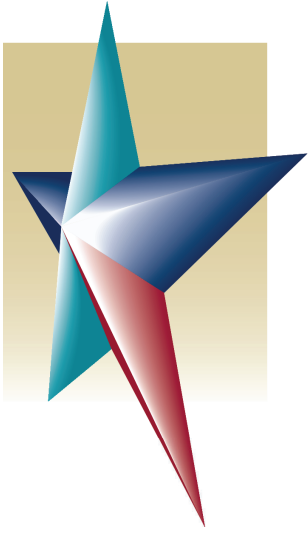


# ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEARS ENDED  
AUGUST 31, 2022 AND 2021  
TARRANT COUNTY COLLEGE DISTRICT  
TEXAS





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

**SUCCESS WITHIN REACH.**

Annual Comprehensive Financial Report

For the Fiscal Years Ended  
August 31, 2022 and 2021

**Prepared by:**  
**Finance Department**  
**Tarrant County College District**  
**Texas**



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The image features a minimalist design with a dark blue header bar at the top right. The main area is white, decorated with several thin, dark blue lines that form a series of nested, overlapping triangles and parallelograms, creating a sense of depth and geometric complexity. The lines are arranged in a way that suggests a three-dimensional structure, possibly a stylized letter 'A' or a series of planes.

# **INTRODUCTORY SECTION**





**Tarrant County College®**  
SUCCESS WITHIN REACH.



December 12, 2022

To the Tarrant County College Board of Trustees:

I am pleased to share this Annual Comprehensive Financial Report with you and our community. The report details the TCC District's financial operations for fiscal year 2022, which ended on August 31, 2022.

It is our duty as an institution to provide responsible stewardship of tax dollars and other resources to meet the needs of students and the community as a whole. This report reflects the College's ongoing commitment to fiscal responsibility and transparency—a commitment that enables TCC to build a workforce for Tarrant County employers, lift up individuals and families, and strengthen the prosperity of the region.

Some of the highlights you'll find in this report include:

- TCC's unchanged affordable tuition rate for the fourth consecutive year.
- TCC's investment in a new Enterprise Resource Planning Project to improve and add efficiencies to technology used by administration and students.
- Completion of a facility condition assessment and facility master plan, ensuring we are prepared for the future and appropriately preserving long-term physical assets.
- Reaffirmation of our AAA credit rating.
- Issuance of the next tranche of general obligation bonds to fund orderly, effective growth and campus development while maintaining the overall tax rate.

As you review the report, I believe you'll join me in feeling pride for what TCC has accomplished and how we have responded as the world continues to recover from the extraordinary circumstances of the pandemic. By keeping our fundamental goals and principles at the center of financial decisions, TCC is strongly positioned to serve students, business and industry, and all our stakeholders for years to come.

Thank you for your leadership.

Sincerely,

Elva LeBlanc, Ph.D.  
Interim Chancellor  
Tarrant County College District



OFFICE OF FINANCE

# TRANSMITTAL LETTER

FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

December 12, 2022

To: Interim Chancellor Elva LeBlanc,  
Members of the Board of Trustees, and  
The Citizens of the Tarrant County  
College District

The annual comprehensive financial report of the Tarrant County College District for the fiscal year ended August 31, 2022 and 2021 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.

## *Annual Comprehensive Financial Report*

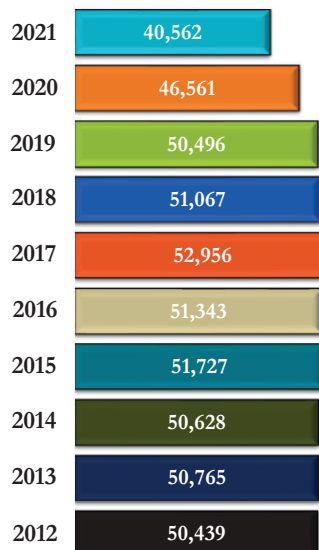
The Tarrant County College District's annual comprehensive financial report for the fiscal year ended August 31, 2022 and 2021 was prepared by the Finance Department. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental 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 auditing standards, which require a consideration of internal controls in determining audit procedures. The report of the independent auditors based upon their audit of the financial statements is included in the financial section of this report.

The District is required to undergo an annual federal single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and Title 2

## Enrollment by Headcount



Source: TCC Office of Institutional Research Statistical Handbook

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 partnerships that



***TCC students enhance their college experience through clubs, organizations, and other student activities.***

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. TCC'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 TCC's programs by helping students enter the workforce quickly, thus contributing to the economic health of the community.

Finally, TCC maintains an unwavering commitment to serving the community 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***

Among the largest institutions in the nation, TCC is vital to the economic prosperity of Tarrant County, a region with over 2 million residents. The county's population increased 6.2% from 2016 to 2021 and is expected to increase by another 4.8% by 2026. Compared to the national average for an area of Tarrant County's size, the region is more racially diverse, has more millennials (ages 25-39), and has a lower



***College administrators, faculty and staff gather annually for the Chancellor's Employee Appreciation Day to honor employees' dedication to students and institutional excellence.***



*Upward Bound graduates at the TCC graduation ceremony in May.*

retirement risk due to having fewer people 55 or older. In addition, the local metro area, Dallas-Fort Worth-Arlington, experienced the largest numeric growth of any metro area in the nation between July 2020 and July 2021.

From 2016 to 2021, jobs increased by 7.5%, which outpaced the nation's growth of 1.8%, and labor force participation increased from 65.3% to 68.7%. In total, jobs grew by about 70,000 in the last few years and are projected to grow by about another 70,000 in the next five years. The region's unemployment rate returned closer to pre-pandemic levels in the last year. The unemployment rate was between 3% and 4% from 2017 to 2019, and after returning to 4% starting in 2022, the rate remained between 3% and 4% through June 2022, which was in line with national unemployment trends. The median household income of \$70,300 was \$5,300 above the national median household income.

Educational attainment is an important indicator for the future and sustainability of Tarrant County's workforce because level of education is associated with higher income. Just over 60% of residents have an educational attainment of some college or higher. Of the county's approximately 30,000 graduates in 2020, 27.7% earned their degree or certificate from TCC.

As one example of TCC supplying the workforce pipeline, nursing was the most in-demand specialized skill among job postings in the last year. In 2020, TCC contributed 27.6% of Dallas-Fort Worth-Arlington's graduates with an associate degree in registered nursing – the highest market share of any area institution.

(Source: Lightcast Reports & March 2022 Press Release from Census Bureau (CB22-51))

TCC is on stable financial ground to serve the community. S&P Global Ratings, a leading credit rating

agency, recently assigned its AAA long-term rating—the highest level—to Tarrant County College's \$363 million series 2022 general obligation bonds (GO) bonds and the College's previous outstanding GO bonds. S&P states that the outlook is stable. Following this issuance, total GO-supported long-term debt was approximately \$627 million.

(Source: S&P Global Ratings, Ratings Direct)

## *Post-Pandemic Enrollment Recovery*

Like most institutions of higher education, TCC experienced a substantial decline in enrollment during 2020 and 2021, but 2022 enrollment brings signs of recovery and hope for potential growth. For only the second time in TCC's history, spring enrollment was higher than the prior fall enrollment with a 3% increase from Fall 2021 to Spring 2022. Comparing fall terms, enrollment increased about 7% from Fall 2021 to Fall 2022—which means that about half the enrollment lost between Fall 2020 and Fall 2021 was recovered (approximately 3,000 from the nearly 6,000 lost).

Moreover, the percentage of Fall 2021 students who returned in Fall 2022 was about five percentage points higher than the Fall 2020 to Fall 2021 return rate and was a recent historical high. Most significant were the gains in the performance of degree-seeking first-time in college students (DS FTIC). Although the Fall 2021 DS FTIC cohort entered more academically underprepared based on their higher percentage of Texas Success Initiative (TSI) liable students, they completed about 79% of their credit hours attempted in their first year compared to the most recent 3-year average of about 75%. In addition, the Fall 2021 DS FTIC



*TCC is comprised of six campuses—five physical sites and one campus serving Weekend College and online students.*



*Even highlighter cases remind employees about the College's guiding goals and principles.*

cohort's fall-to-fall retention rate of about 61% was 10 percentage points higher than the prior cohort's rate and well above the historical average, which has been much closer to 50%.

(Source: Official Day of Record, Enrollment by Term)

### ***Serving the Community***

TCC's Office of Corporate Solutions and Economic Development (CSED) has been critical in building partnerships with business and industry, including working with employees from nearly 150 companies to provide customized training and solutions for their businesses. CSED connects with the business community through the Coffee Talk Professional Development Series, the Workforce Lens podcast, and the award-winning Lens Magazine. Most recently, five local entrepreneurs were selected for the second cohort of TCC's Everyday Entrepreneur Venture Fund (EEVF). These entrepreneurs will receive customized education, mentorship, and seed funding.

### ***3 Goals and 8 Principles***

The College has adopted the following goals to support students and the community:

**One College:** TCC will function as One College to provide a consistent and successful student experience.

**Student Ready College:** TCC will put students at the core of all programs and services, so that they are welcomed, engaged and supported inside and outside the classroom.

**Serve the Community:** TCC will serve the community and be its first choice for partnership.

Eight principles, emphasizing everything from learning commons environments to high school partnerships, further guide employees' daily approach to their work and institutional excellence.

### ***One College that is Student-Ready***

Through August 31, 2022, TCC has received \$90.9 million in institutional funding from the American Rescue Plan's Higher Education Emergency Relief Fund, of which \$56.5 million was awarded to approximately 42,000 students. Funding was also utilized to upgrade and expand the WIFI network and to purchase hardware such as Surface Go tablets to ensure students had access to the necessary tools to enroll and complete the required coursework.

As part of TCC's Title V grant from the U.S. Department of Education's Developing Hispanic-Serving Institutions Program, six new Success Coaches were hired to focus on retention efforts and connect with students to encourage re-enrollment. The grant was also used to support faculty professional development related to culturally responsive pedagogy and the creation of learning spaces that are responsive to the needs of students.

There are a wide range of other programs and services supporting students throughout the District; selected examples follow.

In 2022, the TCC Apprenticeship Program served 243 students by connecting them with eight industry partners in North Texas. TCC's apprenticeships are registered with the Department of Labor and combine flexible, on-the-job training with classroom instruction.

Fort Worth ISD's Success High School students are now able to earn their high school diploma and begin their college journey as part of a special P-TECH (Pathways in Technology Early College High Schools) program in partnership with TCC Connect and TCC South.

TCC also supports students through articulation agreements. Approximately 15% of TCC's FTIC (First Time in College) students transfer to four-year institutions upon completing their associate degree or basic degree requirements. Over the course of this fiscal year, TCC entered into 45 new articulation agreements and memorandums of agreement, for a total of 171 agreements, all of which expand opportunities for TCC's transfer students. Some of this year's new agreements include:

- Sam Houston State University (SHSU) and TCC's memorandum of agreement will allow students to take courses at both schools and



***Students in TCC Northwest's horticulture program recently received honors in the National Collegiate Landscape competition.***

access facilities and technology at SHSU.

- A new articulation agreement between Texas A&M University and TCC established the Texas A&M Engineering Academy at TCC, which allows students to co-enroll and then transfer to the College Station campus to pursue a bachelor's degree in an engineering field.
- The University of Oklahoma (OU) and TCC's memorandum of agreement, one of OU's first out-of-state academic partnerships, outlines a framework for building cooperative programs designed for student success.
- Morehouse College and TCC created a seamless pathway for TCC students who have completed an associate degree to transfer.
- A recent amendment to University of North Texas Health Science Center (UNTHSC) and TCC's memorandum of agreement ensures TCC students who meet the Early Assurance Program benchmarks are automatically invited for an interview to the UNT System College of Pharmacy Doctor of Pharmacy (PharmD) program.

## ***Continued Excellence***

TCC is recognized not only for being the most affordable higher education option in the region, but also for the quality of our programs, educators, and staff.

In 2021, Newsweek recognized the TCC District among the nation's top 150 colleges and universities offering online learning. The ranking, based on a Statista survey, reflects students' experiences and

satisfaction with their online coursework. The accolade is particularly valued given the increase in online learning associated with the pandemic.

TCC Southeast received the 2022 Eduardo J. Padron Award for Institutional Transformation—an honor bestowed on only two community colleges this year. The award is given annually by Campus Compact, a national coalition of colleges and universities committed to the public purposes of higher education.

Three students in the TCC Northwest horticulture program—the only program of its kind in North Texas—placed in the top 30 out of more than 500 entrants in the 2022 National Collegiate Landscape competition at North Carolina State University.

This year, students from TCC's aviation maintenance technology program competed against 73 teams from across the globe at the Aerospace Maintenance Competition in Dallas. TCC's team took home top honors in two events: process optimization and engine fan blade removal.

The U.S. Environmental Protection Agency's Green Power Partnership has recognized TCC among the top 30 green power users in higher education. TCC ranked second in Texas and 25th in the nation.

## ***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



***TCC's aviation maintenance students received high honors in a competition with participants from around the world.***



*The Fire/Rescue Training Facility at TCC Northwest includes the Fire Academy, which trains new firefighters, and continuing education for certified firefighters.*

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 is also responsible for ensuring that adequate internal controls are in place to comply with applicable laws and regulations related to those programs. The internal controls are 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 internal controls, 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, 2022, are found in the report on pages 124 and 134, 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 encum-

brance 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 in the Annual Comprehensive Financial Report, though not presented separately in accordance with 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***

Beginning in 2019, TCC re-emphasized the need for sound long-term financial planning. This began with TCC's first bond election in 25 years, allowing the College to take advantage of low interest rates and the opportunity to comprehensively plan and construct campuses of the future. The College prepared a facility condition assessment and a facility master plan to ensure that every dollar is spent strategically. The Board and Administration planned operating expenditures carefully to ensure long-term recovery from the pandemic, to use excess fund balance for the purpose of cash-funding significant technology and other capital needs, and to forecast future budgets to absorb new debt service and operating costs emerging from the College's strategic framework (3 Goals/8 Principles).

### ***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



*Nancy Chang (Associate Vice Chancellor for Finance) on the left, celebrates 50 years of service at TCC.*



*Stan Vick (Director of Accounting) retired after 23 years of service at TCC, pictured with 30 years of GFOA Certificates of Achievement for Excellence in Financial Reporting.*

independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. The District selected the accounting firm of Weaver and Tidwell, L.L.P. In addition to meeting the requirements set forth in state statutes, their audit 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 of the financial report.

## 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 annual comprehensive financial report for the fiscal year ended August 31, 2021. This was the thirtieth consecutive year that the District has achieved this prestigious award. To be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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 Cabinet 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 want to thank the accounting firm of Weaver and Tidwell, L.L.P., for its timely completion of the audit.

Sincerely,

Susan Alanis, MPA  
Chief Operating Officer

Ronnie Watkins, MBA  
Executive Director of Finance & Administrative Services

Nancy H. Chang, MBA  
Associate Vice Chancellor for Finance

Linzy R. Blain, CPA  
Director of Finance

Stephanie Duerm, CPA  
Senior Accounting Manager



Government Finance Officers Association

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

Presented to

**Tarrant County College District  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2021

*Christopher P. Morill*

Executive Director/CEO

**Tarrant County College District  
Elected Officials  
August 31, 2022**



Teresa Ayala  
President of the Board  
Term Expires:  
May 2027



Kenneth Barr  
Vice President  
Term Expires:  
May 2025



Jeannie Deakyn  
Secretary  
Term Expires:  
May 2027



Leonard Hornsby  
Assistant Secretary  
Term Expires:  
May 2023



Bill Greenhill  
Member of the Board  
Term Expires:  
May 2023



Gwendolyn Morrison  
Member of the Board  
Term Expires:  
May 2025



Shannon Wood  
Member of the Board  
Term Expires:  
May 2027

# **Tarrant County College District Principal Officials August 31, 2022**

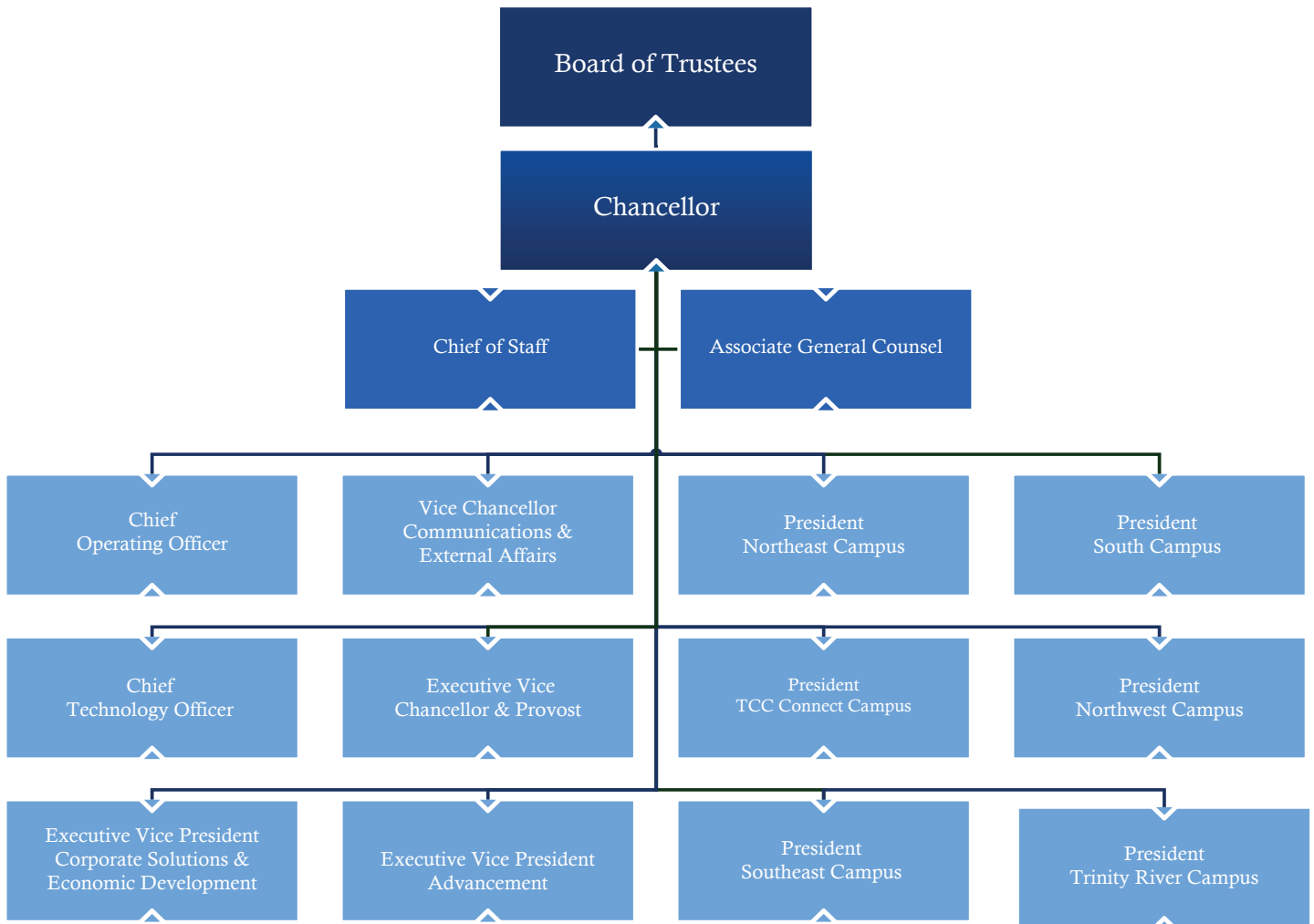
## ***Administration Team***

Interim Chancellor; Executive Vice Chancellor and Provost	Elva Concha LeBlanc, Ph.D.
Chief Operating Officer	Susan Alanis, MPA
President, Northeast Campus	Kenya Ayers-Palmore, Ed.D.
President, Northwest Campus	Zarina Blankenbaker, Ph.D.
Associate General Counsel	Carol Bracken, J.D.
Executive Vice President for Corporate Solutions and Economic Development	Shannon Bryant, M.Ed.
President, Southeast Campus	Bill Coppola, Ph.D.
Vice Chancellor for Communications and External Affairs	Reginald Gates, M.Ed.
President, South Campus	Dan Lufkin, Ed.D.
President, Trinity River Campus	S. Sean Madison, Ed.D.
President, TCC Connect Campus	Carlos Morales, Ph.D.
Chief Technology Officer	Robert Pacheco, B.A.

