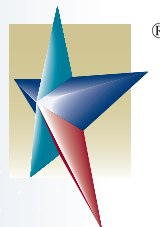


COMPREHENSIVE ANNUAL FINANCIAL REPORT

Tarrant
County
College
District



FOR THE FISCAL YEARS ENDED
AUGUST 31, 2017 AND 2016
TARRANT COUNTY COLLEGE DISTRICT
TEXAS



Equal Opportunity/Equal Access Institution



Comprehensive Annual Financial Report

For the Fiscal Years Ended
August 31, 2017 and 2016

Prepared by:

**Finance Department
Tarrant County College District
Texas**

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

CHANCELLOR'S LETTER

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



December 15, 2017

To the Board of Trustees:

I am pleased to share the Comprehensive Annual Financial Report with you and with our community. Through this report, you will get a detailed picture of the District's financial operations for fiscal year 2017, which ended on August 31, 2017.

I begin my second year as TCC's fifth chancellor with great enthusiasm for the opportunity we have to serve the educational and workforce training needs of our county. We provide the degrees, certificates and credentials that prepare individuals to be self-sufficient and vital contributors to our region's workforce. We also provide the programs needed to help businesses stay competitive with better-skilled and up-skilled workers. Our collective efforts as a College result in the contribution of \$1.7 billion annually to the economic growth of our region.

Since opening the doors of our first campus – TCC South – 50 years ago, we have established and maintained a track record of excellence. This past year is no exception. In May, we awarded 8,887 degrees and certificates to our students, representing a 15 percent increase over the previous year. Of these graduates, 111 were Early College High School students, many of whom participated in their college commencement ceremony before their high school commencement ceremony. Our commitment to student success is best measured by the students who achieve their goals with us, whether that is a certificate or a degree. This commitment has resulted in TCC ranking sixth in the nation among all community colleges for the number of associate degrees awarded, and ninth among all colleges and universities that confer associate degrees.

To the Board of Trustees
Tarrant County College District

We also are making great strides in improving the retention, completion and four-year graduation rates for our first time in college (FTIC) students. These key performance indicators are predictors of FTIC students' potential for success at TCC and have a direct correlation on the funding our institution receives from the State of Texas each year. The first-term successful course completion rate for FTIC students increased over the past two years, reaching 68.1 percent – a five percentage point increase since 2015. Both the fall-to-fall retention and four-year graduation rates also increased year-over-year to result in a four percentage point and 3.1 percentage point increase, respectively. We will continue to evaluate opportunities to help our FTIC students become even more successful in 2017-2018 and beyond.

Many of these opportunities will emerge from the three goals we have for TCC, which resulted from a year of discussions with faculty, staff, students and the Tarrant County community.

First, we will operate as **One College** with six campuses. That means that the experience a student has at TCC will be consistent regardless of the campus they attend. As part of this goal, we will work to ensure our programs and offerings are consistent and accessible throughout the entire county.

Second, we will be a **Student-Ready College**. We will put students at the core of all our programs and services so they feel welcome, engaged and supported within and beyond the classroom. Students come to us with a variety of interests and needs. To meet those needs, we will have the programs and processes in place to ensure they can get on their pathway to success as quickly as possible.

Third, we will **Serve the Community**. We will continue to be attentive to the needs of our Independent School Districts, local colleges and universities, as well as business and industry, in order to serve their ongoing educational needs. We will strive to be the community's partner of choice.

On behalf of TCC's leadership, faculty and staff, I hope this report gives you continued confidence in the important work TCC is doing to contribute to the health of our community. Thank you for your support, trust and partnership.



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



TRANSMITTAL LETTER

FOR THE YEARS ENDED AUGUST 31, 2017 AND 2016

OFFICE OF FINANCE

1500 Houston Street · Fort Worth, Texas 76102-6524

December 15, 2017

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

The comprehensive annual financial report of the Tarrant County College District for the fiscal year ended August 31, 2017, is hereby submitted.

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

Comprehensive Annual Financial Report

The Tarrant County College District's comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2017 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 consid-

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

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

The District is required to undergo an annual federal single audit in conformity with the provisions of the



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



Organization of 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 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 focus on institutional excellence and regularly pursues opportunities to improve programs, processes and systems to ensure the District is operating in the most effective and efficient manner possible to benefit students and those who serve them.

Economic Condition and Outlook

Located in North Central Texas, Tarrant County continues its unprecedented growth, with two million people now calling it “home” and as many as three million residents predicted by 2050. The County’s unemployment rate fell to 3.6 percent in November 2016. Industry also continues to flourish, as witnessed by American Airlines’ current construction of a new headquarters, Lockheed Martin’s manufacturing of F-35 fighter jets and Bell Helicopter constructing new helicopters, to name just a few examples.



Transportation upgrades are helping to fuel the explosive expansion of Tarrant County, with Chisholm Trail Parkway now extending from Fort Worth all the way to Cleburne and a reworked North Tarrant Express that includes State Highway 183 and Loop 820. Though some time until completion, much-needed improvements on I-35W also will help drive growth in the northern part of the County while facilitating improved traffic flow in both directions and enhancing I-35W as the main thoroughfare that runs from South Texas all the way to Lake Superior in Minnesota. Finally, a modern interchange between Interstate 30 and State Highway 360 will ease congestion and help residents and visitors in the eastern area of the County travel more efficiently.

Arlington, Texas represents one of the largest feeder communities to all six TCC campuses, and its residential and industrial growth continues to strengthen Tarrant County as a place to live, work, learn and play. Viridian, a 2,300-acre, master-planned community in North Arlington, is expected to include more than 1,000 condos and townhomes, as well as several thousand single-family homes, when fully completed. Downtown Arlington is being rejuvenated, with the new George W. Hawkes Central Library slated to open in 2018. This multi-use, state-of-the-art facility, will provide residents with “the library of the future” and is expected to set the standard for new develop-

ment in and around downtown Arlington, which is a stone’s throw from AT&T Stadium and the new Texas Live development planned to connect the stadium with the new Texas Rangers ballpark, the construction of which has just begun. Arlington also will benefit with the construction of a new UPS distribution center in South Arlington, expected to deliver more than 1500 jobs to Tarrant County.

TCC Priorities

What started in 1965 as a single-campus junior college has evolved to become one of the 20-largest higher education institutions in the nation. Each year, one out of every 21 Tarrant County residents is enrolled at TCC. Today’s Tarrant County College is six campuses strong and serves more than 100,000 students each year, spanning all age groups and representing more than 60 countries.

With continued demand for workforce development, and against the larger focus of economic and other obstacles facing students wishing to pursue higher education, TCC remains committed to fostering the greatest-possible levels of student success, institutional excellence and service to the community. These commitments inform every new program TCC introduces and provide the measurements against which TCC evaluates its effectiveness.

“ My years at DePaul University were challenging and formative. Working and balancing a full load of classes—if I hadn’t gone to TCC, I would not have made it through. TCC gave me the discipline to handle a university. -Kevin Douglas, drama/theater graduate ”

Student Success and Institutional Excellence: Measured by Retention, Completion and Graduation

This past year, TCC Ranked *sixth* in the nation among ALL community colleges for the number of



associate degrees awarded (according to *Community College Week*). TCC also ranked *ninth* among all colleges and universities in the nation that confer associate degrees. During May 2017 commencement ceremonies, TCC graduated a record number of Early College High School students – 111 students compared to just 11 students in 2014, and overall, TCC’s number of graduates grew by nearly 35 percent from last year – 8,887 degrees and certificates versus 6,590 the previous year.

Exemplifying its commitment to getting younger students on the path to a college education, and thereby increasing their chances for academic and career success, TCC’s Arlington Collegiate High School was recognized as a Title I Reward School for 2015-2016, one of only 160 campuses statewide to receive this distinction. This recognition was based on reading and math performance, and being a “reward school” means that Arlington Collegiate High School boasts the highest graduation rates.

Along these same lines, Texas Academy of Biomedical Sciences (TABS), a partnership between TCC’s Trinity River Campus and Fort Worth ISD, was awarded a \$95,000 grant from the Amon Carter Foundation to launch a senior capstone program at the academy to ensure graduates are prepared for postsecondary education.

“ TCC instructors are just amazing. They’ve been to places like Harvard and Johns Hopkins, and they treat you as if you are a student at that level. Academically, they push you to a limit you never thought you could achieve. -Manav Lamicahhane, earned Associate of Science (2017); currently attending Cornell University.

”

Similarly, Marine Creek Collegiate High School was honored by the National Center for Urban School Transformation as a Gold-Level Winner in the 2017 National Excellence in Urban Education Awards. This organization recognizes urban schools that achieve outstanding results across a number of academic indicators, including test scores, attendance and graduation rates.

Finally, underscoring its commitment to continued institutional excellence, TCC’s Center of Excellence for Energy Technology at the South campus was awarded LEED Platinum Certification from the U.S. Green Building Council. This is no small feat, and it’s important to note that this facility is one of only two nonresidential structures in Tarrant County to receive this distinction.

Community Service: Measured by Partnerships That Enhance Access and Strengthen the Workforce

At the heart of TCC’s mission is its commitment to improving educational and career opportunities for



“ I had a lot of fun at TCC and had great teachers. TCC prepared me to go to a university. The workload I took on here is on par with a university experience. If you don't seek out the resources that are available, you are missing out. Professors are there to help you do your best. -Salma Alvarez, music major ”

all Tarrant County constituents while also helping drive economic growth for the greater community.

Consider these examples:

In the 2016-2017 fiscal year, TCC and The Dannon Company partnered in a Texas Workforce Commission (TWC) Skills Development Fund grant to provide essential training for Dannon's maintenance and production teams. This training enabled Dannon to maintain its competitiveness and high standards. Over an 18-month period, TCC trained approximately 100 individuals in a combined 2,496 hours of training. TCC and Dannon currently are developing the next round of training needed.

Lockheed Martin Corp. continues to partner with TCC to provide job training for 1,200 new and incumbent workers using a \$1.5 million Skills Development Fund grant from the TWC. This grant is being used to provide customized training to 1,200 new and incumbent workers for industry-related topics with focused instruction on aircraft assembly, electrical engineering and computer-aided engineering process-



es. Trainees will include aeronautical engineers, avionics technicians, electrical engineers and systems administrators. Upon completion of training, the workers will receive an average hourly wage of \$47.58.

JPMorgan Chase partnered with TCC to develop a call-center training program to meet the growing need for skilled call center employees in the DFW market. TCC designed a custom curriculum, trained instructors and was operational in six months. The six-week course of small classes, with six to eight students each, consisted of intensive workplace simulations, followed by critical feedback from both instructor and students. Graduates are guaranteed interviews with the bank and if hired, are exempt from the two-year call center experience requirement. Since the program opened in July 2015, 55 students have received their completion certificates and most everyone has a job, either at Chase or another company.

TCC is partnering with the DFW Regional Aerospace Consortium to update and revise the existing curriculum in order to include new manufacturing processes and materials. In the short term, the updated curriculum and training program will support Lockheed Martin's ramp-up for their F-35 project,

which will include hiring nearly 2,000 employees. Because the training program is industry-led, it will also serve to provide a pipeline of skilled employees throughout the aerospace industry. TCC has allocated a significant amount of resources in support of this project, including upgrading the existing composites lab, and hiring dedicated curriculum designers and instructors. The DFW Regional Aerospace Consortium consists of several local aerospace companies including American Eurocopter LLC, Bell Helicopter TEXTRON, Lockheed Martin Aeronautics Company, Raytheon, Triumph Aerostructures as well as medium/small companies. Additional partners include local chambers, workforce board representatives, and education partners.

A \$248,757 Skills Development Fund grant from the Texas Workforce Commission enabled TCC to partner with the North Texas Specialty Physicians (NTSP) to develop and enhance new and existing skills with a health care focus in customer service, data administration, sales and leadership for NTSP employees. This training benefited 215 participants, including 62 new hires, and truly underscores the positive impact TCC can have on individuals, area businesses and the local economy through the training solutions.

Finally, TCC opened enrollment to individuals at the Opportunity Center to help prepare people for skilled



jobs including welding, machining, forklift operation and computing – the courses offered require anywhere from four to 40 hours for completion. This is another example of TCC’s commitment to helping the community become stronger through job training that leads to employment.

Financial Information

Internal Controls

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

Single Audit

As a recipient of federal, state, and local financial assistance, the District also is responsible for ensuring that adequate internal control is in place to comply with applicable laws and regulations related to those

programs. This internal control is subject to periodic evaluation by management and the independent auditors of the District. As a part of the District's single audits, described earlier, tests are made to determine the adequacy of the internal control, including that portion related to federal and state awards programs, as well as to determine that the District has complied with applicable laws and regulations. The Schedules of Findings and Questioned Costs for the District's Federal and State Single Audits for the fiscal year ended August 31, 2017 are included on pages 105 and 111, respectively.

Budgeting Controls

The District continues to apply budgetary controls and accounting on a fund basis. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the unrestricted current fund and auxiliary enterprises fund are included in the annual appropriated budget. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances are re-appropriated as part of the next year's budget.

All funds are included in the consolidated financial statements presented, although the funds are not separately reported in the CAFR under GASB 34 and 35.

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

Long-term Financial Planning

TCC is continually forward thinking about ways to serve our community and students. This includes looking at future costs of potential new ideas, projects, and possible debt issuance. A financial model

is used to project costs on a high level which allows planning for 5 or more years into the future.

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2016. This was the twenty-fifth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

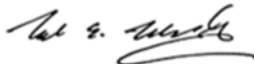
A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certifi-

cate of Achievement Program’s requirements, and we are submitting it to the GFOA in anticipation of another certificate.

