



# Comprehensive Annual Financial Report

FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017  
TARRANT COUNTY COLLEGE DISTRICT TEXAS



## Comprehensive Annual Financial Report

For the Fiscal Years Ended  
August 31, 2018 and 2017

**Prepared by:**

**Finance Department  
Tarrant County College District  
Texas**

**Tarrant County College District  
Comprehensive Annual Financial Report  
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**Eugene V. Giovannini, Ed.D.**  
**Chancellor**



December 14, 2018

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 2018, which ended on August 31, 2018.

Embarking upon my third year as TCC's fifth chancellor, I am more confident than ever about the pivotal role Tarrant County College plays in our community. Given the ever-increasing tuition rates of four-year institutions and the long-term effects of student debt on the overall economy, community colleges have never been more vital than they are today. For a disproportionately large segment of our population, TCC represents the one viable path to a college degree or a skills credential, both of which profoundly affect an individual's ability to obtain a meaningful job and live above the poverty line. Consider this: an individual with an associate degree will earn a median salary that is approximately 17 percent higher than an individual with only a high school diploma.

That's why the Texas Higher Education Coordinating Board – the governmental agency tasked with overseeing all post-secondary education in the state – instituted its Texas 60x30 plan in 2015. Under this aggressive, but mission-critical plan designed to protect the state's long-term financial vitality through a well-educated, well-prepared workforce, 60 percent of all Texas residents are expected to have a college degree or certificate by 2030. According to the Coordinating Board, "Sixty percent of Texans will need a certificate or degree for the state to stay competitive in the global economy. Right now, not nearly enough Texas students are completing the levels of education needed to fill the jobs that will be available." We call those "new collar jobs" and we probably cannot predict what many of those jobs may look like. We just know that the state has hundreds of thousands of job openings that require training beyond high school, but not necessarily a baccalaureate degree... and that's today. Texas 60x30 tasks us to meet this challenge while preparing for the future.

To the Board of Trustees  
Tarrant County College District

Clearly, a plan of this magnitude requires collaboration and cooperation, and these are two of Tarrant County College's greatest assets. Data support what we already know to be true: the sooner we can get children onto the higher education path, the greatest their chances for continued educational attainment will be. Through our robust Dual Credit program, which now includes more than 8,500 high school students throughout 16 Tarrant County school districts, high school students are taking college-level courses and earning transferable credits that will give them a significant head start – financially and academically – once they are matriculated. Through our eight Early College High Schools – partnerships between TCC and six area Independent School Districts – we have another 2,200 high school students who should graduate from TCC with an associate degree as they are graduating with a high school diploma.

TCC changes lives and those lives change our community, now and well into the future. In May, we awarded 7,352 degrees and certificates – including 243 associate degrees through our Early College High Schools – to individuals who now are on their way to a four-year degree, or are applying their newly earned credential to a job that not only supports their families, but that makes each of our lives better, every day. Welders, EMTs, nurses, cybersecurity professionals, aviation mechanics, logistics and supply chain managers, water treatment technicians, fire fighters, peace officers... the list of jobs for which we help people prepare is extensive and, in total, represents the people upon whom we depend to keep our community safe, healthy and productive. As a community and, indeed, as a region, we all benefit when TCC students succeed.

In last year's letter, I introduced our Three Goals that guide every decision we make on behalf of our students, faculty, staff and community. We are committed to operating as One College that is Student-Ready, putting the student at the core of each of our programs and offerings, and we will continue to Serve the Community through partnerships with area school districts as well as business and industry. Our colleagues have embraced these goals and are working on various initiatives, or "principles," designed to actualize these three goals such that TCC's relevance and vital role as the region's economic engine only will be strengthened in the future.

On behalf of TCC's leadership, faculty and staff, we thank you for your continued support of our important mission, and we appreciate your partnership and confidence as we strive to be the community's partner of choice.



Eugene Giovannini, Ed.D.  
Chancellor  
Tarrant County College District





# TRANSMITTAL LETTER

FOR THE YEARS ENDED AUGUST 31, 2018 AND 2017

December 14, 2018

To: Chancellor Eugene Giovannini,  
Members of the Board of Trustees, and  
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, 2018, 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, 2018 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 Coordinating 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 au-

## Enrollment By Headcount





ding 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 the 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 officials, 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 District 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 partner-

“ There are a lot of people who help me out. Every teacher I have had at TCC South and Northeast has just been great. They do anything they can for me to succeed. I can't say that enough.” – **Larry Pike, who suffers from extensive vision loss/expected TCC graduation May 2019**

ships that include university transfer programs; economic and workforce development programs; career and technical programs; developmental education courses; adult literacy courses; continuing education and community services; fully online and Weekend College programs; early college high schools; dual credit programs throughout Tarrant County high schools; and an extensive curriculum covering more than 70 fields of study. TCCD's programs and services are delivered by highly qualified and committed faculty and staff who employ current technology, equipment and learning resources; innovative modes of instruction; and student support services designed and routinely enhanced to foster student success. Partnerships with other organizations as well as area businesses complement TCCD's programs by helping students enter the workforce quickly, thus contributing to the economic health of the community. Finally, TCCD 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 continues its unprecedented growth, with two million people now calling it “home” and as many as three million residents predicted by 2050. The County's unemployment rate dropped to 3.2 percent in October 2017, and the median household income of \$61,534 is 8.9% higher than the national average of \$56,516, with the highest regional salaries found in



Mining, Quarrying, Oil, Gas Extraction; Management of Companies and Enterprises; and, Professional, Scientific and Technical Services. Industry continues to flourish and with that, area construction is booming. American Airlines has invested \$300 million to build a new 1.7 million square-foot Trinity headquarters to house approximately 6,500 employees. In Arlington, work has begun on the \$1.1 billion Globe Life Field and Texas Live, a \$250 million entertainment complex, opened in August. The Arlington Automotive Logistics Center, located across Highway 360 from the General Motors Arlington Assembly Plant, will feature two industrial warehouses amidst 83 acres and will provide approximately 850 new jobs. Additionally, General Motors' \$1.4 billion plant expansion is underway and when completed, will give the manufacturer greater assembly space. In Fort Worth, plans are underway for the development of the Charles Schwab Campus, 23 miles north of downtown where Tarrant County and Denton County meet. When completed, the Campus will include 275 residences, one million square feet of office and retail space and a 200-room hotel.

“ If you get involved, you have more resources, more know-how. You have people who can help you through. And I want to be one of those people who helps the next person through, because I've been there. I know what it's like.” - **Minika Tharpe, TCC grad; current human resources major at Texas A&M University**

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To accommodate the ongoing growth of Tarrant County, numerous transportation upgrades are underway, the largest of which is the I-35W corridor, which runs north to south through Fort Worth, Haslet and Burleson. The \$1.6 billion expansion of 26 miles of this corridor began in 2013, with plans calling for the widening of the corridor from I-30 to Eagle Parkway. In Northeast Tarrant County, ongoing gridlock on East Loop 820 between Randol Mill Road and Pipeline Road eventually will be relieved by the major upgrade and expansion underway. For individuals who prefer public transportation, construction of the TEX Rail soon will be complete, enabling riders to move quickly between downtown Fort Worth and DFW Airport on the Swiss-built, high-tech trains. The 27-mile commuter line will include nine stops, with eight trains running 72 routes each day through Fort Worth, North Richland Hills, Grapevine and to the airport.

## TCC 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 every 21 Tarrant County residents is enrolled at TCC. Today's Tarrant County College is six campuses strong and serves more than 100,000 students each year, spanning all age groups and representing more than 70 countries.





“English is not my first language, so I was scared of not being able to express myself well in class with my peers and professors. I was scared of not writing well due to lack of experience in English. That put me on a social block and I had a panic attack in the beginning of my first semester at TCC. However, the professors were really understanding, and the resources of TCC were amazing—especially the Writing Center. I would have not gotten to where I am if it wasn't for them.” – TCC alum, current film major at SMU

”

With continued demand for workforce development, and against the larger backdrop of economic and other obstacles facing students wishing to pursue higher education, TCC remains committed to three distinct goals: to work as One College, to be Student-Ready and to Serve Our Community. These goals inform every new program TCC introduces and provide the measurements against which TCC evaluates its effectiveness.

## One College

TCC's greatest challenge and its greatest opportunity can be found in being “One College” through which students, faculty, staff and community partners have a consistent experience with TCC, regardless of the campus or business office they encounter. As part of this process, TCC has taken a close look at the myriad programs and services offered on every campus to determine how best to sync these programs – both in



offerings and in positioning – so that regardless of which campus students attend, they can easily find what they need.

## Student-Ready College

TCC's second goal is to be a Student-Ready College – a higher education institution prepared to meet students where they are and prepare them for where they want to go. Understanding that for so many students, TCC represents the “on ramp” to a four-year degree and, perhaps, beyond, our articulation agreements have never been more important.

## Serving the Community

Of TCC's three goals, “Serving Our Community” is the one of which the organization is most proud. TCC is charged with preparing students to be contributing members of society, which means finding meaningful jobs through which they can care for their families and make a difference in the community. Educational attainment is critical, which is why TCC faculty and staff are so proud of the 2018 graduating class. Specifically, of the 7,352 degrees and certificates awarded, 243 of those degrees were awarded to Early College High School students. These students earn their associate degrees while still in high school. For the first time, TCC graduated students from ALL

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of its Early College High Schools. These Early College High Schools play such a critical path to higher education for students who otherwise may not consider it for socio-economic or family reasons. TCC expects to participate in more Early College High Schools focused on career and technical education in the coming years.

## **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, 2018 are included on pages 117 and 123, 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 and auxiliary enterprises 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***

TCCD is continually forward thinking about ways to serve our community and students. This 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.

## **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 Tid-

well, 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, 2017. This was the twenty-sixth 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.

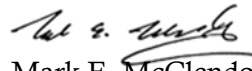
A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA in anticipation of another certificate.

## Acknowledgments

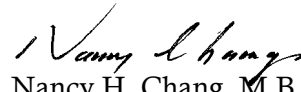
We appreciate the diligent planning and oversight of the financial operations of the District by the Board of Trustees. We are particularly grateful to the Chancellor and the Chancellor's Executive Leadership Team for providing the resources needed to prepare this financial report. Additional appreciation 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, 2017**

*Christopher P. Morrill*

Executive Director/CEO



# **Tarrant County College District Elected Officials August 31, 2018**



Louise Appleman  
President of the Board  
Term Expires: May 2019



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



Teresa Ayala  
Secretary of the Board  
Term Expires: May 2021



Diane Patrick  
Assistant Secretary of the Board  
Term Expires: May 2021



Michael A. Evans Sr.  
Member of the Board  
Term Expires: May 2023



Bill Greenhill  
Member of the Board  
Term Expires: May 2023



Gwendolyn Morrison  
Member of the Board  
Term Expires: May 2019

# **Tarrant County College District Principal Officials August 31, 2018**

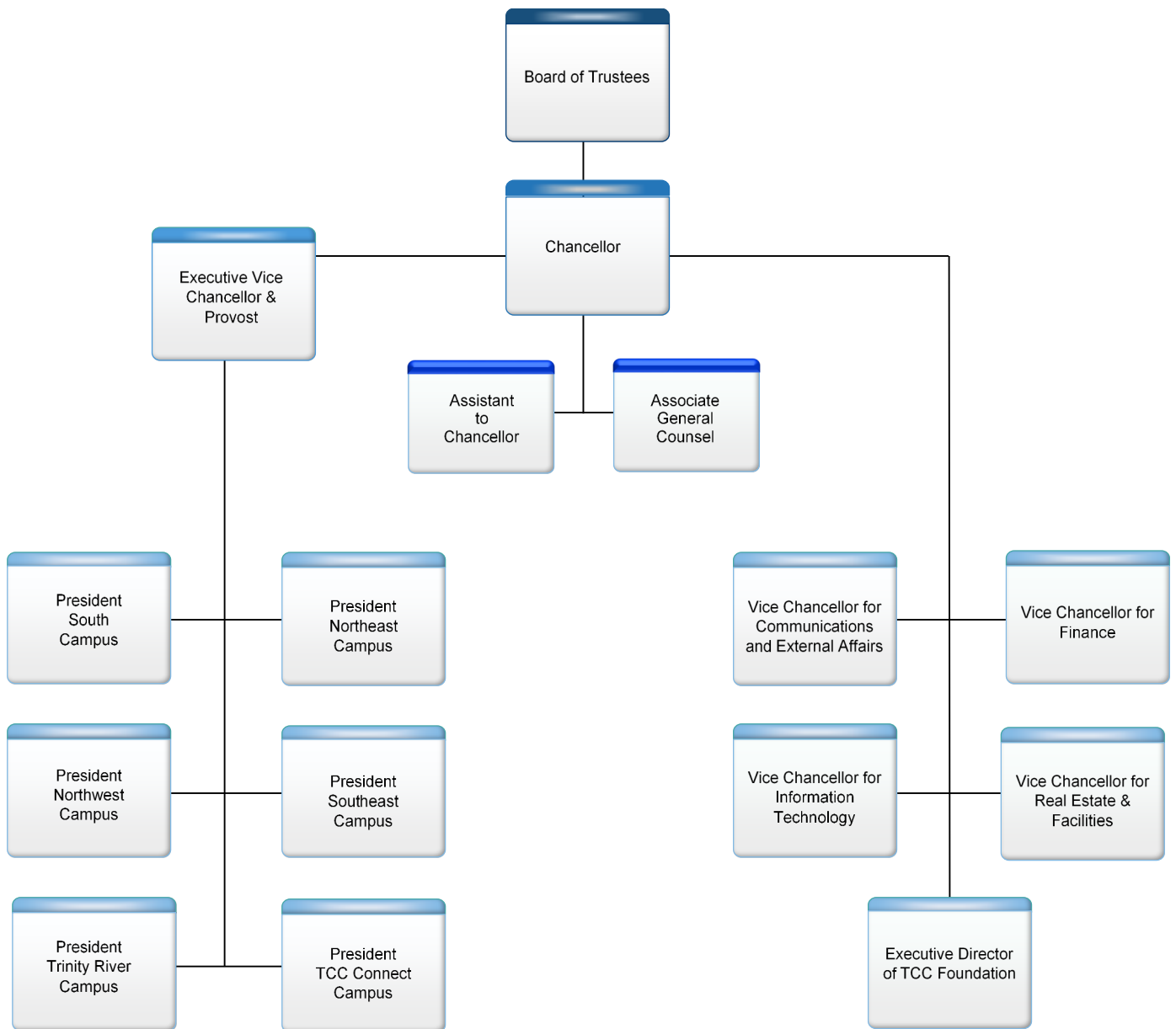
## **Administrative Officials**

Chancellor	Eugene V. Giovannini, Ed.D.
Executive Vice Chancellor and Provost	Elva Concha LeBlanc, Ph.D.
President, Northwest Campus	Zarina Blankenbaker Ph.D.
President, Southeast Campus	Bill Coppola, Ph.D.
Interim President, Northeast Campus	Tahita Fulkerson, Ph.D.
Vice Chancellor for Communications and External Affairs	Reginald Gates, M.Ed.
President, South Campus	Peter Jordan, Ed.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 Information Technology	Guhan Raghu, B.S.

## **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 Organizational Chart





## 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, 2018 and 2017, 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

The District's 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, 2018 and 2017, 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.

## **Emphasis of Matter**

### Change in Accounting Principle

As discussed in Note 2, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective September 1, 2017. The implementation of this statement resulted in a restatement of net position as of August 31, 2017 in the amount of \$156,861,347. Our opinion is not modified with respect to this matter.

## **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 and the required supplementary information on pages 50 to 57 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our 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 69 to 107 and the additional financial information on pages 60 to 67 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 additional procedures in 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.



To the Board of Trustees  
Tarrant County College District

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, 2018 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, 2018

### Introduction

The following Management's Discussion and Analysis (MD&A) reviews the District's financial activity during the fiscal years ended August 31, 2018, 2017 and 2016. 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 Governmental Accounting Standards (GASB) Statement No. 34 (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 16-48). 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 GASB 34 and implemented by the District in fiscal year 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 16-20.) 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, 2018 and 2017. 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 2018 Financial Highlights

- In the fiscal year ended August 31, 2018, total District revenues exceeded total expenses by \$32.6 million as a result of careful budgeting, prudent fiscal management and conservation of resources.
- During the fiscal year, the District capitalized \$42.3 million of capital improvements to existing buildings, \$1 million of capital improvements other than buildings, \$5.1 million of telecommunications and peripheral equipment, and \$3.3 million of furniture and other equipment.