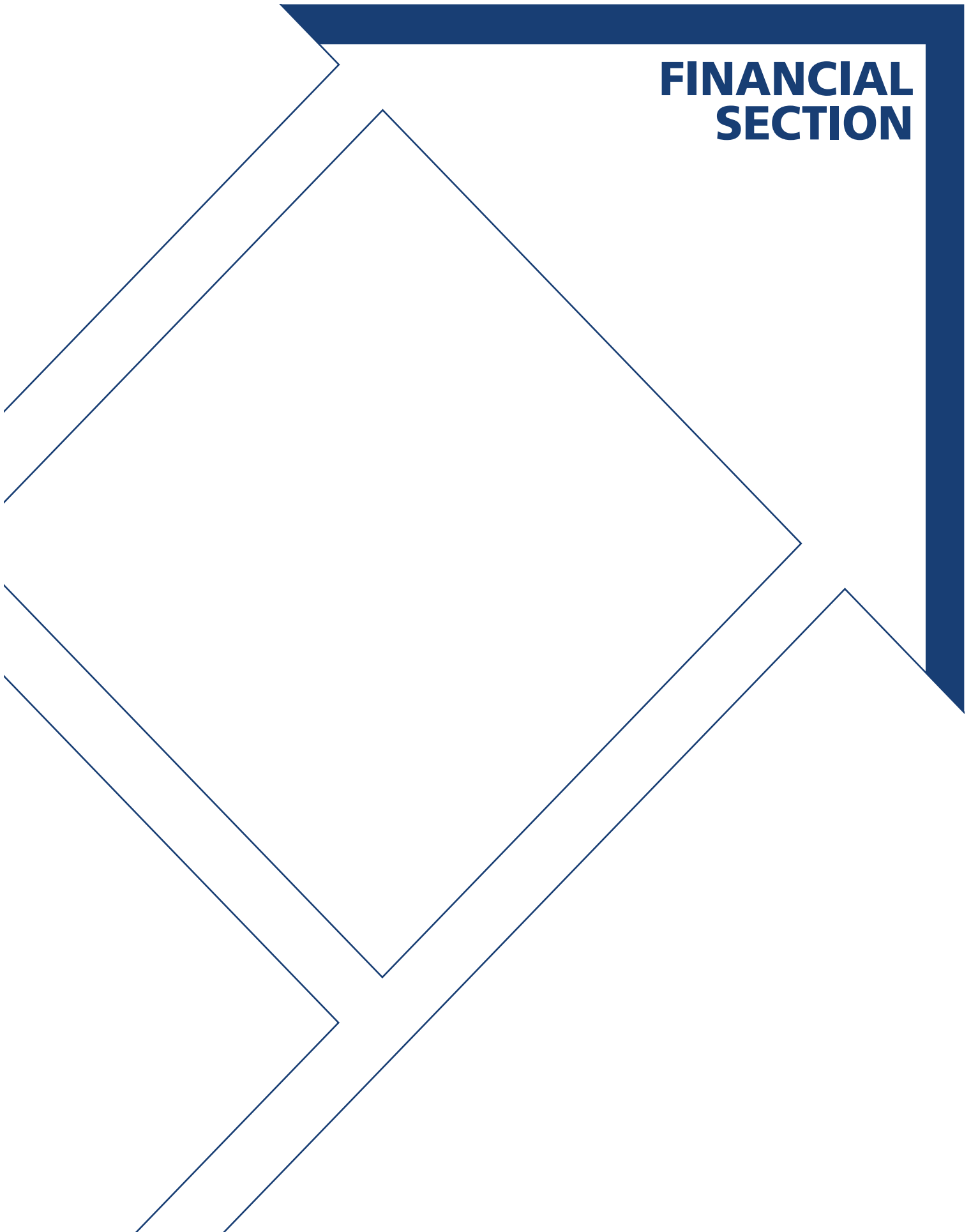
## ***Finance Officials***

Executive Director of Finance and Administrative Services	Ronnie L. Watkins, MBA
Associate Vice Chancellor for Finance	Nancy H. Chang, MBA
Director of Finance	Linzy R. Blain, CPA
Senior Accounting Manager	Stephanie Duelm, CPA

# Tarrant County College District Organizational Chart



# FINANCIAL SECTION





## Independent Auditor's Report

To the Board of Trustees  
Tarrant County College District

### **Opinions**

We have audited the accompanying financial statements of Tarrant County College District (the District) as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collective comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2022 and 2021, 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.

### **Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As discussed in Note 2 to the basic financial statements, during the year ended August 31, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

### **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and the required supplementary information on pages 54 to 64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our 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 76 to 113, and the additional financial information on pages 66 to 73 are presented for 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.

### **Other Information Included in the Annual Comprehensive Financial Report (ACFR)**

Management is responsible for the other information included in the ACFR. The other information comprises the Introductory Section and Statistical Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Dallas, Texas  
December 12, 2022

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

### *Introduction*

The following Management's Discussion and Analysis (MD&A) reviews the District's financial activity during the fiscal years ended August 31, 2022, 2021 and 2020. 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 ii-viii), the District's basic financial statements (pages 12-15) and the notes to the financial statements (pages 16-51). 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. Prior year balances have been restated due to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. This statement establishes standards of accounting and financial reporting for leases by lessee and lessors. (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, L.L.P., 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 years 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.
- **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, 2022 and 2021. 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 2022 Financial Highlights*

- Total District revenues exceeded total expenses by \$57.4 million as a result of careful budgeting, prudent fiscal management of resources.
- The District capitalized \$30.3 million of capital improvements to existing buildings, \$1.9 million of

capital improvements other than buildings, \$2.2 million of telecommunications and peripheral equipment, \$0.6 million of library books, and \$1.9 million of furniture and other equipment.

- The District issued \$363 million of general obligation bonds on July 19, 2022.

enrollment levels, the condition of facilities, etc.

Total assets increased by \$454.3 million in 2022, and \$84.2 million in 2021. Total liabilities increased \$375.3 million in 2022 and decreased \$14.6 million in 2021.

- **Current Assets** increased by \$311.1 million in 2022 and increased by \$93.0 million in 2021. The 2022 increase is attributable to an increase in short-term investments with the bond proceeds that were received in July 2022. The 2021 increase was attributable to an increase in short-term investments while we were in transition to a managed investment scenario. 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 August 31, 2022, current assets as a percentage of total assets was 41.2 percent compared to 34.1 percent the prior year.

- **Non-current Assets** increased by 12.5 percent, or \$143.2 million in 2022 and decreased \$8.8 million (0.7 percent) in 2021. The 2022 increase is due to an increase in long-term investments and an increase in capital assets. Long-term investments increased \$84.2 million to 11.3 percent of total assets in 2022. Capital assets increased by \$60.2 million, and were 47.1 percent of total assets in 2022. 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. The majority of the capital asset value is in property and equipment, with additional construction continually ongoing. Capital assets were \$1.04 billion as of August 31, 2022, as compared to \$976.1 million at

## Statement of Net Position

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

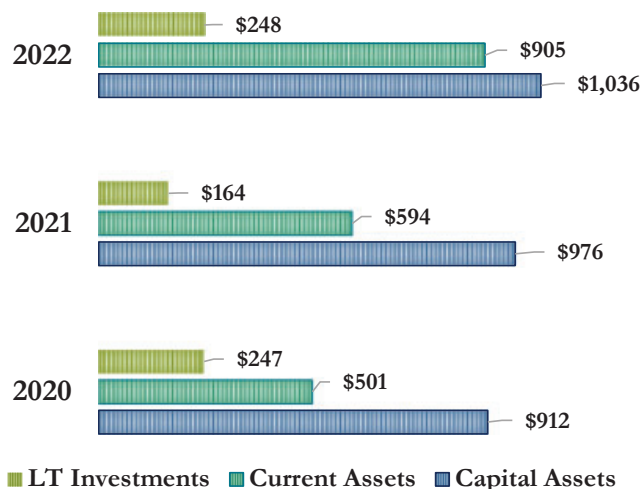
## Condensed Statements of Net Position

August 31 (Dollars in millions)	2022	2021	2021-22 Change	2020	2020-21 Change
Current Assets	905.0	593.9	311.1	500.9	93.0
Non-Current Assets:					
Long-Term Investments	247.8	163.6	84.2	247.1	(83.5)
Non-Current Leases Receivable:					
Leases Receivable	8.0	8.6	(0.6)		8.6
Right of Use Asset	1.1	1.7	(0.6)		1.7
Capital Assets, net	1,036.3	976.1	60.2	911.7	64.4
Total Assets	2,198.2	1,743.9	454.3	1,659.7	84.2
Deferred Outflows	51.4	63.0	(11.6)	81.5	(18.5)
Current Liabilities	98.3	75.9	22.4	70.4	5.5
Non-Current Liabilities	866.7	513.8	352.9	533.9	(20.1)
Total Liabilities	965.0	589.7	375.3	604.3	(14.6)
Deferred Inflows	79.7	69.8	9.9	64.1	5.7
Net Investment in Capital Assets	880.4	898.5	(18.1)	880.6	17.9
Restricted	17.4	13.6	3.8	8.1	5.5
Unrestricted	307.0	235.3	71.7	184.0	51.3
Total Net Position	1,204.8	1,147.4	57.4	1,072.7	74.7

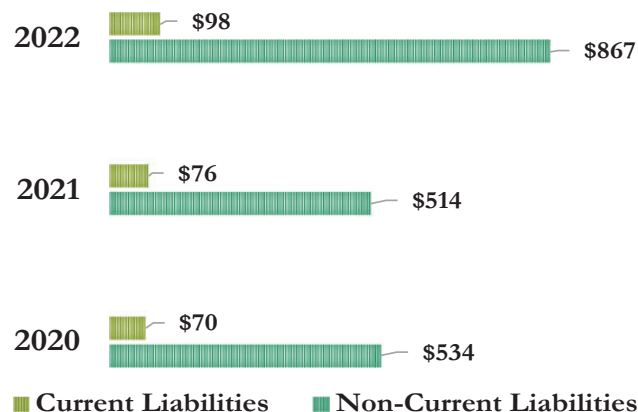
## Comparative Composition of Assets, Liabilities, Deferred Outflows and Inflows, and Net Position

Year Ended August 31  
(Dollars in Millions)

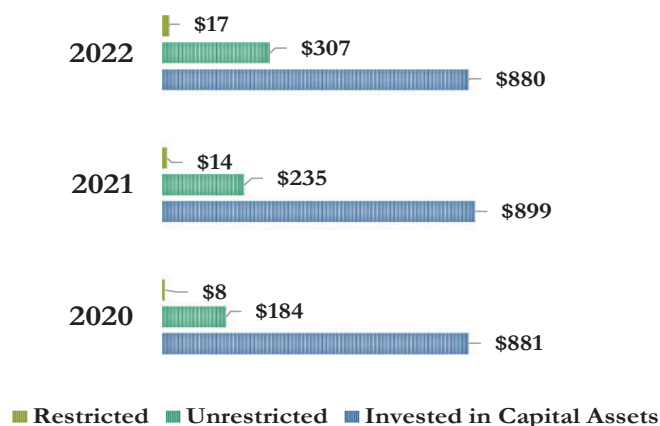
### ASSETS



### LIABILITIES



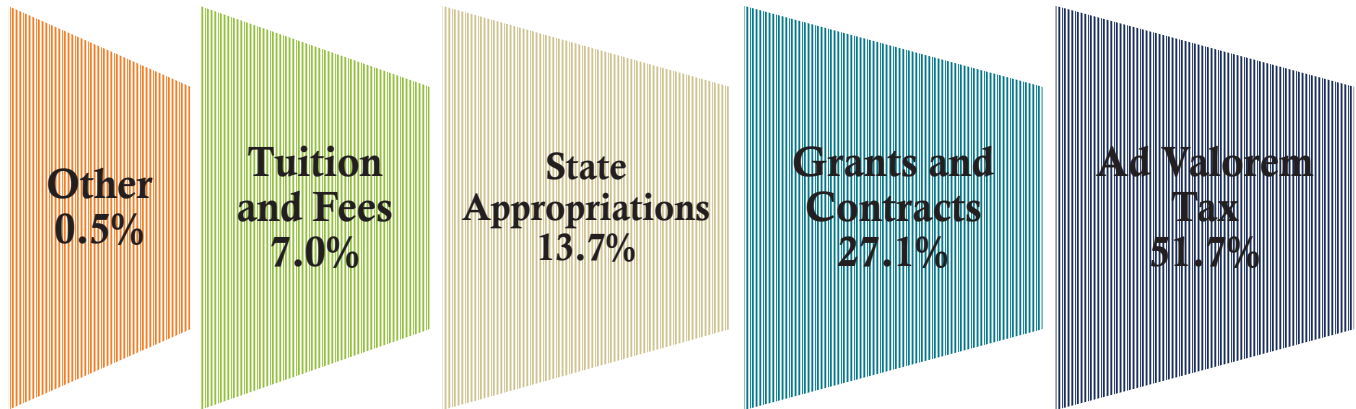
### NET POSITION



August 31, 2021. This increase, net of current year depreciation of \$35.5 million, reflects spending on various ongoing capital improvement projects.

- **Deferred Outflows of Resources**- Required entries from GASB 68 resulted in the decrease of \$4.4 million of deferred outflows of resources related to pensions in 2022, bringing the total to \$20.7 million, as compared to \$25.1 million at in 2021. Required entries from GASB 75 resulted in the recording of a decrease of \$7.2 million of deferred outflows of resources related to Other Post-Employment Benefits (OPEB) in 2022, bringing the total to \$30.7 million, as compared to \$37.9 million in 2021.
- **Current Liabilities** increased \$22.4 million to a balance of \$98.3 million in 2022. These were comprised of accounts payable, accrued liabilities, accrued employee benefits, unearned revenue, and the current portion of Net OPEB liability and bond payable. Accounts payable and accrued liabilities for goods and services received prior to the end of the fiscal year increased \$11.3 million and the current portion of bonds payable increased \$11.8 million in 2022.
- **Non-current Liabilities** primarily consist of bonds payable, accrued employee benefits, net pension liability as required by GASB 68 and net OPEB liability as required by GASB 75. Total non-current liabilities increased by \$352.9 million to a balance of \$866.7 million in 2022. Net pension liability decreased \$38.6 million, net OPEB liability increased \$15.9 million, and bonds payable increased \$376 million in 2022.
- **Deferred Inflows of Resources** - Required entries from GASB 68 resulted in the recording of an increase of \$28.2 million of deferred inflows of resources related to pensions in 2022, bringing the total to \$41.2 million, as compared to \$13.0 million in 2021. Required entries from GASB 75 resulted in the recording of a decrease of \$17.7 million of deferred inflows of resources related to OPEB in 2022, bringing the total to \$30.0 million, as compared to \$47.7 million in 2021. Required entries from the implementation of GASB 87 resulted in the recording of \$9.1 million of deferred inflows of resources related to leases in 2021, decreasing by \$0.6 million in 2022, bringing the total to \$8.5 million.
- **Net Position** (total assets and deferred outflows less total liabilities and deferred inflows) increased \$57.4 million, or 5.0 percent in 2022. This was primarily due to the increase capital assets of \$60.2 million as previously mentioned. Net investment in capital assets, \$880.4 million in 2022, represents 73.1 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 1.4

**Total Revenue By Source**  
**Fiscal Year 2022**  
**Total \$560.2**



**Condensed Statements of Revenues, Expenses  
and Changes in Net Position**

Years Ended August 31 (Dollars in millions)	2022	2021	2021-22 Change	2020	2020-21 Change
<b>Operating Revenue</b>					
Tuition & Fees	\$ 39.1	\$ 50.3	\$ (11.2)	\$ 46.1	\$ 4.2
Grants & Contracts	13.5	10.9	2.6	10.9	
Auxiliary Enterprises	7.3	6.2	1.1	5.1	1.1
Other Operating Revenue	1.4	1.1	0.3	3.7	(2.6)
<b>Total Operating Revenue</b>	<b>61.3</b>	<b>68.5</b>	<b>(7.2)</b>	<b>65.8</b>	<b>2.7</b>
<b>Operating Expenses</b>					
Instruction	144.2	150.6	(6.4)	162.3	(11.7)
Public Service	3.8	4.9	(1.1)	7.0	(2.1)
Academic Support	35.6	36.1	(0.5)	39.8	(3.7)
Student Services	40.0	40.7	(0.7)	41.5	(0.8)
Institutional Support	63.2	54.5	8.7	56.9	(2.4)
Operation & Maintenance of Plant	32.4	31.0	1.4	34.6	(3.6)
Scholarships & Fellowships	130.1	102.8	27.3	56.4	46.4
Auxiliary Enterprises	8.6	6.6	2.0	6.9	(0.3)
Depreciation	35.5	35.3	0.2	34.7	0.6
<b>Total Operating Expenses</b>	<b>493.4</b>	<b>462.5</b>	<b>30.9</b>	<b>440.1</b>	<b>22.4</b>
<b>Operating Loss</b>	<b>(432.1)</b>	<b>(394.0)</b>	<b>(38.1)</b>	<b>(374.3)</b>	<b>(19.7)</b>
<b>Non-Operating Revenue (Expense)</b>					
State Appropriations	77.0	82.2	(5.2)	86.4	(4.2)
Ad Valorem Tax	289.4	271.5	17.9	261.2	10.3
Grants & Contracts	138.4	114.0	24.4	69.2	44.8
Investment & Other Income	(5.9)	4.4	(10.3)	13.1	(8.7)
Interest on indebtedness	(6.0)	(4.2)	(1.8)	(0.3)	(3.9)
Non-Operating Expense	(3.4)		(3.4)		
<b>Total Non-Operating Revenue (Expense)</b>	<b>489.5</b>	<b>467.9</b>	<b>21.6</b>	<b>429.6</b>	<b>38.3</b>
<b>Capital Contribution</b>		<b>0.8</b>	<b>(0.8)</b>		<b>0.8</b>
<b>Increase in Net Position</b>	<b>57.4</b>	<b>74.7</b>	<b>(17.3)</b>	<b>55.3</b>	<b>19.4</b>
Net Position-Year Beginning	1,147.4	1,072.7	74.7	1,017.4	55.3
Total Revenue	560.2	541.4	18.8	495.7	45.7
Total Expenses	(502.8)	(466.7)	(36.1)	(440.4)	(26.3)
<b>Net Position-Year End</b>	<b>\$ 1,204.8</b>	<b>\$ 1,147.4</b>	<b>\$ 57.4</b>	<b>\$ 1,072.7</b>	<b>\$ 74.7</b>

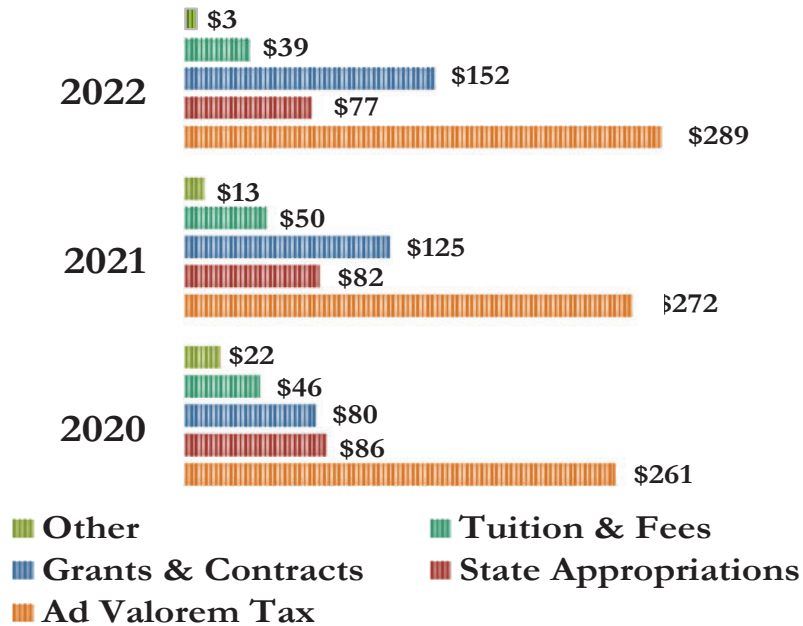
percent of net position. The remaining unrestricted net position may be used for educational or general operations of the District. Unrestricted net position increased \$71.7 million in 2022 and represents 25.5 percent of net position. During fiscal year 2022, the Board designated \$88 million of unrestricted net position to fund the MyTCC Experience project that will replace the District's enterprise resource planning (ERP) tool, helping to modernize our approach to serving the unique needs of students and employees. The portion of net position committed to capital assets is expected to remain substantial with the ongoing district wide building and improvement programs.

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

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the year. Activities

## Revenue By Source

Years Ended August 31  
(Dollars in millions)



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 in 2022 and prior years.

### Revenues

Total revenues increased \$18.8 million, or 3.5 percent over 2021 to \$560.2 million in 2022. In 2021 total revenue increased \$45.7 million or 9.2 percent over 2020 to \$541.4 million. The increases in total revenues were primarily due to increases in grants and contracts and ad valorem tax for both years.

### Operating Revenues

Operating revenue decreased \$7.2 million in 2022, or 10.5 percent compared to 2021, to \$61.3 million. In 2021 operating revenue increased 4.1 percent over 2020. The primary source of operating revenue has continually been tuition and fees. Revenue from tuition and fees decreased \$11.2 million or 22.3 percent over 2021 to \$39.1 million. This decrease was due declines in enrollment the District experienced as a result of the COVID-19 pandemic.

Enrollments are beginning to trend upward in fiscal year 2023 and we expect them to continue to increase to as the pandemic winds down and the District continues to invest in developing and expanding our academic programming, educational partnerships, and improving our facilities and technologies so that we are better equipped to serve our students and our community.

## Operating Expense by Natural Classification

Years Ended August 31 (Dollars in millions)	2022	2021	2022-21 Change	2020	2020-21 Change
Salary & Wages	\$ 185.2	\$ 183.5	\$ 1.7	\$ 191.6	\$ (8.1)
Staff Benefits	53.5	70.9	(17.4)	84.8	(13.9)
Other Expenses	219.2	172.8	46.4	129.0	43.8
Depreciation	35.5	35.3	0.2	34.7	0.6
<b>Total Operating Expenses</b>	<b>\$ 493.4</b>	<b>\$ 462.5</b>	<b>\$ 30.9</b>	<b>\$ 440.1</b>	<b>\$ 22.4</b>

The District has not raised tuition rates since Spring 2019.

### ***Non-Operating Revenues (Expense)***

Non-operating revenues (expense) increased from \$467.9 million in 2021 to \$489.5 million in 2022. In 2020, non-operating revenue was \$429.6 million. For 2022, non-operating revenue consists predominantly of ad valorem taxes of \$289.4 million, which increased by \$17.9 million or 6.6 percent, state appropriations of \$77.0 million, which decreased by \$5.2 million or 6.3 percent, and grants & contracts of \$138.4 million, which increased by \$24.4 million or 21.4 percent.

In August 2020, the Board of Trustees of the District set the tax rate at 13.017 cents per \$100 valuation. Since that time, the Board of Trustees has adopted the same tax rate for the years 2021 and 2022. The \$17.9 million increase to ad valorem taxes is due to increases in assessed taxable property values.

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.