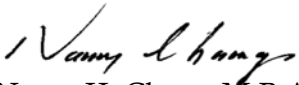
Acknowledgments

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

Sincerely,



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



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



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



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



Government Finance Officers Association

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

Presented to

**Tarrant County College District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2016

Executive Director/CEO

Tarrant County College District Elected Officials August 31, 2017



Louise Appleman
President of the Board
Term Expires: May 2019



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



Teresa Ayala
Secretary of the Board
Term Expires: May 2021



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



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



Bill Greenhill
Member of the Board
Term Expires: May 2023



Gwendolyn Morrison
Member of the Board
Term Expires: May 2019

Tarrant County College District Principal Officials August 31, 2017

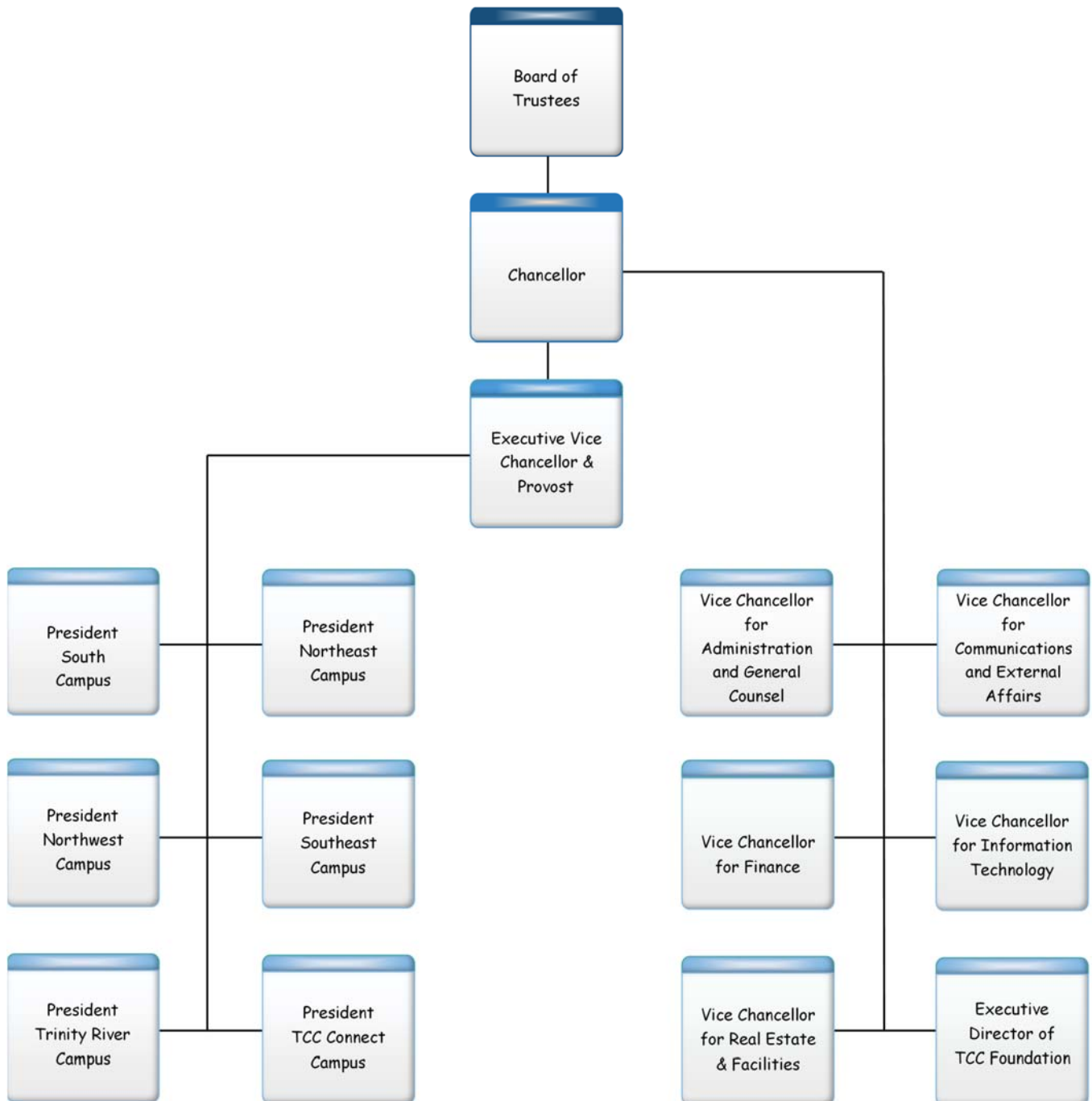
Administrative Officials

Chancellor	Eugene V. Giovannini, Ed.D.
Executive Vice Chancellor and Provost	Elva Concha LeBlanc, Ph.D.
President, Northwest Campus	Zarina Blankenbaker Ph.D.
President, Southeast Campus	Bill Coppola, Ph.D.
Vice Chancellor for Communications and External Affairs	Reginald Gates, M.Ed.
President, Northeast Campus	Allen Goben, Ed.D.
President, South Campus	Peter Jordan, Ed.D.
President, Trinity River Campus	S. Sean Madison, Ed.D.
Vice Chancellor for Finance	Mark McClendon, Ed.D.
President, TCC Connect Campus	Carlos Morales, Ph.D.
Vice Chancellor for Real Estate and Facilities	Nina Petty, B.B.A.
Vice Chancellor for Information Technology	Guhan Raghu, B.S.
Vice Chancellor for Administration and General Counsel	Angela Robinson, J.D.

Finance Officials

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

Tarrant County College District Chancellor's Executive Leadership Team



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Tarrant County College District

Report on the Financial Statements

We have audited the accompanying Statements of Net Position of Tarrant County College District (the District) as of August 31, 2017 and 2016, the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Trustees
Tarrant County College District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District Contributions and Notes to Required Supplementary Information on pages 44 to 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements. The introductory section on pages i to xiv, the statistical section on pages 57 to 95 and the additional financial information on pages 48 to 55 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations 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 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

To the Board of Trustees
Tarrant County College District

state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Fort Worth, Texas
December 15, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED AUGUST 31, 2017 AND 2016

Introduction

The following Management's Discussion and Analysis (MD&A) reviews the District's financial activity during the fiscal years ended August 31, 2017, 2016 and 2015. The MD&A is based on currently known facts, decisions, and conditions that have an impact on financial activities of the District and other key financial data as required by Governmental Accounting Standards (GASB) Statement No. 34 (GASB 34). It should be read in conjunction with the transmittal letter (pages iii-x), the District's basic financial statements (pages 12-15) and the notes to the financial statements (pages 16-41). 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 2002. For financial statement purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the District are presented using the economic measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated. (A detailed discussion of the reporting and accounting policies of the District may be found in Note 2 to the financial statements, pages 16-19.) The financial statements are comprised of the following components.

Report of Independent Auditors presents an unmodified opinion rendered by an independent certified public accounting firm, Weaver and Tidwell LLP, on the fairness (in all material respects) of the financial statements.

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

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

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

Statement of Cash Flows (SCF) presents information related to cash inflows and outflows summarized by operating, capital and non-capital financing, and investing activities. It provides relevant information when evaluating the financial viability of the District during the fiscal years ended August 31, 2017 and 2016. 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 2017 Financial Highlights

- In the fiscal year ended August 31, 2017, total District revenues exceeded total expenses by \$36.0 million as a result of careful budgeting, prudent fiscal management and conservation of resources.
- During the fiscal year, the District capitalized \$23.3 million of capital improvements on existing properties.

Statement of Net Position

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

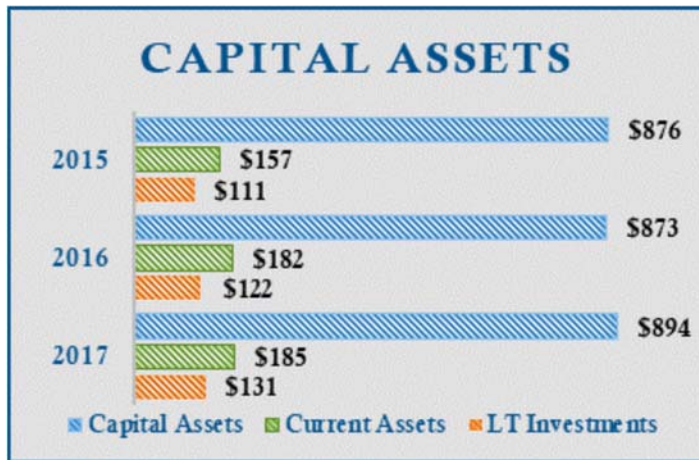
August 31 (Dollars in millions)	2017	2016	2016-17 Change	2015	2015-16 Change
Current Assets	\$ 184.9	\$ 181.8	\$ 3.1	\$ 156.6	\$ 25.2
Non-Current Assets:					
Long-Term Investments	131.4	122.2	9.2	110.6	11.6
Capital Assets, net	894.1	873.2	20.9	876.3	(3.1)
Total Assets	1,210.4	1,177.2	33.2	1,143.5	33.7
Deferred Outflows	16.7	18.9	(2.2)	7.4	11.5
Current Liabilities	48.2	51.8	(3.6)	53.1	(1.3)
Non-Current Liabilities	55.6	52.9	2.7	45.3	7.6
Total Liabilities	103.8	104.7	(0.9)	98.4	6.3
Deferred Inflows	12.8	16.9	(4.1)	12.6	4.3
Net Investment in Capital Assets	894.1	873.2	20.9	871.3	1.9
Restricted	6.9	6.5	0.4	6.8	(0.3)
Unrestricted	209.5	194.8	14.7	161.8	33.0
Total Net Position	\$ 1,110.5	\$ 1,074.5	\$ 36.0	\$ 1,039.9	\$ 34.6

Total assets increased by \$33.2 million during fiscal year 2017, and \$33.7 million during fiscal year 2016 and total liabilities decreased \$0.9 million for fiscal year 2017 and increased \$6.3 million for fiscal year 2016.

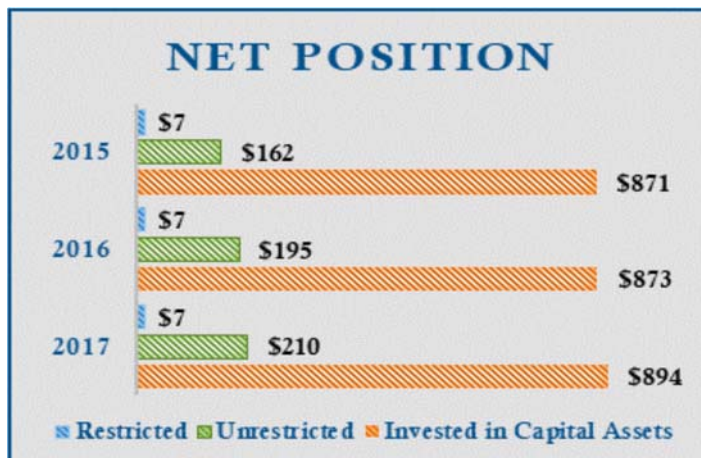
- **Current Assets** increased by \$3.1 million during fiscal year 2017, and increased by \$25.2 million during fiscal year 2016. The 2017 increase is primarily due to an increase in short-term investments. The 2016 increase is also attributable to an increase in short-term investments. Current assets consist mainly of cash, short-term investments, and receivables. Cash and short-term investments are maintained at levels necessary to cover current liabilities as they come due and to ensure adequate liquidity as funds are needed for expenditures associated with building and expansion projects. Receivables are from students, property taxes, and grants and contracts. At year-end 2017, current assets as a percentage of total assets decreased slightly from 15.4% to 15.3%. Long-term investments as a percentage of total assets increased from 10.4% for the prior year to 10.9% for the current year. Capital assets as a percentage of total assets had a slight decrease going from 74.2% for fiscal year 2016 to 73.9% for fiscal year 2017. 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.

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

Years Ended August 31
(Dollars in Millions)



- **Non-current Assets** increased by 3.0 percent, or \$30.1 million, for fiscal year 2017, and increased \$8.5 million (0.9 percent) for fiscal year 2016. The 2017 increase is due to an increase in both long-term investments and capital assets. The majority of the capital asset value is in property and equipment, with additional construction continually ongoing. Capital assets were \$894.1 million as of August 31, 2017 as compared to \$873.2 million at August 31, 2016. This increase, net of current year depreciation of \$32.2 million, reflects spending on various ongoing capital improvement projects.



- **Deferred Outflows of Resources** - Required entries from GASB 68 resulted in the recording of a reduction of \$2.2 million of deferred outflows of resources related to pensions for the year ended August 31, 2017, bringing the total to \$16.7 million, as compared to \$18.9 million at August 31, 2016.
- **Current Liabilities** decreased \$3.6 million and non-current liabilities increased \$2.7 million for the year ended August 31, 2017. Current liabilities of \$48.2 million were comprised of accounts payable, accrued liabilities, accrued employee benefits and unearned revenue. Accounts payable and accrued expenses for goods and services received prior to the end of the fiscal year decreased \$3.8 million.



- **Non-current Liabilities** primarily consist of accrued employee benefits and net pension liability as required by GASB 68. Total non-current liabilities were \$55.6 million at August 31, 2017 (including net pension liability of \$51.1 million) versus \$52.9 million at August 31, 2016.
- **Deferred Inflows of Resources** - Required entries from GASB 68 resulted in the recording of a reduction of \$4.1 million of deferred inflows of resources related to pensions for the year ended August 31, 2017, bringing the total to \$12.8 million, as compared to \$16.9 million at August 31, 2016.

- **Net Position** (total assets and deferred outflows less total liabilities and deferred inflows) increased \$36.0 million, or 3.4 percent. This was primarily due to the increase in investment in capital assets. Net investment in capital assets, \$894.1 million, represents 80.5 percent of net position, which reflects the District's substantial investment in capital assets such as property, buildings, and equipment. Restricted net position such as grants from third-party agencies with expenditure restrictions, student loan funds, or assets designated for debt service represented an additional 0.6 percent of net position. The remaining unrestricted net position may be used for educational or general operations of the District. Unrestricted net position increased \$14.7 million, and represents 18.9 percent of net position. During fiscal year 2017, the net position designated for future capital outlay decreased by \$1.5 million to \$17.8 million. The portion of net position committed to capital assets is expected to remain substantial with the ongoing improvements district wide.

Condensed Statements of Revenues, Expenses and Changes in Net Position					
Years Ended August 31 (Dollars in millions)	2017	2016	2016-17 Change	2015	2015-16 Change
Operating Revenue					
Tuition & Fees	\$ 55.0	\$ 52.5	\$ 2.5	\$ 49.5	\$ 3.0
Grants & Contracts	13.3	11.8	1.5	11.6	0.2
Auxiliary Enterprises	3.8	3.7	0.1	3.4	0.3
Other Operating Revenue	1.8	2.2	(0.5)	4.7	(2.4)
Total Operating Revenue	73.9	70.2	3.6	69.2	1.1
Operating Expenses					
Instruction	140.7	136.4	4.3	130.7	5.7
Public Service	12.7	10.1	2.6	9.2	0.9
Academic Support	35.1	30.6	4.5	29.0	1.6
Student Services	36.2	32.8	3.4	31.5	1.3
Institutional Support	45.8	42.9	2.9	40.9	2.0
Operation & Maintenance of Plant	34.9	33.1	1.8	33.2	(0.1)
Scholarships & Fellowships	58.1	63.9	(5.8)	64.5	(0.6)
Auxiliary Enterprises	4.6	4.0	0.6	3.8	0.2
Depreciation	32.2	30.6	1.6	29.9	0.7
Total Operating Expenses	400.3	394.4	15.9	372.7	11.7
Operating Loss	(326.4)	(314.1)	(12.3)	(303.5)	(10.6)
Non-Operating Revenue (Expense)					
State Appropriations	78.4	72.9	5.5	70.0	2.9
Ad Valorem Tax	220.3	206.9	13.4	197.4	9.5
Grants & Contracts	59.7	64.3	(4.6)	66.3	(2.0)
Other Revenue-Gifts	0.7	0.7	0.7	0.7	0.0
Investment & Other Income	3.7	4.9	(1.2)	2.4	2.5
Non-Operating Expense	(0.4)	(0.3)	(0.1)	(0.3)	(0.3)
Total Non-Operating Revenue (Expense)	362.4	308.7	13.7	305.5	12.9
Increase in Net Position	36.0	34.6	1.4	32.3	2.3
Net Position					
Net Position Year Beginning	1,074.5	1,039.9	34.6	1,054.2	(14.3)
Change in Accounting Principle			-	(46.6)	46.6
Total Revenue	436.7	419.3	17.4	405.3	14.0
Total Expenses	(400.7)	(384.7)	(16.0)	(373.0)	(11.7)
Net Position-Year End	\$ 1,110.5	\$ 1,074.5	\$ 36.0	\$ 1,039.9	\$ 34.6

Statement of Revenues, Expenses and Changes in Net Position

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

operating expenses. Since state appropriations and county tax revenue are a significant portion of maintenance and operations funding, classification of this revenue as non-operating will usually result in an operating loss, as it does for the District for fiscal year 2017 and prior years.

