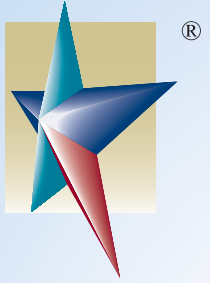


**Tarrant  
County  
College  
District**



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Years Ended  
August 31, 2016 and 2015**

**Tarrant County College District  
Texas**



## Comprehensive Annual Financial Report

For the Fiscal Years Ended  
August 31, 2016 and 2015

**Prepared by:**

**Finance Department  
Tarrant County College District  
Texas**

**Tarrant County College District  
Comprehensive Annual Financial Report  
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**INTRODUCTORY SECTION**

# CHANCELLOR'S LETTER

## **Eugene V. Giovannini, Ed.D.** **Chancellor**



December 14, 2016

To the Board of Trustees:

I am pleased to share the Comprehensive Annual Financial Report with you and with our community. Through this report, you will get a detailed picture of the District's financial operations for fiscal year 2016, which ended on August 31, 2016.

Having joined TCC as its fifth chancellor on August 22, 2016 – just ten days before the end of the 2015-2016 fiscal year – it was immediately evident that Tarrant County College is a resilient institution and one that is steadfastly committed to excellence.

This past May, TCC recognized a record number of graduates at its 48<sup>th</sup> Commencement ceremonies, awarding certificates and diplomas to more than 2,000 students who participated in the day's two ceremonies. Approximately 7,135 students were eligible to receive associate degrees and certificates. Of those, 35 students became the first graduates of TCC's Weekend College. This group included 10 students from the original cohort that began in 2014 when TCC Connect introduced Weekend College. Further, TCC ranks #5 nationally for the total number of associate degrees awarded in all disciplines and, when combined with four-year schools, TCC ranks #9 among all U.S. colleges that confer associate degrees. We also rank as a top certificate producer, ranking #27 in conferring one-year certificates in all disciplines. This distinction is particularly important given the important role TCC plays in developing skilled workers to meet increased workforce demands regionally and nationally. All these accomplishments are especially noteworthy because they occurred in the midst of leadership transition at the institution.

TCC also has a history of developing and growing programs that ensure all students have access to a high quality, affordable education. With the inception of TCC Connect, and its subsequent accreditation in 2016 as a TCC campus, we have grown our online programs significantly so that students who work full-time can still work to complete their associate degrees. Data from the most recent report from the National Center for Education Statistics' Integrated Postsecondary Education Data System ranked TCC in the Top 10 online

To the Board of Trustees  
Tarrant County College District

colleges in Texas, out of 173 colleges and universities offering online classes. Criteria for this distinction included number of programs offered, percentage of students participating in online classes and other dimensions related to resource materials and credit for AP and military training. Clearly, TCC is meeting a market need and we will continue to explore opportunities that help develop students to their fullest potential.

It is clear how important TCC is to the greater Tarrant County community, and I'm a believer in education as a powerful economic engine. We will look for every opportunity to ensure that TCC is not just offering programs to meet our workforce needs today, but to anticipate future demands. Together, we will be ready. TCC's leadership, faculty and staff remain focused on the things that matter most: student success, institutional excellence and community impact. This report will provide a more detailed account and will give you continued confidence in the important role TCC plays in the health of our community.

Sincerely,

A handwritten signature in cursive script, reading "Eugene V. Giovannini".

Eugene V. Giovannini, Ed.D.  
Chancellor



# TRANSMITTAL LETTER

FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015

December 14, 2016

To: Chancellor Eugene Giovannini,  
Members of the Board of Trustees, and  
The Citizens of the Tarrant County College District

The comprehensive annual financial report of the Tarrant County College District for the fiscal year ended August 31, 2016, is hereby submitted.

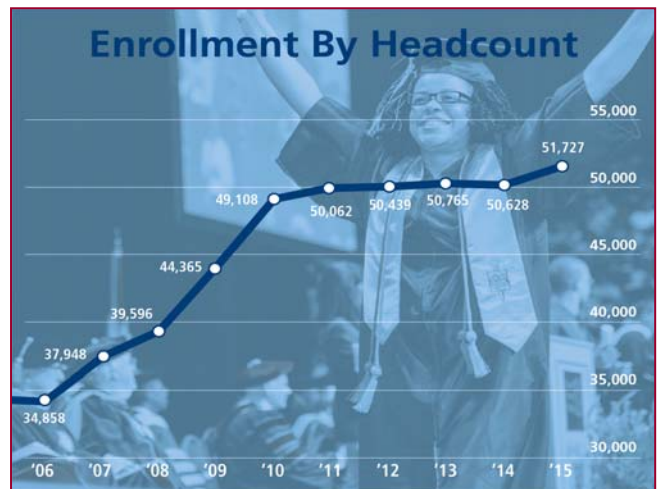
The purpose of this report is to provide detailed information concerning the financial condition and performance of the District. Responsibility for the preparation and integrity of the financial information and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

## Comprehensive Annual Financial Report

The Tarrant County College District's comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2016 was prepared by the Finance Department. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with Annual Financial Reporting Requirements for Texas Public Community Colleges as set forth by the Texas Higher Education Coordinat-

ing Board. The Notes to the Financial Statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the District and other necessary disclosures of important matters relating to the financial position of the District. The notes are treated as an integral part of the financial statements and should be read in conjunction with them. Further, this letter of transmittal and the financial statements should be read in conjunction with the Management's Discussion and Analysis (pages 4-11), which focuses on current activities, decisions, and currently known facts to provide an overview of the financial statements and reasons for significant changes from the prior year.

The independent firm of certified public accountants of Weaver and Tidwell, L.L.P., was engaged to audit the financial statements and related notes and issue a report thereon. They have informed District management and the Board of Trustees that their audit was conducted in accordance with generally accepted auditing standards, which require a consideration of internal controls in determining audit procedures. The report of the independent auditors based upon





their audit of the financial statements is included in the financial section of this report.

The District is required to undergo an annual federal single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and an annual state single audit in conformity with the Texas Governor's Office of Budget and Planning *Uniform Grant Management Standards Single Audit Circular*. Information related to these single audits, including the schedule of federal expenditures of awards, schedule of state expenditures of awards, and auditor's reports on compliance and on internal controls is included in the federal and state single audit sections of this report.

## Organization of District

Through an election held in Tarrant County, Texas, on July 31, 1965, the Tarrant County College District was established as a public community college and operates under the laws of the State of Texas. The Board of Trustees, consisting of seven elected individuals, maintains oversight responsibility and governs the District. The Board of Trustees has no financial accountability for Tarrant County or other Tarrant County districts and, accordingly, only financial data for the Tarrant County College District is included in this report.

## Mission and Values

As a comprehensive two-year institution, Tarrant County College is dedicated to providing affordable and open access to quality teaching and learning. The District actualizes its mission through a broad variety of programs, services, and partnerships that include university transfer programs; economic and workforce development programs; technical programs; developmental courses; adult literacy courses; continuing education and community services; and, an extensive curriculum covering more than 70 fields of study. TCC's programs and services are delivered by highly qualified and committed faculty and staff who employ appropriate technology, equipment and



learning resources; innovative modes of instruction; and student support services to foster student success. Partnerships with other organizations as well as area businesses complement TCC's programs by helping students enter the workforce quickly, thus contributing to the economic health of the community. Finally, TCC maintains an unwavering focus on institutional excellence and regularly pursues opportunities to improve programs, processes and systems to ensure the District is operating in the most effective and efficient manner possible to benefit students and those who serve them.

## Economic Condition and Outlook

Located in North Central Texas, Tarrant County is the nation's sixth-fastest growing county with a population just shy of two million people, according to the most recent U.S. census data. Home to several major corporations including American Airlines, BNSF Railway, Pier 1 Imports and GE Manufacturing Solutions, among others, Tarrant County represents an ideal location for business due to its proximity to Dallas-Fort Worth International Airport and Alliance Airport, as evidenced by growth in number of fulfillment and distribution centers planned for the area. This vibrant business community, fueled by more than 30,000 companies, provides meaningful employment opportunities. In August 2016, the unemployment rate for Tarrant County was 4.2%, as compared to 5.0% for Texas and 4.9% nationwide. Having steadily risen over the last 20 years, employment in Fort Worth alone is forecast to grow by 1.5 percent annually through 2030.

## TCCD Priorities

What started in 1965 as a single-campus junior college has evolved to become one of the 20-largest higher education institutions in the nation. Each year, one out of every 21 Tarrant County residents is enrolled at TCC. Today Tarrant County College is six campuses strong and serves more than 100,000 students each year, spanning all age groups and representing more than 50 countries.

With continued demand for workforce development, and against the larger focus on economic and other obstacles facing students wishing to pursue higher education, TCC remains committed to fostering the greatest-possible levels of student success, institutional excellence and community impact. These commitments shape every new program or initiative TCC introduces and provide the yardstick against which the District measures its effectiveness.

## Student Success: Measured by Retention, Completion and Graduation

At its 48th commencement event, TCC awarded a record number of certificates and diplomas. The total population of students eligible to receive certificates or diplomas included new or expanded groups, namely TCC's early college high school graduates and the first Weekend College cohort of 35 students.



Additionally, numbering 17 members, the first class from TCC's new Professional Pilot Program graduated in May 2016 with Associate of Applied Science degrees, helping meet growing demand in North Texas and beyond for commercial pilots. The two-year Professional Pilot Program allows students to earn Federal Aviation Administration (FAA) certifications, licenses and rating as well as transferable college credit. TCC is the only institution of higher education in North Texas with professional pilot training. Program curriculum combines classroom learning with simulation training and in-flight practice.

## Institutional Excellence: Measured by Relevant Growth and Achievement

TCC Connect, originally launched as an administrative division that manages the College's eLearning and Weekend College programs, received accreditation from the Southern Association of Colleges and Schools Commission on Colleges as a sixth TCC campus. Accreditation provides assurance that TCC's online offerings meet the same standards for quality, rigor and transferability as its face-to-face programs. As part of the accreditation, TCC Connect became authorized to offer 18 degrees fully online in the areas of Business and Office Technology. From fall 2014 to fall 2015, TCC Connect's Weekend College enrollment grew by 273 percent, underscoring the important role TCC Connect plays in helping non-traditional students to access college courses.

The Accreditation Commission for Education in Nursing (ACEN) awarded TCC full reaccreditation for its nursing program. TCC met all six accreditation standards that were verified during the ACEN evaluators' three-day intensive site visit in February 2016. TCC introduced its nursing program in 1967 with just 25 students. The college relocated the program to Trinity River Campus East: Center for Health Care Professions in 2011 to accommodate the continued growth of the program, which this year counts approximately 550 students enrolled. TCC's nursing program graduation rate averages 85 percent and of all community college nursing programs in the state,



only two had more students sit for the National Council Licensure Examination (NCLEX-RN® exam) than TCC.

Illustrating the connection between healthy bodies and healthy minds, TCC became the first college to earn recognition by Blue Zones Project, Fort Worth, a community-led well-being initiative to make wellness a priority. To achieve Blue Zones Project approval, worksites must fulfill the requirements of the Blue Zones Project Worksite Pledge, which includes implementing best practices in physical surroundings, employee engagement, policies and benefits and leadership. Launched in 2015, TCC's worksite initiatives centered on adding movement to employees' routines, creating healthier and tastier campus food offerings, helping employees manage stress and building stronger connections among employees. More than 25 percent of TCC's employees signed a Blue Zones Project Personal Pledge when the initiative was introduced.

### **Community Impact: Measured by Partnerships That Enhance Access**

TCC and the University of Texas at Arlington established a partnership to strengthen the workforce by increasing the number of North Texans who have a college degree. The Early Transfer Identification Program (E-TIP) enables the two institutions to identify potential transfer students early in their academic careers, create a UTA admissions record for prospective transfer students and guide each student along a clear pathway to a college degree. The program is

expected to streamline the UTA application process for participating TCC students and will help them achieve an affordable four-year degree at a predictable cost. Of significance is the fact that first-time-in-college students will be eligible for the guaranteed tuition plan at UTA, which provides for tuition at UTA to remain at a constant rate for the four years from the students' start at TCC. The E-Tip program represents a critical component of Tarrant County's response to the state's 60x30TX plan, which calls for at least 60 percent of Texans ages 25 to 34 to have a college degree or a certificate by 2030. Currently, about 38.5 percent of young Texans hold a degree or certificate.

Just after it acquired the Alliance Airport facility in 2012, Tarrant County College began working with the Fort Worth Transportation Authority to establish a bus route that would make it easier for students, faculty and staff to reach the facility. In August 2016, the FWTA announced two new routes to serve the Alliance area – one from the south and one from the north – beginning in September 2016. The additional transportation options are expected to help more students access the world-class programs offered at TCC's 163,500 square-foot Erma C. Johnson Hadley Northwest Center of Excellence for Aviation, Logistics and Transportation at Alliance Airport. This Center trains students for careers as pilots, aircraft maintenance specialists, dispatchers, distribution managers and more. Worldwide, the aviation industry is expected to need nearly 1.3 million new commercial pilots and maintenance technicians over the



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next 20 years. As the largest aviation education facility in Texas, TCC is poised to help meet this need.

Thanks to a grant funded by the U.S. Environmental Protection Agency, TCC recruited veterans and other unemployed or underemployed individuals to enroll in a 14-week wastewater treatment program at no cost. Through this program, students gained technical skills and knowledge to operate and maintain wastewater treatment plants. Those who completed the program will be eligible to apply for industry-recognized Texas Commission on Environmental Quality (TCEQ) licensure after fulfilling an internship and one year of work experience. Credentialed wastewater treatment plant and system operators are in high demand, both locally and nationally, with 10-year job growth of 22 percent expected in Tarrant County alone.

## Financial Information

### *Internal Controls*

District management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### *Single Audit*

As a recipient of federal, state, and local financial assistance, the District also is responsible for ensuring that adequate internal control is in place to comply with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and the independent auditors of the District. As a part of the District's single audits, described earlier, tests are made to determine the adequacy of the internal control, including that portion related to federal and state awards programs,

as well as to determine that the District has complied with applicable laws and regulations. The Schedules of Findings and Questioned Costs for the District's Federal and State Single Audits for the fiscal year ended August 31, 2016 are included on pages 105 and 111, respectively.

### *Budgeting Controls*

The District continues to apply budgetary controls and accounting on a fund basis. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the unrestricted current fund, auxiliary enterprises fund, and retirement of indebtedness fund are included in the annual appropriated budget. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances are re-appropriated as part of the next year's budget. All funds are included in the consolidated financial statements presented, although the funds are not separately reported in the CAFR under GASB 34 and 35.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### *Long-term Financial Planning*

TCC is continually forward thinking about ways to serve our community and students. And that also includes looking at future costs of potential new ideas, projects, and possible debt issuance. A financial model is used to project costs on a high level which allows planning for 5 or more years into the future.

## Debt Administration

Tarrant County College continues to be debt-free. In 1998, the Board of Trustees adopted a "pay-as-you-go" strategy to keep District indebtedness to a minimum and even now, debt-free, we expect this trend to continue. Current and planned capital expenditures will be funded from District investments or budget resources. As a result, Tarrant County citizens get

their money's worth – dollar for dollar – rather than seeing about a third of all capital outlay funds going to pay interest on bonds. Students are winners, too, as the District is able to add more and better facilities. This cash basis “pay-as-you-go” approach to capital funding is unique to TCCD among the 50 Texas public community colleges. Management’s Discussion and Analysis provides additional detail on implementation of the District’s financial strategy.

## Independent Audit

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. The District’s Board of Trustees selected the accounting firm of Weaver and Tidwell, L.L.P. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and Uniform Guidance and the State Single Audit related to the Uniform Grant Management Standards Single Audit Circular. The auditor’s reports related specifically to the single audits are included in the Single Audit Sections.

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2015. This was the twenty-fourth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

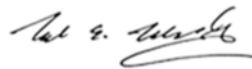
A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive

annual financial report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA in anticipation of another certificate.

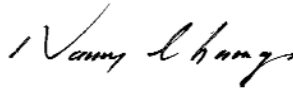
## Acknowledgments

We appreciate the diligent planning and oversight of the financial operations of the District by the Board of Trustees. We are particularly grateful to the Chancellor and the Chancellor’s Executive Leadership Team for providing the resources needed to prepare this financial report. Additional appreciation goes to employees of the Finance Department who contributed to the completion of this report. Finally, we wish to thank the accounting firm of Weaver and Tidwell, L.L.P., for its timely completion of the audit.

Sincerely,



Mark E. McClendon, Ed.D.  
Vice Chancellor for Finance



Nancy H. Chang, M.B.A.  
Associate Vice Chancellor for Finance



Stan L. Vick, C.P.A.  
Director of Accounting



Linzy R. Brannan, C.P.A.  
Chief Accountant



Government Finance Officers Association

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

Presented to

**Tarrant County College District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2015**

Executive Director/CEO

# Tarrant County College District Elected Officials August 31, 2016



Louise Appleman  
President of the Board  
Term Expires: May 2019



Conrad C. Heede  
Vice President of the Board  
Term Expires: May 2021



O.K. Carter  
Secretary of the Board  
Term Expires: May 2017



Bill Greenhill  
Assistant Secretary of the Board  
Term Expires: May 2017



Teresa Ayala  
Member of the Board  
Term Expires: May 2021



Gwendolyn Morrison  
Member of the Board  
Term Expires: May 2019



Diane Patrick  
Member of the Board  
Term Expires: May 2017

# Tarrant County College District Principal Officials August 31, 2016

## Administrative Officials

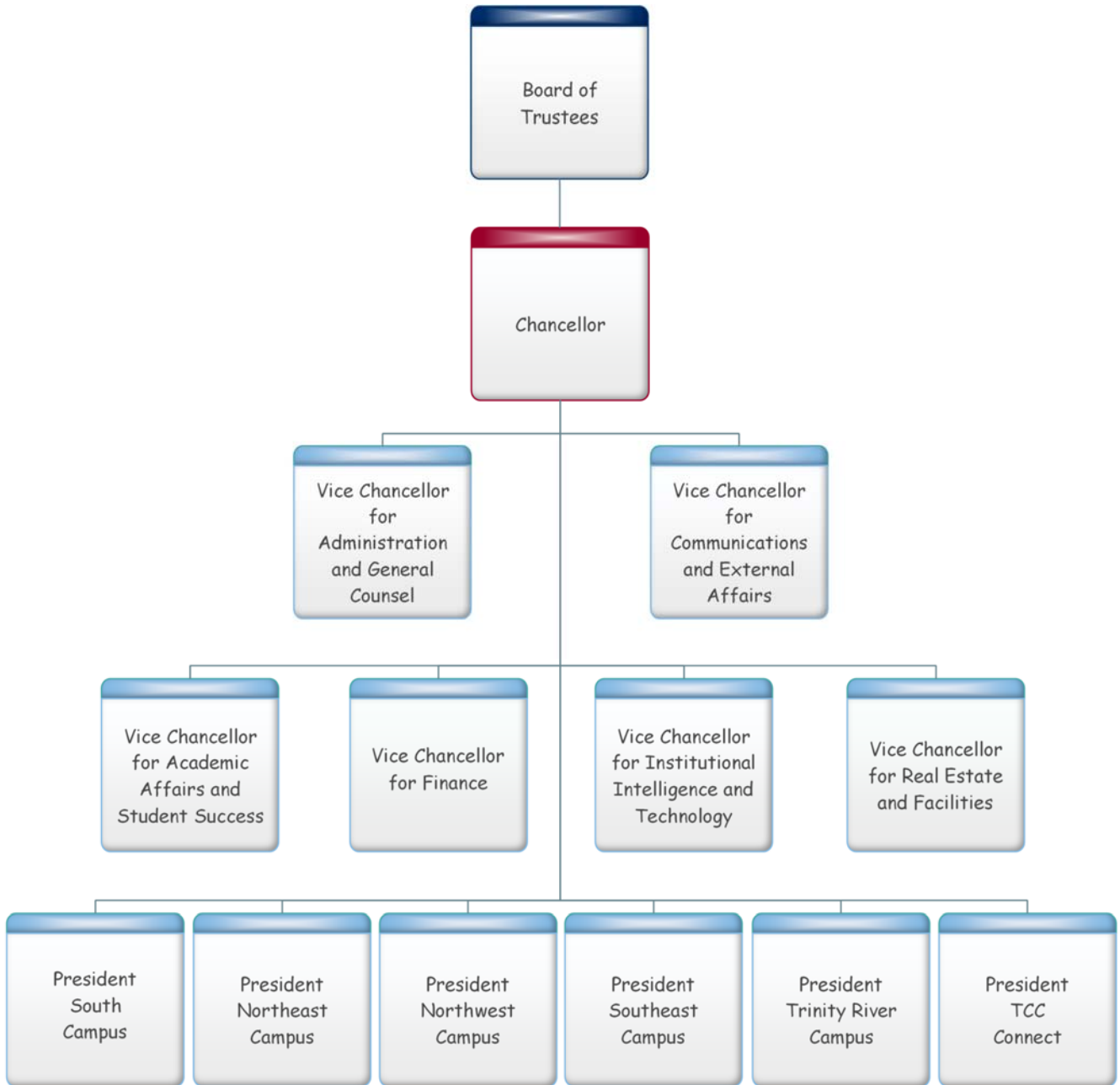
Chancellor	Eugene V. Giovannini, Ed.D.
Vice Chancellor for Academic Affairs and Student Success	Joy Gates Black, Ed.D.
President, Southeast Campus	Bill Coppola, Ph.D.
Vice Chancellor for Communications and External Affairs	Reginald Gates, M.Ed.
President, Northeast Campus	Allen Goben, Ed.D.
President, South Campus	Peter Jordan, Ed.D.
President, Northwest Campus	Elva C. LeBlanc, Ph.D.
President, Trinity River Campus	S. Sean Madison, Ed.D.
Vice Chancellor for Finance	Mark McClendon, Ed.D.
President, TCC Connect Campus	Carlos Morales, Ph.D.
Vice Chancellor for Real Estate and Facilities	Nina Petty, B.B.A.
Vice Chancellor for Administration and General Counsel	Angela Robinson, J.D.
Interim Vice Chancellor for Institutional Intelligence and Technology	Maria Shelton, M.B.A.