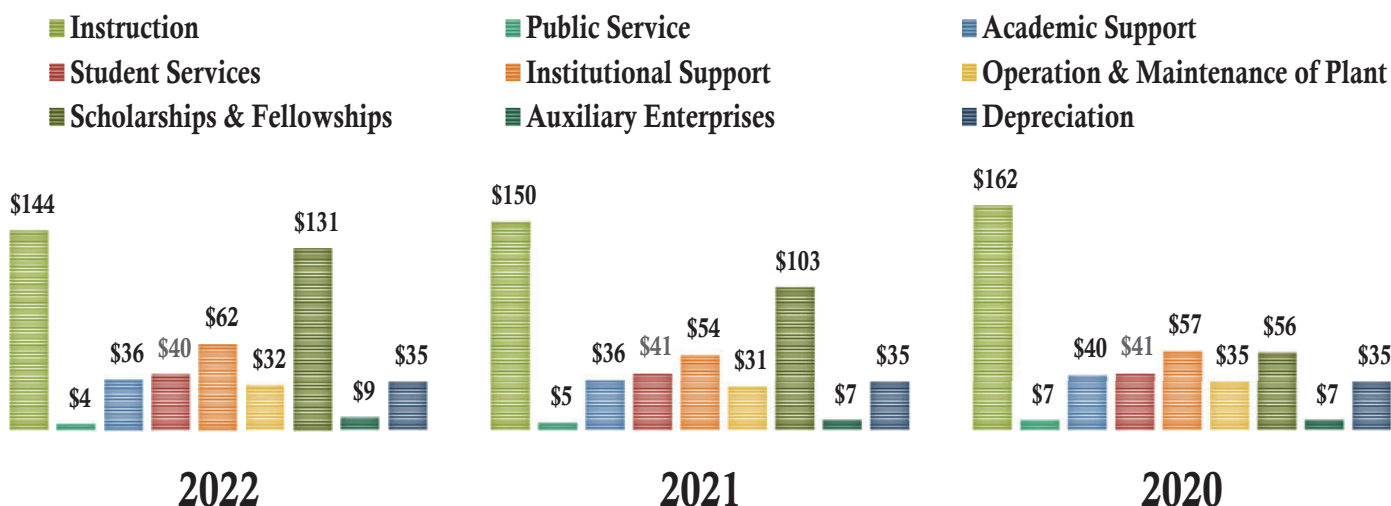
State appropriations accounted for 35 percent of total (operating and non-operating) revenue in 1998 and have declined to 13.7 percent of revenue in 2022. Tuition and fees accounted for 22.9 percent in 1998 compared to 7.0 percent in 2022. In contrast, local property taxes accounted for 21.0 percent of total revenue in 1998 compared to 51.7 percent of revenue in 2022. Tuition and fees were \$39.1 million in 2022 and \$50.3 million in 2021, decreasing as a percentage of total revenue to 7.0 percent in 2022 from 9.3 percent in 2021.

Grants and contracts increased from \$124.9 million in 2021 to \$151.9 million in 2022 and are 27.1 percent of total revenues. During 2020, revenues from grants and contracts were \$80.1 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 \$1.3 million in 2022. 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.

## **Operating Expense By Function**

Years Ended August 31  
(Dollars in millions)



These enterprises are intended to be self-supporting. During 2022, the District recorded a \$1.1 million increase in sales revenues from operations and a \$2.0 million increase in operating expenses at our auxiliary enterprises.

Investment and other income decreased by \$10.3 million to a \$5.9 million loss in 2022 compared to \$4.4 million in revenue for the prior year. This was primarily due to the GASB 72 Fair Value Measurement and Application standard that required the District to record a \$15.0 million unrealized loss due to the current year net decrease to the fair values of the District's investments. (See Note 4, page 25, for additional information on investment earnings and fair value adjustments).

### ***Expenses***

Total expenses including non-operating expenses for 2022 increased \$36.1 million to \$502.8 million compared to \$466.7 million in 2021. For 2020, total expenses were \$440.4 million. Significant fluctuations in 2022 operating expenses are as follows:

- Salaries and wages increased \$1.7 million to \$185.2 million
- Staff benefits decreased by \$17.4 million to \$53.5 million
- Other expenses increased by \$46.4 million to \$219.2 million

Unrestricted staff benefits decreased by \$10.1 million, mainly due to the required entries from GASB 87 Pensions and GASB 75 Other Post-Employment Benefits which resulted in a \$2.3 million decrease to pension and OPEB expense for 2022, which was \$9.3 million less than the \$7.0 million those entries increased expense in 2021. Restricted staff benefits decreased by \$7.3 million, mainly due to the \$7.2 million decrease in pension expense paid by the State of Texas, from \$7.3 million in 2021 to \$0.1 million in 2022. The District is required to report pension expense paid by the State of Texas as both non-cash state appropriations and pension expense.

An analysis of operating expenses by function, including other expenses, indicates the most significant changes to be in scholarships and fellowships which increased by \$27.3 million to \$130.1 million and institutional support which increased by \$8.7 million to \$63.2 million in 2022.

### ***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 \$365.1 million in 2022, \$320.9 million in 2021, and \$293.4 million in 2020. 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 \$513.1 million in 2022, \$399.6 million in 2021, and \$683.8 million in 2020.

Cash generated from capital and related financing activities was \$291.2 million in 2022. Cash used for capital and related financing activities in 2021 and 2020 was \$107.6 million and \$48.1 million, respectively. This activity was regarding the finance and purchase of capital assets.

Cash used for investing activities in 2022 was \$438.1 million, which reflects the purchase and maturity of investments and interest income from investments. This was \$467.6 million more than cash provided by investing activities in 2021 of \$29.5 million. The increase was primarily due to the investment of \$400 million in bond proceeds that were issued in July 2022.

Cash and cash equivalents increased by \$1.2 million from \$0.9 million at August 31, 2021 to \$2.1 million at August 31, 2022.

### ***Capital Assets and Related Financing Activities***

#### ***Capital Assets***

At August 31, 2022, the District had a total of \$1.04 billion in capital assets, net of accumulated depreciation. Capital assets increased \$60.2 million in 2022, \$64.4 million in 2021, and increased \$14.3 million in 2020.

Construction-in-progress was \$148.7 million at August 31, 2022. During 2022, \$32.4 million of construction-in-progress jobs were completed, including \$19.9 million on mechanical, electrical, and plumbing (MEP) projects, \$9.1 million on space renovation, and several smaller scale projects throughout the District. (See Note 20, pages 48-49, to the financial statements for more detailed information regarding capital assets.)

Construction-in-progress was \$86.3 million at August 31, 2021. During 2021, \$47.9 million of construction-in-progress jobs were completed, including \$27.6 million on District staff relocation, \$6.6 million on MEP

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projects, \$12 million on space renovation and several smaller scale projects throughout the District.

Construction-in-progress was \$40.9 million at August 31, 2020. During 2020, \$18.7 million of construction-in-progress jobs were completed, including \$7.1 million on MEP projects, \$1.8 million on safety and security projects, \$5.9 million on space renovation and several smaller scale projects throughout the District.

### ***Long-Term Debt Information***

On August 15, 2019, the Tarrant County College District Board of Trustees voted to call an improvement bond election. On November 5, 2019, voters approved an \$825 million bond proposal to fund a plan that will construct, improve, renovate, and equip buildings throughout the six-campus district. These funds will be used to enhance technology and facilities essential to training the region's future workforce. The first series were issued on August 6, 2020, \$264,175,000 of General Obligation Bonds, Series 2020. The second series were issued on July 19, 2022, \$363,150,000 of General Obligation Bonds, Series 2022, \$197,675,00 authorized bonds remain unissued. As a result, fiscal 2022 showed an increase in investments, additional construction-in-progress, and the related bond payable components. As of August 31, 2022, the District had \$674.8 million in outstanding general obligation bonds. The current portion was \$25.5 million and the long-term portion was \$649.3 million. (See Note 7, page 26-28 for additional information on long-term debt.)

### ***District Financial Position***

District management would like to report that the Tarrant County College District completes fiscal year 2022 with an exceptionally strong financial position. In addition, the budget adopted by the Board of Trustees for fiscal year 2023 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, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,076,847	\$ 949,310
Investments	874,508,404	528,649,553
Accounts receivable, less allowance for doubtful accounts of \$22,129,670 and \$22,428,313 in 2022 and 2021, respectively	9,829,695	11,024,760
Taxes receivable, less allowance for doubtful accounts of \$1,781,028 and \$2,461,201 in 2022 and 2021, respectively	5,151,032	5,052,618
Leases receivable	513,802	511,818
Interest receivable	2,013,636	682,967
Federal grants and contracts receivable	7,327,551	43,294,926
State and local grants and contracts receivable	2,053,387	557,575
Prepaid expenses and other current assets	1,611,389	3,212,786
<b>Total current assets</b>	905,085,743	593,936,313
<b>Non-current assets</b>		
Investments	247,188,695	163,044,656
Restricted investments	590,123	575,649
Right of use asset	1,102,898	1,650,644
Leases receivable	8,041,400	8,555,202
Capital assets, net		
Non-depreciable capital assets	232,791,844	170,393,271
Depreciable capital assets	803,475,830	805,706,129
<b>Total non-current assets</b>	1,293,190,790	1,149,925,551
<b>Total assets</b>	2,198,276,533	1,743,861,864
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	20,675,392	25,052,910
Deferred outflows related to OPEB	30,720,396	37,873,622
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	26,576,865	18,760,297
Accrued liabilities	13,820,889	10,278,540
Accrued compensated absences	7,777,882	8,404,829
Deposits held for others	483,215	468,726
Unearned revenue	19,807,170	18,143,724
Bonds payable	25,531,728	13,681,702
Net OPEB liability	3,739,970	5,600,802
Lease liability	548,641	546,235
<b>Total current liabilities</b>	98,286,360	75,884,855
<b>Non-current liabilities</b>		
Accrued compensated absences	5,569,541	5,507,839
Non-current workers' comp liability	43,697	66,610
Bond payable	649,247,443	273,168,943
Net pension liability	33,045,511	71,554,272
Net OPEB liability	178,239,086	162,306,962
Lease liability	558,850	1,107,490
<b>Total non-current liabilities</b>	866,704,128	513,712,116
<b>Total liabilities</b>	964,990,488	589,596,971
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	41,234,891	12,965,602
Deferred inflows related to OPEB	30,047,532	47,723,931
Deferred inflows related to leases	8,521,880	9,050,915

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

**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 1**  
**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2022 AND 2021**  
**(continued)**

	<u>2022</u>	<u>2021</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 880,379,203	\$ 898,505,750
Restricted for:		
Expendable		
Student aid	10,691,120	10,268,094
Debt services	6,627,196	3,246,529
Loans	<u>147,030</u>	<u>146,815</u>
Total restricted	17,465,346	13,661,438
Unrestricted	<u>307,032,981</u>	<u>235,283,789</u>
 <b>Total net position (Schedule D)</b>	 <u><u>\$ 1,204,877,530</u></u>	 <u><u>\$ 1,147,450,977</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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
<b>Operating revenues</b>		
Tuition and fees, net of allowances and discounts of \$13,708,188 and \$13,328,512 in 2022 and 2021, respectively	\$ 41,974,960	\$ 50,288,617
Federal grants and contracts	2,092,999	3,827,168
State grants and contracts	3,913,881	3,881,187
Non-governmental grants and contracts	4,552,858	3,176,655
Auxiliary enterprises	7,347,319	6,242,981
Other operating revenue	<u>1,421,516</u>	<u>1,121,721</u>
Total operating revenue (Schedule A)	61,303,533	68,538,329
<b>EXPENSES</b>		
<b>Operating expenses</b>		
Instruction	144,163,067	150,601,745
Public service	3,755,438	4,872,783
Academic support	35,648,035	36,148,835
Student services	40,016,037	40,703,157
Institutional support	63,189,790	54,465,160
Operation and maintenance of plant	32,376,746	31,007,731
Scholarships and fellowships	130,110,486	102,820,252
Auxiliary enterprises	8,638,983	6,596,340
Depreciation	<u>35,511,784</u>	<u>35,294,389</u>
Total operating expenses (Schedule B)	<u>493,410,366</u>	<u>462,510,392</u>
Operating loss	(432,106,833)	(393,972,063)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State appropriations	76,973,941	82,160,085
Maintenance ad-valorem taxes	271,006,319	253,002,381
Debt service ad-valorem taxes	18,404,809	18,518,250
Federal grants and contracts	138,386,986	114,044,561
Investment income (loss)	(6,849,511)	3,259,637
Other income	1,027,519	968,288
Interest on indebtedness	(6,014,177)	(4,241,730)
Gain or (loss) on disposal of assets	<u>(3,402,500)</u>	<u>166,851</u>
Total non-operating revenue (Schedule C)	<u>489,533,386</u>	<u>467,878,323</u>
Capital contribution		759,093
Increase in net position (Schedule D)	57,426,553	74,665,353
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>1,147,450,977</u>	<u>1,072,772,600</u>
Change in accounting principle (Note 2)		<u>13,024</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 1,204,877,530</u></u>	<u><u>\$ 1,147,450,977</u></u>

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, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from tuition and fees	\$ 43,691,799	\$ 23,288,450
Receipts from grants and contracts	10,921,351	10,986,764
Payments to suppliers	(206,153,364)	(141,266,578)
Payments to or on behalf of employees	(223,662,527)	(222,305,256)
Receipts from auxiliary enterprise charges	7,626,374	6,473,934
Other receipts	2,490,495	1,894,824
Net cash used by operating activities	(365,085,872)	(320,927,862)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	58,943,344	56,846,930
Receipts from non-operating federal revenue	173,405,342	79,425,768
Receipts from local property taxes	289,312,714	271,596,726
Receipts from leases	546,000	546,000
Payments on interest	(9,059,544)	(8,820,267)
Net cash provided by non-capital financing activities	513,147,856	399,595,157
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(99,592,479)	(99,095,218)
Payments on leases payable	(595,000)	(595,000)
Proceeds from bonds payable	400,000,000	
Payments on bonds payable	(8,830,000)	(8,180,000)
Proceeds from sale of capital assets	231,574	314,413
Net cash provided (used) by capital and related financing activities	291,214,095	(107,555,805)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturities of investments	1,823,200,621	883,494,203
Interest on investments	4,000,668	5,144,142
Purchase of investments	(2,265,349,831)	(859,096,650)
Net cash provided (used) by investing activities	(438,148,542)	29,541,695
Net increase in cash and cash equivalents	1,127,537	653,185
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	949,310	296,125
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 2,076,847	\$ 949,310
<b>RECONCILIATION OF OPERATING LOSS TO</b>		
<b>NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (432,106,833)	\$ (393,972,063)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	35,511,784	35,294,389
Non-cash state appropriations	18,030,597	25,313,155
Pension expense	(5,861,954)	3,136,937
OPEB expense	3,548,118	3,902,756
Noncash lease expense	(527,523)	(547,741)
Non-operating other income	1,063,969	773,103
Change in operating assets and liabilities		
Receivables	1,160,090	1,051,190
Prepaid expenses and other current assets	1,601,397	(601,167)
Accounts payable and accrued liabilities	11,336,004	8,645,744
Accrued compensated absences	(565,245)	(293,459)
Deposits held for others	14,489	33,048
Deferred revenue	1,709,235	(3,663,754)
Net cash used by operating activities	\$ (365,085,872)	\$ (320,927,862)
<b>SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>		
Change in fair value of investments	\$ (15,047,828)	\$ (1,736,516)
Donation of capital assets	\$	\$ 759,093

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

# NOTES TO FINANCIAL STATEMENTS

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

The Tarrant County College District (the District) was established as a public junior college in an election held in Tarrant County, Texas on July 31, 1965. The two largest cities in Tarrant County are Fort Worth and Arlington. The District operates as a junior college district under the laws of the state of Texas and is considered to be a special purpose, primary government according to the definition in Government Accounting Standards Board (GASB) Statement No. 14. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting and record keeping requirements of these entities, it is not a component unit of any other governmental entity. In addition, the District has considered all potential component units and no other entity meets the criteria for inclusion in the District's reporting entity.

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

### ***Report Guidelines***

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

### ***Tuition Discounting***

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside amount, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.033). When the award for tuition is used by the student 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 Higher Education Act (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 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, 2022 of \$200,709,955 have been provided for in the fiscal year 2023 budget.

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

### ***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 \$823,084,990 and \$512,975,449 at August 31, 2022 and 2021, 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 other than buildings, 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. Governments are only permitted to report deferred outflows of resources in circumstances specifically authorized by the GASB.

### ***Adoption of New Accounting Pronouncement***

In 2022, the District adopted GASB Statement No. 87, *Leases*. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, as a lessee, the District is required to recognize a lease liability and an intangible right-to-use lease asset, and as a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the District's leasing activities. Lease activity is further described in Note 14. The financial statements for the year ended August 31, 2021 have been restated in order to adopt GASB Statement No. 87.

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

### **Adoption of New Accounting Pronouncement-continued**

	<b>8/31/2021 As Previously Reported</b>	<b>GASB No. 87 Adoption</b>	<b>8/31/2021 As Restated</b>
Lease receivable	\$	\$ 9,067,020	\$ 9,067,020
Right of use asset		1,650,644	1,650,644
Current lease liability		546,235	546,235
Non-current lease liability		1,107,490	1,107,490
Deferred inflows related to leases		9,050,915	9,050,915
Net position	1,147,437,953	13,024	1,147,450,977

#### ***Lessee***

The District is a lessee for noncancellable leases of property and equipment. For lease arrangements with a maximum possible term of 12 months or less at commencement, the District recognizes expense based on the provisions of the lease contract. For lease arrangements greater than 12 months, the District recognizes a lease liability and a right-to-use lease asset in the financial statements. The District recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

- Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease plus expected renewals of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

#### ***Lessor***

The District is a lessor for noncancellable leases of property. For lease arrangements greater than 12 months that do not transfer ownership or represent an investment, the District initially recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal

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

### ***Lessor-continued***

portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease plus expected renewals of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### ***Upcoming Accounting Pronouncements***

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which defines SBITAs and provides accounting and financial reporting requirements for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the District's financial statements for the year ending August 31, 2023.

### ***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 assets 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.

### ***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. 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.

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

### ***Net Position-continued***

*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, 2022 or 2021.

*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.

### ***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.

### ***Reclassifications***

Certain reclassifications have been made to the 2021 financial statements to make them conform with the 2022 financial statement format. Such reclassifications had no effect on change in net assets.

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### ***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) U.S. Treasury Obligations, (2) U.S. Government Agencies and Instrumentalities, (3) Obligations guaranteed by the United States or its respective agencies and instrumentalities, (4) U.S. Government Agency and Instrumentality Mortgage Backed Securities (MBS) and Collateralized Mortgage Obligations (CMO), (5) Local Government Investment Pools, (6) Depository Demand Deposits and Certificates of Deposit, (7) Brokered Certificate of Deposit Securities, (8) Repurchase Agreements, (9) Money Market Mutual Funds, (10) Commercial Paper, (11) 501(f) Funds, (12) Negotiable Certificates of Deposit, (13) Corporate Bonds, (14) State and Local Debt Obligations, and (15) Short-Term Bond Funds.

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).

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

At August 31, 2022 and 2021, the carrying amounts of the District's deposits were \$2,061,847 and \$944,310 and total bank balances equaled \$3,577,329 and \$4,241,656, respectively. Bank balances of \$250,000 were covered by the FDIC with \$3,327,329 and \$3,991,656 covered by collateral pledged in a joint custody security account with market values of \$4,011,721 and \$5,249,344 at August 31, 2022 and 2021, 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, 2022 and 2021 were \$11,310,638 and \$161,906,556 invested in TexPool, a pool managed by the Treasurer of the State of Texas, \$1,854,665 and \$2,181,361 invested in TexStar, a pool managed by JP Morgan Investment Management Inc. and First Southwest Company, \$539,999,215 and \$146,717,530 invested in TexasTerm, a series of pools managed by PFM Asset Management LLC, and \$269,920,472 and \$202,170,002 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 a weighted average maturity of 60 days or less and a weighted average life of 120 days or less; hold investments

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

that are highly rated by nationally recognized statistical rating organizations; have no more than 5% of their portfolio with one issuer (excluding U.S. Government securities); and can meet reasonably foreseeable redemptions. TexPool, TexasTERM, 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, a general banking moratorium, or a national or state emergency that affects the pools' liquidity. The District has no unfunded commitments related to the investment pools.

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. TexStar has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on a major securities market, a general banking moratorium, or a national or state emergency that affects the pools' liquidity.

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

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

<b>Cash and Cash Equivalents</b>		
	<b>2022</b>	<b>2021</b>
Bank deposits		
Demand deposits	\$ 2,061,847	\$ 944,310
Cash on hand		
Petty cash	15,000	5,000
Total cash and cash equivalents	<u>\$ 2,076,847</u>	<u>\$ 949,310</u>

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

**Reconciliation of Deposits and Investments to Exhibit 1**

	<b>Carrying Value August 31, 2022</b>	<b>Carrying Value August 31, 2021</b>
TexPool	\$ 11,310,638	\$ 161,906,556
TexStar	1,854,665	2,181,361
TexasTERM - TexasDAILY	539,999,215	146,717,530
Lone Star Investment Pool	269,920,472	202,170,002
Beneficial Interest in Funds Held by Affiliate	14,695,996	16,249,753
U.S. Government Agencies	58,774,154	163,044,656
Corporate Securities	60,918,969	
Municipal Securities	4,055,419	
Money Markets	2,796,219	
Treasury Bills	157,961,475	
Total	1,122,287,222	692,269,858
Cash and cash equivalents	2,076,847	949,310
Total deposits and investments	<u>\$ 1,124,364,069</u>	<u>\$ 693,219,168</u>
Cash and cash equivalents (Exhibit 1)	\$ 2,076,847	\$ 949,310
Investments - current (Exhibit 1)	874,508,404	528,649,553
Restricted investments - non-current (Exhibit 1)	590,123	575,649
Investments - non-current (Exhibit 1)	247,188,695	163,044,656
Total deposits and investments	<u>\$ 1,124,364,069</u>	<u>\$ 693,219,168</u>

As of August 31, 2022 the District had the following investments and maturities:

<b>Investment Maturities (in Years)</b>							
<b>Investment Type</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>	<b>5+</b>
TexPool	\$ 11,310,638	\$ 11,310,638	\$	\$	\$	\$	\$
TexStar	1,854,665	1,854,665					
TexasTERM - TexasDAILY	539,999,215	539,999,215					
Lone Star Investment Pool	269,920,472	269,920,472					
Beneficial interest in funds held by affiliate	14,695,996						
U.S. Agency Securities	58,774,154	9,310,026	23,467,028	20,026,828		1,631,412	4,338,860
Treasury Bills	157,961,475	42,033,691	46,334,802	31,463,118	28,135,545	9,994,319	
Corporate Securities	60,918,969	11,416,325	6,895,592	18,350,832	6,591,401	17,664,819	
Municipal Securities	4,055,419		2,128,985		1,429,376	497,058	
Money Markets	2,796,219	2,796,219					
Total carrying value	<u>\$ 1,122,287,222</u>	<u>\$ 888,641,251</u>	<u>\$ 78,826,407</u>	<u>\$ 69,840,778</u>	<u>\$ 36,156,322</u>	<u>\$ 29,787,608</u>	<u>\$ 4,338,860</u>

Beneficial Interest in Funds Held by Affiliate is comprised of cash equivalents, mutual funds, and exchange traded funds.