Revenues

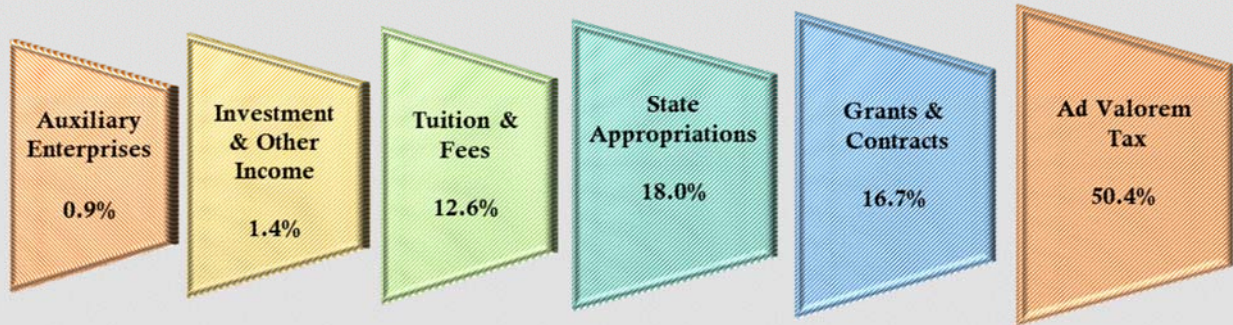
Total revenues increased \$17.4 million, or 4.2 percent, over the prior year to \$436.7 million in 2017. For fiscal 2016, total revenue was \$419.3 million. The increase for fiscal 2017 is primarily the result of an increase in ad valorem taxes. For fiscal year 2016 the increase of \$14.0 million was also due to a increase in ad valorem taxes.

Operating Revenues

Operating revenue increased \$3.6 million in 2017, or 5.1 percent over 2016, to \$73.9 million. In fiscal year 2016, operating revenue increased 1.6 percent over 2015. The primary source of operating revenue has continually been tuition and fees.

TOTAL REVENUE BY SOURCE

Fiscal Year 2016-17
Total \$436.3



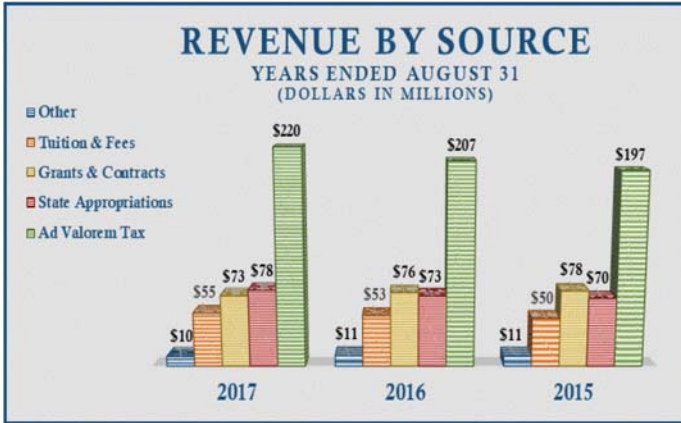
Revenue from tuition and fees increased \$2.5 million or 4.8 percent over 2016 to \$55.0 million. For the fiscal years 1996 through 2001, the District maintained a policy of increasing the in-district tuition rate by \$2 per hour per year. After 2001, in response to a call from the Texas Higher Education Coordinating Board to hold the line on tuition increases as part of the “Closing the Gaps Plan” for higher education, the amount of tuition increase at TCCD was reduced to \$1 per hour per year. Beginning in spring 2004, state universities in Texas were able to set their own levels of tuition for the first time. Subsequently some state universities imposed substantial tuition increases, which resulted in a greater number of students seeking more affordable tuition rates such as those offered at TCCD. Support for this growth had to be funded by the two local sources of revenue – tuition and taxes. Planning in that regard, the Board approved a three-year tuition increase plan of \$2 per year beginning with the 2005 year. Following this three-year plan, In-County tuition was not increased. However, Out-of-district tuition increased by \$10 to \$73 per hour and the Non-resident tuition increased by \$15 to \$165 per hour in the spring of 2008. Since then, there were no increases until Spring 2012, when In-County tuition was increased by \$2 to \$52 per hour. Out-of-County tuition was increased \$3 to \$76 per hour, and Non-Resident tuition was increased \$6 to \$171 per hour. Beginning in spring 2013, In-County tuition was increased \$3 to \$55 per hour; Out-of-County tuition was increased \$10 to \$86 per hour; and Non-Resident tuition was increased \$34 to \$205 per hour.

Those tuition rates were in effect until spring 2016 when the following changes were made: In County rate became \$59 per hour; Out-of-County rate became \$106 per hour; Out-of-State and Non-Resident rate became \$255 per hour.

Non-Operating Revenues (Expense)

Non-operating revenues (expense) increased from \$348.7 million to \$362.4 million for the fiscal years ended August 31, 2017 and 2016, respectively. For fiscal 2015, non-operating revenue was \$335.8 million. For 2017, non-operating revenue consists predominantly of ad-valorem taxes of \$220.3 million, which increased by \$13.4 million or 6.5 percent, and state appropriations of \$78.4 million, which increased by \$5.5 million or 7.5 percent.

In 1998, the Board of Trustees of the Tarrant County College District, acting on the chancellor’s recommendation, altered the traditional approach of relying on bonded indebtedness for new construction, repair and renovation, and major equipment purchases. Instead, the District elected to fund such expenditures from maintenance and operations tax revenue. In August 2002, the Board of Trustees of the District set the tax rate at 13.938 cents per \$100 valuation. Since that time the Board of Trustees increased the tax rate to 14.897 for 2012 and 2013, and increased the tax rate to 14.950 for 2014 through 2016, and decreased the tax rate to 14.473 for 2017 and decreased the tax rate to 14.006 for 2018.



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

State appropriations accounted for 35 percent of total (operating and non-operating) revenue in fiscal 1998, and have declined to 18.0 percent of revenue in 2017. Tuition and fees accounted for 22.9 percent in fiscal 1998 and 12.6 percent in fiscal 2017. In contrast, local property taxes accounted for 21.0 percent of total revenue in fiscal 1998 and 50.4 percent of revenue in 2017. Tuition and fees were \$55.0 million in fiscal 2017 and \$52.5 million in fiscal 2016, and slightly increased as a percentage of total revenue to 12.6 percent in 2017 from 12.5 percent in 2016.

Grants and contracts have decreased from \$76.1 million in 2016 to \$73.0 million in 2017, and are 16.7 percent of total revenues. During fiscal 2015, revenues from grants and contracts were \$77.9 million.

This source of revenue includes restricted revenues made available by government agencies as well as private agencies. Grant funding is recognized as revenue at the point when all eligibility requirements imposed by the provider have been met.

Auxiliary enterprise expense exceeded auxiliary enterprise revenue by \$0.8 million for fiscal 2017. Auxiliary enterprises include various enterprise entities that exist predominantly to furnish goods or services to students, faculty, staff or the general public and charge a fee directly related to the cost of those goods or services. These enterprises are intended to be self-supporting. During fiscal 2017, the District recorded a \$0.1 million increase in sales revenues from operations at our auxiliary enterprises.

Fiscal year 2017 investment and other income decreased by \$1.2 million to \$3.7 million compared to a \$2.5 million increase for the prior year. (See Note 4, page 24, for additional information on investment earnings and portfolio market adjustments.)

Expenses

Total expenses for fiscal 2017 increased \$16.0 million to \$400.7 million from \$384.7 million for fiscal 2016. For fiscal 2015, total expenses were \$373.0 million.

Operating expenses increased by \$15.9 million to \$400.3 million, an increase of 4.1 percent from fiscal 2016. For fiscal 2015, operating expenses were \$372.7 million. Significant fluctuations in 2017 operating expenses are as follows:

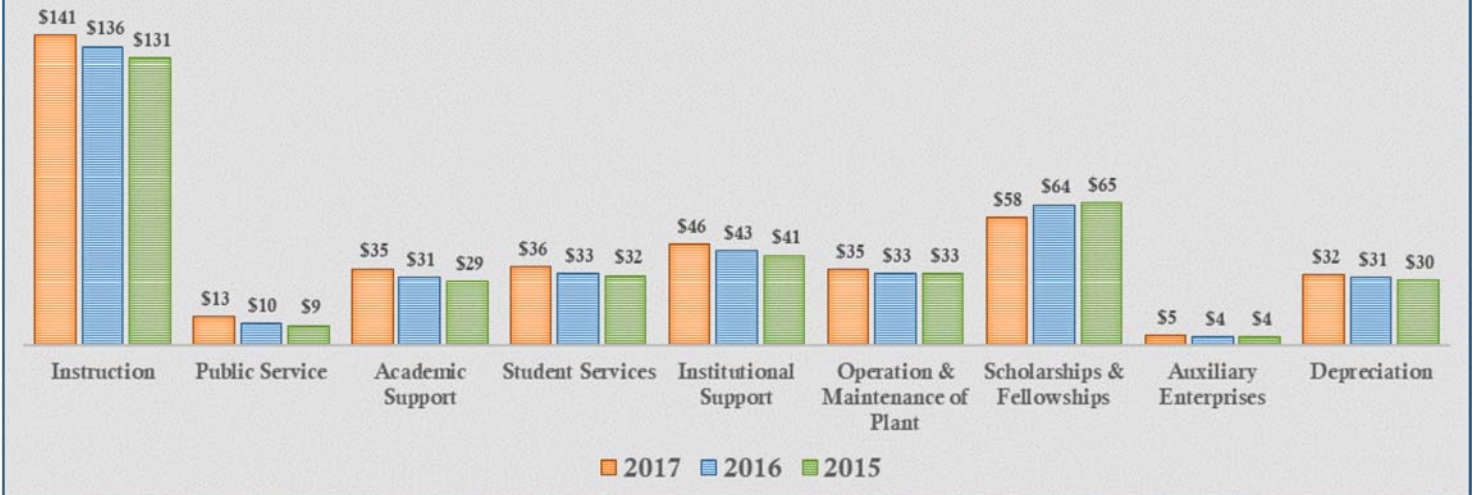
- Salaries and wages increased \$8.3 million to \$178.6 million

Years Ended August 31 (Dollars in millions)	2017	2016	2016-17 Change	2015	2015-16 Change
Salary & Wages	\$ 178.6	\$ 170.3	\$ 8.3	\$ 164.7	\$ 5.6
Staff Benefits	59.7	51.2	8.5	47.7	3.5
Other Expenses	129.8	132.3	(2.5)	130.4	1.9
Depreciation	32.2	30.6	1.6	29.9	0.7
Total Operating Expenses	\$ 400.3	\$ 384.4	\$ 15.9	\$ 372.7	\$ 11.7

OPERATING EXPENSE BY FUNCTION

YEARS ENDED AUGUST 31

(Dollars in millions)



- Staff benefits increased by \$8.5 million to \$59.7 million
- Other expenses decreased by \$2.5 million to \$129.8 million

An analysis of operating expenses by function indicates the most significant year-to-year percentage changes to be in public service (increased 25.7 percent to \$12.7 million).

Statement of Cash Flows

Cash receipts from operating activities are from tuition and fees, grants and contracts, and auxiliary enterprise activities. The primary cash outlays for operating activities are payments to or on behalf of employees and to vendors. As is typical for colleges, universities, and many other public sector entities using the GASB financial model, TCCD's cash flow from operating activities was a deficit. The deficit was \$275.1 million for fiscal 2017, \$258.2 million for fiscal 2016, and \$261.5 million for fiscal 2015. 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 \$335.7 million for 2017, \$328.9 million for 2016, and \$318.7 million for 2015.

Cash used for capital and related financing activities was \$52.8 million for 2017, \$32.9 million for 2016, and \$62.5 million for 2015.

Cash used by investing activities for 2017 was \$10.6 million, which reflects the purchase and maturity of investments and interest income from investments. This was \$27.8 million less than cash used by investing activities for fiscal 2016 of \$38.4 million.

Cash and cash equivalents decreased by \$2.8 million from \$5.3 million at August 31, 2016 to \$2.5 million at August 31, 2017.

Capital Assets and Related Financing Activities

Capital Assets

At August 31, 2017, the District had a total of \$894.1 million in capital assets, net of accumulated depreciation. Capital assets increased \$20.9 million for 2017, decreased \$3.1 million for 2016, and increased \$19.4

million for 2015. Construction-in-progress was \$32.8 million at August 31, 2017. During 2017, \$70.8 million of construction-in-progress jobs were completed, including \$37.3 million for the South Energy Technology Center, \$7.7 million for the South Early College High School, \$9.6 million for various district mechanical, electrical, and plumbing projects and several smaller scale projects throughout the district. (See Note 18, pages 38-39, to the financial statements for more detailed information regarding capital assets.)

Construction-in-progress was \$63.7 million at August 31, 2016. During 2016, \$23.6 million of construction-in-progress jobs were completed, including \$8.4 million for various district wide projects, \$9.0 million for Southeast Early College High School, \$3.5 million for South Electric Upgrade, and several smaller scale projects throughout the District.

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

Long-Term Debt Information

On February 13, 2015, the District made its final payment on outstanding general obligation bonds in the amount of \$8.1 million. Thus, on August 31, 2015, 2016 and 2017 the outstanding balance was \$0.0 million. For the years ended August 31, 2017, 2016, and 2015, debt service payments were \$0.0 million, \$0.0 million, and \$8.1 million, respectively. For 2015, net reduction to bond principal was \$7.9 million, and interest payments on capital debt totaled \$0.2 million.