## 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

Condensed Statements of Net Position					
August 31 (Dollars in millions)	2018	2017	2017-18 Change	2016	2016-17 Change
Current Assets	\$ 179.5	\$ 184.9	\$ (5.4)	\$ 181.8	\$ 3.1
Non-Current Assets:					
Long-Term Investments	168.4	131.4	37.0	122.2	9.2
Capital Assets, net	899.4	894.1	5.3	873.2	20.9
Total Assets	1,247.3	1,210.4	36.9	1,177.2	33.2
Deferred Outflows	18.9	16.7	2.2	18.9	(2.2)
Current Liabilities	50.1	48.2	1.9	51.8	(3.6)
Non-Current Liabilities	183.0	55.6	127.4	52.9	2.7
Total Liabilities	233.1	103.8	129.3	104.7	(0.9)
Deferred Inflows	46.8	12.8	34.0	16.9	(4.1)
Net Investment in Capital Assets	899.4	894.1	5.3	873.2	20.9
Restricted	7.3	6.9	0.4	6.5	0.4
Unrestricted	79.5	209.5	(130.0)	194.8	14.7
Total Net Position	\$ 986.2	\$ 1,110.5	\$ (124.3)	\$ 1,074.5	\$ 36.0

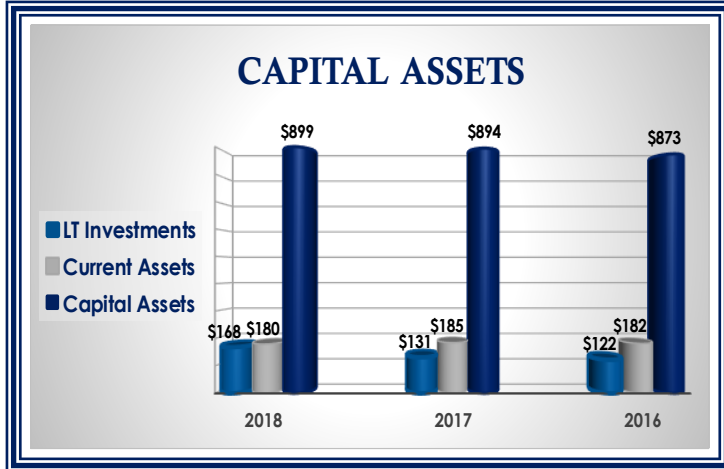
financial condition when considered with non-financial facts such as enrollment levels, the condition of facilities, etc.

Total assets increased by \$36.9 million during fiscal year 2018, and \$33.2 million during fiscal year 2017 and total liabilities increased \$129.3 million for fiscal year 2018 and decreased \$0.9 million for fiscal year 2017.

- **Current Assets** decreased by \$5.4 million during fiscal year 2018, and increased by \$3.1 million during fiscal year 2017. The 2018 decrease is primarily due to a decrease in short-term investments. The 2017 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 2018, current assets as a percentage of total assets decreased slightly from 15.3 percent to 14.4 percent. Long-term investments as a percentage of total assets increased from 10.9 percent for the prior year to 13.5 percent for the current year. Capital assets as a percentage of total assets had a slight decrease

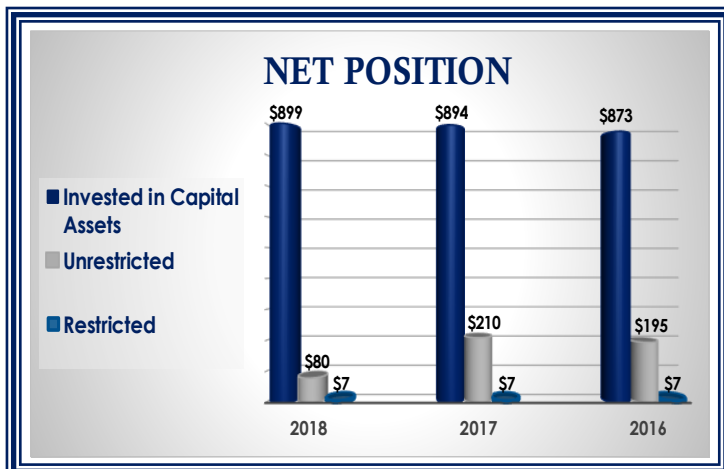
## Comparative Composition of Assets, Liabilities, Deferred Outflows and Inflows, and Net Position

Years Ended August 31  
(Dollars in Millions)



going from 73.9 percent for fiscal year 2017 to 72.1 percent for fiscal year 2018. 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 4.1 percent, or \$42.3 million, for fiscal year 2018, and increased \$30.1 million (3.0 percent) for fiscal year 2017. The 2018 increase is due to an increase in both long-term investments and capital assets. The majority of the capital asset value is in property and equipment, with additional construction continually ongoing. Capital assets were \$899.4 million as of August 31, 2018 as compared to \$894.1 million



at August 31, 2017. This increase, net of current year depreciation of \$33.5 million, reflects spending on various ongoing capital improvement projects.

- **Deferred Outflows of Resources** - Required entries from GASB 68 resulted in the recording of a reduction of \$1.7 million of deferred outflows of resources related to pensions for the year ended August 31, 2018, bringing the total to \$15.0 million, as compared to \$16.7 million at August 31, 2017. New for FY 2018 are required entries from GASB 75 which resulted in the recording of \$3.9 million of deferred outflows of resources related to Other Post-Employment Benefits (OPEB) for the year ended August 31, 2018.
- **Current Liabilities** increased \$1.9 million to a balance of \$50.1 million for the year ended August 31, 2018. These were comprised of accounts paya-



ble, 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 \$3.0 million.

- **Non-current Liabilities** primarily consist of accrued employee benefits, net pension liability as required by GASB 68 and a new net OPEB liability which is required by GASB 75. Total non-current liabilities were \$183.0 million at August 31, 2018. This includes net pension liability of \$44.2 million as compared to \$51.1 million at Au-

gust 31, 2017, and net OPEB liability of \$134.4 million as compared to \$0.0 million at August 31, 2017.

- **Deferred Inflows of Resources** - Required entries from GASB 68 resulted in the recording of an increase of \$4.3 million of deferred inflows of resources related to pensions for the year ended August 31, 2018, bringing the total to \$17.1 million, as compared to \$12.8 million at August 31, 2017. Required entries from GASB 75 resulted in the recording of \$29.7 million of deferred inflows of resources related to OPEB for the year ended August 31, 2018.
- **Net Position** (total assets and deferred outflows less total liabilities and deferred inflows) decreased \$124.3 million, or 11.2 percent. This was primarily due to the required GASB 75 entries that decreased unrestricted net position by \$156.9 million. Net investment in capital assets, \$899.4 million, represents 91.2 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 0.7 percent of net position. The remaining unrestricted net position may be used for educational or general operations of the District. Unrestricted net position decreased \$130.0 million, and represents 8.1 percent of net position. During fiscal year 2018, the net position designated for future capital outlay increased by \$4.7 million to \$22.5 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

Condensed Statements of Revenues, Expenses and Changes in Net Position					
Years Ended August 31 (Dollars in millions)	2018	2017	2017-18 Change	2016	2016-17 Change
<b>Operating Revenue</b>					
Tuition & Fees	\$ 55.1	\$ 55.0	\$ 0.1	\$ 52.5	\$ 2.5
Grants & Contracts	14.3	13.3	1.0	11.8	1.5
Auxiliary Enterprises	4.1	3.8	0.3	3.7	0.1
Other Operating Revenue	0.8	1.8	(1.0)	2.3	(0.5)
<b>Total Operating Revenue</b>	<b>74.3</b>	<b>73.9</b>	<b>0.4</b>	<b>70.3</b>	<b>3.6</b>
<b>Operating Expenses</b>					
Instruction	150.6	140.7	9.9	136.4	4.3
Public Service	14.1	12.7	1.4	10.1	2.6
Academic Support	34.0	35.1	(1.1)	30.6	4.5
Student Services	38.4	36.2	2.2	32.8	3.4
Institutional Support	50.3	45.8	4.5	42.9	2.9
Operation & Maintenance of Plant	36.9	34.9	2.0	33.1	1.8
Scholarships & Fellowships	60.4	58.1	2.3	63.9	(5.8)
Auxiliary Enterprises	4.6	4.6	0.0	4.0	0.6
Depreciation	33.5	32.2	1.3	30.6	1.6
<b>Total Operating Expenses</b>	<b>422.8</b>	<b>400.3</b>	<b>22.5</b>	<b>384.4</b>	<b>15.9</b>
<b>Operating Loss</b>	<b>(348.5)</b>	<b>(326.4)</b>	<b>(22.1)</b>	<b>(314.1)</b>	<b>(12.3)</b>
<b>Non-Operating Revenue (Expense)</b>					
State Appropriations	82.6	78.4	4.2	72.9	5.5
Ad Valorem Tax	232.6	220.3	12.3	206.9	13.4
Grants & Contracts	62.6	59.7	2.9	64.3	(4.6)
Other Revenue-Gifts	0.1	0.7	(0.6)	0.7	0.7
Investment & Other Income	4.3	3.7	0.6	4.9	(1.2)
Non-Operating Expense	(1.1)	(0.4)	(0.7)	(0.3)	(0.1)
<b>Total Non-Operating Revenue (Expense)</b>	<b>381.1</b>	<b>362.4</b>	<b>18.7</b>	<b>348.7</b>	<b>13.7</b>
<b>Increase in Net Position</b>	<b>32.6</b>	<b>36.0</b>	<b>(3.4)</b>	<b>34.6</b>	<b>1.4</b>
<b>Net Position</b>					
Net Position-Year Beginning	1,110.5	1,074.5	36.0	1,039.9	34.6
Change in Accounting Principle	(156.9)		(156.9)		
Total Revenue	456.6	436.7	19.9	419.3	17.4
Total Expenses	(424.0)	(400.7)	(23.3)	(384.7)	(16.0)
<b>Net Position-Year End</b>	<b>\$ 986.2</b>	<b>\$ 1,110.5</b>	<b>\$ (124.3)</b>	<b>\$ 1,074.5</b>	<b>\$ 36.0</b>

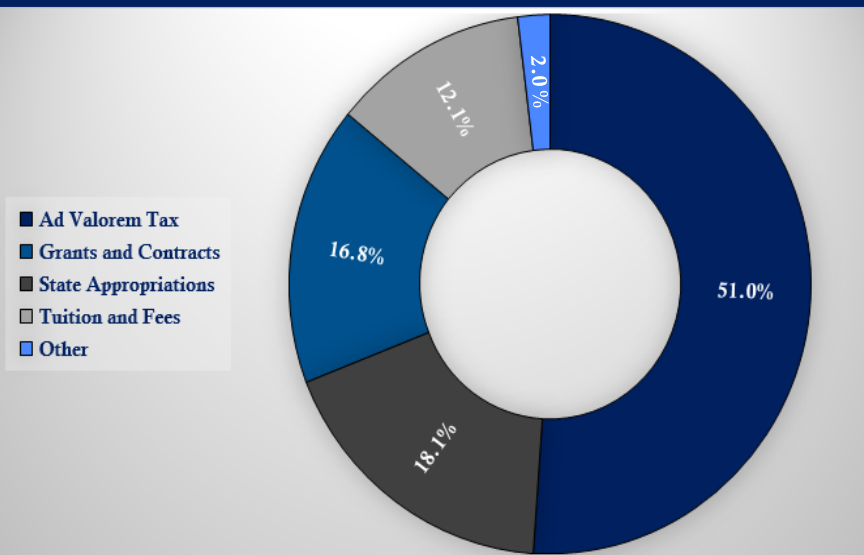
expenses incurred during the year. Activities are reported as either operating or non-operating. Operating revenues represent the amounts received from customers in exchange for services provided by the District. Operating expenses are the costs incurred to provide District services to customers. Operating 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 operating loss, as it does for the District for fiscal year 2018 and prior years.



## TOTAL REVENUE BY SOURCE

Fiscal year 2017-18

Total \$456.6



### Revenues

Total revenues increased \$19.9 million, or 4.6 percent, over the prior year to \$456.6 million in 2018. For fiscal 2017, total revenue was \$436.7 million. The increase for fiscal 2018 is primarily the result of an increase in ad valorem taxes. For fiscal year 2017 the increase of \$17.4 million was also due to a increase in ad valorem taxes.

#### Operating Revenues

Operating revenue increased \$0.4 million in 2018, or 0.5 percent over 2017, to \$74.3 million. In fiscal year 2017, operating revenue increased 5.1 percent over 2016. The primary source of operating revenue has continually been tuition and fees.

Revenue from tuition and fees increased \$0.1 million or 0.2 percent over 2017 to \$55.1 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

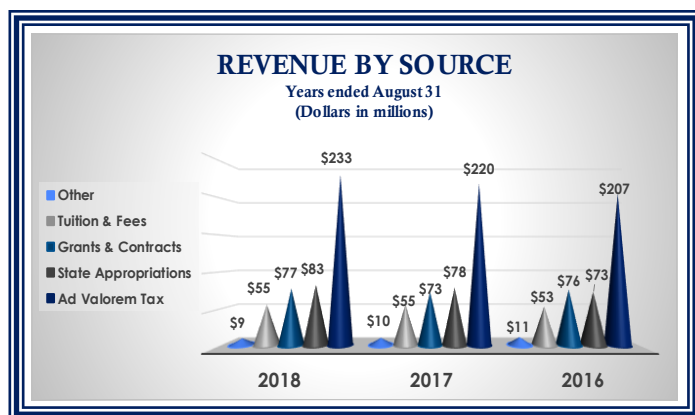
universities in Texas were able to set their own levels of tuition for the first time. Subsequently some state universities imposed substantial tuition increases, which resulted in a greater number of students seeking more affordable tuition rates such as those offered at TCCD. Support for this growth 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 in-

creases 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. At the August 2018 Board of Trustees meeting, the following tuition rates were approved to begin in Spring 2019: In County \$64 per hour, Out of County \$126 per hour, Out of State and Non-Resident \$305 per hour.

#### Non-Operating Revenues (Expense)

Non-operating revenues (expense) increased from \$362.4 million to \$381.1 million for the fiscal years ended August 31, 2018 and 2017, respectively. For fiscal 2016, non-operating revenue was \$348.7 million. For 2018, non-operating revenue consists predominantly of ad-valorem taxes of \$232.6 million, which increased by \$12.3 million or 5.6 percent, and





state appropriations of \$82.6 million, which increased by \$4.2 million or 5.4 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 for 2017, 14.006 for 2018, and 13.607 for 2019.

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 have declined to 18.1 percent of revenue in 2018. Tuition and fees accounted for 22.9 percent in fiscal 1998 and 12.1 percent in fiscal 2018. In contrast, local property taxes accounted for 21.0 percent of total revenue in fiscal 1998 and 51.0 percent of revenue in 2018. Tuition and fees were \$55.1 million in fiscal 2018 and \$55.0 million in fiscal 2017, and slightly decreased as a percentage of total revenue to 12.1 percent in 2018 from 12.6 percent in 2017.

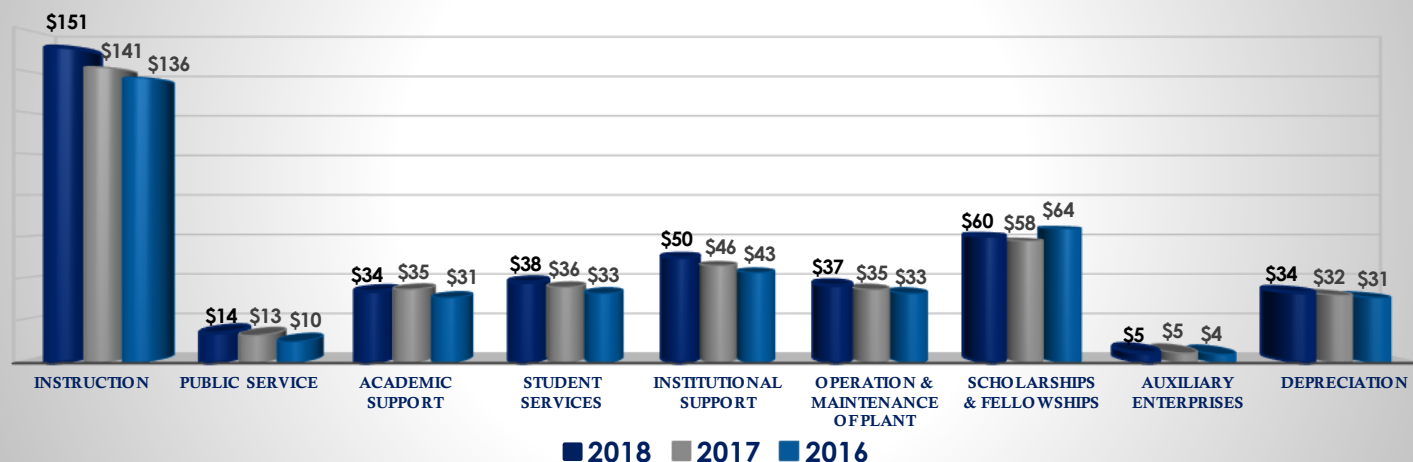
Grants and contracts have increased from \$73.0 million in 2017 to \$76.9 million in 2018, and are 16.8 percent of total revenues. During fiscal 2016, revenues from grants and contracts were \$76.1 million. This source of revenue includes restricted revenues made available by government agencies as well 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 \$0.5 million for fiscal 2018. 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 2018, the District recorded a \$0.3 million increase in sales revenues from operations at our auxiliary enterprises.

Operating Expense by Natural Classification					
Years Ended August 31 (Dollars in millions)	2018	2017	2017-18 Change	2016	2016-17 Change
Salary & Wages	\$ 184.3	\$ 178.6	\$ 5.7	\$ 170.3	\$ 8.3
Staff Benefits	67.5	59.7	7.8	51.2	8.5
Other Expenses	137.5	129.8	7.7	132.3	(2.5)
Depreciation	33.5	32.2	1.3	30.6	1.6
<b>Total Operating Expenses</b>	<b>\$ 422.8</b>	<b>\$ 400.3</b>	<b>\$ 22.5</b>	<b>\$ 384.4</b>	<b>\$ 15.9</b>

## OPERATING EXPENSE BY FUNCTION

Years ended August 31  
(Dollars in millions)



Fiscal year 2018 investment and other income increased by \$0.6 million to \$4.3 million compared to a \$1.2 million decrease for the prior year. (See Note 4, page 25, for additional information on investment earnings and portfolio market adjustments.)