## Finance Officials

Associate Vice Chancellor for Finance	Nancy H. Chang, M.B.A.
Director of Accounting	Stan L. Vick, C.P.A.
Chief Accountant	Linzy R. Brannan, C.P.A.



# Tarrant County College District Chancellor's Executive Leadership Team



**FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Tarrant County College District

### **Report on the Financial Statements**

We have audited the accompanying Statements of Net Position of Tarrant County College District (the District) as of August 31, 2016 and 2015, the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the years then ended and the related notes to the financial statements.

### ***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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

To the Board of Trustees  
Tarrant County College District

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2016 and 2015, and the results of its operations and its cash flows 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 on pages 4 through 11, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District Contributions and Notes to Required Supplementary Information on pages 44 to 46 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 audits were conducted for the purpose of forming an opinion on the basic financial statements. The introductory section on pages i to xii, the statistical section on pages 57 to 95 and the additional financial information on pages 48 to 55 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are also presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The additional financial information and schedules of expenditures of federal and 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 audits 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 procedures in

To the Board of Trustees  
Tarrant County College District

accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional financial information and the schedules of expenditures of federal and 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 audits 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 14, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 14, 2016

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015

### Introduction

The following Management's Discussion and Analysis (MD&A) reviews the District's financial activity during the fiscal years ended August 31, 2016, 2015 and 2014. The MD&A is based on currently known facts, decisions, and conditions that have an impact on financial activities of the District and other key financial data as required by GASB 34. It should be read in conjunction with the transmittal letter (pages iii-viii), the District's basic financial statements (pages 12-15) and the notes to the financial statements (pages 16-42). Responsibility for the completeness and fairness of the information in this section rests with the District management.

### Understanding the Financial Statements

The financial statement presentation was mandated by Governmental Accounting Standards Board (GASB) Statement No. 34 and implemented by the District in fiscal 2002. For financial statement purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the District are presented using the economic measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated. (A detailed discussion of the reporting and accounting policies of the District may be found in Note 2 to the financial statements, pages 16-19.) The financial statements are comprised of the following components.

*Report of Independent Auditors* presents an unmodified opinion rendered by an independent certified public

accounting firm, Weaver and Tidwell LLP, on the fairness (in all material respects) of the financial statements.

*Statement of Net Position (SNP)* provides a snapshot of the District's assets, liabilities and deferred outflows and inflows of resources at the end of the fiscal year presented. The District's net position is the difference between: (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources, and is subdivided into three categories to indicate limitations on the use of net position:

- **Net Investment in Capital Assets** is not available for use since these are the resources that have been invested in capital assets such as land, buildings and improvements, and equipment of the District.
- **Restricted Net Position** is not accessible for general use because of third-party restrictions on the use of such assets.
- **Unrestricted Net Position** is available for general use as directed by the management of the District.

*Statement of Revenues, Expenses, and Changes in Net Position (SRECNP)* presents the revenues earned and the expenses incurred as a result of the District's operations during the fiscal year. Revenues and expenses are categorized as operating, non-operating, or other related activities in accordance with GASB 34 as interpreted by the Texas Higher Education Coordinating Board.

*Statement of Cash Flows (SCF)* presents information related to cash inflows and outflows summarized by operating, capital and non-capital financing, and investing activities. It provides relevant information when evaluating the financial viability of the District during the fiscal years ended August 31, 2016 and

2015. The SCF can be used to assess the District's ability to meet current and future financial obligations.

*Notes to the Financial Statements (Notes)* provide additional information to clarify and expand on the financial statements.

*Required Supplementary Information* is supporting information that the GASB has concluded is essential for placing basic financial statements and notes to basic financial statements in an appropriate operational, economic, or historical context.

*Supplementary Data* is supporting information that is not a required part of the basic financial statements but is presented for the purposes of additional analysis.

## Fiscal Year 2016 Financial Highlights

- In the fiscal year ended August 31, 2016, total District revenues exceeded total expenses by \$34.6 million as a result of careful budgeting, prudent fiscal management and conservation of resources.
- During the fiscal year, the District capitalized \$22.4 million of capital improvements on existing properties.

## Statement of Net Position

The Statement of Net Position includes all assets, liabilities, and deferred outflows and inflows of resources. Changes in net position that occur over time can indicate improvement or erosion of the District's financial condition when considered with non-financial facts such as enrollment levels, the condition of facilities, etc.

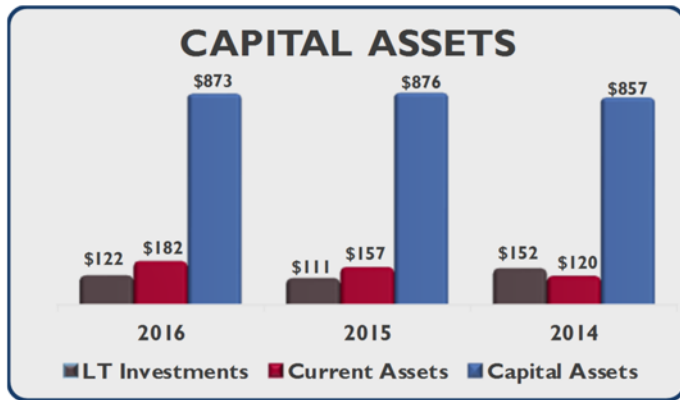
Total assets increased by \$33.7 million during fiscal year 2016, and \$14.8 million during fiscal year 2015 and total liabilities increased \$6.3 million for fiscal year 2016 and increased \$23.9 million for fiscal year 2015.

	2016	2015	2015-16 Change	2014	2014-15 Change
Current Assets	\$181.8	\$156.6	\$25.2	\$120.3	\$36.3
Non-Current Assets:					
Long-Term Investments	122.2	110.6	11.6	151.5	(40.9)
Capital Assets, net	873.2	876.3	(3.1)	856.9	19.4
<b>Total Assets</b>	<b>1,177.2</b>	<b>1,143.5</b>	<b>33.7</b>	<b>1,128.7</b>	<b>14.8</b>
Deferred Outflows	18.9	7.4	11.5		7.4
Current Liabilities	51.8	53.1	(1.3)	65.3	(12.2)
Non-Current Liabilities	52.9	45.3	7.6	9.2	36.1
<b>Total Liabilities</b>	<b>104.7</b>	<b>98.4</b>	<b>6.3</b>	<b>74.5</b>	<b>23.9</b>
Deferred Inflows	16.9	12.6	4.3		12.6
Net Investment in Capital Assets					
Assets					
Restricted	873.2	871.3	1.9	839.0	32.3
Unrestricted	6.5	6.8	(0.3)	8.9	(2.1)
	194.8	161.8	33.0	206.3	(44.5)
<b>Total Net Position</b>	<b>\$ 1,074.5</b>	<b>\$ 1,039.9</b>	<b>\$ 34.6</b>	<b>\$ 1,054.2</b>	<b>\$ (14.3)</b>

- **Current Assets** increased by \$25.2 million during fiscal year 2016, and increased by \$36.3 million during fiscal year 2015. The 2016 increase is primarily due to an increase in short-term investments. The 2015 increase is also attributable to an increase in short-term investments. Current assets consist mainly of cash, short-term investments, and receivables. Cash and short-term investments are maintained at levels necessary to cover current liabilities as they come due and to ensure adequate liquidity as funds are needed for expenditures associated with building and expansion projects. Receivables are from students, property taxes, and grants and contracts. At year-end 2016, current assets increased from the prior year 13.7 percent of total assets to the current year 15.4 percent of total assets; long-term investments increased from the prior year 9.7 percent of total assets to the current year 10.4 percent of total assets; and capital assets decreased from the prior year 76.6 percent of total assets to current year 74.2 percent of total assets. The trends for long-term investments and capital assets will fluctuate with the spending schedule in future years based on planned construction and renovation projects.
- **Non-current Assets** increased by 0.9 percent, or \$8.5 million, for fiscal year 2016, and decreased \$21.5 million (2.1 percent) for fiscal year 2015. The 2016 increase is due to an increase in long-

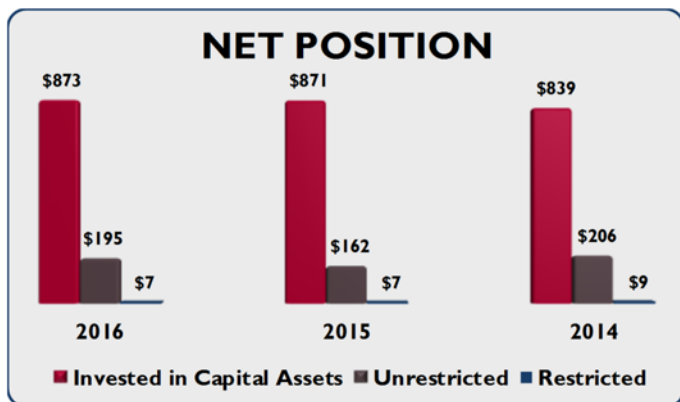
## Comparative Composition of Assets, Liabilities, Deferred Outflows and Inflows, and Net Position

Years Ended August 31 (Dollars in Millions)

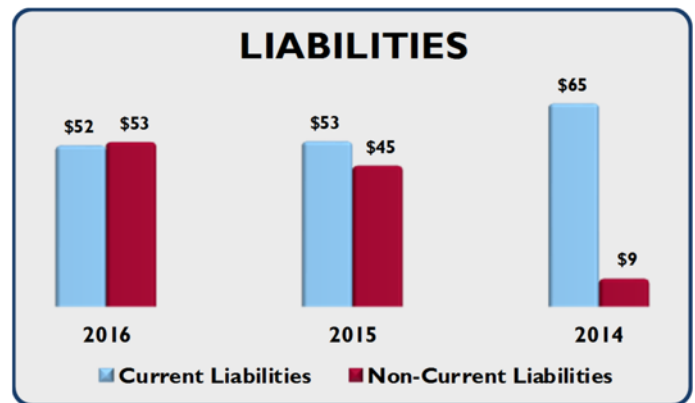


term investments. The majority of the capital asset value is in property and equipment, with additional construction continually ongoing. Capital assets were \$873.2 million of August 31, 2016 as compared to \$876.3 million at August 31, 2015. This decrease, net of current year depreciation of \$30.6 million, reflects spending on various ongoing capital improvement projects.

- **Deferred Outflows of Resources** - Required entries from GASB 68 resulted in the recording of an additional \$11.5 million of deferred outflows of resources related to pensions for the year ended August 31, 2016; bringing the total to \$18.9 million, as compared to \$7.4 million at August 31, 2015.



- **Current Liabilities** decreased \$1.3 million and non-current liabilities increased \$7.6 million for the year ended August 31, 2016. Current liabilities of \$51.8 million were comprised of accounts payable, accrued liabilities, accrued employee benefits and unearned revenue. Accounts payable and accrued expenses for goods and services received prior to the end of the fiscal year increased \$2.1 million. The current portion of the District's long-term debt at fiscal year-end of \$0.0 million decreased by \$5.0 million over the fiscal 2015 amount. (See Notes 7 and 8, pages 25-26, for additional information regarding the bond indebtedness and the note payable.)
- **Non-current Liabilities** primarily consist of accrued employee benefits and net pension liability as required by GASB 68. Total non-current liabilities were \$52.9 million at August 31, 2016 (including net pension liability of \$48.5 million) versus \$45.3 million at August 31, 2015.



- **Deferred Inflows of Resources** - Required entries from GASB 68 resulted in the recording of an additional \$4.3 million of deferred inflows of resources related to pensions for the year ended August 31, 2016; bringing the total to \$16.9 million, as compared to \$12.6 million at August 31, 2015.
- **Net Position** (total assets and deferred outflows less total liabilities and deferred inflows) increased \$34.6 million, or 3.3 percent. This was primarily due to the increase in both current and non-current



investments. Net investment in capital assets, \$873.2 million, represents 81.3 percent of net position, which reflects the District's substantial investment in capital assets such as property, buildings, and equipment. Restricted net position such as grants from third-party agencies with expenditure restrictions, student loan funds, or assets designated for debt service represented an additional 0.6 percent of net position. The remaining unrestricted net position may be used for educational or general operations of the District. Unrestricted net position increased \$33.0 million, and represents 18.1 percent of net position. During fiscal year 2016, the net position designated for future capital outlay decreased by \$0.4 million to \$19.3 million. The portion of net position committed to capital assets is expected to remain substantial with the ongoing improvements district wide.

## Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. Operating revenues represent the amounts received from customers in exchange for services provided by the District. Operating expenses are the costs incurred to provide District services to customers. Operating revenues include activities with characteristics of exchange transactions such as student tuition and fees (net of scholarship discounts and allowances), sales and services of auxiliary enterprises, some federal, state, and local grants and contracts, and interest on institutional student loans. Non-operating revenues include activities that have the characteristics of non-exchange transactions such as ad valorem taxes, state appropriations, other federal grants and investment income. Depreciation on capital assets is included in operating expenses. Since state appropriations and county tax revenue are a significant portion of maintenance and operations funding, classification of this revenue as non-operating will usually result in an

Condensed Statements of Revenues, Expenses, and Changes in Net Position					
Years Ended August 31					
(Dollars in millions)					
	2016	2015	2015-16 Change	2014	2014-15 Change
<b>Operating Revenue</b>					
Tuition & Fees	\$ 52.5	\$ 49.5	\$ 3.0	\$ 49.4	\$ 0.1
Grants & Contracts	11.8	11.6	0.2	14.1	(2.5)
Auxiliary Enterprises	3.7	3.4	0.3	2.8	0.6
Other Operating Revenue	2.3	4.7	(2.4)	6.3	(1.6)
<b>Total Operating Revenue</b>	<b>70.3</b>	<b>69.2</b>	<b>1.1</b>	<b>72.6</b>	<b>(3.4)</b>
<b>Operating Expenses</b>					
Instruction	136.4	130.7	5.7	123.3	7.4
Public Service	10.1	9.2	0.9	8.1	1.1
Academic Support	30.6	29.0	1.6	27.6	1.4
Student Services	32.8	31.5	1.3	29.6	1.9
Institutional Support	42.9	40.9	2.0	39.7	1.2
Operation & Maintenance of Plant	33.1	33.2	(0.1)	38.4	(5.2)
Scholarships & Fellowships	63.9	64.5	(0.6)	75.7	(11.2)
Auxiliary Enterprises	4.0	3.8	0.2	2.8	1.0
Depreciation	30.6	29.9	0.7	29.2	0.7
<b>Total Operating Expenses</b>	<b>384.4</b>	<b>372.7</b>	<b>11.7</b>	<b>374.4</b>	<b>(1.7)</b>
Operating Loss	(314.1)	(303.5)	(10.6)	(301.8)	(1.7)
<b>Non-Operating Revenue (Expense)</b>					
State Appropriations	72.9	70.0	2.9	69.2	0.8
Ad Valorem Tax	206.9	197.4	9.5	187.8	9.6
Grants & Contracts	64.3	66.3	(2.0)	76.7	(10.4)
Investment & Other Income	4.9	2.4	2.5	5.3	(2.9)
Non-Operating Expense	(0.3)	(0.3)			(0.3)
<b>Total Non-Operating Revenue (Expense)</b>	<b>348.7</b>	<b>335.8</b>	<b>12.9</b>	<b>339.0</b>	<b>(3.2)</b>
<b>Income before Other Revenue, (Expense), Gains &amp; (Losses)</b>	<b>34.6</b>	<b>32.3</b>	<b>2.3</b>	<b>37.2</b>	<b>(4.9)</b>
Other Revenue-Gifts				0.1	(0.1)
Increase in Net Position	34.6	32.3	2.3	37.3	(5.0)
<b>Net Position</b>					
Net Position-Year Beginning	1,039.9	1,054.2	(14.3)	1,016.9	37.3
Change in Accounting Principle		(46.6)	46.6		(46.6)
<b>Total Revenue</b>	<b>419.3</b>	<b>405.3</b>	<b>14.0</b>	<b>411.7</b>	<b>(6.4)</b>
<b>Total Expenses</b>	<b>(384.7)</b>	<b>(373.0)</b>	<b>(11.7)</b>	<b>(374.4)</b>	<b>1.4</b>
<b>Net Position-Year End</b>	<b>\$ 1,074.5</b>	<b>\$ 1,039.9</b>	<b>\$ 34.6</b>	<b>\$ 1,054.2</b>	<b>\$ (14.3)</b>

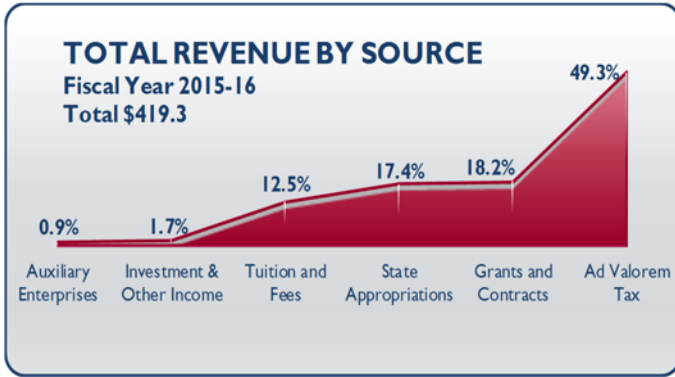
operating loss, as it does for the District for fiscal year 2016.

### Revenues

Total revenues increased \$14.0 million, or 3.5 percent, over the prior year to \$419.3 million in 2016. For fiscal 2015, total revenue was \$405.3 million. The increase for fiscal 2016 is primarily the result of an increase in ad valorem taxes. For fiscal year 2015 the decrease of \$6.4 million was primarily due to a decrease in grants and contracts.

### Operating Revenues

Operating revenue increased \$1.1 million in 2016, or 1.6 percent over 2015, to \$70.3 million. In fiscal year 2015, operating revenue decreased 4.7 percent over 2014. The primary source of operating revenue has continually been tuition and fees.



Revenue from tuition and fees increased \$3.0 million or 12.5 percent over 2015 to \$52.5 million. For the fiscal years 1996 through 2001, the District maintained a policy of increasing the in-district tuition rate by \$2 per hour per year. After 2001, in response to a call from the Texas Higher Education Coordinating Board to hold the line on tuition increases as part of the “Closing the Gaps Plan” for higher education, the amount of tuition increase at TCCD was reduced to \$1 per hour per year. Beginning in spring 2004, state universities in Texas were able to set their own levels of tuition for the first time. Subsequently some state universities imposed substantial tuition increases, which resulted in a greater number of students seeking more affordable tuition rates such as those offered at TCCD. Support for this growth had to be funded by the two local sources of revenue – tuition and taxes. Planning in that regard, the Board approved a three-year tuition increase plan of \$2 per year beginning with the 2005 year. Following this three-year plan, In-County tuition was not increased. However, Out-of-district tuition increased by \$10 to \$73 per hour and the Non-resident tuition increased by \$15 to \$165 per hour in the spring of 2008. Since then, there were no increases until Spring 2012, when In-County tuition was increased by \$2 to \$52 per hour. Out-of-County tuition was increased \$3 to \$76 per hour, and Non-Resident tuition was increased \$6 to \$171 per hour. Beginning in spring 2013, In-County tuition was increased \$3 to \$55 per hour; Out-of-County tuition was increased \$10 to \$86 per hour; and Non-Resident tuition was increased \$34 to \$205 per hour. Those tuition rates were in effect until spring 2016 when the following changes were made: In County

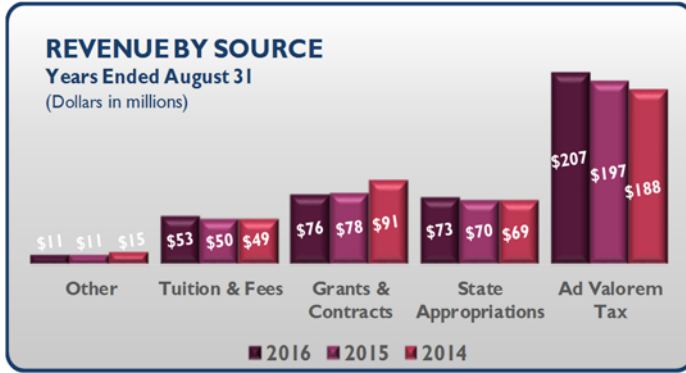
rate became \$59 per hour; Out-of-County rate became \$106 per hour; Out-of-State and Non-Resident rate became \$255 per hour.

*Non-Operating Revenues (Expense)*

Non-operating revenues (expense) increased from \$335.8 million to \$348.7 million for the fiscal years ended August 31, 2016 and 2015, respectively. For fiscal 2014, non-operating revenue was \$339.0 million. For 2016, non-operating revenue consists predominantly of ad-valorem taxes of \$206.9 million, which increased by \$9.5 million or 4.8 percent, and state appropriations of \$72.9 million, which increased by \$2.9 million or 4.1 percent.

In 1998, the Board of Trustees of the Tarrant County College District, acting on the chancellor’s recommendation, altered the traditional approach of relying on bonded indebtedness for new construction, repair and renovation, and major equipment purchases. Instead, the District elected to fund such expenditures from maintenance and operations tax revenue. In August 2002, the Board of Trustees of the District set the tax rate at 13.938 cents per \$100 valuation. Since that time the Board of Trustees increased the tax rate to 14.897 for 2012 and 2013, and increased the tax rate to 14.950 for 2014 through 2016, and decreased the tax rate to 14.473 beginning in 2017.

State Appropriations to the Tarrant County College District, as to all Texas public colleges and universities, are set during biennial sessions of the Texas Legislature. The level of funding for each biennium is derived from enrollment during a “base year”- the total number of contact hours amassed during a period beginning the summer preceding the legislative session and ending with the spring semester during which the appropriations bill is passed. Texas community colleges have attempted for decades, without success, to achieve “full formula funding”. The District, together with the other community colleges in Texas, is being asked to do more with less. As State resources allocated to community colleges decline, the District must look more and more to local tax revenues and tuition and fees as a source of revenue to provide educational services for the community.