District Financial Position

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

Condensed Statement of Cash Flows					
Years Ended August 31 (Dollars in millions)	2017	2016	2016-17 Change	2015	2015-16 Change
Cash & cash equivalents provided/(used) by:					
Operating Activities	\$(275.1)	\$(258.2)	\$(16.9)	\$(261.5)	\$ 3.3
Non-Capital Financing Activities	335.7	328.9	6.8	318.7	10.2
Capital & Related Financing Activities	(52.8)	(32.9)	(19.9)	(62.5)	29.6
Investing Activities	(10.6)	(38.4)	27.8	4.8	(43.2)
Cash & Cash Equivalents Increase	(2.8)	(0.6)	(2.2)	(0.5)	(0.1)
Cash & Cash Equivalents Sept. 1	5.3	5.9	(0.6)	6.4	(0.5)
Cash & Cash Equivalents Aug. 31	\$ 2.5	\$ 5.3	\$ (2.8)	\$ 5.9	\$ (0.6)

TARRANT COUNTY COLLEGE DISTRICT
EXHIBIT 1
STATEMENTS OF NET POSITION
AUGUST 31, 2017 AND 2016

	2017	2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,556,981	\$ 5,342,738
Investments	153,272,762	149,368,117
Accounts receivable, less allowance for doubtful accounts of \$17,838,057 and \$16,256,315 in 2017 and 2016, respectively	11,211,347	10,295,521
Taxes receivable, less allowance for doubtful accounts of \$2,188,411 and \$2,321,074 in 2017 and 2016, respectively	4,803,687	4,746,181
Interest receivable	608,770	563,556
Federal grants and contracts receivable	7,076,998	6,678,044
State and local grants and contracts receivable	1,715,022	1,837,680
Prepaid expenses and other current assets	3,725,888	2,947,228
Total current assets	184,971,455	181,779,065
Non-current assets		
Investments	130,901,970	121,742,652
Restricted investments	520,885	433,416
Capital assets, net		
Non-depreciable capital assets	116,945,805	139,775,399
Depreciable capital assets	777,132,636	733,423,686
Total non-current assets	1,025,501,296	995,375,153
Total assets	1,210,472,751	1,177,154,218
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	16,709,447	18,955,012
 LIABILITIES		
Current liabilities		
Accounts payable	10,601,451	14,855,104
Accrued liabilities	7,905,918	7,400,944
Accrued compensated absences	6,065,090	5,758,274
Deposits held for others	468,285	392,066
Unearned revenue	23,149,231	23,438,801
Total current liabilities	48,189,975	51,845,189
Non-current liabilities		
Accrued compensated absences	4,390,813	4,303,461
Workers' compensation payable	183,762	115,481
Net pension liability	51,062,332	48,498,163
Total non-current liabilities	55,636,907	52,917,105
Total liabilities	103,826,882	104,762,294
 DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	12,837,188	16,870,427

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

TARRANT COUNTY COLLEGE DISTRICT
EXHIBIT 1
STATEMENTS OF NET POSITION
AUGUST 31, 2017 AND 2016
(continued)

	2017	2016
NET POSITION		
Net investment in capital assets	\$ 894,078,441	\$ 873,199,085
Restricted for:		
Expendable		
Student aid	6,778,900	6,331,509
Loans	144,269	143,928
Debt service		23,521
Total restricted	6,923,169	6,498,958
Unrestricted	209,516,518	194,778,466
Total net position (Schedule D)	\$ 1,110,518,128	\$ 1,074,476,509

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, 2017 AND 2016

	2017	2016
REVENUES		
Operating revenues		
Tuition and fees, net of allowances and discounts of \$12,619,260 and \$12,878,554 in 2017 and 2016, respectively	\$ 54,986,934	\$ 52,482,348
Federal grants and contracts	4,523,229	3,676,399
State grants and contracts	5,402,033	5,512,293
Non-governmental grants and contracts	3,445,783	2,586,684
Auxiliary enterprises	3,799,593	3,742,094
Other operating revenue	1,785,418	2,347,842
Total operating revenue (Schedule A)	73,942,990	70,347,660
EXPENSES		
Operating expenses		
Instruction	140,735,776	136,401,326
Public service	12,736,336	10,082,205
Academic support	35,116,541	30,605,416
Student services	36,217,071	32,772,581
Institutional support	45,811,537	42,947,782
Operation and maintenance of plant	34,862,956	33,057,686
Scholarships and fellowships	58,061,684	63,879,015
Auxiliary enterprises	4,587,947	4,036,187
Depreciation	32,197,448	30,617,191
Total operating expenses (Schedule B)	400,327,296	384,399,389
Operating loss	(326,384,306)	(314,051,729)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	78,428,968	72,889,359
Maintenance ad-valorem taxes	220,336,268	206,958,870
Federal grants and contracts	59,652,406	64,293,615
Gifts	722,163	14,650
Investment income	2,595,851	2,767,332
Other income	1,087,193	2,103,574
Loss on disposal of assets	(396,924)	(344,578)
Total non-operating revenue (Schedule C)	362,425,925	348,682,822
Increase in net position (Schedule D)	36,041,619	34,631,093
NET POSITION, BEGINNING OF YEAR	1,074,476,509	1,039,845,416
NET POSITION, END OF YEAR	\$ 1,110,518,128	\$ 1,074,476,509

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, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from tuition and fees	\$ 52,991,872	\$ 55,352,753
Receipts from grants and contracts	14,403,135	11,768,695
Payments to suppliers	(156,322,200)	(145,956,466)
Payments to or on behalf of employees	(192,916,961)	(187,456,760)
Receipts from auxiliary enterprise charges	3,835,426	3,592,094
Other receipts	2,872,446	4,465,165
Net cash used by operating activities	(275,136,282)	(258,234,519)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	56,326,105	56,235,643
Receipts from non-operating federal revenue	59,098,018	65,615,870
Receipts from local property taxes	220,278,762	207,073,715
Net cash provided by non-capital financing activities	335,702,885	328,925,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(52,751,565)	(27,883,690)
Payments on capital debt - principal		(5,000,000)
Net cash used by capital and related financing activities	(52,751,565)	(32,883,690)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investments	749,796,893	675,098,689
Interest on investments	2,234,416	1,238,330
Purchase of investments	(762,632,104)	(714,740,174)
Net cash used by investing activities	(10,600,795)	(38,403,155)
Net decrease in cash and cash equivalents	(2,785,757)	(596,136)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,342,738	5,938,874
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,556,981	\$ 5,342,738
RECONCILIATION OF OPERATING LOSS TO		
NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	\$ (326,384,306)	\$ (314,051,729)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	32,197,448	30,617,191
Non-cash state appropriations	22,102,863	16,653,716
Pension expense	5,289,225	4,320,831
Non-operating other income	1,087,028	2,117,323
Change in operating assets and liabilities		
Receivables	(637,734)	1,465,240
Prepaid expenses and other current assets	(778,660)	916,969
Deferred outflows of resources	(4,512,730)	(4,258,346)
Accounts payable and accrued liabilities	(3,680,398)	2,089,538
Accrued compensated absences	394,168	631,974
Deposits held for others	76,219	14,290
Deferred revenue	(289,405)	1,248,484
Net cash used by operating activities	\$ (275,136,282)	\$ (258,234,519)
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Change in fair value of investments	\$ (660,486)	\$ 847,353
Donation of capital assets	\$ 722,163	\$ 14,650

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. REPORTING ENTITY

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Report Guidelines

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

Tuition Discounting

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

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

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

Basis of Accounting

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Basis of Accounting-continued

years for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant internal activity has been eliminated.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding as of August 31, 2017 of \$27,260,818 have been provided for in the fiscal year 2018 budget.

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The District's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

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

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments, except for certain investment pools, are reported at fair value. Fair values are based on published market rates. In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, certain investment pools are reported at amortized cost. Short-term investments have an original maturity greater than three months but less than one year at the date of purchase. The governing board has designated amounts held in public funds investment pools totaling \$145,111,270 and \$141,158,077 at August 31, 2017 and 2016, respectively, to be short-term investments. Long-term investments have an original maturity of greater than one year at the date of purchase.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for improvements, 10 years for furniture and other equipment, 5 years for telecommunications and peripheral equipment, and 15 years for library books. Collections, which consist of purchased works of art, are not depreciated as they are deemed to have permanent value.

Deferred Outflows of Resources

In addition to assets, the Statements of Net Position present a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. Governments

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Deferred Outflows of Resources-continued

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

Accrued Compensated Absences

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

Unearned Revenue

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

Deferred Inflows of Resources

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

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most significant estimates in the District's financial statements relate to the net pension liability and depreciation expense.

Net Position

The District's net position is classified as follows:

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

Restricted net position – nonexpendable – Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may be either expended or added to principal. The District had no nonexpendable restricted net position as of August 31, 2017 or 2016.

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Operating and Non-operating Revenue and Expense Policy

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

Pensions

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

NOTE 3. AUTHORIZED INVESTMENTS

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

NOTE 3. AUTHORIZED INVESTMENTS-continued

During the year ended August 31, 2012, the District established the Gas Royalty Scholarship Fund. As described in Note 4, these funds are invested and managed by a related organization. Under the District's investment policy, the scholarship fund is invested in accordance with the Public Funds Investment Act (PFIA).

NOTE 4. DEPOSITS AND INVESTMENTS

At August 31, 2017 and 2016, the carrying amounts of the District's deposits were \$2,533,931 and \$5,320,778 and total bank balances equaled \$4,724,233 and \$6,339,235, respectively. Bank balances of \$250,000 were covered by the Federal Depository Insurance Corporation with \$4,474,233 and \$6,089,235 covered by collateral pledged in a joint custody security account with market values of \$5,181,493 and \$6,273,141 at August 31, 2017 and 2016, 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, 2017 and 2016 were \$5,382,557 and \$5,348,206 invested in TexPool, a pool managed by the Treasurer of the State of Texas, \$5,548,713 and \$5,669,887 invested in TexStar, a pool managed by JP Morgan Investment Management Inc. and First Southwest Company, \$64,536,617 and \$68,256,434 invested in TexasTerm, a series of pools managed by PFM Asset Management, LLC, and \$69,643,383 and \$61,883,550 invested in Lone Star Investment Pool, a pool managed by First Public, LLC, respectively. The fair value of the District's positions in the pools is substantially the same as the value of the pools' shares. The investments in which the pools may invest are subject to the same restrictions as the District.

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

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

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

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

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

NOTE 4. DEPOSITS AND INVESTMENTS-continued

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

During the year ended August 31, 2012, the District entered into a management agreement with Tarrant County College Foundation (the Foundation), a related organization (see Note 15). Under this agreement, the Foundation will invest, manage and monitor certain designated funds of the District (hereinafter referred to as Beneficial Interest in Funds Held by Affiliate), derived principally from oil and gas lease and bonus payments. The terms of the agreement dictate that the District will determine the use of the earnings from the invested funds and authorize all expenditures from the funds.

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

Cash and Cash Equivalents		
	2017	2016
Bank deposits		
Demand deposits	\$2,533,931	\$5,320,778
Cash on hand		
Petty cash	23,050	21,960
Total cash and cash equivalents	\$2,556,981	\$5,342,738

NOTE 4. DEPOSITS AND INVESTMENTS—continued

Reconciliation of Deposits and Investments to Exhibit 1		
	Carrying Value August 31, 2017	Carrying Value August 31, 2016
TexPool	\$ 5,382,557	\$ 5,348,206
TexStar	5,548,713	5,669,887
TexasTERM - TexasDAILY	64,536,617	48,256,434
TexasTERM - TexasTERM		20,000,000
Lone Star Investment Pool	69,643,383	61,883,550
Beneficial Interest in Funds Held by Affiliate	8,682,377	8,643,456
U.S. Government Agencies	130,901,970	121,742,652
Total	284,695,617	271,544,185
Cash and cash equivalents	2,556,981	5,342,738
Total deposits and investments	287,252,598	276,886,923
Cash and cash equivalents (Exhibit 1)	2,556,981	5,342,738
Investments - current (Exhibit 1)	153,272,762	149,368,117
Restricted investments - non-current (Exhibit 1)	520,885	433,416
Investments - non-current (Exhibit 1)	130,901,970	121,742,652
Total deposits and investments	\$ 287,252,598	\$ 276,886,923

As of August 31, 2017 the District had the following investments and maturities:

Investment Maturities (in Years)							
Investment Type	Credit Rating	Carrying Value	Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
U.S. Government Agencies	AAA	\$ 130,901,970	\$ 9,991,283	\$ 59,998,215	\$ 20,683,410	\$ 20,082,620	\$ 20,146,442
TexPool	AAAm	5,382,557	5,382,557				
TexStar	AAAm	5,548,713	5,548,713				
TexasTERM - TexasDAILY	AAAm	64,536,617	64,536,617				
Lone Star Investment Pool	AAA	69,643,383	69,643,383				
Beneficial interest in funds held by affiliate		8,682,377					
Total carrying value		\$ 284,695,617	\$ 155,102,553	\$ 59,998,215	\$ 20,683,410	\$ 20,082,620	\$ 20,146,442

NOTE 4. DEPOSITS AND INVESTMENTS—continued

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

As of August 31, 2017 and 2016, Beneficial Interest in Funds Held by Affiliate was comprised of the following underlying investments:

	2017	2016
U.S. Government Agencies	\$3,300,298	\$2,310,784
Corporate Bonds	1,609,375	377,987
Mutual Funds - Money Market	3,772,704	1,760,906
Mutual Funds - Fixed Income		1,270,674
Mutual Funds - Equity		2,797,295
Mutual Funds - Real Estate		125,810
Total fair value	<u>\$8,682,377</u>	<u>\$8,643,456</u>

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

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

Concentration of Credit Risk- The District’s investment policy does not place a limit on the amount the District may invest in any one issuer with the exception of a 5% maximum per issuer in regards to commercial paper and a 3% maximum per issuer in regards to corporate bonds. As of August 31, 2017, more than 5% of the District’s investments are in TexasDAILY (22.7%), Lone Star Investment Pool (24.5%), FHLB (14.3%), FNMA (7.1%), FFCB (14.1%), and FHLMC (10.5%).