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

As of August 31, 2022 and 2021, Beneficial Interest in Funds Held by Affiliate was comprised of the following underlying investments:

	2022	2021
Exchange- Traded Fund- Bond	\$ 468,157	\$
Exchange- Traded Fund - Equity	325,132	
Cash Equivalents	648,071	335,161
Mutual Fund - Fixed Income		8,302,004
Mutual Fund - Bond	7,309,768	
Mutual Fund - Commodities	333,792	
Mutual Fund - Equity	5,079,355	7,454,521
Mutual Fund - Real Estate	531,721	158,067
Total fair value	<u>\$ 14,695,996</u>	<u>\$ 16,249,753</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 investments are limited to a maximum maturity of five years from the transaction settlement date with the exception of US Government agency/ instrumentality guaranteed MBS and CMO securities, which must have a weighted average life of no more than five years. The Core Portfolio should remain at or below three years weighted average maturity. The maximum maturity of any security in the Liquidity Portfolio is one year. Debt service reserve funds with longer term investment horizons may be invested in securities exceeding five years if the maturity of such investment is made to coincide as nearly as practical with the expected use of funds.

**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 places the following limits on the amounts the District may invest in any one issuer:

Authorized Investment	Issuer Limit
U.S. Treasury Obligations	100%
U.S. Gov. Agencies and Instrumentalities	35%
Obligations guaranteed by the United States or its representative agencies and instrumentalities	20%
U.S. Gov. Agency and Instrumentality MBS and CMO	20%
Local Gov. Investment Pools	50%
Depository Demand Deposits and Certificates of Deposit	20%
Brokered Certificates of Deposit Securities	5%
Repurchase Agreements	
*flex agreements 100% of bond proceeds	50%
Money Market Mutual Funds	50%
Commercial Paper	5%
501(f) Funds	20%
Negotiable Certificates of Deposit	5%
Corporate Bonds	5%
State and Local Debt Obligations	5%
Short-Term Bond Funds	10%

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

As of August 31, 2022, more than 5% of the District's investments are in Lone Star Investment Pool (24.1%), TexasTERM - Texas Daily (48.1%) and U.S. Treasury Obligations (14.1%).

As of August 31, 2022 and 2021, restricted investments consisted of the following:

	<b>2022</b>	<b>2021</b>
Funds held for others	\$ 481,522	\$ 467,016
Funds restricted to student loans	108,601	108,633
Total restricted investments	<u>\$ 590,123</u>	<u>\$ 575,649</u>

Investment income for the years ended August 31, 2022 and 2021 consisted of the following:

	<b>2022</b>	<b>2021</b>
Interest and dividends	\$ 8,198,317	\$ 4,996,153
Net decrease in fair value of investments	<u>(15,047,828)</u>	<u>(1,736,516)</u>
Total investment income (loss)	<u>\$ (6,849,511)</u>	<u>\$ 3,259,637</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.

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

The fair value hierarchy of investments at August 31, 2022 and 2021 follows:

	<b>2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Beneficial interest in Funds Held by Affiliate	\$	\$ 14,695,996	\$	\$ 14,695,996
U.S. Government Agencies		58,774,154		58,774,154
Treasury Bills		157,961,475		157,961,475
Corporate Securities		60,918,969		60,918,969
Municipal Securities		4,055,419		4,055,419
Money Markets		2,796,219		2,796,219
	<u>\$</u>	<u>\$ 299,202,232</u>	<u>\$</u>	<u>\$ 299,202,232</u>
<b>2021</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. Government Agency Securities	\$	\$ 163,044,656	\$	\$ 163,044,656
Beneficial Interest in Funds Held by Affiliate		16,249,753		16,249,753
	<u>\$</u>	<u>\$ 179,294,409</u>	<u>\$</u>	<u>\$ 179,294,409</u>

U.S. Government treasuries and 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 mutual funds and exchange-traded funds. Mutual funds and exchange-traded 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, 2022 and 2021, the District did not invest in derivatives.

## ***NOTE 7. BONDS PAYABLE***

On August 15, 2019, the Tarrant County College District Board of Trustees voted to call an improvement bond election. On November 5, 2019, voters approved an \$825 million bond proposal to fund a plan that will construct, improve, renovate, and equip buildings throughout the six-campus district. The District plans to use the money to enhance technology and facilities essential to training the region's future workforce. The District

**NOTE 7. BONDS PAYABLE-continued**

issued the first series of bonds on August 6, 2020. The second series of bonds was issued on July 19, 2022. Bonds payable consist of bond principal, net of premiums and discounts. The changes in bonds payable for the years ended August 31, 2022 and 2021 were as follows:

	<b>2022</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds, series 2020	\$ 255,995,000	\$	\$ 8,830,000	\$ 247,165,000	\$ 9,270,000
General obligation bonds, series 2022		363,150,000		363,150,000	9,815,000
Subtotal	<u>255,995,000</u>	<u>363,150,000</u>	<u>8,830,000</u>	<u>610,315,000</u>	<u>19,085,000</u>
Premium on bonds payable	31,525,249	38,690,707	5,120,644	65,095,312	6,485,191
Discount on bonds payable	<u>(669,604)</u>	<u></u>	<u>(38,463)</u>	<u>(631,141)</u>	<u>(38,463)</u>
Total bonds payable	<u>\$ 286,850,645</u>	<u>\$ 401,840,707</u>	<u>\$ 13,912,181</u>	<u>\$ 674,779,171</u>	<u>\$ 25,531,728</u>
Due within one year				25,531,728	
Total long-term bonds payable				<u>\$ 649,247,443</u>	

	<b>2021</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds, series 2020	\$ 264,175,000	\$	\$ 8,180,000	\$ 255,995,000	\$ 8,830,000
Premium on bonds payable	36,773,485		5,248,236	31,525,249	4,890,165
Discount on bonds payable	<u>(708,067)</u>	<u></u>	<u>(38,463)</u>	<u>(669,604)</u>	<u>(38,463)</u>
Total bonds payable	<u>\$ 300,240,418</u>	<u>\$</u>	<u>\$ 13,389,773</u>	<u>\$ 286,850,645</u>	<u>\$ 13,681,702</u>
Due within one year				13,681,702	
Total long-term bonds payable				<u>\$ 273,168,943</u>	

## **NOTE 7. BONDS PAYABLE-continued**

Bonds payable are comprised of the following issues:

	<b>2022</b>	<b>2021</b>
General obligation bonds, series 2020. Issued August 6, 2020 for \$264,175,000; \$197,675,000 authorized bonds remain unissued. The bonds were issued to finance constructing, improving, renovating, and equipping school buildings in the District. The source of revenues for debt service is future property taxes.	\$ 247,165,000	\$ 255,995,000
General obligation bonds, series 2022. Issued July 19, 2022 for \$363,150,000; \$197,675,000 authorized bonds remain unissued. The bonds were issued to finance constructing, improving, renovating, and equipping school buildings in the District. The source of revenues for debt service is future property taxes.	<u>363,150,000</u>	<u></u>
Total	<u>\$ 610,315,000</u>	<u>\$ 255,995,000</u>

Bonds are due in annual installments varying from \$9,270,000 to \$27,600,000 with interest rates from 2.0% to 5.0% with the final installment due in 2042. The principal and interest requirements for the next five years and five-year increments thereafter are summarized below:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 19,085,000	\$ 27,555,352	\$ 46,640,352
2024	21,315,000	25,279,894	46,594,894
2025	22,380,000	24,214,144	46,594,144
2026	23,495,000	23,095,144	46,590,144
2027	24,670,000	21,920,394	46,590,394
2028-2032	143,125,000	89,819,470	232,944,470
2033-2037	178,315,000	54,646,670	232,961,670
2038-2042	<u>177,930,000</u>	<u>19,250,982</u>	<u>197,180,982</u>
Total	<u>\$ 610,315,000</u>	<u>\$ 285,782,050</u>	<u>\$ 896,097,050</u>

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## ***NOTE 8. 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 Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at [www.trs.texas.gov/TRS Documents/acfr-2021.pdf](http://www.trs.texas.gov/TRS_Documents/acfr-2021.pdf); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### ***Benefits Provided***

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education institutions in Texas. The pension formula is calculated using 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.

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.

#### ***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.

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

## **NOTE 8. EMPLOYEES' RETIREMENT PLAN-continued**

### **Contributions-continued**

<b>Contribution Rates</b>		
	<b>2022</b>	<b>2021</b>
Member	8.00%	7.7%
Non-Employer Contributing Entity (State)	7.75%	7.5%
Employers	7.75%	7.5%
District Contributions	\$ 5,898,750	\$ 5,511,959
Member Contributions	\$ 11,111,640	\$ 10,421,408
State of Texas On-behalf Contributions	\$ 4,666,319	\$ 4,662,673

The District's contributions to the TRS pension plan in 2022 were \$5,898,750 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 2022 were \$4,666,319.

- 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, 2020 actuarial valuation rolled forward to August 31, 2021 was determined using the following actuarial assumptions from TRS 2021 ACFR pg 87:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%

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## ***NOTE 8. EMPLOYEES' RETIREMENT PLAN-continued***

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

Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95%. Source for the rate is the Fixed Income Market Data/YieldCurve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index."
Last year ending August 31 in the Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. The TRS Board of Trustees has sole authority to determine the actuarial assumptions used for the plan.

### ***Changes Since the Prior Actuarial Valuation***

There were no changes in assumptions since the prior measurement date.

### ***Discount Rate***

The single discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. 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. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2021 (see page 53 of the TRS ACFR) are summarized on the next page:

## NOTE 8. EMPLOYEES' RETIREMENT PLAN-continued

### Discount Rate-continued

Asset Class	Target Allocation <sup>1</sup> %	Long Term Expected Geometric Real Rate of Return <sup>2</sup>	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return (Including Credit Sensitive Instruments)	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
<b>Real Return</b>			
Real Estate	15.00%	4.50%	1.00%
Energy and Natural Resources, and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.00%	2.80%	0.28%
<b>Leverage</b>			
Cash	2.00%	-0.07%	-0.01%
Asset allocation leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag <sup>3</sup>			-0.95%
<b>Expected Return</b>	<u>100.00%</u>		<u>6.90%</u>

<sup>1</sup> Target allocations are based on the FY2021 policy model.

<sup>2</sup> Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021).

<sup>3</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.

### 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 (7.25%) in measuring the 2022 Net Pension Liability.

## **NOTE 8. EMPLOYEES' RETIREMENT PLAN-continued**

### **Discount Rate Sensitivity Analysis-continued**

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
The District's proportionate share of the net pension liability:	\$ 72,209,687	\$ 33,045,511	\$ 1,271,477

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

At August 31, 2022, the District reported a liability of \$33,045,511 for its proportionate share of 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	\$ 33,045,511
State's proportionate share that is associated with the District	27,846,588
Total	<u>\$ 60,892,099</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020 rolled forward to August 31, 2021. 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, 2020 through August 31, 2021.

At August 31, 2021, the employer's proportion of the collective net pension liability was 0.129760908%, which was a decrease of 2.87% from its proportion measured as of August 31, 2020.

For the year ended August 31, 2022, the District recognized pension expense of \$111,327 and revenue of \$111,327 for support provided by the state, based on a measurement date of August 31, 2021.

## ***NOTE 8. EMPLOYEES' RETIREMENT PLAN-continued***

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

At August 31, 2022, the District reported its proportionate share of 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, 2020 rolled forward to August 31, 2021:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 55,301	\$ 2,326,430
Changes in actuarial assumptions	11,680,943	5,091,889
Difference between projected and actual investment earnings	2,052,548	29,760,780
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	987,850	4,055,792
Contributions paid to TRS subsequent to the measurement date	5,898,750	
Total	<u>\$ 20,675,392</u>	<u>\$ 41,234,891</u>

The contributions paid to TRS subsequent to the measurement date in the amount of \$5,898,750 will be recognized as a reduction of the net pension liability during the fiscal year ending August 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended August 31</b>	<b>Pension Expense Amount</b>
2022	\$ (4,697,531)
2023	(4,721,240)
2024	(7,155,440)
2025	(9,066,577)
2026	(666,282)
Thereafter	(151,181)

### ***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.

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## ***NOTE 8. EMPLOYEES' RETIREMENT PLAN-continued***

### ***Funding Policy***

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 3.30% and 6.65%, respectively. The District contributed 5.20% in fiscal years 2022, 2021, and 2020 for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill (S.B.) 1812, 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, 2022, 2021, and 2020 were \$800,135, \$825,134, and \$868,377, 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 \$5,700,214 is reflected in the accompanying financial statements as both revenues and expenditures. Participants contributed \$12,724,034 (\$11,111,640 for the Teacher Retirement Program and \$1,612,394 for the Optional Retirement Program). The District contributed \$922,029, \$964,328, and \$1,020,816 for the years ended August 31, 2022, 2021, and 2020, respectively, to the Optional Retirement Program to cover the 5.2% referenced above.

Total payroll expense for fiscal years 2022 and 2021 was approximately \$185,300,000 and \$183,500,000, respectively. The total payroll of employees covered by the Teacher Retirement System was approximately \$126,700,000 and \$124,500,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$24,200,000 and \$25,000,000 for fiscal years 2022 and 2021, respectively.

## ***NOTE 9. 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 post-employment 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 Annual Comprehensive Financial Report that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877)275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

#### ***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.

## **NOTE 9. OTHER POST EMPLOYMENT BENEFITS-continued**

### **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.

### **Maximum Monthly Employer Contribution Retiree Health and Basic Life Premium**

#### **Fiscal Year 2021**

Retiree Only	\$ 624.82
Retiree & Spouse	1,339.90
Retiree & Children	1,103.58
Retiree & Family	1,818.66

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

### **Premium Contributions by Source Group Benefits Program Plan For the Years Ended August 31, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
Employers	\$ 766,689,167	\$ 748,369,212
Members (Employees)	192,426,941	230,151,101
Nonemployer Contributing Entity (State of Texas)	39,188,518	37,736,903

Source: ERS 2021 Annual Comprehensive Financial Reports

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## **NOTE 9. OTHER POST EMPLOYMENT BENEFITS-continued**

### ***Actuarial Assumptions***

The total OPEB liability was determined by an actuarial valuation as of August 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2021
Actuarial Cost Method	Entry Age
Last Experience Study	State Agency Members: 5-year period from September 1, 2014 to August 31, 2019 Higher Education Members: 7-year period from September 1, 2010 to August 31, 2017
Actuarial Assumptions:	
Discount Rate	2.14%
Projected annual salary increase (includes inflation)	2.30% to 9.05%
Annual healthcare trend rate	<u>Health Select</u> 5.25% for FY 2023, 5.15% for FY 2024, 5.00% for FY 2025, 4.75% for FY 2026, 4.60% for FY 2027 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2030 and later years <u>HealthSelect Medicare Advantage</u> 0.00% for FY 2023, 66.67% for FY 2024, 24.00% for FY 2025, 4.75% for FY 2026, 4.60% for FY 2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2030 and later years <u>Pharmacy</u> 10.00% for FY2023 and FY2024, decreasing 100 basis points per year to 5.00% for FY2029 and 4.30% for FY2030 and later years.
Inflation assumption rate	2.30%
Ad hoc post-employment benefit changes	None
Mortality rate	<u>State Agency Members</u> <ul style="list-style-type: none"><li>• Service retirees, survivors and other Inactive Members: 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020.</li><li>• Disability Retirees: 2020 State Retirees of Texas Mortality table with a 3-year set forward for males and females with minimum rates at all ages of 3.0% for males and 2.5% for females, respectively, and Ultimate MP Projection Scale projected from the year 2020.</li><li>• Active Members: Pub-2010 General Employees Active Member mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP Projection scale from the year 2010.</li></ul> <u>Higher Education Members</u> <ul style="list-style-type: none"><li>• Service retirees, Survivors and other Inactive Members: Tables based on Teachers Retirement System of Texas (TRS) experience with Ultimate MP Projection Scale from the year 2018.</li><li>• Disability Retirees: Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.</li></ul>

## **NOTE 9. OTHER POST EMPLOYMENT BENEFITS-continued**

### **Actuarial Assumptions-continued**

- Active Members: Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projected Scale from the year 2014.

Source: 2021 ERS ACFR except for mortality assumptions obtained from ERS FY21 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 retirement plan actuary as of August 31, 2019 and the TRS retirement plan actuary as of August 31, 2017.

### **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 assumptions of the discount rate are summarized in the following schedule:

#### **Assumptions for Single Discount Rate Group Benefits Plan**

##### **Expected investment rate of return**

**Not applicable because the plan operates  
on a pay-as-you-go basis**

Municipal bond rate (Note A)	2.14%
Year fiduciary net position depleted	2022
Single Discount Rate	2.14%

Note A: The source of the municipal bond rate is 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.

### **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 (2.14%) in measuring the net OPEB liability.

	<b>1% Decrease in Discount Rate (1.14%)</b>	<b>Discount Rate (2.14%)</b>	<b>1% Increase in Discount Rate (3.14%)</b>
The District's proportionate share of the net OPEB liability:	\$ 216,743,964	\$ 181,979,056	\$ 154,780,710

## **NOTE 9. OTHER POST EMPLOYMENT BENEFITS-continued**

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

The initial healthcare trend rate is 5.25% and 0% for HealthSelect Medicare Advantage and the ultimate rate is 4.3%. 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 (5.25%) in measuring the net OPEB liability.

	1% Decrease in (HealthSelect: 4.25% decreasing to 3.30%; HealthSelect Medicare Advantage: -1.00% to 3.30%; Pharmacy: 9.00% decreasing to 3.30%	Current Healthcare Cost Trend Rates (HealthSelect: 5.25% decreasing to 4.30%; HealthSelect Medicare Advantage: 0.00% to 4.30%; Pharmacy: 10.00% decreasing to 4.30%	1% Increase in (HealthSelect: 6.25% decreasing to 5.30%; HealthSelect Medicare Advantage: 1.00% to 5.30%; Pharmacy: 11.00% decreasing to 5.30%
The District's proportionate share of the net OPEB liability:	\$ 152,386,036	\$ 181,979,056	\$ 220,751,174

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

At August 31, 2022, the District reported a liability of \$181,979,056 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	\$ 181,979,056
State's proportionate share that is associated with the District	171,987,088
Total	<u>\$ 353,966,144</u>

The net OPEB liability was measured as of August 31, 2021, 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, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the District's proportion of the collective net OPEB liability was 0.50725152%, which was a decrease of 0.17% from its proportion measured as of August 31, 2020.

For the year ended August 31, 2022, the District recognized a reduction to OPEB expense of \$2,090,358 and a reduction to revenue of \$2,090,358 for support provided by the state.

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## ***NOTE 9. OTHER POST EMPLOYMENT BENEFITS-continued***

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

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

#### Demographic Assumptions

The following assumptions or other inputs have been updated since the previous valuation:

- Percentage of current retirees and retiree spouses 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 assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.

#### Economic Assumptions

- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- Annual rate of increase in the Patient-Centered Outcome Research Institute (PCORI) fees payable under the Affordable Care Act (ACA) has been updated to reflect recent plan experience and its effects on our short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

Minor benefit changes described below have been reflected in the FY2022 Assumed Per Capita Health Benefits Costs.

#### Other Inputs

The discount rate was changed from 2.20% to 2.14% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

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

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided in the FY2022 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

## **NOTE 9. OTHER POST EMPLOYMENT BENEFITS-continued**

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

At August 31, 2022, 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	\$	\$ 4,463,741
Changes in actuarial assumptions	12,458,998	20,268,391
Difference between projected and actual investment earnings	32,230	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	15,942,935	5,315,400
Contributions paid to ERS subsequent to the measurement date	2,286,233	
Total	<u>\$ 30,720,396</u>	<u>\$ 30,047,532</u>

The contributions subsequent to the measurement date in the amount of \$2,286,233 will be recognized as a reduction of the net OPEB liability during the fiscal year ending August 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31:	OPEB Expense Amount
2023	\$ (1,149,874)
2024	1,177,316
2025	(1,603,665)
2026	(558,170)
2027	521,023

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 2022 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, 2022, 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, 2022. 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 10. 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 \$410 and \$445 per month for the years ended August 31, 2022 and 2021, respectively. The cost of providing those benefits for all employees in the year ended August 31, 2022, paid by the State of Texas on behalf of the District, totaled \$14,309,416 (\$14,408,340 for the year ended August 31, 2021) with \$3,423,835 for 792 retirees (retiree benefits for 764 retirees cost \$3,352,879 in fiscal year 2021) and \$10,885,581 for 2214 active employees (active employee benefits for 2,288 employees cost \$11,055,461 in fiscal year 2021). The on-behalf payments are reflected in the accompanying financial statements as both revenues and expenses.

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

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The employees' investments are held in tax deferred annuity plans pursuant to Internal Revenue Code Section 403(b). As of August 31, 2022 and 2021, the District had 355 and 397 employees participating in the program, respectively. A total of \$2,368,290 and \$2,367,162 in payroll deductions had been invested in approved plans during the fiscal years 2022 and 2021, respectively.

The District also sponsors a deferred compensation plan pursuant to Internal Revenue Code Section 457(b). Full-time employees can begin participating in the plan on their first day of employment. An employee can contribute up to a maximum of \$20,500 (\$27,000 for participants over 50 years of age) for 2022. As of August 31, 2022 and 2021, the District had 173 and 182 employees participating in the program, respectively. A total of \$1,354,690 and \$1,177,769 in payroll deductions had been invested in approved plans during the fiscal years 2022 and 2021, respectively. In August 2017, the District established a deferred compensation plan pursuant to Internal Revenue Code Section 457(f) covering a member of management.

