position		
Net Position - Beginning of Year	93,285,921	76,239,213
Net Position - End of Year	\$ 116,588,884	\$ 93,285,921

See Notes to Financial Statements

(Continued)

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

Del Mar College Foundation, Inc.				
Year Ended June 30, 2021 With Comparative Totals				
For the Year Ended June 30, 2020				
	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
Support, Revenue and Gains:				
Scholarship Contributions	\$ 65,593	\$ 1,539,337	\$ 1,604,930	\$ 2,638,727
Designated Scholarship Contributions	-	378,848	378,848	436,224
Grants, Managed Funds, and Other Contributions	275,747	816,617	1,092,364	1,812,879
Net Investment Income	2,265,483	4,863,965	7,129,448	1,230,304
Contributed Services and Expenses	751,835	-	751,835	747,046
Net Assets Released from Restrictions	2,965,015	(2,965,015)	-	-
Total Support, Revenue and Gains	6,323,673	4,633,752	10,957,425	6,865,180
Program Expenses:				
Foundation Services	3,065,470	-	3,065,470	4,494,028
Development Services	403,880	-	403,880	444,423
Total Program Expenses	3,469,350	-	3,469,350	4,938,451
Change in Net Assets	2,854,323	4,633,752	7,488,075	1,926,729
Transfers and Reclassifications	(94,396)	94,396	--	-
Net Assets, Beginning of Year	4,990,093	20,414,901	25,404,994	23,478,265
Net Assets - End of Year	\$ 7,750,020	\$ 25,143,049	\$ 32,893,069	\$ 25,404,994

See Notes to Financial Statements.

**Del Mar College
Statements of Cash Flows**

	Year Ended August 31,	
	2021	2020
Cash Flows from Operating Activities:		
Receipts from Students and Other Customers	\$ 14,041,835	\$ 13,773,592
Receipts from Grants and Contracts	6,732,359	7,543,924
Receipts from Student Organizations and Other Agency Transactions	1,321,045	1,888,320
Payments to Student Organizations and Other Agency Transactions	(1,184,496)	(1,483,415)
Payments to Suppliers for Goods and Services	(31,531,498)	(26,496,073)
Payments to or on Behalf of Employees	(79,660,273)	(83,487,111)
Payments for Scholarships and Fellowships	(12,005,369)	(6,667,609)
Other General Operating Receipts	4,504,319	2,876,396
Net Cash Used by Operating Activities	(97,782,078)	(92,051,976)
Cash Flows from Non-Capital Financing Activities:		
Receipts from State Appropriations	23,783,260	25,839,094
Receipts from Ad Valorem Taxes	80,375,194	77,220,632
Receipts from Non Operating Federal Revenue	26,667,502	20,077,169
Net Cash Provided by Non-Capital Financing Activities	130,825,956	123,136,895
Cash Flows from Capital and Related Financing Activities:		
Proceeds on Issuance of Capital Debt	8,435,000	93,894,796
Purchases of Capital Assets	(68,251,727)	(47,780,889)
Payments on Capital Debt - Principal	(19,775,000)	(11,000,000)
Payments on Capital Debt - Interest	(12,951,593)	(10,652,410)
Payments on Capital Debt - Bond Issuance Costs	(74,658)	(925,173)
Net Cash Provided (Used) by Capital and Related Financing Activities	(92,617,978)	23,536,324
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturities of Investments	190,322,472	231,291,113
Interest on Investments	1,082,035	3,848,524
Purchase of Investments	(166,750,421)	(311,483,423)
Net Cash Used by Investing Activities	24,654,086	(76,343,786)
Decrease in Cash and Cash Equivalents	(34,920,014)	(21,722,543)
Cash and Cash Equivalents—September 1	91,178,994	112,901,537
Cash and Cash Equivalents—August 31	\$ 56,258,980	\$ 91,178,994

See Notes to Financial Statements

(Continued)

Del Mar College
Statements of Cash Flows

	Year Ended August 31,	
	2021	2020
Reconciliation of Net Operating Loss to Net Cash		
Used by Operating Activities:		
Operating Loss	(100,923,437)	(99,847,989)
Adjustments to Reconcile Net Loss to Net Cash		
Used by Operating Activities:		
Depreciation Expense	6,538,170	7,106,091
Bad Debt Expense	102,494	93,678
Non-Operating Revenues	2,331,401	26,697
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Receivables, Net	1,253,119	1,187,381
Prepaid Expenses	1,974,606	(2,085,666)
Accounts Payable and Accrued Liabilities	(5,892,847)	3,495,967
Compensated Absences	568,771	201
Funds Held for Others	136,549	404,905
Unearned Revenues	(1,524,802)	323,287
Net Pension Liability	1,458,154	(1,383,283)
Net OPEB Liability	954,103	4,527,283
Deferred Outflows of Resources	1,579,354	1,279,596
Deferred Inflows of Resources	(6,337,713)	(7,180,124)
Net Cash Used by Operating Activities	(97,782,078)	(92,051,976)
Noncash Investing, Capital and Financing Activities:		
Contribution of Capital Assets	\$ 829,997	\$ 60,434

See Notes to Financial Statements

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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 23. 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 and Junior 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, 2021 and 2020

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, 2021 and 2020

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, commercial paper and investments in United States (U.S.) securities and 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, 2021 and 2020

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

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 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.

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 position that applies to a future period(s) and so 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2021 and 2020, the College held, in trust funds, amounts of \$2,102,665 and \$1,966,116 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 position 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.

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

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

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 statute.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

	2021		2020	
	College	Foundation	College	Foundation
Demand Deposits	\$ 150,942	\$ 1,029,997	\$ 53,389	\$ 792,739
Money Market	-	616,620	-	575,365
Sweep Account	2,706,514	-	9,502,177	-
Tex Pool	-	-	320,043	-
Logic Pool	53,382,182	-	70,926,035	-
Tex Star	-	-	8,204	-
Certificate of Deposit	-	-	10,349,804	-
Petty Cash on Hand	19,342	815	19,342	815
Total Cash and Deposits	\$ 56,258,980	\$ 1,647,432	\$ 91,178,994	\$ 1,368,919
Exhibit 1				
Cash and Cash Equivalents	\$ 33,945,704	\$ 1,647,432	\$ 35,371,718	\$ 1,368,919
Restricted Cash and Cash Equivalents	22,313,276	-	55,807,276	-
	\$ 56,258,980	\$ 1,647,432	\$ 91,178,994	\$ 1,368,919

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

Reconciliation of Investments to Exhibit 1, Statement of Net Position

<u>Type of Security</u>	2021		2020	
	College	Foundation	College	Foundation
Municipal Notes	\$ 57,298,792	\$ -	\$ 35,572,852	\$ -
Mutual Funds	-	28,894,823	-	22,018,661
Commercial Paper	41,723,111	-	59,679,806	-
U.S. Government Agencies	37,002,054	-	64,343,350	-
Alternative Investments	-	1,111,017	-	1,042,204
Total Investments	\$ 136,023,957	\$ 30,005,840	\$ 159,596,008	\$ 23,060,865
Exhibit 1				
Short Term Investments	\$ 45,665,447	\$ 16,141,257	\$ 38,958,667	\$ 10,206,615
Restricted Investments	90,358,510	13,864,583	120,637,341	12,854,250
	\$ 136,023,957	\$ 30,005,840	\$ 159,596,008	\$ 23,060,865

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 4 - Deposits and Investments (Continued)

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, 2021, the College's portfolio had no holdings with stated maturities beyond 1,096 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.

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, 2021, 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 common stocks, 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

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 4 - Deposits and Investments (Continued)

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.

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%	28%
Money Market Mutual Funds	50%	1%
Commercial Paper	25%	22%
Bankers Acceptances	20%	0%
Mutual Funds	10%	0%
State & Municipal Obligations	30%	30%
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%.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 4 - Deposits and Investments (Continued)

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%.

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 a money market account with an investment company. The Foundation's deposits at financial institutions exceeded federal depository insurance by \$792,709 and \$629,591 as of June 30, 2021 and 2020, 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 are fully insured against loss due to theft by the Federal Deposit Insurance Corporation.

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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 5 – Fair Value of Financial Instruments (Continued)

The *exit* or fair market prices used for the fair market valuations of the Level 1 investments in the portfolio represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date. U.S. Government Treasury Obligations and U. S. Government Agencies are classified in Level 1 on the fair value hierarchy and are valued within a multi-dimensional relational model and prices from an independent market pricing service and reported trades. Commercial paper is categorized in Level 2 and is valued using a matrix pricing technique utilizing an independent pricing service and price/ratings updates.

As of August 31, 2021 and 2020 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, 2021:			
Municipal Notes	\$ 57,298,792	\$ 57,298,792	\$ -
Commercial Paper	41,723,111	-	41,723,111
U.S. Gov't Agencies	37,002,054	37,002,054	-
Total	\$ 136,023,957	\$ 94,300,846	\$ 41,723,111
August 31, 2020:			
Municipal Notes	\$ 35,572,852	\$ 35,572,852	\$ -
Commercial Paper	59,679,806	-	59,679,806
U.S. Gov't Agencies	64,343,350	64,343,350	-
Total	\$ 159,596,008	\$ 99,916,202	\$ 59,679,806

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

Receivables at August 31, 2021 and 2020 were as follows:

Accounts Receivable, Net:

	<u>2021</u>	<u>2020</u>
Student Receivables	\$ 5,650,260	\$ 7,557,522
Federal Receivables	3,178,911	2,451,768
Interest Receivables	92,746	448,745
Total Receivables	8,921,917	10,458,035
Less Allowance for Doubtful Accounts	795,602	922,408
Accounts Receivable, Net	\$ 8,126,315	\$ 9,535,627

Taxes Receivable, Net:

	<u>2021</u>	<u>2020</u>
Taxes Receivable	\$ 8,778,025	\$ 5,287,421
Less Allowance for Doubtful Accounts	6,920,658	3,278,201
Taxes Receivable, Net	\$ 1,857,367	\$ 2,009,220

The Foundation has received promises and been awarded grants. Unconditional promises to give at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Student Scholarships	\$ 436,666	\$ 612,035
Less Unamortized Discount	(1,722)	(841)
Net Unconditional Promises to Give	434,944	611,194
Less Amount Due in One Year or Less	289,900	367,753
Net Long-Term Unconditional Promises to Give	\$ 145,044	\$ 243,441

Long-term promises to give are expected to be collected during the year ended June 30, 2022. The discount rate of .46 percent and .18 percent was used on long-term promises to give as of June 30, 2021 and 2020, respectively. The Foundation considers promises to give fully collectible; accordingly, no allowance for uncollectible promises has been provided.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

Accounts Payable and Accrued Liabilities:

Payables at August 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Vendors Payable	\$ 8,145,561	\$ 12,584,027
Salaries & Benefits Payable	1,435,110	1,733,644
Accrued Interest	506,738	1,662,585
Total Payables	<u>\$ 10,087,409</u>	<u>\$ 15,980,256</u>

Unearned Revenues:

Unearned revenues at August 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Tuition and Fees	\$ 10,492,691	\$ 10,144,982
Unearned Lease Revenue	1,156,250	1,231,250
Federal, State and Local Grants	1,981,424	3,778,935
	<u>\$ 13,630,365</u>	<u>\$ 15,155,167</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 7 - Capital Assets

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

	Balance			Balance
	Sept 1, 2020	Increases	Decreases	Aug 31, 2021
Capital Assets Not Depreciated:				
Land	\$ 12,649,523	\$ -	\$ -	\$ 12,649,523
Construction in Progress	45,090,670	64,675,931	2,401,477	107,365,124
Total Capital Assets Not Depreciated	57,740,193	64,675,931	2,401,477	120,014,647
Capital Assets Being Depreciated:				
Buildings and Improvements	294,602,443	2,244,294	-	296,846,737
Land Improvements	11,869,319	157,183	-	12,026,502
Library Books	6,804,960	49,459	-	6,854,419
Furniture, Machinery, Vehicles, and Other Equipment	36,098,289	4,326,336	912,436	39,512,189
Total Capital Assets Being Depreciated	349,375,011	6,777,272	912,436	355,239,847
Less Accumulated Depreciation:				
Buildings and Improvements	67,174,545	4,294,801	-	71,469,346
Land Improvements	10,682,387	3,537	-	10,685,924
Library Books	6,105,349	115,317	-	6,220,666
Furniture, Machinery, Vehicles, and Other Equipment	26,538,942	2,124,515	848,159	27,815,298
Total Accumulated Depreciation	110,501,223	6,538,170	848,159	116,191,234
Net Capital Assets Being Depreciated	238,873,788	239,102	64,277	239,048,613
Capital Assets, Net	\$ 296,613,981	\$ 64,915,033	\$ 2,465,754	\$ 359,063,260