As of August 31, 2017 and 2016, restricted investments consisted of the following:

	2017	2016
Funds held for others	\$ 417,156	\$ 328,131
Funds restricted to student loans	103,729	105,285
Total restricted investments	<u>\$ 520,885</u>	<u>\$ 433,416</u>

NOTE 4. DEPOSITS AND INVESTMENTS— continued

Investment income for the years ended August 31, 2017 and 2016 consisted of the following:

	2017	2016
Interest and dividends	\$ 3,256,332	\$ 1,919,979
Net increase (decrease) in fair value of investments	(660,481)	847,353
Total investment income	<u>\$ 2,595,851</u>	<u>\$ 2,767,332</u>

NOTE 5. FAIR VALUE MEASUREMENTS

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

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy of investments at August 31, 2017 and 2016 follows:

2017				
	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$	\$ 130,901,970	\$	\$ 130,901,970
Beneficial Interest in Funds Held by Affiliate		8,682,377		8,682,377
	<u>\$</u>	<u>\$ 139,584,347</u>	<u>\$</u>	<u>\$ 139,584,347</u>
2016				
	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$	\$ 121,742,652	\$	\$ 121,742,652
Beneficial Interest in Funds Held by Affiliate		8,643,456		8,643,456
	<u>\$</u>	<u>\$ 130,386,108</u>	<u>\$</u>	<u>\$ 130,386,108</u>

NOTE 5. FAIR VALUE MEASUREMENTS-continued

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

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

NOTE 6. DERIVATIVES

Derivatives are investment products which may be a security or contract which derives its value from another security, currency, commodity or index. During the years ended August 31, 2017 and 2016, the District did not invest in derivatives.

NOTE 7. EMPLOYEES' RETIREMENT PLAN

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

Teacher Retirement System of Texas

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/trs%20documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education institutions in Texas. The pension formula is calculated using a 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan Description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution, which requires the Texas legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

Contribution Rates		
Fiscal Year	2017	2016
Member	7.7%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
District Contributions	\$ 4,512,730	\$ 4,258,346
State of Texas On-behalf Contributions	\$ 3,512,040	\$ 3,329,295

The District's contributions to the TRS pension plan in 2017 were \$4,512,730 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 2017 were \$3,512,040.

NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

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

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

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

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

Actuarial Assumptions

The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return	8.00%
Last year ending August 31 in the 2016 to 2115 Projection Period (100 years)	2115
Inflation	2.5%
Salary Increases including inflation	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

Actuarial Assumptions-continued

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2016, are summarized below:

NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

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

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2016 Comprehensive Annual Financial Report

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
The Districts proportionate share of the net pension liability:	\$ 79,027,287	\$ 51,062,332	\$ 27,342,395

NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

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

At August 31, 2017, the District reported a liability of \$51,062,332 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

The District's Proportionate share of the collective net pension liability	\$ 51,062,332
State's proportionate share that is associated with the District	41,687,371
Total	<u>\$ 92,749,703</u>

The net pension liability was measured as of August 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 through August 31, 2016.

At the measurement date of August 31, 2016, the employer's proportion of the collective net pension liability was 0.1351266%, which was a decrease of 1.51% from its proportion measured as of August 31, 2015.

For the year ended August 31, 2017, the District recognized pension expense of \$4,326,155 and revenue of \$4,326,155 for support provided by the state, based on a measurement date of August 31, 2016.

At August 31, 2017, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, based on a measurement date of August 31, 2016:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 800,648	\$ 1,524,692
Changes in actuarial assumptions	1,556,288	1,415,380
Difference between projected and actual investment earnings	9,839,781	5,515,928
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		4,381,188
Contributions paid to TRS subsequent to the measurement date	4,512,730	
Total	<u>\$ 16,709,447</u>	<u>\$ 12,837,188</u>

NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

The contributions paid to TRS subsequent to the measurement date in the amount of \$4,512,730 will be recognized as a reduction of the net pension liability during the fiscal year ending August 31, 2018. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2018	\$ 4,056,214
2019	(456,515)
2020	2,301,449
2021	(668,376)
2022	(1,259,437)
Thereafter	(101,076)

Optional Retirement Plan

Plan Description

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

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 3.3% and 6.65%, respectively. The District contributed 5.2% in fiscal years 2017, 2016, and 2015 for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill (S.B.) 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

State contributions to the Optional Retirement Plan made on behalf of the District for the years ended August 31, 2017, 2016, and 2015 were \$934,035, \$938,998 and \$970,542, respectively. The on-behalf payments are reflected in the accompanying financial statements as both revenue and expenses.

Total retirement expense paid by the state of \$4,638,369 is reflected in the accompanying financial statements as both revenues and expenditures. Participants contributed \$10,305,208 (\$8,422,986 for the Teacher Retirement Program and \$1,882,222 for the Optional Retirement Program). The District contributed \$1,153,391, \$1,170,429, and \$1,234,139 for the years ended August 31, 2017, 2016, and 2015, respectively, to the Optional Retirement Program to cover the 5.2% referenced above.

Total payroll expense for fiscal years 2017 and 2016 was approximately \$178,500,000 and \$170,000,000, respectively. The total payroll of employees covered by the Teacher Retirement System was approximately \$109,400,000 and \$102,200,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$28,300,000 and \$28,500,000 for fiscal years 2017 and 2016, respectively.

NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

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

NOTE 8. HEALTH CARE AND LIFE INSURANCE BENEFITS

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

Plan Description

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

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

Funding Policy

Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

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

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

The District's contributions to SRHP for the years ended August 31, 2017, 2016, and 2015, were \$710,441, \$616,200, and \$525,911, respectively, which equaled the required contributions each year.

NOTE 8. HEALTH CARE AND LIFE INSURANCE BENEFITS-continued

The State's average contribution per full-time employee was \$234 and \$229 per month for the years ended August 31, 2017 and 2016, respectively. The cost of providing those benefits for all employees in the year ended August 31, 2017, paid by the state of Texas on behalf of the District, totaled \$13,138,339 (\$12,260,138 for the year ended August 31, 2016) with \$6,678,693 for 697 retirees (retiree benefits for 691 retirees cost \$6,160,981 in fiscal year 2016) and \$6,459,646 for 2,301 active employees (active employee benefits for 2,224 employees cost \$6,099,157 in fiscal year 2016). The on-behalf payments are reflected in the accompanying financial statements as both revenues and expenses.

NOTE 9. 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, 2017 and 2016, the District had 338 and 335 employees participating in the program, respectively. A total of \$2,037,605 and \$1,819,674 in payroll deductions had been invested in approved plans during the fiscal years 2017 and 2016, respectively.

In June 2003 the District added a deferred compensation plan pursuant to Internal Revenue Code Section 457(b) to the employer benefit package. Full-time employees can begin participating in the plan on their first day of employment. An employee can contribute up to a maximum of \$18,000 (\$24,000 for participants over 50 years of age) for 2017. As of August 31, 2017, the District had 119 employees participating in the program. A total of \$708,036 in payroll deductions had been invested in approved plans during the fiscal year 2017. As of August 31, 2016, the District had 120 employees participating in the program. A total of \$602,574 in payroll deductions had been invested in approved plans during the fiscal year 2016.

NOTE 10. COMPENSATED ABSENCES

Full-time employees earn vacation leave from 6.67 to 13.33 hours per month, depending on the number of years employed with the District. An employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to twenty days for those employees with sixteen or more years of service. Employees with at least three months of service who terminate their employment are entitled to payment for all accumulated vacation leave up to the maximum allowed. Sick leave, which can be accumulated up to a maximum of 90 days, is earned at the rate of 1 day per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid to an employee with at least 10 years of service upon separation or to an employee's estate is one-half of the employee's accumulated entitlement or 45 days, whichever is less.

Compensated absences activity for the years ended August 31, 2017 and 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2017	\$ 10,061,735	\$ 7,909,092	\$ 7,514,924	\$ 10,455,903	\$ 6,065,090
2016	\$ 9,429,761	\$ 7,711,791	\$ 7,079,817	\$ 10,061,735	\$ 5,758,274

NOTE 11. PENDING LAWSUITS AND CLAIMS

On August 31, 2017, 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 12. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS

Future minimum lease rental payments under noncancellable operating leases having an initial term in excess of one year as of August 31, 2017 are as follows:

Fiscal Year Ending	Minimum Future Lease Payments
2018	\$ 676,184
2019	148,079
2020	114,696
2021	111,824
2022	87,464
2023-2024	116,318
	<u>\$ 1,254,565</u>

Approximately \$785,000 and \$777,000 in rent paid or due under operating leases is included in expenses on the statements of revenues, expenses and changes in net position for the years ended August 31, 2017 and 2016, respectively.

Effective in February 2007, the District entered into a contract to lease excess broadband capacity to a third party. The lease is for an initial term of 15 years with an automatic 15 year renewal pending certain conditions. Under the terms of the lease, the District will receive (1) a \$150,000 equipment allowance, payable in three installments over the lease term; (2) annual royalties of \$702,662 through December 2010 and increased to \$760,383 beginning January 2011, which is indexed for inflation beginning in 2013; and (3) a royalty overage equal to 0.2% of the lessee’s revenue derived from the leased capacity. Upon commencement of the initial lease term, the District also received a \$2,000,000 inducement royalty payment. Annual future minimum payments to be received under this agreement are as follows: \$760,383 indexed for inflation for 2017-2037, with an additional \$50,000 in 2026.

The District leases space in its Trinity River Campus under a noncancellable operating lease that terminated on September 30, 2017. Lease income of \$1,113,417 and \$1,686,834 was recognized during the years ended August 31, 2017 and 2016, respectively. Future minimum lease payments to be received under this agreement are as follows:

Fiscal Year Ending	Minimum Future Lease Payments
2018	<u>\$ 9,484</u>

NOTE 13. 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 2017 and 2016 for which monies have not been received nor funds expended totaled approximately \$10,810,000 and \$8,080,000, respectively. Of this amount approximately \$6,010,000 and \$5,730,000 were from federal contract and grant awards and \$4,800,000 and \$2,360,000 were from state contract and grant awards for fiscal years ended August 31, 2017 and 2016, respectively.

NOTE 14. RISK MANAGEMENT

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

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

The workers' compensation plan is administered by an outside insurance carrier which processes all self-insurance claims. The District also carries an insurance policy for excess liabilities related to workers' compensation. An outside agent processes all unemployment compensation claims. The District has accrued amounts that represent the best estimate of claims filed, but not paid and claims incurred, but not reported. Accrued liabilities are generally based on actuarial valuation and the present value of unpaid expected claims. The discount rates used to calculate the present value of liabilities was 1.0% for the years ended August 31, 2017 and 2016.

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

	2017	2016
Beginning balance	\$ 820,049	\$ 850,154
Current year claims and changes in estimates	763,456	340,175
Claim payments	<u>(661,804)</u>	<u>(370,280)</u>
Ending balance	921,701	820,049
Current portion	<u>(737,939)</u>	<u>(704,568)</u>
Non-current portion	<u>\$ 183,762</u>	<u>\$ 115,481</u>

NOTE 15. RELATED PARTIES

The Tarrant County College Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the District. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted restricted gifts of \$1,976,559 and \$1,589,907 to the District during the years ended August 31, 2017 and 2016, 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, 2017 and 2016, the District had a receivable balance due from the Foundation of \$585,714 and \$665,856, respectively.

NOTE 16. 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.

	2017	2016
Assessed Valuation of the District	\$ 190,933,932,283	\$ 172,521,671,510
Less: Exemptions and Abatements	<u>(35,548,514,293)</u>	<u>(30,591,307,934)</u>
Net Assessed Valuation of the District	<u>\$ 155,385,417,990</u>	<u>\$ 141,930,363,576</u>

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

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

NOTE 16. PROPERTY TAXES-continued

Taxes levied for the years ended August 31, 2017 and 2016 amounted to \$224,159,305 and \$210,673,233, 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.

2017			
Taxes Collected	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 221,159,407	\$	\$ 221,159,407
Delinquent Taxes Collected	1,570,769		1,570,769
Penalties and Interest Collected	1,504,286		1,504,286
Total Collections	<u>\$ 224,234,462</u>	<u>\$</u>	<u>\$ 224,234,462</u>

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

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, 2017 and 2016 were 100.03% and 100.15% of the current tax levy, respectively. The District remitted payments of \$4,084,477 and \$3,917,004 in fiscal years 2017 and 2016, 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 17. 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, 2017 and 2016.

NOTE 18. CAPITAL ASSETS

Capital assets activity for the years ended August 31, 2017 and 2016, is summarized as follows:

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

NOTE 18. CAPITAL ASSETS-continued

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

NOTE 19. COMMITMENTS AND CONTINGENCIES

The District has entered into several contracts for various construction and renovation projects across the District. As of August 31, 2017, the balance remaining on these contracts totaled approximately \$10,963,000.

NOTE 20. DESIGNATIONS OF UNRESTRICTED NET POSITION

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

	2017	2016
Unrestricted net position		
Designated for		
Capital outlay	\$ 17,806,922	\$ 19,346,313
Future renewals and replacements	17,183,012	34,827,474
Future operating budgets	5,000,000	5,000,000
Insurance	700,000	700,000
Undesignated	168,826,584	134,904,679
Total unrestricted net position	\$ 209,516,518	\$ 194,778,466

NOTE 21. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

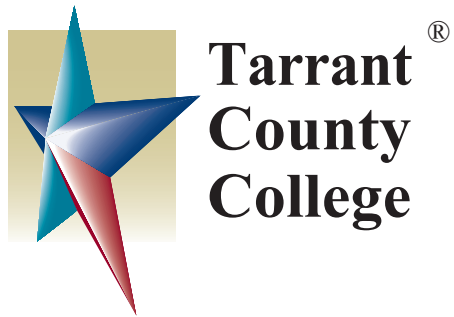
Accounts receivable at August 31, 2017 and 2016, were as follows:

	2017	2016
Student Receivables	\$ 27,657,565	\$ 25,217,608
Accounts Receivable	1,279,912	1,209,065
Other Receivables	111,927	125,163
Subtotal	29,049,404	26,551,836
Allowance for Doubtful Accounts	(17,838,057)	(16,256,315)
Total Accounts Receivable-Exhibit 1	\$ 11,211,347	\$ 10,295,521

**NOTE 21. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES-
continued**

Accounts payable and accrued liabilities at August 31, 2017 and 2016, were as follows:

	2017	2016
Vendors Payable	\$ 10,601,451	\$ 14,855,104
Accounts Payable-Exhibit 1	10,601,451	14,855,104
Salaries & Benefits Payable	6,438,749	6,060,028
Workers' Compensation Payable	573,008	591,352
Retainage Payable	729,230	636,348
Unemployment Compensation	164,931	113,216
Accrued Liabilities-Exhibit 1	7,905,918	7,400,944
Total Accounts Payable and Accrued Liabilities	\$ 18,507,369	\$ 22,256,048



**Tarrant[®]
County
College**

Required
Supplementary
Information

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

	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
District's proportionate share of collective net pension liability	0.1351266%	0.1371994%	0.1539892%
District's proportionate share of collective net pension liability	\$ 51,062,332	\$ 48,498,163	\$ 41,132,646
Portion of non-employer contributing entity's total proportionate share of net pension liability associated with the District	<u>41,687,371</u>	<u>39,733,040</u>	<u>33,243,381</u>
Total	<u><u>\$ 92,749,703</u></u>	<u><u>\$ 88,231,203</u></u>	<u><u>\$ 74,376,027</u></u>
District's covered payroll amount	\$ 102,150,596	\$ 96,710,266	\$ 91,440,746
Ratio of the District's proportionate share of the collective net pension liability to its covered payroll amount	49.99%	50.15%	44.98%
TRS net position as percentage of total pension liability	78.00%	78.43%	83.25%

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

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

**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
LAST THREE FISCAL YEARS**

	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
Legally required contributions	\$ 4,512,730	\$ 4,258,346	\$ 4,054,353
Actual contributions	<u>(4,512,730)</u>	<u>(4,258,346)</u>	<u>(4,054,353)</u>
Contributions deficiency (excess)	-	-	-
District covered employee payroll amount	\$ 109,351,322	\$ 102,150,596	\$ 96,710,266
Ratio of actual contributions to covered payroll amount	4.13%	4.17%	4.19%

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

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

**TARRANT COUNTY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED AUGUST 31, 2017**

CHANGES OF BENEFIT TERMS:

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

CHANGES OF ASSUMPTIONS:

There were no changes of assumptions for the year ended August 31, 2017.