### Expenses

Total expenses for fiscal 2018 increased \$23.3 million to \$424.0 million from \$400.7 million for fiscal 2017. For fiscal 2016, total expenses were \$384.7 million.

Operating expenses increased by \$22.5 million to \$422.8 million, an increase of 5.6 percent from fiscal 2017. For fiscal 2016, operating expenses were \$384.4 million. Significant fluctuations in 2018 operating expenses are as follows:

- Salaries and wages increased \$5.7 million to \$184.3 million
- Staff benefits increased by \$7.8 million to \$67.5 million
- Other expenses increased by \$7.7 million to \$137.5 million

An analysis of operating expenses by function indicates the most significant year-to-year percentage

change to be in public service (increased 11.0 percent to \$14.1 million).

### 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 \$282.7 million for fiscal 2018, \$275.1 million for fiscal 2017, and \$258.2 million for fiscal 2016. 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 \$352.1 million for 2018, \$335.7 million for 2017, and \$328.9 million for 2016.

Cash used for capital and related financing activities was \$39.9 million for 2018, \$52.8 million for 2017, and \$32.9 million for 2016.

Cash used by investing activities for 2018 was \$29.6 million, which reflects the purchase and maturity of investments and interest income from investments. This was \$19.0 million more than cash used by investing activities for fiscal 2017 of \$10.6 million.

Cash and cash equivalents decreased by \$0.1 million from \$2.5 million at August 31, 2017 to \$2.4 million at August 31, 2018.

## Capital Assets and Related Financing Activities

### Capital Assets

At August 31, 2018, the District had a total of \$899.4 million in capital assets, net of accumulated depreciation. Capital assets increased \$5.3 million for 2018, increased \$20.9 million for 2017, and decreased \$3.1 million for 2016. Construction-in-progress was \$20.6 million at August 31, 2018. During 2018, \$49.8 million of construction-in-progress jobs were completed, including \$3.1 million District code blue phones, \$3.3 million on Southeast Learning Commons, \$3.5 million on South mechanical, electrical, and plumbing projects, \$7.3 million on Northeast mechanical, electrical, and plumbing projects, \$1.9 million on Trinity River fire alarm upgrades, \$5.2 million on Trinity River Campus renovations, \$7.0 million on the Riverside warehouse renovations and several smaller scale projects throughout the District. (See Note 19, pages 45-46, to the financial statements for more detailed information regarding capital assets.)

Construction-in-progress was \$32.8 million at August 31, 2017. During 2017, \$70.8 million of construction-in-progress jobs were completed, including \$37.3 million for the South Energy Technology Center, \$7.7 million for the South Early College High School, \$9.6 million for various district mechanical, electrical, and plumbing projects and several smaller scale projects throughout the District.

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

## Condensed Statement of Cash Flows

Years Ended August 31 (Dollars in millions)	2018	2017	2017-18 Change	2016	2016-17 Change
Cash & cash equivalents provided/(used) by:					
Operating Activities	\$(282.7)	\$(275.1)	\$ (7.6)	\$(258.2)	\$ (16.9)
Non-Capital Financing Activities	352.1	335.7	16.4	328.9	6.8
Capital & Related Financing Activities	(39.9)	(52.8)	12.9	(32.9)	(19.9)
Investing Activities	(29.6)	(10.6)	(19.0)	(38.4)	27.8
<b>Cash &amp; Cash Equivalents Decrease</b>	<b>(0.1)</b>	<b>(2.8)</b>	<b>2.7</b>	<b>(0.6)</b>	<b>(2.2)</b>
Cash & Cash Equivalents Sept. 1	2.5	5.3	(2.8)	5.9	(0.6)
<b>Cash &amp; Cash Equivalents Aug. 31</b>	<b>\$ 2.4</b>	<b>\$ 2.5</b>	<b>\$ (0.1)</b>	<b>\$ 5.3</b>	<b>\$ (2.8)</b>

Southeast Early College High School, \$3.5 million for South Electric Upgrade, and several smaller scale projects throughout the District.

### Long-Term Debt Information

On February 13, 2015, the District made its final payment on outstanding general obligation bonds.

### District Financial Position

District management would like to report that Tarrant County College District completes fiscal 2018 with an exceptionally strong financial position. In addition, the budget adopted by the Board of Trustees for fiscal 2019 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, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,439,488	\$ 2,556,981
Investments	149,014,149	153,272,762
Accounts receivable, less allowance for doubtful accounts of \$18,955,988 and \$17,838,057 in 2018 and 2017, respectively	11,728,651	11,211,347
Taxes receivable, less allowance for doubtful accounts of \$2,382,474 and \$2,188,411 in 2018 and 2017, respectively	4,909,169	4,803,687
Interest receivable	881,358	608,770
Federal grants and contracts receivable	5,316,428	7,076,998
State and local grants and contracts receivable	1,608,370	1,715,022
Prepaid expenses and other current assets	3,598,737	3,725,888
<b>Total current assets</b>	179,496,350	184,971,455
<b>Non-current assets</b>		
Investments	167,814,499	130,901,970
Restricted investments	559,620	520,885
Capital assets, net		
Non-depreciable capital assets	104,675,519	116,945,805
Depreciable capital assets	794,721,416	777,132,636
<b>Total non-current assets</b>	1,067,771,054	1,025,501,296
<b>Total assets</b>	1,247,267,404	1,210,472,751
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	15,016,484	16,709,447
Deferred outflows related to OPEB	3,882,675	
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	13,683,290	10,601,451
Accrued liabilities	7,768,514	7,905,918
Accrued compensated absences	6,573,123	6,065,090
Deposits held for others	454,259	468,285
Unearned revenue	21,646,378	23,149,231
<b>Total current liabilities</b>	50,125,564	48,189,975
<b>Non-current liabilities</b>		
Accrued compensated absences	4,407,487	4,390,813
Workers' compensation payable		183,762
Net pension liability	44,235,720	51,062,332
Net OPEB liability	134,380,479	
<b>Total non-current liabilities</b>	183,023,686	55,636,907
<b>Total liabilities</b>	233,149,250	103,826,882
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	17,089,532	12,837,188
Deferred inflows related to OPEB	29,712,169	

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

**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 1**  
**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2018 AND 2017**  
**(continued)**

	<u>2018</u>	<u>2017</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 899,396,935	\$ 894,078,441
Restricted for:		
Expendable		
Student aid	7,214,390	6,778,900
Loans	<u>144,701</u>	<u>144,269</u>
Total restricted	7,359,091	6,923,169
Unrestricted	<u>79,459,586</u>	<u>209,516,518</u>
 <b>Total net position (Schedule D)</b>	 <u><u>\$ 986,215,612</u></u>	 <u><u>\$ 1,110,518,128</u></u>

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, 2018 AND 2017**

	2018	2017
<b>REVENUES</b>		
<b>Operating revenues</b>		
Tuition and fees, net of allowances and discounts of \$14,720,744 and \$12,619,260 in 2018 and 2017, respectively	\$ 55,145,642	\$ 54,986,934
Federal grants and contracts	3,144,177	4,523,229
State grants and contracts	7,219,799	5,402,033
Non-governmental grants and contracts	3,913,274	3,445,783
Auxiliary enterprises	4,104,814	3,799,593
Other operating revenue	799,607	1,785,418
Total operating revenue (Schedule A)	74,327,313	73,942,990
<b>EXPENSES</b>		
<b>Operating expenses</b>		
Instruction	150,579,446	140,735,776
Public service	14,132,205	12,736,336
Academic support	33,963,458	35,116,541
Student services	38,449,561	36,217,071
Institutional support	50,310,302	45,811,537
Operation and maintenance of plant	36,897,204	34,862,956
Scholarships and fellowships	60,424,814	58,061,684
Auxiliary enterprises	4,618,011	4,587,947
Depreciation	33,521,323	32,197,448
Total operating expenses (Schedule B)	422,896,324	400,327,296
Operating loss	(348,569,011)	(326,384,306)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State appropriations	82,581,830	78,428,968
Maintenance ad-valorem taxes	232,639,439	220,336,268
Federal grants and contracts	62,594,892	59,652,406
Gifts	97,333	722,163
Investment income	3,319,826	2,595,851
Other income	1,027,388	1,087,193
Loss on disposal of assets	(1,132,866)	(396,924)
Total non-operating revenue (Schedule C)	381,127,842	362,425,925
Increase in net position (Schedule D)	32,558,831	36,041,619
<b>NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	1,110,518,128	1,074,476,509
Change in accounting principle (Schedule D)	(156,861,347)	
<b>NET POSITION, BEGINNING OF YEAR, AS RESTATED</b>	953,656,781	1,074,476,509
<b>NET POSITION, END OF YEAR</b>	\$ 986,215,612	\$ 1,110,518,128

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, 2018 AND 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from tuition and fees	\$ 53,111,522	\$ 52,991,872
Receipts from grants and contracts	14,441,531	14,403,135
Payments to suppliers	(161,860,090)	(156,322,200)
Payments to or on behalf of employees	(194,433,023)	(192,916,961)
Receipts from auxiliary enterprise charges	4,203,640	3,835,426
Other receipts	1,822,836	2,872,446
Net cash used by operating activities	(282,713,584)	(275,136,282)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	55,365,768	56,326,105
Receipts from non-operating federal revenue	64,217,129	59,098,018
Receipts from local property taxes	232,533,957	220,278,762
Net cash provided by non-capital financing activities	352,116,854	335,702,885
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(39,875,350)	(52,751,565)
Net cash used by capital and related financing activities	(39,875,350)	(52,751,565)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturities of investments	543,153,077	749,796,893
Interest on investments	2,392,588	2,234,416
Purchase of investments	(575,191,078)	(762,632,104)
Net cash used by investing activities	(29,645,413)	(10,600,795)
Net decrease in cash and cash equivalents	(117,493)	(2,785,757)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	2,556,981	5,342,738
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 2,439,488</u>	<u>\$ 2,556,981</u>
<b>RECONCILIATION OF OPERATING LOSS TO</b>		
<b>NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (348,569,011)	\$ (326,384,306)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	33,521,323	32,197,448
Non-cash state appropriations	27,216,062	22,102,863
Pension expense	3,747,595	5,289,225
OPEB expense	3,348,625	
Non-operating other income	1,023,229	1,087,028
Change in operating assets and liabilities		
Receivables	(272,319)	(637,734)
Prepaid expenses and other current assets	127,151	(778,660)
Deferred outflows of resources	(4,628,899)	(4,512,730)
Accounts payable and accrued liabilities	2,760,673	(3,680,398)
Accrued compensated absences	524,707	394,168
Deposits held for others	(14,026)	76,219
Deferred revenue	(1,498,694)	(289,405)
Net cash used by operating activities	<u>\$ (282,713,584)</u>	<u>\$ (275,136,282)</u>
<b>SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Change in fair value of investments	\$ (2,003,962)	\$ (660,486)
Donation of capital assets	<u>\$ 97,333</u>	<u>\$ 722,163</u>

The Notes to Financial Statements are an integral part of these 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 for tuition and fees, 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, 2018 of \$20,543,731 have been provided for in the fiscal year 2019 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 \$137,596,646 and \$145,111,270 at August 31, 2018 and 2017, 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. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement are reported at acquisition value. 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, the net OPEB 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, 2018 or 2017.

*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 and certain grants and contracts. 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 the plan 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 the plan'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.

### ***Other Post-Employment Benefits (OPEB)***

The District participates in a cost-sharing, multiple-employer, other post-employment benefit (OPEB) plan with a special funding situation. The fiduciary net position of the plan, which is administered by the Employees Retirement System of Texas (ERS), has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from the plan's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

### ***Restatement of Beginning Net Position***

Effective for fiscal year 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB 75). Accordingly, a restatement to beginning net position as of September 1, 2017 was required for the recording of the beginning OPEB liability and for the recording of deferred outflows of resources for contributions made after the measurement date of the beginning OPEB liability and beginning of the District's fiscal year. It was impracticable to determine the cumulative effect of this accounting change and its retroactive application to prior periods because the information required to determine the balances of deferred inflows of resources and deferred outflows of resources related to the OPEB liability as of August 31, 2016 was not available.



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

### **Restatement of Beginning Net Position-continued**

Beginning net position as of September 1, 2017, has been restated for the implementation of GASB 75 as follows:

Beginning net position, as previously reported	\$ 1,110,518,128
Cumulative effect of change in accounting principle (GASB 75)	
Net OPEB liability (measurement date as of August 31, 2016)	(160,556,099)
Deferred outflows-District contributions made during fiscal year 2017	3,694,752
Beginning net position, as restated	<u>\$ 953,656,781</u>

## **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 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.

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 Public Funds Investment Act (PFIA). House Bill 1472, which became effective September 1, 2017, added section 2256.0206 to PFIA which allows that funds received from the management and development of mineral rights may be invested by a trustee under Subtitle B, Title 9, Property Code (Texas Trust Code).



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

At August 31, 2018 and 2017, the carrying amounts of the District's deposits were \$2,419,488 and \$2,533,931 and total bank balances equaled \$3,552,857 and \$4,724,233, respectively. Bank balances of \$250,000 were covered by the Federal Depository Insurance Corporation with \$3,302,857 and \$4,474,233 covered by collateral pledged in a joint custody security account with market values of \$4,002,815 and \$5,181,493 at August 31, 2018 and 2017, 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, 2018 and 2017 were \$13,137,410 and \$5,382,557 invested in TexPool, a pool managed by the Treasurer of the state of Texas, \$35,190,840 and \$5,548,713 invested in TexStar, a pool managed by JP Morgan Investment Management Inc. and First Southwest Company, \$43,329,735 and \$64,536,617 invested in TexasTerm, a series of pools managed by PFM Asset Management, LLC, and \$45,938,661 and \$69,643,383 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, hold investments that are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool, Texas-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 a 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

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

may only impose restrictions on redemptions in the event of a general suspension of trading on a 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 16). 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:

Cash and Cash Equivalents		
	2018	2017
Bank deposits		
Demand deposits	\$ 2,419,488	\$ 2,533,931
Cash on hand		
Petty cash	20,000	23,050
Total cash and cash equivalents	<u>\$ 2,439,488</u>	<u>\$ 2,556,981</u>

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

<b>Reconciliation of Deposits and Investments to Exhibit 1</b>		
	<b>Carrying Value August 31, 2018</b>	<b>Carrying Value August 31, 2017</b>
TexPool	\$ 13,137,410	\$ 5,382,557
TexStar	35,190,840	5,548,713
TexasTERM - TexasDAILY	43,329,735	64,536,617
Lone Star Investment Pool	45,938,661	69,643,383
Beneficial Interest in Funds Held by Affiliate	11,977,123	8,682,377
U.S. Government Agencies	167,814,499	130,901,970
Total	317,388,268	284,695,617
Cash and cash equivalents	2,439,488	2,556,981
Total deposits and investments	319,827,756	287,252,598
Cash and cash equivalents (Exhibit 1)	2,439,488	2,556,981
Investments - current (Exhibit 1)	149,014,149	153,272,762
Restricted investments - non-current (Exhibit 1)	559,620	520,885
Investments - non-current (Exhibit 1)	167,814,499	130,901,970
Total deposits and investments	\$ 319,827,756	\$ 287,252,598

As of August 31, 2018 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	\$ 167,814,499	\$ 59,731,101	\$ 20,105,407	\$ 39,142,382	\$ 39,013,909	\$ 9,821,700
TexPool	AAAm	13,137,410	13,137,410				
TexStar	AAAm	35,190,840	35,190,840				
TexasTERM - TexasDAILY	AAAm	43,329,735	43,329,735				
Lone Star Investment Pool	AAAm	45,938,661	45,938,661				
Beneficial interest in funds held by affiliate		11,977,123					
Total carrying value		\$ 317,388,268	\$ 197,327,747	\$ 20,105,407	\$ 39,142,382	\$ 39,013,909	\$ 9,821,700

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

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

As of August 31, 2018 and 2017, Beneficial Interest in Funds Held by Affiliate was comprised of the following underlying investments:

	2018	2017
Corporate Bonds	\$ 3,277,324	\$1,609,375
Cash Equivalents	333,746	
U.S. Government Agencies		3,300,298
Mutual Funds	7,692,527	3,772,704
Exchange - Traded Funds	673,526	
Total fair value	<u>\$ 11,977,123</u>	<u>\$8,682,377</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, 2018, more than 5% of the District's investments are in TexStar (11.1%), TexasDAILY (13.7%), Lone Star Investment Pool (14.5%), FHLB (18.8%), FNMA (15.3%), FFCB (9.4%), and FHLMC (9.3%).

As of August 31, 2018 and 2017, restricted investments consisted of the following:

	2018	2017
Funds held for others	\$ 453,766	\$ 417,156
Funds restricted to student loans	105,854	103,729
Total restricted investments	<u>\$ 559,620</u>	<u>\$ 520,885</u>

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

Investment income for the years ended August 31, 2018 and 2017 consisted of the following:

	2018	2017
Interest and dividends	\$ 5,323,788	\$ 3,256,332
Net decrease in fair value of investments	(2,003,962)	(660,481)
Total investment income	<u>\$ 3,319,826</u>	<u>\$ 2,595,851</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, 2018 and 2017 follows:

2018				
	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$	\$ 167,814,499	\$	\$ 167,814,499
Beneficial Interest in Funds Held by Affiliate		11,977,123		11,977,123
	<u>\$</u>	<u>\$ 179,791,622</u>	<u>\$</u>	<u>\$ 179,791,622</u>
2017				
	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$	\$ 130,901,970	\$	\$ 130,901,970
Beneficial Interest in Funds Held by Affiliate		8,682,377		8,682,377
	<u>\$</u>	<u>\$ 139,584,347</u>	<u>\$</u>	<u>\$ 139,584,347</u>

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## ***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, corporate bonds and mutual funds. 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, 2018 and 2017, the District did not invest in derivatives.