## **NOTE 12. COMPENSATED ABSENCES**

Full-time employees earn vacation leave from 6.67 to 13.33 hours per month, depending on the number of years employed with the District. An employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to twenty days for those employees with sixteen or more years of service. Employees with at least three months of service who terminate their employment are entitled to payment for all accumulated vacation leave up to the maximum allowed. Sick leave, which can be accumulated up to a maximum of 90 days, is earned at the rate of 1 day per month.

Sick leave 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, 2022 and 2021 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
2022	\$ 13,912,668	\$ 9,376,548	\$ 9,941,793	\$ 13,347,423	\$ 7,777,882
2021	\$ 14,206,127	\$ 7,115,849	\$ 7,409,308	\$ 13,912,668	\$ 8,404,829

### **NOTE 13. PENDING LAWSUITS AND CLAIMS**

On August 31, 2022, various lawsuits and claims involving the District were pending. The ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time. Based on consultation with legal counsel, management believes this liability, if any, to the extent not provided for by insurance or otherwise, will not have a material effect on the District.

### **NOTE 14. LEASES - LESEE AND LESSOR**

#### ***Leases Payable***

The District has entered into multiple lease agreements as a lessee. The leases allow the right-to-use various buildings and copier equipment over the term of the lease. The District is required to make monthly payments at its incremental borrowing rate, or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	<b>Interest Rate</b>	<b>Liability at Commencement</b>	<b>Term in Months</b>	<b>8/31/22 Ending Balance</b>
Copiers	0.435%	\$ 1,756,182	46	\$ 843,262
James Guinn School Building	0.581%	\$ 180,972	130	148,341
Mitchell Street Building	0.435%	\$ 261,231	43	115,888
Total				<u>\$ 1,107,491</u>

<b>Fiscal Year</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Payments</b>
2023	\$ 548,639	\$ 3,930	\$ 552,569
2024	443,432	1,551	444,983
2025	16,606	626	17,232
2026	16,702	530	17,232
2027	16,800	432	17,232
2028-2032	65,311	746	66,057

## NOTE 14. LEASES - LESEE AND LESSOR-continued

### Leases Payable-continued

Asset Class	Lease Asset Value	Accumulated Amortization
Buildings	\$ 442,203	\$ 179,218
Equipment	1,756,182	916,269
Total Leases	<u>\$ 2,198,385</u>	<u>\$ 1,095,487</u>

### Leases Receivable

On 09/01/2020, the District entered into a 217-month lease as a lessor with the Fort Worth Independent School District (FWISD) for the use of premises at its Trinity River Campus for the Texas Academy of Biomedical Sciences (TABS), a public early college high school. An initial lease receivable was recorded in the amount of \$9,579,950. As of 08/31/2022, the value of the lease receivable is \$8,555,202. The lessee, FWISD, is required to make monthly fixed payments of \$45,500.00. The lease is discounted at the District's estimated incremental borrowing rate of 0.3870%. The value of the deferred inflow of resources as of 08/31/2022 was \$8,521,880, and the District recognized lease revenue of \$529,035 during the fiscal year. The lessee has three extension options, each for 60 months.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 513,802	\$ 32,198	\$ 546,000
2024	515,794	30,206	546,000
2025	517,794	28,206	546,000
2026	519,801	26,199	546,000
2027	521,816	24,184	546,000
2028-2032	2,639,584	90,416	2,730,000
2033-2037	2,691,149	38,851	2,730,000
2038-2040	635,462	1,538	637,000

In August 2019, the District entered into a contract to lease space in its Trinity River Campus to Tarleton State University. The term of the lease commenced August 19, 2019 and ends on May 31, 2029. Substantially all of the payments to be received under this contract, totaling approximately \$2,000,000, were received during the year ended August 31, 2020.

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 through 2037, with an additional \$50,000 in 2026.

## **NOTE 15. CONTRACT AND GRANT AWARDS**

The District receives funding from various federal and state contract and grant programs. Revenues are recognized as funds are actually expended. Funds received but not expended during the reporting period are reported as unearned revenue. For direct federal contract and grant awards, funds expended but not collected are reported as federal receivables. Federal pass-through awards and non-federal contract and grant awards for which funds are expended but not collected are reported as state and local grants and contracts receivable. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards or funds awarded during fiscal years 2022 and 2021 for which monies have not been received nor funds expended totaled approximately \$14,060,000 and \$129,440,000, respectively. Of this amount approximately \$12,070,000 and \$128,040,000 were from federal contract and grant awards and \$1,990,000 and \$1,400,000 were from state contract and grant awards for fiscal years ended August 31, 2022 and 2021, respectively.

## **NOTE 16. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District fully insures its buildings, structures, contents, and equipment with the purchase of commercial insurance in an all risk blanket property insurance policy.

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 rate used to calculate the present value of liabilities was 1.0% for the years ended August 31, 2022 and 2021.

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Beginning balance	\$ 959,053	\$ 1,307,863	\$ 642,036
Current year claims and changes in estimates	102,778	(213,536)	2,101,479
Claim payments	<u>(273,780)</u>	<u>(135,274)</u>	<u>(1,435,652)</u>
Ending balance	788,051	959,053	1,307,863
Current portion	<u>(744,354)</u>	<u>(892,443)</u>	<u>(1,272,358)</u>
Non-current portion	<u>\$ (43,697)</u>	<u>\$ (66,610)</u>	<u>\$ (35,505)</u>

## **NOTE 17. RELATED PARTIES**

The Tarrant County College Foundation (the 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 \$1,471,385 and \$1,691,144 to the District during the years ended August 31, 2022 and 2021, 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, 2022 and 2021, the District had a receivable balance due from the Foundation of \$569,342 and \$766,169, respectively.

## **NOTE 18. 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.

	<b>2022</b>	<b>2021</b>
Assessed Valuation of the District	\$ 278,460,092,155	\$ 264,194,731,287
Less: Exemptions and Abatements	<u>(47,515,012,298)</u>	<u>(45,463,304,215)</u>
Net Assessed Valuation of the District	<u><u>\$ 230,945,079,857</u></u>	<u><u>\$ 218,731,427,072</u></u>

	<b>2022</b>		
	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
Tax Rate per \$100 valuation assessed (maximum per enabling legislation)	\$ .200000	\$ .500000	\$ .700000
Tax Rate per \$100 valuation assessed	\$ .122081	\$ .008089	\$ .130170

	<b>2021</b>		
	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
Tax Rate per \$100 valuation assessed (maximum per enabling legislation)	\$ .20000	\$ .50000	\$ .70000
Tax Rate per \$100 valuation assessed	\$ .12147	\$ .00870	\$ .13017

Taxes levied for the years ended August 31, 2022 and 2021 amounted to \$290,624,279 and \$276,820,161, respectively, including any penalties and interest assessed. Property taxes attach as an enforceable lien on property as of January 1 following the October 1 levy. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

**NOTE 18. PROPERTY TAXES-continued**

Taxes Collected	2022		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 270,402,665	\$ 19,645,935	\$ 290,048,600
Delinquent Taxes Collected	404,055	29,367	433,422
Penalties and Interest Collected	<u>2,494,133</u>	<u>181,274</u>	<u>2,675,407</u>
Total Collections	<u>\$ 273,300,853</u>	<u>\$ 19,856,576</u>	<u>\$ 293,157,429</u>

Taxes Collected	2021		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 256,637,429	\$ 18,381,046	\$ 275,018,475
Delinquent Taxes Collected	895,187	64,116	959,303
Penalties and Interest Collected	<u>647,284</u>	<u>46,360</u>	<u>693,644</u>
Total Collections	<u>\$ 258,179,900</u>	<u>\$ 18,491,522</u>	<u>\$ 276,671,422</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, 2022 and 2021 were 99.80% and 99.95% of the current tax levy, respectively. The District remitted payments of \$3,844,715 and \$5,074,695 in fiscal years 2022 and 2021, respectively, for taxes collected on behalf of Tax Incremental Finance Districts. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

**NOTE 19. INCOME TAXES**

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The District had no unrelated business income tax liability for the years ended August 31, 2022 and 2021.

## NOTE 20. CAPITAL ASSETS

Capital assets activity for the years ended August 31, 2022 and 2021, is summarized as follows:

	2022			
	Beginning Balance	Additions (Transfers)	Deletions	Ending Balance
Non-depreciable capital assets				
Land	\$ 82,650,249	\$	\$	\$ 82,650,249
Collections	1,426,368	5,000		1,431,368
Construction in progress	86,316,656	62,393,571		148,710,227
Total cost of non-depreciable capital assets	170,393,273	62,398,571		232,791,844
Depreciable capital assets				
Buildings	769,889,067	30,303,499	(7,251,084)	792,941,482
Improvements other than buildings	366,910,515	1,858,770		368,769,285
Telecommunications and peripheral equipment	35,839,595	2,201,546	(2,508,939)	35,532,202
Library books	7,309,525	637,536	(761,178)	7,185,883
Furniture and other equipment	59,000,138	1,937,572	(573,526)	60,364,184
Total cost of depreciable capital assets	1,238,948,840	36,938,923	(11,094,727)	1,264,793,036
Accumulated depreciation				
Buildings	184,563,800	14,147,277	(3,853,203)	194,857,874
Improvements other than buildings	173,973,600	14,976,173		188,949,773
Telecommunications and peripheral equipment	29,277,539	2,740,331	(2,503,427)	29,514,443
Library books	3,388,202	371,689	(550,786)	3,209,105
Furniture and other equipment	42,039,572	3,276,314	(529,875)	44,786,011
Total accumulated depreciation	433,242,713	35,511,784	(7,437,291)	461,317,206
Net depreciable capital assets	805,706,127	1,427,139	(3,657,436)	803,475,830
Net capital assets	\$ 976,099,400	\$ 63,825,710	\$ (3,657,436)	\$ 1,036,267,674

## NOTE 20. CAPITAL ASSETS-continued

	2021			
	Beginning Balance	Additions (Transfers)	Deletions	Ending Balance
Non-depreciable capital assets				
Land	\$ 82,651,920	\$	\$ (1,672)	\$ 82,650,248
Collections	1,426,368			1,426,368
Construction in progress	40,948,580	45,368,075		86,316,655
Total cost of non-depreciable capital assets	125,026,868	45,368,075	(1,672)	170,393,271
Depreciable capital assets				
Buildings	723,987,935	45,901,131		769,889,066
Improvements other than buildings	365,137,654	1,772,862		366,910,516
Telecommunications and peripheral equipment	33,544,081	2,784,310	(488,796)	35,839,595
Library books	6,905,065	650,704	(246,245)	7,309,524
Furniture and other equipment	56,245,623	3,377,229	(622,715)	59,000,137
Total cost of depreciable capital assets	1,185,820,358	54,486,236	(1,357,756)	1,238,948,838
Accumulated depreciation				
Buildings	171,427,881	13,135,914		184,563,795
Improvements other than buildings	158,803,714	15,169,886		173,973,600
Telecommunications and peripheral equipment	26,948,670	2,808,824	(479,954)	29,277,540
Library books	3,164,609	361,170	(137,577)	3,388,202
Furniture and other equipment	38,815,312	3,818,595	(594,335)	42,039,572
Total accumulated depreciation	399,160,186	35,294,389	(1,211,866)	433,242,709
Net depreciable capital assets	786,660,172	19,191,847	(145,890)	805,706,129
Net capital assets	\$ 911,687,040	\$ 64,559,922	\$ (147,562)	\$ 976,099,400

## NOTE 21. COMMITMENTS AND CONTINGENCIES

The District has entered into several contracts for various construction and renovation projects across the District. As of August 31, 2022, the balance remaining on these contracts totaled approximately \$174,530,000.

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

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

	2022	2021
Unrestricted net position		
Designated for		
Future renewals and replacements	\$ 60,125,883	\$ 42,600,798
Future enterprise resource planning	87,275,202	
Undesignated	159,631,896	192,682,991
<b>Total unrestricted net position</b>	<u><u>\$ 307,032,981</u></u>	<u><u>\$ 235,283,789</u></u>

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

Accounts receivable at August 31, 2022 and 2021, were as follows:

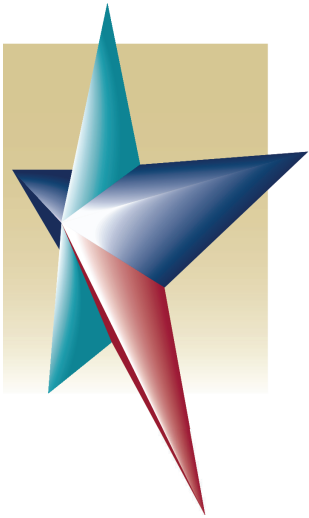
	2022	2021
Student Receivables	\$ 30,836,374	\$ 32,110,745
Accounts Receivable	946,570	1,288,485
Other Receivables	<u>176,421</u>	<u>53,843</u>
Subtotal	31,959,365	33,453,073
Allowance for Doubtful Accounts	<u>(22,129,670)</u>	<u>(22,428,313)</u>
<b>Total Accounts Receivable-Exhibit 1</b>	<u><u>\$ 9,829,695</u></u>	<u><u>\$ 11,024,760</u></u>

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

Accounts payable and accrued liabilities at August 31, 2022 and 2021, were as follows:

	2022	2021
Vendors Payable	<u>\$ 26,576,865</u>	<u>\$ 18,760,297</u>
Accounts Payable-Exhibit 1	<u>26,576,865</u>	<u>18,760,297</u>
Salaries & Benefits Payable	5,017,338	6,336,321
Workers' Compensation Payable	377,524	427,382
Retainage Payable	4,060,817	2,672,295
Unemployment Compensation	366,830	465,061
Interest Payable	<u>3,998,380</u>	<u>377,481</u>
Accrued Liabilities-Exhibit 1	<u>13,820,889</u>	<u>10,278,540</u>
<b>Total Accounts Payable and Accrued Liabilities</b>	<u><u>\$ 40,397,754</u></u>	<u><u>\$ 29,038,837</u></u>



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# Required Supplementary Information

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

	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>
District's proportionate share of collective net pension liability	0.1297609%	0.1336016%	0.1413706%
District's proportionate share of collective net pension liability	\$ 33,045,511	\$ 71,554,272	\$ 73,488,867
Portion of non-employer contributing entity's total proportionate share of net pension liability associated with the District	<u>27,846,588</u>	<u>60,523,992</u>	<u>59,504,947</u>
Total	<u><u>\$ 60,892,099</u></u>	<u><u>\$ 132,078,264</u></u>	<u><u>\$ 132,993,814</u></u>
District's covered payroll amount	\$ 124,636,662	\$ 124,891,301	\$ 121,470,269
Ratio of the District's proportionate share of the collective net pension liability to its covered payroll amount	26.51%	57.29%	60.50%
TRS net position as percentage of total pension liability	88.79%	75.54%	75.24%

\* 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>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
0.1378388%	0.1383464%	0.1351266%	0.1371994%	0.1539892%
\$ 75,869,797	\$ 44,235,720	\$ 51,062,332	\$ 48,498,163	\$ 41,132,646
<u>62,086,433</u>	<u>36,644,031</u>	<u>41,687,371</u>	<u>39,733,040</u>	<u>33,243,381</u>
<u>\$ 137,956,230</u>	<u>\$ 80,879,751</u>	<u>\$ 92,749,703</u>	<u>\$ 88,231,203</u>	<u>\$ 74,376,027</u>
\$ 113,911,195	\$ 109,351,322	\$ 102,150,596	\$ 96,710,266	\$ 91,440,746
66.60%	40.45%	49.99%	50.15%	44.98%
73.74%	82.17%	78.00%	78.43%	83.25%

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

	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>
Legally required contributions	\$ 5,898,750	\$ 5,511,959	\$ 5,506,949
Actual contributions	<u>(5,898,750)</u>	<u>(5,511,959)</u>	<u>(5,506,949)</u>
Contributions deficiency (excess)			
District covered payroll amount	\$ 126,658,734	\$ 124,636,662	\$ 124,891,301
Ratio of actual contributions to covered payroll amount	4.66%	4.42%	4.41%

\* 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.

2019*	2018*	2017*	2016*	2015*
<u>\$ 4,912,506</u> <u>(4,912,506)</u>	<u>\$ 4,628,899</u> <u>(4,628,899)</u>	<u>\$ 4,512,730</u> <u>(4,512,730)</u>	<u>\$ 4,258,346</u> <u>(4,258,346)</u>	<u>\$ 4,054,353</u> <u>(4,054,353)</u>
\$ 121,470,269	\$ 113,911,195	\$ 109,351,322	\$ 102,150,596	\$ 96,710,266
4.04%	4.06%	4.13%	4.17%	4.19%

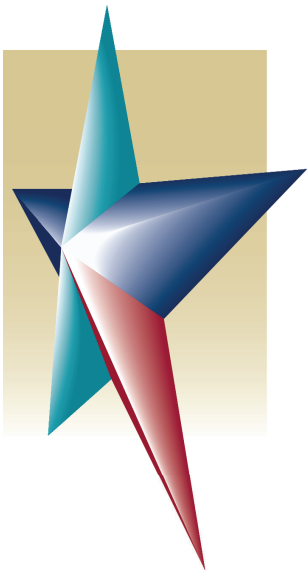
**TARRANT COUNTY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR PENSIONS  
YEAR ENDED AUGUST 31, 2022**

**CHANGES OF BENEFIT TERMS:**

There were no benefit changes recognized in the total pension liability as of August 31, 2021.

**CHANGES OF ASSUMPTIONS:**

There were no changes in assumptions since the prior measurement date.



**Tarrant County College®**  
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**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 FIVE FISCAL YEARS**

	<u>*2022</u>	<u>*2021</u>
District's proportionate share of collective net OPEB liability	0.5072515%	0.5081242%
District's proportionate share of collective net OPEB liability	\$ 181,979,056	\$ 167,907,764
State's proportionate share of net OPEB liability associated with the District	<u>171,987,088</u>	<u>158,380,511</u>
Total	<u><u>\$ 353,966,144</u></u>	<u><u>\$ 326,288,275</u></u>
District's covered payroll amount	\$ 140,446,007	\$ 139,691,258
Ratio of the District's proportionate share of the collective net OPEB liability to its covered payroll amount	129.57%	120.20%
ERS net position as percentage of total OPEB liability	0.38%	0.32%

\* 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.

<u>*2020</u>	<u>*2019</u>	<u>*2018</u>
0.5036653%	0.5217194%	0.3943898%
\$ 174,080,186	\$ 154,625,846	\$ 134,380,479
<u>170,859,406</u>	<u>140,022,927</u>	<u>108,563,336</u>
<u>\$ 344,939,592</u>	<u>\$ 294,648,773</u>	<u>\$ 242,943,815</u>
\$ 135,759,776	\$ 133,033,828	\$ 130,055,414
128.23%	116.23%	103.33%
0.17%	1.27%	2.04%

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

	<u>*2022</u>	<u>*2021</u>
Legally required contributions	\$ 4,162,905	\$ 4,084,323
Actual contributions	<u>(4,162,905)</u>	<u>(4,084,323)</u>
Contributions deficiency (excess)		
District covered employee payroll amount	\$ 140,115,753	\$ 140,446,007
Ratio of actual contributions to covered payroll amount	2.97%	2.91%

\* 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.

<u>*2020</u>	<u>*2019</u>	<u>*2018</u>
\$ 4,089,757	\$ 4,002,254	\$ 3,842,889
<u>(4,089,757)</u>	<u>(4,002,254)</u>	<u>(3,842,889)</u>
 \$ 139,691,258	 \$ 135,759,776	 \$ 133,033,828
 2.93%	 2.95%	 2.89%

**TARRANT COUNTY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR OPEB  
YEAR ENDED AUGUST 31, 2022**

**CHANGES OF BENEFIT TERMS:**

The following benefit revisions have been adopted since the prior valuation:

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

**CHANGES IN ASSUMPTIONS:**

***Demographic Assumptions***

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.
- Percentage of future retirees assumed to be married and electing coverage for their spouse.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- The percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.

***Economic Assumptions***

- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- The annual rate of increase in the Patient-Centered Outcomes Research Institute Fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

Minor benefit changes have been reflected in the FY2022 Assumed Per Capita Health Benefit Costs.

***Other Assumptions***

The discount rate was changed from 2.20% to 2.14% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

# Supplementary Data

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE A  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2022  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)**

	Unrestricted	Restricted	Total Educational Activities
<b>Tuition</b>			
State funded courses			
In-district resident tuition	\$ 36,150,919	\$	\$ 36,150,919
Out-of-district resident tuition	7,630,642		7,630,642
Non-resident tuition	5,664,029		5,664,029
TPEG- credit (set aside)*	2,726,231		2,726,231
Continuing education	2,005,946		2,005,946
TPEG-continuing education (set aside)*	129,722		129,722
Non-state funded continuing education	700,768		700,768
Total tuition	55,008,257		55,008,257
<b>Fees</b>			
Installment plan fees	564,375		564,375
Other fees	110,516		110,516
Total fees	674,891		674,891
<b>Allowances and discounts</b>			
Bad debt allowance	229,254		229,254
Scholarship allowances	(483,704)		(483,704)
Remissions and exemptions	(874,845)		(874,845)
TPEG allowances	(219,904)		(219,904)
Federal grants to students	(12,358,989)		(12,358,989)
Total allowances and discounts	(13,708,188)		(13,708,188)
Total net tuition and fees	41,974,960		41,974,960
<b>Other operating revenues</b>			
Federal grants and contracts		2,092,999	2,092,999
State grants and contracts		3,913,881	3,913,881
Non-governmental grants and contracts		4,552,858	4,552,858
Other operating revenues	1,421,516		1,421,516
Total other operating revenues	1,421,516	10,559,738	11,981,254
<b>Auxiliary enterprises</b>			
Bookstore			
Food service			
Testing center			
Child center			
Professional Pilot			
Total net auxiliary enterprises			
Total operating revenues	\$ 43,396,476	\$ 10,559,738	\$ 53,956,214

\* In accordance with Education Code 56.033, \$2,855,953 and \$2,984,459 of tuition for the years ended August 31, 2022 and 2021, 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, 2027 and may be renewed for three additional successive one year periods at the option of the District.