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 7 - Capital Assets (Continued)

Capital assets activity for the year ended August 31, 2020 was as follows:

	Balance			Balance
	Sept 1, 2019	Increases	Decreases	Aug 31, 2020
Capital Assets Not Depreciated:				
Land	\$ 12,649,523	\$ -	\$ -	\$ 12,649,523
Construction in Progress	86,912,182	46,847,032	88,668,544	45,090,670
Total Capital Assets Not Depreciated	99,561,705	46,847,032	88,668,544	57,740,193
Capital Assets Being Depreciated:				
Buildings and Improvements	205,933,899	88,668,544	-	294,602,443
Land Improvements	11,869,319	-	-	11,869,319
Library Books	6,754,745	50,215	-	6,804,960
Furniture, Machinery, Vehicles, and Other Equipment	35,730,510	939,676	571,897	36,098,289
Total Capital Assets Being Depreciated	260,288,473	89,658,435	571,897	349,375,011
Less Accumulated Depreciation:				
Buildings and Improvements	62,033,572	5,140,973	-	67,174,545
Land Improvements	10,565,942	116,445	-	10,682,387
Library Books	5,978,789	126,560	-	6,105,349
Furniture, Machinery, Vehicles, and Other Equipment	25,321,634	1,722,113	504,805	26,538,942
Total Accumulated Depreciation	103,899,937	7,106,091	504,805	110,501,223
Net Capital Assets Being Depreciated	156,388,536	82,552,344	67,092	238,873,788
Capital Assets, Net	\$ 255,950,241	\$ 129,399,376	\$ 88,735,636	\$ 296,613,981

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 8 – Noncurrent Liabilities

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

	<u>Balance Sept. 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Aug. 31, 2021</u>	<u>Current Portion</u>
<u>Bonds Payable</u>					
General obligation bonds	\$ 288,060,000	\$ 8,435,000	\$ 18,455,000	\$ 278,040,000	\$ 11,290,000
Bond premium	34,115,951	-	2,930,832	31,185,119	-
Revenue bonds	12,620,000	-	1,320,000	11,300,000	1,390,000
Total Bonds Payable	<u>334,795,951</u>	<u>8,435,000</u>	<u>22,705,832</u>	<u>320,525,119</u>	<u>12,680,000</u>
Accrued Compensable Absences	<u>7,180,617</u>	<u>1,165,194</u>	<u>596,423</u>	<u>7,749,388</u>	<u>743,251</u>
Net Pension Liability	<u>20,571,896</u>	<u>1,458,154</u>	<u>-</u>	<u>22,030,050</u>	<u>-</u>
Net OPEB Liability	<u>60,282,020</u>	<u>954,103</u>	<u>-</u>	<u>61,236,123</u>	<u>2,042,618</u>
Total Noncurrent liabilities	<u>\$ 422,830,484</u>	<u>\$ 12,012,451</u>	<u>\$ 23,302,255</u>	<u>\$ 411,540,680</u>	<u>\$ 15,465,869</u>

Noncurrent liability activity for the year ended August 31, 2020 was as follows:

	<u>Balance Sept. 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Aug. 31, 2020</u>	<u>Current Portion</u>
<u>Bonds Payable</u>					
General obligation bonds	\$ 219,355,000	\$ 78,435,000	\$ 9,730,000	\$ 288,060,000	\$ 10,020,000
Bond premium	20,749,993	15,459,796	2,093,838	34,115,951	-
Revenue bonds	13,890,000	-	1,270,000	12,620,000	1,320,000
Total Bonds Payable	<u>253,994,993</u>	<u>93,894,796</u>	<u>13,093,838</u>	<u>334,795,951</u>	<u>11,340,000</u>
Accrued Compensable Absences	<u>7,180,416</u>	<u>559,279</u>	<u>559,078</u>	<u>7,180,617</u>	<u>710,105</u>
Net Pension Liability	<u>21,955,179</u>	<u>-</u>	<u>1,383,283</u>	<u>20,571,896</u>	<u>-</u>
Net OPEB Liability	<u>55,754,737</u>	<u>4,527,283</u>	<u>-</u>	<u>60,282,020</u>	<u>1,910,602</u>
Total Noncurrent liabilities	<u>\$ 338,885,325</u>	<u>\$ 98,981,358</u>	<u>\$ 15,036,199</u>	<u>\$ 422,830,484</u>	<u>\$ 13,960,707</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 9 – Bonds Payable

- Limited Tax Refunding Bonds, Series 2011
 - To refund Limited Tax Bonds, Series 2003
 - Issued November 1, 2011
 - Total authorized and issued \$36,330,000
 - Source of revenue for debt service is ad valorem taxes
 - On June 15, 2021 bonds having stated maturities on August 15, 2022 and 2023 of \$4,115,000 and \$4,220,000, respectively, were redeemed in full and the issue was partially retired. The final balance of the remaining outstanding bonds of \$3,960,000 was paid on August 15, 2021.
- 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, 2021 and 2020 is \$7,405,000 and \$8,365,000
 - 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, 2021 and 2020 is \$4,535,000 and \$5,950,000
 - Bond payable installments vary from \$1,383,200 to \$3,370,375, with interest rates at 3.25% to 4%, and with the final installment due in 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, 2021 and 2020 is \$12,125,000 and \$12,370,000
 - 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

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 9 – Bonds Payable (Continued)

- 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, 2021 and 2020 is \$11,300,000 and \$12,620,000
 - 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
- 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, 2021 and 2020 is \$61,505,000 and \$62,835,000
 - 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 01, 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, 2021 and 2020 is \$7,575,000 and \$7,910,000
 - 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

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 9 – Bonds Payable (Continued)

- 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, 2021 and 2020 is \$42,670,000 and \$43,445,000
 - 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
- 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, 2021 and 2020 is \$55,355,000 and \$56,355,000
 - 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, 2021 and 2020 is \$22,150,000 and \$22,150,000
 - Bond payable installments vary from \$857,800 to \$1,467,300 with interest rates at 5%, and with the final installment due in 2045

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 9 – Bonds Payable (Continued)

- 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, 2021 and 2020 is \$56,285,000 and \$56,285,000
 - Bond payable installments vary from \$2,490,450 to \$3,994,950 with interest rates at 5%, and with the final installment due in 2045.
- 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, 2021 is \$8,435,000
 - Bonds payable installments vary from \$4,247,175 to \$4,251,150, with interest rates at 5%, and with the final installment due in 2023

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

<u>Year Ending</u> <u>August 31</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 11,290,000	\$ 11,471,988	\$ 1,390,000	\$ 565,000
2023	11,365,000	11,153,887	1,460,000	495,500
2024	9,955,000	10,833,438	1,530,000	422,500
2025	10,375,000	10,417,187	1,605,000	346,000
2026	10,640,000	9,982,388	1,685,000	265,750
2027-2031	40,330,000	43,510,538	3,630,000	274,500
2032-2036	50,690,000	33,138,988	-	-
2037-2041	58,725,000	22,045,838	-	-
2042-2046	62,715,000	9,958,400	-	-
2047-2048	11,955,000	802,300	-	-
Total 8-31-2021	\$ 278,040,000	\$ 163,314,952	\$ 11,300,000	\$ 2,369,250

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 10 – Operating Leases

Operating 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 agree that the lease shall be extended automatically for an additional one year term unless otherwise notified by the Landlord. Under the terms of the lease, the College is required to pay \$1 per year which is defined as the “Annual Base Rent”. The College is responsible for general upkeep of the property during the term of the lease along with all normally incurred general expenses associated with the property.

Operating Lease Obligation – City of Corpus Christi

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.

Operating Lease Rental – South Texas Public Broadcasting System, Inc.

In February 2013, the College entered into an “Expiring Term Lease” with South Texas Public Broadcasting System, Inc. (STPBS) 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. The unpaid balance of construction costs are 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

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 10 – Operating Leases (Continued)

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”. Accumulated depreciation on the leased premises as of August 31, 2021 is \$577,006.

The minimum lease payments for the STPBS operating lease for the next five years and beyond are summarized below:

Year Ending August 31	Minimum Lease Payments
2022	186,613
2023	186,613
2024	186,613
2025	186,613
2026-2030	933,065
2031-2035	933,065
2036-2037	264,373
Total 08/31/2021	\$ 2,876,955

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. 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 11 – Defined Benefit Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately issued Comprehensive Annual 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. Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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.

	<u>2021</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	6.8%
Employers	7.5%	6.8%
College Contributions	\$ 1,783,331	\$ 1,724,517
Member Contributions	3,229,093	3,134,568
State of Texas On-behalf Contributions	1,357,253	1,098,782

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 of 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, 2021 and 2020

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, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Last year ended August 31, 2017 to 2119	
Projection period (100 years)	2119
Inflation	2.3%
Salary Increases including inflation	3.05% to 9.05%
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, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 2.33%. 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 8.5% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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, 2020 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%	3.9%	0.99%
Non-U. S. Developed	13.0	5.1	0.92
Emerging Markets	9.0	5.6	0.83
Private Equity	14.0	6.7	1.41
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	--	1.8	--
Stable Value Hedge Funds	5.0	1.9	0.11
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy and Natural Resources and Infrastructure	6.0	6.0	0.42
Commodities	--	0.8	--
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Asset Allocation Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0	-1.3	0.08
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
Expected Return	100%		7.33%

* Target Allocations are based on the FY2020 policy model.

** Capital Market Assumptions come from Aon Hewitt (as of 8-31-2020).

*** 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, 2021 and 2020

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 (7.25%) in measuring the 2020 Net Pension Liability.

	<u>1% Decrease in Discount Rate (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase in Discount Rate (8.25%)</u>
Del Mar proportionate share of net pension liability:	<u>\$ 33,969,943</u>	<u>\$ 22,030,050</u>	<u>\$ 12,329,149</u>

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

At August 31, 2021 and 2020, the College reported a liability of \$22,030,050 and \$20,571,896 respectively, for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

Fiscal Year Ended August 31, 2021:

College's Proportionate share of collective net pension liability	\$ 22,030,050
State's Proportionate share associated with College	<u>17,617,867</u>
Total	<u>\$ 39,647,917</u>

Fiscal Year Ended August 31, 2020:

College's Proportionate share of collective net pension liability	\$ 20,571,896
State's Proportionate share associated with College	<u>16,319,588</u>
Total	<u>\$ 36,891,484</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 11 – Defined Benefit Pension Plan (Continued)

The net pension liability was measured as of August 31, 2020 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, 2019 thru August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net pension liability was .0411% which was an increase of .002% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

- The total pension liability as of August 31, 2020 was developed using a roll-forward method from the August 31, 2019 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, 2019 was 7.25% as of August 31, 2019. In 2020 there were no changes in assumptions.
- The Texas Legislature approved funding for the 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

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, 2021, the College recognized pension expense of \$1,838,697 and revenue of \$2,119,038 for support provided by the State.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 11 – Defined Benefit Pension Plan (Continued)

At August 31, 2021 and 2020, 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, 2021:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 40,225	\$ 614,800
Changes in actuarial assumptions	5,111,755	2,173,483
Differences between projected and actual investment earnings	445,980	-
Changes in proportion and difference between employer's contributions and the proportionate share of contributions	1,265,475	81,293
Contributions paid to TRS subsequent to measurement date	1,783,331	-
Total	<u>\$ 8,646,766</u>	<u>\$ 2,869,576</u>

Fiscal Year Ended August 31, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 86,420	\$ 714,289
Changes in actuarial assumptions	6,382,412	2,637,515
Differences between projected and actual investment earnings	206,566	-
Changes in proportion and difference between employer's contributions and the proportionate share of contributions	961,533	100,311
Contributions paid to TRS subsequent to measurement date	1,724,517	-
Total	<u>\$ 9,361,448</u>	<u>\$ 3,452,115</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 11 – Defined Benefit Pension Plan (Continued)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,783,331 and \$1,724,517 will be recognized as a reduction of the net pension liability for the measurement year ending August 31, 2022 and 2021, respectively (i.e. recognized in the College’s financial statements August 31, 2022). 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
2021	\$ 799,425
2022	1,461,632
2023	1,313,304
2024	505,034
2025	(112,629)
Thereafter	27,093
	<u>\$ 3,993,859</u>

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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 12 – Optional and Alternate Retirement Plans (Continued)

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 college, state, and each participant are 3.3%, 3.3% 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.

