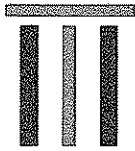


TARRANT COUNTY COLLEGE FOUNDATION

FINANCIAL REPORT

AUGUST 31, 2007



**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tarrant County College Foundation

We have audited the accompanying statements of financial position of Tarrant County College Foundation (the Foundation) as of August 31, 2007 and 2006 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tarrant County College Foundation as of August 31, 2007 and 2006 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 23, 2008

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**TARRANT COUNTY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and cash equivalents	\$ 144,366	\$ 487,607
Pledges receivable	4,375	8,750
Investments	<u>1,985,901</u>	<u>1,226,183</u>
Total assets	<u>\$ 2,134,642</u>	<u>\$ 1,722,540</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 54,564	\$ 12,300
Due to affiliate	<u>-</u>	<u>27,550</u>
Total liabilities	54,564	39,850
NET ASSETS		
Unrestricted	518,463	359,549
Temporarily restricted	133,417	96,958
Permanently restricted	<u>1,428,198</u>	<u>1,226,183</u>
Total net assets	<u>2,080,078</u>	<u>1,682,690</u>
Total liabilities and net assets	<u>\$ 2,134,642</u>	<u>\$ 1,722,540</u>

**TARRANT COUNTY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED AUGUST 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues		
Gifts	\$ 552,248	\$ 308,547
Investment return	23,165	9,420
Net assets released from restrictions for satisfaction of programs	<u>50,681</u>	<u>84,783</u>
Total revenues	626,094	402,750
Expenses		
Scholarships and support of College	100,500	143,283
General and administrative	<u>366,680</u>	<u>227,289</u>
Total expenses	<u>467,180</u>	<u>370,572</u>
Change in unrestricted net assets	158,914	32,178
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Revenues		
Gifts	47,132	52,933
Investment return	40,008	25,801
Net assets released from restrictions for satisfaction of programs	<u>(50,681)</u>	<u>(84,783)</u>
Change in temporarily restricted net assets	36,459	(6,049)
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Revenues		
Gifts	197,841	86,089
Investment return	<u>4,174</u>	<u>2,495</u>
Change in permanently restricted net assets	<u>202,015</u>	<u>88,584</u>
Change in net assets	397,388	114,713
Net assets at beginning of year	<u>1,682,690</u>	<u>1,567,977</u>
Net assets at end of year	<u><u>\$ 2,080,078</u></u>	<u><u>\$ 1,682,690</u></u>

**TARRANT COUNTY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 397,388	\$ 114,713
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Restricted gifts and grants received	(202,015)	(88,584)
Net appreciation in fair value of investments	(7,947)	-
Gifts of securities	(35,775)	-
Changes in operating assets and liabilities		
Pledges receivable	4,375	8,750
Accounts payable and accrued liabilities	42,264	11,800
Due to affiliate	(27,550)	22,870
	<u>170,740</u>	<u>69,549</u>
Net cash provided by operating activities	170,740	69,549
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	41,311	-
Purchases of investments	(714,943)	(88,584)
Reinvestment of investment income	(42,364)	-
	<u>(715,996)</u>	<u>(88,584)</u>
Net cash used in investing activities	(715,996)	(88,584)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for investment in endowment	202,015	88,584
	<u>202,015</u>	<u>88,584</u>
Net cash provided by financing activities	202,015	88,584
Net change in cash and cash equivalents	(343,241)	69,549
Cash and cash equivalents at beginning of year	<u>487,607</u>	<u>418,058</u>
Cash and cash equivalents at end of year	<u>\$ 144,366</u>	<u>\$ 487,607</u>

**TARRANT COUNTY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. NATURE OF OPERATIONS

Tarrant County College Foundation (the Foundation) is an affiliate of Tarrant County College District (the College). The Foundation's sole purpose is to solicit and administer philanthropic gifts for the benefit of the College. The Foundation is supported through grants, contributions and fundraising activities primarily from sources within the geographic area in which it is located.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by the passage of time or accomplishment of a purpose.

Unrestricted net assets - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Cash Equivalents

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents unless held subject to restrictions that require them to be used for endowment.

**TARRANT COUNTY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

Investments are recorded at their fair market value. Donated investments are recorded at fair value at the date of gift.

Income Taxes

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for Federal income tax.

Concentrations of Credit Risk

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows at August 31:

Unconditional promises expected to be collected in:

	2007	2006
Less than one year	\$ 4,375	\$ 4,375
One year to five years	-	4,375
	\$ 4,375	\$ 8,750

Management considers all contributions to be fully collectible. The present value of cash flows from recorded promises to give does not vary significantly from the stated value. Accordingly, no discount has been recorded.

**TARRANT COUNTY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 4. INVESTMENTS

Investments at fair value at August 31 were as follows:

	<u>2007</u>	<u>2006</u>
Money Market	\$ 171,840	\$1,226,183
Bonds	541,196	-
Exchange-traded Funds	279,255	-
Mutual funds	<u>993,610</u>	<u>-</u>
	<u>\$1,985,901</u>	<u>\$1,226,183</u>

Investment return for the years ended August 31 was composed of:

	<u>2007</u>	<u>2006</u>
Realized loss on mutual funds	\$ (184)	\$ -
Unrealized gains	8,131	-
Interest and dividends	<u>59,400</u>	<u>37,716</u>
	<u>\$ 67,347</u>	<u>\$ 37,716</u>

NOTE 5. RELATED PARTY TRANSACTIONS

The College employs individuals whose duties and responsibilities relate solely to the furtherance of the objectives of the Foundation. Additionally, the Foundation utilizes office space for program services that is provided at no charge by the College. The fair value of donated services and rent provided in this manner to the Foundation was included in the statements of activities at the estimated values of \$261,163 and \$12,760, respectively, for the year ended August 31, 2007, and \$170,424 and \$11,830, respectively, for the year ended August 31, 2006. Also included in the statements of activities for the years ended August 31, 2007 and 2006 is \$83,803 and \$24,449, respectively, related to supplies and other administrative expenses paid by the College on behalf of the Foundation.

Amounts due to the College, primarily for scholarships paid on the Foundation's behalf, are included on the statement of financial position as due to affiliate.