State appropriations accounted for 35 percent of total (operating and non-operating) revenue in fiscal 1998, and declined to 17.3 percent of revenue in 2015. For 2016, state appropriations accounted for 17.4 percent of revenue. In contrast, local property taxes accounted for 21.0 percent of total revenue in fiscal 1998 and 49.3 percent of revenue in 2016. Tuition and fees were \$52.5 million in fiscal 2016 and \$49.5 million in fiscal 2015, and slightly increased as a percentage of total revenue to 12.5 percent in 2016 from 12.2 percent in 2015.

Grants and contracts have decreased from \$77.9 million in 2015 to \$76.1 million in 2016, and are 18.1 percent of total revenues. During fiscal 2014, revenues from grants and contracts were \$90.8 million. This source of revenue includes restricted revenues made available by government agencies as well as private agencies. Grant funding is recognized as revenue at the point when all eligibility requirements imposed by the provider have been met.

Auxiliary enterprise expense exceeded auxiliary enterprise revenue by \$0.3 million for fiscal 2016. Auxiliary enterprises include various enterprise entities that exist predominantly to furnish goods or services to students, faculty, staff or the general public and charge a fee directly related to the cost of those goods or services. These enterprises are intended to be self-supporting. During fiscal 2016, the District recorded a \$0.3 million increase in sales revenues from operations at our auxiliary enterprises.

Fiscal year 2016 investment and other income increased by \$2.5 million to \$4.9 million compared to a

\$2.9 million decrease for the prior year. (See Note 4, page 24, for additional information on investment earnings and portfolio market adjustments.)

### Expenses

Total expenses for fiscal 2016 increased \$11.7 million to \$384.7 million from \$373.0 million for fiscal 2015. For fiscal 2014, total expenses were \$374.4 million.

Operating expenses increased by \$11.7 million to \$384.4 million, an increase of 3.1 percent from fiscal 2015. For fiscal 2014, operating expenses were \$374.4 million. Significant fluctuations in 2016 operating expenses are as follows:

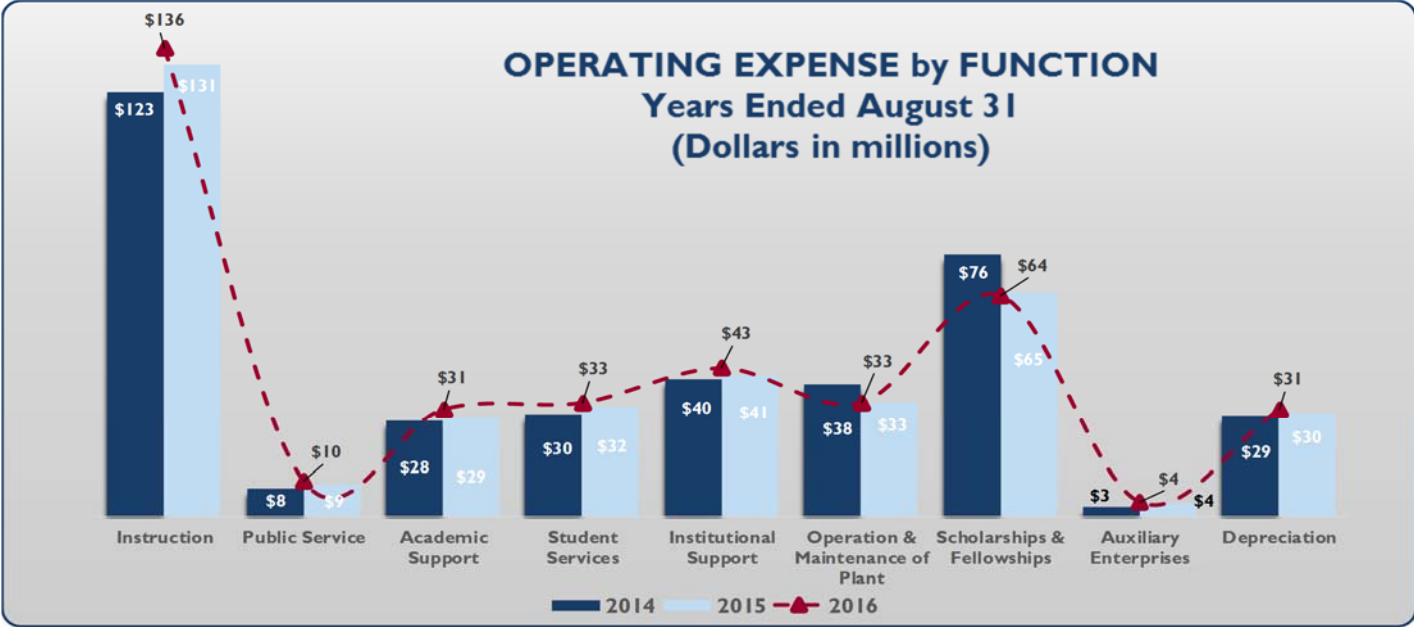
- Salaries and wages increased \$5.6 million to \$170.3 million
- Staff benefits increased by \$3.5 million to \$51.2 million
- Other expenses increased by \$1.9 million to \$132.3 million

An analysis of operating expenses by function indicates the most significant year-to-year percentage changes to be in public service (increased 9.8 percent to \$10.1 million).

	2016	2015	2015-16 Change	2014	2014-15 Change
Salary & Wages	\$170.3	\$164.7	\$5.6	\$157.3	\$7.4
Staff Benefits	51.2	47.7	3.5	45.1	2.6
Other Expenses	132.3	130.4	1.9	142.8	(12.4)
Depreciation	30.6	29.9	0.7	29.2	0.7
<b>Total Operating Expenses</b>	<b>\$ 384.4</b>	<b>\$ 372.7</b>	<b>\$ 11.7</b>	<b>\$ 374.4</b>	<b>\$ (1.7)</b>

### Statement of Cash Flows

Cash receipts from operating activities are from tuition and fees, grants and contracts, and auxiliary enterprise activities. The primary cash outlays for operating activities are payments to or on behalf of employees and to vendors. As is typical for colleges, universities, and many other public sector entities



using the GASB financial model, TCCD’s cash flow from operating activities was a deficit. The deficit was \$258.2 million for fiscal 2016, \$261.5 million for fiscal 2015, and \$256.0 million for fiscal 2014. This is a reflection of the classification (mandated by GASB Statement No. 9) of ad-valorem taxes, state appropriations, and Title IV grant revenue as non-operating activities, thus separating those revenues from the operating activities calculation.

Cash generated from non-capital financing activities, predominantly local property taxes, was \$328.9 million for 2016, \$318.7 million for 2015, and \$316.3 million for 2014.

Cash used for capital and related financing activities was \$32.9 million for 2016, \$62.5 million for 2015, and \$50.6 million for 2014.

Cash used by investing activities for 2016 was \$38.4 million, which reflects the purchase and maturity of investments and interest income from investments. This was \$43.2 million less than cash provided by investing activities for fiscal 2015 of \$4.8 million.

Cash and cash equivalents decreased by \$0.6 million from \$5.9 million at August 31, 2015 to \$5.3 million at August 31, 2016.

### Capital Assets and Related Financing Activities

#### Capital Assets

At August 31, 2016, the District had a total of \$873.2 million in capital assets, net of accumulated depreciation. Capital assets decreased \$3.1 million for 2016, and increased \$19.4 million for 2015, and \$11.3 million for 2014. Construction-in-progress was \$63.7 million at August 31, 2016. During 2016, \$23.6 million of construction-in-progress jobs were completed, including \$8.4 million for various district wide projects, \$9.0 million for Southeast Early College High School, \$3.5 million for South Electric Upgrade, and several smaller scale projects throughout the District. (See Note 20, pages 39-40, to the financial statements for more detailed information regarding capital assets.)

Construction-in-progress was \$70.2 million at August 31, 2015. During 2015, \$14.7 million of construction-in-progress jobs were completed, including \$6.2 million for various district wide projects, \$6.8 million for South Lab Renovation, \$1.6 million for Northeast Biology Lab, and several smaller scale projects throughout the District.

During 2014, \$43.0 million of construction-in-progress jobs were completed, including \$4.0 million for the district wide energy conservation, \$3.4 million for Math Emporiums, \$8.1 million for Mechanical, Electrical and Plumbing, \$2.8 million of Fire Safety Systems, \$2.1 million for Safety and Security, \$3.8 million for the STEC Building Renovation, \$1.8 million for the SE Entrance Roads and Traffic Signals, and several smaller scale projects throughout the District.

During fiscal year ended August 31, 2014, TCCD completed a land exchange with the Tarrant Regional Water District which resulted in over \$4.0 million being received by the District. TCCD exchanged approximately nine acres of undeveloped land near the Trinity River East Campus in exchange for approximately ten acres of undeveloped land in the same area. The land received is more likely to be utilized by the District than the land that was given up.

*Long-Term Debt Information*

On February 13, 2015, the District made its final payment on outstanding general obligation bonds in the amount of \$8.1 million. Thus, on August 31, 2015 and 2016 the outstanding balance was \$0.0 million as compared to \$8.1 million in 2014. For the years ended August 31, 2016, 2015, and 2014, debt service payments were \$0.0 million, \$8.1 million, and \$8.1 million, respectively. For 2015, net reduction to bond principal was \$7.9 million, and interest payments on capital debt totaled \$0.2 million. For 2014, net reduction to bond principal was \$7.6 million, and interest payments on capital debt totaled \$0.6 million. (See Note 7, page 25, to the financial statements for additional information on long-term debt.)

The District also had an outstanding note payable of \$5.0 million as of August 31, 2015, as a result of the purchase of property from Bell Helicopter Textron during fiscal year 2013. The final payment of \$5.0 million was made on September 1, 2015 and the outstanding balance on the note payable at August 31, 2016 was \$0.0 million. (See Note 8 on page 26.)

*District Financial Position*

District management would like to report that Tarrant County College District completes fiscal 2016

Condensed Statement of Cash Flows					
Years Ended August 31					
(Dollars in millions)					
	2016	2015	2015-16 Change	2014	2014-15 Change
Cash & cash equivalents provided/(used) by:					
Operating Activities	\$ (258.2)	\$ (261.5)	\$ 3.3	\$ (256.0)	\$ (5.5)
Non-Capital Financing Activities	328.9	318.7	10.2	316.3	2.4
Capital & Related Financing Activities	(32.9)	(62.5)	29.6	(50.6)	(11.9)
Investing Activities	(38.4)	4.8	(43.2)	(5.1)	9.9
<b>Cash &amp; Cash Equivalents Increase</b>	<b>(0.6)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>4.6</b>	<b>(5.1)</b>
Cash & Cash Equivalents Sept. 1	5.9	6.4	(0.5)	1.8	4.6
<b>Cash &amp; Cash Equivalents Aug. 31</b>	<b>\$ 5.3</b>	<b>\$ 5.9</b>	<b>\$ (0.6)</b>	<b>\$ 6.4</b>	<b>\$ (0.5)</b>

with an exceptionally strong financial position. In addition, the budget adopted by the Board of Trustees for fiscal 2017 indicates that budgeted revenue coupled with unrestricted Net Position will be sufficient for operating needs and will allow the District to meet anticipated capital outlay requirements.

**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 1**  
**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2016 AND 2015**

	2016	2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 5,342,738	\$ 5,938,874
Investments	149,368,117	120,018,090
Accounts receivable, less allowance for doubtful accounts of \$16,256,315 and \$13,821,570 in 2016 and 2015, respectively	10,295,521	11,440,097
Taxes receivable, less allowance for doubtful accounts of \$2,321,074 and \$2,340,116 in 2016 and 2015, respectively	4,746,181	4,861,026
Interest receivable	563,556	342,556
Federal grants and contracts receivable	6,678,044	8,058,054
State and local grants and contracts receivable	1,837,680	2,100,589
Prepaid expenses and other current assets	2,947,228	3,864,197
<b>Total current assets</b>	181,779,065	156,623,483
<b>Non-current assets</b>		
Investments	121,742,652	110,096,695
Restricted investments	433,416	479,913
Capital assets, net		
Non-depreciable capital assets	139,775,399	143,545,686
Depreciable capital assets	733,423,686	732,716,828
<b>Total non-current assets</b>	995,375,153	986,839,122
<b>Total assets</b>	1,177,154,218	1,143,462,605
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	18,955,012	7,364,151
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	14,855,104	11,924,003
Accrued liabilities	7,400,944	8,269,810
Accrued compensated absences	5,758,274	5,353,319
Deposits held for others	392,066	377,776
Unearned revenue	23,438,801	22,176,568
Current portion of note payable	5,000,000	5,000,000
<b>Total current liabilities</b>	51,845,189	53,101,476
<b>Non-current liabilities</b>		
Accrued compensated absences	4,303,461	4,076,442
Workers' compensation payable	115,481	88,178
Net pension liability	48,498,163	41,132,646
<b>Total non-current liabilities</b>	52,917,105	45,297,266
<b>Total liabilities</b>	104,762,294	98,398,742
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	16,870,427	12,582,598

The Notes to Financial Statements are an integral part of these statements.

**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 1**  
**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2016 AND 2015**  
**(continued)**

	2016	2015
<b>NET POSITION</b>		
Net investment in capital assets	\$ 873,199,085	\$ 871,262,514
Restricted for:		
Expendable		
Student aid	6,331,509	6,617,434
Loans	143,928	143,862
Debt service	23,521	23,521
Total restricted	6,498,958	6,784,817
Unrestricted	194,778,466	161,798,085
<b>Total net position (Schedule D)</b>	<b>\$ 1,074,476,509</b>	<b>\$ 1,039,845,416</b>

The Notes to Financial Statements are an integral part of these statements.

**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 2**  
**STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**YEARS ENDED AUGUST 31, 2016 AND 2015**

	2016	2015
<b>REVENUES</b>		
<b>Operating revenues</b>		
Tuition and fees, net of allowances and discounts of \$12,878,554 and \$13,592,252 in 2016 and 2015, respectively	\$ 52,482,348	\$ 49,478,068
Federal grants and contracts	3,676,399	3,685,838
State grants and contracts	5,512,293	5,228,098
Non-governmental grants and contracts	2,586,684	2,727,036
Auxiliary enterprises	3,742,094	3,358,327
Other operating revenue	2,347,842	4,714,371
Total operating revenue (Schedule A)	70,347,660	69,191,738
<b>EXPENSES</b>		
<b>Operating expenses</b>		
Instruction	136,401,326	130,672,056
Public service	10,082,205	9,188,202
Academic support	30,605,416	28,991,793
Student services	32,772,581	31,470,516
Institutional support	42,947,782	40,875,729
Operation and maintenance of plant	33,057,686	33,264,591
Scholarships and fellowships	63,879,015	64,561,713
Auxiliary enterprises	4,036,187	3,786,956
Depreciation	30,617,191	29,897,030
Total operating expenses (Schedule B)	384,399,389	372,708,586
Operating loss	(314,051,729)	(303,516,848)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State appropriations	72,889,359	70,036,690
Maintenance ad-valorem taxes	206,958,870	190,805,920
Debt service ad-valorem taxes		6,616,686
Federal grants and contracts	64,293,615	66,314,027
Gifts	14,650	
Investment income	2,767,332	1,467,880
Other income	2,103,574	910,990
Loss on disposal of assets	(344,578)	(371,380)
Total net non-operating revenue (Schedule C)	348,682,822	335,780,813
Increase in net position (Schedule D)	34,631,093	32,263,965
<b>NET POSITION, BEGINNING OF YEAR</b>	1,039,845,416	1,007,581,451
<b>NET POSITION, END OF YEAR</b>	\$ 1,074,476,509	\$ 1,039,845,416

The Notes to Financial Statements are an integral part of these statements.



**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 3**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2016 AND 2015**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from tuition and fees	\$ 55,352,753	\$ 47,877,014
Receipts from grants and contracts	11,768,695	12,670,345
Payments to suppliers	(145,956,466)	(149,794,290)
Payments to or on behalf of employees	(187,456,760)	(181,105,799)
Receipts from auxiliary enterprise charges	3,592,094	3,208,327
Other receipts	4,465,165	5,627,407
Net cash used by operating activities	(258,234,519)	(261,516,996)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	56,235,643	54,396,982
Receipts from non-operating federal revenue	65,615,870	66,929,290
Receipts from local property taxes	207,073,715	197,364,761
Net cash provided by non-capital financing activities	328,925,228	318,691,033
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(27,883,690)	(49,645,122)
Proceeds from sale of assets		38,745
Payments on capital debt - principal	(5,000,000)	(12,786,975)
Payments on capital debt - interest, net of interest capitalized		(144,841)
2016 of \$0 and 2015 \$194,263		(144,841)
Net cash used by capital and related financing activities	(32,883,690)	(62,538,193)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturities of investments	675,098,689	719,047,872
Interest on investments	1,238,330	1,282,823
Purchase of investments	(714,740,174)	(715,466,556)
Net cash provided (used) by investing activities	(38,403,155)	4,864,139
Net decrease in cash and cash equivalents	(596,136)	(500,017)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	5,938,874	6,438,891
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 5,342,738	\$ 5,938,874
<b>RECONCILIATION OF OPERATING LOSS TO</b>		
<b>NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (314,051,729)	\$ (303,516,848)
Adjustments to reconcile operating loss to		
net cash used by operating activities		
Depreciation	30,617,191	29,897,030
Non-cash state appropriations	16,653,716	15,639,708
Pension expense	4,320,831	3,801,988
Non-operating other income	2,117,323	913,036
Change in operating assets and liabilities		
Receivables	1,465,240	(465,861)
Prepaid expenses and other current assets	916,969	610,506
Deferred outflows of resources	(4,258,346)	(4,054,353)
Accounts payable and accrued liabilities	2,089,538	(4,299,036)
Accrued compensated absences	631,974	225,113
Deposits held for others	14,290	(12,459)
Deferred revenue	1,248,484	(255,820)
Net cash used by operating activities	\$ (258,234,519)	\$ (261,516,996)
<b>SCHEDULE OF NON-CASH INVESTING AND</b>		
<b>FINANCING ACTIVITIES</b>		
Change in fair value of investments	\$ 847,353	\$ (87,410)
Donation of capital assets	\$ 14,650	\$

The Notes to Financial Statements are an integral part of these statements.

# NOTES TO FINANCIAL STATEMENTS

## ***NOTE 1. REPORTING ENTITY***

The Tarrant County College District (the District) was established as a public junior college in an election held in Tarrant County, Texas on July 31, 1965. The two largest cities in Tarrant County are Fort Worth and Arlington. The District operates as a junior college district under the laws of the State of Texas and is considered to be a special purpose, primary government according to the definition in Government Accounting Standards Board (GASB) Statement No. 14. While the District 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. In addition, the District has considered all potential component units and no other entity meets the criteria for inclusion in the District's reporting entity.

## ***NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

### ***Report Guidelines***

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

### ***Tuition Discounting***

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside amount, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.033). When the award for tuition is used by the student, the amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Certain Title IV HEA Program funds are received by the District to pass through to students. These funds are initially received by the District and recorded as restricted revenue. When the student is awarded and uses these funds for tuition and fees, the amounts are recorded as revenue and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

### ***Basis of Accounting***

The financial statements of the District have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the

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## ***NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued***

### ***Basis of Accounting-continued***

years 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. All significant internal activity has been eliminated.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding as of August 31, 2016 of \$41,602,903 have been provided for in the fiscal year 2017 budget.

### ***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 Trustees 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.

### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

### ***Investments***

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments, except for certain investment pools, are reported at fair value. Fair values are based on published market rates. In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, certain investment pools are reported at amortized cost. Short-term investments have an original maturity greater than three months but less than one year at the date of purchase. The governing board has designated amounts held in public funds investment pools totaling \$141,158,077 and \$112,102,616 at August 31, 2016 and 2015, respectively, to be short-term investments. Long-term investments have an original maturity of greater than one year at the date of purchase.

### ***Capital Assets***

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations 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. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for improvements, 10 years for furniture and other equipment, 5 years for telecommunications and peripheral equipment, and 15 years for library books. Collections, which consist of purchased works of art, are not depreciated as they are deemed to have permanent value.

### ***Deferred Outflows of Resources***

In addition to assets, the Statements of Net Position present a separate section for deferred outflows of resources. This separate financial statement element 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 that time. Governments

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## ***NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued***

### ***Deferred Outflows of Resources-continued***

are only permitted to report deferred outflows of resources in circumstances specifically authorized by the GASB.

### ***Accrued Compensated Absences***

Employees' compensated absences are accrued when earned. The liability and expense incurred are recorded at year-end as accrued compensated absences in the Statements of Net Position and as a component of operating expenses in the Statements of Revenues, Expenses and Changes in Net Position.

### ***Unearned Revenue***

Tuition and fees collected in advance and related to academic terms in the next fiscal year are recorded as unearned revenue. Contract revenues related to government grants, leases and food services are recognized over the contract period. Contract payments received in advance are recorded as unearned revenue.

### ***Deferred Inflows of Resources***

In addition to liabilities, the Statements of Net Position present a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so is not recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows of resources in circumstances specifically authorized by the GASB.

### ***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. The most significant estimates in the District's financial statements relate to the net pension liability and depreciation expense.

### ***Net Position***

The District's net position is classified as follows:

*Net investment in capital assets* – This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets (if any). To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

*Restricted net position – nonexpendable* – Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may be either expended or added to principal. The District had no nonexpendable restricted net position as of August 31, 2016 or 2015.