The retirement expense to the state for the College was \$1,812,598 and \$1,808,775 for the fiscal years ended August 31, 2021 and 2020, 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 \$41,987,433 and \$40,713,466 and the total payroll of employees covered by the Optional Retirement Program was \$10,596,681 and \$11,302,902 for fiscal years 2021 and 2020, 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, 2021, the College had 106 employees vested and participating in the program. A total of \$758,480 in contributions was invested in the plan during the fiscal year.

As of August 31, 2020, the College had 110 employees vested and participating in the program. A total of \$685,786 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 14 - Compensable Absences (Continued)

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. At August 31, 2021 and 2020, the College had an accrued liability for the unpaid vacation and sick leave as follows:

	2021	2020
Vacation	\$ 1,316,882	\$ 1,079,564
Sick Leave	6,432,506	6,101,053
Total Liability for Compensable Absences	\$ 7,749,388	\$ 7,180,617

The College recognized \$743,251 and \$710,105 of the liability above as a current liability for fiscal years August 31, 2021 and 2020 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 the year ended August 31, 2021, \$625 to \$1,223 for the year ended 2020, and \$625 to \$1,223 for the year ended August 31, 2019. Total contributions from the state for the years ended 2021, 2020, and 2019 were \$4,913,876, \$6,382,541, and \$4,150,604, respectively. The cost of providing those benefits for 424 retirees was \$3,626,226 for the year ended 2021, \$3,671,715 for 432 retirees in 2020, and \$3,614,903 for 425 retirees in 2019. The cost of providing benefits for 717 active employees was \$6,254,671 in 2021, \$6,164,218 for 712 employees in 2020, and \$5,961,082 for 726 employees in 2019. 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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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. 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 Comprehensive Annual Financial Report (CAFR) 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-Management/2020-CAFR.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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

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.

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 2021

	<u>FY2021</u>	<u>FY2020</u>
Retiree Only	\$ 625	\$ 625
Retiree & Spouse	1,341	1,341
Retiree & Children	1,104	1,104
Retiree & Family	1,820	1,820

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, 2020 and 2019

	<u>FY 2020</u>	<u>FY2019</u>
Employers	\$1,200,056	\$2,058,220
Member (Employees)	-0-	-0-
Non-employer Contributing Entity (State of Texas)	4,263,497	4,407,701

(Note – In fiscal year 2017, payments from members were reported as contributions. Beginning from fiscal year 2018, payments from members are reported as deduction to benefit payments.)

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2020 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, 2020
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll, Open
Remaining amortization period	30 Years
Asset valuation method	Not Applicable
Discount rate	2.20%
Projected annual salary increase	2.3% to 9.05%, including inflation
Annual healthcare trend rate	8.80% for FY 2022, 5.25% for FY 2023, 5.0% for FY2024, 4.75% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.3% for FY 2029 and later years
Inflation assumption rate	2.3%
Ad hoc post-employment benefit changes	None
Mortality Assumptions: Service retirees, survivors and other Inactive members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

Many of the actuarial assumptions used were primarily based on a study of actuarial experience for the three year period ending August 31, 2018 and adopted in July 2018 and performed by the TRS retirement actuary.

Investment Policy

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

Discount Rate

Because the 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 2.97%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.20%, which amounted to a decrease of 0.77%. 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 (2.20%) 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>(1.20%)</u>	Discount Rate <u>(2.20%)</u>	1% Increase in Discount Rate <u>(3.20%)</u>
College’s proportionate Share of the net OPEB liability:	\$72,783,451	\$61,236,123	\$52,189,827

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

Healthcare Cost Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 8.8% for HealthSelect and 53.3% 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	\$51,250,607	\$61,236,123	\$74,326,092

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

At August 31, 2021, the College reported a liability of \$61,236,124 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, 2021:

College’s proportionate share of the collective net OPEB liability	\$ 61,236,123
State’s proportionate share that is associated with the College	<u>46,865,554</u>
Total	<u>\$108,101,677</u>

Fiscal Year Ended August 31, 2020:

College’s proportionate share of the collective net OPEB liability	\$ 60,282,020
State’s proportionate share that is associated with the College	<u>51,410,699</u>
Total	<u>\$111,692,719</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

The net OPEB liability was measured as of August 31, 2020, 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, 2019 thru August 31, 2019.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.1853%, which was an increase of .0109% from its proportionate share measured at August 31, 2019.

For the year ended August 31, 2021, the District recognized OPEB expense of (\$3,286,020) and revenue of \$650,379 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:

- Demographic assumptions (including rates of retirement, termination and mortality and assumed salary increases for select classes of State Agency members);
- Assumed aggregate payroll increases and rate of general inflation;
- Discount rate decreased from 2.97% to 2.20%;
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence;
- The percentage of future female members assumed to be married and electing coverage for their spouse;
- The proportion of future retirees assumed to cover dependent children;
- Assumed PCORI fees;
- Assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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 2021 Assumed Per Capita Health Benefit Costs.

At August 31, 2021, 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, 2021:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 2,394,975
Changes in actuarial assumptions	-	9,648,715
Changes in proportion and differences between the employer's contribution and the proportionate share of contributions	-	4,220,400
Differences between projected and actual investment earnings	18,276	-
Contributions paid to ERS subsequent to measurement date	1,200,056	-
Total	<u>\$ 1,218,332</u>	<u>\$ 16,264,090</u>

For the Year Ended August 31, 2020:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,568,592
Changes in actuarial assumptions	-	9,180,796
Changes in proportion and differences between the employer's contribution and the proportionate share of contributions	-	11,269,876
Differences between projected and actual investment earnings	24,784	-
Contributions paid to ERS subsequent to measurement date	2,058,220	-
Total	<u>\$ 2,083,004</u>	<u>\$ 22,019,264</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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

Deferred outflows of resources related to OPEBs resulting from contributions subsequent to the measurement date of \$1,200,056 and \$2,058,220 will be recognized as a reduction of the net pension liability for the measurement year ending August 31, 2022 and 2021, respectively (i.e., recognized in the College’s financial statements for August 31, 2022). 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:	OPEB Expense
	Amount
2022	\$ (7,565,118)
2023	(5,808,949)
2024	(2,662,391)
2025	(112,618)
2026	(96,738)
	<u>\$ (16,245,814)</u>

Note 17 – On-behalf Payments

For the fiscal years ended August 31, 2021 and 2020, the College recorded the following State on-behalf contributions as revenues and expenses in the accompanying basic financial statements:

	2021	2020
Teacher Retirement System	\$ 1,357,253	\$ 1,385,144
Optional Retirement Programs	471,297	439,642
Health Insurance	4,263,497	4,263,497
Total On-behalf Payments	<u>\$ 6,092,047</u>	<u>\$ 6,088,283</u>

Note 18 - Pending Lawsuits and Claims

At August 31, 2021, various other 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, 2021 and 2020

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 2021 and 2020 for which monies have not been received nor funds expended totaled \$28,553,806 and \$10,441,759 respectively. Of these amounts, \$24,826,092 and \$5,731,104 were from Federal Contract and Grant Awards; \$1,544,002 and \$1,996,173 were from State Contract and Grant awards; \$2,183,712 and \$2,714,482 were from Private Contract and Grant Awards, for the fiscal years ended 2021 and 2020, 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.

	2021	2020
Assessed Valuation of the College District	\$35,539,719,396	\$35,034,885,156
Less Exemptions	6,487,532,036	6,061,795,815
Net Assessed Valuation of the College District	\$29,052,187,360	\$28,973,089,341

	2021			2020		
	Operations	Debt Service	Total	Operations	Debt Service	Total
Tax Rate per \$100 Valuation						
for authorized	\$0.5000	\$0.5000	\$1.0000	\$0.5000	\$0.5000	\$1.0000
for assessed	\$0.2053	\$0.0833	\$0.2886	\$0.2113	\$0.0694	\$0.2807

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

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.

	<u>2021</u>	<u>2020</u>
Taxes Levied	\$ 85,042,253	\$ 80,012,456
Maintenance and Operations Taxes:		
Current Taxes Collected	56,157,292	56,649,792
Delinquent Taxes Collected	592,978	1,019,709
Penalties and Interest Collected	458,937	492,517
Total Maintenance and Operations Taxes	57,209,207	58,162,018
Debt Service Taxes:		
Current Taxes Collected	22,789,065	18,611,713
Delinquent Taxes Collected	234,058	318,493
Penalties and Interest Collected	160,562	153,555
Total Debt Service Taxes	23,183,685	19,083,761
Total Taxes Collected	\$80,392,892	\$77,245,779
Current Tax Levy Collection Percent	94.0%	95.2%

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, 2021 and 2020

Note 21 – Tax Abatements (Continued)

For the fiscal year ended August 31, 2021, the college had a property tax abatement agreement with the following entity:

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.

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.

<u>Entity</u>	<u>Project Value 2021</u>	<u>Percent Abated 2021</u>	<u>Tax Rate per \$100 Valuation 2021</u>	<u>Foregone Taxes 2021</u>
EPIC Y-Grade Logistics	\$ 5,615,387	100%	0.205296	\$ 11,528

Note 22 - 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, 2021 and 2020.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 23 - 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.

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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 23 – Component Unit (Continued)

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. The following table provides further details of the Level 3 fair value measurements.

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).

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.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 23 – Component Unit (Continued)

Fair values of assets measured on a recurring basis at June 30, 2021 and 2020 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, 2021			
Investments:			
Mutual Funds	\$ 28,894,823	\$ 28,894,823	-
Alternative Investments	1,111,017	-	1,111,017
Total Investments	<u>30,005,840</u>	<u>28,894,823</u>	<u>1,111,017</u>
Beneficial Interest in Irrevocable Charitable Trust	825,481	-	825,481
Total	<u>\$ 30,831,321</u>	<u>\$ 28,894,823</u>	<u>\$ 1,936,498</u>
June 30, 2020			
Investments:			
Mutual Funds	\$ 22,018,661	\$ 22,018,661	-
Alternative Investments	1,042,204	-	1,042,204
Total Investments	<u>23,060,865</u>	<u>22,018,661</u>	<u>1,042,204</u>
Beneficial Interest in Irrevocable Charitable Trust	809,050	-	809,050
Total	<u>\$ 23,869,915</u>	<u>\$ 22,018,661</u>	<u>\$ 1,851,254</u>

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 23 – Component Unit (Continued)

Fair Value Measurements Using Significant Unobservable Inputs (Level 3) at June 30, 2021 and 2020:

	Beneficial Interest in Irrevocable Trust	Alternative Investments	Total
Beginning Balance, July 1, 2019	\$ 699,631	\$ 1,104,789	\$ 1,804,420
Purchases	-	32,824	32,824
Sales	-	(98,725)	(98,725)
Total Unrealized Gain			
Included in Changes in Net Assets	109,419	3,316	112,735
Ending Balance, June 30, 2020	809,050	1,042,204	1,851,254
Purchases	-	38,485	38,485
Sales	-	(33,986)	(33,986)
Total Unrealized Gain			
Included in Changes in Net Assets	16,431	64,314	80,745
Ending Balance, June 30, 2021	\$ 825,481	\$ 1,111,017	\$ 1,936,498

Note 24 - 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 2021 and 2020, 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 25 - Workers' Compensation Aggregate Deductible

During the year ended August 31, 2021, 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, 2021 and 2020

Note 25 – 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, 2020, the Fund carries a discounted reserve of \$44,135,645 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended August 31, 2021, 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, 2020, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Note 26 – 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 and equipping school buildings on the East and West Campuses of the College. The District voters approved a \$139,000,000 bond program on November 14, 2016 to fund Phase 1A of a campus located on the Southside of Corpus Christi, Texas. Construction is presently underway on the Heritage, Windward and Oso Creek Campuses.

Note 27 – College’s Response to COVID-19

In May of 2021, the College transitioned to “Phase 3” of its’ return to campus plan and as a result the College is now open to all students and employees. Social distancing, facial coverings, and vaccinations are recommended but not required. Throughout the pandemic, protecting the health of students, faculty and staff has remained the highest priority of the College. While instruction has returned, courses and programs back to face to face delivery many are still taught virtually. Enrollment numbers declined approximately 12% in 2021 which resulted in a loss of tuition revenue of approximately \$2.1 million.