Note: The District has contracted with a food service operator to operate and manage the District's cafeterias under an agreement that terminates on May 31, 2027 and may be renewed for one additional 5-year term at the option of the District.

Auxiliary Enterprises	2022 Total	2021 Total
\$	\$ 36,150,919	\$ 42,670,334
	7,630,642	8,722,716
	5,664,029	6,803,627
	2,726,231	2,891,023
	2,005,946	1,449,740
	129,722	93,436
	700,768	286,044
	55,008,257	62,916,920
	564,375	642,275
	110,516	57,934
	674,891	700,209
	229,254	(287,935)
	(483,704)	(736,568)
	(874,845)	(1,576,865)
	(219,904)	(448,311)
	(12,358,989)	(10,278,833)
	(13,708,188)	(13,328,512)
	41,974,960	50,288,617
	2,092,999	3,827,168
	3,913,881	3,881,187
	4,552,858	3,176,655
	1,421,516	1,121,721
	11,981,254	12,006,731
3,972,068	3,972,068	3,632,825
396,217	396,217	61,066
241,586	241,586	228,858
202,111	202,111	29,397
2,535,337	2,535,337	2,290,835
7,347,319	7,347,319	6,242,981
\$ 7,347,319	\$ 61,303,533	\$ 68,538,329
	(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE B  
SCHEDULE OF OPERATING EXPENSES  
BY OBJECT  
YEAR ENDED AUGUST 31, 2022  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)**

	Salaries and Wages	Staff Benefits	
		State	Local
Unrestricted - educational activities			
Instruction	\$ 99,131,321	\$	\$ 14,693,909
Public service	1,790,535		287,765
Academic support	22,208,784		6,685,649
Student services	23,199,735		4,819,320
Institutional support	27,743,971		5,879,765
Operation and maintenance of plant	7,641,298		2,959,492
Scholarships and fellowships			
Total unrestricted educational activities	181,715,644		35,325,900
Restricted - educational activities			
Instruction	811,784	9,666,921	
Public service	433,058	376,809	
Academic support	309,537	1,615,338	
Student services	1,544,053	2,790,356	
Institutional support		3,581,173	
Scholarships and fellowships			
Total restricted educational activities	3,098,432	18,030,597	
Total educational activities	184,814,076	18,030,597	35,325,900
Auxiliary enterprises	408,968		131,389
Depreciation expense			
Buildings and other real estate improvements			
Equipment and furniture			
Total operating expenses	\$ 185,223,044	\$ 18,030,597	\$ 35,457,289

Other Expenses	2022 Total	2021 Total
\$ 19,039,200	\$ 132,864,430	\$ 135,119,419
611,827	2,690,127	3,122,304
4,828,727	33,723,160	33,965,855
5,999,310	34,018,365	34,517,835
25,984,881	59,608,617	49,279,803
21,775,956	32,376,746	31,007,731
1,553,163	1,553,163	1,576,865
79,793,064	296,834,608	288,589,812
819,932	11,298,637	15,481,956
255,444	1,065,311	1,750,479
	1,924,875	2,182,980
1,663,263	5,997,672	6,185,322
	3,581,173	5,185,356
128,557,323	128,557,323	101,243,388
131,295,962	152,424,991	132,029,481
211,089,026	449,259,599	420,619,293
8,098,626	8,638,983	6,596,340
29,123,450	29,123,450	28,305,800
6,388,334	6,388,334	6,988,959
<u>\$ 254,699,436</u>	<u>\$ 493,410,366</u>	<u>\$ 462,510,392</u>
	(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT**  
**SCHEDULE C**  
**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**  
**YEAR ENDED AUGUST 31, 2022**  
**(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)**

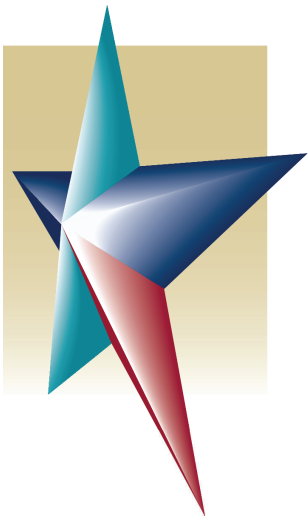
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>
<b>NON-OPERATING REVENUES</b>			
State appropriations			
Education and general state support	\$ 58,943,344	\$ 111,327	\$
State group insurance		12,211,025	
State retirement matching		5,708,245	
Total state appropriations	<u>58,943,344</u>	<u>18,030,597</u>	
Maintenance ad valorem taxes	271,006,319		
Debt service ad valorem taxes	18,404,809.00		
Federal grants and contracts		138,386,986	
Investment income	(5,634,751)	(1,214,760)	
Gain on disposal of assets			
Other income	<u>1,027,519</u>		
Total non-operating revenues	343,747,240	155,202,823	
<b>NON-OPERATING EXPENSES</b>			
Interest on indebtedness	(6,014,177)		
Loss on disposal of assets	<u>(3,402,500)</u>		
Total non-operating expenses	<u>(9,416,677)</u>		
Net non-operating revenues	<u><u>\$ 334,330,563</u></u>	<u><u>\$ 155,202,823</u></u>	<u><u>\$</u></u>

2022 Total	2021 Total
\$ 59,054,671	\$ 64,126,622
12,211,025	12,548,636
5,708,245	5,484,827
<u>76,973,941</u>	<u>82,160,085</u>
271,006,319	253,002,381
18,404,809	18,518,250
138,386,986	114,044,561
(6,849,511)	3,259,637
1,027,519	166,851
<u>498,950,063</u>	<u>472,120,053</u>
(6,014,177)	(4,241,730)
<u>(3,402,500)</u>	
<u>(9,416,677)</u>	<u>(4,241,730)</u>
<u>\$ 489,533,386</u>	<u>\$ 467,878,323</u>
(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT**  
**SCHEDULE D**  
**SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY**  
**YEAR ENDED AUGUST 31, 2022**  
**(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)**

	Detail by Source		
		Restricted	
	Unrestricted	Expendable	Non-Expendable
Current:			
Unrestricted	\$ 138,880,123	\$	\$
Board designated	147,401,085		
Restricted		10,691,120	
Auxiliary enterprises	20,751,773		
Loan		147,030	
Plant:			
Debt services		6,627,196	
Investment in plant			
Total net position, August 31, 2022	307,032,981	17,465,346	
Total net position, August 31, 2021	235,270,765	13,661,438	
Change in accounting principle	13,024		
Net increase (decrease) in net position	\$ 71,749,192	\$ 3,803,908	\$

Detail by Source		Available for Current Operations	
Net Investment in Capital Assets	Total	Yes	No
\$	\$ 138,880,123	\$ 138,880,123	\$
	147,401,085		147,401,085
	10,691,120		10,691,120
	20,751,773	20,751,773	
	147,030		147,030
	6,627,196		6,627,196
880,379,203	880,379,203		880,379,203
880,379,203	1,204,877,530	159,631,896	1,045,245,634
	(Exhibit 1)		
898,505,750	1,147,437,953	192,669,967	954,767,986
	13,024	13,024	
	(Exhibit 2)		
\$ (18,126,547)	\$ 57,426,553	(\$ 33,051,095)	\$ 90,477,648
	(Exhibit 2)		



**Tarrant County College®**  
**SUCCESS WITHIN REACH.**

# STATISTICAL SECTION





# STATISTICAL SECTION

This part of the Tarrant County College District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the 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)**

	2022	2021	2020	2019
Net investment in capital assets	\$ 880,379,203	\$ 898,505,750	\$ 880,616,165	\$ 897,385,348
Restricted - expendable	17,465,346	13,661,438	8,133,417	7,739,827
Restricted - nonexpendable				
Unrestricted	307,032,981	235,270,765	184,023,018	112,300,365
Total primary government net position	1,204,877,530	1,147,437,953	1,072,772,600	1,017,425,540
Net position, beginning of year	1,147,437,953	1,072,772,600	1,017,425,540	986,215,612
Change in accounting principle	13,024			
Net position, beginning of year, restated	1,147,450,977	1,072,772,600	1,017,425,540	986,215,612
Increase in net position	<u>\$ 57,426,553</u>	<u>\$ 74,665,353</u>	<u>\$ 55,347,060</u>	<u>\$ 31,209,928</u>

2018	2017	2016	2015	2014	2013
\$ 899,396,935	\$ 894,078,441	\$ 873,199,085	\$ 871,262,514	\$ 839,009,623	\$ 816,910,267
7,359,091	6,923,169	6,498,958	6,784,817	8,843,553	6,639,969
79,459,586	209,516,518	194,778,466	161,798,085	206,331,733	193,380,837
986,215,612	1,110,518,128	1,074,476,509	1,039,845,416	1,054,184,909	1,016,931,073
1,110,518,128	1,074,476,509	1,039,845,416	1,054,184,909	1,016,931,073	975,662,444
(156,861,347)			(46,603,458)		
953,656,781	1,074,476,509	1,039,845,416	1,007,581,451	1,016,931,073	975,662,444
<u>\$ 32,558,831</u>	<u>\$ 36,041,619</u>	<u>\$ 34,631,093</u>	<u>\$ 32,263,965</u>	<u>\$ 37,253,836</u>	<u>\$ 41,268,629</u>

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

	2022	2021	2020	2019
Operating revenues				
Tuition and fees (net of discounts)	\$ 41,974,960	\$ 50,288,617	\$ 46,156,087	\$ 55,682,936
Governmental grants and contracts				
Federal grants and contracts	2,092,999	3,827,168	3,329,262	3,380,340
State grants and contracts	3,913,881	3,881,186	4,619,064	5,678,124
Non-governmental grants and contracts	4,552,858	3,176,655	2,936,160	3,376,037
Auxiliary enterprises	7,347,319	6,242,981	5,084,931	4,562,486
Other operating revenues	1,421,516	1,121,721	3,668,313	1,804,790
Total operating revenues	61,303,533	68,538,328	65,793,817	74,484,713
Non-operating revenues				
State appropriations	76,973,941	82,160,085	86,355,223	80,154,552
Ad-valorem taxes	289,411,128	271,520,631	261,196,233	244,974,129
Federal grants and contracts	138,386,986	114,044,561	69,181,782	59,118,313
Investment income	(6,849,511)	3,259,637	11,269,365	12,057,614
Other income	1,027,519	968,288	966,253	939,730
Gain on disposal of assets		166,851	906,137	
Total non-operating revenues	498,950,063	472,120,053	429,874,993	397,244,338
Total revenues	<u>\$ 560,253,596</u>	<u>\$ 540,658,381</u>	<u>\$ 495,668,810</u>	<u>\$ 471,729,051</u>
Operating revenues				
Tuition and fees (net of discounts)	7.49%	9.30%	9.31%	11.80%
Governmental grants and contracts				
Federal grants and contracts	0.37%	0.71%	0.67%	0.72%
State grants and contracts	0.70%	0.72%	0.93%	1.20%
Non-governmental grants and contracts	0.81%	0.60%	0.59%	0.72%
Auxiliary enterprises	1.31%	1.14%	1.03%	0.97%
Other operating revenues	0.25%	0.21%	0.74%	0.38%
Total operating revenues	10.93%	12.68%	13.27%	15.79%
Non-operating revenues				
State appropriations	13.74%	15.20%	17.42%	16.99%
Ad-valorem taxes	51.66%	50.22%	52.70%	51.93%
Federal grants and contracts	24.71%	21.09%	13.96%	12.53%
Investment income	-1.22%	0.60%	2.28%	2.56%
Other income	0.18%	0.18%	0.19%	0.20%
Gain on disposal of assets	0.00%	0.03%	0.18%	
Total non-operating revenues	89.07%	87.32%	86.73%	84.21%
Total revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

2018	2017	2016	2015	2014	2013
\$ 55,145,642	\$ 54,986,934	\$ 52,482,348	\$ 49,478,068	\$ 49,371,002	\$ 50,245,813
3,144,177	4,523,229	3,676,399	3,685,838	3,217,611	3,757,923
7,219,799	5,402,033	5,512,293	5,228,098	5,880,099	5,554,657
3,913,274	3,445,783	2,586,684	2,727,036	4,946,370	3,162,051
4,104,814	3,799,593	3,742,094	3,358,327	2,835,286	2,920,961
799,607	1,785,418	2,347,842	4,714,371	6,343,924	6,212,717
74,327,313	73,942,990	70,347,660	69,191,738	72,594,292	71,854,122
82,581,830	78,428,968	72,889,359	70,036,690	69,156,327	63,300,842
232,639,439	220,336,268	206,958,870	197,422,606	187,826,286	182,149,704
62,594,892	59,652,406	64,293,615	66,314,027	76,657,485	80,360,739
97,333	722,163	14,650		100,000	142,795
3,319,826	2,595,851	2,767,332	1,467,880	3,653,612	
1,027,388	1,087,193	2,103,574	910,990	1,691,575	1,134,523
382,260,708	362,822,849	349,027,400	336,152,193	339,085,285	327,088,603
\$ 456,588,021	\$ 436,765,839	\$ 419,375,060	\$ 405,343,931	\$ 411,679,577	\$ 398,942,725
12.07%	12.59%	12.51%	12.21%	11.99%	12.59%
0.68%	1.03%	0.88%	0.91%	0.78%	0.94%
1.58%	1.24%	1.31%	1.29%	1.43%	1.39%
0.86%	0.79%	0.62%	0.68%	1.20%	0.79%
0.90%	0.87%	0.89%	0.83%	0.70%	0.73%
0.18%	0.41%	0.56%	1.17%	1.54%	1.56%
16.27%	16.93%	16.77%	17.09%	17.64%	18.00%
18.09%	17.96%	17.38%	17.28%	16.80%	15.87%
50.95%	50.45%	49.35%	48.70%	45.62%	45.66%
13.71%	13.66%	15.33%	16.36%	18.62%	20.15%
0.02%	0.16%	0.01%		0.02%	0.04%
0.73%	0.59%	0.66%	0.36%	0.89%	
0.23%	0.25%	0.50%	0.21%	0.41%	0.28%
83.73%	83.07%	83.23%	82.91%	82.36%	82.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	2022	2021	2020	2019
Instruction	\$ 144,163,067	\$ 150,601,746	\$ 162,343,395	\$ 159,321,611
Public service	3,755,438	4,872,783	6,987,297	10,245,318
Academic support	35,648,035	36,148,835	39,761,312	37,918,976
Student services	40,016,037	40,703,157	41,473,222	40,891,712
Institutional support	63,189,790	54,465,159	56,923,123	54,713,160
Operation and maintenance of plant	32,376,746	31,007,731	34,580,681	40,368,561
Scholarship and fellowships	130,110,486	102,820,252	56,377,882	56,825,486
Auxiliary enterprises	8,638,983	6,596,340	6,911,786	5,395,065
Depreciation	35,511,784	35,294,389	34,728,158	34,332,422
Total operating expenses	493,410,366	462,510,392	440,086,856	440,012,311
Interest on capital related debt	6,014,177	4,241,730	282,926	
Loss on disposal of capital assets	3,402,500			574,253
Total non-operating expenses	9,416,677	4,241,730	282,926	574,253
Total expenses	<u>\$ 502,827,043</u>	<u>\$ 466,752,122</u>	<u>\$ 440,369,782</u>	<u>\$ 440,586,564</u>
Instruction	28.67%	32.27%	36.86%	36.16%
Public service	0.75%	1.04%	1.59%	2.33%
Academic support	7.09%	7.74%	9.03%	8.61%
Student services	7.96%	8.72%	9.42%	9.28%
Institutional support	12.55%	11.67%	12.93%	12.42%
Operation and maintenance of plant	6.44%	6.65%	7.85%	9.16%
Scholarship and fellowships	25.88%	22.03%	12.80%	12.90%
Auxiliary enterprises	1.72%	1.41%	1.57%	1.22%
Depreciation	7.06%	7.56%	7.89%	7.79%
Total operating expenses	98.12%	99.09%	99.94%	99.87%
Interest on capital related debt	1.20%	0.91%	0.06%	
Loss on disposal of capital assets	0.68%			0.13%
Total non-operating expenses	1.88%	0.91%	0.06%	0.13%
Total expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

2018	2017	2016	2015	2014	2013
\$ 150,579,446	\$ 140,735,776	\$ 136,401,326	\$ 130,672,056	\$ 123,303,575	\$ 115,814,409
14,132,205	12,736,336	10,082,205	9,188,202	8,099,598	8,333,736
33,963,458	35,116,541	30,605,416	28,991,793	27,567,965	24,779,010
38,449,561	36,217,071	32,772,581	31,470,516	29,578,631	28,786,433
50,310,302	45,811,537	42,947,782	40,875,729	39,704,272	39,193,209
36,897,204	34,862,956	33,057,686	33,264,591	38,451,779	34,748,311
60,424,814	58,061,684	63,879,015	64,561,713	75,701,812	76,363,289
4,618,011	4,587,947	4,036,187	3,786,956	2,822,103	2,243,087
33,521,323	32,197,448	30,617,191	29,897,030	29,196,006	27,412,612
422,896,324	400,327,296	384,399,389	372,708,586	374,425,741	357,674,096
1,132,866	396,924	344,578	371,380		
1,132,866	396,924	344,578	371,380		
\$ 424,029,190	\$ 400,724,220	\$ 384,743,967	\$ 373,079,966	\$ 374,425,741	\$ 357,674,096
35.51%	35.12%	35.45%	35.03%	32.93%	32.38%
3.33%	3.18%	2.62%	2.45%	2.16%	2.33%
8.01%	8.76%	7.96%	7.77%	7.36%	6.93%
9.07%	9.04%	8.52%	8.44%	7.90%	8.05%
11.86%	11.43%	11.16%	10.96%	10.61%	10.96%
8.70%	8.70%	8.59%	8.92%	10.27%	9.71%
14.25%	14.49%	16.60%	17.31%	20.22%	21.35%
1.09%	1.15%	1.05%	1.02%	0.75%	0.63%
7.91%	8.03%	7.96%	8.01%	7.80%	7.66%
99.73%	99.90%	99.91%	99.91%	100.00%	100.00%
0.27%	0.10%	0.09%	0.09%		
0.27%	0.10%	0.09%	0.09%		
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
2022	\$ 64	\$ 126	\$	\$	\$ 64	\$ 126
2021	64	126			64	126
2020	64	126			64	126
2019	59	106			59	106
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

**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
2022	\$ 305	\$ 305	\$	\$	\$ 305	\$ 305
2021	305	305			305	305
2020	305	305			305	305
2019	255	255			255	255
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

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
\$ 768	\$ 1,512	0.00%	0.00%
768	1,512	0.00%	0.00%
768	1,512	8.47%	18.87%
708	1,272	0.00%	0.00%
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%

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
\$ 3,660	\$ 3,660	0.00%	0.00%
3,660	3,660	0.00%	0.00%
3,660	3,660	19.61%	19.61%
3,060	3,060	0.00%	0.00%
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%

**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>
2022	\$ 242,509,442,576	\$ 36,890,265,244	\$ 279,399,707,820	\$ (55,260,599,161)
2021	229,448,778,465	35,511,846,530	264,960,624,995	(60,059,174,988)
2020	218,985,294,012	33,651,021,626	252,636,315,638	(46,817,841,668)
2019	197,677,751,257	30,869,611,640	228,547,362,897	(43,540,190,343)
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)

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.

Debt was issued in fiscal 2020 and debt service tax added in fiscal 2021.