Supplementary Data

**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2017
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)**

	Unrestricted	Restricted	Total Educational Activities
Tuition			
State funded courses			
In-district resident tuition	\$ 45,164,504	\$	\$ 45,164,504
Out-of-district resident tuition	7,091,560		7,091,560
Non-resident tuition	7,133,629		7,133,629
TPEG- credit (set aside)*	3,321,313		3,321,313
Continuing education	2,735,079		2,735,079
TPEG-continuing education (set aside)*	174,846		174,846
Non-state funded continuing education	1,368,033		1,368,033
Total tuition	66,988,964		66,988,964
Fees			
Laboratory fees	106,163		106,163
Installment plan fees	377,250		377,250
Other fees	133,817		133,817
Total fees	617,230		617,230
Allowances and discounts			
Bad debt allowance	(1,839,724)		(1,839,724)
Scholarship allowances	(832,513)		(832,513)
Remissions and exemptions	(1,068,078)		(1,068,078)
TPEG allowances	(501,513)		(501,513)
Federal grants to students	(8,377,432)		(8,377,432)
Total allowances and discounts	(12,619,260)		(12,619,260)
Total net tuition and fees	54,986,934		54,986,934
Other operating revenues			
Federal grants and contracts		4,523,229	4,523,229
State grants and contracts		5,402,033	5,402,033
Non-governmental grants and contracts		3,445,783	3,445,783
Other operating revenues	1,785,418		1,785,418
Total other operating revenues	1,785,418	13,371,045	15,156,463
Auxiliary enterprises			
Bookstore			
Food service			
Testing center			
Child center			
Professional Pilot			
Total net auxiliary enterprises			
Total operating revenues	\$ 56,772,352	\$ 13,371,045	\$ 70,143,397

* In accordance with Education Code 56.033, \$3,496,159 and \$3,480,020 of tuition for the years ended August 31, 2017 and 2016, respectively, was set aside for Texas Public Education Grants (TPEG)

Note: The District has contracted with a college bookstore operator to operate and manage the District's bookstores under an agreement that terminates on June 30, 2022 and may be renewed for three additional successive one year periods at the option of the District.

Auxiliary Enterprises	2017 Total	2016 Total
\$	\$ 45,164,504	\$ 45,121,782
	7,091,560	6,244,691
	7,133,629	6,207,548
	3,321,313	3,306,312
	2,735,079	2,686,731
	174,846	173,708
	1,368,033	1,341,855
	<u>66,988,964</u>	<u>65,082,627</u>
	106,163	103,357
	377,250	
	133,817	174,918
	<u>617,230</u>	<u>278,275</u>
	(1,839,724)	(2,262,690)
	(832,513)	(794,550)
	(1,068,078)	(1,223,170)
	(501,513)	(436,458)
	<u>(8,377,432)</u>	<u>(8,161,686)</u>
	<u>(12,619,260)</u>	<u>(12,878,554)</u>
	54,986,934	52,482,348
	4,523,229	3,676,399
	5,402,033	5,512,293
	3,445,783	2,586,684
	1,785,418	2,347,842
	<u>15,156,463</u>	<u>14,123,218</u>
657,534	657,534	1,129,976
432,469	432,469	359,678
323,027	323,027	383,452
319,087	319,087	314,174
2,067,476	2,067,476	1,554,814
<u>3,799,593</u>	<u>3,799,593</u>	<u>3,742,094</u>
<u>\$ 3,799,593</u>	<u>\$ 73,942,990</u>	<u>\$ 70,347,660</u>
	(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES
BY OBJECT
YEAR ENDED AUGUST 31, 2017
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)**

	Salaries and Wages	Staff Benefits	
		State	Local
Unrestricted - educational activities			
Instruction	\$ 95,028,158	\$	\$ 15,270,946
Public service	6,977,810		1,222,820
Academic support	20,725,552		6,859,805
Student services	21,421,715		4,770,280
Institutional support	22,887,436		5,677,620
Operation and maintenance of plant	7,588,023		3,651,032
Scholarships and fellowships			
Total unrestricted educational activities	<u>174,628,694</u>		<u>37,452,503</u>
Restricted - educational activities			
Instruction	1,652,391	11,224,627	
Public service	442,646	1,149,404	
Academic support	85,341	2,229,471	
Student services	1,372,645	3,068,698	
Institutional support		4,430,663	
Scholarships and fellowships			
Total restricted educational activities	<u>3,553,023</u>	<u>22,102,863</u>	
Total educational activities	178,181,717	22,102,863	37,452,503
Auxiliary enterprises	390,611		192,741
Depreciation expense			
Buildings and other real estate improvements			
Equipment and furniture			
Total operating expenses	<u>\$ 178,572,328</u>	<u>\$ 22,102,863</u>	<u>\$ 37,645,244</u>

Other Expenses	2017 Total	2016 Total
\$ 15,811,386	\$ 126,110,490	\$ 123,820,976
1,653,969	9,854,599	8,373,269
5,216,372	32,801,729	29,469,113
4,262,084	30,454,079	28,916,069
12,386,742	40,951,798	38,850,340
23,623,901	34,862,956	33,057,686
2,011,338	2,011,338	2,145,400
<u>64,965,792</u>	<u>277,046,989</u>	<u>264,632,853</u>
1,748,268	14,625,286	12,580,350
1,289,687	2,881,737	1,708,936
1,321,649	2,314,812	1,136,303
429,076	5,762,992	3,856,512
56,050,346	4,859,739	4,097,442
<u>60,839,026</u>	<u>56,050,346</u>	<u>61,733,615</u>
<u>125,804,818</u>	<u>86,494,912</u>	<u>85,113,158</u>
4,004,595	363,541,901	349,746,011
26,056,034	4,587,947	4,036,187
6,141,414	26,056,034	24,370,840
<u>\$ 162,006,861</u>	<u>6,141,414</u>	<u>6,246,351</u>
	<u>\$ 400,327,296</u>	<u>\$ 384,399,389</u>
	(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE C
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2017
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>
NON-OPERATING REVENUES			
State appropriations			
Education and general state support	\$ 56,326,105	\$ 4,326,155	\$
State group insurance		13,138,339	
State retirement matching		4,638,369	
Total state appropriations	<u>56,326,105</u>	<u>22,102,863</u>	
Maintenance ad valorem taxes	220,336,268		
Federal grants and contracts		59,652,406	
Gifts	722,163		
Investment income	2,570,056	21,117	4,678
Other income	<u>1,087,193</u>		
Total non-operating revenues	281,041,785	81,776,386	4,678
NON-OPERATING EXPENSES			
Loss on disposal of assets	<u>396,924</u>		
Total non-operating expenses	<u>396,924</u>		
Net non-operating revenues	<u>\$ 280,644,861</u>	<u>\$ 81,776,386</u>	<u>\$ 4,678</u>

<u>2017</u> <u>Total</u>	<u>2016</u> <u>Total</u>
\$ 60,652,260	\$ 56,235,643
13,138,339	12,260,138
<u>4,638,369</u>	<u>4,393,578</u>
78,428,968	72,889,359
220,336,268	206,958,870
59,652,406	64,293,615
722,163	14,650
2,595,851	2,767,332
<u>1,087,193</u>	<u>2,103,574</u>
362,822,849	349,027,400
<u>396,924</u>	<u>344,578</u>
<u>396,924</u>	<u>344,578</u>
<u>\$ 362,425,925</u>	<u>\$ 348,682,822</u>
(Exhibit 2)	(Exhibit 2)

**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE D
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
YEAR ENDED AUGUST 31, 2017
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)**

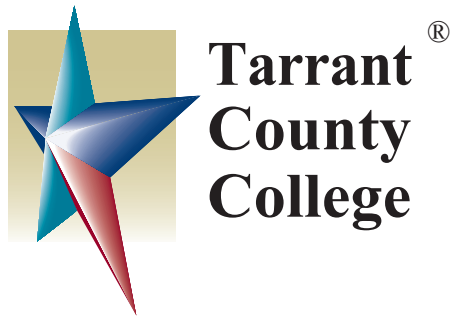
	Detail by Source		
	Unrestricted	Restricted	
		Expendable	Non-Expendable
Current:			
Unrestricted	\$ 144,890,969	\$	\$
Board designated	40,689,934		
Restricted		6,778,900	
Auxiliary enterprises	23,935,615		
Loan		144,269	
Plant:			
Investment in plant			
Total net position, August 31, 2017	209,516,518	6,923,169	
Total net position, August 31, 2016	194,778,466	6,498,958	
Net increase (decrease) in net position	\$ 14,738,052	\$ 424,211	\$

Detail by Source

Available for Current Operations

Net Investment in Capital Assets	Total	Yes	No
\$	\$ 144,890,969	\$ 144,890,969	\$
	40,689,934		40,689,934
	6,778,900		6,778,900
	23,935,615	23,935,615	
	144,269		144,269
<u>894,078,441</u>	<u>894,078,441</u>	<u>168,826,584</u>	<u>894,078,441</u>
894,078,441	1,110,518,128	134,904,679	941,691,544
	(Exhibit 1)		
<u>873,199,085</u>	<u>1,074,476,509</u>	<u>33,921,905</u>	<u>939,571,830</u>
	(Exhibit 2)		
<u>\$ 20,879,356</u>	<u>\$ 36,041,619</u>	<u>\$ 33,921,905</u>	<u>\$ 2,119,714</u>
	(Exhibit 2)		

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STATISTICAL SECTION

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

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

Contents

Statistical Supplements

Financial Trends

1-3

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

Revenue Capacity

4-8

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

Debt Capacity

9-11

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

Demographic and Economic Information

12-13

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

Operating Information

14-18

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

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

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

	2017	2016	2015	2014
Net investment in capital assets	\$ 894,078,441	\$ 873,199,085	\$ 871,262,514	\$ 839,009,623
Restricted - expendable	6,923,169	6,498,958	6,784,817	8,843,553
Restricted - nonexpendable				
Unrestricted	<u>209,516,518</u>	<u>194,778,466</u>	<u>161,798,085</u>	<u>206,331,733</u>
Total primary government net position	1,110,518,128	1,074,476,509	1,039,845,416	1,054,184,909
Net Position, beginning of year	1,074,476,509	1,039,845,416	1,054,184,909	1,016,931,073
Change in accounting principle			(46,603,458)	
Net Position, beginning of year, restated			<u>1,007,581,451</u>	
Increase in Net Position	<u>\$ 36,041,619</u>	<u>\$ 34,631,093</u>	<u>\$ 32,263,965</u>	<u>\$ 37,253,836</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 816,910,267	\$ 772,740,979	\$ 757,613,463	\$ 707,299,717	\$638,222,485	\$548,838,668
6,639,969	6,770,189	6,243,001	5,601,190	5,419,823	5,709,923
				207,973	699,347
<u>193,380,837</u>	<u>196,305,399</u>	<u>160,030,490</u>	<u>157,642,379</u>	<u>148,297,840</u>	<u>143,437,568</u>
1,016,931,073	975,816,567	923,886,954	870,543,286	792,148,121	698,685,506
975,662,444	923,886,954	870,543,286	792,148,121	698,685,506	587,033,673
<u><u>\$ 41,268,629</u></u>	<u><u>\$ 51,929,613</u></u>	<u><u>\$ 53,343,668</u></u>	<u><u>\$ 78,395,165</u></u>	<u><u>\$ 93,462,615</u></u>	<u><u>\$111,651,833</u></u>

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

	2017	2016	2015	2014
Operating revenues				
Tuition and fees (net of discounts)	\$ 54,986,934	\$ 52,482,348	\$ 49,478,068	\$ 49,371,002
Governmental grants and contracts				
Federal grants and contracts	4,523,229	3,676,399	3,685,838	3,217,611
State grants and contracts	5,402,033	5,512,293	5,228,098	5,880,099
Non-governmental grants and contracts	3,445,783	2,586,684	2,727,036	4,946,370
Auxiliary enterprises	3,799,593	3,742,094	3,358,327	2,835,286
Other operating revenues	1,785,418	2,347,842	4,714,371	6,343,924
Total operating revenues	73,942,990	70,347,660	69,191,738	72,594,292
Non-operating revenues				
State appropriations	78,428,968	72,889,359	70,036,690	69,156,327
Ad-valorem taxes	220,336,268	206,958,870	197,422,606	187,826,286
Federal grants and contracts	59,652,406	64,293,615	66,314,027	76,657,485
Gifts	722,163	14,650		100,000
Investment income	2,595,851	2,767,332	1,467,880	3,653,612
Other income	1,087,193	2,103,574	910,990	1,691,575
Total non-operating revenues	362,822,849	349,027,400	336,152,193	339,085,285
Other revenues				
Additions to permanent endowments				
Total revenues	\$ 436,765,839	\$ 419,375,060	\$ 405,343,931	\$ 411,679,577
Operating revenues				
Tuition and fees (net of discounts)	12.59%	12.51%	12.21%	11.99%
Governmental grants and contracts				
Federal grants and contracts	1.03%	0.88%	0.91%	0.78%
State grants and contracts	1.24%	1.31%	1.29%	1.43%
Non-governmental grants and contracts	0.79%	0.62%	0.68%	1.20%
Auxiliary enterprises	0.87%	0.89%	0.83%	0.70%
Other operating revenues	0.41%	0.56%	1.17%	1.54%
Total operating revenues	16.93%	16.77%	17.09%	17.64%
Non-operating revenues				
State appropriations	17.96%	17.38%	17.28%	16.80%
Ad-valorem taxes	50.45%	49.35%	48.70%	45.62%
Federal grants and contracts	13.66%	15.33%	16.36%	18.62%
Gifts	0.16%	0.01%	0.00%	0.02%
Investment income	0.59%	0.66%	0.36%	0.89%
Other income	0.25%	0.50%	0.21%	0.41%
Total non-operating revenues	83.07%	83.23%	82.91%	82.36%
Other revenues				
Additions to permanent endowments				
Total revenues	100.00%	100.00%	100.00%	100.00%