DEL MAR COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2021 and 2020

Note 27 – College’s Response to COVID-19 (Continued)

The Higher Education Emergency Relief Fund (HEERF I&II) allocated \$4.1 and \$10.6 million respectively to the College. HEERF I required at least half of this funding be distributed to students as emergency aid for expenses related to students as emergency aid for expenses related to the disruption of campus operations during the pandemic. The other half could be used for institutional purposes such as technology investments for remoted learning programs and technology capacity expansion to support instructional and student support services. HEERF II requires at least \$1.9 million be allocated to students with the remaining \$8.7 million be used by the institution to defray expenses associated with the coronavirus including: lost revenue, costs associated with the transition to distance education, faculty and staff training, directly related payroll costs, and minor remodeling costs for such things as alterations to HVAC systems, room dividers, and trailer classroom units.



This page intentionally left blank.

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>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	0.00041131	0.000395742	0.000398877	0.000381252	0.000370818	0.000347864	0.000346008
College's Proportionate Share of Net Pension Liability	\$22,030,050	\$20,571,896	\$21,955,179	\$12,190,380	\$14,012,665	\$12,296,529	\$9,242,352
States's Proportionate Share of the Net Pension Liability Associated with the District	17,617,867	16,319,588	17,400,379	9,751,441	10,697,440	9,047,629	7,116,186
TOTAL	<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	\$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-Employee Payroll	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	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.
- * The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

DEL MAR COLLEGE
REQUIRED SUPPLEMENTARY INFORMAITON

SCHEDULE OF THE COLLEGE CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
EXHIBIT 5

	Fiscal Year Ended August 31,						
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
* Fiscal Year Ended August 31, *							
Contractually Required Contributions	\$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>(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>
College's Covered Payroll	\$41,987,433	\$40,713,466	\$36,895,354	\$35,500,740	\$32,929,636	\$30,129,463	\$26,992,189
Contribution as a Percentage of Covered-Employee Payroll	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.
* The schedule is intended to show informaiton for 10 years. Additional years will be displayed as they become available.

DEL MAR COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021
EXHIBIT 6**

	Measurement Year Ended August 31,			
	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.1853133800%	0.1744136400%	0.1881207300%	0.2169992500%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 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 District	46,865,554	51,410,699	43,247,818	56,463,411
Total	<u>\$ 108,101,678</u>	<u>\$ 111,692,719</u>	<u>\$ 99,002,555</u>	<u>\$ 130,401,591</u>
District's Covered Payroll	\$ 34,494,924	\$ 33,597,726	\$ 33,096,904	\$ 32,924,204
District's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll	77.52%	79.42%	68.46%	124.57%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	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 DISTRICT'S OPEB CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021
EXHIBIT 7

	Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Contractually Required Contribution	\$ 2,030,281	\$ 2,058,220	\$ 2,032,179	\$ 2,039,351
Contribution in Relation to the Contractually Required Contribution	(2,030,281)	(2,058,220)	(2,032,179)	(2,039,351)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
	\$ 34,261,193	\$ 34,494,924	\$ 33,597,726	\$ 33,096,904
District's Covered Payroll	5.93%	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, 2021 (With Memorandum Totals for the Year Ended August 31, 2020)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2021 Total	2020 Total
Tuition:						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 9,011,998	\$ -	\$ 9,011,998	\$ -	\$ 9,011,998	\$ 10,128,904
Out-of-District Resident Tuition	3,266,276	-	3,266,276	-	3,266,276	3,160,192
Non-Resident Tuition	601,268	-	601,268	-	601,268	676,761
TPEG - Credit (Set Aside) *	804,803	-	804,803	-	804,803	871,906
State-Funded Continuing Education	673,431	-	673,431	-	673,431	518,586
TPEG - Non-Credit (Set Aside) *	136,777	-	136,777	-	136,777	151,406
Non-State Funded Educational Programs	26,431	-	26,431	-	26,431	29,903
Total Tuition	14,520,984	-	14,520,984	-	14,520,984	15,537,658
Fees:						
Building Use Fee	2,379,086	-	2,379,086	-	2,379,086	2,649,702
General Fee	6,781,512	-	6,781,512	-	6,781,512	7,534,664
Student Service Fee	-	-	-	415,591	415,591	455,671
Out-of-District Fee	2,047,938	-	2,047,938	-	2,047,938	2,097,160
Class Repeat Fee	231,000	-	231,000	-	231,000	216,250
Dual Credit Fee	1,044,825	-	1,044,825	-	1,044,825	1,083,144
Non-Instructional Contract Training Fees	570,464	-	570,464	-	570,464	277,208
Laboratory Fees	411,372	-	411,372	-	411,372	483,128
Total Fees	13,466,197	-	13,466,197	415,591	13,881,788	14,796,927
Scholarship Allowances and Discounts:						
Bad Debt Allowance	(102,494)	-	(102,494)	-	(102,494)	(93,678)
Remissions and Exemptions - State	(4,179,916)	-	(4,179,916)	-	(4,179,916)	(4,498,539)
Remissions and Exemptions - Local	(1,801,009)	-	(1,801,009)	-	(1,801,009)	(1,175,411)
Title IV Federal Grants	(9,409,532)	-	(9,409,532)	-	(9,409,532)	(10,495,793)
Other Federal Grants	(16,208)	-	(16,208)	-	(16,208)	(879,964)
TPEG Awards	(555,404)	-	(555,404)	-	(555,404)	(533,583)
Other State Grants	(448,066)	-	(448,066)	-	(448,066)	(116,886)
Total Scholarship Allowances	(16,512,629)	-	(16,512,629)	-	(16,512,629)	(17,793,854)
Total Net Tuition and Fees	11,474,552	-	11,474,552	415,591	11,890,143	12,540,731
Additional Operating Revenues:						
Federal Grants and Contracts	-	2,180,811	2,180,811	-	2,180,811	2,182,843
State Grants and Contracts	-	2,646,861	2,646,861	-	2,646,861	2,128,904
Local Grants and Contracts	-	3,761,525	3,761,525	-	3,761,525	1,800,395
General Operating Revenues	2,247,918	-	2,247,918	-	2,247,918	2,924,699
Total Additional Operating Revenues	2,247,918	8,589,197	10,837,115	-	10,837,115	9,036,841
Auxiliary Enterprises:						
Food Service	-	-	-	87,236	87,236	337,431
Vending	-	-	-	44,227	44,227	71,343
Rents	-	-	-	7,015	7,015	6,249
Childcare Center	-	-	-	103,264	103,264	177,328
Other	-	-	-	249,795	249,795	486,624
Total Net Auxiliary Enterprises	-	-	-	491,537	491,537	1,078,975
Total Operating Revenues	\$ 13,722,470	\$ 8,589,197	\$ 22,311,667	\$ 907,128	\$ 23,218,795	\$ 22,656,547
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, tuition of \$941,580 and \$1,023,312 for years August 31, 2021 and 2020, respectively, was set aside for Texas Public Education Grants (TPEG).

Del Mar College
Schedule of Operating Expenses by Object
Year Ended August 31, 2021 (With Memorandum Totals for the Year Ended August 31, 2020)

	Operating Expenses				2021 Total	2020 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 34,687,561	\$ -	\$ 6,113,984	\$ 2,462,144	\$ 43,263,689	\$ 43,488,701
Public Service	121,451	-	16,396	2,699	140,546	85,364
Academic Support	4,799,420	-	1,040,428	710,368	6,550,216	7,025,650
Student Services	4,720,054	-	973,819	793,406	6,487,279	6,918,179
Institutional Support	10,978,066	-	2,255,266	8,653,645	21,886,977	21,872,852
Operation and Maintenance of Plant	1,415,708	-	336,734	5,609,028	7,361,470	9,608,879
Total Unrestricted Educational Activities	56,722,260	-	10,736,627	18,231,290	85,690,177	88,999,625
Restricted - Educational Activities						
Instruction	-	3,827,585	-	-	3,827,585	4,860,379
Public Service	-	10,265	-	-	10,265	9,620
Academic Support	-	651,346	-	-	651,346	888,309
Student Services	2,379,367	921,564	498,239	8,924,423	12,723,593	10,401,277
Institutional Support	-	1,411,882	-	-	1,411,882	1,734,289
Operation and Maintenance of Plant	-	210,809	-	-	210,809	250,666
Scholarships and Fellowships	-	-	-	12,005,369	12,005,369	6,667,609
Total Restricted Educational Activities	2,379,367	7,033,451	498,239	20,929,792	30,840,849	24,812,149
Total Educational Activities	59,101,627	7,033,451	11,234,866	39,161,082	116,531,026	113,811,774
Auxiliary Enterprises	444,952	-	170,540	457,544	1,073,036	1,586,671
Depreciation Expense - Buildings and other real estate improvements	-	-	-	4,298,338	4,298,338	5,257,418
Depreciation Expense - Equipment and furniture	-	-	-	2,239,832	2,239,832	1,848,673
Total Operating Expenses	\$ 59,546,579	\$ 7,033,451	\$ 11,405,406	\$ 46,156,796	\$ 124,142,232	\$ 122,504,536
					(Exhibit 2)	(Exhibit 2)

Del Mar College
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2021 (With Memorandum Totals for the Year Ended August 31, 2020)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2021 Total</u>	<u>2020 Total</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 16,483,427	\$ -	\$ -	\$ 16,483,427	\$ 16,553,631
State Group Insurance	-	4,913,876	-	4,913,876	6,382,541
State Retirement Matching	-	2,119,576	-	2,119,576	2,563,577
Total State Appropriations	16,483,427	7,033,452	-	23,516,879	25,499,749
Maintenance Ad Valorem Taxes	57,023,250	-	-	57,023,250	58,318,766
Debt Service Ad Valorem Taxes	-	23,200,091	-	23,200,091	19,157,747
Federal Revenue, Non Operating	-	27,236,182	-	27,236,182	20,412,808
Investment Income	726,037	-	-	726,037	3,442,061
Other Non-Operating Revenue	2,331,401	-	-	2,331,401	26,697
Total Non-Operating Revenues	76,564,115	57,469,725	-	134,033,840	126,857,828
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	10,457,004	-	-	10,457,004	9,019,901
Bond Issuance Costs	74,658	-	-	74,658	925,173
Loss on Disposal of Capital Assets	94,275	-	-	94,275	71,492
Other Non-Operating Expense	11,500	-	-	11,500	6,999
Total Non-Operating Expenses	10,637,437	-	-	10,637,437	10,023,565
Net Non-Operating Revenues	\$ 65,926,678	\$ 57,469,725	\$ -	\$ 123,396,403	\$ 116,834,263
				(Exhibit 2)	(Exhibit 2)

Del Mar College
Schedule of Net Position by Source and Availability
Year Ended August 31, 2021 (With Memorandum Totals for the Year Ended August 31, 2020)

	Detail by Source				Available for Current Operations	
	Restricted		Net Investment in Capital Assets	Total	Yes	No
	Unrestricted	Expendable				
Current:						
Unrestricted	\$ (43,531,182)	\$ -	\$ -	\$ (43,531,182)	\$ (43,531,182)	\$ -
Restricted	-	-	-	-	-	-
Auxiliary enterprises	1,094,224	-	-	1,094,224	1,094,224	-
Loan	-	1,713	-	1,713	-	1,713
Endowment:						
Quasi:						
Unrestricted	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Endowment						
True	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-
Annuities	-	-	-	-	-	-
Plant:						
Unexpended	10,566,422	-	-	10,566,422	-	10,566,422
Renewals	-	-	-	-	-	-
Debt Service	-	8,173,897	-	8,173,897	-	8,173,897
Investment in Plant	-	-	140,283,810	140,283,810	-	140,283,810
Total Net Position, August 31, 2021	\$ (31,870,536)	\$ 8,175,610	\$ 140,283,810	\$ 116,588,884 (Exhibit 1)	\$ (42,436,958)	\$ 159,025,842
Total Net Position, August 31, 2020	(41,688,611)	8,431,500	126,543,032	93,285,921 (Exhibit 1)	(53,114,185)	146,400,106
Net Increase (Decrease) in Net Position	\$ 9,818,075	\$ (255,890)	\$ 13,740,778	\$ 23,302,963 (Exhibit 2)	\$ 10,677,227	\$ 12,625,736

Statistical Section





This page intentionally left blank.

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, 130-132
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.



This page intentionally left blank.