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

*Unrestricted net position* – Unrestricted net position represents resources to be used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

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## ***NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued***

### ***Operating and Non-operating Revenue and Expense Policy***

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a business-type activity and as a single proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees, grants and contracts, and operations of auxiliary enterprises. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as property taxes, state appropriations, gifts and contributions, and other revenue and expenses that are defined as non-operating by GASB 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities that use Proprietary Fund Accounting, and investment income. Non-exchange transactions are recognized in accordance with the standards in GASB 33, Accounting and Financial Reporting for Nonexchange Transactions. In accordance with GASB 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance, the District records revenue received for federal Title IV grant programs (such as Pell grants) as non-operating revenue.

### ***Pensions***

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

## ***NOTE 3. AUTHORIZED INVESTMENTS***

The Board of Trustees has adopted an investment policy regarding the investment of its funds as defined in the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The investments of the District are in compliance with the Board's investment policy. Authorized investments include: (1) obligations of the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (2) other obligations which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States or their respective agencies and instrumentalities, (3) certificates of deposit, (4) share certificates of a Texas credit union insured by the National Credit Union Insurance Fund, or its successor, (5) fully collateralized repurchase agreements, (6) eligible investment pools rated no lower than AAA by a nationally recognized rating service, (7) commercial paper notes rated no lower than A-1 or P-1 or an equivalent rating by a nationally recognized rating service, (8) cash management and fixed income funds sponsored by organizations exempt from federal income taxation, (9) fully FDIC-insured certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency, (10) corporate bonds, debentures, or similar debt obligations rated at least AA or equivalent by a nationally recognized credit rating agency, (11) state and local obligations rated at least A by a nationally recognized credit rating agency, (12) money market mutual funds registered with the Securities and Exchange Commission which are rated AAA or equivalent rated by a nationally recognized credit rating agency, (13) SEC registered short term bond mutual funds with a maximum weighted average maturity of two years and restricted to the investments authorized under this Policy which are rated AAA or equivalent by a nationally recognized crediting agency, and (14) interest-bearing accounts in any bank doing business in Texas which are fully insured by the FDIC or collateralized.

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### ***NOTE 3. AUTHORIZED INVESTMENTS-continued***

During the year ended August 31, 2012, the District established the Gas Royalty Scholarship Fund. As described in Note 4, these funds are invested and managed by a related organization. Under the District's investment policy, the scholarship fund is invested in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The investment strategy governing the scholarship fund shall be to (1) preserve the real purchasing power of the principal in the fund and (2) provide a stable source of perpetual financial support.

### ***NOTE 4. DEPOSITS AND INVESTMENTS***

At August 31, 2016 and 2015, the carrying amounts of the District's deposits were \$5,320,778 and \$5,916,874 and total bank balances equaled \$6,339,235 and \$7,016,620, respectively. Bank balances of \$250,000 were covered by the Federal Depository Insurance Corporation with \$6,089,235 and \$6,766,620 covered by collateral pledged in a joint custody security account with market values of \$6,273,141 and \$11,416,303 at August 31, 2016 and 2015, respectively. The collateral account is held in the District's name by the Federal Reserve Bank, which is an independent third-party custodian.

Included in short-term investments at August 31, 2016 and 2015 were \$5,348,206 and \$5,334,102 invested in TexPool, a pool managed by the Treasurer of the State of Texas, \$5,669,887 and \$5,388,882 invested in TexStar, a pool managed by JP Morgan Investment Management Inc. and First Southwest Company, \$68,256,434 and \$64,081,314 invested in TexasTerm, a series of pools managed by PFM Asset Management, LLC, and \$61,883,550 and \$37,298,318 invested in Lone Star Investment Pool, a pool managed by First Public, LLC, respectively. The fair value of the District's positions in the pools is substantially the same as the value of the pools' shares. The investments in which the pools may invest are subject to the same restrictions as the District.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure.

TexStar is overseen by an advisory board composed of participants in TexStar and others who do not have a business relationship with TexStar. The business and affairs of TexStar are managed by the advisory board.

TexasTERM has an advisory board composed of local government officials, finance directors and treasurers. The advisory board has oversight responsibility and reviews the investment policy and management fee structure.

Lone Star Investment Pool is governed by an 11 member board of individuals representing participating entities. The board manages the business and affairs of the pool.

The TexPool, TexasTERM and Lone Star investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool, Texas-

**NOTE 4. DEPOSITS AND INVESTMENTS-continued**

TERM and Lone Star have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The TexStar investment pool is an external investment pool measured at its net asset value. TexStar's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. TexStar has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

During the year ended August 31, 2012, the District entered into a management agreement with Tarrant County College Foundation (the Foundation), a related organization (see Note 17). Under this agreement, the Foundation will invest, manage and monitor certain designated funds of the District (hereinafter referred to as Beneficial Interest in Funds Held by Affiliate), derived principally from oil and gas lease and bonus payments. The terms of the agreement dictate that the District will determine the use of the earnings from the invested funds and authorize all expenditures from the funds.

Cash and Cash Equivalents included on Exhibit 1 consist of the items reported below:

<b>Cash and Cash Equivalents</b>		
	<b>2016</b>	<b>2015</b>
Bank deposits		
Demand deposits	\$5,320,778	\$5,916,874
Cash on hand		
Petty cash	21,960	22,000
<b>Total cash and cash equivalents</b>	<b>\$5,342,738</b>	<b>\$5,938,874</b>

**NOTE 4. DEPOSITS AND INVESTMENTS—continued**

<b>Reconciliation of Deposits and Investments to Exhibit 1</b>		
	<b>Carrying Value August 31, 2016</b>	<b>Carrying Value August 31, 2015</b>
TexPool	\$ 5,348,206	\$ 5,334,102
TexStar	5,669,887	5,388,882
TexasTERM - TexasDAILY	48,256,434	44,081,314
TexasTERM - TexasTERM	20,000,000	20,000,000
Lone Star Investment Pool	61,883,550	37,298,318
Beneficial Interest in Funds Held by Affiliate	8,643,456	8,395,387
U.S. Government Agencies	121,742,652	110,096,695
Total	<u>271,544,185</u>	<u>230,594,698</u>
Cash and cash equivalents	<u>5,342,738</u>	<u>5,938,874</u>
Total deposits and investments	<u><u>276,886,923</u></u>	<u><u>236,533,572</u></u>
Cash and cash equivalents (Exhibit 1)	5,342,738	5,938,874
Investments - current (Exhibit 1)	149,368,117	120,018,090
Restricted investments - non-current (Exhibit 1)	433,416	479,913
Investments - non-current (Exhibit 1)	<u>121,742,652</u>	<u>110,096,695</u>
Total deposits and investments	<u><u>\$ 276,886,923</u></u>	<u><u>\$ 236,533,572</u></u>

As of August 31, 2016 the District had the following investments and maturities:

		<b>Investment Maturities (in Years)</b>					
<b>Investment Type</b>	<b>Credit Rating</b>	<b>Carrying Value</b>	<b>Less than 1</b>	<b>1 to 2</b>	<b>2 to 3</b>	<b>3 to 4</b>	<b>4 to 5</b>
U. S. Government Agencies	AAA	\$ 121,742,652	\$ 30,025,180	\$ 10,045,840	\$ 50,380,536	\$ 11,035,396	\$ 20,255,700
TexPool	AAA	5,348,206	5,348,206				
TexStar	AAA	5,669,887	5,669,887				
TexasTERM - TexasDAILY	AAA	48,256,434	48,256,434				
TexasTERM - TexasTERM	AAA	20,000,000	20,000,000				
Lone Star Investment Pool	AAA	61,883,550	61,883,550				
Beneficial interest in funds held by affiliate		8,643,456					
Total fair value		<u><u>\$ 271,544,185</u></u>	<u><u>\$ 171,183,257</u></u>	<u><u>\$ 10,045,840</u></u>	<u><u>\$ 50,380,536</u></u>	<u><u>\$ 11,035,396</u></u>	<u><u>\$ 20,255,700</u></u>



**NOTE 4. DEPOSITS AND INVESTMENTS—continued**

Due to the diversity of the underlying investments, Beneficial Interest in Funds Held by Affiliate does not have a specific investment maturity.

As of August 31, 2016 and 2015, Beneficial Interest in Funds Held by Affiliate was comprised of the following underlying investments:

	2016	2015
U.S. Government Agencies	\$ 2,310,784	\$ 3,156,749
Certificates of Deposit		351,252
Corporate Bonds	377,987	780,898
Mutual Funds - Money Market	1,760,906	129,197
Mutual Funds - Fixed Income	1,270,674	1,333,032
Mutual Funds - Equity	2,797,295	2,501,927
Mutual Funds - Real Estate	125,810	142,332
Total fair value	<u>\$ 8,643,456</u>	<u>\$ 8,395,387</u>

**Interest Rate Risk-** In accordance with state law and District policy, the District concentrates its investment portfolio in shorter-term securities in order to limit interest rate risk. The District does not invest in securities maturing more than five years from the date of purchase. The maximum weighted average maturity of the total portfolio under the District’s policy is one year based on stated maturity.

**Credit Risk-** In accordance with state law and District policy, investments in investment pools are rated no lower than AAA or an equivalent rating of at least one nationally recognized rating service.

**Concentration of Credit Risk-** The District’s investment policy does not place a limit on the amount the District may invest in any one issuer with the exception of a 5% maximum per issuer in regards to commercial paper and a 3% maximum per issuer in regards to corporate bonds. As of August 31, 2016, more than 5% of the District’s investments are in TexasTERM (7.4%), TexasDAILY (17.8%), Lone Star Investment Pool (22.8%), FHLB (11.5%), FNMA (14.8%), and FFCB (14.8%).

As of August 31, 2016 and 2015, restricted investments consisted of the following:

	2016	2015
Funds held for others	\$ 328,131	\$ 377,776
Funds restricted to student loans	105,285	102,137
Total restricted investments	<u>\$ 433,416</u>	<u>\$ 479,913</u>

**NOTE 4. DEPOSITS AND INVESTMENTS—continued**

Investment income for the years ended August 31, 2016 and 2015 consisted of the following:

	2016	2015
Interest and dividends	\$ 1,919,979	\$ 1,555,290
Net increase (decrease) in fair value of investments	847,353	(87,410)
Total investment income	<u>\$ 2,767,332</u>	<u>\$ 1,467,880</u>

**NOTE 5. FAIR VALUE MEASUREMENTS**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities. 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 the fair value measurement of the instrument. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets 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 an asset or liability.

The fair value hierarchy of investments at August 31, 2016 and 2015 follows:

	2016			
	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$	\$ 121,742,652	\$	\$ 121,742,652
Beneficial Interest in Funds Held by Affiliate		8,643,456		8,643,456
	<u>\$</u>	<u>\$ 130,386,108</u>	<u>\$</u>	<u>\$ 130,386,108</u>
	2015			
	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$	\$ 110,096,695	\$	\$ 110,096,695
Beneficial Interest in Funds Held by Affiliate		8,395,387		8,395,387
	<u>\$</u>	<u>\$ 118,492,082</u>	<u>\$</u>	<u>\$ 118,492,082</u>

**NOTE 5. FAIR VALUE MEASUREMENTS-continued**

U.S. government agency securities are valued using pricing models maximizing the use of observable inputs for similar securities.

Beneficial Interest in Funds Held by Affiliate is comprised of U.S. government agency securities, certificates of deposit, corporate bonds and mutual funds. Certificates of deposit are recorded at cost plus accrued interest, which approximates fair value. Corporate bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks. Mutual funds are valued at the daily closing price as reported by the fund.

**NOTE 6. DERIVATIVES**

Derivatives are investment products which may be a security or contract which derives its value from another security, currency, commodity or index. During the years ended August 31, 2016 and 2015, the District did not invest in derivatives.

**NOTE 7. BONDS PAYABLE**

Bonds payable consist of bond principal, net of premiums, interest accreted on capital appreciation bonds and deferred refunding costs. The District made its final payment on outstanding bonds payable on February 13, 2015, and no new bonds payable have been issued since that date. The changes in bonds payable for fiscal year 2015 were as shown below:

2015					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation refunding bonds, series 2001	\$ 290,000	\$	\$ 290,000	\$	\$
General obligation refunding bonds, series 2004	3,130,000		3,130,000		
General obligation refunding bonds, series 2005	4,515,000		4,515,000		
Subtotal	7,935,000		7,935,000		
Premium on bonds payable	148,004		148,004		
Total bonds payable	<u>\$8,083,004</u>	<u>\$</u>	<u>\$8,083,004</u>	<u>\$</u>	<u>\$</u>
Due within one year					
Total long-term bonds payable				<u>\$</u>	

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## ***NOTE 8. NOTE PAYABLE***

The District has a note payable that had a balance of \$5,000,000 outstanding at August 31, 2015. The note was secured by real property and bore no interest, so the District imputed interest at 1.0%. The note was fully paid during the year ended August 31, 2016.

## ***NOTE 9. EMPLOYEES' RETIREMENT PLAN***

The State of Texas has joint contributory plans for the District's full-time employees. Full-time employees participate in either the Teacher Retirement System of Texas or the Optional Retirement Program.

### ***Teacher Retirement System of Texas***

#### ***Plan Description***

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

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

#### ***Pension Plan Fiduciary Net Position***

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### ***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 institutions 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 in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan description above.

**NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued**

**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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

<b>Contribution Rates</b>		
<b>Fiscal Year</b>	<b>2016</b>	<b>2015</b>
Member	7.2%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
District Contributions	\$ 4,258,346	\$ 4,054,353
State of Texas On-behalf Contributions	\$ 3,329,295	\$ 3,073,289

The District's contributions to the TRS pension plan in 2016 were \$4,258,346 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2016 were \$3,329,295.

- 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.

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) 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.

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**NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued**

- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**Actuarial Assumptions**

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return*	8.00%
Inflation	2.5%
Salary Increases*	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

*\*Includes Inflation of 2.5%*

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. The most significant changes were related to the update of the post-retirement mortality rates based on the most recent TRS member experience and the decrease in the assumption for general wage inflation from 3.0% to 2.5%. Other changes to overall assumptions and methods had a minor impact on the results of the actuarial valuation and the related pension liability.

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

**NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued**

**Discount Rate**

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. 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 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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. 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, 2015, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns*
<b>Global Equity</b>			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value II Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	<b>100.0%</b>		<b>8.7%</b>

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric means return

Source: Teacher Retirement System of Texas 2015 Comprehensive Annual Financial Report

**NOTE 9. EMPLOYEES' RETIREMENT 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 (8%) in measuring the 2015 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
The Districts proportionate share of the net pension liability:	\$ 75,987,479	\$ 48,498,163	\$ 25,601,269

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

At August 31, 2016, the District reported a liability of \$48,498,163 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District 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 District were as follows:

The District's Proportionate share of the collective net pension liability	\$ 48,498,163
State's proportionate share that is associated with the District	39,733,040
<b>Total</b>	<b>\$ 88,231,203</b>

The net pension liability was measured as of August 31, 2015 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 contribution to the net pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 thru August 31, 2015.

At the measurement date of August 31, 2015, the employer's proportion of the collective net pension liability was 0.1371994%, which was a decrease of 11% from its proportion measured as of August 31, 2014.

For the year ended August 31, 2016, the District recognized pension expense of \$3,329,295 and revenue of \$3,329,295 for support provided by the State, based on a measurement date of August 31, 2015.

At August 31, 2016, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, based on a measurement date of August 31, 2015:



**NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 529,048	\$ 1,863,828
Changes in actuarial assumptions	2,223,601	1,730,202
Difference between projected and actual investment earnings	11,944,017	9,428,862
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		3,847,535
Contributions paid to TRS subsequent to the measurement date	4,258,346	
<b>Total</b>	<b>\$ 18,955,012</b>	<b>\$ 16,870,427</b>

The contributions paid to TRS subsequent to the measurement date in the amount of \$4,258,346 will be recognized as a reduction of the net pension liability during the fiscal year ending August 31, 2017. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2017	\$ 3,397,587
2018	(860,759)
2019	(860,759)
2020	2,282,195
2021	(736,797)
Thereafter	(1,136,882)

**Optional Retirement Plan**

**Plan Description**

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

**Funding Policy**

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the State and each participant are 3.3% and 6.65%, respectively. The District contributed 5.2% in fiscal years 2016, 2015, and 2014 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 (S.B.) 1812, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

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## ***NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued***

State contributions to the Optional Retirement Plan made on behalf of the District for the years ended August 31, 2016, 2015, and 2014 were \$938,998, \$970,542 and \$971,829, respectively. The on-behalf payments are reflected in the accompanying financial statements as both revenue and expenses.

Total retirement expense paid by the State of \$4,393,578 is reflected in the accompanying financial statements as both revenues and expenditures. Participants contributed \$9,235,512 (\$7,343,288 for the Teacher Retirement Program and \$1,892,224 for the Optional Retirement Program). The District contributed \$1,170,429, \$1,234,139, and \$1,251,073 for the years ended August 31, 2016, 2015, and 2014, respectively, to the Optional Retirement Program to cover the 5.2% referenced above.

Total payroll expense for fiscal years 2016 and 2015 was approximately \$170,000,000 and \$165,000,000, respectively. The total payroll of employees covered by the Teacher Retirement System was approximately \$102,200,000 and \$96,700,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$28,500,000 and \$29,400,000 for fiscal years 2016 and 2015, respectively.

All employees of the District who are employed for ½ or more of the standard workload are eligible to participate in one of the above programs. Participants in the Teacher Retirement System are eligible for normal retirement at age 65 with 5 years of service or when the sum of the participant's age and years of credited service equals or exceeds 80 years. Participants may elect to receive reduced retirement at age 55 with 5 years of service or at any age below 50 with 30 years of service or any combination of age plus years of service which equals 80. A member is fully vested after 5 years of creditable service and is entitled to any benefit for which eligibility requirements have been met. Participants in the Optional Retirement Program are fully vested in their individual investments after one year of service.

## ***NOTE 10. HEALTH CARE AND LIFE INSURANCE BENEFITS***

In addition to providing pension benefits, the State provides certain healthcare and life insurance benefits for retired employees. Most of the employees with 10 years of service will become eligible for those benefits when they reach normal retirement age while working for the State. These and similar benefits for acting employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums.

### ***Plan Description***

Tarrant County College District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of SRHP are authorized by State law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

### ***Funding Policy***

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. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

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## ***NOTE 10. HEALTH CARE AND LIFE INSURANCE BENEFITS-continued***

### ***Funding Policy-continued***

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy and is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB Statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. Beginning September 1, 2013, S.B. 1812 limited the state's contribution to 50% of eligible employees for community colleges.

The District's contributions to SRHP for the years ended August 31, 2016, 2015, and 2014, were \$616,200, \$525,911, and \$479,682, respectively, which equaled the required contributions each year.

The State's average contribution per full-time employee was \$229 and \$224 per month for the years ended August 31, 2016 and 2015, respectively. The cost of providing those benefits for all employees in the year ended August 31, 2016, paid by the State of Texas on behalf of the District, totaled \$12,260,138 (\$11,381,867 for the year ended August 31, 2015) with \$6,160,981 for 691 retirees (retiree benefits for 672 retirees cost \$5,543,251 in fiscal year 2015) and \$6,099,157 for 2,224 active employees (active employee benefits for 2,175 employees cost \$5,838,616 in fiscal year 2015). The on-behalf payments are reflected in the accompanying financial statements as both revenues and expenses.

## ***NOTE 11. DEFERRED COMPENSATION PROGRAMS***

District 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 employees' investments are held in tax deferred annuity plans pursuant to Internal Revenue Code Section 403(b). As of August 31, 2016 and 2015, the District had 335 and 333 employees participating in the program, respectively. A total of \$1,819,674 and \$1,781,400 in payroll deductions had been invested in approved plans during the fiscal years 2016 and 2015, respectively.

In June 2003 the District added a deferred compensation plan pursuant to Internal Revenue Code Section 457(b) to the employer benefit package. Full-time employees can begin participating in the plan on their first day of employment. An employee can contribute up to a maximum of \$18,000 (\$24,000 for participants over 50 years of age) for 2016. As of August 31, 2016, the District had 120 employees participating in the program. A total of \$602,574 in payroll deductions had been invested in approved plans during the fiscal year 2016. As of August 31, 2015, the District had 105 employees participating in the program. A total of \$550,204 in payroll deductions had been invested in approved plans during the fiscal year 2015.

## ***NOTE 12. COMPENSATED ABSENCES***

Full-time employees earn vacation leave from 6.67 to 13.33 hours per month, depending on the number of years employed with the District. An employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to twenty days for those employees with sixteen or more years of service. Employees with at least three months of service who terminate their employment are entitled to payment for all accumulated vacation leave up to the maximum allowed. Sick leave, which can be accumulated up

**NOTE 12. COMPENSATED ABSENCES-continued**

to a maximum of 90 days, is earned at the rate of 1 day per month. 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. The maximum sick leave that may be paid to an employee with at least 10 years of service upon separation or to an employee's estate is one-half of the employee's accumulated entitlement or 45 days, whichever is less.

Compensated absences activity for the years ended August 31, 2016 and 2015 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
2016	\$9,429,761	\$7,711,791	\$7,079,817	\$10,061,735	\$5,758,274
2015	\$9,204,648	\$6,773,405	\$6,548,292	\$9,429,761	\$5,353,319

**NOTE 13. PENDING LAWSUITS AND CLAIMS**

On August 31, 2016, various lawsuits and claims involving the District were pending. The ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time. Based on consultation with legal counsel, management believes this liability, if any, to the extent not provided for by insurance or otherwise, will not have a material effect on the District.

**NOTE 14. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS**

Future minimum lease rental payments under noncancellable operating leases having an initial term in excess of one year as of August 31, 2016 are as follows:

<b>Fiscal Year Ending</b>	<b>Minimum Future Lease Payments</b>
2017	\$ 584,565
2018	502,536
2019	111,731
2020	90,686
2021	87,814
2022-2024	189,767
	<u>\$ 1,567,099</u>

**NOTE 14. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS-continued**

Approximately \$777,000 and \$893,000 in rent paid or due under operating leases is included in expenses on the statements of revenues, expenses and changes in net position for the years ended August 31, 2016 and 2015, respectively.