2013	2012	2011	2010	2009	2008
\$ 50,245,813	\$ 50,214,996	\$ 46,446,649	\$ 45,507,326	\$ 41,411,491	\$ 38,918,863
3,757,923	3,338,370	3,738,898	2,662,284	4,530,581	2,420,630
5,554,657	4,770,234	6,403,470	4,436,087	2,931,041	2,335,426
3,162,051	3,971,945	3,123,262	2,245,408	2,180,664	1,139,402
2,920,961	3,275,283	3,453,670	3,381,510	3,103,757	3,211,761
6,212,717	5,607,184	6,922,636	7,036,611	7,095,780	1,481,599
71,854,122	71,178,012	70,088,585	65,269,226	61,253,314	49,507,681
63,300,842	61,563,447	65,923,473	67,133,335	60,335,031	59,543,945
182,149,704	180,009,933	163,339,387	170,989,124	168,458,577	156,897,585
80,360,739	77,967,771	84,809,753	59,862,557	35,579,625	23,179,682
142,795		750	5,250		1,200
	1,117,501	1,600,511	1,404,780	3,681,350	17,518,082
1,134,523	899,186	2,213,352	702,665	702,660	702,656
327,088,603	321,557,838	317,887,226	300,097,711	268,757,243	257,843,150
			26,223	42,660	40,810
<u>\$ 398,942,725</u>	<u>\$ 392,735,850</u>	<u>\$ 387,975,811</u>	<u>\$ 365,393,160</u>	<u>\$ 330,053,217</u>	<u>\$ 307,391,641</u>
12.59%	12.81%	11.98%	12.45%	12.55%	12.65%
0.94%	0.85%	0.96%	0.73%	1.37%	0.79%
1.39%	1.21%	1.65%	1.21%	0.89%	0.76%
0.79%	1.01%	0.81%	0.61%	0.66%	0.37%
0.73%	0.83%	0.89%	0.93%	0.94%	1.04%
1.56%	1.43%	1.78%	1.93%	2.15%	0.48%
18.00%	18.14%	18.07%	17.86%	18.56%	16.09%
15.87%	15.68%	16.99%	18.37%	18.28%	19.37%
45.66%	45.82%	42.10%	46.80%	51.04%	51.06%
20.15%	19.85%	21.86%	16.38%	10.78%	7.54%
0.04%					
	0.28%	0.41%	0.38%	1.12%	5.70%
0.28%	0.23%	0.57%	0.19%	0.21%	0.23%
82.00%	81.86%	81.93%	82.12%	81.43%	83.90%
			0.02%	0.01%	0.01%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

	2017	2016	2015	2014
Instruction	\$ 140,735,776	\$ 136,401,326	\$ 130,672,056	\$ 123,303,575
Public service	12,736,336	10,082,205	9,188,202	8,099,598
Academic support	35,116,541	30,605,416	28,991,793	27,567,965
Student services	36,217,071	32,772,581	31,470,516	29,578,631
Institutional support	45,811,537	42,947,782	40,875,729	39,704,272
Operation and maintenance of plant	34,862,956	33,057,686	33,264,591	38,451,779
Scholarship and fellowships	58,061,684	63,879,015	64,561,713	75,701,812
Auxiliary enterprises	4,587,947	4,036,187	3,786,956	2,822,103
Depreciation	32,197,448	30,617,191	29,897,030	29,196,006
Total operating expenses	400,327,296	384,399,389	372,708,586	374,425,741
Interest on capital related debt				
Foundation transfer				
Loss on disposal of fixed assets	396,924	344,578	371,380	
Total non-operating expenses	396,924	344,578	371,380	
Total expenses	<u>\$ 400,724,220</u>	<u>\$ 384,743,967</u>	<u>\$ 373,079,966</u>	<u>\$ 374,425,741</u>
Instruction	35.12%	35.45%	35.03%	32.93%
Public service	3.18%	2.62%	2.45%	2.16%
Academic support	8.76%	7.96%	7.77%	7.36%
Student services	9.04%	8.52%	8.44%	7.90%
Institutional support	11.43%	11.16%	10.96%	10.61%
Operation and maintenance of plant	8.70%	8.59%	8.92%	10.27%
Scholarship and fellowships	14.49%	16.60%	17.31%	20.22%
Auxiliary enterprises	1.15%	1.05%	1.02%	0.75%
Depreciation	8.03%	7.96%	8.01%	7.80%
Total operating expenses	<u>99.90%</u>	<u>99.91%</u>	<u>99.91%</u>	<u>100.00%</u>
Interest on capital related debt				
Foundation transfer				
Loss on disposal of fixed assets	0.10%	0.09%	0.09%	
Total non-operating expenses	0.10%	0.09%	0.09%	
Total expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

2013	2012	2011	2010	2009	2008
\$ 115,814,409	\$ 108,078,177	\$ 114,166,378	\$ 95,921,420	\$ 83,437,483	\$ 75,066,102
8,333,736	5,496,537	7,001,458	6,739,303	6,365,670	5,041,719
24,779,010	21,512,584	21,847,574	16,917,975	14,013,169	12,514,941
28,786,433	24,690,936	25,282,806	20,840,918	17,849,057	15,874,448
39,193,209	34,326,749	29,283,026	31,207,465	26,010,789	23,307,939
34,748,311	38,794,192	34,941,445	39,900,473	38,177,688	32,293,652
76,363,289	78,968,897	78,792,547	55,583,034	35,129,416	21,813,943
2,243,087	2,152,576	2,262,986	2,114,115	1,624,126	1,582,216
27,412,612	26,188,770	20,670,066	17,268,778	12,123,042	7,961,528
357,674,096	340,209,418	334,248,286	286,493,481	234,730,440	195,456,488
	289,308				
			201,997	1,432,482	
	307,511	383,857	302,517	427,680	283,320
	596,819	383,857	504,514	1,860,162	283,320
<u>\$ 357,674,096</u>	<u>\$ 340,806,237</u>	<u>\$ 334,632,143</u>	<u>\$ 286,997,995</u>	<u>\$ 236,590,602</u>	<u>\$ 195,739,808</u>
32.38%	31.74%	34.11%	33.42%	35.27%	38.35%
2.33%	1.61%	2.09%	2.35%	2.69%	2.58%
6.93%	6.31%	6.53%	5.89%	5.92%	6.39%
8.05%	7.24%	7.56%	7.26%	7.54%	8.11%
10.96%	10.07%	8.75%	10.87%	10.99%	11.91%
9.71%	11.38%	10.44%	13.90%	16.14%	16.50%
21.35%	23.17%	23.55%	19.37%	14.85%	11.14%
0.63%	0.63%	0.68%	0.74%	0.69%	0.81%
7.66%	7.68%	6.18%	6.02%	5.12%	4.07%
<u>100.00%</u>	<u>99.83%</u>	<u>99.89%</u>	<u>99.82%</u>	<u>99.21%</u>	<u>99.86%</u>
	0.08%				
			0.07%	0.61%	
	0.09%	0.11%	0.11%	0.18%	0.14%
	0.17%	0.11%	0.18%	0.79%	0.14%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

RESIDENT

Fees per Semester Credit Hour (b)

Academic Year	In-District Tuition	Out-of-District Tuition	Facilities Use & Technology Fees (a)	Student Services Fee (a)	Total Tuition & Fees In-District	Total Tuition & Fees Out-of-District
2017	\$ 59	\$ 106	\$	\$	\$ 59	\$ 106
2016	55	86			55	86
2015	55	86			55	86
2014	55	86			55	86
2013	52	76			52	76
2012	50	73			50	73
2011	50	73			50	73
2010	50	73			50	73
2009	50	73			50	73
2008	50	63			50	63

NON-RESIDENT

Fees per Semester Credit Hour (b)

Academic Year	Non-Resident Tuition Out of State	Non-Resident Tuition International	Facilities Use & Technology Fees	Student Services Fee	Total Tuition & Fees Out of State	Total Tuition & Fees International
2017	\$ 255	\$ 255	\$	\$	\$ 255	\$ 255
2016	205	205			205	205
2015	205	205			205	205
2014	205	205			205	205
2013	171	171			171	171
2012	165	165			165	165
2011	165	165			165	165
2010	165	165			165	165
2009	165	165			165	165
2008	150	150			150	150

Note:

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

RESIDENT
Fees per Semester Credit Hour (SCH)

Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
\$ 708	\$ 1,272	7.27%	23.26%
660	1,032	0.00%	0.00%
660	1,032	0.00%	0.00%
660	1,032	5.77%	13.16%
624	912	4.00%	4.11%
600	876	0.00%	0.00%
600	876	0.00%	0.00%
600	876	0.00%	0.00%
600	876	0.00%	15.87%
600	756	0.00%	0.00%

NON-RESIDENT
Fees per Semester Credit Hour (SCH)

Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
\$ 3,060	\$ 3,060	24.39%	24.39%
2,460	2,460	0.00%	0.00%
2,460	2,460	0.00%	0.00%
2,460	2,460	19.88%	19.88%
2,052	2,052	3.64%	3.64%
1,980	1,980	0.00%	0.00%
1,980	1,980	0.00%	0.00%
1,980	1,980	0.00%	0.00%
1,980	1,980	10.00%	10.00%
1,800	1,800	0.00%	0.00%

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

<u>Fiscal Year</u>	<u>Assessed Valuation of Real Property</u>	<u>Assessed Valuation of Personal Property</u>	<u>Assessed Valuation of Property</u>	<u>Less: Exemptions</u>
2017	\$ 162,291,841,412	\$ 28,072,182,184	\$ 190,364,023,596	\$ (40,373,205,705)
(b) 2016	144,468,399,702	26,875,858,000	171,344,257,702	(37,435,407,124)
2015	141,311,318,941	25,239,113,478	166,550,432,419	(30,237,870,137)
2014	134,490,264,565	23,748,078,239	158,238,342,804	(30,784,142,232)
2013	131,175,795,248	22,689,236,805	153,865,032,053	(28,772,399,041)
2012	129,269,619,814	21,355,852,598	150,625,472,412	(27,134,616,699)
2011	126,259,248,729	20,867,055,732	147,126,304,461	(25,115,089,135)
2010	131,940,371,709	21,335,328,974	153,275,700,683	(25,568,435,000)
2009	126,732,666,961	21,837,887,387	148,570,554,348	(23,951,146,989)
2008	117,918,342,981	20,528,694,871	138,447,037,852	(23,543,915,305)

Source:
Tarrant Appraisal District

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

<u>Taxable Assessed Value</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>	<u>Maintenance and Operations (a)</u>	<u>Debt Service (a)</u>	<u>Total (a)</u>
\$ 149,990,817,891	78.79%	\$ 0.14473	\$	\$ 0.14473
133,908,850,578	78.15%	0.14950		0.14950
136,312,562,282	81.84%	0.14392	0.00558	0.14950
127,454,200,572	80.55%	0.14241	0.00709	0.14950
125,092,633,012	81.30%	0.14241	0.00656	0.14897
123,490,855,713	81.99%	0.14206	0.00691	0.14897
122,011,215,326	82.93%	0.13126	0.00638	0.13764
127,707,265,683	83.32%	0.13126	0.00641	0.13767
124,619,407,359	83.88%	0.13126	0.00670	0.13796
114,903,122,547	82.99%	0.13126	0.00812	0.13938

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

Fiscal Year	Appropriation per FTSE		
	State Appropriation	FTSE	State Appropriation per FTSE
2017	\$ 56,326,105	28,038	\$ 2,009
2016	56,235,643	28,364	1,983
2015	54,396,982	28,160	1,932
2014	54,479,329	29,395	1,853
2013	53,068,368	29,403	1,805
2012	51,882,971	29,054	1,786
2011	48,763,674	28,417	1,716
2010	50,920,045	25,536	1,994
2009	45,672,690	22,649	2,017
2008	45,442,760	21,658	2,098

Source:

- (a) CBM004
- (b) CBM00C

Note:

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

Appropriation per Contact Hour

Academic and Vocational Contact Hours (a)	Continuing Ed Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
17,613,050	722,912	18,335,962	\$ 3.07
17,824,356	874,252	18,698,608	3.01
18,199,288	816,899	19,016,187	2.86
18,599,915	778,717	19,378,632	2.81
18,611,304	756,028	19,367,332	2.74
18,486,584	866,970	19,353,554	2.68
18,927,856	829,133	19,756,989	2.47
17,673,443	684,596	18,358,039	2.77
15,212,795	737,933	16,496,441	2.77
13,975,532	611,915	14,587,447	3.12

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

Taxpayer	Type of Business	2017	2016	2015
Oncor Electric Delivery Co LLC	Electric Utility	\$ 1,104,560,947	\$ 996,396,908	\$ 996,124,098
American Airlines Inc	Airline	914,365,256	608,719,560	434,149,748
Bell Helicopter Textron	Helicopter Manufacturer	625,144,551	513,773,261	526,450,434
Alcon Laboartories Inc	Ophthalmic Manufacturing & Research	603,391,911		
General Motors LLC	Auto Manufacturer	596,415,769		694,999,441
Wal-Mart Stores	Retail	551,430,061	499,185,633	474,129,452
Atmos Energy/Mid Tex Division	Natural Gas Utility	391,051,446	268,687,927	
Mouser Electronics Inc	Electronics Distributor	370,536,067	318,402,108	
Winner LLC	Technology	368,973,812		
Dallas MTA LP	Wireless Service	297,653,461		
Barnett Gathering LP	Natural Gas Exploration		345,413,120	401,081,040
Amazon.Com.KYDC LLC	Online Retail		315,194,518	
XTO Energy Inc	Natural Gas Utility		297,815,979	703,298,589
Opryland Hotel	Hotel		559,231,745	
Chesapeake Operating	Natural Gas Utility			494,992,110
Devon Energy Production	Natural Gas Utility			295,994,780
Town Square Ventures LP	Retail			293,001,243
Southwestern Bell	Telephone Utility			
Quicksilver Resources	Natural Gas Exploration			
Encana Oil & Gas (USA) Inc	Natural Gas Utility			
Ddr/Dtc City Investments	Investments			
Grapevine Mills Ltd Partnership	Retail			
Totals		<u>\$ 5,823,523,281</u>	<u>\$ 4,722,820,759</u>	<u>\$ 5,314,220,935</u>
Total Taxable Assessed Value		<u>\$ 149,990,817,891</u>	<u>\$ 133,908,850,578</u>	<u>\$ 136,312,562,282</u>