Del Mar College
Statistical Supplement 1
Net Position by Component
Fiscal Years 2012 to 2021
(unaudited)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	\$ 140,284	\$ 126,543	\$ 120,406	\$ 100,961	\$ 95,287	\$ 90,491	\$ 79,669	\$ 72,177	\$ 63,706	\$ 60,565
Restricted - expendable	8,176	8,431	8,161	12,247	12,343	12,251	13,546	13,669	11,945	10,694
Unrestricted	(31,871)	(41,688)	(52,328)	(58,722)	23,231	23,076	23,510	31,900	31,668	24,779
Total primary government net position	\$ 116,589	\$ 93,286	\$ 76,239	\$ 54,486	\$ 130,861	\$ 125,818	\$ 116,725	\$ 117,746	\$ 107,319	\$ 96,038

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2012 to 2021
(unaudited)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues:										
Tuition and Fees (Net of Discounts)	\$ 11,890	\$ 12,541	\$ 12,574	\$ 12,528	\$ 12,755	\$ 11,976	\$ 10,878	\$ 10,683	\$ 9,681	\$ 14,875
Federal Grants and Contracts	2,181	2,182	2,103	3,181	3,268	4,650	5,424	3,256	3,465	3,658
State Grants and Contracts	2,647	2,129	2,399	2,342	3,718	4,334	3,090	2,021	1,613	1,480
Local Grants and Contracts	3,762	1,800	1,404	524	548	2,212	593	1,044	838	1,779
Auxiliary enterprises	491	1,079	1,675	1,390	1,249	1,323	1,508	1,398	1,374	1,607
General Operating Revenues	2,248	2,925	3,606	2,188	1,768	2,305	1,379	1,357	1,173	1,234
Total Operating Revenues	23,219	22,656	23,761	22,153	23,306	26,800	22,872	19,759	18,144	24,633
Non-Operating Revenues:										
State Appropriations	23,517	25,499	23,437	22,928	20,176	19,800	19,918	19,554	19,535	20,929
Maintenance Ad Valorem Taxes	57,023	58,319	54,449	51,689	47,179	46,704	43,342	40,524	37,312	35,581
Debt Service Ad Valorem Taxes	23,200	19,158	18,706	13,423	12,387	8,338	8,385	8,639	8,679	8,940
Federal Revenue, Non Operating	27,236	20,413	16,860	16,238	16,715	16,323	16,265	16,521	18,730	13,113
Gifts	-	-	-	-	-	-	-	-	-	61
Investment Income	726	3,442	5,755	2,308	1,108	337	206	198	216	347
Other Non-Operating Revenues	2,332	26	37	28	12	22	30	144	174	155
Total Non-Operating Revenues	134,034	126,857	119,244	106,614	97,577	91,524	88,146	85,580	84,646	79,126
Total Revenues	\$ 157,253	\$ 149,513	\$ 143,005	\$ 128,767	\$ 120,883	\$ 118,324	\$ 111,018	\$ 105,339	\$ 102,790	\$ 103,759

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 2 (Continued)
Revenues by Source
Fiscal Years 2012 to 2021
(unaudited)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues:										
Tuition and fees (net of discounts)	7.56%	8.39%	8.79%	9.73%	10.55%	10.12%	9.80%	10.14%	9.42%	14.34%
Federal grants and contracts	1.39%	1.46%	1.47%	2.47%	2.70%	3.93%	4.89%	3.09%	3.37%	3.53%
State grants and contracts	1.68%	1.42%	1.68%	1.82%	3.08%	3.66%	2.78%	1.92%	1.57%	1.43%
Local grants and contracts	2.39%	1.20%	0.98%	0.41%	0.45%	1.87%	0.53%	0.99%	0.82%	1.71%
Auxiliary enterprises	0.31%	0.72%	1.17%	1.08%	1.03%	1.12%	1.36%	1.33%	1.34%	1.55%
General Operating Revenues	1.43%	1.96%	2.52%	1.70%	1.46%	1.95%	1.24%	1.29%	1.14%	1.19%
Total Operating Revenues	14.76%	15.15%	16.00%	17.21%	19.27%	22.65%	20.60%	18.76%	17.66%	23.74%
Non-Operating Revenues:										
State Appropriations	14.97%	17.06%	16.39%	17.81%	16.69%	16.73%	17.94%	18.56%	19.00%	20.17%
Maintenance Ad Valorem Taxes	36.26%	39.01%	38.07%	40.14%	39.03%	39.47%	39.04%	38.47%	36.30%	34.29%
Debt Service Ad Valorem Taxes	14.75%	12.81%	13.08%	10.42%	10.25%	7.05%	7.55%	8.20%	8.44%	8.62%
Federal Revenue, Non Operating	17.32%	13.65%	11.79%	12.61%	13.83%	13.80%	14.65%	15.68%	18.22%	12.64%
Gifts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
Investment Income	0.46%	2.30%	4.02%	1.79%	0.92%	0.28%	0.19%	0.19%	0.21%	0.33%
Other Non-Operating Revenues	1.48%	0.02%	0.02%	0.02%	0.01%	0.02%	0.03%	0.14%	0.17%	0.15%
Total Non-Operating Revenues	85.24%	84.85%	84.00%	82.79%	80.73%	77.35%	79.40%	81.24%	82.34%	76.26%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2012 to 2021
(unaudited)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Expenses:										
Instruction	\$ 47,091	\$ 48,349	\$ 46,483	\$ 46,536	\$ 43,909	\$ 39,580	\$ 36,441	\$ 35,017	\$ 33,766	\$ 34,475
Public service	151	95	155	151	129	111	21	14	21	25
Academic support	7,202	7,914	7,531	7,734	7,189	6,946	6,193	5,554	4,985	4,830
Student services	19,211	17,319	15,349	15,662	16,487	18,040	16,106	12,295	12,439	10,906
Institutional support	23,299	23,607	21,195	20,888	19,430	18,690	16,792	16,637	15,235	15,440
Operation and maintenance of plant	7,572	9,859	9,023	8,786	10,128	9,702	8,771	8,113	7,597	7,748
Scholarships and fellowships	12,005	6,668	5,940	5,826	5,906	5,111	6,286	5,980	6,857	5,755
Auxiliary enterprises	1,073	1,587	1,228	1,400	1,484	1,417	1,470	1,339	1,405	1,521
Depreciation	6,538	7,106	5,369	5,430	5,566	5,516	5,590	5,571	5,607	5,595
Total Operating Expenses	124,142	122,504	112,273	112,413	110,228	105,113	97,670	90,520	87,912	86,295
Non-Operating Expenses:										
Interest on capital related debt	10,532	9,945	8,952	5,285	5,075	4,091	3,961	4,441	4,400	4,376
Other Non-Operating Expenses	105	78	34	1,825	602	86	88	47	33	102
Total Non-Operating Expenses	10,637	10,023	8,986	7,110	5,677	4,177	4,049	4,488	4,433	4,478
Total Expenses	\$ 134,779	\$ 132,527	\$ 121,259	\$ 119,523	\$ 115,905	\$ 109,290	\$ 101,719	\$ 95,008	\$ 92,345	\$ 90,773

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 3 (Continued)
Program Expenses by Function
Fiscal Years 2012 to 2021
(unaudited)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Expenses:										
Instruction	34.94%	36.48%	38.33%	38.93%	37.88%	36.21%	35.82%	36.86%	36.56%	37.98%
Public service	0.11%	0.07%	0.13%	0.13%	0.11%	0.10%	0.02%	0.02%	0.02%	0.03%
Academic support	5.34%	5.97%	6.21%	6.54%	6.20%	6.35%	6.09%	5.85%	5.40%	5.32%
Student services	14.25%	13.07%	12.66%	13.10%	14.23%	16.51%	15.83%	12.94%	13.47%	12.01%
Institutional support	17.19%	17.78%	17.48%	17.48%	16.76%	17.10%	16.51%	17.51%	16.50%	17.01%
Operation and maintenance of plant	5.59%	7.44%	7.44%	7.35%	8.74%	8.88%	8.62%	8.54%	8.23%	8.54%
Scholarships and fellowships	8.91%	5.03%	4.90%	4.87%	5.10%	4.68%	6.18%	6.29%	7.43%	6.34%
Auxiliary enterprises	0.80%	1.20%	1.01%	1.17%	1.28%	1.30%	1.45%	1.41%	1.52%	1.68%
Depreciation	4.85%	5.36%	4.43%	4.54%	4.80%	5.05%	5.50%	5.86%	6.07%	6.16%
Total Operating Expenses	91.56%	92.42%	92.59%	94.66%	95.10%	96.18%	96.02%	95.28%	95.20%	95.07%
Non-Operating Expenses:										
Interest on capital related debt	7.81%	7.50%	7.38%	4.42%	4.38%	3.74%	3.89%	4.67%	4.76%	4.82%
Other Non-Operating Expenses	0.08%	0.06%	0.03%	1.53%	0.52%	0.08%	0.09%	0.05%	0.04%	0.11%
Total Non-Operating Expenses	8.44%	7.58%	7.41%	5.34%	4.90%	3.82%	3.98%	4.72%	4.80%	4.93%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: College Annual Financial Reports

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
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	0.06	0.04
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
2013	52	102	12	12	10	75	1,107	1,707	1.10	0.71
2012	51	101	12	12	10	75	1,095	1,695	10.72	6.67
2011	43	93	12	12	10	65	989	1,589	13.29	7.88

Non - Resident

Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of	Non-Resident Tuition Internati	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
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	0.04	0.04
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
2013	139	139	12	12	10	75	2,151	2,151	0.56	0.56
2012	138	138	12	12	10	75	2,139	2,139	5.21	5.21
2011	130	130	12	12	10	65	2,033	2,033	6.05	6.05

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)

(in Thousands)

Direct Rate

Fiscal Year	Assessed Valuation of Property		Taxable Assessed Value	% Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations	Debt Service	Total
	(a)	Less: Exemptions	(TAV)		(b)	(b)	(b)
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
2013-14	24,255,580	4,577,887	19,677,693	0.81	0.206690	0.043976	0.250666
2012-13	22,433,940	4,557,652	17,876,288	0.80	0.209394	0.048609	0.258003
2011-12	21,081,166	3,605,685	17,475,481	0.83	0.206200	0.051800	0.258000

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
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	5.28
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
2012-13	19,535	7,004	2,789	2,998	1,692	4,690	4.17
2011-12	20,929	7,610	2,750	3,287	1,801	5,088	4.11

Notes:

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

(a) Source: Coordinating Board Management Report 004

(b) Source: Coordinating Board Management Report 004 (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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Flint Hills Resources West LP	Petrochemical	\$ 1,272,928	\$ 1,396,033	\$ 1,275,786	\$ 994,320	\$ 901,967	\$ 795,171	\$ 809,036	\$ 894,028	\$ 911,024	\$ 791,276
Valero Refining Texas LP	Petrochemical	1,228,795	1,335,095	1,180,094	992,798	782,638	982,007	732,218	732,219	680,667	674,643
Citgo Refining/Chemical Co LP	Petrochemical	647,031	717,443	662,713	636,937	598,035	576,842	609,788	588,394	527,999	521,728
Corpus Christi Polymers LLC	Petrochemical	271,329	532,193	532,193	-	-	-	-	-	-	-
Equistar Chemicals LP	Petrochemical	437,357	450,375	476,587	498,921	525,325	187,352	198,039	227,826	235,788	217,385
Equistar Chemicals LP	Petrochemical	150,811	-	-	169,513	178,657	-	-	-	-	-
Flint Hills Resources East LP	Petrochemical	184,602	202,176	192,216	174,379	154,846	165,685	180,163	190,891	195,559	163,746
AEP Texas Central Company	Utility	387,831	325,205	375,892	290,124	249,585	197,103	198,622	167,729	143,951	115,054
Valero Marketing & Supply	Petrochemical	-	185,721	187,744	186,973	-	-	139,352	147,665	-	-
Epic Y-Grade Logistics LP	Petrochemical	174,867	181,276	173,917	-	-	-	-	-	-	-
Nueces Bay WLE	Utility	-	-	-	-	-	179,958	-	-	-	-
Corpus Christi Retail Venture LP	Retail	-	-	-	-	-	-	-	94,714	101,682	86,000
Buckeye Texas Processing LLC	Petrochemical	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	-	-	-	84,296
Flint Hill Resources	Petrochemical	-	-	-	-	-	-	107,045	105,017	105,696	-
HE Butt Grocery Company	Grocery	-	-	-	-	-	-	-	84,069	80,885	78,986
Corpus Christi Cogeneration LP	Utility	-	-	-	-	-	-	-	-	-	67,453
Totals		\$ 5,023,115	\$ 5,602,976	\$ 5,338,682	\$ 4,377,671	\$ 3,953,543	\$ 3,683,714	\$ 3,303,540	\$ 3,232,552	\$ 2,983,251	\$ 2,800,567
Total Taxable Assessed Value		\$ 29,052,187	\$ 28,973,090	\$ 28,973,089	\$ 27,225,706	\$ 25,668,882	\$ 24,865,880	\$ 21,123,547	\$ 19,677,694	\$ 17,876,288	\$ 17,876,288