Effective in February 2007, the District entered into a contract to lease excess broadband capacity to a third party. The lease is for an initial term of 15 years with an automatic 15 year renewal pending certain conditions. Under the terms of the lease, the District will receive (1) a \$150,000 equipment allowance, payable in three installments over the lease term; (2) annual royalties of \$702,662 through December 2010 and increased to \$760,383 beginning January 2011, which is indexed for inflation beginning in 2013; and (3) a royalty overage equal to 0.2% of the lessee’s revenue derived from the leased capacity. Upon commencement of the initial lease term, the District also received a \$2,000,000 inducement royalty payment. Annual future minimum payments to be received under this agreement are as follows: \$760,383 indexed for inflation for 2016-2037, with an additional \$50,000 in 2026.

The District leases space in its Trinity River Campus under a noncancellable operating lease with a current term through 2018. Lease income of \$1,686,834 and \$4,047,813 was recognized during the years ended August 31, 2016 and 2015, respectively. Future minimum lease payments to be received under this agreement are as follows:

Fiscal Year Ending	Minimum Future Lease Payments
2017	\$ 1,428,027
2018	952,018
	<u>\$ 2,380,045</u>

**NOTE 15. CONTRACT AND GRANT AWARDS**

The District receives funding from various federal and state contract and grant programs. Revenues are recognized as funds are actually expended. Funds received but not expended during the reporting period are reported as unearned revenue. For direct federal contract and grant awards, funds expended but not collected are reported as federal receivables. Federal pass-through awards and non-federal contract and grant awards for which funds are expended but not collected are reported as state and local grants and contracts receivable. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g. multi-year awards or funds awarded during fiscal years 2016 and 2015 for which monies have not been received nor funds expended totaled approximately \$8,080,000 and \$9,420,000, respectively. Of this amount approximately \$5,730,000 and \$6,890,000 were from federal contract and grant awards and \$2,360,000 and \$2,530,000 were from state contract and grant awards for fiscal years ended August 31, 2016 and 2015, respectively.

**NOTE 16. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District fully insures its buildings, structures, contents and equipment with the purchase of commercial insurance in an all risk blanket property insurance policy. The District has designated unrestricted net position of \$700,000 to cover self-insurance for workers' compensation, unemployment compensation and insurance policy deductibles.

Settled claims have not exceeded commercial insurance coverage in any of the past three years. The District self-insures its workers' compensation plan and its unemployment compensation.

The workers' compensation plan is administered by an outside insurance carrier which processes all self-insurance claims. The District also carries an insurance policy for excess liabilities related to workers' compensation. An outside agent processes all unemployment compensation claims. The District has accrued amounts that represent the best estimate of claims filed, but not paid and claims incurred, but not reported. Accrued liabilities are generally based on actuarial valuation and the present value of unpaid expected claims. The discount rates used to calculate the present value of liabilities was 1.0% for the years ended August 31, 2016 and 2015.

Changes in the accrued uninsured claims liability are as follows for fiscal years ended August 31:

	2016	2015
Beginning balance	\$ 850,154	\$ 875,396
Current year claims and changes in estimates	340,175	423,829
Claim payments	(370,280)	(449,071)
Ending balance	820,049	850,154
Current portion	(704,568)	(761,976)
Non-current portion	\$ 115,481	\$ 88,178

**NOTE 17. RELATED PARTIES**

The Tarrant County College Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the District. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted restricted gifts of \$1,589,907 and \$1,823,040 to the District during the years ended August 31, 2016 and 2015, respectively. During the fiscal year, the District furnished certain services, such as office space, utilities and some staff assistance to the Foundation at no charge. As of August 31, 2016 and 2015, the District had a receivable balance due from the Foundation of \$666,856 and \$665,367, respectively.

**NOTE 18. PROPERTY TAX CALENDAR**

The District'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 personal property located in the District.

	2016	2015
Assessed Valuation of the District	\$ 172,521,671,510	\$ 165,536,552,214
Less: Exemptions and Abatements	<u>(30,591,307,934)</u>	<u>(29,410,889,832)</u>
Net Assessed Valuation of the District	<u>\$ 141,930,363,576</u>	<u>\$ 136,125,662,382</u>

2016			
	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation authorized (maximum per enabling legislation)	\$ .20000	\$ .50000	\$ .70000
Tax Rate per \$100 valuation assessed	\$ .14950	\$	\$ .14950

2015			
	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation authorized (maximum per enabling legislation)	\$ .20000	\$ .50000	\$ .70000
Tax Rate per \$100 valuation assessed	\$ .14392	\$ .00558	\$ .14950

Taxes levied for the years ended August 31, 2016 and 2015 amounted to \$210,673,233 and \$201,968,650, respectively, including any penalties and interest assessed. Property taxes attach as an enforceable lien on property as of January 1 following the October 1 levy. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

**NOTE 18. PROPERTY TAX CALENDAR-continued**

2016			
Taxes Collected	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 208,039,365	\$	\$ 208,039,365
Delinquent Taxes Collected	1,478,357		1,478,357
Penalties and Interest Collected	1,473,000		1,473,000
Total Collections	<u>\$ 210,990,722</u>	<u>\$</u>	<u>\$ 210,990,722</u>

2015			
Taxes Collected	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 191,531,525	\$ 7,425,972	\$ 198,957,497
Delinquent Taxes Collected	1,317,109	51,066	1,368,175
Penalties and Interest Collected	1,331,567	51,627	1,383,194
Total Collections	<u>\$ 194,180,201</u>	<u>\$ 7,528,665</u>	<u>\$ 201,708,866</u>

The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenses. Tax collections for the years ended August 31, 2016 and 2015 were 100.15% and 99.87% of the current tax levy, respectively. The District remitted payments of \$3,917,004 and \$4,344,158 in fiscal years 2016 and 2015, respectively, for taxes collected on behalf of Tax Incremental Finance Districts. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

**NOTE 19. INCOME TAXES**

The District 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 District had no unrelated business income tax liability for the years ended August 31, 2016 and 2015.



**NOTE 20. CAPITAL ASSETS**

Capital assets activity for the years ended August 31, 2016 and 2015, is summarized as follows:

	2016			
	Beginning Balance	Additions (Transfers)	Deletions	Ending Balance
Non-depreciable capital assets				
Land	\$ 71,950,588	\$ 2,669,555	\$	\$ 74,620,143
Collections	1,426,368			1,426,368
Construction in progress	70,168,730	(6,439,842)		63,728,888
Total cost of non-depreciable capital assets	<u>143,545,686</u>	<u>(3,770,287)</u>		<u>139,775,399</u>
Depreciable capital assets				
Buildings	589,163,250	4,010,964		593,174,214
Improvements other than buildings	310,769,413	22,388,915		333,158,328
Telecommunications and peripheral equipment	25,794,210	2,451,193	(806,731)	27,438,672
Library books	8,041,812	563,525	(568,923)	8,036,414
Furniture and other equipment	44,884,403	2,254,030	(789,084)	46,349,349
Total cost of depreciable capital assets	<u>978,653,088</u>	<u>31,668,627</u>	<u>(2,164,738)</u>	<u>1,008,156,977</u>
Accumulated depreciation				
Buildings	112,433,322	10,677,711		123,111,033
Improvements other than buildings	85,274,675	13,693,129		98,967,804
Telecommunications and peripheral equipment	21,339,526	2,006,854	(782,272)	22,564,108
Library books	4,113,478	355,587	(354,229)	4,114,836
Furniture and other equipment	22,775,259	3,883,910	(683,659)	25,975,510
Total accumulated depreciation	<u>245,936,260</u>	<u>30,617,191</u>	<u>(1,820,160)</u>	<u>274,733,291</u>
Net depreciable capital assets	<u>732,716,828</u>	<u>1,051,436</u>	<u>(344,578)</u>	<u>733,423,686</u>
Net capital assets	<u>\$ 876,262,514</u>	<u>\$ (2,718,851)</u>	<u>\$ (344,578)</u>	<u>\$ 873,199,085</u>

**NOTE 20. CAPITAL ASSETS-continued**

<b>2015</b>				
	<b>Beginning Balance</b>	<b>Additions (Transfers)</b>	<b>Deletions</b>	<b>Ending Balance</b>
Non-depreciable capital assets				
Land	\$ 71,950,588	\$	\$	\$ 71,950,588
Collections	1,433,518		(7,150)	1,426,368
Construction in progress	40,713,244	29,455,486		70,168,730
Total cost of non-depreciable capital assets	<u>114,097,350</u>	<u>29,455,486</u>	<u>(7,150)</u>	<u>143,545,686</u>
Depreciable capital assets				
Buildings	589,139,988	23,262		589,163,250
Improvements other than buildings	296,025,141	14,744,272		310,769,413
Telecommunications and peripheral equipment	26,395,681	1,310,392	(1,911,863)	25,794,210
Library books	7,903,450	559,509	(421,147)	8,041,812
Furniture and other equipment	42,167,109	3,552,201	(834,907)	44,884,403
Total cost of depreciable capital assets	<u>961,631,369</u>	<u>20,189,636</u>	<u>(3,167,917)</u>	<u>978,653,088</u>
Accumulated depreciation				
Buildings	101,828,592	10,604,730		112,433,322
Improvements other than buildings	72,346,489	12,928,186		85,274,675
Telecommunications and peripheral equipment	20,846,889	2,279,796	(1,787,159)	21,339,526
Library books	4,033,793	389,414	(309,729)	4,113,478
Furniture and other equipment	19,748,409	3,694,904	(668,054)	22,775,259
Total accumulated depreciation	<u>218,804,172</u>	<u>29,897,030</u>	<u>(2,764,942)</u>	<u>245,936,260</u>
Net depreciable capital assets	<u>742,827,197</u>	<u>(9,707,394)</u>	<u>(402,975)</u>	<u>732,716,828</u>
Net capital assets	<u>\$ 856,924,547</u>	<u>\$ 19,748,092</u>	<u>\$ (410,125)</u>	<u>\$ 876,262,514</u>

**NOTE 21. COMMITMENTS AND CONTINGENCIES**

The District has entered into several contracts for various construction and renovation projects across the District. As of August 31, 2016, the balance remaining on these contracts totaled approximately \$9,280,000.

**NOTE 22. DESIGNATIONS OF UNRESTRICTED NET POSITION**

The governing board of the District has made the following designations of unrestricted net position:

	2016	2015
Unrestricted net position		
Designated for		
Capital outlay	\$ 19,346,313	\$ 19,707,675
Future renewals and replacements	34,827,474	25,382,599
Future operating budgets	5,000,000	5,000,000
Insurance	700,000	700,000
Undesignated	134,904,679	111,007,811
<b>Total unrestricted net position</b>	<b>\$ 194,778,466</b>	<b>\$ 161,798,085</b>

**NOTE 23. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

Accounts receivable at August 31, 2016 and 2015, were as follows:

	2016	2015
Student Receivables	\$ 25,217,608	\$ 23,514,446
Accounts Receivable	1,209,065	1,469,588
Other Receivables	125,163	277,633
Subtotal	26,551,836	25,261,667
Allowance for Doubtful Accounts	(16,256,315)	(13,821,570)
<b>Total Accounts Receivable-Exhibit 1</b>	<b>\$ 10,295,521</b>	<b>\$ 11,440,097</b>

***NOTE 23. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES-continued***

Accounts payable and accrued liabilities at August 31, 2016 and 2015, were as follows:

	2016	2015
Vendors Payable	\$ 14,855,104	\$ 11,924,003
Accounts Payable-Exhibit 1	14,855,104	11,924,003
Salaries & Benefits Payable	6,060,028	5,684,714
Workers' Compensation Payable	591,352	606,278
Retainage Payable	636,348	1,823,120
Unemployment Compensation	113,216	155,698
Accrued Liabilities-Exhibit 1	7,400,944	8,269,810
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 22,256,048</b>	<b>\$ 20,193,813</b>

Required  
Supplementary  
Information

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
YEAR ENDED AUGUST 31, 2016**

	<u>2016*</u>	<u>2015*</u>
District's proportionate share of collective net pension liability	0.1371994%	0.1539892%
District's proportionate share of collective net pension liability	\$ 48,498,163	\$ 41,132,646
Portion of non-employer contributing entity's total proportionate share net pension liability associated with the District	<u>39,733,040</u>	<u>33,243,381</u>
Total	<u><u>\$ 88,231,203</u></u>	<u><u>\$ 74,376,027</u></u>
District's covered payroll amount	\$ 102,150,596	\$ 96,710,266
Ratio of the District's proportionate share of the collective net pension liability to its covered payroll amount	47.48%	42.53%
TRS net position as percentage of total pension liability	78.43%	83.25%

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

Note: The amounts presented above are as of the measurement date of the collective net pension liability.

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
YEAR ENDED AUGUST 31, 2016**

	2016*	2015*
Legally required contributions	\$ 4,258,346	\$ 4,054,353
Actual contributions	(4,258,346)	(4,054,353)
Contributions deficiency (excess)		
District covered employee payroll amount	\$ 102,150,596	\$ 96,710,266
Ratio of actual contributions to covered payroll amount	4.17%	4.19%

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

Note: The amounts presented above are as of the District's most recent fiscal year-end.

**TARRANT COUNTY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED AUGUST 31, 2016**

**CHANGES OF BENEFIT TERMS:**

There were no benefit changes recognized in the total pension liability as of August 31, 2016.

**CHANGES OF ASSUMPTIONS:**

The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

*Economic Assumptions*

1. The inflation assumption was decreased from 3.00% to 2.50%.
2. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
3. In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
4. The payroll growth assumption was lowered from 3.50% to 2.50%.

*Mortality Assumptions*

5. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
6. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
7. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

*Other Demographic Assumptions*

8. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
9. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
10. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
11. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
12. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

*Actuarial Methods and Policies*

13. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.



# Supplementary Data

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE A  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2016  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)**

	Unrestricted	Restricted	Total Educational Activities
<b>Tuition</b>			
State funded courses			
In-district resident tuition	\$ 45,121,782	\$	\$ 45,121,782
Out-of-district resident tuition	6,244,691		6,244,691
TPEG- credit (set aside)*	3,306,312		3,306,312
Non-resident tuition	6,207,548		6,207,548
Continuing education	2,686,731		2,686,731
TPEG-continuing education (set aside)*	173,708		173,708
Non-state funded continuing education	1,341,855		1,341,855
Total tuition	<u>65,082,627</u>		<u>65,082,627</u>
<b>Fees</b>			
Laboratory fees	103,357		103,357
Other fees	174,918		174,918
Total fees	<u>278,275</u>		<u>278,275</u>
<b>Allowances and discounts</b>			
Bad debt allowance	(2,262,690)		(2,262,690)
Scholarship allowances	(794,550)		(794,550)
Remissions and exemptions	(1,223,170)		(1,223,170)
TPEG allowances	(436,458)		(436,458)
Federal grants to students	(8,161,686)		(8,161,686)
Total allowances and discounts	<u>(12,878,554)</u>		<u>(12,878,554)</u>
Total net tuition and fees	52,482,348		52,482,348
<b>Other operating revenues</b>			
Federal grants and contracts		3,676,399	3,676,399
State grants and contracts		5,512,293	5,512,293
Non-governmental grants and contracts		2,586,684	2,586,684
Other operating revenues	2,347,842		2,347,842
Total other operating revenues	<u>2,347,842</u>	<u>11,775,376</u>	<u>14,123,218</u>
<b>Auxiliary enterprises</b>			
Bookstore			
Food service			
Testing center			
Child center			
Professional Pilot			
Total net auxiliary enterprises			
Total operating revenues	<u>\$ 54,830,190</u>	<u>\$ 11,775,376</u>	<u>\$ 66,605,566</u>

\* In accordance with Education Code 56.033, \$3,480,020 and \$3,304,009 of tuition for the years ended August 31, 2016 and 2015, respectively, was set aside for Texas Public Education Grants (TPEG)

Note: The District has contracted with a college bookstore operator to operate and manage the District's bookstores under an agreement that terminates on June 1, 2017 and may be renewed for additional successive one year periods upon mutual agreement of the parties.

<u>Auxiliary Enterprises</u>	<u>2016 Total</u>	<u>2015 Total</u>
\$	\$ 45,121,782	\$ 44,336,742
	6,244,691	5,761,108
	3,306,312	3,135,665
	6,207,548	5,366,074
	2,686,731	2,637,554
	173,708	168,344
	<u>1,341,855</u>	<u>1,420,134</u>
	<u>65,082,627</u>	<u>62,825,621</u>
	103,357	96,677
	<u>174,918</u>	<u>148,022</u>
	<u>278,275</u>	<u>244,699</u>
	(2,262,690)	(2,807,548)
	(794,550)	(899,751)
	(1,223,170)	(1,098,551)
	(436,458)	(345,358)
	<u>(8,161,686)</u>	<u>(8,441,044)</u>
	<u>(12,878,554)</u>	<u>(13,592,252)</u>
	52,482,348	49,478,068
	3,676,399	3,685,838
	5,512,293	5,228,098
	2,586,684	2,727,036
	<u>2,347,842</u>	<u>4,714,371</u>
	<u>14,123,218</u>	<u>16,355,343</u>
1,129,976	1,129,976	1,026,173
359,678	359,678	347,046
383,452	383,452	439,497
314,174	314,174	311,354
<u>1,554,814</u>	<u>1,554,814</u>	<u>1,234,257</u>
<u>3,742,094</u>	<u>3,742,094</u>	<u>3,358,327</u>
<u>\$ 3,742,094</u>	<u>\$ 70,347,660</u>	<u>\$ 69,191,738</u>
	(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE B  
SCHEDULE OF OPERATING EXPENSES  
BY OBJECT  
YEAR ENDED AUGUST 31, 2016  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)**

	Salaries and Wages	Staff Benefits	
		State	Local
Unrestricted - educational activities			
Instruction	\$ 91,795,834	\$	\$ 15,110,120
Public service	5,899,081		937,987
Academic support	19,193,249		4,929,313
Student services	20,232,335		4,282,584
Institutional support	21,741,821		5,735,937
Operation and maintenance of plant	7,476,337		3,374,221
Scholarships and fellowships			
Total unrestricted educational activities	166,338,657		34,370,162
Restricted - educational activities			
Instruction	1,673,275	9,443,729	
Public service	406,919	563,461	
Academic support	91,378	1,044,925	
Student services	1,366,860	1,504,159	
Institutional support		4,097,442	
Scholarships and fellowships			
Total restricted educational activities	3,538,432	16,653,716	
Total educational activities	169,877,089	16,653,716	34,370,162
Auxiliary enterprises	391,891		169,260
Depreciation expense			
Buildings and other real estate improvements			
Equipment and furniture			
Total operating expenses	<u>\$ 170,268,980</u>	<u>\$ 16,653,716</u>	<u>\$ 34,539,422</u>

Other Expenses	2016 Total	2015 Total
\$ 16,915,022	\$ 123,820,976	\$ 118,383,506
1,536,201	8,373,269	7,575,923
5,346,551	29,469,113	27,868,540
4,401,150	28,916,069	27,462,135
11,372,582	38,850,340	37,114,378
22,207,128	33,057,686	33,264,591
2,145,400	2,145,400	1,698,401
<u>63,924,034</u>	<u>264,632,853</u>	<u>253,367,474</u>
1,463,346	12,580,350	12,288,550
738,556	1,708,936	1,612,279
985,493	1,136,303	1,123,253
61,733,615	3,856,512	4,008,381
<u>61,733,615</u>	4,097,442	3,761,351
<u>64,921,010</u>	<u>61,733,615</u>	<u>62,863,312</u>
128,845,044	85,113,158	85,657,126
<u>128,845,044</u>	<u>349,746,011</u>	<u>339,024,600</u>
3,475,036	4,036,187	3,786,956
24,370,840	24,370,840	23,532,916
6,246,351	6,246,351	6,364,114
<u>\$ 162,937,271</u>	<u>\$ 384,399,389</u>	<u>\$ 372,708,586</u>
	(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE C  
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES  
YEAR ENDED AUGUST 31, 2016  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>
<b>NON-OPERATING REVENUES</b>			
State appropriations			
Education and general state support	\$ 56,235,643	\$	\$
State group insurance		12,260,138	
State retirement matching		4,393,578	
Total state appropriations	<u>56,235,643</u>	<u>16,653,716</u>	
Maintenance ad valorem taxes	206,958,870		
Debt service ad valorem taxes			
Federal grants and contracts		64,293,615	
Gifts	14,650		
Investment income	2,533,782	210,758	22,792
Other income	<u>2,103,574</u>		
Total non-operating revenues	267,846,519	81,158,089	22,792
<b>NON-OPERATING EXPENSES</b>			
Investment losses			
Loss on disposal of assets	<u>344,578</u>		
Total non-operating expenses	<u>344,578</u>		
Net non-operating revenues	<u>\$ 267,501,941</u>	<u>\$ 81,158,089</u>	<u>\$ 22,792</u>

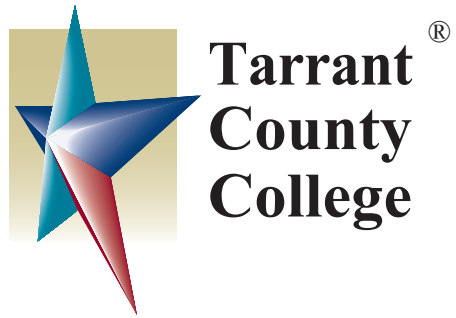
2016 Total	2015 Total
\$ 56,235,643	\$ 54,396,982
12,260,138	11,381,867
4,393,578	4,257,841
<u>72,889,359</u>	<u>70,036,690</u>
206,958,870	190,805,920
64,293,615	6,616,686
14,650	66,314,027
2,767,332	1,786,540
2,103,574	910,990
<u>349,027,400</u>	<u>336,470,853</u>
	318,660
<u>344,578</u>	<u>371,380</u>
<u>344,578</u>	<u>690,040</u>
<u>\$ 348,682,822</u>	<u>\$ 335,780,813</u>
(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE D  
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
YEAR ENDED AUGUST 31, 2016  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)**

	<b>Detail by Source</b>		
	Unrestricted	Restricted	
		Expendable	Non-Expendable
Current:			
Unrestricted	\$ 110,749,942	\$	\$
Board designated	59,873,787		
Restricted		6,331,509	
Auxiliary enterprises	24,154,737		
Loan		143,928	
Plant:			
Debt service		23,521	
Investment in plant			
Total net position, August 31, 2016	194,778,466	6,498,958	
Total net position, August 31, 2015	161,798,085	6,784,817	
Net increase (decrease) in net position	\$ 32,980,381	(\$ 285,859)	\$



Detail by Source		Available for Current Operations	
Net Investment in Capital Assets	Total	Yes	No
\$	\$ 110,749,942	\$ 110,749,942	\$
	59,873,787		59,873,787
	6,331,509		6,331,509
	24,154,737	24,154,737	
	143,928		143,928
	23,521		23,521
873,199,085	873,199,085		873,199,085
873,199,085	1,074,476,509	134,904,679	939,571,830
	(Exhibit 1)		
871,262,514	1,039,845,416	111,007,811	928,837,605
	(Exhibit 2)		
\$ 1,936,571	\$ 34,631,093	\$ 23,896,868	\$ 10,734,225
	(Exhibit 2)		



**Tarrant<sup>®</sup>  
County  
College**

**STATISTICAL SECTION**

**STATISTICAL SECTION**

# STATISTICAL SECTION

This part of the Tarrant County College District's comprehensive annual 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 District's overall financial health.