## ***NOTE 7. 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 <https://www.trs.texas.gov/trs%20documents/cafr2017.pdf>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.



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## ***NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued***

### ***Benefits Provided***

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education institutions in Texas. The pension formula is calculated using a 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, 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.

### ***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's 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 2018 and 2017.

<b>Contribution Rates</b>		
<b>Fiscal Year</b>	<b>2018</b>	<b>2017</b>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
District Contributions	\$ 4,628,899	\$ 4,512,730
State of Texas On-behalf Contributions	\$ 3,748,154	\$ 3,512,040

The District's contributions to the TRS pension plan in 2018 were \$4,628,899 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 2018 were \$3,748,154.

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## ***NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued***

### ***Contributions-continued***

- As the non-employer contributing entity for public education and junior colleges, the state of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

### ***Actuarial Assumptions***

The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
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%
Municipal Bond Rate	N/A
Last year ending August 31 in the 2017 to 2116 Projection Period (100 years)	2116
Inflation	2.50%
Salary Increases including inflation	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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## ***NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued***

### ***Actuarial Assumptions-continued***

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. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

### ***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, 2017, are summarized below:

## NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

### Discount Rate-continued

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 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>	<u>100.0%</u>		<u>8.7%</u>

\* Target allocations are based on the FY 2014 policy model. Infrastructure was moved from Real Assets to Energy and Natural Resources in FY 2017, but the reallocation does not affect the long-term expected geometric real rate of return or expected contribution to long-term portfolio returns.

\*\* The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

Source: Teacher Retirement System of Texas 2017 Comprehensive Annual Financial Report

### Discount Rate Sensitivity Analysis

The following schedule shows the impact on 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 2017 Net Pension Liability.

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**NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued****Discount Rate Sensitivity Analysis-continued**

	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:	\$ 74,572,683	\$ 44,235,720	\$ 18,975,474

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

At August 31, 2018, the District reported a liability of \$44,235,720 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	\$ 44,235,720
State's proportionate share that is associated with the District	36,644,031
Total	<u>\$ 80,879,751</u>

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At the measurement date of August 31, 2017, the employer's proportion of the collective net pension liability was 0.1383464%, which was an increase of 2.38% from its proportion measured as of August 31, 2016.

For the year ended August 31, 2018, the District recognized pension expense of \$2,795,341 and revenue of \$2,795,341 for support provided by the state, based on a measurement date of August 31, 2017.

At August 31, 2018, 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, 2017:

## **NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 647,189	\$ 2,385,574
Changes in actuarial assumptions	2,015,007	1,153,545
Difference between projected and actual investment earnings	6,802,940	10,026,743
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	922,449	3,523,670
Contributions paid to TRS subsequent to the measurement date	4,628,899	
Total	<u>\$ 15,016,484</u>	<u>\$ 17,089,532</u>

The contributions paid to TRS subsequent to the measurement date in the amount of \$4,628,899 will be recognized as a reduction of the net pension liability during the fiscal year ending August 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2019	\$ (2,142,415)
2020	681,266
2021	(2,359,326)
2022	(2,966,016)
2023	5,608
Thereafter	78,936

### ***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 3.30% and 6.65%, respectively. The District contributed 5.20% in fiscal years 2018, 2017, and 2016 for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one



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## ***NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued***

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

year plus one day of employment. Because these are individual annuity contracts, the state has no additional or un-funded liability for this program. Senate Bill (S.B.) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

State contributions to the Optional Retirement Plan made on behalf of the District for the years ended August 31, 2018, 2017, and 2016 were \$921,881, \$934,035 and \$938,998, 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 \$4,787,359 is reflected in the accompanying financial statements as both revenues and expenditures. Participants contributed \$11,468,260 (\$9,610,531 for the Teacher Retirement Program and \$1,857,729 for the Optional Retirement Program). The District contributed \$1,121,393, \$1,153,391, and \$1,170,429 for the years ended August 31, 2018, 2017, and 2016, respectively, to the Optional Retirement Program to cover the 5.2% referenced above.

Total payroll expense for fiscal years 2018 and 2017 was approximately \$184,300,000 and \$178,500,000, respectively. The total payroll of employees covered by the Teacher Retirement System was approximately \$113,900,000 and \$109,400,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$27,900,000 and \$28,300,000 for fiscal years 2018 and 2017, 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 8. OTHER POST EMPLOYMENT BENEFITS***

### ***Other Post-Employment Benefits (OPEB)***

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

The District participates in a cost-sharing, multiple-employer, other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are established by state law and may be amended by the Texas Legislature.

#### ***OPEB Plan Fiduciary Net Position***

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements

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## **NOTE 8. OTHER POST EMPLOYMENT BENEFITS-continued**

### ***OPEB Plan Fiduciary Net Position-continued***

and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

### ***Benefits Provided***

Retiree health benefits offered through the GBP are available to most state of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

### ***Contributions***

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the state of Texas pays part of the premiums for the junior and community colleges.

<b>Maximum Monthly Employer Contribution Retiree Health and Basic Life Premium</b>	
<b>Fiscal Year 2017</b>	
Retiree Only	\$ 617.30
Retiree & Spouse	970.98
Retiree & Children	854.10
Retiree & Family	1,207.78

## ***NOTE 8. OTHER POST EMPLOYMENT BENEFITS-continued***

### ***Contributions-continued***

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

<b>Premium Contributions by Source Group Benefits Program Plan For the Years Ended August 31, 2017 and 2016</b>		
<b>Fiscal Year</b>	<b>2017</b>	<b>2016</b>
Employers	\$ 890,735,173	\$ 663,986,538
Members (Employees)	195,806,162	183,284,339
Nonemployer Contributing Entity (State of Texas)	44,433,743	N/A
Source: ERS 2017 Comprehensive Annual Financial Reports		

### ***Actuarial Assumptions***

The total OPEB liability was determined by an actuarial valuation as of August 31, 2017 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2017
Actuarial Cost Method	Entry Age
Amortization method	Level percent of Pay, Open
Remaining amortization period	30 Years
Asset Valuation Method	N/A
Discount Rate	3.51%
Projected annual salary increase (includes inflation)	2.50% to 9.50%
Annual healthcare trend rate	8.50% for FY 2019, decreasing 0.5% per year to 4.50% for FY 2027 and later years
Inflation assumption rate	2.50%
Ad hoc post-employment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014

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## **NOTE 8. OTHER POST EMPLOYMENT BENEFITS-continued**

### **Actuarial Assumptions-continued**

Disability retirees

Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members

Active members

Sex Distinct RP-2014 Employee Mortality multiplied by 90% with full generational projection using Scale BB

Source: 2017 ERS CAFR except for mortality assumptions obtained from ERS FY17 GASB 74 Actuarial Valuation

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period (ex. September 1, 2010 to August 31, 2014) for higher education members.

### **Investment Policy**

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

### **Discount Rate**

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.84%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.51%, which amounted to an increase of 0.67%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

### **Discount Rate Sensitivity Analysis**

The following schedule shows the impact on the District's proportionate share of the collective net OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.51%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (2.51%)	Discount Rate (3.51%)	1% Increase in Discount Rate (4.51%)
The District's proportionate share of the net OPEB liability:	\$ 160,411,027	\$ 134,380,479	\$ 114,217,492

## **NOTE 8. OTHER POST EMPLOYMENT BENEFITS-continued**

### **Healthcare Trend Rate Sensitivity Analysis**

The initial healthcare trend rate is 8.5% and the ultimate rate is 4.5%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (8.5%) in measuring the net OPEB liability.

	<b>1% Decrease in Healthcare Cost Trend Rates (7.5% decreasing to 3.5%)</b>	<b>Current Healthcare Cost Trend Rates (8.5% decreasing to 4.5%)</b>	<b>1% Increase in Healthcare Cost Trend Rates (9.5% decreasing to 5.5%)</b>
The District's proportionate share of the net OPEB liability:	\$ 112,969,642	\$ 134,380,479	\$ 162,162,275

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

At August 31, 2018, the District reported a liability of \$134,380,479 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for state support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 134,380,479
State's proportionate share that is associated with the District	108,563,336
Total	\$ 242,943,815

The net OPEB liability was measured as of August 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016, thru August 31, 2017.

At the measurement date of August 31, 2017, the District's proportion of the collective net OPEB liability was 0.39438979%, which was the same proportion measured as of August 31, 2016.

For the year ended August 31, 2018, the District recognized OPEB expense of \$5,809,883 and revenue of \$5,809,883 for support provided by the state.

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

## **NOTE 8. OTHER POST EMPLOYMENT BENEFITS-continued**

### ***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-continued***

- Additional demographic assumptions (aggregate payroll increases and rate of general inflation) to reflect an experience study;
- The percentage of current and future retirees and retirees' spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan who will elect to participate at the earliest date at which coverage can commence has been updated to reflect recent plan experience and expected trends;
- Assumptions for administrative expenses, assumed per Capita Health Benefit Costs, Health Benefit Cost and Retiree Contribution trends to reflect recent health plan experience;
- Effects in short-term expectations and revised assumed rate of general inflation.

Changes of Benefit Terms Since Prior Measurement Date – The following benefit revisions have been adopted since the prior valuation:

- An increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- An elimination of the copayment for virtual visits;
- A copay reduction for Airrosti and for out-of-state participants;
- Elimination of the deductible for in-network services and application of a copayment rather than coinsurance to certain services like primary care and specialist visits.

These minor benefit changes have been reflected in the fiscal year 2018 Assumed Per Capita Health Benefit Costs.

At August 31, 2018, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$	\$ 1,614,822
Changes in actuarial assumptions		28,097,347
Difference between projected and actual investment earnings	39,786	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		
Contributions paid to ERS subsequent to the measurement date	3,842,889	
Total	<u>\$ 3,882,675</u>	<u>\$ 29,712,169</u>



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## ***NOTE 8. OTHER POST EMPLOYMENT BENEFITS-continued***

### ***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB-continued***

The contributions subsequent to the measurement date in the amount of \$3,842,889 will be recognized as a reduction of the net OPEB liability during the fiscal year ending August 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended August 31:</b>	<b>OPEB Expense Amount</b>
2019	\$ (6,681,983)
2020	(6,681,983)
2021	(6,681,983)
2022	(6,681,983)
2023	(2,944,449)
Thereafter	0

The District is dependent upon information provided by ERS for recognizing the OPEB liability and related deferred inflows and deferred outflows of resources, and expenses. Information provided to the District by ERS for its accounting and reporting of the plan for fiscal year 2018 utilized data for retirees participating in the plan. Contributions made subsequent to the measurement date by the District for retirees have been recorded as deferred outflows of resources as of August 31, 2018, and contributions made subsequent to the measurement date by the District for active employees have been recorded as an expense for the year ended August 31, 2018. Future changes, if any, to the current methodology or actuarial assumptions being utilized could result in significant changes in accounting and financial reporting in future periods.

## ***NOTE 9. HEALTH CARE AND LIFE INSURANCE BENEFITS***

The state provides certain healthcare and life insurance benefits for active and retired employees through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's average contribution per full-time employee was \$389 and \$368 per month for the years ended August 31, 2018 and 2017, respectively. The cost of providing those benefits for all employees in the year ended August 31, 2018, paid by the state of Texas on behalf of the District, totaled \$13,823,480 (\$13,138,339 for the year ended August 31, 2017) with \$3,098,460 for 713 retirees (retiree benefits for 697 retirees cost \$2,982,961 in fiscal year 2017) and \$10,725,020 for 2,296 active employees (active employee benefits for 2,301 employees cost \$10,155,378 in fiscal year 2017). The on-behalf payments are reflected in the accompanying financial statements as both revenues and expenses.

## ***NOTE 10. 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, 2018 and 2017, the District

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**NOTE 10. DEFERRED COMPENSATION PROGRAMS-continued**

had 334 and 338 employees participating in the program, respectively. A total of \$1,835,309 and \$2,037,605 in payroll deductions had been invested in approved plans during the fiscal years 2018 and 2017, 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 \$18,500 (\$24,500 for participants over 50 years of age) for 2018. As of August 31, 2018, the District had 131 employees participating in the program. A total of \$814,357 in payroll deductions had been invested in approved plans during the fiscal year 2018. As of August 31, 2017, the District had 119 employees participating in the program. A total of \$708,036 in payroll deductions had been invested in approved plans during the fiscal year 2017. In August 2017 the District established a deferred compensation plan pursuant to Internal Revenue Code Section 457(f) covering a member of management.

**NOTE 11. 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 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, 2018 and 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2018	\$ 10,455,903	\$ 8,424,525	\$ 7,899,818	\$ 10,980,610	\$ 6,573,123
2017	\$ 10,061,735	\$ 7,909,092	\$ 7,514,924	\$ 10,455,903	\$ 6,065,090

**NOTE 12. PENDING LAWSUITS AND CLAIMS**

On August 31, 2018, 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.

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### ***NOTE 13. 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, 2018 are as follows:

<b>Fiscal Year Ending</b>	<b>Minimum Future Lease Payments</b>
2019	\$ 223,581
2020	191,552
2021	144,208
2022	87,458
2023	73,458
2024-2025	42,851
	<u>\$ 763,108</u>

Approximately \$632,000 and \$785,000 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, 2018 and 2017, 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 2017-2037, with an additional \$50,000 in 2026.

The District leases space in certain of its campuses under noncancelable operating leases. On January 10, 2018, the District entered into a contract to lease space in its Trinity River Campus to the Fort Worth Independent School District. The lease is for the establishment of an early college high school program known as the Texas Academy of Biomedical Sciences (TABS). The term of the lease commences on August 1, 2018 and ends on August 31, 2023, and may be extended for three additional five year terms. The lease calls for monthly rent of \$45,500. Lease income under all operating leases totaled \$64,577 and \$1,113,417 during the years ended August 31, 2018 and 2017, respectively. Future minimum lease payments to be received under all such lease agreements are as follows:

<b>Fiscal Year Ending</b>	<b>Minimum Future Lease Payments</b>
2019	\$ 569,943
2020	570,637
2021	570,637
2022	568,584
2023	500,500

## **NOTE 14. 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 2018 and 2017 for which monies have not been received nor funds expended totaled approximately \$9,980,000 and \$10,810,000, respectively. Of this amount approximately \$7,240,000 and \$6,010,000 were from federal contract and grant awards and \$2,740,000 and \$4,800,000 were from state contract and grant awards for fiscal years ended August 31, 2018 and 2017, respectively.

## **NOTE 15. 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, 2018 and 2017.

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

	2018	2017
Beginning balance	\$ 921,701	\$ 820,049
Current year claims and changes in estimates	36,390	763,456
Claim payments	(298,054)	(661,804)
Ending balance	660,037	921,701
Current portion	(660,037)	(737,939)
Non-current portion	\$	\$ 183,762

## **NOTE 16. 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 \$1,534,917 and \$1,976,559 to the District during the years ended August 31, 2018 and 2017, 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, 2018 and 2017, the District had a receivable balance due from the Foundation of \$712,936 and \$585,714, respectively.

## **NOTE 17. PROPERTY TAXES**

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.

	2018	2017
Assessed Valuation of the District	\$ 210,152,726,668	\$ 190,933,932,283
Less: Exemptions and Abatements	<u>(38,835,438,015)</u>	<u>(35,548,514,293)</u>
Net Assessed Valuation of the District	<u>\$ 171,317,288,653</u>	<u>\$ 155,385,417,990</u>

2018			
	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation authorized (maximum per enabling legislation)	\$ .20000	\$ .50000	\$ .70000
Tax Rate per \$100 valuation assessed	\$ .14006	\$	\$ .14006

2017			
	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation authorized (maximum per enabling legislation)	\$ .20000	\$ .50000	\$ .70000
Tax Rate per \$100 valuation assessed	\$ .14473	\$	\$ .14473

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**NOTE 17. PROPERTY TAXES-continued**

Taxes levied for the years ended August 31, 2018 and 2017 amounted to \$237,394,561 and \$224,159,305, 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.

2018			
Taxes Collected	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 233,371,426	\$	\$ 233,371,426
Delinquent Taxes Collected	2,145,008		2,145,008
Penalties and Interest Collected	1,535,626		1,535,626
Total Collections	<u>\$ 237,052,060</u>	<u>\$</u>	<u>\$ 237,052,060</u>

2017			
Taxes Collected	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 221,159,407	\$	\$ 221,159,407
Delinquent Taxes Collected	1,570,769		1,570,769
Penalties and Interest Collected	1,504,286		1,504,286
Total Collections	<u>\$ 224,234,462</u>	<u>\$</u>	<u>\$ 224,234,462</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, 2018 and 2017 were 99.86% and 100.03% of the current tax levy, respectively. The District remitted payments of \$4,518,102 and \$4,084,477 in fiscal years 2018 and 2017, 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 18. 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, 2018 and 2017.