<u>Taxable Assessed Value</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>	<u>Maintenance and Operations (a)</u>	<u>Debt Service (b)</u>	<u>Total (a)</u>
\$ 224,139,108,659	80.22%	\$ 0.12208	\$ 0.00809	\$ 0.13017
204,901,450,007	77.33%	0.12147	0.00870	0.13017
205,818,473,970	81.47%	0.13017		0.13017
185,007,172,554	80.95%	0.13607		0.13607
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

**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 (Unrestricted)	FTSE	State Appropriation per FTSE
2022	\$ 58,943,344	20,755	\$ 2,840
2021	56,846,930	25,229	2,253
2020	56,850,738	27,231	2,088
2019	55,364,500	27,665	2,001
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

Source:

(a) CBM004

(b) CBM00C & CBM0CS

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
14,157,825	616,592	14,774,417	\$ 3.99
16,360,746	445,001	16,805,747	3.38
17,513,724	440,516	17,954,240	3.17
17,459,848	636,616	18,096,464	3.06
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

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

Taxpayer	Type of Business	Taxable Assessed Value by Tax Year		
		2022	2021	2020
Winner LLC	Technology	\$ 2,083,530,239	\$ 1,958,426,229	\$ 1,938,352,072
Oncor Electric Delivery Co LLC	Electric Utility	1,608,229,731	1,520,810,956	1,418,469,567
American Airlines Inc	Airline	1,471,937,379	2,083,949,531	1,601,917,810
General Motors LLC	Auto Manufacturer	987,733,872	1,236,253,865	859,001,772
Bell Helicopter Textron	Helicopter Manufacturer	721,023,915	678,989,350	597,554,871
Atmos Energy/Mid Tex Division	Natural Gas Utility	690,906,481	560,024,808	516,468,300
Alcon Laboratories Inc	Ophthalmic Manufacturing & Research	411,059,063	426,920,839	426,233,973
Amazon.Com.KYDC LLC	Online Retail	405,121,030	320,855,240	
Wal-Mart Stores	Retail	377,760,545	389,583,272	365,531,815
United Parcel Service Inc/BT-OH LLC	Shipping & Receiving	363,059,947		
Opryland Hotel	Hotel		289,567,144	379,753,224
DDR/DTC City Investments LP Etal	Real Estate			288,872,491
XTO Energy Inc	Natural Gas Utility			
Mouser Electronics Inc	Electronics Distributor			
Dallas MTA LP	Wireless Service			
Barnett Gathering LP	Natural Gas Exploration			
Chesapeake Operating	Natural Gas Utility			
Devon Energy Production	Natural Gas Utility			
Town Square Ventures LP	Retail			
Southwestern Bell	Telephone Utility			
Totals		\$ 9,120,362,202	\$ 9,465,381,234	\$ 8,392,155,895
Total Taxable Assessed Value		\$ 224,139,108,659	\$ 204,901,450,007	\$ 205,818,473,970

Taxpayer	Type of Business	% of Taxable Assessed Value by Tax Year		
		2022	2021	2020
Winner LLC	Technology	0.93%	0.96%	0.94%
Oncor Electric Delivery Co LLC	Electric Utility	0.72%	0.74%	0.69%
American Airlines Inc	Airline	0.66%	1.02%	0.78%
General Motors LLC	Auto Manufacturer	0.44%	0.60%	0.42%
Bell Helicopter Textron	Helicopter Manufacturer	0.32%	0.33%	0.29%
Atmos Energy/Mid Tex Division	Natural Gas Utility	0.31%	0.27%	0.25%
Alcon Laboratories Inc	Ophthalmic Manufacturing & Research	0.18%	0.21%	0.21%
Amazon.Com.KYDC LLC	Online Retail	0.18%	0.16%	
Wal-Mart Stores	Retail	0.17%	0.19%	0.18%
United Parcel Service Inc/BT-OH LLC	Shipping & Receiving	0.16%		
Opryland Hotel	Hotel		0.14%	0.18%
DDR/DTC City Investments LP Etal	Real Estate			0.14%
XTO Energy Inc	Natural Gas Utility			
Mouser Electronics Inc	Electronics Distributor			
Dallas MTA LP	Wireless Service			
Barnett Gathering LP	Natural Gas Exploration			
Chesapeake Operating	Natural Gas Utility			
Devon Energy Production	Natural Gas Utility			
Town Square Ventures LP	Retail			
Southwestern Bell	Telephone Utility			
Totals		4.07%	4.62%	4.08%

Source:  
Tarrant Appraisal District

**Taxable Assessed Value by Tax Year**

2019	2018	2017	2016	2015	2014	2013
\$ 1,574,939,466	\$ 1,054,626,607	\$ 368,973,812				
1,155,058,854	1,106,298,311	1,104,560,947	996,396,908	996,124,098	996,541,431	951,568,636
1,326,443,458	1,130,994,158	914,365,256	608,719,560	434,149,748	415,466,631	366,781,877
786,833,915	592,360,932	596,415,769		694,999,441	305,558,069	
531,418,645	542,109,329	625,144,551	513,773,261	526,450,434	368,852,302	353,813,947
468,623,200	428,739,050	391,051,446	268,687,927			
441,287,485	449,069,886	603,391,911				
			315,194,518			
417,738,835	444,872,061	551,430,061	499,185,633	474,129,452	474,104,104	470,417,156
407,132,619	350,206,304		559,231,745		252,604,271	278,139,403
288,872,491						
	319,534,069		297,815,979	703,298,589	691,815,632	597,305,424
		370,536,067	318,402,108			
		297,653,461				
			345,413,120	401,081,040	400,981,515	471,761,413
				494,992,110	472,698,380	565,845,620
				295,994,780	322,885,510	381,143,310
				293,001,243		
						240,513,694
<u>\$ 7,398,348,968</u>	<u>\$ 6,418,810,707</u>	<u>\$ 5,823,523,281</u>	<u>\$ 4,722,820,759</u>	<u>\$ 5,314,220,935</u>	<u>\$ 4,701,507,845</u>	<u>\$ 4,677,290,480</u>
<u>\$ 185,007,172,554</u>	<u>\$ 165,370,659,070</u>	<u>\$ 149,990,817,891</u>	<u>\$ 133,908,850,578</u>	<u>\$ 136,312,562,282</u>	<u>\$ 127,454,200,572</u>	<u>\$ 125,092,633,012</u>

**% of Taxable Assessed Value by Tax Year**

2019	2018	2017	2016	2015	2014	2013
0.85%	0.64%	0.25%				
0.62%	0.67%	0.74%	0.74%	0.73%	0.78%	0.76%
0.72%	0.68%	0.61%	0.45%	0.32%	0.33%	0.29%
0.43%	0.36%	0.40%		0.51%	0.24%	
0.29%	0.33%	0.42%	0.38%	0.39%	0.29%	0.28%
0.25%	0.26%	0.26%	0.20%			
0.24%	0.27%	0.40%				
			0.24%			
0.23%	0.27%	0.37%	0.37%	0.35%	0.37%	0.38%
0.22%	0.21%		0.42%		0.20%	0.22%
0.16%						
	0.19%		0.22%	0.52%	0.54%	0.48%
		0.25%	0.24%			
		0.20%				
			0.26%	0.29%	0.31%	0.38%
				0.36%	0.37%	0.45%
				0.22%	0.25%	0.30%
				0.21%		
						0.19%
<u>4.01%</u>	<u>3.88%</u>	<u>3.90%</u>	<u>3.52%</u>	<u>3.90%</u>	<u>3.68%</u>	<u>3.73%</u>

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

Fiscal Year Ended August 31	Levy	Cumulative Levy Adjustment	Adjusted Tax Levy (a)	Collections - Year of Levy (b)
2022	\$ 282,035,854	\$ 8,588,425	\$ 290,624,279	\$ 288,550,982
2021	258,588,918	17,555,864	276,144,782	274,149,696
2020	260,742,225	3,515,271	264,257,496	262,273,260
2019	245,547,235	3,440,901	248,988,136	246,894,874
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

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>
99.29%	\$	\$	\$ 288,550,982	99.29%
99.28%		(18,694)	274,131,002	99.27%
99.25%	414,441	(16,256)	262,671,445	99.40%
99.16%	563,571	147,447	247,605,892	99.44%
99.31%	1,064,360	50,186	234,357,096	99.78%
98.97%	1,292,837	23,970	220,010,735	99.56%
99.08%	1,678,402	21,051	209,101,890	99.90%
98.97%	1,468,037	14,075	200,315,960	99.70%
99.09%	1,145,272	10,444	190,112,462	99.69%
99.04%	1,351,050	10,348	184,433,122	99.77%

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

	2022	2021	2020
General bonded debt			
General obligation bonds	\$ 674,779,171	\$ 286,850,645	\$ 300,240,418
Less: Funds restricted for debt service	(6,627,196)	(3,246,529)	
Net general bonded debt	668,151,975	283,604,116	300,240,418
Other debt			
Revenue bonds			
Total outstanding debt	<u>\$ 668,151,975</u>	<u>\$ 283,604,116</u>	<u>\$ 300,240,418</u>
General bonded debt ratios			
Per capita	\$ 314.21	\$ 134.37	\$ 142.80
Per FTSE	32,192	11,241	11,026
As a percentage of taxable assessed value	0.30%	0.14%	0.15%
Total outstanding debt ratios			
Per capita	\$ 314.21	\$ 134.37	\$ 142.80
Per FTSE	32,192	11,241	11,026
As a percentage of taxable assessed value	0.30%	0.14%	0.15%

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, 2019, 2018 and 2017, there was no bonded debt outstanding at those dates. As a result, the calculations presented in the table are not relevant for August 31, 2015, August 31, 2016, August 31, 2017, August 31, 2018, and August 31, 2019.

2019 (a)	2018 (a)	2017 (a)	2016 (a)	2015 (a)	2014	2013
\$	\$	\$	\$	\$	\$ 8,062,949	\$ 15,875,819
					(1,656,309)	(1,784,207)
					6,406,640	14,091,612
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 6,406,640</u>	<u>\$ 14,091,612</u>
\$	\$	\$	\$	\$	\$ 3.35	\$ 7.49
					218	479
					0.01%	0.01%
\$	\$	\$	\$	\$	\$ 3.35	\$ 7.49
					218	479
					0.01%	0.01%

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

	2022	2021	2020	2019 (a)
Taxable Assessed Value	<u>\$ 224,139,108,659</u>	<u>\$ 204,901,450,007</u>	<u>\$ 205,818,473,970</u>	<u>\$ 185,007,172,554</u>
General Obligation Bonds				
Statutory Tax Levy Limit for Debt Service	\$ 1,120,695,543	\$ 1,024,507,250	\$ 1,029,092,370	\$ 925,035,863
Less Funds Restricted for Repayment of General Obligation Bonds	<u>(6,627,196)</u>	<u>(3,246,529)</u>		
Total Net General Obligation Debt	1,114,068,347	1,021,260,721	1,029,092,370	925,035,863
Current Year Debt Service Requirements	<u>17,889,544</u>	<u>17,885,257</u>		
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 1,096,178,803</u>	<u>\$ 1,003,375,464</u>	<u>\$ 1,029,092,370</u>	<u>\$ 925,035,863</u>
Net Current Requirements as a % of Statutory Limit	1.00%	1.43%	0.00%	0.00%

**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, 2019, 2018 and 2017, there was no bonded debt outstanding at those dates. As a result, the calculations presented in the table are not relevant for August 31, 2015, August 31, 2016, August 31, 2017, August 31, 2018 and August 31, 2019.

2018 (a)	2017 (a)	2016 (a)	2015 (a)	2014	2013
<u>\$ 165,370,659,070</u>	<u>\$ 149,990,817,891</u>	<u>\$ 133,908,850,578</u>	<u>\$ 136,312,562,282</u>	<u>\$ 127,454,200,572</u>	<u>\$ 125,092,633,012</u>
\$ 826,853,295	\$ 749,954,089	\$ 669,544,253	\$ 681,562,811	\$ 637,271,003	\$ 625,463,165
				(1,656,309)	(1,784,207)
826,853,295	749,954,089	669,544,253	681,562,811	635,614,694	623,678,958
			8,129,263	8,124,425	8,166,281
<u>\$ 826,853,295</u>	<u>\$ 749,954,089</u>	<u>\$ 669,544,253</u>	<u>\$ 673,433,548</u>	<u>\$ 627,490,269</u>	<u>\$ 615,512,677</u>
0.00%	0.00%	0.00%	1.19%	1.01%	1.02%

**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>
2022	2,126,477	\$ 118,090,622,000	\$ 55,533	3.80%
2021	2,110,640	112,046,590,000	53,087	4.90%
2020	2,102,515	106,829,236,000	50,810	6.60%
2019	2,084,931	97,639,160,000	46,831	3.40%
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%

Sources:

Population from US Bureau of the Census

Personal Income from US Bureau of Economic Analysis

Unemployment rate from US Bureau of Labor & Statistics

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

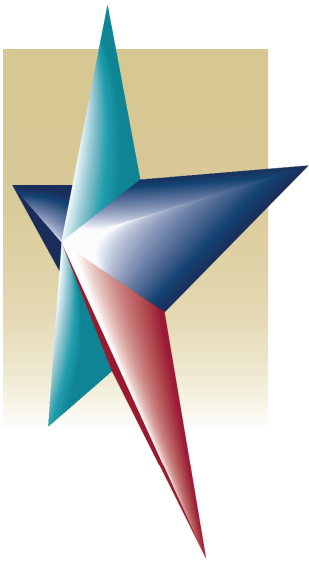
Employer	2022		2021		2020	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
AMR/American Airlines	33,000	2.85%	33,000	3.09%	33,000	3.19%
Lockheed Martin	16,900	1.46%	16,900	1.58%	16,900	1.63%
Texas Health Resources	12,266	1.06%	12,266	1.15%	12,266	1.19%
Fort Worth ISD	11,645	1.01%	11,645	1.09%	11,645	1.13%
NAS-Fort Worth-Joint Reserve Base	10,000	0.86%	10,000	0.94%	10,000	0.97%
Arlington ISD	8,500	0.73%	8,500	0.80%	8,500	0.82%
University of Texas at Arlington	7,436	0.64%	7,436	0.70%	7,436	0.72%
Cook Children's Health Care System	7,381	0.64%	7,381	0.69%	7,381	0.71%
City of Fort Worth	6,738	0.58%	6,738	0.63%	6,738	0.65%
JPS Health Network	6,700	0.58%	6,700	0.63%	6,700	0.65%
Alcon Laboratories Inc.						
Burlington Northern						
Harris Methodist Fort Worth						
Bell Helicopter Textron Plant						
City of Arlington						
Fidelity Investments						
	<u>120,566</u>	<u>10.41%</u>	<u>120,566</u>	<u>11.30%</u>	<u>120,566</u>	<u>11.66%</u>

Source 2020 and forward:  
Fort Worth Business.com  
Bureau of Labor Statistics for Total Employment  
(Source data has not been updated since 2020)

Prior Sources Now Unavailable:  
Fort Worth Business.com  
Fort Worth Chamber Economic Development for Major Employers

2019		2018		2017		2016	
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
25,000	2.32%	25,000	2.37%	25,000	2.42%	25,000	2.47%
13,690	1.27%	13,690	1.30%	13,690	1.32%	13,690	1.35%
12,000	1.11%	12,000	1.14%	12,000	1.16%	12,000	1.18%
12,000	1.11%	12,000	1.14%	12,000	1.16%	12,000	1.18%
10,000	0.93%	10,000	0.95%	10,000	0.97%	10,000	0.99%
8,500	0.79%	8,500	0.81%	8,500	0.82%	8,500	0.84%
7,311	0.68%	7,311	0.69%	7,311	0.71%	7,311	0.72%
6,042	0.56%	6,042	0.57%	6,042	0.58%	6,042	0.60%
6,161	0.57%	6,161	0.58%	6,161	0.60%	6,161	0.61%
6,500	0.60%	6,500	0.62%	6,500	0.63%	6,500	0.64%
107,204	9.94%	107,204	10.17%	107,204	10.37%	107,204	10.58%

Employer	2015		2014		2013	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
AMR/American Airlines	24,000	2.40%	22,169	2.34%	22,169	2.38%
Lockheed Martin	13,690	1.37%	14,988	1.58%	14,988	1.61%
Texas Health Resources	12,000	1.20%	18,866	1.99%	18,866	2.03%
Fort Worth ISD	12,000	1.20%	11,000	1.16%	11,000	1.18%
NAS-Fort Worth-Joint Reserve Base	11,000	1.10%	11,350	1.20%	11,350	1.22%
Arlington ISD	8,126	0.81%	8,126	0.86%	8,126	0.87%
University of Texas at Arlington			6,239	0.66%	6,239	0.67%
Cook Children's Health Care System	5,876	0.59%	4,826	0.51%	4,826	0.52%
City of Fort Worth	6,161	0.62%	6,195	0.65%	6,195	0.67%
JPS Health Network	6,000	0.60%	4,872	0.51%	4,872	0.52%
Alcon Laboratories Inc.	5,922	0.59%				
Burlington Northern						
Harris Methodist Fort Worth						
Bell Helicopter Textron Plant						
City of Arlington						
Fidelity Investments						
	104,775	10.48%	108,631	11.46%	108,631	11.67%



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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Faculty				
Full-Time	725	756	771	773
Part-Time	<u>486</u>	<u>524</u>	<u>565</u>	<u>591</u>
Total	<u>1,211</u>	<u>1,280</u>	<u>1,336</u>	<u>1,364</u>
Percent				
Full-Time	59.9%	59.1%	57.7%	56.7%
Part-Time	40.1%	40.9%	42.3%	43.3%
Staff and Administrators				
Full-Time	1,591	1,637	1,665	1,661
Part-Time	<u>998</u>	<u>1,002</u>	<u>1,202</u>	<u>1,238</u>
Total	<u>2,589</u>	<u>2,639</u>	<u>2,867</u>	<u>2,899</u>
Percent				
Full-Time	61.5%	62.0%	58.1%	57.3%
Part-Time	38.5%	38.0%	41.9%	42.7%
FTSE per Full-Time Faculty	29	33	35	36
FTSE per Full-Time Staff Member	13	15	16	17
Average Annual Faculty Salary	\$ 71,049	\$ 68,066	\$ 67,697	\$ 67,432

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
746	709	673	667	668	656
574	524	508	503	525	605
<u>1,320</u>	<u>1,233</u>	<u>1,181</u>	<u>1,170</u>	<u>1,193</u>	<u>1,261</u>
56.5%	57.5%	57.0%	57.0%	56.0%	52.0%
43.5%	42.5%	43.0%	43.0%	44.0%	48.0%
1,652	1,687	1,662	1,618	1,544	1,505
1,217	1,207	1,155	1,124	1,073	1,082
<u>2,869</u>	<u>2,894</u>	<u>2,817</u>	<u>2,742</u>	<u>2,617</u>	<u>2,587</u>
57.6%	58.3%	59.0%	59.0%	59.0%	58.2%
42.4%	41.7%	41.0%	41.0%	41.0%	41.8%
39	40	42	42	44	45
17	17	17	17	19	20
\$ 66,800	\$ 65,893	\$ 65,321	\$ 64,934	\$ 64,556	\$ 63,352

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

Student Classification	Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent
00-30 hours	22,588	62%	26,945	63%	30,952	66%
31-60 hours	9,507	26%	11,199	26%	11,162	24%
Unclassified	844	2%	1,003	2%	1,021	2%
Associates	2,362	7%	2,737	6%	2,591	6%
Bachelors	963	3%	1,116	3%	1,051	2%
Total	36,264	100%	43,000	100%	46,777	100%

Semester Hour Load						
0-11 semester hours	30,407	84%	34,357	80%	37,353	80%
12 & over	5,857	16%	8,643	20%	9,424	20%
Total	36,264	100%	43,000	100%	46,777	100%

Average course load	7.6	8.1	8.0
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Tuition Status						
Texas resident (in-district)	31,871	88%	37,586	88%	40,838	87%
Texas resident (out-of-district)	2,815	8%	3,141	7%	3,124	7%
Non-resident tuition	755	2%	944	2%	993	2%
Other	823	2%	1,329	3%	1,822	4%
Total	36,264	100%	43,000	100%	46,777	100%

Source:  
CBM001

Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
31,882	66%	32,193	66%	31,374	66%	31,857	66%	30,420	65%
11,454	24%	11,620	24%	11,358	24%	11,717	24%	11,694	25%
1,162	2%	1,245	3%	1,379	3%	1,525	3%	1,594	3%
2,773	6%	2,687	6%	2,615	5%	2,520	5%	2,378	5%
981	2%	958	2%	945	2%	972	2%	990	2%
<u>48,252</u>	<u>100%</u>	<u>48,703</u>	<u>100%</u>	<u>47,671</u>	<u>100%</u>	<u>48,591</u>	<u>100%</u>	<u>47,076</u>	<u>100%</u>

36,766	76%	38,309	79%	37,033	78%	37,509	77%	35,294	75%
11,486	24%	10,394	21%	10,638	22%	11,082	23%	11,782	25%
<u>48,252</u>	<u>100%</u>	<u>48,703</u>	<u>100%</u>	<u>47,671</u>	<u>100%</u>	<u>48,591</u>	<u>100%</u>	<u>47,076</u>	<u>100%</u>

8.0

8.1

8.2

8.2

8.3

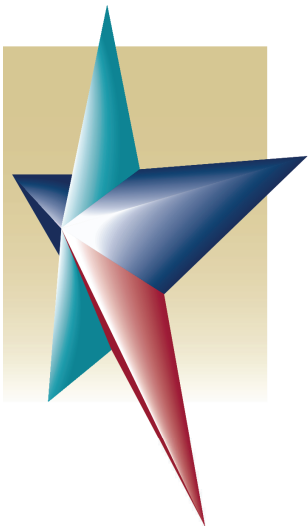
41,870	87%	41,858	85%	41,257	87%	41,799	85%	40,652	86%
3,304	7%	3,274	7%	3,206	7%	3,200	7%	3,119	7%
1,193	2%	1,275	3%	1,170	2%	1,390	3%	1,147	2%
1,885	4%	2,296	5%	2,038	4%	2,202	5%	2,158	5%
<u>48,252</u>	<u>100%</u>	<u>48,703</u>	<u>100%</u>	<u>47,671</u>	<u>100%</u>	<u>48,591</u>	<u>100%</u>	<u>47,076</u>	<u>100%</u>

Student Classification	Fall 2013		Fall 2012	
	Number	Percent	Number	Percent
00-30 hours	30,330	64%	24,600	55%
31-60 hours	12,064	25%	14,143	32%
Unclassified	1,731	4%	2,085	5%
Associates	2,154	5%	2,850	6%
Bachelors	1,060	2%	838	2%
Total	47,339	100%	44,516	100%

Semester Hour Load				
0-11 semester hours	34,312	72%	32,341	73%
12 & over	13,027	28%	12,175	27%
Total	47,339	100%	44,516	100%

Average course load	8.6	8.7
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Tuition Status				
Texas resident (in-district)	41,216	87%	38,523	87%
Texas resident (out-of-district)	3,136	7%	3,269	7%
Non-resident tuition	913	2%	897	2%
Other	2,074	4%	1,827	4%
Total	47,339	100%	44,516	100%



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

Gender	Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent
Female	21,758	60.0%	26,101	60.7%	27,441	58.7%
Male	14,506	40.0%	16,899	39.3%	19,336	41.3%
Total	36,264	100.0%	43,000	100.0%	46,777	100.0%

Ethnic Origin						
American Indian or Alaskan Native	566	1.6%	682	1.6%	653	1.4%
Asian	2,886	8.0%	3,266	7.6%	3,448	7.4%
Black or African American	6,597	18.2%	7,617	17.7%	8,293	17.7%
Hawaiian or Pacific Islander	172	0.5%	190	0.4%	187	0.4%
Hispanic	12,830	35.3%	14,990	34.9%	17,125	36.6%
White	11,426	31.5%	14,443	33.6%	15,907	34.0%
Other	1,787	4.9%	1,812	4.2%	1,164	2.5%
Total	36,264	100.0%	43,000	100.0%	46,777	100.0%

Age						
Under 18	8,015	22.1%	9,125	21.2%	9,377	20.0%
18-21	13,415	37.1%	16,039	37.3%	18,776	40.2%
22-24	4,637	12.8%	5,449	12.7%	5,757	12.3%
25-29	3,927	10.8%	4,863	11.3%	5,040	10.8%
30-34	2,435	6.7%	2,942	6.8%	2,996	6.4%
35-50	3,132	8.6%	3,783	8.8%	3,891	8.3%
51 and older	703	1.9%	799	1.9%	940	2.0%
Total	36,264	100.0%	43,000	100.0%	46,777	100.0%
Average age	23.0		23.5		23.5	