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)

		% of Taxable Assessed Value (TAV) by Tax Year									
Taxpayer	Type of Business	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Flint Hills Resources LP	Petrochemical	4.38%	4.82%	4.40%	3.65%	3.51%	3.20%	3.83%	4.54%	5.10%	4.43%
Valero Refining Texas LP	Petrochemical	4.23	4.61	4.07	3.65	3.05	3.95	3.47	3.72	3.81	3.77
Citgo Refining/Chemical Co LP	Petrochemical	2.23	2.48	2.29	2.34	2.33	2.32	2.89	2.99	2.95	2.92
Corpus Christi Polymers LLC	Petrochemical	0.93	1.84	1.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equistar Chemicals LP	Petrochemical	1.51	1.55	1.64	1.83	2.05	0.75	0.94	1.16	1.32	1.22
Equistar Chemicals LP	Petrochemical	0.52	0.00	0.00	0.62	0.70	0.00	0.00	0.00	0.00	0.00
Flint Hills Resources East LP	Petrochemical	0.64	0.70	0.66	0.64	0.60	0.67	0.85	0.97	1.09	0.92
AEP Texas Central Company	Utility	1.33	1.12	1.30	1.07	0.97	0.79	0.94	0.85	0.81	0.64
Valero Marketing & Supply	Petrochemical	0.00	0.64	0.65	0.69	0.00	0.00	0.66	0.75	0.00	0.00
Epic Y-Grade Logistics LP	Petrochemical	0.60	0.63	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nueces Bay WLE	Utility	0.00	0.00	0.00	0.00	0.00	0.72	0.00	0.00	0.00	0.00
Corpus Christi Retail Venture LP	Retail	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.57	0.48
Buckeye Texas Processing LLC	Petrochemical	0.92	0.96	0.97	0.98	0.98	1.03	0.82	0.00	0.00	0.00
Buckeye Texas HUB LLC	Petrochemical	0.00	0.00	0.00	0.61	0.69	0.65	0.74	0.00	0.00	0.00
Barney M Davis LP	Utility	0.00	0.00	0.00	0.00	0.52	0.73	0.00	0.00	0.00	0.47
Flint Hill Resources	Petrochemical	0.00	0.00	0.00	0.00	0.00	0.00	0.51	0.53	0.59	0.00
HE Butt Grocery Company	Grocery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.43	0.45	0.44
Corpus Christi Cogeneration LP	Utility	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.38
Totals		17.29%	19.35%	18.42%	16.08%	15.40%	14.81%	15.64%	16.43%	16.69%	15.67%

Source: Local County Appraisal District

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 (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	% Cumulative Collections of Adjusted Levy
2021	\$ 85,042	\$ (610)	\$ 84,432	\$ 79,363	94.00%	\$ -	\$ 651	\$ 80,014	94.77%
2020	80,012	(791)	79,222	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	(1617)	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
2014	49,097	(317)	48,780	47,518	97.41	-	1,124	48,642	99.72
2013	45,729	(71)	45,658	44,579	97.64	-	994	45,573	99.81
2012	44,477	(309)	44,168	43,139	97.67	-	911	44,050	99.73

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Bonded Debt										
General obligation bonds	\$ 278,040	\$ 288,060	\$ 219,355	\$ 228,195	\$ 134,695	\$ 132,860	\$ 71,170	\$ 69,730	\$ 75,380	\$ 80,415
Premium	31,185	34,115	20,749	22,800	14,907	15,649	5,827	4,852	4,227	4,999
Net general bonded debt	\$ 309,225	\$ 322,175	\$ 240,104	\$ 250,995	\$ 149,602	\$ 148,509	\$ 76,997	\$ 74,582	\$ 79,607	\$ 85,414
Other Debt										
Revenue bonds	\$ 11,300	\$ 12,620	\$ 13,890	\$ 15,110	\$ 16,345	\$ 17,530	\$ 21,385	\$ 23,405	\$ 25,335	\$ 27,200
Capital lease obligations	-	-	-	-	-	-	-	-	109	225
Total Outstanding Debt	\$ 320,525	\$ 334,795	\$ 253,994	\$ 266,105	\$ 165,947	\$ 166,039	\$ 98,382	\$ 97,987	\$ 105,051	\$ 112,839
General Bonded Debt Ratios										
Per Capita	\$ 875.55	\$ 889.26	\$ 662.79	\$ 692.85	\$ 414.16	\$ 410.78	\$ 213.62	\$ 209.23	\$ 225.66	\$ 245.55
Per FTSE	47,398	44,310	33,947	35,336	20,522	21,374	11,684	11,215	11,366	1,122
As a percentage of Taxable Assessed Value	1.12%	1.20%	0.96%	1.05%	0.65%	0.69%	0.38%	0.40%	0.48%	0.52%
Total Outstanding Debt Ratios										
Per Capita	\$ 907.55	\$ 924.10	\$ 701.13	\$ 734.56	\$ 459.41	\$ 459.27	\$ 272.95	\$ 274.90	\$ 297.78	\$ 324.39
Per FTSE	49,130	46,045	35,910	37,464	22,764	23,897	14,929	14,735	14,999	14,828
As a percentage of Taxable Assessed Value	1.16%	1.25%	1.02%	1.12%	0.72%	0.78%	0.49%	0.53%	0.63%	0.69%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment

(a) 2019 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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Taxable Assessed Value	\$35,539,719	\$35,034,885	\$33,527,327	\$25,668,882	\$24,865,880	\$22,817,249	\$21,123,547	\$19,677,693	\$17,876,288	\$17,475,481
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	177,699	175,174	167,637	128,344	124,329	114,086	105,618	98,388	89,381	87,377
Less: Funds Restricted for Repayment of General Obligation Bonds	(4,309)	(4,646)	(4,478)	(4,099)	(3,865)	(3,831)	(4,303)	(4,155)	(4,181)	(5,286)
Total Net General Obligation Debt	173,390	170,528	163,159	124,245	120,464	110,255	101,315	94,233	85,200	82,091
Current Year Debt Service Requirements	23,184	19,084	18,654	13,407	12,387	8,649	8,413	8,668	8,666	8,978
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 150,206	\$ 151,444	\$ 144,505	\$ 110,838	\$ 108,077	\$ 101,606	\$ 92,902	\$ 85,565	\$ 76,534	\$ 73,113
Net Current Requirements as a % of Statutory Limit	10.62%	8.24%	8.46%	7.25%	6.85%	4.22%	3.89%	4.59%	5.02%	4.23%

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
2021	\$4,042	\$2,673	\$2,673	\$304	\$9,692	\$1,320	\$631	\$1,951	4.97
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	9,491	1,235	780	2,015	4.71
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
2013	3,028	2,568	2,568	141	8,305	1,865	1,191	3,056	2.72
2012	3,269	2,777	2,777	151	8,974	1,785	1,261	3,046	2.95

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)
2020	353,178	\$ (d)	\$ (d)	9.0%
2019	362,294	16,262,836	44,889	4.1%
2018	362,265	15,717,006	43,414	4.6%
2017	361,014	15,358,312	42,516	5.4%
2016	361,786	14,554,854	40,231	5.6%
2015	360,616	15,331,671	42,515	4.9%
2014	356,747	15,451,067	43,311	5.1%
2013	352,996	14,635,012	41,459	6.1%
2012	347,959	14,155,517	40,682	6.6%

Sources:

(a) 2020 Population from U.S. Census Bureau 2020 Decennial Census

2010-2019 population estimates from U.S. Bureau of Economic Analysis as of November 2020

(b) Personal income from U.S. Bureau of Economic Analysis as of November 2021

(c) Unemployment rate from U.S. Department of Labor as of April 2021

(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	2020		2010	
	Number of Employees	Percentage of Total Employment ¹	Number of Employees	Percentage of Total Employment
Corpus Christi ISD	5,888	3.00%	5,178	2.62%
Corpus Christi Naval Air Station	4,600	2.34%	1,630	0.82%
H.E.B.	3,840	1.96%	5,000	2.53%
Corpus Christi Army Depot	3,400	1.73%	4,876	2.47%
City of Corpus Christi	2,963	1.51%	3,171	1.60%
CHRISTUS Spohn Health Systems	3,000	1.53%	5,400	2.73%
Driscoll Children's Hospital	2,512	1.28%	1,500	0.76%
Kiewit Offshore Service	1,750	0.89%	-	-
Bay, Ltd.	2,750	1.40%	2,100	1.06%
Corpus Christi Medical Center	1,620	0.82%	1,300	0.66%
Del Mar College	1,477	0.75%	1,542	0.78%
Total	33,800	17.21%	31,697	16.03%

Source:

Corpus Christi Regional Economic Development Corporation and EMSI 3Q 2021 Data Set - Corpus Christi MSA

Note:

1. Percentage of Total Employment (2020 Corpus Christi Total Employment = 196,391)

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

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instructional Faculty										
Full-Time (Credit)	302	310	314	316	311	298	282	279	278	286
Part-Time (Credit)	167	213	218	223	216	227	236	254	287	323
Total	469	523	532	539	527	525	518	533	565	609
Percent Full-Time (Credit)	64.4%	59.3%	59.0%	58.6%	59.0%	56.8%	54.4%	52.3%	49.2%	47.6%
Percent Part-Time (Credit)	35.6%	40.7%	41.0%	41.4%	41.0%	43.2%	45.6%	47.7%	50.8%	52.4%
Staff and Administrators										
Full-Time	428	411	374	381	367	348	309	293	283	291
Part-Time	312	353	359	417	445	408	331	309	380	195
Total	740	764	733	798	812	756	640	602	663	486
Percent Full-Time	57.8%	53.8%	51.0%	47.7%	45.2%	46.0%	48.3%	48.7%	42.7%	59.2%
Percent Part-Time	42.2%	46.2%	49.0%	52.3%	54.8%	54.0%	51.7%	51.3%	57.3%	40.8%
College Total										
Full-Time	730	721	688	697	678	646	591	572	561	577
Part-Time	479	566	577	640	661	635	567	563	667	518
Grand Total	1,209	1,287	1,265	1,337	1,339	1,281	1,158	1,135	1,228	1,095
Percent Full-Time	60.4%	56.0%	54.4%	52.1%	50.6%	50.4%	51.0%	50.4%	45.7%	52.7%
Percent Part-Time	39.6%	44.0%	45.6%	47.9%	49.4%	49.6%	49.0%	49.6%	54.3%	47.3%
Faculty FTE	484.97	508.82	498.72	513.19	502.06	454.07	432.28	435.70	451.65	477.90
Student FTE (Total SCH/12)	6,282.83	7,863.25	7,759.33	7,677.58	7,888.75	7,395.83	7,096.75	7,261.92	7,656.42	8,294.67
FTSE per Full-time Faculty	12.96	15.45	15.56	14.96	15.71	16.29	16.42	16.67	16.95	17.36
FTSE per Full-Time Staff Member	14.68	19.13	20.75	20.15	21.50	21.25	22.97	24.78	27.05	28.50
Average Annual Faculty Salary	\$72,119	\$72,214	\$71,020	\$69,237	\$68,279	\$64,487	\$60,656	\$57,676	\$55,919	\$56,203

Notes: Year 2021 is not yet available. FTSE: Full Time Student Equivalent (as reported on CBM001).

Source: College Statistical Profiles.