## NOTE 19. CAPITAL ASSETS

Capital assets activity for the years ended August 31, 2018 and 2017, is summarized as follows:

2018				
	Beginning Balance	Additions (Transfers)	Deletions	Ending Balance
Non-depreciable capital assets				
Land	\$ 82,675,158	\$	\$	\$ 82,675,158
Collections	1,426,368			1,426,368
Construction in progress	32,844,279	(12,270,286)		20,573,993
Total cost of non-depreciable capital assets	116,945,805	(12,270,286)		104,675,519
Depreciable capital assets				
Buildings	639,620,265	42,325,329		681,945,594
Improvements other than buildings	356,446,748	1,041,108		357,487,856
Telecommunications and peripheral equipment	28,009,528	5,095,552	(1,425,670)	31,679,410
Library books	7,608,879	462,946	(1,689,863)	6,381,962
Furniture and other equipment	49,553,134	3,318,034	(1,577,746)	51,293,422
Total cost of depreciable capital assets	1,081,238,554	52,242,969	(4,693,279)	1,128,788,244
Accumulated depreciation				
Buildings	134,529,712	11,895,649		146,425,361
Improvements other than buildings	113,605,158	14,929,772		128,534,930
Telecommunications and peripheral equipment	23,149,239	2,181,436	(1,415,768)	23,914,907
Library books	3,741,955	300,873	(1,218,126)	2,824,702
Furniture and other equipment	29,079,854	4,213,593	(926,519)	32,366,928
Total accumulated depreciation	304,105,918	33,521,323	(3,560,413)	334,066,828
Net depreciable capital assets	777,132,636	18,721,646	(1,132,866)	794,721,416
Net capital assets	\$ 894,078,441	\$ 6,451,360	\$ (1,132,866)	\$ 899,396,935

**NOTE 19. CAPITAL ASSETS-continued**

2017				
	Beginning Balance	Additions (Transfers)	Deletions	Ending Balance
Non-depreciable capital assets				
Land	\$ 74,620,143	\$ 8,055,015	\$	\$ 82,675,158
Collections	1,426,368			1,426,368
Construction in progress	63,728,888	(30,884,609)		32,844,279
Total cost of non-depreciable capital assets	139,775,399	(22,829,594)		116,945,805
Depreciable capital assets				
Buildings	593,174,214	46,446,051		639,620,265
Improvements other than buildings	333,158,328	23,288,420		356,446,748
Telecommunications and peripheral equipment	27,438,672	1,681,856	(1,111,000)	28,009,528
Library books	8,036,414	588,742	(1,016,277)	7,608,879
Furniture and other equipment	46,349,349	4,298,253	(1,094,468)	49,553,134
Total cost of depreciable capital assets	1,008,156,977	76,303,322	(3,221,745)	1,081,238,554
Accumulated depreciation				
Buildings	123,111,033	11,418,679		134,529,712
Improvements other than buildings	98,967,804	14,637,354		113,605,158
Telecommunications and peripheral equipment	22,564,108	1,650,045	(1,064,914)	23,149,239
Library books	4,114,836	410,160	(783,041)	3,741,955
Furniture and other equipment	25,975,510	4,081,210	(976,866)	29,079,854
Total accumulated depreciation	274,733,291	32,197,448	(2,824,821)	304,105,918
Net depreciable capital assets	733,423,686	44,105,874	(396,924)	777,132,636
Net capital assets	\$ 873,199,085	\$ 21,276,280	\$ (396,924)	\$ 894,078,441

## ***NOTE 20. COMMITMENTS AND CONTINGENCIES***

The District has entered into several contracts for various construction and renovation projects across the District. As of August 31, 2018, the balance remaining on these contracts totaled approximately \$11,232,000.

## ***NOTE 21. DESIGNATIONS OF UNRESTRICTED NET POSITION***

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

	2018	2017
Unrestricted net position		
Designated for		
Capital outlay	\$ 22,468,276	\$ 17,806,922
Future renewals and replacements	6,004,074	17,183,012
Future operating budgets	5,000,000	5,000,000
Insurance	700,000	700,000
Undesignated	45,287,236	168,826,584
<b>Total unrestricted net position</b>	<b>\$ 79,459,586</b>	<b>\$ 209,516,518</b>

## ***NOTE 22. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES***

Accounts receivable at August 31, 2018 and 2017, were as follows:

	2018	2017
Student Receivables	\$ 29,188,023	\$ 27,657,565
Accounts Receivable	1,431,951	1,279,912
Other Receivables	64,665	111,927
Subtotal	30,684,639	29,049,404
Allowance for Doubtful Accounts	(18,955,988)	(17,838,057)
<b>Total Accounts Receivable-Exhibit 1</b>	<b>\$ 11,728,651</b>	<b>\$ 11,211,347</b>

***NOTE 22. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES-***  
***continued***

Accounts payable and accrued liabilities at August 31, 2018 and 2017, were as follows:

	2018	2017
Vendors Payable	\$ 13,683,290	\$ 10,601,451
Accounts Payable-Exhibit 1	13,683,290	10,601,451
Salaries & Benefits Payable	6,372,805	6,438,749
Workers' Compensation Payable	512,991	573,008
Retainage Payable	735,672	729,230
Unemployment Compensation	147,046	164,931
Accrued Liabilities-Exhibit 1	7,768,514	7,905,918
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 21,451,804</b>	<b>\$ 18,507,369</b>

# Required Supplementary Information

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST FOUR FISCAL YEARS**

	<u>2018*</u>	<u>2017*</u>
District's proportionate share of collective net pension liability	0.1383464%	0.1351266%
District's proportionate share of collective net pension liability	\$ 44,235,720	\$ 51,062,332
Portion of non-employer contributing entity's total proportionate share of net pension liability associated with the District	<u>36,644,031</u>	<u>41,687,371</u>
Total	<u><u>\$ 80,879,751</u></u>	<u><u>\$ 92,749,703</u></u>
District's covered payroll amount	\$ 109,351,322	\$ 102,150,596
Ratio of the District's proportionate share of the collective net pension liability to its covered payroll amount	40.45%	49.99%
TRS net position as percentage of total pension liability	82.17%	78.00%

\* 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.



<u>2016*</u>	<u>2015*</u>
0.1371994%	0.1539892%
\$ 48,498,163	\$ 41,132,646
<u>39,733,040</u>	<u>33,243,381</u>
<u><u>\$ 88,231,203</u></u>	<u><u>\$ 74,376,027</u></u>
\$ 96,710,266	\$ 91,440,746
50.15%	44.98%
78.43%	83.25%

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS  
LAST FOUR FISCAL YEARS**

	<u>2018*</u>	<u>2017*</u>
Legally required contributions	\$ 4,628,899	\$ 4,512,730
Actual contributions	<u>(4,628,899)</u>	<u>(4,512,730)</u>
Contributions deficiency (excess)	-	-
District covered employee payroll amount	\$ 113,911,195	\$ 109,351,322
Ratio of actual contributions to covered payroll amount	4.06%	4.13%

\* 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.

2016*	2015*
\$ 4,258,346	\$ 4,054,353
(4,258,346)	(4,054,353)
-	-
\$ 102,150,596	\$ 96,710,266
4.17%	4.19%

**TARRANT COUNTY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED AUGUST 31, 2018**

**CHANGES OF BENEFIT TERMS:**

There were no benefit changes recognized in the total pension liability as of August 31, 2017.

**CHANGES OF ASSUMPTIONS:**

There were no changes of assumptions for the year ended August 31, 2018.

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
EMPLOYEE RETIREMENT SYSTEM OF TEXAS  
STATE RETIREE HEALTH PLAN  
LAST FISCAL YEAR**

	<u>2018*</u>
District's proportionate share of collective net OPEB liability	0.3943898%
District's proportionate share of collective net OPEB liability	\$ 134,380,479
State's proportionate share of net OPEB liability associated with the District	<u>108,563,336</u>
Total	<u><u>\$ 242,943,815</u></u>
District's covered payroll amount	\$ 130,055,414
Ratio of the District's proportionate share of the collective net OPEB liability to its covered payroll amount	103.33%
ERS net position as percentage of total OPEB liability	2.04%

\* 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 OPEB liability.

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS FOR OPEB  
EMPLOYEE RETIREMENT SYSTEM OF TEXAS  
STATE RETIREE HEALTH PLAN  
LAST FISCAL YEAR**

	<u>2018*</u>
Legally required contributions	\$ 3,842,889
Actual contributions	<u>(3,842,889)</u>
Contributions deficiency (excess)	-
District covered employee payroll amount	\$ 133,033,828
Ratio of actual contributions to covered payroll amount	2.89%

\* 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, 2018**

**CHANGES OF BENEFIT TERMS:**

Under Q/A #4.107 of GASB's *Implementation Guide No. 2017-02, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, the latest valuation reflects the benefit changes that became effective September 1, 2017, since these changes were communicated to plan members in advance of the preparation of the latest valuation report. The benefit changes for HealthSelect retirees and dependents for whom Medicare is not primary include:

- an increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- elimination of the copayment for virtual visits;
- a reduction in the copayment for Airrosti; and
- for out-of-state participants, (i) elimination of the deductible for in-network services and (ii) application of a copayment rather than coinsurance to certain services like primary care and specialist office visits.

These minor benefit changes are provided for in the FY 2018 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

**CHANGES OF ASSUMPTIONS:**

***Demographic Assumptions***

Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, assumed salary increases and assumed age difference for future retirees and their spouses for selected classes of State Agency employees), assumed aggregate payroll increases and the assumed rate of general inflation have been updated to reflect assumptions recently adopted by the ERS Trustees. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

In addition, the following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and retiree spouse not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees covering dependent children.
- Percentage of future retirees assumed to be married and electing coverage for their spouse.

***Economic Assumptions***

The assumed rate of general inflation has been updated since the previous valuation to remain consistent with the ERS retirement plan assumption previously adopted by the ERS Trustees.

Assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost, Retiree Contribution and Expense trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations and the revised assumed rate of general inflation.

The discount rate was lowered as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher.

Minor benefit changes have been reflected in the FY 2018 Assumed Per Capita Health Benefit Costs.



# Supplementary Data

**TARRANT COUNTY COLLEGE DISTRICT**  
**SCHEDULE A**  
**SCHEDULE OF OPERATING REVENUES**  
**YEAR ENDED AUGUST 31, 2018**  
**(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

	Unrestricted	Restricted	Total Educational Activities
<b>Tuition</b>			
State funded courses			
In-district resident tuition	\$ 45,609,891	\$	\$ 45,609,891
Out-of-district resident tuition	7,405,351		7,405,351
Non-resident tuition	7,539,323		7,539,323
TPEG- credit (set aside)*	3,261,813		3,261,813
Continuing education	3,469,732		3,469,732
TPEG-continuing education (set aside)*	222,824		222,824
Non-state funded continuing education	1,330,215		1,330,215
Total tuition	68,839,149		68,839,149
<b>Fees</b>			
Laboratory fees	115,561		115,561
Installment plan fees	762,650		762,650
Other fees	149,026		149,026
Total fees	1,027,237		1,027,237
<b>Allowances and discounts</b>			
Bad debt allowance	(1,881,649)		(1,881,649)
Scholarship allowances	(1,047,029)		(1,047,029)
Remissions and exemptions	(1,114,909)		(1,114,909)
TPEG allowances	(554,763)		(554,763)
Federal grants to students	(10,122,394)		(10,122,394)
Total allowances and discounts	(14,720,744)		(14,720,744)
<b>Total net tuition and fees</b>	55,145,642		55,145,642
<b>Other operating revenues</b>			
Federal grants and contracts		3,144,177	3,144,177
State grants and contracts		7,219,799	7,219,799
Non-governmental grants and contracts		3,913,274	3,913,274
Other operating revenues	799,607		799,607
Total other operating revenues	799,607	14,277,250	15,076,857
<b>Auxiliary enterprises</b>			
Bookstore			
Food service			
Testing center			
Child center			
Professional Pilot			
<b>Total net auxiliary enterprises</b>			
Total operating revenues	\$ 55,945,249	\$ 14,277,250	\$ 70,222,499

\* In accordance with Education Code 56.033, \$3,484,637 and \$3,496,159 of tuition for the years ended August 31, 2018 and 2017, 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 30, 2022 and may be renewed for three additional successive one year periods at the option of the District.

Auxiliary Enterprises	2018 Total	2017 Total
\$	\$ 45,609,891	\$ 45,164,504
	7,405,351	7,091,560
	7,539,323	7,133,629
	3,261,813	3,321,313
	3,469,732	2,735,079
	222,824	174,846
	1,330,215	1,368,033
	68,839,149	66,988,964
	115,561	106,163
	762,650	377,250
	149,026	133,817
	1,027,237	617,230
	(1,881,649)	(1,839,724)
	(1,047,029)	(832,513)
	(1,114,909)	(1,068,078)
	(554,763)	(501,513)
	(10,122,394)	(8,377,432)
	(14,720,744)	(12,619,260)
	55,145,642	54,986,934
	3,144,177	4,523,229
	7,219,799	5,402,033
	3,913,274	3,445,783
	799,607	1,785,418
	15,076,857	15,156,463
852,476	852,746	657,534
449,889	449,889	432,469
252,530	252,530	323,027
309,915	309,915	319,087
2,240,004	2,240,004	2,067,476
4,104,814	4,104,814	3,799,593
\$ 4,104,814	\$ 74,327,313	\$ 73,942,990
	(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE B  
SCHEDULE OF OPERATING EXPENSES  
BY OBJECT  
YEAR ENDED AUGUST 31, 2018  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

	Salaries and Wages	Staff Benefits	
		State	Local
Unrestricted - educational activities			
Instruction	\$ 100,251,173	\$	\$ 16,912,969
Public service	6,824,486		1,208,077
Academic support	19,288,629		6,872,846
Student services	22,316,379		5,237,977
Institutional support	24,853,143		6,417,767
Operation and maintenance of plant	7,353,480		3,488,525
Scholarships and fellowships			
Total unrestricted educational activities	180,887,290		40,138,161
Restricted - educational activities			
Instruction	1,230,656	14,144,075	
Public service	519,854	1,342,722	
Academic support	105,874	2,178,369	
Student services	1,167,732	4,137,851	
Institutional support		5,413,045	
Scholarships and fellowships			
Total restricted educational activities	3,024,116	27,216,062	
Total educational activities	183,911,406	27,216,062	40,138,161
Auxiliary enterprises	392,842		157,077
Depreciation expense			
Buildings and other real estate improvements			
Equipment and furniture			
Total operating expenses	\$ 184,304,248	\$ 27,216,062	\$ 40,295,238



Other Expenses	2018 Total	2017 Total
\$ 16,193,391	\$ 133,357,533	\$ 126,110,490
1,788,356	9,820,919	9,854,599
5,517,740	31,679,215	32,801,729
4,971,033	32,525,389	30,454,079
13,626,347	44,897,257	40,951,798
26,055,199	36,897,204	34,862,956
1,944,436	1,944,436	2,011,338
70,096,502	291,121,953	277,046,989
1,847,182	17,221,913	14,625,286
2,448,710	4,311,286	2,881,737
	2,284,243	2,314,812
618,589	5,924,172	5,762,992
	5,413,045	4,859,739
58,480,378	58,480,378	56,050,346
63,394,859	93,635,037	86,494,912
133,491,361	384,756,990	363,541,901
4,068,092	4,618,011	4,587,947
26,810,870	26,810,870	26,056,034
6,710,453	6,710,453	6,141,414
\$ 171,080,776	\$ 422,896,324	\$ 400,327,296
	(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT**  
**SCHEDULE C**  
**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**  
**YEAR ENDED AUGUST 31, 2018**  
**(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

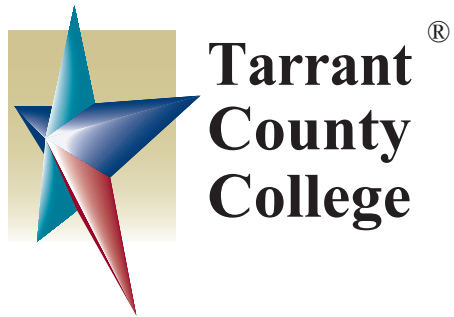
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>
<b>NON-OPERATING REVENUES</b>			
State appropriations			
Education and general state support	\$ 55,365,768	\$ 2,795,341	\$
State group insurance		19,633,362	
State retirement matching		4,787,359	
Total state appropriations	<u>55,365,768</u>	<u>27,216,062</u>	
Maintenance ad valorem taxes	232,639,439		
Federal grants and contracts		62,594,892	
Gifts	97,333		
Investment income	3,156,754	163,072	
Other income	<u>1,027,388</u>		
Total non-operating revenues	292,286,682	89,974,026	
<b>NON-OPERATING EXPENSES</b>			
Loss on disposal of assets	<u>1,132,866</u>		
Total non-operating expenses	<u>1,132,866</u>		
Net non-operating revenues	<u><u>\$ 291,153,816</u></u>	<u><u>\$ 89,974,026</u></u>	<u><u>\$</u></u>

2018 Total	2017 Total
\$ 58,161,109	\$ 60,652,260
19,633,362	13,138,339
4,787,359	4,638,369
82,581,830	78,428,968
232,639,439	220,336,268
62,594,892	59,652,406
97,333	722,163
3,319,826	2,595,851
1,027,388	1,087,193
382,260,708	362,822,849
1,132,866	396,924
1,132,866	396,924
\$ 381,127,842	\$ 362,425,925
(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT**  
**SCHEDULE D**  
**SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY**  
**YEAR ENDED AUGUST 31, 2018**  
**(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)**