Source:  
CBM001

Fall 2018		Fall 2017		Fall 2016		Fall 2015	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
28,496	59.1%	28,228	58.0%	27,342	57.4%	28,059	57.7%
19,756	40.9%	20,475	42.0%	20,329	42.6%	20,532	42.3%
48,252	100.0%	48,703	100.0%	47,671	100.0%	48,591	100.0%
653	1.4%	623	1.3%	569	1.2%	602	1.2%
3,483	7.2%	3,403	7.0%	3,212	6.7%	3,129	6.4%
8,516	17.6%	8,648	17.8%	8,422	17.7%	8,848	18.2%
187	0.4%	189	0.4%	224	0.5%	222	0.5%
16,994	35.2%	16,361	33.6%	15,245	32.0%	14,805	30.5%
17,122	35.5%	18,243	37.4%	19,006	39.8%	20,035	41.2%
1,297	2.7%	1,236	2.5%	993	2.1%	950	2.0%
48,252	100.0%	48,703	100.0%	47,671	100.0%	48,591	100.0%
8,647	17.9%	7,957	16.3%	7,276	15.3%	6,469	13.3%
19,056	39.6%	19,677	40.5%	19,275	40.3%	19,293	39.6%
6,172	12.8%	6,462	13.3%	6,438	13.5%	6,744	13.9%
5,663	11.7%	5,766	11.8%	5,783	12.1%	6,215	12.8%
3,275	6.8%	3,255	6.7%	3,171	6.7%	3,429	7.1%
4,414	9.1%	4,493	9.2%	4,652	9.8%	5,151	10.6%
1,025	2.1%	1,093	2.2%	1,076	2.3%	1,290	2.7%
48,252	100.0%	48,703	100.0%	47,671	100.0%	48,591	100.0%
24.1		24.1		24.3		24.8	

Gender	Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent
Female	27,364	58.1%	27,608	58.3%	26,340	59.2%
Male	19,712	41.9%	19,731	41.7%	18,176	40.8%
Total	47,076	100.0%	47,339	100.0%	44,516	100.0%

Ethnic Origin						
American Indian or Alaskan Native	541	1.1%	476	1.0%	361	0.8%
Asian	3,003	6.4%	2,918	6.2%	2,738	6.2%
Black or African American	8,829	18.8%	8,947	18.9%	8,438	19.0%
Hawaiian or Pacific Islander	222	0.5%	197	0.4%	133	0.3%
Hispanic	13,547	28.8%	12,771	27.0%	11,392	25.6%
White	19,985	42.4%	21,277	44.9%	20,752	46.5%
Other	949	2.0%	753	1.6%	702	1.6%
Total	47,076	100.0%	47,339	100.0%	44,516	100.0%

Age						
Under 18	5,527	11.7%	4,865	10.3%	3,262	7.3%
18-21	18,314	38.9%	18,547	39.2%	17,976	40.4%
22-24	6,819	14.5%	6,862	14.5%	6,579	14.8%
25-29	6,082	12.9%	6,086	12.9%	5,984	13.4%
30-34	3,565	7.6%	3,744	7.9%	3,821	8.6%
35-50	5,415	11.5%	5,841	12.3%	5,669	12.7%
51 and older	1,354	2.9%	1,394	2.9%	1,225	2.8%
Total	47,076	100.0%	47,339	100.0%	44,516	100.0%

Average age	25.6	26.0	26.0
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**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 17  
TRANSFERS TO SENIOR INSTITUTIONS  
2019-2020 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	20	4		24	0.14%
Lamar University	39	6		45	0.26%
Midwestern State University	177	71		248	1.46%
Prairie View A&M University	87	10		97	0.57%
Sam Houston State University	124	23		147	0.86%
Stephen F. Austin State University	159	14		173	1.02%
Sul Ross State University	6			6	0.04%
Tarleton State University	1,353	316		1,669	9.80%
Texas A&M International University	5			5	0.03%
Texas A&M University	606	91		697	4.09%
Texas A&M University - Central Texas	18	18		36	0.21%
Texas A&M University - Commerce	87	17		104	0.61%
Texas A&M University - Corpus Christi	55	7		62	0.36%
Texas A&M University - Kingsville	5			5	0.03%
Texas A&M University - San Antonio	18	1		19	0.11%
Texas A&M University - Texarkana	9			9	0.05%
Texas A&M University at Galveston	29			29	0.17%
Texas Southern University	28	8		36	0.21%
Texas State University	328	60		388	2.28%
Texas Tech University	725	149		874	5.13%
Texas Woman's University	844	75		919	5.40%
The University of Texas Permian Basin	19	1		20	0.12%
The University of Texas - Rio Grande Valley	8	5		13	0.08%
The University of Texas at Arlington	5,838	833		6,671	39.18%
The University of Texas at Austin	365	54		419	2.46%
The University of Texas at Dallas	540	84		624	3.67%
The University of Texas at El Paso	17	1		18	0.11%
The University of Texas at San Antonio	47	16		63	0.37%
The University of Texas at Tyler	43	16		59	0.35%
University of Houston	144	14		158	0.93%
University of Houston - Clear Lake	4	2		6	0.04%
University of Houston - Downtown	17	4		21	0.12%
University of Houston - Victoria	2			2	0.01%
University of North Texas	2,821	361		3,182	18.69%
University of North Texas at Dallas	99	23		122	0.72%
West Texas A&M University	43	12		55	0.32%
<b>Total</b>	<b>14,729</b>	<b>2,296</b>		<b>17,025</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Academic Buildings	84	84	85	85
Square footage	2,415,467	2,418,002	2,437,123	2,436,166
Libraries	5	5	5	5
Square footage	124,630	124,630	124,630	124,630
Number of Volumes	216,961	232,852	229,010	225,028
Administrative & Support Buildings	16	16	17	17
Square footage	248,522	245,987	277,724	278,301
Dining Facilities	10	10	10	10
Square footage	95,327	95,327	95,327	95,327
Average daily customers	1,417	450	1,644	2,157
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	23	23	23	23
Light Trucks/Vans	213	212	207	202
Fire Trucks	5	5	5	4

2018	2017	2016	2015	2014	2013
85	85	86	86	84	82
2,437,334	2,376,535	2,391,882	2,387,613	2,267,293	2,191,020
5	5	5	5	5	5
124,630	124,630	124,630	124,630	124,630	127,000
223,398	260,982	279,028	282,822	274,597	282,245
16	16	15	15	15	15
273,133	330,212	248,558	252,270	192,115	97,607
10	10	10	10	8	6
95,327	95,327	95,327	95,327	89,146	80,109
4,524	1,803	1,725	1,707	2,138	2,402
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	14	14	14	14	12
104,725	104,725	104,725	104,725	104,725	100,205
27	20	22	24	24	25
189	187	183	179	174	166
4	4	3	3	2	



**Tarrant County College<sup>®</sup>**  
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The page features several thin blue lines forming a series of nested, overlapping triangles and polygons that create a dynamic, abstract geometric pattern across the left and center. A thick gold border runs along the top and right edges of the page, framing the content.

# **FEDERAL SINGLE AUDIT SECTION**



**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2022**

<b>Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number</b>	<b>Assistance Listing Number</b>	<b>Direct Awards</b>	<b>Pass-Through Awards</b>	<b>Expenditures Total</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Federal Direct Programs:				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grant	84.007	\$ 1,832,568	\$	\$ 1,832,568
Federal Work Study	84.033	513,889		513,889
Federal Pell Grant	84.063	50,139,410		50,139,410
Direct Loans	84.268	19,304,517		19,304,517
Total Student Financial Assistance Center		71,790,384		71,790,384
Higher Education Institutional Aid				
College, Career and Life Readiness	84.031	569,929		569,929
TRIO Cluster				
TRIO Student Support Services	84.042	534,109		534,109
TRIO Upward Bound	84.047	1,108,490		1,108,490
Total TRIO Cluster		1,642,599		1,642,599
The Higher Education Opportunity Act				
Childcare Access Means Parents in School	84.335	205,827		205,827
Coronavirus Aid, Relief, and Economic Security Act				
COVID-19 Higher Education Emergency Relief Fund	84.425E	32,159,574		32,159,574
COVID-19 Higher Education Emergency Relief Fund	84.425F	46,006,788		46,006,788
COVID-19 Higher Education Emergency Relief Fund	84.425L	5,316,402		5,316,402
Total Coronavirus Aid, Relief, and Economic Security Act		83,482,764		83,482,764
Pass-Through from:				
Tarrant County Workforce Development Board				
Adult Education - Basic Grants to States 21-SPC-AEL-005	84.002		683,150	683,150
Texas Higher Education Coordinating Board				
Carl Perkins Postsecondary Vocational Education 224254	84.048		604,818	604,818
Governor's Emergency Education Relief Fund COVID-19 Emergency Educational Grant 23632	84.425		950	950
Governor's Emergency Education Relief Fund COVID-19 Tx Reskilling Support 24103	84.425		106,882	106,882
Governor's Emergency Education Relief Fund COVID-19 OER Course Development and Implementation 24540	84.425		14,943	14,943
Governor's Emergency Education Relief Fund COVID-19 OER Course Development and Implementation 24540	84.425		4,995	4,995
Total Texas Higher Education Coordinating Board			732,588	732,588
Dallas College				
Governor's Emergency Education Relief Fund COVID-19 Tx Reskilling and Upskilling for Education 25705	84.425		6,814	6,814
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>1,422,552</b>	<b>159,114,055</b>

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2022**

<b>Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number</b>	<b>Assistance Listing Number</b>	<b>Direct Awards</b>	<b>Pass-Through Awards</b>	<b>Expenditures Total</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Pass-Through from:				
Water from the Rock				
Community Development Block Grants/Entitlement Grants	14.218		15,393	15,393
2948				
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Pass-Through from:				
Office of Violence Against Women				
Grants to Reduce Domestic Violence, Dating Violence,				
Sexual Assault, and Stalking on Campus	16.525		106,556	106,556
2019-WA-AX-0014				
<b>U.S. DEPARTMENT OF LABOR</b>				
Pass-Through from:				
American Association of Community Colleges				
Expanding Community College Apprenticeships	17.268		47,542	47,542
AP-33025-19-75-A-11				
Pass-Through from:				
Texas Workforce Commission				
WIA Dislocated Worker Formula Grant				
Apprenticeship	17.278		43,223	43,223
0522ATP001				
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<b>90,765</b>	<b>90,765</b>
<b>DEPARTMENT OF THE TREASURY</b>				
Pass-Through From:				
Tarrant County Commissioners Court				
COVID-19 T3 Persistence Coaching Program	21.027		800	800
CO#135821				
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>				
Pass-Through from:				
American Library Association				
Women's Suffrage	45.164		787	787
LTAI-WS-015				
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>				
Pass-Through from:				
Texas State Library and Archives Commission				
InterLibrary Loan Lending Reimbursement Program	45.310		580	580
LS-00-19-0044-19				
<b>NATIONAL SCIENCE FOUNDATION</b>				
Pass-Through from:				
University of Texas at El Paso				
LSAMP: A Model Senior Alliance	47.076		16,843	16,843
226100996E				
Pass-Through from:				
Indian River State College				
Project Vision	47.076		3,440	3,440
772-462-7636				
Pass-Through from:				
American Association of Community Colleges				
MentorLinks	47.076		1,802	1,802
92909				
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<b>22,085</b>	<b>22,085</b>

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2022**

<b>Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number</b>	<b>Assistance Listing Number</b>	<b>Direct Awards</b>	<b>Pass-Through Awards</b>	<b>Expenditures Total</b>
<b>SMALL BUSINESS ADMINISTRATION</b>				
Pass-Through from:				
North Texas Small Business Development Center				
Small Business Development Center	59.037		255,963	255,963
SBAHQ-22-B0006				
COVID-19 Small Business Development Center	59.037		154,650	154,650
SBAHQ-20-C0059				
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>			<b>410,613</b>	<b>410,613</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Pass-Through from:				
Texas Workforce Commission				
Temporary Assistance for Needy Families				
Apprenticeship	93.558		5,894	5,894
0522ATP001				
Pass-Through from:				
Child Care Management Services				
Texas Rising Star	93.575		11,250	11,250
37604				
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>17,144</b>	<b>17,144</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 157,691,503</b>	<b>\$ 2,087,275</b>
			<b>\$ 159,778,778</b>	

**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	\$ 2,092,999
Federal Grants and Contracts – per Schedule C	138,386,986
Direct Loans	19,304,517
Veterans' Administration	<u>(5,724)</u>
 Total Federal Revenues per Schedule of Expenditures of Federal Awards	 <u>\$ 159,778,778</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>\$ 19,304,517</u>	<u>\$</u>	<u>\$ 19,304,517</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, 2022, and the related notes to the financial statements, and have issued our report thereon dated December 12, 2022.

**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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-01 that we consider to be a significant deficiency.

**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*.

The Board of Trustees  
Tarrant County College District

### **The District's Response to the Finding**

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

Dallas, Texas  
December 12, 2022

**Independent Auditor's Report on Compliance for  
Each Major Federal Program and on Internal Control over  
Compliance in Accordance with the Uniform Guidance,  
and on the Schedule of Expenditures of Federal Awards**

To the Board of Trustees  
Tarrant County College District

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

***Opinion 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit.

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 | Dallas, Texas 75201  
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The Board of Trustees  
Tarrant County College District

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

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

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

#### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters. Government Auditing Standards required the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### ***Report on Internal Control over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

The Board of Trustees  
Tarrant County College District

*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.*

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the District as of and for the year ended August 31, 2022 and have issued our report thereon dated December 12, 2022 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
December 12, 2022

**Tarrant County College District**  
Federal Schedule of Findings and Questioned Costs  
Year Ended August 31, 2022

**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?   X   Yes    \_\_\_\_\_ 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?   X   Yes    \_\_\_\_\_ 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)?   X   Yes    \_\_\_\_\_ No

Identification of major programs:

<u>CDFA Number(s)</u>	<u>Name of Federal Programs or Clusters</u>
84.007, 84.033, 84.063, and 84.268	U.S. Department of Education - Student Financial Assistance Cluster
84.425E, 84.425F, and 84.425L	U.S. Department of Education - Higher Education Emergency Relief Fund (Student Aid portion, Institutional portion, and Minority Serving Institutions portion)

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

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

**Tarrant County College District**  
Federal Schedule of Findings and Questioned Costs  
Year Ended August 31, 2022

**Section II. Financial Statement Findings**

**2022-001: User Access Administration**

**Type of Finding: Significant Deficiency in Internal Control over Financial Reporting**

Criteria

The National Institute of Standards and Technology (NIST) system control framework recommends that:

1. User access reviews be based on a pre-established frequency;
2. Upon termination of individual employment, system access should be disabled within the timeline pre-established by the entity; and
3. Provisioning of individual users access to systems should be appropriately documented and approved prior to completion of the provisioning.

Condition

For 15 of 40 sampled terminated users, Colleague application access was identified. This could result in inappropriate access that could impact system processing or data.

For 14 of 40 sampled new user accounts, the accounts were provisioned to the Colleague application without proper documentation to request access and/or management approval. If access for these users was provisioned inappropriately due to the lack of approval, inappropriate access could impact system processing or data.

A formal periodic access review of all functional access to the Colleague application was not documented and executed during the audit period.

Cause

The process to document and approve new user access requests and requests to revoke access for terminated users was not performed consistently for all instances. Additionally, management did not properly document and execute user access reviews to revalidate the appropriateness of access for each user account in the application.

Effect

Without the recommended controls in place for user provisioning, terminations, and functional user access reviews, there is a risk that inappropriate access through the Colleague application could result in unauthorized processing or change to data.

# **Tarrant County College District**

## **Federal Schedule of Findings and Questioned Costs - Continued Year Ended August 31, 2022**

### Recommendation

We recommend that the District review the policies and procedures for IT general controls over financial applications as it relates to user access management to ensure that controls are in place to operate consistently and effectively. This should include how:

- New and modified access requests to specific systems and roles within the application are documented, approved, and granted
- Requests for access of terminated users are communicated to IT administrators to remove access timely
- Management performs user access reviews to revalidate the appropriateness of each user account in the application. Reviews should be performed at a quarterly frequency and user accounts that require modification or removal should be requested to be changed by IT.

### Views of Responsible Officials and Planned Corrective Actions

The IT Operations and Information Security offices have updated the Colleague Account Management Procedures to ensure valid audit trails are available and conformance to best practices are maintained. Changes implemented include a) explicit definitions of roles, responsibilities, and procedures for all participants in the processes of account management, b) defining artifacts, c) defining specified locations for storage of those artifacts for valid audit trails, d) implementing a quarterly schedule for mandatory internal review by the User Services Manager, e) implementing a requirement for monthly spot internal audits by the User Services Manager, and f) defining two-party review procedures for the User Services Manager and Executive Director of IT Systems. The changes have been reviewed and approved by the Executive Director of IT Systems.

The User Services Manager will be responsible for the implementation of the revised procedures. The newly hired IT Security Compliance Officer will be responsible for oversight of the audit provisions of the updated procedures.

**Tarrant County College District**  
Federal Schedule of Findings and Questioned Costs -  
Continued Year Ended August 31, 2022

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

**Finding 2022-002: Verification**

**Type of finding: Significant Deficiency in Internal Controls over Compliance and Compliance**

Major Program: Student Financial Aid Cluster

Questioned Cost: \$4,202

Criteria

34 CFR 668.51 through 668.61 sets forth the criteria for verifying applicant information required for the Verification Tracking Group to which the applicant is assigned.

Condition

For 1 out of 40 students selected for testing, the District failed to obtain the necessary documentation for the student which was selected for verification.

Cause

The College disbursed funds to the selected student before obtaining the Educational Purpose and Identity Form, which deems the student ineligible to receive funds.

Effect

The error in verification resulted in the student receiving student financial aid funds while being ineligible to receive funds.

Recommendation

We recommend the financial aid and registrar's offices review documents of students selected for verification ensure that all documents required for verification are obtained.

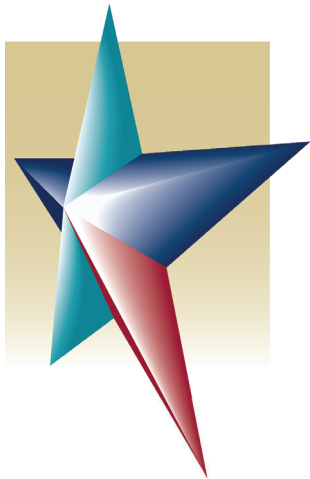
Views of Responsible Officials and Planned Corrective Actions

Student Financial Aid Services has revised our V4 Federal Verification procedures to require a second authorized staff member to review and approve any V4 Federal Verification documents directly from our imaging system. While it was an option to have the V4 documents reviewed by a second authorized staff member it was not required and often during the peak season campuses would accept, review, and approve V4 documents all at the same time. This change will require one authorized staff member to review documents when they are received from the student and again in our imaging system by a second authorized staff member. We have provided copies of our revised procedures and scheduled staff training.

The person responsible for implementing these revised procedures will be the District Director of Student Financial Aid Services.

**Section IV. Prior Year Audit Findings**

There were no prior year audit findings.



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# **STATE SINGLE AUDIT SECTION**



**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED AUGUST 31, 2022**

Grant Agency / Program Title	Grant Contract Number	Expenditures
TEXAS WORKFORCE COMMISSION		
Apprenticeship	0522ATP001	\$ 147,351
Apprenticeship Texas Expansion	0521SDF001	95,033
Total Texas Workforce Commission		242,384
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Work Study	25259	128,357
Texas Educational Opportunity Grant	26463	3,202,232
Professional Nursing Shortage FY2020	22421	40,527
Professional Nursing Shortage Over 70% Program FY2020	23005	140,812
Professional Nursing Shortage Over 70% Program FY2021	23650	575
CB Workstudy Mentoring Model	25473	56,929
Educational Aide Exemption Program	24249	3,391
		3,572,823
Pass-Through from:		
Dallas County Community College		
Small Business Development Center	SBAHQ-21-B0038	97,355
Small Business Development Center	SBAHQ-22-B0006	1,319
		98,674
Total Texas Higher Education Coordinating Board		3,671,497
Total State Financial Assistance		\$ 3,913,881

**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	<b><u>\$ 3,913,881</u></b>
Total State Revenues per Schedule of Expenditures of State Awards	<b><u>\$ 3,913,881</u></b>

**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  
in Accordance with the State of Texas Uniform Grant Management Standards**

To the Board of Trustees  
Tarrant County College District

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

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

We have audited the compliance of Tarrant County College District (the District) with the types of compliance requirements described in the *State of Texas Uniform Grant Management Standards (UGMS)*, that could have a direct and material effect on each of the District's major state programs for the year ended August 31, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of *UGMS State of Texas Single Audit Circular*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and UGMS will always detect material noncompliance when it exists.

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and UGMS we:

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

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Trustees  
Tarrant County College District

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.

Dallas, Texas  
December 12, 2022

**Tarrant County College District**  
State Schedule of Findings and Questioned Costs  
Year Ended August 31, 2022

**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?   X   Yes \_\_\_\_\_ 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:

Texas Educational Opportunity Grant

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

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

**Tarrant County College District**  
State Schedule of Findings and Questioned Costs - Continued  
Year Ended August 31, 2022

**Section II. Financial Statement Findings**

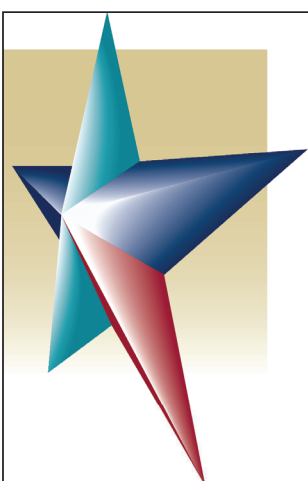
See Section II of the Schedule of Federal Findings and Questioned Costs.

**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. Prior Year Audit Findings**

There were no prior year audit findings.



**Tarrant County College<sup>®</sup>**  
**SUCCESS WITHIN REACH.**