Del Mar College
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)

Student Classification	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	7,473	70%	8,850	74%	8,369	70%	8,036	70%	8,106	69%
31-60 hours	2,303	22%	2,192	18%	2,471	21%	2,384	21%	2,474	21%
> 60 hours	902	8%	966	8%	1,027	9%	1,056	9%	1,109	10%
Total	10,678	100%	12,008	100%	11,867	100%	11,476	100%	11,689	100%

Semester Hour Load	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1-3 semester hours	2,260	21%	2,031	17%	2,007	17%	1,907	17%	1,910	16%
4-6 semester hours	3,559	33%	3,163	26%	3,262	27%	2,922	25%	2,900	25%
7-9 Semester hours	2,448	23%	3,088	26%	3,058	26%	2,900	25%	2,886	25%
10-12 semester hours	1,610	15%	2,504	21%	2,415	20%	2,429	21%	2,578	22%
13-15 semester hours	700	7%	1,093	9%	1,012	9%	1,181	10%	1,285	11%
16 & over	101	1%	129	1%	113	1%	137	2%	130	1%
Total	10,678	100%	12,008	100%	11,867	100%	11,476	100%	11,689	100%

Average course load **8.0** **7.7** **7.6** **8.0**

Tuition Status	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	7,829	73%	9,024	75%	9,017	76%	8,828	77%	8,993	77%
Texas Resident (out-of-District)	2,569	24%	2,678	22%	2,537	22%	2,411	21%	2,383	20%
Non-Resident Tuition	280	3%	306	3%	313	0%	237	2%	313	3%
Total	10,678	100%	12,008	100%	11,867	100%	11,476	100%	11,689	100%

this needs to be fixed

Notes: Year 2021 is not yet available

Source: College Statistical Profiles/CBM001 Report

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

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	6,392	59.90%	7,097	59.10%	6,951	58.57%	6,515	56.77%	6,636	56.77%
Male	4,286	40.10%	4,911	40.90%	4,916	41.43%	4,961	43.23%	5,053	43.23%
Total	10,678	100%	12,008	100.00%	11,867	100.00%	11,476	100.00%	11,689	100.00%

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
Hispanic	7,497	70.20%	8,310	69.20%	8,121	68.43%	7,684	66.96%	7,676	65.67%
White, non-Hispanic	2,400	22.50%	2,783	23.20%	2,777	23.40%	2,841	24.76%	2,960	25.32%
Black, non-Hispanic	248	2.30%	328	2.70%	328	2.76%	318	2.77%	342	2.93%
Asian/Pacific Islander	238	2.20%	265	2.20%	199	1.68%	200	1.74%	205	1.75%
Indian/Alaskan Native	18	0.20%	25	0.20%	26	0.22%	22	0.19%	28	0.24%
Unknown	277	2.60%	297	2.50%	416	3.51%	411	3.58%	478	4.09%
Total	10,678	100%	12,008	100.00%	11,867	100.00%	11,476	100.00%	11,689	100.00%

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 20	4,328	40.50%	4,952	41.20%	4,615	38.89%	4,203	36.62%	4,054	34.68%
20 -24	3,094	29.00%	3,499	29.10%	3,495	29.45%	3,449	30.05%	3,628	31.04%
25 - 29	1,298	12.10%	1,402	11.70%	1,496	12.61%	1,491	12.99%	1,589	13.59%
30 - 34	751	7.00%	837	7.00%	854	7.20%	875	7.63%	955	8.17%
35 - 39	490	4.60%	528	4.40%	552	4.65%	594	5.18%	554	4.74%
40 - 44	340	3.20%	321	2.70%	353	2.97%	350	3.05%	387	3.31%
45 - 49	189	1.80%	234	1.90%	272	2.29%	240	2.09%	223	1.91%
50 & over	188	1.80%	235	2.00%	230	1.94%	274	2.39%	299	2.56%
Total	10,678	100%	12,008	100.00%	11,867	100.00%	11,476	100.00%	11,689	100.00%

Average Age	24.0	24.0	24.0	24.0	24.5
--------------------	-------------	-------------	-------------	-------------	-------------

Notes: Year 2021 is not yet available

Source: College Statistical Profiles/CBM001 Report

Del Mar College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2019-20 Students as of Fall 2020
(Includes only public senior colleges in Texas)
(unaudited)

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	645	43	11	699	46.91%
2 Texas A&M University - Kingsville	140	13	2	155	10.40%
3 Texas A&M University	115	12	0	127	8.52%
4 The University of Texas at San Antonio	119	7	1	127	8.52%
5 Texas State University	81	4	1	86	5.77%
6 The University of Texas at Austin	92	1	2	95	6.38%
7 Texas Tech University	33	4	0	37	2.48%
8 The University of Texas at Arlington	14	10	0	24	1.61%
9 University of Houston	9	2	1	12	0.81%
10 University of North Texas	11	0	0	11	0.74%
11 Sam Houston State University	11	0	0	11	0.74%
12 Stephen F. Austin State University	4	0	0	4	0.27%
13 The University of Texas - Rio Grande Valley	9	0	0	9	0.60%
14 The University of Texas at Dallas	7	0	0	7	0.47%
15 Tarleton State University	6	1	0	7	0.47%
16 Texas A&M University - San Antonio	5	3	0	8	0.54%
17 Texas A&M University at Galveston	5	1	0	6	0.40%
18 Texas A&M International University	4	1	0	5	0.34%
19 University of Houston - Victoria	12	6	0	18	1.21%
20 Sul Ross State University	0	1	0	1	0.07%
21 Texas Southern University	1	0	0	1	0.07%
22 Texas Woman's University	2	1	0	3	0.20%
23 The University of Texas at El Paso	2	0	0	2	0.13%
24 The University of Texas of the Permian Basin	3	0	0	3	0.20%
25 Midwestern State University	4	0	0	4	0.27%
26 University of Houston - Clear Lake	3	1	0	4	0.27%
27 Texas Tech University Health Sciences Center	0	0	0	0	0.00%
28 The University of Texas at Tyler	0	2	0	2	0.13%
29 University of Houston - Downtown	1	2	0	3	0.20%
30 Others Universities	13	5	1	19	1.28%
	1351	120	19	1490	100%

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 2012 to 2021
(unaudited)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Academic buildings	37	37	34	34	34	35	34	34	34	34
Square footage (in thousands)	1,129	1,129	921	897	897	914	894	894	875	875
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	114	114	114	114	114	114	114	114	114	114
Number of Volumes (in thousands)	187	187	187	187	187	187	187	187	187	187
Administrative and support buildings	7	7	7	7	7	7	7	7	7	7
Square footage (in thousands)	253	253	253	253	253	253	253	237	237	237
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	6	6	6	6	6	6	6	6	6	6
Square footage (in thousands)	70	70	70	70	70	70	70	70	70	70
Transportation										
Cars	20	22	22	7	4	9	33	53	69	8
Light Trucks/Vans	74	81	81	63	55	50	43	37	68	47
Buses	3	3	3	2	0	0	1	1	1	2

Source: Del Mar College Physical Facilities Building Report

Del Mar College
Statistical Supplement 19
Changes in Net Position
Fiscal Years 2012 to 2021
(unaudited)

For the Year Ended August 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues:										
Tuition and Fees (net of discounts)	\$ 11,890,143	\$ 12,540,731	\$ 12,574,086	\$ 12,528,094	\$ 12,755,431	\$ 11,975,986	\$ 10,878,328	\$ 10,683,123	\$ 9,681,161	\$ 14,874,912
Federal Grants and Contracts	2,180,811	2,182,843	2,103,407	3,181,036	3,268,403	4,650,416	5,423,812	3,255,877	3,465,361	3,657,769
State Grants and Contracts	2,646,861	2,128,904	2,399,247	2,341,669	3,717,804	4,334,183	3,090,218	2,021,264	1,613,439	1,480,295
Local Grants and Contracts	3,761,525	1,800,395	1,403,419	523,681	547,774	2,211,054	592,945	1,043,836	837,213	1,779,174
Auxiliary Enterprises (net of discounts)	491,537	1,078,975	1,675,087	1,390,301	1,248,486	1,323,238	1,507,338	1,397,476	1,373,947	1,606,639
General Operating Revenues	2,247,918	2,924,699	3,605,925	2,187,741	1,767,755	2,304,931	1,378,951	1,357,212	1,172,798	1,233,891
Total Operating Revenues	23,218,795	22,656,547	23,761,171	22,152,522	23,305,653	26,799,808	22,871,592	19,758,788	18,143,919	24,632,680
Operating Expenses:										
Instruction	47,091,274	48,349,080	46,483,218	46,536,019	43,908,899	39,580,321	36,440,531	35,017,334	33,765,746	34,475,078
Public Service	150,811	94,985	154,635	151,245	129,056	110,626	21,290	14,146	21,359	24,975
Academic Support	7,201,562	7,913,959	7,531,038	7,734,321	7,189,179	6,946,425	6,193,494	5,553,605	4,984,898	4,829,859
Student Services	19,210,872	17,319,456	15,348,900	15,662,326	16,486,986	18,039,997	16,105,881	12,295,001	12,439,289	10,905,844
Institutional Support	23,298,859	23,607,141	21,194,945	20,887,777	19,429,845	18,690,329	16,792,500	16,637,302	15,235,208	15,440,078
Operating and Maintenance of Plant	7,572,279	9,859,544	9,022,898	8,785,591	10,128,134	9,701,525	8,770,592	8,112,724	7,597,543	7,748,373
Scholarships and Fellowships	12,005,369	6,667,609	5,939,657	5,825,627	5,905,955	5,111,125	6,285,920	5,980,411	6,856,972	5,755,165
Auxiliary Enterprises	1,073,036	1,586,671	1,227,858	1,400,092	1,483,984	1,417,025	1,469,943	1,339,143	1,404,623	1,521,295
Depreciation	6,538,170	7,106,091	5,369,523	5,430,143	5,565,557	5,515,438	5,589,559	5,570,425	5,606,843	5,594,775
Total Operating Expenses	124,142,232	122,504,536	112,272,672	112,413,141	110,227,595	105,112,811	97,669,710	90,520,091	87,912,481	86,295,442
Operating Loss	\$ (100,923,437)	\$ (99,847,989)	\$ (88,511,501)	\$ (90,260,619)	\$ (86,921,942)	\$ (78,313,003)	\$ (74,798,118)	\$ (70,761,303)	\$ (69,768,562)	\$ (61,662,762)

Source: College Annual Financial Reports

Del Mar College
Statistical Supplement 19 (Continued)
Changes in Net Position
Fiscal Years 2012 to 2021
(unaudited)

For the Year Ended August 31

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Non-Operating Revenues (Expenses):										
State Appropriations	\$ 23,516,879	\$ 25,499,749	\$ 23,437,046	\$ 22,927,559	\$ 20,175,851	\$ 19,800,318	\$ 19,917,744	\$ 19,553,776	\$ 19,535,227	\$ 20,928,729
Maintenance Ad Valorem Taxes	57,023,250	58,318,766	54,449,297	51,688,633	47,179,178	46,704,072	43,341,908	40,524,142	37,311,571	35,581,594
Debt Service Ad Valorem Taxes	23,200,091	19,157,747	18,706,260	13,423,409	12,386,836	8,338,292	8,384,937	8,639,074	8,678,589	8,939,543
Federal Revenue, Non Operating	27,236,182	20,412,808	16,860,116	16,237,471	16,714,930	16,322,598	16,265,164	16,521,106	18,730,358	13,113,471
Gifts	-	-	-	-	-	-	-	-	-	60,517
Loss on Disposal of Capital Assets	(94,275)	(71,492)	(26,208)	(800,597)	(302,112)	(80,308)	(85,079)	(44,591)	(31,345)	(100,187)
Investment Income	726,037	3,442,061	5,754,478	2,308,152	1,107,980	337,362	205,840	197,482	216,246	347,282
Interest on Capital Related Debt	(10,531,662)	(9,945,074)	(8,951,490)	(5,284,975)	(5,075,351)	(4,090,597)	(3,961,174)	(4,441,005)	(4,399,676)	(4,570,120)
Other Non-Operating Revenues	2,331,401	26,697	37,368	28,316	11,704	21,428	30,022	144,164	173,864	155,367
Other Non-Operating Expenses	(11,500)	(6,999)	(7,299)	(1,024,243)	(299,981)	(6,000)	(2,750)	(2,800)	(1,600)	(1,450)
Net Non-Operating Revenues	123,396,403	116,834,263	110,259,568	99,503,725	91,899,035	87,347,165	84,096,612	81,091,348	80,213,234	74,454,746
Capital Contributions	829,997	60,434	5,000	689,500	65,500	59,513	151,333	97,300	836,140	60,000
Income Before Extraordinary Item	23,302,963	17,046,708	21,753,067	9,932,606	5,042,593	9,093,675	9,449,827	10,427,345	11,280,812	12,851,984
Restatements	-	-	-	-	-	-	-	-	-	(1,239,182)
Increase in Net Position	23,302,963	17,046,708	21,753,067	9,932,606	5,042,593	9,093,675	9,449,827	10,427,345	11,280,812	11,612,802
Net Position										
Net Position - Beginning of Year	93,285,921	76,239,213	54,486,146	130,861,035	125,815,870	116,722,195	117,743,992	107,316,647	96,035,835	84,423,033
Cumulative Effect of Change in Accounting Principle	-	-	-	(86,307,495)	-	-	(10,471,624)	-	-	-
Net Position - Beginning of Year - as restated	93,285,921	76,239,213	54,486,146	44,553,540	125,815,870	116,722,195	107,272,368	-	-	-
Net Position - End of Year	\$ 116,588,884	\$ 93,285,921	\$ 76,239,213	\$ 54,486,146	\$ 130,858,463	\$ 125,815,870	\$ 116,722,195	\$ 117,743,992	\$ 107,316,647	\$ 96,035,835