<b>Detail by Source</b>			
	Unrestricted	Restricted	
		Expendable	Non-Expendable
Current:			
Unrestricted	\$ 21,280,709	\$	\$
Board designated	34,172,350		
Restricted		7,214,390	
Auxiliary enterprises	24,006,527		
Loan		144,701	
Plant:			
Investment in plant			
Total net position, August 31, 2018	79,459,586	7,359,091	
Total net position, August 31, 2017	209,516,518	6,923,169	
Change in accounting principle	(156,861,347)		
Net increase (decrease) in net position	<u>\$ 26,804,415</u>	<u>\$ 435,922</u>	<u>\$</u>

Detail by Source		Available for Current Operations	
Net Investment in Capital Assets	Total	Yes	No
\$	\$ 21,280,709	\$ 21,280,709	\$
	34,172,350		34,172,350
	7,214,390		7,214,390
	24,006,527	24,006,527	
	144,701		144,701
899,396,935	899,396,935		899,396,935
899,396,935	986,215,612	45,287,236	940,928,376
	(Exhibit 1)		
894,078,441	1,110,518,128	168,826,584	941,691,544
	(156,861,347)	(160,556,099)	
	(Exhibit 2)		
<u>\$ 5,318,494</u>	<u>\$ 32,558,831</u>	<u>\$ 33,321,999</u>	<u>\$ (763,168)</u>
	(Exhibit 2)		







# STATISTICAL SECTION (UNAUDITED)

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)**

	2018	2017	2016	2015
Net investment in capital assets	\$ 899,396,935	\$ 894,078,441	\$ 873,199,085	\$ 871,262,514
Restricted - expendable	7,359,091	6,923,169	6,498,958	6,784,817
Restricted - nonexpendable				
Unrestricted	79,459,586	209,516,518	194,778,466	161,798,085
Total primary government net position	986,215,612	1,110,518,128	1,074,476,509	1,039,845,416
Net Position, beginning of year	1,110,518,128	1,074,476,509	1,039,845,416	1,054,184,909
Change in accounting principle	(156,861,347)			(46,603,458)
Net Position, beginning of year, restated	953,656,781			1,007,581,451
Increase in Net Position	<u>\$ 32,558,831</u>	<u>\$ 36,041,619</u>	<u>\$ 34,631,093</u>	<u>\$ 32,263,965</u>

2014	2013	2012	2011	2010	2009
\$ 839,009,623	\$ 816,910,267	\$ 772,740,979	\$ 757,613,463	\$ 707,299,717	\$638,222,485
8,843,553	6,639,969	6,770,189	6,243,001	5,601,190	5,419,823
					207,973
206,331,733	193,380,837	196,305,399	160,030,490	157,642,379	148,297,840
1,054,184,909	1,016,931,073	975,816,567	923,886,954	870,543,286	792,148,121
1,016,931,073	975,662,444	923,886,954	870,543,286	792,148,121	698,685,506
<u>\$ 37,253,836</u>	<u>\$ 41,268,629</u>	<u>\$ 51,929,613</u>	<u>\$ 53,343,668</u>	<u>\$ 78,395,165</u>	<u>\$ 93,462,615</u>

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

	2018	2017	2016	2015
Operating revenues				
Tuition and fees (net of discounts)	\$ 55,145,642	\$ 54,986,934	\$ 52,482,348	\$ 49,478,068
Governmental grants and contracts				
Federal grants and contracts	3,144,177	4,523,229	3,676,399	3,685,838
State grants and contracts	7,219,799	5,402,033	5,512,293	5,228,098
Non-governmental grants and contracts	3,913,274	3,445,783	2,586,684	2,727,036
Auxiliary enterprises	4,104,814	3,799,593	3,742,094	3,358,327
Other operating revenues	799,607	1,785,418	2,347,842	4,714,371
Total operating revenues	74,327,313	73,942,990	70,347,660	69,191,738
Non-operating revenues				
State appropriations	82,581,830	78,428,968	72,889,359	70,036,690
Ad-valorem taxes	232,639,439	220,336,268	206,958,870	197,422,606
Federal grants and contracts	62,594,892	59,652,406	64,293,615	66,314,027
Gifts	97,333	722,163	14,650	
Investment income	3,319,826	2,595,851	2,767,332	1,467,880
Other income	1,027,388	1,087,193	2,103,574	910,990
Total non-operating revenues	382,260,708	362,822,849	349,027,400	336,152,193
Other revenues				
Additions to permanent endowments				
Total revenues	<u>\$ 456,588,021</u>	<u>\$ 436,765,839</u>	<u>\$ 419,375,060</u>	<u>\$ 405,343,931</u>
Operating revenues				
Tuition and fees (net of discounts)	12.07%	12.59%	12.51%	12.21%
Governmental grants and contracts				
Federal grants and contracts	0.68%	1.03%	0.88%	0.91%
State grants and contracts	1.58%	1.24%	1.31%	1.29%
Non-governmental grants and contracts	0.86%	0.79%	0.62%	0.68%
Auxiliary enterprises	0.90%	0.87%	0.89%	0.83%
Other operating revenues	0.18%	0.41%	0.56%	1.17%
Total operating revenues	16.27%	16.93%	16.77%	17.09%
Non-operating revenues				
State appropriations	18.09%	17.96%	17.38%	17.28%
Ad-valorem taxes	50.95%	50.45%	49.35%	48.70%
Federal grants and contracts	13.71%	13.66%	15.33%	16.36%
Gifts	0.02%	0.16%	0.01%	0.00%
Investment income	0.73%	0.59%	0.66%	0.36%
Other income	0.23%	0.25%	0.50%	0.21%
Total non-operating revenues	83.73%	83.07%	83.23%	82.91%
Other revenues				
Additions to permanent endowments				
Total revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

2014	2013	2012	2011	2010	2009
\$ 49,371,002	\$ 50,245,813	\$ 50,214,996	\$ 46,446,649	\$ 45,507,326	\$ 41,411,491
3,217,611	3,757,923	3,338,370	3,738,898	2,662,284	4,530,581
5,880,099	5,554,657	4,770,234	6,403,470	4,436,087	2,931,041
4,946,370	3,162,051	3,971,945	3,123,262	2,245,408	2,180,664
2,835,286	2,920,961	3,275,283	3,453,670	3,381,510	3,103,757
6,343,924	6,212,717	5,607,184	6,922,636	7,036,611	7,095,780
72,594,292	71,854,122	71,178,012	70,088,585	65,269,226	61,253,314
69,156,327	63,300,842	61,563,447	65,923,473	67,133,335	60,335,031
187,826,286	182,149,704	180,009,933	163,339,387	170,989,124	168,458,577
76,657,485	80,360,739	77,967,771	84,809,753	59,862,557	35,579,625
100,000	142,795		750	5,250	
3,653,612		1,117,501	1,600,511	1,404,780	3,681,350
1,691,575	1,134,523	899,186	2,213,352	702,665	702,660
339,085,285	327,088,603	321,557,838	317,887,226	300,097,711	268,757,243
				26,223	42,660
<u>\$ 411,679,577</u>	<u>\$ 398,942,725</u>	<u>\$ 392,735,850</u>	<u>\$ 387,975,811</u>	<u>\$ 365,393,160</u>	<u>\$ 330,053,217</u>
11.99%	12.59%	12.81%	11.98%	12.45%	12.55%
0.78%	0.94%	0.85%	0.96%	0.73%	1.37%
1.43%	1.39%	1.21%	1.65%	1.21%	0.89%
1.20%	0.79%	1.01%	0.81%	0.61%	0.66%
0.70%	0.73%	0.83%	0.89%	0.93%	0.94%
1.54%	1.56%	1.43%	1.78%	1.93%	2.15%
17.64%	18.00%	18.14%	18.07%	17.86%	18.56%
16.80%	15.87%	15.68%	16.99%	18.37%	18.28%
45.62%	45.66%	45.82%	42.10%	46.80%	51.04%
18.62%	20.15%	19.85%	21.86%	16.38%	10.78%
0.02%	0.04%				
0.89%		0.28%	0.41%	0.38%	1.12%
0.41%	0.28%	0.23%	0.57%	0.19%	0.21%
82.36%	82.00%	81.86%	81.93%	82.12%	81.43%
				0.02%	0.01%
<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)**

	2018	2017	2016	2015
Instruction	\$ 150,579,446	\$ 140,735,776	\$ 136,401,326	\$ 130,672,056
Public service	14,132,205	12,736,336	10,082,205	9,188,202
Academic support	33,963,458	35,116,541	30,605,416	28,991,793
Student services	38,449,561	36,217,071	32,772,581	31,470,516
Institutional support	50,310,302	45,811,537	42,947,782	40,875,729
Operation and maintenance of plant	36,897,204	34,862,956	33,057,686	33,264,591
Scholarship and fellowships	60,424,814	58,061,684	63,879,015	64,561,713
Auxiliary enterprises	4,618,011	4,587,947	4,036,187	3,786,956
Depreciation	33,521,323	32,197,448	30,617,191	29,897,030
Total operating expenses	422,896,324	400,327,296	384,399,389	372,708,586
Interest on capital related debt				
Foundation transfer				
Loss on disposal of capital assets	1,132,866	396,924	344,578	371,380
Total non-operating expenses	1,132,866	396,924	344,578	371,380
Total expenses	<u>\$ 424,029,190</u>	<u>\$ 400,724,220</u>	<u>\$ 384,743,967</u>	<u>\$ 373,079,966</u>
Instruction	35.51%	35.12%	35.45%	35.03%
Public service	3.33%	3.18%	2.62%	2.45%
Academic support	8.01%	8.76%	7.96%	7.77%
Student services	9.07%	9.04%	8.52%	8.44%
Institutional support	11.86%	11.43%	11.16%	10.96%
Operation and maintenance of plant	8.70%	8.70%	8.59%	8.92%
Scholarship and fellowships	14.25%	14.49%	16.60%	17.31%
Auxiliary enterprises	1.09%	1.15%	1.05%	1.02%
Depreciation	7.91%	8.03%	7.96%	8.01%
Total operating expenses	99.73%	99.90%	99.91%	99.91%
Interest on capital related debt				
Foundation transfer				
Loss on disposal of capital assets	0.27%	0.10%	0.09%	0.09%
Total non-operating expenses	0.27%	0.10%	0.09%	0.09%
Total expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

2014	2013	2012	2011	2010	2009
\$ 123,303,575	\$ 115,814,409	\$ 108,078,177	\$ 114,166,378	\$ 95,921,420	\$ 83,437,483
8,099,598	8,333,736	5,496,537	7,001,458	6,739,303	6,365,670
27,567,965	24,779,010	21,512,584	21,847,574	16,917,975	14,013,169
29,578,631	28,786,433	24,690,936	25,282,806	20,840,918	17,849,057
39,704,272	39,193,209	34,326,749	29,283,026	31,207,465	26,010,789
38,451,779	34,748,311	38,794,192	34,941,445	39,900,473	38,177,688
75,701,812	76,363,289	78,968,897	78,792,547	55,583,034	35,129,416
2,822,103	2,243,087	2,152,576	2,262,986	2,114,115	1,624,126
29,196,006	27,412,612	26,188,770	20,670,066	17,268,778	12,123,042
374,425,741	357,674,096	340,209,418	334,248,286	286,493,481	234,730,440
		289,308			
				201,997	1,432,482
		307,511	383,857	302,517	427,680
		596,819	383,857	504,514	1,860,162
\$ 374,425,741	\$ 357,674,096	\$ 340,806,237	\$ 334,632,143	\$ 286,997,995	\$ 236,590,602
32.93%	32.38%	31.74%	34.11%	33.42%	35.27%
2.16%	2.33%	1.61%	2.09%	2.35%	2.69%
7.36%	6.93%	6.31%	6.53%	5.89%	5.92%
7.90%	8.05%	7.24%	7.56%	7.26%	7.54%
10.61%	10.96%	10.07%	8.75%	10.87%	10.99%
10.27%	9.71%	11.38%	10.44%	13.90%	16.14%
20.22%	21.35%	23.17%	23.55%	19.37%	14.85%
0.75%	0.63%	0.63%	0.68%	0.74%	0.69%
7.80%	7.66%	7.68%	6.18%	6.02%	5.12%
100.00%	100.00%	99.83%	99.89%	99.82%	99.21%
		0.08%			
		0.09%	0.11%	0.07%	0.61%
		0.17%	0.11%	0.11%	0.18%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



**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
2018	\$ 59	\$ 106	\$	\$	\$ 59	\$ 106
2017	59	106			59	106
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

**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
2018	\$ 255	\$ 255	\$	\$	\$ 255	\$ 255
2017	255	255			255	255
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

**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
\$ 708	\$ 1,272	0.00%	0.00%
708	1,272	7.27%	23.26%
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%

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
\$ 3,060	\$ 3,060	0.00%	0.00%
3,060	3,060	24.39%	24.39%
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%

**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>
2018	\$ 181,478,921,348	\$ 29,134,190,135	\$ 210,613,111,483	\$ (45,242,452,413)
2017	162,291,841,412	28,072,182,184	190,364,023,596	(40,373,205,705)
(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)

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>
\$ 165,370,659,070	78.52%	\$ 0.14006	\$	\$ 0.14006
149,990,817,891	78.79%	0.14473		0.14473
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

**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
2018	\$ 55,365,768	28,774	\$ 1,924
2017	56,326,105	28,038	2,009
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

Source:

(a) CBM004

(b) CBM00C

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
18,042,096	673,690	18,715,786	\$ 2.96
17,613,050	722,912	18,335,962	3.07
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

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

Taxpayer	Type of Business	2018	2017	2016
American Airlines Inc	Airline	\$ 1,130,994,158	\$ 914,365,256	\$ 608,719,560
Oncor Electric Delivery Co LLC	Electric Utility	1,106,298,311	1,104,560,947	996,396,908
Winner LLC	Technology	1,054,626,607	368,973,812	
General Motors LLC	Auto Manufacturer	592,360,932	596,415,769	
Bell Helicopter Textron	Helicopter Manufacturer	542,109,329	625,144,551	513,773,261
Alcon Laboartories Inc	Ophthalmic Manufacturing & Research	449,069,886	603,391,911	
Wal-Mart Stores	Retail	444,872,061	551,430,061	499,185,633
Atmos Energy/Mid Tex Division	Natural Gas Utility	428,739,050	391,051,446	268,687,927
Opryland Hotel	Hotel	350,206,304		559,231,745
XTO Energy Inc	Natural Gas Utility	319,534,069		297,815,979
Mouser Electronics Inc	Electronics Distributor		370,536,067	318,402,108
Dallas MTA LP	Wireless Service		297,653,461	
Barnett Gathering LP	Natural Gas Exploration			345,413,120
Amazon.Com.KYDC LLC	Online Retail			315,194,518
Chesapeake Operating	Natural Gas Utility			
Devon Energy Production	Natural Gas Utility			
Town Square Ventures LP	Retail			
Southwestern Bell	Telephone Utility			
Quicksilver Resources	Natural Gas Exploration			
Encana Oil & Gas (USA) Inc	Natural Gas Utility			
	Totals	<u>\$ 6,418,810,707</u>	<u>\$ 5,823,523,281</u>	<u>\$ 4,722,820,759</u>
	Total Taxable Assessed Value	<u>\$ 165,370,659,070</u>	<u>\$ 149,990,817,891</u>	<u>\$ 133,908,850,578</u>

Taxpayer	Type of Business	2018	2017	2016
American Airlines Inc	Airline	0.68%	0.61%	0.45%
Oncor Electric Delivery Co LLC	Electric Utility	0.67%	0.74%	0.74%
Winner LLC	Technology	0.64%	0.25%	
General Motors LLC	Auto Manufacturer	0.36%	0.40%	
Bell Helicopter Textron	Helicopter Manufacturer	0.33%	0.42%	0.38%
Alcon Laboartories Inc	Ophthalmic Manufacturing & Research	0.27%	0.40%	
Wal-Mart Stores	Retail	0.27%	0.37%	0.37%
Atmos Energy/Mid Tex Division	Natural Gas Utility	0.26%	0.26%	0.20%
Opryland Hotel	Hotel	0.21%		0.42%
XTO Energy Inc	Natural Gas Utility	0.19%		0.22%
Mouser Electronics Inc	Electronics Distributor		0.25%	0.24%
Dallas MTA LP	Wireless Service		0.20%	
Barnett Gathering LP	Natural Gas Exploration			0.26%
Amazon.Com.KYDC LLC	Online Retail			0.24%
Chesapeake Operating	Natural Gas Utility			
Devon Energy Production	Natural Gas Utility			
Town Square Ventures LP	Retail			
Southwestern Bell	Telephone Utility			
Quicksilver Resources	Natural Gas Exploration			
Encana Oil & Gas (USA) Inc	Natural Gas Utility			
	Totals	<u>3.88%</u>	<u>3.90%</u>	<u>3.52%</u>