## Contents

### Statistical Supplements

#### **Financial Trends**

1-3

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

#### **Revenue Capacity**

4-8

These schedules contain information to help the reader assess the District's most significant local revenue sources.

#### **Debt Capacity**

9-11

These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt.

#### **Demographic and Economic Information**

12-13

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's activities take place.

#### **Operating Information**

14-18

These schedules contain employment, enrollment and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 1  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2016	2015	2014	2013
Net investment in capital assets	\$ 873,199,085	\$ 871,262,514	\$ 839,009,623	\$ 816,910,267
Restricted - expendable	6,498,958	6,784,817	8,843,553	6,639,969
Restricted - nonexpendable				
Unrestricted	<u>194,778,466</u>	<u>161,798,085</u>	<u>206,331,733</u>	<u>193,380,837</u>
Total primary government net position	1,074,476,509	1,039,845,416	1,054,184,909	1,016,931,073
Net Position, beginning of year	1,039,845,416	1,054,184,909	1,016,931,073	975,662,444
Change in accounting principle		(46,603,458)		
Net Position, beginning of year, restated		<u>1,007,581,451</u>		
Increase in Net Position	<u>\$ 34,631,093</u>	<u>\$ 32,263,965</u>	<u>\$ 37,253,836</u>	<u>\$ 41,268,629</u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 772,740,979	\$ 757,613,463	\$ 707,299,717	\$ 638,222,485	\$ 548,838,668	\$ 207,334,709
6,770,189	6,243,001	5,601,190	5,419,823	5,709,923	4,524,571
			207,973	699,347	673,065
<u>196,305,399</u>	<u>160,030,490</u>	<u>157,642,379</u>	<u>148,297,840</u>	<u>143,437,568</u>	<u>374,501,328</u>
975,816,567	923,886,954	870,543,286	792,148,121	698,685,506	587,033,673
923,886,954	870,543,286	792,148,121	698,685,506	587,033,673	477,741,751
<u><u>\$ 51,929,613</u></u>	<u><u>\$ 53,343,668</u></u>	<u><u>\$ 78,395,165</u></u>	<u><u>\$ 93,462,615</u></u>	<u><u>\$111,651,833</u></u>	<u><u>\$109,291,922</u></u>

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 2  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2016	2015	2014	2013
Operating revenues				
Tuition and fees (net of discounts)	\$ 52,482,348	\$ 49,478,068	\$ 49,371,002	\$ 50,245,813
Governmental grants and contracts				
Federal grants and contracts	3,676,399	3,685,838	3,217,611	3,757,923
State grants and contracts	5,512,293	5,228,098	5,880,099	5,554,657
Non-governmental grants and contracts	2,586,684	2,727,036	4,946,370	3,162,051
Auxiliary enterprises	3,742,094	3,358,327	2,835,286	2,920,961
Other operating revenues	2,347,842	4,714,371	6,343,924	6,212,717
<b>Total operating revenues</b>	<b>70,347,660</b>	<b>69,191,738</b>	<b>72,594,292</b>	<b>71,854,122</b>
Non-operating revenues				
State appropriations	72,889,359	70,036,690	69,156,327	63,300,842
Ad-valorem taxes	206,958,870	197,422,606	187,826,286	182,149,704
Federal grants and contracts	64,293,615	66,314,027	76,657,485	80,360,739
Gifts	14,650		100,000	142,795
Investment income	2,767,332	1,467,880	3,653,612	
Other income	2,103,574	910,990	1,691,575	1,134,523
<b>Total non-operating revenues</b>	<b>349,027,400</b>	<b>336,152,193</b>	<b>339,085,285</b>	<b>327,088,603</b>
Other revenues				
Additions to permanent endowments				
<b>Total revenues</b>	<b>\$ 419,375,060</b>	<b>\$ 405,343,931</b>	<b>\$ 411,679,577</b>	<b>\$ 398,942,725</b>
Operating revenues				
Tuition and fees (net of discounts)	12.51%	12.21%	11.99%	12.59%
Governmental grants and contracts				
Federal grants and contracts	0.88%	0.91%	0.78%	0.94%
State grants and contracts	1.31%	1.29%	1.43%	1.39%
Non-governmental grants and contracts	0.62%	0.68%	1.20%	0.79%
Auxiliary enterprises	0.89%	0.83%	0.70%	0.73%
Other operating revenues	0.56%	1.17%	1.54%	1.56%
<b>Total operating revenues</b>	<b>16.77%</b>	<b>17.09%</b>	<b>17.64%</b>	<b>18.00%</b>
Non-operating revenues				
State appropriations	17.38%	17.28%	16.80%	15.87%
Ad-valorem taxes	49.35%	48.70%	45.62%	45.66%
Federal grants and contracts	15.33%	16.36%	18.62%	20.15%
Gifts	0.01%	0.00%	0.02%	0.04%
Investment income	0.66%	0.36%	0.89%	
Other income	0.50%	0.21%	0.41%	0.28%
<b>Total non-operating revenues</b>	<b>83.23%</b>	<b>82.91%</b>	<b>82.36%</b>	<b>82.00%</b>
Other revenues				
Additions to permanent endowments				
<b>Total revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

2012	2011	2010	2009	2008	2007
\$ 50,214,996	\$ 46,446,649	\$ 45,507,326	\$ 41,411,491	\$ 38,918,863	\$ 35,651,135
3,338,370	3,738,898	2,662,284	4,530,581	2,420,630	2,122,182
4,770,234	6,403,470	4,436,087	2,931,041	2,335,426	1,793,467
3,971,945	3,123,262	2,245,408	2,180,664	1,139,402	1,366,985
3,275,283	3,453,670	3,381,510	3,103,757	3,211,761	4,513,492
5,607,184	6,922,636	7,036,611	7,095,780	1,481,599	428,375
71,178,012	70,088,585	65,269,226	61,253,314	49,507,681	45,875,636
61,563,447	65,923,473	67,133,335	60,335,031	59,543,945	57,004,281
180,009,933	163,339,387	170,989,124	168,458,577	156,897,585	145,076,199
77,967,771	84,809,753	59,862,557	35,579,625	23,179,682	20,153,359
	750	5,250		1,200	1,000
1,117,501	1,600,511	1,404,780	3,681,350	17,518,082	21,165,311
899,186	2,213,352	702,665	702,660	702,656	5,141,280
321,557,838	317,887,226	300,097,711	268,757,243	257,843,150	248,541,430
		26,223	42,660	40,810	64,698
<u>\$ 392,735,850</u>	<u>\$ 387,975,811</u>	<u>\$ 365,393,160</u>	<u>\$ 330,053,217</u>	<u>\$ 307,391,641</u>	<u>\$ 294,481,764</u>
12.81%	11.98%	12.45%	12.55%	12.65%	12.11%
0.85%	0.96%	0.73%	1.37%	0.79%	0.72%
1.21%	1.65%	1.21%	0.89%	0.76%	0.61%
1.01%	0.81%	0.61%	0.66%	0.37%	0.46%
0.83%	0.89%	0.93%	0.94%	1.04%	1.53%
1.43%	1.78%	1.93%	2.15%	0.48%	0.15%
18.14%	18.07%	17.86%	18.56%	16.09%	15.58%
15.68%	16.99%	18.37%	18.28%	19.37%	19.36%
45.82%	42.10%	46.80%	51.04%	51.06%	49.26%
19.85%	21.86%	16.38%	10.78%	7.54%	6.84%
0.28%	0.41%	0.38%	1.12%	5.70%	7.19%
0.23%	0.57%	0.19%	0.21%	0.23%	1.75%
81.86%	81.93%	82.12%	81.43%	83.90%	84.40%
		0.02%	0.01%	0.01%	0.02%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>



**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 3  
PROGRAM EXPENSES BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2016	2015	2014	2013
Instruction	\$ 136,401,326	\$ 130,672,056	\$ 123,303,575	\$ 115,814,409
Public service	10,082,205	9,188,202	8,099,598	8,333,736
Academic support	30,605,416	28,991,793	27,567,965	24,779,010
Student services	32,772,581	31,470,516	29,578,631	28,786,433
Institutional support	42,947,782	40,875,729	39,704,272	39,193,209
Operation and maintenance of plant	33,057,686	33,264,591	38,451,779	34,748,311
Scholarship and fellowships	63,879,015	64,561,713	75,701,812	76,363,289
Auxiliary enterprises	4,036,187	3,786,956	2,822,103	2,243,087
Depreciation	30,617,191	29,897,030	29,196,006	27,412,612
Total operating expenses	384,399,389	372,708,586	374,425,741	357,674,096
Interest on capital related debt				
Foundation transfer				
Loss on disposal of fixed assets	344,578	371,380		
Total non-operating expenses	344,578	371,380		
Total expenses	\$ 384,743,967	\$ 373,079,966	\$ 374,425,741	\$ 357,674,096
Instruction	35.45%	35.03%	32.93%	32.38%
Public service	2.62%	2.45%	2.16%	2.33%
Academic support	7.96%	7.77%	7.36%	6.93%
Student services	8.52%	8.44%	7.90%	8.05%
Institutional support	11.16%	10.96%	10.61%	10.96%
Operation and maintenance of plant	8.59%	8.92%	10.27%	9.71%
Scholarship and fellowships	16.60%	17.31%	20.22%	21.35%
Auxiliary enterprises	1.05%	1.02%	0.75%	0.63%
Depreciation	7.96%	8.01%	7.80%	7.66%
Total operating expenses	99.91%	99.91%	100.00%	100.00%
Interest on capital related debt				
Foundation transfer				
Loss on disposal of fixed assets	0.09%	0.09%		
Total non-operating expenses	0.09%	0.09%		
Total expenses	100.00%	100.00%	100.00%	100.00%

2012	2011	2010	2009	2008	2007
\$ 108,078,177	\$ 114,166,378	\$ 95,921,420	\$ 83,437,483	\$ 75,066,102	\$ 71,745,930
5,496,537	7,001,458	6,739,303	6,365,670	5,041,719	4,641,156
21,512,584	21,847,574	16,917,975	14,013,169	12,514,941	11,349,181
24,690,936	25,282,806	20,840,918	17,849,057	15,874,448	14,125,391
34,326,749	29,283,026	31,207,465	26,010,789	23,307,939	26,263,394
38,794,192	34,941,445	39,900,473	38,177,688	32,293,652	26,056,295
78,968,897	78,792,547	55,583,034	35,129,416	21,813,943	18,846,333
2,152,576	2,262,986	2,114,115	1,624,126	1,582,216	2,583,589
26,188,770	20,670,066	17,268,778	12,123,042	7,961,528	7,561,001
340,209,418	334,248,286	286,493,481	234,730,440	195,456,488	183,172,270
289,308					1,055,063
		201,997	1,432,482		
307,511	383,857	302,517	427,680	283,320	962,509
596,819	383,857	504,514	1,860,162	283,320	2,017,572
<u>\$ 340,806,237</u>	<u>\$ 334,632,143</u>	<u>\$ 286,997,995</u>	<u>\$ 236,590,602</u>	<u>\$ 195,739,808</u>	<u>\$ 185,189,842</u>
31.74%	34.11%	33.42%	35.27%	38.35%	38.73%
1.61%	2.09%	2.35%	2.69%	2.58%	2.51%
6.31%	6.53%	5.89%	5.92%	6.39%	6.13%
7.24%	7.56%	7.26%	7.54%	8.11%	7.63%
10.07%	8.75%	10.87%	10.99%	11.91%	14.18%
11.38%	10.44%	13.90%	16.14%	16.50%	14.07%
23.17%	23.55%	19.37%	14.85%	11.14%	10.18%
0.63%	0.68%	0.74%	0.69%	0.81%	1.40%
7.68%	6.18%	6.02%	5.12%	4.07%	4.08%
<u>99.83%</u>	<u>99.89%</u>	<u>99.82%</u>	<u>99.21%</u>	<u>99.86%</u>	<u>98.91%</u>
0.08%					0.57%
		0.07%	0.61%		
0.09%	0.11%	0.11%	0.18%	0.14%	0.52%
0.17%	0.11%	0.18%	0.79%	0.14%	1.09%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 4  
TUITION AND FEES  
LAST TEN ACADEMIC YEARS  
(UNAUDITED)**

RESIDENT

Fees per Semester Credit Hour (b)

Academic Year	In-District Tuition	Out-of-District Tuition	Facilities Use & Technology Fees (a)	Student Services Fee (a)	Total Tuition & Fees In-District	Total Tuition & Fees Out-of-District
2016	\$ 55	\$ 86	\$	\$	\$ 55	\$ 86
2015	55	86			55	86
2014	55	86			55	86
2013	52	76			52	76
2012	50	73			50	73
2011	50	73			50	73
2010	50	73			50	73
2009	50	73			50	73
2008	50	63			50	63
2007	50	63			50	63

NON-RESIDENT

Fees per Semester Credit Hour (b)

Academic Year	Non-Resident Tuition Out of State	Non-Resident Tuition International	Facilities Use & Technology Fees	Student Services Fee	Total Tuition & Fees Out of State	Total Tuition & Fees International
2016	\$ 205	\$ 205	\$	\$	\$ 205	\$ 205
2015	205	205			205	205
2014	205	205			205	205
2013	171	171			171	171
2012	165	165			165	165
2011	165	165			165	165
2010	165	165			165	165
2009	165	165			165	165
2008	150	150			150	150
2007	150	150			150	150

Note:

- (a) The District no longer assesses a laboratory fee, facilities fee, or student services fee. These fees are now included in the tuition rate.
- (b) This schedule reflects Fall tuition rates.

RESIDENT  
Fees per Semester Credit Hour (SCH)

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
\$ 660	\$ 1,032	0.00%	0.00%
660	1,032	0.00%	0.00%
660	1,032	5.77%	13.16%
624	912	4.00%	4.11%
600	876	0.00%	0.00%
600	876	0.00%	0.00%
600	876	0.00%	0.00%
600	876	0.00%	15.87%
600	756	0.00%	0.00%
600	756	4.17%	3.28%

NON-RESIDENT  
Fees per Semester Credit Hour (SCH)

Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
\$ 2,460	\$ 2,460	0.00%	0.00%
2,460	2,460	0.00%	0.00%
2,460	2,460	19.88%	19.88%
2,052	2,052	3.64%	3.64%
1,980	1,980	0.00%	0.00%
1,980	1,980	0.00%	0.00%
1,980	1,980	0.00%	0.00%
1,980	1,980	10.00%	10.00%
1,800	1,800	0.00%	0.00%
1,800	1,800	0.00%	0.00%

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 5  
ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Assessed Valuation of Real Property</u>	<u>Assessed Valuation of Personal Property</u>	<u>Assessed Valuation of Property</u>	<u>Less: Exemptions</u>
(b) 2016	\$ 144,468,399,702	\$ 26,875,858,000	\$ 171,344,257,702	\$ (37,435,407,124)
2015	141,311,318,941	25,239,113,478	166,550,432,419	(30,237,870,137)
2014	134,490,264,565	23,748,078,239	158,238,342,804	(30,784,142,232)
2013	131,175,795,248	22,689,236,805	153,865,032,053	(28,772,399,041)
2012	129,269,619,814	21,355,852,598	150,625,472,412	(27,134,616,699)
2011	126,259,248,729	20,867,055,732	147,126,304,461	(25,115,089,135)
2010	131,940,371,709	21,335,328,974	153,275,700,683	(25,568,435,000)
2009	126,732,666,961	21,837,887,387	148,570,554,348	(23,951,146,989)
2008	117,918,342,981	20,528,694,871	138,447,037,852	(23,543,915,305)
2007	109,182,979,056	19,094,790,500	128,277,769,556	(22,509,449,466)

Source:  
Tarrant Appraisal District

Notes:  
Property is assessed at full market value.  
(a) per \$100 taxable assessed valuation  
(b) District debt was paid off during fiscal 2015, thus there is no debt service tax beginning in fiscal 2016.

<u>Taxable Assessed Value</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>	<u>Maintenance and Operations (a)</u>	<u>Debt Service (a)</u>	<u>Total (a)</u>
\$ 133,908,850,578	78.15%	\$ 0.14950	\$	\$ 0.14950
136,312,562,282	81.84%	0.14392	0.00558	0.14950
127,454,200,572	80.55%	0.14241	0.00709	0.14950
125,092,633,012	81.30%	0.14241	0.00656	0.14897
123,490,855,713	81.99%	0.14206	0.00691	0.14897
122,011,215,326	82.93%	0.13126	0.00638	0.13764
127,707,265,683	83.32%	0.13126	0.00641	0.13767
124,619,407,359	83.88%	0.13126	0.00670	0.13796
114,903,122,547	82.99%	0.13126	0.00812	0.13938
105,768,320,090	82.45%	0.13068	0.00870	0.13938

**TARRANT COUNTY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 6  
 STATE APPROPRIATION PER FTSE AND CONTACT HOUR  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

Fiscal Year	Appropriation per FTSE		
	State Appropriation	FTSE	State Appropriation per FTSE
2016	\$ 56,235,643	28,364	\$ 1,983
2015	54,396,982	28,160	1,932
2014	54,479,329	29,395	1,853
2013	53,068,368	29,403	1,805
2012	51,882,971	29,054	1,786
2011	48,763,674	28,417	1,716
2010	50,920,045	25,536	1,994
2009	45,672,690	22,649	2,017
2008	45,442,760	21,658	2,098
2007	43,361,661	20,206	2,146

Source:

(a) CBM004

(b) CBM00C

Listed Funded Continuing Ed Contact Hours.

Prior years reports listed Funded and NonFunded Continuing Ed Contact Hours.

Note:

FTSE is defined as the number of full time students hours plus total hours taken by part-time students divided by 12.