Source: College Annual Financial Reports

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

Calendar Year	Current Operations	Debt Service	Total
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
2013	0.5000	0.5000	1.0000
2012	0.5000	0.5000	1.0000
2011	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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Del Mar College District	0.288	0.280	0.281	0.282	0.259	0.246	0.248	0.248	0.251	0.258
Special Districts:										
Hospital District	0.112	0.112	0.112	0.118	0.121	0.127	0.127	0.130	0.137	0.148
Downtown Management District	0.300	0.300	0.300	0.300	0.300	0.370	0.370	0.370	0.370	0.370
Nueces County	0.308	0.307	0.308	0.309	0.304	0.304	0.304	0.313	0.331	0.341
Drainage District No. 2	0.340	0.354	0.355	0.349	0.338	0.333	0.333	0.334	0.350	0.390
Drainage District No. 3	0.146	0.146	0.146	0.193	0.193	0.193	0.030	0.193	0.178	0.189
South Texas Water Authority	0.087	0.086	0.087	0.087	0.085	0.083	0.083	0.083	0.085	0.085
Cities:										
Corpus Christi	0.646	0.646	0.646	0.626	0.606	0.606	0.606	0.606	0.585	0.585

Source: Nueces County Tax Office as of valuation year

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
School Districts:										
Calallen ISD	1.243	1.311	1.311	1.403	1.375	1.375	1.375	1.375	1.358	1.359
Corpus Christi ISD	1.256	1.270	1.270	1.305	1.237	1.237	1.237	1.237	1.237	1.237
Flour Bluff ISD	1.066	1.070	1.070	1.140	1.145	1.150	1.154	1.154	1.168	1.178
London ISD	1.317	1.347	1.348	1.304	1.349	1.357	1.357	1.356	1.395	1.251
Port Aransas ISD	0.995	1.054	1.055	1.118	1.118	1.118	1.118	1.118	1.126	1.126
Tuloso Midway ISD	1.175	1.213	1.214	1.372	1.372	1.409	1.409	1.377	1.394	1.317
West Oso ISD	1.300	1.408	1.408	1.450	1.450	1.450	1.450	1.450	1.370	1.370
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	0.026
Fire District No. 3	0.094	0.100	0.100	0.100	0.100	0.030	0.030	0.030	0.030	0.030
Fire District No. 4	0.100	0.100	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	0.030	0.030	0.030	0.030	0.030	0.030	0.030
TOTAL:	10.93	11.280	11.341	11.716	11.612	11.648	11.491	11.634	11.625	11.490

Source: Nueces County Tax Office as of valuation year

Del Mar College
Statistical Supplement 22
Computation of Direct and Overlapping Debt
August 31, 2021
(unaudited)

Bonded Debt of Individual Governmental Subdivisions:	Estimated Gross Debt	Percent Applicable	Applicable to Direct
Special Districts:			
Nueces County	\$ 175,005,000	82.87%	\$ 145,026,644
City:			
Corpus Christi	456,145,000	99.19%	452,450,226
School Districts:			
Calallen ISD	69,860,000	100.00%	69,860,000
Corpus Christi ISD	706,410,046	100.00%	706,410,046
Flour Bluff ISD	53,259,986	100.00%	53,259,986
London ISD	31,261,298	38.65%	12,082,492
Port Aransas ISD	7,328,000	8.68%	636,070
Tuloso-Midway ISD	52,394,378	100.00%	52,394,378
West Oso ISD	30,658,000	100.00%	30,658,000
Sub-total direct and overlapping debt	1,582,321,708		1,522,777,841
Del Mar College District	278,040,000	100.00%	278,040,000
Total direct and overlapping debt	\$ 1,860,361,708	96.80%	\$ 1,800,817,841

Source: Debt outstanding data provided by each entity



This page intentionally left blank.

Federal and State Award Section





This page intentionally left blank.

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 8, 2021

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, 2021 and 2020 and June 30, 2021 and 2020, 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 8, 2021.

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) to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's basic 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 determination of financial statement amounts. 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 8, 2021

Board of Regents
Del Mar College District
Corpus Christi, Texas

Report on Compliance for Each Major Federal Program

We have audited the Del Mar College District's (the College's) compliance with the types of compliance requirements described 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, 2021. The College's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the College's compliance.

Opinion on Each Major Federal Programs

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, 2021.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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, 2021

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

 Cares Act Cluster:

 Higher Education Emergency Relief Fund

- 84.425E CARES Act- Student Portion
- 84.425F CARES Act- Institutional Support
- 84.425L CARES Act- Minority Serving Institution

Texas Higher Education Coordinating Board

- 84.048 Carl Perkins Vocational Education-Basic

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

DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2021

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	\$499,857	-	\$ 499,857	-
Federal College Workstudy Program	84.033	(496)	-	(496)	-
Federal Pell Grant	84.063	14,704,245	-	14,704,245	-
Direct Student Loans	84.268	2,579,478	-	2,579,478	-
Total Student Financial Assistance Cluster		17,783,084	-	17,783,084	-
CARES Act Higher Education Emergency Relief Fund Cluster:					
CARES Act-Student Portion	84.425E	6,586,112	-	6,586,112	-
CARES Act-Institutional Portion	84.425F	4,279,272	-	4,279,272	-
CARES Act-Minority Serving Institution	84.425L	245,179	-	245,179	-
Total CARES Act Cluster		11,110,563	-	11,110,563	-
Title V Cluster					
Viking Connect: Academic and Career Coaching	84.031S	294,729	-	294,729	-
Project SENDA	84.031S	381,397	-	381,397	-
Total Title V Cluster		676,126	-	676,126	-
TRIO Upward Bound					
TRIO Student Support Services	84.047V	350,597	-	350,597	-
Child Care Access	84.042A	160,337	-	160,337	-
	84.335A	40,211	-	40,211	-
Total		551,145	-	551,145	-
Pass-Through From:					
Texas Higher Education Coordinating Board:					
Carl Perkins Vocational Education-Basic - 19204	84.048	-	594,622	594,622	-
Governor's Emergency Education Relief	84.425C	-	73,419	73,419	-
Texas State University:					
Career & Financial Education - 16002-82458-1	84.031S	-	39,672	39,672	-
Texas Workforce Commission:					
Accelerate TX - 2219AEL001	84.002A	-	228,419	228,419	-
Ability to Benefit - 2219AEL000	84.002A	-	46,764	46,764	-
Total Workforce Commission		-	275,183	275,183	-
Total of U.S. Department of Education		30,120,918	982,896	31,103,814	-
U.S. DEPARTMENT OF AGRICULTURE					
Pass-Through From:					
Texas A&M University-Corpus Christi					
National Institute of Food and Agriculture 17-08	10.223	-	2,370	2,370	-
Texas State Department of Agriculture					
Child & Adult Care Food Program - 02190	10.558	-	11,355	11,355	-
Total U.S. Department of Agriculture		-	13,725	13,725	-
U.S. DEPARTMENT OF DEFENSE					
Direct Program:					
Procurement Technical Assistance of Business Firms					
SP4800-16-2-1787	12.002	204,071	-	204,071	-
Procurement Technical Assistance of Business Firms					
SP4800-18-2-1887	12.002	110,536	-	110,536	-
Total U.S. Department of Defense		314,607	-	314,607	-

DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2021

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	
NATIONAL SCIENCE FOUNDATION					
Direct Programs:					
Education and Human Resources Cluster					
Unmanned Aircraft Systems Technology Education	47.076	3,470	-	3,470	-
STELLAR-Technical Workforce in South Texas	47.076	54,384	-	54,384	-
Robert Noyce Teacher Scholarship Program	47.076	4,152	-	4,152	-
Total Education and Human Resources Cluster		62,006	-	62,006	-
Pass-Through From:					
Austin Community College - AC2 - NSF 1501207	47.076	-	1,229	1,229	-
The Board of Regents of the University of Oklahoma	47.050	-	48,147	48,147	-
Total National Science Foundation		62,006	49,376	111,382	-
U.S. SMALL BUSINESS ADMINISTRATION					
Pass-Through From:					
University of Texas at San Antonio					
Small Business Administration - Z0049-32-DMC	59.006	-	15,807	15,807	-
Small Business Development Center - 8-603001	59.037	-	180,679	180,679	-
Small Business Development Center - OSBDC-COVID-2020-1	59.037	-	203,343	203,343	-
Total Small Business Administration		-	399,829	399,829	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Pass-Through From:					
Texas Workforce Commission					
Temporary Assistance for Needy Families-Code Camp - 2221TAN002	93.558	7,237	-	7,237	-
Total U.S. Department of Health and Human Services		7,237	-	7,237	-
U.S. DEPARTMENT OF HOMELAND SECURITY					
Pass-Through From:					
Texas Department of Public Safety					
Public Assistance Grant-COVID-19	97.036	45,877	-	45,877	-
Total U.S. Department of Homeland Security		45,877	-	45,877	-
Total Federal Financial Assistance		\$ 30,550,645	\$ 1,445,826	\$ 31,996,471	\$ -

DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2021

Note 1: Federal Assistance Reconciliation

Other Operating Revenue-Federal Grants and Contracts revenue - per Schedule A	\$ 2,180,811
Add: Non-Operating Revenues-Federal Revenue, non-operating-per Schedule C	<u>27,236,182</u>
Total Federal Revenues per Schedule A and C	\$ <u>29,416,993</u>

Reconciling Item:

Add: Direct Student Loans	<u>2,579,478</u>
Total Federal Expenditures per Schedule of Expenditures and Federal Awards	\$ <u>31,996,471</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 minimus cost rate 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



This page intentionally left blank.

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 8, 2021

Board of Regents
Del Mar College District
Corpus Christi, Texas

Report on Compliance for Each Major State Program

We have audited the Del Mar College District's (the College's) compliance with the types of compliance requirements described 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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with the state statutes, regulations, and terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning. Those standards and the Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the College's compliance.

Opinion on Each Major State Program

In our opinion, the College complied, in all material respects, with the 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, 2021.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 *State of Texas Single Audit 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, 2021

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 Grant Program	
Texas Workforce Commission: Apprenticeship Training Program	
Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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

DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2021

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Texas College Work Study	22339	\$11,003
Texas Grant Program	13399	780,358
Nursing Shortage Reduction	13129	115,687
Nursing Shortage Over 70		178,830
Workstudy Mentorship	15555	3,229
Nursing Innovation Grant Program	23783	59,124
Total Texas Higher Education Coordinating Board		<u>1,148,231</u>
TEXAS WORKFORCE COMMISSION		
TWC CC Polymers	2220SDF001	272,924
Bay Area Healthcare	2219SDF001	99,308
TWC Skills COVID-19	2220COS001	105,107
Total Skills Development		<u>477,339</u>
Apprenticeship Training Program	2219ATP000	441,528
Jobs and Education for Texans Grant Program	2220JET002	260,039
Total Workforce Commission		<u>1,178,906</u>
OFFICE OF THE GOVERNOR-PUBLIC SAFETY OFFICE		
Coastal Bend Council of Governors	1465917	118,155
UNIVERSITY OF TEXAS AT SAN ANTONIO		
Small Business Development	8-603001-Z-0049-32-DMC	102,569
SBDC Rural	8-603001-Z-0049-32-DMC	99,000
Total University of Texas at San Antonio		<u>201,569</u>
Total State Financial Assistance		<u><u>\$ 2,646,861</u></u>

DEL MAR COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2021

Note 1: State Assistance Reconciliation

State Revenues-per Schedule A	
State Financial Assistance	
Per Schedule of expenditures of state awards	2,646,861

Total State Revenues per Schedule A \$ 2,646,861

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.



This page intentionally left blank.



*Del Mar College is an Equal
Opportunity/Affirmative Action Employer and
Educational Institution.*

*The College takes affirmative action to
endeavor that no person shall be denied the
benefits of equal employment or be subjected to
discrimination in employment or educational
programs and activities of Del Mar College on
the basis of race, color, sex (including
pregnancy, gender identity/transgender status,
sexual orientation), age, national origin,
religion, disability, or any other constitutionally
or statutorily impermissible reason.*

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