Source:  
Tarrant Appraisal District



Taxable Assessed Value by Tax Year

2015	2014	2013	2012	2011	2010	2009
\$ 434,149,748 996,124,098	\$ 415,466,631 996,541,431	\$ 366,781,877 951,568,636	\$ 332,996,493 910,223,719	\$ 292,074,639 888,088,078	\$ 379,219,005 903,047,789	\$ 366,801,436 912,586,199
694,999,441 526,450,434	305,558,069 368,852,302	353,813,947	388,497,181	418,973,452	441,749,768	493,923,798
474,129,452	474,104,104	470,417,156	437,961,437	395,426,831	392,756,246	404,645,406
	252,604,271 691,815,632	278,139,403 597,305,424	285,854,271 874,943,953	273,331,856	247,781,677 295,564,940	256,104,271 289,614,547
401,081,040	400,981,515	471,761,413	288,678,979	251,248,399		
494,992,110 295,994,780 293,001,243	472,698,380 322,885,510	565,845,620 381,143,310	664,160,020 471,202,990	736,221,860 506,053,300	512,027,150 497,668,900	459,642,110 594,289,520
		240,513,694	269,220,847	308,900,768 359,055,290	348,419,062	394,307,840
					311,069,570	297,235,050
<u>\$ 5,314,220,935</u>	<u>\$ 4,701,507,845</u>	<u>\$ 4,677,290,480</u>	<u>\$ 4,923,739,890</u>	<u>\$ 4,429,374,473</u>	<u>\$ 4,329,304,107</u>	<u>\$ 4,469,150,177</u>
<u>\$ 136,312,562,282</u>	<u>\$ 127,454,200,572</u>	<u>\$ 125,092,633,012</u>	<u>\$ 123,490,855,713</u>	<u>\$ 122,011,215,326</u>	<u>\$ 127,707,265,683</u>	<u>\$ 124,619,407,359</u>

% of Taxable Assessed Value by Tax Year

2015	2014	2013	2012	2011	2010	2009
0.32%	0.33%	0.29%	0.27%	0.24%	0.30%	0.29%
0.73%	0.78%	0.76%	0.74%	0.73%	0.71%	0.73%
0.51%	0.24%					
0.39%	0.29%	0.28%	0.31%	0.34%	0.35%	0.40%
0.35%	0.37%	0.38%	0.35%	0.32%	0.31%	0.32%
	0.20%	0.22%	0.23%	0.22%	0.19%	0.21%
0.52%	0.54%	0.48%	0.71%		0.23%	0.23%
0.29%	0.31%	0.38%	0.23%	0.21%		
0.36%	0.37%	0.45%	0.54%	0.60%	0.40%	0.37%
0.22%	0.25%	0.30%	0.38%	0.41%	0.39%	0.48%
0.21%		0.19%	0.22%	0.25%	0.27%	0.32%
				0.29%		
					0.24%	0.24%
<u>3.90%</u>	<u>3.68%</u>	<u>3.73%</u>	<u>3.98%</u>	<u>3.61%</u>	<u>3.39%</u>	<u>3.59%</u>

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

<u>Fiscal Year Ended August 31</u>	<u>Levy</u>	<u>Cumulative Levy Adjustment</u>	<u>Adjusted Tax Levy (a)</u>	<u>Collections-Year of Levy (b)</u>
2018	\$ 226,743,507	\$ 8,123,143	\$ 234,866,650	\$ 233,242,550
2017	213,254,345	7,724,561	220,978,906	218,693,928
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

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>
99.31%	\$	\$	\$ 233,242,550	99.31%
98.97%		1,004,842	219,698,770	99.42%
99.08%	750,853	730,712	208,884,002	99.79%
98.97%	1,078,827	278,906	200,191,581	99.64%
99.09%	1,053,276	145,801	190,155,823	99.72%
99.04%	1,430,033	86,935	184,588,692	99.86%
98.99%	1,615,466	57,228	182,346,010	99.91%
98.88%	1,656,070	22,571	166,560,889	99.89%
98.57%	1,860,115	28,077	173,752,036	99.65%
98.57%	2,096,943	14,889	170,294,805	99.80%

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

	<u>2018 (a)</u>	<u>2017 (a)</u>	<u>2016 (a)</u>
General bonded debt			
General obligation bonds	\$	\$	\$
Less: Funds restricted for debt service	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net general bonded debt	<u>                    </u>	<u>                    </u>	<u>                    </u>
Other debt			
Revenue bonds	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total outstanding debt	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
General bonded debt ratios			
Per capita	\$	\$	\$
Per FTSE			
As a percentage of taxable assessed value			
Total outstanding debt ratios			
Per capita	\$	\$	\$
Per FTSE			
As a percentage of taxable assessed value			

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 and \$0 as of August 31, 2018 and 2017, 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, August 31, 2016, August 31, 2017, and August 31, 2018.

2015 (a)	2014	2013	2012	2011	2010	2009
\$	\$ 8,062,949	\$ 15,875,819	\$ 23,324,225	\$ 30,588,040	\$ 37,444,583	\$ 43,834,151
	(1,656,309)	(1,784,207)	(2,559,199)	(3,260,900)	(4,073,884)	(4,431,372)
	6,406,640	14,091,612	20,765,026	27,327,140	33,370,699	39,402,779
<u>\$</u>	<u>\$ 6,406,640</u>	<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>

\$	\$ 3.35	\$ 7.49	\$ 11.34	\$ 15.03	\$ 18.24	\$ 21.80
	218	479	715	962	1,307	1,740
	0.01%	0.01%	0.02%	0.02%	0.03%	0.03%

\$	\$ 3.35	\$ 7.49	\$ 11.34	\$ 15.03	\$ 18.24	\$ 21.80
	218	479	715	962	1,307	1,740
	0.01%	0.01%	0.02%	0.02%	0.03%	0.03%

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

	2018 (a)	2017 (a)	2016 (a)	2015 (a)
Taxable Assessed Value	<u>\$ 165,370,659,070</u>	<u>\$ 149,990,817,891</u>	<u>\$ 133,908,850,578</u>	<u>\$ 136,312,562,282</u>
General Obligation Bonds				
Statutory Tax Levy Limit for Debt Service	\$ 826,853,295	\$ 749,954,089	\$ 669,544,253	\$ 681,562,811
Less Funds Restricted for Repayment of General Obligation Bonds				
Total Net General Obligation Debt	826,853,295	749,954,089	669,544,253	681,562,811
Current Year Debt Service Requirements				8,129,263
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 826,853,295</u>	<u>\$ 749,954,089</u>	<u>\$ 669,544,253</u>	<u>\$ 673,433,548</u>
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	1.19%

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 and \$0 as of August 31, 2018 and 2017, 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, August 31, 2016, August 31, 2017 and August 31, 2018.

2014	2013	2012	2011	2010	2009
<u>\$ 127,454,200,572</u>	<u>\$ 125,092,633,012</u>	<u>\$ 123,490,855,713</u>	<u>\$ 122,011,215,326</u>	<u>\$ 127,707,265,683</u>	<u>\$ 124,619,407,359</u>
\$ 637,271,003	\$ 625,463,165	\$ 617,454,279	\$ 610,056,077	\$ 638,536,328	\$ 623,097,037
<u>(1,656,309)</u>	<u>(1,784,207)</u>	<u>(2,559,199)</u>	<u>(3,260,900)</u>	<u>(4,073,884)</u>	<u>(4,431,372)</u>
635,614,694	623,678,958	614,895,080	606,795,177	634,462,444	618,665,665
<u>8,124,425</u>	<u>8,166,281</u>	<u>8,389,325</u>	<u>8,372,725</u>	<u>8,260,344</u>	<u>9,626,181</u>
<u>\$ 627,490,269</u>	<u>\$ 615,512,677</u>	<u>\$ 606,505,755</u>	<u>\$ 598,422,452</u>	<u>\$ 626,202,100</u>	<u>\$ 609,039,484</u>
1.01%	1.02%	0.94%	0.84%	0.66%	0.83%



**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 11  
PLEDGED 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>
2018	2,054,475	\$ 96,909,978,000	\$ 47,170	3.60%
2017	2,016,872	96,600,949,000	47,896	3.90%
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%

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	2018		2017		2016	
	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	2.37%	25,000	2.42%	25,000	2.47%
Lockheed Martin	13,690	1.30%	13,690	1.32%	13,690	1.35%
Fort Worth ISD	12,000	1.14%	12,000	1.16%	12,000	1.18%
Texas Health Resources	12,000	1.14%	12,000	1.16%	12,000	1.18%
NAS-Fort Worth-Joint Reserve Base	10,000	0.95%	10,000	0.97%	10,000	0.99%
Arlington ISD	8,500	0.81%	8,500	0.82%	8,500	0.84%
University of Texas at Arlington	7,311	0.69%	7,311	0.71%	7,311	0.72%
JPS Health Network	6,500	0.62%	6,500	0.63%	6,500	0.64%
City of Fort Worth	6,161	0.58%	6,161	0.60%	6,161	0.61%
Cook Children's Health Care System	6,042	0.57%	6,042	0.58%	6,042	0.60%
Alcon Laboratories Inc.						
Burlington Northern						
Harris Methodist Fort Worth						
Bell Helicopter Textron Plant						
City of Arlington						
Fidelity Investments						
American Airlines/ HQ						
Cowboys Stadium						
Odyssey One Source Inc						
	<u>107,204</u>	<u>10.17%</u>	<u>107,204</u>	<u>10.37%</u>	<u>107,204</u>	<u>10.58%</u>

Source 2013 and forward:

Fort Worth Chamber Economic Development for Major Employers

Bureau of Labor Statistics for Total Employment

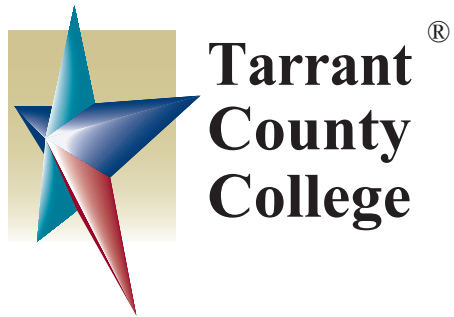
(Source data has not been updated since 2016)

Prior Source Now Unavailable:

North Central Texas Council of Governments

2015		2014		2013		2012	
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
24,000	2.40%	22,169	2.34%	22,169	2.38%	11,709	1.11%
13,690	1.37%	14,988	1.58%	14,988	1.61%	10,500	0.99%
12,000	1.20%	11,000	1.16%	11,000	1.18%		
12,000	1.20%	18,866	1.99%	18,866	2.03%		
11,000	1.10%	11,350	1.20%	11,350	1.22%	11,350	1.07%
8,126	0.81%	8,126	0.86%	8,126	0.87%		
		6,239	0.66%	6,239	0.67%		
6,000	0.60%	4,872	0.51%	4,872	0.52%	4,600	0.43%
6,161	0.62%	6,195	0.65%	6,195	0.67%		
5,876	0.59%	4,826	0.51%	4,826	0.52%		
5,922	0.59%					3,500	0.33%
						4,900	0.46%
						4,100	0.39%
						3,820	0.36%
						3,500	0.33%
						3,200	0.30%
<hr/>		<hr/>		<hr/>		<hr/>	
104,775	10.48%	108,631	11.46%	108,631	11.67%	61,179	5.77%
<hr/>		<hr/>		<hr/>		<hr/>	

Employer	2011		2010		2009	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
AMR/American Airlines	11,709	0.72%	11,709	0.72%	11,842	0.73%
Lockheed Martin	13,500	0.83%	13,500	0.83%	13,500	0.83%
Fort Worth ISD						
Texas Health Resources						
NAS-Fort Worth-Joint Reserve Base	11,350	0.70%	11,350	0.70%	5,361	0.33%
Arlington ISD						
University of Texas at Arlington	5,300	0.33%	5,300	0.33%	4,987	0.31%
JPS Health Network	4,302	0.26%	4,302	0.26%	4,302	0.26%
City of Fort Worth						
Cook Children's Health Care System						
Alcon Laboratories Inc.	3,300	0.20%	3,300	0.20%		
Burlington Northern						
Harris Methodist Fort Worth	3,968	0.24%	3,968	0.24%	3,968	0.24%
Bell Helicopter Textron Plant	3,820	0.24%	3,820	0.24%	3,820	0.24%
City of Arlington						
Fidelity Investments	3,200	0.20%	3,200	0.20%		
American Airlines/ HQ	6,500	0.40%	6,500	0.40%	6,500	0.40%
Cowboys Stadium					3,500	0.22%
Odyssey One Source Inc					3,273	0.20%
	<u>66,949</u>	<u>4.12%</u>	<u>66,949</u>	<u>4.12%</u>	<u>61,053</u>	<u>3.76%</u>



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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Faculty				
Full-Time	746	709	673	667
Part-Time	<u>574</u>	<u>524</u>	<u>508</u>	<u>503</u>
Total	<u>1,320</u>	<u>1,233</u>	<u>1,181</u>	<u>1,170</u>
Percent				
Full-Time	56.5%	57.5%	57.0%	57.0%
Part-Time	43.5%	42.5%	43.0%	43.0%
Staff and Administrators				
Full-Time	1,652	1,687	1,662	1,618
Part-Time	<u>1,217</u>	<u>1,207</u>	<u>1,155</u>	<u>1,124</u>
Total	<u>2,869</u>	<u>2,894</u>	<u>2,817</u>	<u>2,742</u>
Percent				
Full-Time	57.6%	58.3%	59.0%	59.0%
Part-Time	42.4%	41.7%	41.0%	41.0%
FTSE per Full-Time Faculty	39	40	42	42
FTSE per Full-Time Staff Member	17	17	17	17
Average Annual Faculty Salary	\$ 66,800	\$ 65,893	\$ 65,321	\$ 64,934

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
668	656	653	673	664	602
525	605	598	501	473	490
<u>1,193</u>	<u>1,261</u>	<u>1,251</u>	<u>1,174</u>	<u>1,137</u>	<u>1,092</u>
56.0%	52.0%	52.2%	57.3%	58.4%	55.1%
44.0%	48.0%	47.8%	42.7%	41.6%	44.9%
1,544	1,505	1,429	1,398	1,338	1,174
1,073	1,082	1,005	971	956	804
<u>2,617</u>	<u>2,587</u>	<u>2,434</u>	<u>2,369</u>	<u>2,294</u>	<u>1,978</u>
59.0%	58.2%	58.7%	59.0%	58.3%	59.4%
41.0%	41.8%	41.3%	41.0%	41.7%	40.6%
44	45	44	42	38	38
19	20	20	20	19	19
\$ 64,556	\$ 63,352	\$ 59,446	\$ 59,496	\$ 60,110	\$ 58,209



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

<u>Student Classification</u>	Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent
00-30 hours	36,235	63%	35,452	63%	36,056	63%
31-60 hours	14,806	26%	14,611	26%	15,240	27%
Unclassified	1,528	3%	1,708	3%	1,968	3%
Associates	3,229	6%	3,135	6%	3,075	5%
Bachelors	1,124	2%	1,083	2%	1,138	2%
Total	<u>56,922</u>	<u>100%</u>	<u>55,989</u>	<u>100%</u>	<u>57,477</u>	<u>100%</u>

<u>Semester Hour Load</u>						
0-11 semester hours	40,984	72%	39,976	71%	40,751	71%
12 & over	<u>15,938</u>	<u>28%</u>	<u>16,013</u>	<u>29%</u>	<u>16,726</u>	<u>29%</u>
Total	<u>56,922</u>	<u>100%</u>	<u>55,989</u>	<u>100%</u>	<u>57,477</u>	<u>100%</u>

Average course load	8.1	8.2	8.2
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<u>Tuition Status</u>						
Texas resident (in-district)	48,879	86%	48,369	86%	49,498	86%
Texas resident (out-of-district)	3,840	7%	3,833	7%	3,801	7%
Non-resident tuition	<u>4,203</u>	<u>7%</u>	<u>3,787</u>	<u>7%</u>	<u>4,178</u>	<u>7%</u>
Total	<u>56,922</u>	<u>100%</u>	<u>55,989</u>	<u>100%</u>	<u>57,477</u>	<u>100%</u>

Source:  
CBM001

Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
35,341	61%	37,196	61%	29,411	52%	36,012	63%	37,994	65%
16,083	28%	17,263	28%	19,333	34%	15,504	27%	15,133	26%
2,100	4%	2,324	4%	2,914	5%	1,999	4%	1,671	3%
2,933	5%	2,797	5%	3,785	7%	2,072	4%	2,059	4%
1,146	2%	1,287	2%	986	2%	1,219	2%	1,194	2%
<u>57,603</u>	<u>100%</u>	<u>60,867</u>	<u>100%</u>	<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>

39,919	69%	40,172	66%	37,243	66%	36,924	65%	37,153	64%
17,684	31%	20,695	34%	19,186	34%	19,882	35%	20,898	36%
<u>57,603</u>	<u>100%</u>	<u>60,867</u>	<u>100%</u>	<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>

8.3

8.6

8.7

8.7

8.7

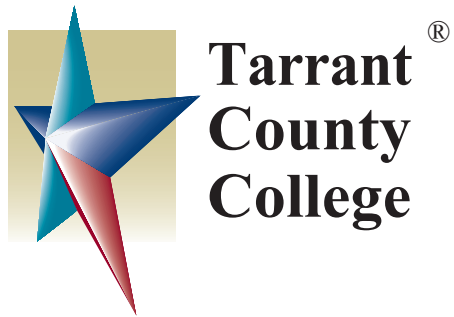
49,655	86%	52,861	87%	48,807	86%	49,856	88%	50,870	88%
4,044	7%	4,293	7%	4,368	8%	4,106	7%	4,267	7%
3,904	7%	3,713	6%	3,254	6%	2,844	5%	2,914	5%
<u>57,603</u>	<u>100%</u>	<u>60,867</u>	<u>100%</u>	<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>

<u>Student Classification</u>	Fall 2009		Fall 2008	
	Number	Percent	Number	Percent
00-30 hours	34,988	67%	30,545	67%
31-60 hours	13,021	25%	10,970	24%
Unclassified	1,509	3%	1,324	3%
Associates	1,783	3%	1,588	4%
Bachelors	1,048	2%	898	2%
Total	<u>52,349</u>	<u>100%</u>	<u>45,325</u>	<u>100%</u>