Appropriation per Contact Hour

Academic and Vocational Contact Hours (a)	Continuing Ed Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
17,824,356	874,252	18,698,608	\$ 3.01
18,199,288	816,899	19,016,187	2.86
18,599,915	778,717	19,378,632	2.81
18,611,304	756,028	19,367,332	2.74
18,486,584	866,970	19,353,554	2.68
18,927,856	829,133	19,756,989	2.47
17,673,443	684,596	18,358,039	2.77
15,212,795	737,933	16,496,441	2.77
13,975,532	611,915	14,587,447	3.12
12,969,388	592,089	13,561,477	3.20



**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 7  
PRINCIPAL TAXPAYERS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Taxpayer	Type of Business	2016	2015	2014
Oncor Electric Delivery Co LLC	Electric Utility	\$ 996,396,908	\$ 996,124,098	\$ 996,541,431
American Airlines Inc	Airline	608,719,560	434,149,748	415,466,631
Opryland Hotel	Hotel	559,231,745		252,604,271
Bell Helicopter Textron	Helicopter Manufacturer	513,773,261	526,450,434	368,852,302
Wal-Mart Stores	Retail	499,185,633	474,129,452	474,104,104
Barnett Gathering LP	Natural Gas Exploration	345,413,120	401,081,040	400,981,515
Mouser Electronics Inc	Electronics Distributor	318,402,108		
Amazon.Com.KYDC LLC	Online Retail	315,194,518		
XTO Energy Inc	Natural Gas Utility	297,815,979	703,298,589	691,815,632
Atmos Energy/Mid Tex Division	Natural Gas Utility	268,687,927		
General Motors LLC	Auto Manufacturer		694,999,441	305,558,069
Chesapeake Operating	Natural Gas Utility		494,992,110	472,698,380
Devon Energy Production	Natural Gas Utility		295,994,780	322,885,510
Town Square Ventures LP	Retail		293,001,243	
Southwestern Bell	Telephone Utility			
Quicksilver Resources	Natural Gas Exploration			
Encana Oil & Gas (USA) Inc	Natural Gas Utility			
Ddr/Dtc City Investments	Investments			
Grapevine Mills Ltd Partnership	Retail			
TXU Electric Delivery Co	Electric Utility			
Totals		<u>\$ 4,722,820,759</u>	<u>\$ 5,314,220,935</u>	<u>\$ 4,701,507,845</u>
Total Taxable Assessed Value		<u>\$ 133,908,850,578</u>	<u>\$ 136,312,562,282</u>	<u>\$ 127,454,200,572</u>

Taxpayer	Type of Business	2016	2015	2014
Oncor Electric Delivery Co LLC	Electric Utility	0.74%	0.73%	0.78%
American Airlines Inc	Airline	0.45%	0.32%	0.33%
Opryland Hotel	Hotel	0.42%		0.20%
Bell Helicopter Textron	Helicopter Manufacturer	0.38%	0.39%	0.29%
Wal-Mart Stores	Retail	0.37%	0.35%	0.37%
Barnett Gathering LP	Natural Gas Exploration	0.26%	0.29%	0.31%
Mouser Electronics Inc	Electronics Distributor	0.24%		
Amazon.Com.KYDC LLC	Online Retail	0.24%		
XTO Energy Inc	Natural Gas Utility	0.22%	0.52%	0.54%
Atmos Energy/Mid Tex Division	Natural Gas Utility	0.20%		
General Motors LLC	Auto Manufacturer		0.51%	0.24%
Chesapeake Operating	Natural Gas Utility		0.36%	0.37%
Devon Energy Production	Natural Gas Utility		0.22%	0.25%
Town Square Ventures LP	Retail		0.21%	
Southwestern Bell	Telephone Utility			
Quicksilver Resources	Natural Gas Exploration			
Encana Oil & Gas (USA) Inc	Natural Gas Utility			
Ddr/Dtc City Investments	Investments			
Grapevine Mills Ltd Partnership	Retail			
TXU Electric Delivery Co	Electric Utility			
Totals		<u>3.53%</u>	<u>3.90%</u>	<u>3.69%</u>

Source:  
Tarrant Appraisal District

Taxable Assessed Value by Tax Year

	2013	2012	2011	2010	2009	2008	2007
\$	951,568,636	\$ 910,223,719	\$ 888,088,078	\$ 903,047,789	\$ 912,586,199	\$ 1,065,754,757	\$
	366,781,877	332,996,493	292,074,639	379,219,005	366,801,436	498,730,635	517,041,670
	278,139,403	285,854,271	273,331,856	247,781,677	256,104,271	285,567,693	254,567,693
	353,813,947	388,497,181	418,973,452	441,749,768	493,923,798	445,724,506	285,082,199
	470,417,156	437,961,437	395,426,831	392,756,246	404,645,406	370,549,819	413,905,030
	471,761,413	288,678,979	251,248,399				
	597,305,424	874,943,953		295,564,940	289,614,547	717,253,382	502,644,401
	565,845,620	664,160,020	736,221,860	512,027,150	459,642,110		
	381,143,310	471,202,990	506,053,300	497,668,900	594,289,520	414,202,754	299,098,900
	240,513,694	269,220,847	308,900,768	348,419,062	394,307,840	408,342,184	467,495,260
			359,055,290				
				311,069,570	297,235,050		
						271,364,765	238,241,510
						218,044,937	204,390,717
							1,022,692,138
\$	4,677,290,480	\$ 4,923,739,890	\$ 4,429,374,473	\$ 4,329,304,107	\$ 4,469,150,177	\$ 4,695,535,432	\$ 4,205,159,518
\$	125,092,633,012	\$ 123,490,855,713	\$ 122,011,215,326	\$ 127,707,265,683	\$ 124,619,407,359	\$ 114,903,122,547	\$ 105,768,320,090

% of Taxable Assessed Value by Tax Year

	2013	2012	2011	2010	2009	2008	2007
	0.76%	0.74%	0.73%	0.71%	0.73%	0.93%	
	0.29%	0.27%	0.24%	0.30%	0.29%	0.43%	0.49%
	0.22%	0.23%	0.22%	0.19%	0.21%	0.25%	0.24%
	0.28%	0.31%	0.34%	0.35%	0.40%	0.39%	0.27%
	0.38%	0.35%	0.32%	0.31%	0.32%	0.32%	0.39%
	0.38%	0.23%	0.21%				
	0.48%	0.71%		0.23%	0.23%	0.62%	0.48%
	0.45%	0.54%	0.60%	0.40%	0.37%		
	0.30%	0.38%	0.41%	0.39%	0.48%	0.36%	0.28%
	0.19%	0.22%	0.25%	0.27%	0.32%	0.36%	0.44%
			0.29%				
				0.24%	0.24%		
						0.24%	0.23%
						0.19%	0.19%
							0.97%
	3.73%	3.98%	3.62%	3.39%	3.59%	4.09%	3.98%

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 8  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended August 31	Levy	Cumulative Levy Adjustment	Adjusted Tax Levy (a)	Collections-Year of Levy (b)
2016	\$ 195,442,891	\$ 13,876,314	\$ 209,319,205	\$ 207,402,437
2015	201,369,072	(459,345)	200,909,727	198,833,848
2014	188,459,192	2,236,286	190,695,478	188,956,746
2013	184,458,402	395,328	184,853,730	183,071,724
2012	182,088,704	427,055	182,515,759	180,673,316
2011	165,529,411	1,217,026	166,746,437	164,882,248
2010	166,752,648	7,611,534	174,364,182	171,863,844
2009	163,282,528	7,347,808	170,630,336	168,182,973
2008	158,440,008	759,323	159,199,331	157,104,943
2007	145,656,686	1,117,463	146,774,149	144,425,218

Source:  
Tarrant County Tax Assessor/ Collector and District records

- Notes:
- (a) As of August 31<sup>st</sup> of the current reporting year
  - (b) Property tax only- does not include penalties and interest
  - (c) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy
  - (d) Represents current year collections of prior years levies

<u>Percentage</u>	<u>Prior Collections of Prior Levies (c)</u>	<u>Current Collections of Prior Levies (d)</u>	<u>Total Collections (b+c+d)</u>	<u>Cumulative Collections of Adjusted Levy</u>
99.08%	\$	\$	\$ 207,402,437	99.08%
98.97%		693,267	199,527,115	99.31%
99.09%	609,970	268,059	189,834,775	99.55%
99.04%	1,089,665	191,416	184,352,805	99.73%
98.99%	1,382,832	145,698	182,201,846	99.83%
98.88%	1,510,538	109,756	166,502,542	99.85%
98.57%	1,791,177	43,171	173,698,192	99.62%
98.57%	2,053,891	23,386	170,260,250	99.78%
98.68%	1,942,762	20,989	159,068,694	99.92%
98.40%	1,854,038	16,619	146,295,875	99.67%

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 9  
RATIOS OF OUTSTANDING DEBT  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	<u>2016 (a)</u>	<u>2015 (a)</u>	<u>2014</u>
General bonded debt			
General obligation bonds	\$	\$	\$ 8,062,949
Less: Funds restricted for debt service			(1,656,309)
Net general bonded debt			<u>6,406,640</u>
Other debt			
Revenue bonds			
Total outstanding debt	<u>\$</u>	<u>\$</u>	<u>\$ 6,406,640</u>
General bonded debt ratios			
Per capita	\$	\$	\$ 3.35
Per FTSE			218
As a percentage of taxable assessed value			0.01%
Total outstanding debt ratios			
Per capita	\$	\$	\$ 3.35
Per FTSE			218
As a percentage of taxable assessed value			0.01%

Notes:

Ratios calculated using population and TAV from each year.

Debt per student calculated using full-time-equivalent enrollment.

(a) While the District had net position restricted for debt service in the amount of \$23,521 as of both August 31, 2016 and 2015, there was no bonded debt outstanding at those dates as all bonds payable were completely paid off in February 2015. As a result, the calculations presented in the table are not relevant for August 31, 2015 or August 31, 2016.

2013	2012	2011	2010	2009	2008	2007
\$ 15,875,819	\$ 23,324,225	\$ 30,588,040	\$ 37,444,583	\$ 43,834,151	\$ 51,097,358	\$ 57,077,547
(1,784,207)	(2,559,199)	(3,260,900)	(4,073,884)	(4,431,372)	(4,795,411)	(4,171,254)
14,091,612	20,765,026	27,327,140	33,370,699	39,402,779	46,301,947	52,906,293
<u>\$ 14,091,612</u>	<u>\$ 20,765,026</u>	<u>\$ 27,327,140</u>	<u>\$ 33,370,699</u>	<u>\$ 39,402,779</u>	<u>\$ 46,301,947</u>	<u>\$ 52,906,293</u>

\$ 7.49	\$ 11.34	\$ 15.03	\$ 18.24	\$ 21.80	\$ 26.01	\$ 30.32
479	715	962	1,307	1,740	2,138	2,618
0.01%	0.02%	0.02%	0.03%	0.03%	0.04%	0.05%

\$ 7.49	\$ 11.34	\$ 15.03	\$ 18.24	\$ 21.80	\$ 26.01	\$ 30.32
479	715	962	1,307	1,740	2,138	2,618
0.01%	0.02%	0.02%	0.03%	0.03%	0.04%	0.05%

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 10  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2016 (a)	2015 (a)	2014	2013
Taxable Assessed Value	<u>\$ 133,908,850,578</u>	<u>\$ 136,312,562,282</u>	<u>\$ 127,454,200,572</u>	<u>\$ 125,092,633,012</u>
General Obligation Bonds				
Statutory Tax Levy Limit for Debt Service	\$ 669,544,253	\$ 681,562,811	\$ 637,271,003	\$ 625,463,165
Less Funds Restricted for Repayment of General Obligation Bonds			(1,656,309)	(1,784,207)
Total Net General Obligation Debt	669,544,253	681,562,811	635,614,694	623,678,958
Current Year Debt Service Requirements		8,129,263	8,124,425	8,166,281
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 669,544,253</u>	<u>\$ 673,433,548</u>	<u>\$ 627,490,269</u>	<u>\$ 615,512,677</u>
Net Current Requirements as a % of Statutory Limit	0.00%	1.19%	1.01%	1.02%

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.

- (a) While the District had net position restricted for debt service in the amount of \$23,521 as of both August 31, 2016 and 2015, there was no bonded debt outstanding at those dates as all bonds payable were completely paid off in February 2015. As a result, the calculations presented in the table are not relevant for August 31, 2015 or August 31, 2016.

2012	2011	2010	2009	2008	2007
<u>\$ 123,490,855,713</u>	<u>\$ 122,011,215,326</u>	<u>\$ 127,707,265,683</u>	<u>\$ 124,619,407,359</u>	<u>\$ 114,903,122,547</u>	<u>\$ 105,768,320,090</u>
\$ 617,454,279	\$ 610,056,077	\$ 638,536,328	\$ 623,097,037	\$ 574,515,613	\$ 528,841,600
<u>(2,559,199)</u>	<u>(3,260,900)</u>	<u>(4,073,884)</u>	<u>(4,431,372)</u>	<u>(4,795,411)</u>	<u>(4,171,254)</u>
614,895,080	606,795,177	634,462,444	618,665,665	569,720,202	524,670,346
<u>8,389,325</u>	<u>8,372,725</u>	<u>8,260,344</u>	<u>9,626,181</u>	<u>8,539,225</u>	<u>8,412,368</u>
<u>\$ 606,505,755</u>	<u>\$ 598,422,452</u>	<u>\$ 626,202,100</u>	<u>\$ 609,039,484</u>	<u>\$ 561,180,977</u>	<u>\$ 516,257,978</u>
0.94%	0.84%	0.66%	0.83%	0.65%	0.80%



**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 11  
PLEGGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

**Currently the District has no outstanding or pledged revenue bonds**

**TARRANT COUNTY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 12  
 DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

<u>Calendar Year</u>	<u>District Population</u>	<u>District Personal Income</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2016	1,982,498	\$ 89,814,369,000	\$ 45,304	4.20%
2015	1,945,360	84,905,643,000	43,645	4.00%
2014	1,911,541	80,929,107,000	42,337	5.50%
2013	1,880,153	75,776,982,000	40,304	5.90%
2012	1,831,230	70,095,625,000	38,278	6.90%
2011	1,817,840	70,485,542,000	38,774	8.40%
2010	1,829,400	68,105,714,000	37,228	8.40%
2009	1,807,750	65,870,354,000	36,438	8.20%
2008	1,780,150	61,138,590,000	34,345	5.00%
2007	1,745,050	58,844,636,480	33,721	4.00%

Sources:

Population from US Bureau of the Census

Personal Income from US Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 13  
PRINCIPAL EMPLOYERS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

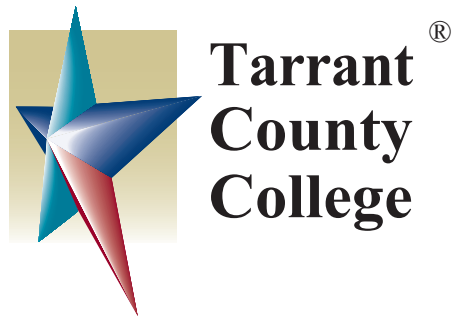
Employer	2016		2015		2014	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
AMR/American Airlines	25,000	2.47%	24,000	2.40%	22,169	2.34%
Lockheed Martin	13,690	1.35%	13,690	1.37%	14,988	1.58%
Fort Worth ISD	12,000	1.18%	12,000	1.20%	11,000	1.16%
Texas Health Resources	12,000	1.18%	12,000	1.20%	18,866	1.99%
NAS-Fort Worth-Joint Reserve Base	10,000	0.99%	11,000	1.10%	11,350	1.20%
Arlington ISD	8,500	0.84%	8,126	0.81%	8,126	0.86%
University of Texas at Arlington	7,311	0.72%			6,239	0.66%
JPS Health Network	6,500	0.64%	6,000	0.60%	4,872	0.51%
City of Fort Worth	6,161	0.61%	6,161	0.62%	6,195	0.65%
Cook Children's Health Care System	6,042	0.60%	5,876	0.59%	4,826	0.51%
Alcon Laboratories Inc.			5,922	0.59%		
Burlington Northern						
Harris Methodist Fort Worth						
Bell Helicopter Textron Plant						
City of Arlington						
Fidelity Investments						
American Airlines/ HQ						
Cowboys Stadium						
Odyssey One Source Inc						
RadioShack Corp						
	107,204	10.58%	104,775	10.48%	108,631	11.46%

Source 2013 and forward:  
Fort Worth Chamber Economic Development for Major Employers  
Bureau of Labor Statistics for Total Employment

Prior Source Now Unavailable:  
North Central Texas Council of Governments

2013		2012		2011		2010	
Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
22,169	2.38%	11,709	1.11%	11,709	0.72%	11,709	0.72%
14,988	1.61%	10,500	0.99%	13,500	0.83%	13,500	0.83%
11,000	1.18%						
18,866	2.03%						
11,350	1.22%	11,350	1.07%	11,350	0.70%	11,350	0.70%
8,126	0.87%						
6,239	0.67%			5,300	0.33%	5,300	0.33%
4,872	0.52%	4,600	0.43%	4,302	0.26%	4,302	0.26%
6,195	0.67%						
4,826	0.52%						
		3,500	0.33%	3,300	0.20%	3,300	0.20%
		4,900	0.46%				
		4,100	0.39%	3,968	0.24%	3,968	0.24%
		3,820	0.36%	3,820	0.24%	3,820	0.24%
		3,500	0.33%				
		3,200	0.30%	3,200	0.20%	3,200	0.20%
				6,500	0.40%	6,500	0.40%
<u>108,631</u>	<u>11.67%</u>	<u>61,179</u>	<u>5.77%</u>	<u>66,949</u>	<u>4.12%</u>	<u>66,949</u>	<u>4.12%</u>

Employer	2009		2008		2007	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
AMR/American Airlines	11,842	0.73%	11,842	0.73%	12,000	0.74%
Lockheed Martin	13,500	0.83%	13,500	0.83%	16,000	0.99%
Fort Worth ISD						
Texas Health Resources						
NAS-Fort Worth-Joint Reserve Base	5,361	0.33%	5,361	0.33%	5,361	0.33%
Arlington ISD						
University of Texas at Arlington	4,987	0.31%	3,337	0.21%	3,337	0.21%
JPS Health Network	4,302	0.26%	3,811	0.23%	3,811	0.23%
City of Fort Worth						
Cook Children's Health Care System			3,900	0.24%	3,900	0.24%
Alcon Laboratories Inc.						
Burlington Northern						
Harris Methodist Fort Worth	3,968	0.24%	3,500	0.22%	3,500	0.22%
Bell Helicopter Textron Plant	3,820	0.24%	3,820	0.24%	3,478	0.21%
City of Arlington						
Fidelity Investments						
American Airlines/ HQ	6,500	0.40%	4,118	0.25%	4,118	0.25%
Cowboys Stadium	3,500	0.22%				
Odyssey One Source Inc	3,273	0.20%				
RadioShack Corp			3,337	0.21%	3,337	0.21%
	<u>61,053</u>	<u>3.76%</u>	<u>56,526</u>	<u>3.48%</u>	<u>58,842</u>	<u>3.62%</u>



**TARRANT COUNTY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 14  
 FACULTY, STAFF AND ADMINISTRATORS STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Faculty				
Full-Time	673	667	668	656
Part-Time	508	503	525	605
Total	<u>1,181</u>	<u>1,170</u>	<u>1,193</u>	<u>1,261</u>
Percent				
Full-Time	57.0%	57.0%	56.0%	52.0%
Part-Time	43.0%	43.0%	44.0%	48.0%
Staff and Administrators				
Full-Time	1,662	1,618	1,544	1,505
Part-Time	1,155	1,124	1,073	1,082
Total	<u>2,817</u>	<u>2,742</u>	<u>2,617</u>	<u>2,587</u>
Percent				
Full-Time	59.0%	59.0%	59.0%	58.2%
Part-Time	41.0%	41.0%	41.0%	41.8%
FTSE per Full-Time Faculty	42	42	44	45
FTSE per Full-Time Staff Member	17	17	19	20
Average Annual Faculty Salary	\$ 65,893	\$ 64,934	\$ 64,556	\$ 63,352

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
653	673	664	602	576	545
598	501	473	490	431	476
<u>1,251</u>	<u>1,174</u>	<u>1,137</u>	<u>1,092</u>	<u>1,007</u>	<u>1,021</u>
52.2%	57.3%	58.4%	55.1%	57.2%	53.4%
47.8%	42.7%	41.6%	44.9%	42.8%	46.6%
1,429	1,398	1,338	1,174	1,070	1,062
1,005	971	956	804	1,058	1,114
<u>2,434</u>	<u>2,369</u>	<u>2,294</u>	<u>1,978</u>	<u>2,128</u>	<u>2,176</u>
58.7%	59.0%	58.3%	59.4%	50.3%	48.8%
41.3%	41.0%	41.7%	40.6%	49.7%	51.2%
44	42	38	38	38	37
20	20	19	19	20	19
\$ 59,446	\$ 59,496	\$ 60,110	\$ 58,209	\$ 55,981	\$ 55,515



**TARRANT COUNTY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 15  
 ENROLLMENT DETAILS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

<u>Student Classification</u>	Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent
00-30 hours	36,056	63%	35,341	61%	37,196	61%
31-60 hours	15,240	27%	16,083	28%	17,263	28%
Unclassified	1,968	3%	2,100	4%	2,324	4%
Associates	3,075	5%	2,933	5%	2,797	5%
Bachelors	1,138	2%	1,146	2%	1,287	2%
Total	<u>57,477</u>	<u>100%</u>	<u>57,603</u>	<u>100%</u>	<u>60,867</u>	<u>100%</u>

<u>Semester Hour Load</u>	Fall 2015		Fall 2014		Fall 2013	
0-11 semester hours	40,751	71%	39,919	69%	40,172	66%
12 & over	16,726	29%	17,684	31%	20,695	34%
Total	<u>57,477</u>	<u>100%</u>	<u>57,603</u>	<u>100%</u>	<u>60,867</u>	<u>100%</u>

Average course load	8.2	8.3	8.6
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<u>Tuition Status</u>	Fall 2015		Fall 2014		Fall 2013	
Texas resident (in-district)	49,498	86%	49,655	86%	52,861	87%
Texas resident (out-of-district)	3,801	7%	4,044	7%	4,293	7%
Non-resident tuition	4,178	7%	3,904	7%	3,713	6%
Total	<u>57,477</u>	<u>100%</u>	<u>57,603</u>	<u>100%</u>	<u>60,867</u>	<u>100%</u>

Source:  
 CBM001

Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
29,411	52%	36,012	63%	37,994	65%	34,988	67%	30,545	67%
19,333	34%	15,504	27%	15,133	26%	13,021	25%	10,970	24%
2,914	5%	1,999	4%	1,671	3%	1,509	3%	1,324	3%
3,785	7%	2,072	4%	2,059	4%	1,783	3%	1,588	4%
986	2%	1,219	2%	1,194	2%	1,048	2%	898	2%
<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>	<u>52,349</u>	<u>100%</u>	<u>45,325</u>	<u>100%</u>

37,243	66%	36,924	65%	37,153	64%	33,503	64%	29,914	66%
19,186	34%	19,882	35%	20,898	36%	18,846	36%	15,411	34%
<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>	<u>52,349</u>	<u>100%</u>	<u>45,325</u>	<u>100%</u>

8.7

8.7

8.7

8.6

8.6

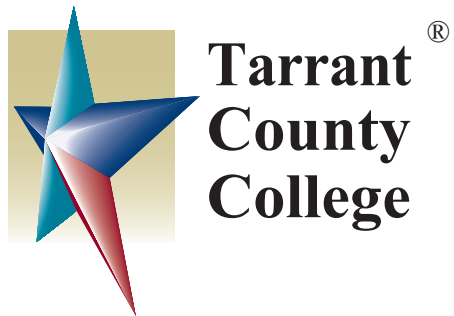
48,807	86%	49,856	88%	50,870	88%	45,937	88%	40,104	89%
4,368	8%	4,106	7%	4,267	7%	4,002	8%	3,219	7%
3,254	6%	2,844	5%	2,914	5%	2,410	4%	2,002	4%
<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>	<u>52,349</u>	<u>100%</u>	<u>45,325</u>	<u>100%</u>

<u>Student Classification</u>	Fall 2007		Fall 2006	
	Number	Percent	Number	Percent
00-30 hours	28,825	67%	25,447	66%
31-60 hours	10,112	24%	9,731	25%
Unclassified	1,161	3%	1,088	3%
Associates	1,533	4%	1,407	4%
Bachelors	787	2%	778	2%
Total	<u>42,418</u>	<u>100%</u>	<u>38,451</u>	<u>100%</u>

<u>Semester Hour Load</u>				
0-11 semester hours	27,784	66%	24,993	65%
12 & over	14,634	34%	13,458	35%
Total	<u>42,418</u>	<u>100%</u>	<u>38,451</u>	<u>100%</u>