<u>Semester Hour Load</u>				
0-11 semester hours	33,503	64%	29,914	66%
12 & over	<u>18,846</u>	<u>36%</u>	<u>15,411</u>	<u>34%</u>
Total	<u>52,349</u>	<u>100%</u>	<u>45,325</u>	<u>100%</u>

Average course load	8.6	8.6
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<u>Tuition Status</u>				
Texas resident (in-district)	45,937	88%	40,104	89%
Texas resident (out-of-district)	4,002	8%	3,219	7%
Non-resident tuition	<u>2,410</u>	<u>4%</u>	<u>2,002</u>	<u>4%</u>
Total	<u>52,349</u>	<u>100%</u>	<u>45,325</u>	<u>100%</u>



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

<u>Gender</u>	<u>Fall 2017</u>		<u>Fall 2016</u>		<u>Fall 2015</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Female	33,313	58.5%	32,489	58.0%	33,700	58.6%
Male	23,609	41.5%	23,500	42.0%	23,777	41.4%
Total	<u>56,922</u>	<u>100.0%</u>	<u>55,989</u>	<u>100.0%</u>	<u>57,477</u>	<u>100.0%</u>

<u>Ethnic Origin</u>						
White	21,363	37.5%	22,356	39.9%	23,776	41.4%
Hispanic	18,960	33.3%	17,818	31.8%	17,305	30.1%
African American	9,647	16.9%	9,406	16.8%	10,192	17.7%
Asian	3,552	6.3%	3,369	6.0%	3,297	5.7%
Native American	222	0.4%	205	0.4%	251	0.5%
Other	3,178	5.6%	2,835	5.1%	2,656	4.6%
Total	<u>56,922</u>	<u>100.0%</u>	<u>55,989</u>	<u>100.0%</u>	<u>57,477</u>	<u>100.0%</u>

<u>Age</u>						
Under 17	4,075	7.2%	3,725	6.7%	3,145	5.5%
17	4,097	7.2%	3,703	6.5%	3,486	6.1%
18	6,205	10.9%	6,053	10.8%	5,870	10.2%
19-21	16,823	29.6%	16,586	29.6%	16,618	28.9%
22-24	7,874	13.8%	7,899	14.1%	8,319	14.5%
25-30	8,105	14.2%	8,162	14.6%	8,819	15.3%
31-35	3,645	6.4%	3,619	6.5%	3,982	6.9%
36-50	4,849	8.5%	4,990	8.9%	5,744	10.0%
51-64	1,090	1.9%	1,110	2.0%	1,332	2.3%
65 and older	159	0.3%	142	0.3%	162	0.3%
Total	<u>56,922</u>	<u>100.0%</u>	<u>55,989</u>	<u>100.0%</u>	<u>57,477</u>	<u>100.0%</u>

Average age	24.1	24.3	24.8
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Source:  
CBM001

Fall 2014		Fall 2013		Fall 2012		Fall 2011	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
34,190	59.4%	36,630	60.2%	34,426	61.0%	34,618	60.9%
23,413	40.6%	24,237	39.8%	22,003	39.0%	22,188	39.1%
<u>57,603</u>	<u>100.0%</u>	<u>60,867</u>	<u>100.0%</u>	<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>

24,669	42.8%	27,512	45.2%	26,654	47.3%	28,408	50.0%
16,107	28.0%	15,991	26.3%	13,779	24.4%	12,642	22.3%
10,723	18.6%	11,622	19.1%	11,008	19.5%	10,946	19.3%
3,351	5.8%	3,399	5.6%	3,211	5.7%	3,319	5.8%
259	0.5%	313	0.5%	296	0.5%	312	0.5%
2,494	4.3%	2,030	3.3%	1,481	2.6%	1,179	2.1%
<u>57,603</u>	<u>100.0%</u>	<u>60,867</u>	<u>100.0%</u>	<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>

2,399	4.1%	1,653	2.7%	1,348	2.4%	1,232	2.2%
3,210	5.7%	3,317	5.5%	1,995	3.5%	2,048	3.6%
5,712	9.9%	5,954	9.8%	5,509	9.8%	5,807	10.2%
16,150	28.0%	16,884	27.7%	16,129	28.6%	16,204	28.4%
8,643	15.0%	9,250	15.2%	8,575	15.2%	8,921	15.7%
9,136	15.9%	9,855	16.2%	9,544	16.9%	9,714	17.1%
4,375	7.6%	4,926	8.1%	4,908	8.7%	4,692	8.3%
6,325	11.0%	7,277	12.0%	6,890	12.2%	6,744	11.9%
1,505	2.6%	1,610	2.6%	1,415	2.5%	1,301	2.3%
148	0.2%	141	0.2%	116	0.2%	143	0.3%
<u>57,603</u>	<u>100.0%</u>	<u>60,867</u>	<u>100.0%</u>	<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>

25.6

26.0

26.0

25.8

<u>Gender</u>	Fall 2010		Fall 2009		Fall 2008	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Female	34,864	60.1%	31,347	59.9%	27,371	60.4%
Male	23,187	39.9%	21,002	40.1%	17,954	39.6%
Total	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>	<u>45,325</u>	<u>100.0%</u>

<u>Ethnic Origin</u>						
White	30,683	52.8%	29,333	56.0%	26,278	58.0%
Hispanic	12,064	20.8%	10,412	19.9%	8,421	18.6%
African American	10,485	18.1%	8,647	16.5%	7,143	15.8%
Asian	3,462	6.0%	3,121	6.0%	2,768	6.1%
Native American	293	0.5%	253	0.5%	256	0.5%
Other	1,064	1.8%	583	1.1%	459	1.0%
Total	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>	<u>45,325</u>	<u>100.0%</u>

<u>Age</u>						
Under 17	1,093	1.9%	768	1.5%	468	1.0%
17	1,853	3.2%	2,047	3.9%	1,675	3.7%
18	5,858	10.1%	5,637	10.8%	5,146	11.4%
19-21	16,736	28.8%	15,610	29.8%	14,218	31.4%
22-24	9,340	16.1%	8,156	15.6%	7,136	15.7%
25-30	10,303	17.7%	8,737	16.7%	7,228	15.9%
31-35	4,668	8.0%	4,046	7.7%	3,306	7.3%
36-50	6,823	11.8%	6,095	11.6%	5,157	11.4%
51-64	1,277	2.2%	1,145	2.2%	906	2.0%
65 and older	100	0.2%	108	0.2%	85	0.2%
Total	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>	<u>45,325</u>	<u>100.0%</u>

Average age	25.6	25.6	25.3
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**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 17  
TRANSFERS TO SENIOR INSTITUTIONS  
2016-2017 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	24	4		28	0.19%
Lamar University	24	8		32	0.22%
Midwestern State University	134	29		163	1.10%
Prairie View A&M University	63	5		68	0.46%
Sam Houston State University	114	26		140	0.95%
Stephen F. Austin State University	196	29		225	1.52%
Sul Ross State University	4	2		6	0.04%
Tarleton State University	1,036	270	1	1,307	8.84%
Texas A&M University	702	79		781	5.28%
Texas A&M University - Central Texas	16	4		20	0.13%
Texas A&M University - Commerce	92	25		117	0.79%
Texas A&M University - Corpus Christi	29	3		32	0.22%
Texas A&M University - Kingsville	3			3	0.02%
Texas A&M University - San Antonio	3	1		4	0.03%
Texas A&M University - Texarkana	7	2		9	0.06%
Texas A&M University at Galveston	9	1		10	0.07%
Texas Southern University	38	2		40	0.27%
Texas State University	354	48		402	2.72%
Texas Tech University	774	92		866	5.85%
Texas Woman's University	691	83		774	5.23%
The University of Texas - Rio Grande Valley	6	1		7	0.05%
The University of Texas at Arlington	5,276	682	3	5,961	40.30%
The University of Texas at Austin	401	51		452	3.06%
The University of Texas at Dallas	301	36		337	2.28%
The University of Texas at El Paso	15	2		17	0.11%
The University of Texas at San Antonio	44	8		52	0.35%
The University of Texas at Tyler	48	4		52	0.35%
The University of Texas of the Permian Basin	42	4		46	0.31%
University of Houston	77	9		86	0.58%
University of Houston - Clear Lake	2	1		3	0.02%
University of Houston - Downtown	7	6		13	0.09%
University of Houston - Victoria	4	2		6	0.04%
University of North Texas	2,238	325	1	2,564	17.34%
University of North Texas at Dallas	94	20		114	0.77%
West Texas A&M University	40	13		53	0.36%
<b>Total</b>	<b>12,908</b>	<b>1,877</b>	<b>5</b>	<b>14,790</b>	<b>100.00%</b>

Source:

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



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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Academic Buildings	85	85	86	86
Square footage	2,437,334	2,376,535	2,391,882	2,387,613
Libraries	5	5	5	5
Square footage	124,630	124,630	124,630	124,630
Number of Volumes	223,398	260,982	279,028	282,822
Administrative and support support buildings	16	16	15	15
Square footage	273,133	330,212	248,558	252,270
Dining Facilities	10	10	10	10
Square footage	95,327	95,327	95,327	95,327
Average daily customers	4,524	1,803	1,725	1,707
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	14
Square footage	104,725	104,725	104,725	104,725
Transportation				
Cars	27	20	22	24
Light Trucks/Vans	189	187	183	179
Fire Trucks	4	4	3	3

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
84	82	81	79	60	52
2,267,293	2,191,020	2,172,664	2,167,963	2,030,332	2,021,500
5	5	5	5	5	5
124,630	127,000	124,630	127,000	127,000	127,000
274,597	282,245	278,276	266,019	253,989	237,318
15	15	14	13	11	10
192,115	97,607	79,000	77,400	70,500	69,000
8	6	6	6	5	5
89,146	80,109	80,109	80,109	79,000	79,000
2,138	2,402	2,200	2,345	2,230	1,308
13	13	13	13	13	13
172,000	172,000	172,000	172,000	172,000	172,000
4	4	4	4	4	4
5	5	5	5	5	5
3	3	3	3	3	3
14	12	12	12	11	11
104,725	100,205	97,100	97,100	91,000	91,000
24	25	65	52	44	44
174	166	127	112	127	130
2					





**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2018**

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		\$ 1,108,003
Federal Work Study Program	84.033		830,815
Federal Pell Grant Program	84.063		60,656,074
Federal Direct Student Loans	84.268		<u>31,311,801</u>
Total Student Financial Assistance Cluster			93,906,693
TRIO Cluster			
TRIO Student Support Services	84.042		275,209
TRIO Upward Bound	84.047		<u>522,632</u>
Total TRIO Cluster			<u>797,841</u>
 Total Direct from Department of Education			 94,704,534
Pass-Through From:			
Tarrant County Workforce Development Board			
Adult Education - Basic Grants to States	84.002	17-SPC-AEL-005	253,107
Adult Education - Basic Grants to States - EL Civics	84.002	17-SPC-AEL-005	<u>96,486</u>
			349,593
San Jacinto Community College			
Career and Technical Education - Basic Grants to States	84.048	DOE538436002	21,215
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	184246	<u>1,272,509</u>
			1,293,724
Institute of Education Sciences			
MDRC Developmental Education Acceleration Project	84.305	121151	<u>4,099</u>
Total Department of Education			96,351,950
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Pass-Through From:			
Water from the Rock			
Community Development Block Grants/Entitlement Grants	14.218	2948	17,764

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2018**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
<b>DEPARTMENT OF JUSTICE</b>			
Pass-Through From:			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	372366	11,271
<b>DEPARTMENT OF LABOR</b>			
Pass-Through From:			
Texas Workforce Commission			
WIOA Cluster -			
WIOA Adult Program	17.258	0517WOS001	11,949
WIA Dislocated Workers Formula Grant	17.278	0518ATP000	127,584
WIA Dislocated Workers Formula Grant	17.278	0518WOS000	26,497
			<u>154,081</u>
Total U.S. Department of Labor			166,030
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>			
Pass-Through From:			
Gilder Lehrman Institute of American History			
World War I & America	45.164	GI-50416-12	1,800
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			
Pass-Through From:			
Texas State Library and Archives Commission	45.310	LS-00-17-0044-17	479
<b>NATIONAL SCIENCE FOUNDATION</b>			
Pass-Through From:			
Occidental College			
Center for Undergraduate Research in Mathematics	47.049	OXY-CURM0008	445
University of Texas at El Paso			
LSAMP: A Model Senior Alliance	47.076	26-1008-4125	27,503
Total National Science Foundation			27,948

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2018**

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-17-B0002	23,252
Small Business Development Center	59.037	SBHQ-18-B0005	275,644
			<u>298,896</u>
Total Small Business Administration			298,896
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Environmental Workforce Development and Job Training Cooperative Agreements	66.815	JT-01F10001-0	38,822
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Pass-Through From:			
Health Resources and Services Administration			
Nursing Workforce Diversity	93.178	D19HP28746	22,713
Tarrant County Workforce Development Board			
Temporary Assistance for Needy Families Cluster -	93.558	17-SPC-AEL-005	62,745
Temporary Assistance for Needy Families			
Texas Workforce Commission			
Temporary Assistance for Needy Families Cluster -			
Governor's Summer Merit Program	93.558	0517SMP000	1,936
Governor's Summer Merit Program	93.558	0518SMP000	43,125
Temporary Assistance for Needy Families Cluster Total			<u>107,806</u>
Total Department of Health and Human Services			130,519
Total Federal Financial Assistance			<u><u>\$ 97,045,479</u></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	\$ 3,144,177
Federal Grants and Contracts – per Schedule C	62,594,892
Direct Loans	31,311,801
Veterans' Administration	<u>(5,396)</u>
 Total Federal Revenues per Schedule of Expenditures of Federal Awards	 <u>\$ 97,045,479</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>\$ 31,311,801</u>	<u>\$ _____</u>	<u>\$ 31,311,801</u>

**NOTE 4. INDIRECT COST RATE**

The District has not elected 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, 2018, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2018.

**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 also performed tests designed to verify the District's compliance with the requirements of the Texas Public Funds Investment Act. During the year ended August 31, 2018, no instances of noncompliance were found.

To the Board of Trustees  
Tarrant County College District

### **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, 2018

**Independent Auditor's Report on Compliance for  
Each Major Federal Program and Report 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 *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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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, 2018.

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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 14, 2018

**TARRANT COUNTY COLLEGE DISTRICT  
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2018**

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

*Financial Statements*

An unmodified opinion was issued on the financial statements.

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

An unmodified opinion was issued on compliance for all major programs.

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: \$2,911,364

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

**TARRANT COUNTY COLLEGE DISTRICT  
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2018  
(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.

**Section V. Prior Year Audit Findings**

There were no prior year audit findings.



**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED AUGUST 31, 2018**

Grant Agency / Program Title	Grant Contract Number	Expenditures
<b>TEXAS WORKFORCE COMMISSION</b>		
Apprenticeship	0518ATP000	\$ 388,127
Skills for Small Business	0517SSD000	3,076
Skills Development Fund - Lockheed Martin	0516SDF001	1,773,314
Skills Development Fund - Health Consortium	0516SDF002	108,733
Skills Development Fund - Safran	0517SDF000	235,459
Skills Development Fund - Skills for Transition	0518SDF000	4,000
Skills Development Fund - Inspirus	0518SDF001	39,673
Skills Development Fund - Robotic Manufacturing	0518SDF002	143,430
Skills Development Fund - Flex N Gate	0518SDF003	72,026
Total Direct from Texas Workforce Commission		<u>2,767,838</u>
Pass-Through From:		
Fort Worth Independent School District		
Adult Basic Education Program	17-SPC-AEL-005	<u>64,937</u>
Total Texas Workforce Commission		2,832,775
<b>TEXAS COMPTROLLER OF PUBLIC ACCOUNTS</b>		
Law Enforcement Office Standards and Education		10,957
<b>TEXAS HIGHER EDUCATION COORDINATING BOARD</b>		
Work Study	19327	169,188
Texas Educational Opportunity Grant	19339	3,813,566
Accelerate Texas Mentor College	15133	22,502
Professional Nursing Shortage FY2017	17984	4,615
Professional Nursing Shortage Over 70% Program FY2017	17752	103,684
Nursing Innovation Grant Program - Building Simulation	18026	1,788
CB Workstudy Mentoring Model	19484	65,807
Educational Aide Exemption Program	19324	7,968
Texas-Science, Technology, Engineering and Math T-STEM	16911	17,287
Total Direct From Texas Higher Education Coordinating Board		<u>4,206,405</u>
Pass-Through From:		
Dallas County Community College		
Small Business Development Center	SBHQ-18-B0005	153,509
Small Business Development Center - State Carryover		<u>16,153</u>
Total Texas Higher Education Coordinating Board		<u>4,376,067</u>
Total State Financial Assistance		<u><u>\$ 7,219,799</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	<u>\$ 7,219,799</u>
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Total State Revenues per Schedule of Expenditures of State Awards	<u>\$ 7,219,799</u>
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**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 State Program and Report 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, 2018. 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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, 2018.

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, 2018

**TARRANT COUNTY COLLEGE DISTRICT  
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2018**

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

*Financial Statements*

An unmodified opinion was issued on the financial statements.

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

An unmodified opinion was issued on compliance for all major programs.

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:

Skills Development Fund Cluster

**TARRANT COUNTY COLLEGE DISTRICT  
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2018  
(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  
1500 Houston Street  
Fort Worth, Texas 76102**