Average course load	8.6	8.7
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<u>Tuition Status</u>				
Texas resident (in-district)	37,301	88%	33,971	89%
Texas resident (out-of-district)	3,463	8%	3,239	8%
Non-resident tuition	1,654	4%	1,241	3%
Total	<u>42,418</u>	<u>100%</u>	<u>38,451</u>	<u>100%</u>



**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 16  
STUDENT PROFILE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent
Gender						
Female	33,700	58.6%	34,190	59.4%	36,630	60.2%
Male	23,777	41.4%	23,413	40.6%	24,237	39.8%
Total	<u>57,477</u>	<u>100.0%</u>	<u>57,603</u>	<u>100.0%</u>	<u>60,867</u>	<u>100.0%</u>

Ethnic Origin						
White	23,776	41.4%	24,669	42.8%	27,512	45.2%
Hispanic	17,305	30.1%	16,107	28.0%	15,991	26.3%
African American	10,192	17.7%	10,723	18.6%	11,622	19.1%
Asian	3,297	5.7%	3,351	5.8%	3,399	5.6%
Native American	251	0.5%	259	0.5%	313	0.5%
Other	2,656	4.6%	2,494	4.3%	2,030	3.3%
Total	<u>57,477</u>	<u>100.0%</u>	<u>57,603</u>	<u>100.0%</u>	<u>60,867</u>	<u>100.0%</u>

Age						
Under 17	3,145	5.5%	2,399	4.1%	1,653	2.7%
17	3,486	6.1%	3,210	5.7%	3,317	5.5%
18	5,870	10.2%	5,712	9.9%	5,954	9.8%
19-21	16,618	28.9%	16,150	28.0%	16,884	27.7%
22-24	8,319	14.5%	8,643	15.0%	9,250	15.2%
25-30	8,819	15.3%	9,136	15.9%	9,855	16.2%
31-35	3,982	6.9%	4,375	7.6%	4,926	8.1%
36-50	5,744	10.0%	6,325	11.0%	7,277	12.0%
51-64	1,332	2.3%	1,505	2.6%	1,610	2.6%
65 and older	162	0.3%	148	0.2%	141	0.2%
Total	<u>57,477</u>	<u>100.0%</u>	<u>57,603</u>	<u>100.0%</u>	<u>60,867</u>	<u>100.0%</u>

Average age	24.8		25.6		26.0	
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Source:  
CBM001

Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
34,426	61.0%	34,618	60.9%	34,864	60.1%	31,347	59.9%	27,371	60.4%
22,003	39.0%	22,188	39.1%	23,187	39.9%	21,002	40.1%	17,954	39.6%
<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>	<u>45,325</u>	<u>100.0%</u>

26,654	47.2%	28,408	50.0%	30,683	52.9%	29,333	56.0%	26,278	58.0%
13,779	24.4%	12,642	22.3%	12,064	20.8%	10,412	19.9%	8,421	18.6%
11,008	19.5%	10,946	19.3%	10,485	18.1%	8,647	16.5%	7,143	15.8%
3,211	5.7%	3,319	5.8%	3,462	6.0%	3,121	6.0%	2,768	6.1%
296	0.5%	312	0.5%	293	0.5%	253	0.5%	256	0.5%
1,481	2.6%	1,179	2.1%	1,064	1.8%	583	1.1%	459	1.0%
<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>	<u>45,325</u>	<u>100.0%</u>

1,348	2.4%	1,232	2.2%	1,093	1.9%	768	1.5%	468	1.0%
1,995	3.5%	2,048	3.6%	1,853	3.2%	2,047	3.9%	1,675	3.7%
5,509	9.8%	5,807	10.2%	5,858	10.1%	5,637	10.8%	5,146	11.4%
16,129	28.6%	16,204	28.4%	16,736	28.8%	15,610	29.8%	14,218	31.4%
8,575	15.2%	8,921	15.7%	9,340	16.1%	8,156	15.6%	7,136	15.7%
9,544	16.9%	9,714	17.1%	10,303	17.7%	8,737	16.7%	7,228	15.9%
4,908	8.7%	4,692	8.3%	4,668	8.0%	4,046	7.7%	3,306	7.3%
6,890	12.2%	6,744	11.9%	6,823	11.8%	6,095	11.6%	5,157	11.4%
1,415	2.5%	1,301	2.3%	1,277	2.2%	1,145	2.2%	906	2.0%
116	0.2%	143	0.3%	100	0.2%	108	0.2%	85	0.2%
<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>	<u>45,325</u>	<u>100.0%</u>

26.0

25.8

25.6

25.6

25.3

<u>Gender</u>	Fall 2007		Fall 2006	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Female	25,701	60.6%	23,238	60.4%
Male	16,717	39.4%	15,213	39.6%
Total	<u>42,418</u>	<u>100.0%</u>	<u>38,451</u>	<u>100.0%</u>

<u>Ethnic Origin</u>				
White	25,308	59.6%	23,424	61.0%
Hispanic	7,472	17.6%	5,780	15.0%
African American	6,429	15.2%	6,511	16.9%
Asian	2,464	5.8%	2,128	5.5%
Native American	192	0.5%	193	0.5%
Other	553	1.3%	415	1.1%
Total	<u>42,418</u>	<u>100.0%</u>	<u>38,451</u>	<u>100.0%</u>

<u>Age</u>				
Under 17	390	0.9%	83	0.2%
17	1,609	3.8%	715	1.9%
18	4,871	11.5%	4,597	12.0%
19-21	13,326	31.4%	12,310	32.1%
22-24	6,794	16.0%	6,273	16.3%
25-30	6,611	15.6%	6,159	16.0%
31-35	3,012	7.1%	2,825	7.3%
36-50	4,941	11.6%	4,671	12.1%
51-64	799	1.9%	737	1.9%
65 and older	65	0.2%	81	0.2%
Total	<u>42,418</u>	<u>100.0%</u>	<u>38,451</u>	<u>100.0%</u>

Average age	25.3	25.6
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**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 17  
TRANSFER TO SENIOR INSTITUTIONS  
2014-2015 GRADUATES, COMPLETERS AND NON-RETURNERS  
(UNAUDITED)**

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Transfer Students	% of all Transfer Students
<b>Universities:</b>					
Angelo State University	29	1		30	0.20%
Lamar University	25	6		31	0.21%
Midwestern State University	128	28	3	159	1.08%
Prairie View A&M University	47	6		53	0.36%
Sam Houston State University	123	12		135	0.92%
Stephen F. Austin State University	202	19		221	1.50%
Sul Ross State University	3			3	0.02%
Tarleton State University	988	251	3	1,242	8.43%
Texas A&M International University	1			1	0.01%
Texas A&M University	731	44	1	776	5.27%
Texas A&M University - Central Texas	8	1		9	0.06%
Texas A&M University - Commerce	83	14	3	100	0.68%
Texas A&M University - Corpus Christi	48	9	2	59	0.40%
Texas A&M University - Kingsville	6	1		7	0.05%
Texas A&M University - Texarkana	1			1	0.01%
Texas A&M University - San Antonio	2	1		3	0.02%
Texas A&M University at Galveston	27			27	0.18%
Texas Southern University	29	2		31	0.21%
Texas State University	360	48		408	2.77%
Texas Tech University	804	56	4	864	5.87%
Texas Woman's University	754	141	7	902	6.12%
The University of Texas - Rio Grande Valley	16	3		19	0.13%
The University of Texas at Arlington	5,219	854	26	6,099	41.39%
The University of Texas at Austin	452	11		463	3.14%
The University of Texas at Dallas	286	22		308	2.09%
The University of Texas at El Paso	5			5	0.03%
The University of Texas at San Antonio	35	1		36	0.24%
The University of Texas at Tyler	33	5		38	0.26%
The University of Texas of the Permian Basin	27	9		36	0.24%
University of Houston	96	11		107	0.73%
University of Houston - Clear Lake	1			1	0.01%
University of Houston - Downtown	5			5	0.03%
University of Houston - Victoria	10			10	0.07%
University of North Texas	2,112	278	10	2,400	16.29%
University of North Texas at Dallas	78	16	2	96	0.65%
West Texas A&M University	41	8		49	0.33%
<b>Total</b>	<b>12,815</b>	<b>1,858</b>	<b>61</b>	<b>14,734</b>	<b>100.00%</b>

Source:

<http://www.txhighereddata.org/reports/performance/ctcasalf/ctcadd/>



**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 18  
CAPITAL ASSET INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Academic Buildings	86	86	84	82
Square footage	2,391,882	2,387,613	2,267,293	2,191,020
Libraries	5	5	5	5
Square footage	124,630	124,630	124,630	127,000
Number of Volumes	279,028	282,822	274,597	282,245
Administrative and support support buildings	15	15	15	15
Square footage	248,558	252,270	192,115	97,607
Dining Facilities	10	10	8	6
Square footage	95,327	95,327	89,146	80,109
Average daily customers	1,725	1,707	2,138	2,402
Athletic Facilities	13	13	13	13
Square footage	172,000	172,000	172,000	172,000
Gymnasiums	4	4	4	4
Fitness Centers	5	5	5	5
Tennis Courts	3	3	3	3
Plant facilities	14	14	14	12
Square footage	104,725	104,725	104,725	100,205
Transportation				
Cars	22	24	24	25
Light Trucks/Vans	183	179	174	166
Fire Trucks	3	3	2	

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
81	79	60	52	41	40
2,172,664	2,167,963	2,030,332	2,021,500	1,625,000	1,611,000
5	5	5	5	4	4
124,630	127,000	127,000	127,000	113,000	113,000
278,276	266,019	253,989	237,318	212,591	249,630
14	13	11	10	8	8
79,000	77,400	70,500	69,000	66,000	66,000
6	6	5	5	4	4
80,109	80,109	79,000	79,000	61,000	61,000
2,200	2,345	2,230	1,308	1,380	1,208
13	13	13	13	12	12
172,000	172,000	172,000	172,000	166,000	166,000
4	4	4	4	4	4
5	5	5	5	4	4
3	3	3	3	2	2
12	12	11	11	10	10
97,100	97,100	91,000	91,000	56,000	56,000
65	52	44	44	41	41
127	112	127	130	128	120



**Tarrant<sup>®</sup>  
County  
College**

**FEDERAL SINGLE AUDIT SECTION**

**FEDERAL SINGLE AUDIT SECTION**

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2016**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
<b>DEPARTMENT OF EDUCATION</b>			
Federal Direct Programs:			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 1,291,555
Federal Work Study Program	84.033		717,619
Federal Pell Grant Program	84.063		62,228,366
Federal Direct Student Loans	84.268		<u>32,060,744</u>
Total Student Financial Assistance Cluster			96,298,284
Higher Education Institutional Aid	84.031A		56,075
TRIO Cluster			
TRIO Student Support Services	84.042A		276,171
TRIO Upward Bound	84.047A		<u>753,167</u>
Total TRIO Cluster			<u>1,029,338</u>
Total Direct from Department of Education			97,383,697
Pass-Through From:			
Fort Worth Independent School District			
Adult Education - Basic Grants to States	84.002	0514AEL000	217,281
Texas A&M University			
Adult Education - Basic Grants to States	84.002	02-S150202	<u>79,535</u>
			296,816
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	164255	1,637,691
Institute of Education Sciences			
MDRC Developmental Education Acceleration Project	84.305A	106785	7,980
MDRC Adult Basic Education Study Site	84.305A	121151	<u>15,516</u>
			<u>23,496</u>
Total Department of Education			99,341,700
<b>DEPARTMENT OF AGRICULTURE</b>			
Pass-Through From:			
Texas Workforce Commission			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0516ATP000	25,600

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2016**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Pass-Through From:			
Water from the Rock Community Development Block Grants/Entitlement Grants	14.218	2807	17,361
<b>DEPARTMENT OF LABOR</b>			
Pass-Through From:			
Texas Workforce Commission Employment Service / Wagner-Peyser Funded Activities	17.207	0516WPB000	1,769
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>			
Pass-Through From:			
Gilder Lehrman Institute of American History Big Read	45.024	00017914	2,182
Created Equal	45.164	GI-50416-12	772
Changing America	45.164	GI-50416-12	539
Dust, Drought and Dreams	45.164	GI-50416-12	913
			<u>2,224</u>
Total National Endowment For The Humanities			4,406
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			
Pass-Through From:			
Texas State Library and Archives Commission	45.310	LS-00-15-0044-14	992
<b>NATIONAL SCIENCE FOUNDATION</b>			
Pass-Through From:			
University of Texas at El Paso LSAMP: A Model Senior Alliance	47.076	26-1008-4125	9,954
Texas A&M Engineering Experiment Station Pathways for Industrial Automation Careers	47.076	DUE-1304843	18,490
South Texas Aviation Maintenance Tech Ed Project	47.076	DUE-1205021	23,030
Total National Science Foundation			<u>51,474</u>

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2016**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
<b>SMALL BUSINESS ADMINISTRATION</b>			
Pass-Through From:			
North Texas Small Business Development Center Small Business Development Center	59.037	SBHQ-16-B-0004	235,998
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Environmental Workforce Development and Job Training Cooperative Agreements	66.815		57,486
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Pass-Through From:			
Health Resources and Services Administration Nursing Workforce Diversity	93.178	D19HP28746	159,759
Fort Worth Independent School District Temporary Assistance for Needy Families	93.558	0514AEL000	80,191
Texas Workforce Commission Temporary Assistance for Needy Families - Governor's Summer Merit Program	93.558	0516SMP000	22,486
Temporary Assistance for Needy Families - Apprenticeship Total Temporary Assistance for Needy Families	93.558	0514ATP000	22,605
			<u>125,282</u>
Total Department of Health and Human Services			<u>285,041</u>
Total Federal Financial Assistance			<u>\$ 100,021,827</u>

See Notes to Schedule on Following Page

**TARRANT COUNTY COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1. FEDERAL ASSISTANCE RECONCILIATION**

Federal Revenues – per Schedule of Expenditures of Federal Awards:

Federal Grants and Contracts – per Schedule A	\$ 3,676,399
Federal Grants and Contracts – per Schedule C	64,293,615
Direct Loans	32,060,744
Veterans' Administration	<u>(8,931)</u>
 Total Federal Revenues per Schedule of Expenditures of Federal Awards	 <u>\$ 100,021,827</u>

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District 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 financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. Management believes they have followed all applicable guidelines issued by various entities in the preparation of the schedule.

**NOTE 3. STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED**

<u>Federal Grantor/ CFDA Number/Program Name</u>	<u>New Loans Processed</u>	<u>Admin Cost Recovered</u>	<u>Total Loans Processed &amp; Admin Cost Recovered</u>
U.S. Department of Education:			
84.268 Direct Loans	<u>\$ 32,060,744</u>	<u>\$ -</u>	<u>\$ 32,060,744</u>

**NOTE 4. INDIRECT COST RATE**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.





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

To the Board of Trustees  
Tarrant County College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tarrant County College District (the District) as of and for the year ended August 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2016.

### **Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Public Funds Investment Act**

We have performed a compliance audit of the District's adherence to the requirements of the Public Funds Investment Act. During the year ended August 31, 2016, the District was not in compliance in all respects with the requirements of the Public Funds Investment Act. The item of noncompliance was as follows: Within its beneficial interest in funds held by affiliate, the District held certain equity investments which are not allowable under the Public Funds

To the Board of Trustees  
Tarrant County College District

Investment Act. As of August 31, 2016, the aggregate fair value of these investments was \$4,193,779. Subsequent to August 31, 2016 and prior to the issuance of this report, the District divested all noncompliant investments.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 14, 2016



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Trustees  
Tarrant County College District

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Tarrant Country College District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2016. The District'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 laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District'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 (CFR) 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 District'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 of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District 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, 2016.

To the Board of Trustees  
Tarrant County College District

## Report on Internal Control over Compliance

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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 the 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 District'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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 14, 2016

**TARRANT COUNTY COLLEGE DISTRICT  
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2016**

**Section I. Summary of Auditor's Results**

*Financial Statements*

The type of auditor's report issued: Unmodified

Internal Control over Financial reporting:

- Material weakness(es) identified \_\_\_\_\_ yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified \_\_\_\_\_ yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes   X   no

Identification of major programs:

Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

**TARRANT COUNTY COLLEGE DISTRICT  
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2016  
(CONTINUED)**

**Section II. Financial Statement Findings**

There were no findings relating to internal control or compliance which are required to be reported in accordance with Government Auditing Standards.

**Section III. Federal Award Findings and Questioned Costs**

There were no findings relating to internal control or compliance which are required to be reported in accordance with Government Auditing Standards.

**Section IV. Corrective Action Plan**

The current year audit of federal awards disclosed no findings that require a corrective action plan.

*Management's response to reported noncompliance with the requirements of the Public Funds Investment Act:* The reported noncompliance with the requirements of the Public Funds Investment Act was noted by management during the year ended August 31, 2016, at which time a review of policies and procedures related to the District's beneficial interest in funds held by affiliate was completed. Appropriate revisions to such policies and procedures were made, and subsequent to August 31, 2016, the District divested all noncompliant investments.

**Section V. Prior Year Audit Findings**

Audit Finding Reference: 2015-001

Status of Prior Finding: The planned corrective action was completed this fiscal year.

**STATE SINGLE AUDIT SECTION**

**STATE SINGLE AUDIT SECTION**

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED AUGUST 31, 2016**

<u>Grant Agency / Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
<b>TEXAS WORKFORCE COMMISSION</b>		
Apprenticeship	0514ATP000	\$ 446,369
Skills Development Fund - Dannon	0516SDF000	47,127
Skills Development Fund - Manu Cons	0514SDF000	338,665
Skills Development Fund - Veteran & Industry	0514SDF001	191,269
Skills for Small Business	0515SSD000	22,471
Total Direct from Texas Workforce Commission		<u>1,045,901</u>
Pass-Through From:		
Fort Worth Independent School District		
Adult Basic Education Program	0514AEL000	<u>44,423</u>
Total Texas Workforce Commission		1,090,324
 <b>TEXAS COMPTROLLER OF PUBLIC ACCOUNTS</b>		
Law Enforcement Office Standards and Education		5,772
 <b>TEXAS DEPARTMENT OF STATE HEALTH SERVICES</b>		
Pass-Through From:		
MHMR of Tarrant County		
Healthy Community Colloborative	E151767	25,175
 <b>TEXAS HIGHER EDUCATION COORDINATING BOARD</b>		
Work Study		258,251
Be On Time	9116697M	1,327
Toward Excellence, Access & Success Grant I	9117701M	93,645
Texas Educational Opportunity Grant	9122062M	3,591,001
Accelerate Texas Mentor College	9129413M	69,704
Coordinating Board Workstudy Mentoring Model	15568	73,265
Top 10% Scholarship	9129951M	1,600
Texas-Science, Technology, Engineering and Math T-STEM	15150	59,054
Total Direct From Texas Higher Education Coordinating Board		<u>4,147,847</u>
Pass-Through From:		
Dallas County Community College		
Small Business Development Center	SBHQ-16-B-0004	<u>243,175</u>
Total Texas Higher Education Coordinating Board		<u>4,391,022</u>
Total State Financial Assistance		<u><u>\$ 5,512,293</u></u>

See Notes to Schedule on Following Page



**TARRANT COUNTY COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS**

**NOTE 1. STATE ASSISTANCE RECONCILIATION**

State Revenues – per Schedule of Expenditures of State Awards:

State Grants and Contracts – per Schedule A \$ 5,512,293

Total State Revenues per Schedule of Expenditures of State Awards \$ 5,512,293

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds, which have been expended by the District 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. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. Management believes they have followed all applicable guidelines issued by various entities in the preparation of the schedule.



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UGMS SINGLE AUDIT CIRCULAR

To the Board of Trustees  
Tarrant County College District

### **Report on Compliance for Each Major State Program**

We have audited the compliance of Tarrant Country College District (the District) with the types of compliance requirements described in the Texas Governor's Office of Budget and Planning, *Uniform Grant Management Standards (UGMS)* which includes the *State of Texas Single Audit Circular*, that could have a direct and material effect on each of the District's major state programs for the year ended August 31, 2016. The District's major state programs are identified in the summary of auditor's results section of the accompanying state schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District'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 *UGMS State of Texas Single Audit Circular*. Those standards and UGMS Single Audit 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 District'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 of the District's compliance.

#### ***Opinion on Each Major State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2016.

To the Board of Trustees  
Tarrant County College District

## Report on Internal Control over Compliance

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program as a basis for designing 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 UGMS, 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 District'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 UGMS. Accordingly, this report is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*  
WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 14, 2016

**TARRANT COUNTY COLLEGE DISTRICT  
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2016**

**Section I. Summary of Auditor's Results**

*Financial Statements*

The type of auditor's report issued: Unmodified

Internal Control over Financial reporting:

- Material weakness(es) identified \_\_\_\_\_ yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

*State Awards*

Internal control over major programs:

- Material weakness(es) identified \_\_\_\_\_ yes   X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Grant Management Standards Single Audit Circular? \_\_\_\_\_ yes   X   no

Identification of major programs:

Texas Educational Opportunity Grant  
Texas Workforce Commission - Apprenticeship

**TARRANT COUNTY COLLEGE DISTRICT  
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2016  
(CONTINUED)**

Dollar threshold used to distinguish  
between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   yes      no

**Section II. Financial Statement Findings**

There were no findings relating to internal control or compliance which are required to be reported in accordance with Government Auditing Standards.

**Section III. State Award Findings and Questioned Costs**

There were no findings relating to internal control or compliance which are required to be reported in accordance with Government Auditing Standards.

**Section IV. Corrective Action Plan**

The current year audit of state awards disclosed no findings that require a corrective action plan.

**Section V. Prior Year Audit Findings**

There were no prior year audit findings.

TARRANT COUNTY COLLEGE DISTRICT  
FINANCE DEPARTMENT  
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FORT WORTH, TEXAS 76102  
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