Taxpayer	Type of Business	2017	2016	2015
Oncor Electric Delivery Co LLC	Electric Utility	0.74%	0.74%	0.73%
American Airlines Inc	Airline	0.61%	0.45%	0.32%
Bell Helicopter Textron	Helicopter Manufacturer	0.42%	0.38%	0.39%
Alcon Laboartories Inc	Ophthalmic Manufacturing & Research	0.40%		
General Motors LLC	Auto Manufacturer	0.40%		0.51%
Wal-Mart Stores	Retail	0.37%	0.37%	0.35%
Atmos Energy/Mid Tex Division	Natural Gas Utility	0.26%	0.20%	
Mouser Electronics Inc	Electronics Distributor	0.25%	0.24%	
Winner LLC	Technology	0.25%		
Dallas MTA LP	Wireless Service	0.20%		
Barnett Gathering LP	Natural Gas Exploration		0.26%	0.29%
Amazon.Com.KYDC LLC	Online Retail		0.24%	
XTO Energy Inc	Natural Gas Utility		0.22%	0.52%
Opryland Hotel	Hotel		0.42%	
Chesapeake Operating	Natural Gas Utility			0.36%
Devon Energy Production	Natural Gas Utility			0.22%
Town Square Ventures LP	Retail			0.21%
Southwestern Bell	Telephone Utility			
Quicksilver Resources	Natural Gas Exploration			
Encana Oil & Gas (USA) Inc	Natural Gas Utility			
Ddr/Dtc City Investments	Investments			
Grapevine Mills Ltd Partnership	Retail			
Totals		<u>3.88%</u>	<u>3.53%</u>	<u>3.90%</u>

Source:
Tarrant Appraisal District

Taxable Assessed Value by Tax Year

	2014	2013	2012	2011	2010	2009	2008
\$	996,541,431	\$ 951,568,636	\$ 910,223,719	\$ 888,088,078	\$ 903,047,789	\$ 912,586,199	\$ 1,065,754,757
	415,466,631	366,781,877	332,996,493	292,074,639	379,219,005	366,801,436	498,730,635
	368,852,302	353,813,947	388,497,181	418,973,452	441,749,768	493,923,798	445,724,506
	305,558,069						
	474,104,104	470,417,156	437,961,437	395,426,831	392,756,246	404,645,406	370,549,819
	400,981,515	471,761,413	288,678,979	251,248,399			
	691,815,632	597,305,424	874,943,953		295,564,940	289,614,547	717,253,382
	252,604,271	278,139,403	285,854,271	273,331,856	247,781,677	256,104,271	285,567,693
	472,698,380	565,845,620	664,160,020	736,221,860	512,027,150	459,642,110	
	322,885,510	381,143,310	471,202,990	506,053,300	497,668,900	594,289,520	414,202,754
		240,513,694	269,220,847	308,900,768	348,419,062	394,307,840	408,342,184
				359,055,290			
					311,069,570	297,235,050	
							271,364,765
							218,044,937
\$	<u>4,701,507,845</u>	<u>4,677,290,480</u>	<u>4,923,739,890</u>	<u>4,429,374,473</u>	<u>4,329,304,107</u>	<u>4,469,150,177</u>	<u>4,695,535,432</u>
\$	<u>127,454,200,572</u>	<u>125,092,633,012</u>	<u>123,490,855,713</u>	<u>122,011,215,326</u>	<u>127,707,265,683</u>	<u>124,619,407,359</u>	<u>114,903,122,547</u>

% of Taxable Assessed Value by Tax Year

	2014	2013	2012	2011	2010	2009	2008
	0.78%	0.76%	0.74%	0.73%	0.71%	0.73%	0.93%
	0.33%	0.29%	0.27%	0.24%	0.30%	0.29%	0.43%
	0.29%	0.28%	0.31%	0.34%	0.35%	0.40%	0.39%
	0.24%						
	0.37%	0.38%	0.35%	0.32%	0.31%	0.32%	0.32%
	0.31%	0.38%	0.23%	0.21%			
	0.54%	0.48%	0.71%		0.23%	0.23%	0.62%
	0.20%	0.22%	0.23%	0.22%	0.19%	0.21%	0.25%
	0.37%	0.45%	0.54%	0.60%	0.40%	0.37%	
	0.25%	0.30%	0.38%	0.41%	0.39%	0.48%	0.36%
		0.19%	0.22%	0.25%	0.27%	0.32%	0.36%
				0.29%			
					0.24%	0.24%	
							0.24%
							0.19%
	<u>3.69%</u>	<u>3.73%</u>	<u>3.98%</u>	<u>3.62%</u>	<u>3.39%</u>	<u>3.59%</u>	<u>4.09%</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)
2017	\$ 213,254,345	\$ 7,724,561	\$ 220,978,906	\$ 218,693,928
2016	195,442,891	13,876,314	209,319,205	207,402,437
2015	201,369,072	(459,345)	200,909,727	198,833,848
2014	188,459,192	2,236,286	190,695,478	188,956,746
2013	184,458,402	395,328	184,853,730	183,071,724
2012	182,088,704	427,055	182,515,759	180,673,316
2011	165,529,411	1,217,026	166,746,437	164,882,248
2010	166,752,648	7,611,534	174,364,182	171,863,844
2009	163,282,528	7,347,808	170,630,336	168,182,973
2008	158,440,008	759,323	159,199,331	157,104,943

Source:
Tarrant County Tax Assessor/ Collector and District records

- Notes:
- (a) As of August 31st 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>
98.97%	\$	\$	\$ 218,693,928	98.97%
99.08%		750,853	208,153,290	99.44%
98.97%	693,267	385,560	199,912,675	99.50%
99.09%	878,029	175,247	190,010,022	99.64%
99.04%	1,281,081	148,952	184,501,757	99.81%
98.99%	1,528,530	86,936	182,288,782	99.88%
98.88%	1,620,294	35,776	166,538,318	99.88%
98.57%	1,834,348	25,767	173,723,959	99.63%
98.57%	2,077,277	19,666	170,279,916	99.79%
98.68%	1,963,751	15,383	159,084,077	99.93%

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

	2017 (a)	2016 (a)	2015 (a)
General bonded debt			
General obligation bonds	\$	\$	\$
Less: Funds restricted for debt service			
Net general bonded debt			
Other debt			
Revenue bonds			
Total outstanding debt	<u>\$</u>	<u>\$</u>	<u>\$</u>
General bonded debt ratios			
Per capita	\$	\$	\$
Per FTSE			
As a percentage of taxable assessed value			
Total outstanding debt ratios			
Per capita	\$	\$	\$
Per FTSE			
As a percentage of taxable assessed value			

Notes:

Ratios calculated using population and TAV from each year.

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

(a) While the District had net position restricted for debt service in the amount of \$23,521 as of both August 31, 2016 and 2015 and \$0 as of August 31, 2017, there was no bonded debt outstanding at those dates as all bonds payable were completely paid off in February 2015. As a result, the calculations presented in the table are not relevant for August 31, 2015, August 31, 2016, and August 31, 2017.

2014	2013	2012	2011	2010	2009	2008
\$ 8,062,949	\$ 15,875,819	\$ 23,324,225	\$ 30,588,040	\$ 37,444,583	\$ 43,834,151	\$ 51,097,358
(1,656,309)	(1,784,207)	(2,559,199)	(3,260,900)	(4,073,884)	(4,431,372)	(4,795,411)
6,406,640	14,091,612	20,765,026	27,327,140	33,370,699	39,402,779	46,301,947
<u>\$ 6,406,640</u>	<u>\$ 14,091,612</u>	<u>\$ 20,765,026</u>	<u>\$ 27,327,140</u>	<u>\$ 33,370,699</u>	<u>\$ 39,402,779</u>	<u>\$ 46,301,947</u>

\$ 3.35	\$ 7.49	\$ 11.34	\$ 15.03	\$ 18.24	\$ 21.80	\$ 26.01
218	479	715	962	1,307	1,740	2,138
0.01%	0.01%	0.02%	0.02%	0.03%	0.03%	0.04%

\$ 3.35	\$ 7.49	\$ 11.34	\$ 15.03	\$ 18.24	\$ 21.80	\$ 26.01
218	479	715	962	1,307	1,740	2,138
0.01%	0.01%	0.02%	0.02%	0.03%	0.03%	0.04%

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

	2017 (a)	2016 (a)	2015 (a)	2014
Taxable Assessed Value	<u>\$ 149,990,817,891</u>	<u>\$ 133,908,850,578</u>	<u>\$ 136,312,562,282</u>	<u>\$ 127,454,200,572</u>
General Obligation Bonds				
Statutory Tax Levy Limit for Debt Service	\$ 749,954,089	\$ 669,544,253	\$ 681,562,811	\$ 637,271,003
Less Funds Restricted for Repayment of General Obligation Bonds				<u>(1,656,309)</u>
Total Net General Obligation Debt	749,954,089	669,544,253	681,562,811	635,614,694
Current Year Debt Service Requirements			<u>8,129,263</u>	<u>8,124,425</u>
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 749,954,089</u>	<u>\$ 669,544,253</u>	<u>\$ 673,433,548</u>	<u>\$ 627,490,269</u>
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	1.19%	1.01%

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, 2017, there was no bonded debt outstanding at those dates as all bonds payable were completely paid off in February 2015. As a result, the calculations presented in the table are not relevant for August 31, 2015, August 31, 2016, and August 31, 2017.

2013	2012	2011	2010	2009	2008
<u>\$ 125,092,633,012</u>	<u>\$ 123,490,855,713</u>	<u>\$ 122,011,215,326</u>	<u>\$ 127,707,265,683</u>	<u>\$ 124,619,407,359</u>	<u>\$ 114,903,122,547</u>
\$ 625,463,165	\$ 617,454,279	\$ 610,056,077	\$ 638,536,328	\$ 623,097,037	\$ 574,515,613
<u>(1,784,207)</u>	<u>(2,559,199)</u>	<u>(3,260,900)</u>	<u>(4,073,884)</u>	<u>(4,431,372)</u>	<u>(4,795,411)</u>
623,678,958	614,895,080	606,795,177	634,462,444	618,665,665	569,720,202
<u>8,166,281</u>	<u>8,389,325</u>	<u>8,372,725</u>	<u>8,260,344</u>	<u>9,626,181</u>	<u>8,539,225</u>
<u>\$ 615,512,677</u>	<u>\$ 606,505,755</u>	<u>\$ 598,422,452</u>	<u>\$ 626,202,100</u>	<u>\$ 609,039,484</u>	<u>\$ 561,180,977</u>
1.02%	0.94%	0.84%	0.66%	0.83%	0.65%

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

Currently the District has no outstanding or pledged revenue bonds

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

<u>Calendar Year</u>	<u>District Population</u>	<u>District Personal Income</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2017	2,016,872	\$ 96,600,949,000	\$ 47,896	3.90%
2016	1,982,498	89,814,369,000	45,304	4.20%
2015	1,945,360	84,905,643,000	43,645	4.00%
2014	1,911,541	80,929,107,000	42,337	5.50%
2013	1,880,153	75,776,982,000	40,304	5.90%
2012	1,831,230	70,095,625,000	38,278	6.90%
2011	1,817,840	70,485,542,000	38,774	8.40%
2010	1,829,400	68,105,714,000	37,228	8.40%
2009	1,807,750	65,870,354,000	36,438	8.20%
2008	1,780,150	61,138,590,000	34,345	5.00%

Sources:
 Population from US Bureau of the Census
 Personal Income from US Bureau of Economic Analysis
 Unemployment rate from Texas Workforce Commission

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

Employer	2017		2016		2015	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
AMR/American Airlines	25,000	2.47%	25,000	2.47%	24,000	2.40%
Lockheed Martin	13,690	1.35%	13,690	1.35%	13,690	1.37%
Fort Worth ISD	12,000	1.18%	12,000	1.18%	12,000	1.20%
Texas Health Resources	12,000	1.18%	12,000	1.18%	12,000	1.20%
NAS-Fort Worth-Joint Reserve Base	10,000	0.99%	10,000	0.99%	11,000	1.10%
Arlington ISD	8,500	0.84%	8,500	0.84%	8,126	0.81%
University of Texas at Arlington	7,311	0.72%	7,311	0.72%		
JPS Health Network	6,500	0.64%	6,500	0.64%	6,000	0.60%
City of Fort Worth	6,161	0.61%	6,161	0.61%	6,161	0.62%
Cook Children's Health Care System	6,042	0.60%	6,042	0.60%	5,876	0.59%
Alcon Laboratories Inc.					5,922	0.59%
Burlington Northern						
Harris Methodist Fort Worth						
Bell Helicopter Textron Plant						
City of Arlington						
Fidelity Investments						
American Airlines/ HQ						
Cowboys Stadium						
Odyssey One Source Inc						
RadioShack Corp						
	107,204	10.58%	107,204	10.58%	104,775	10.48%

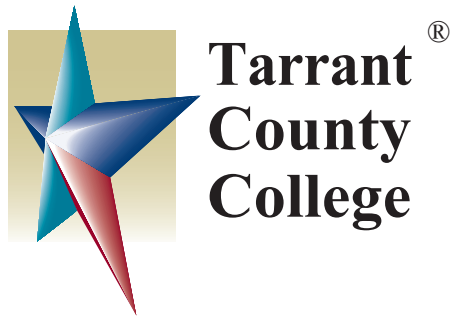
Source 2013 and forward:
Fort Worth Chamber Economic Development for Major Employers
Bureau of Labor Statistics for Total Employment

(Source data has not been updated since prior year)

Prior Source Now Unavailable:
North Central Texas Council of Governments

2014		2013		2012		2011	
Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
22,169	2.34%	22,169	2.38%	11,709	1.11%	11,709	0.72%
14,988	1.58%	14,988	1.61%	10,500	0.99%	13,500	0.83%
11,000	1.16%	11,000	1.18%				
18,866	1.99%	18,866	2.03%				
11,350	1.20%	11,350	1.22%	11,350	1.07%	11,350	0.70%
8,126	0.86%	8,126	0.87%				
6,239	0.66%	6,239	0.67%			5,300	0.33%
4,872	0.51%	4,872	0.52%	4,600	0.43%	4,302	0.26%
6,195	0.65%	6,195	0.67%				
4,826	0.51%	4,826	0.52%				
				3,500	0.33%	3,300	0.20%
				4,900	0.46%		
				4,100	0.39%	3,968	0.24%
				3,820	0.36%	3,820	0.24%
				3,500	0.33%		
				3,200	0.30%	3,200	0.20%
						6,500	0.40%
<u>108,631</u>	<u>11.46%</u>	<u>108,631</u>	<u>11.67%</u>	<u>61,179</u>	<u>5.77%</u>	<u>66,949</u>	<u>4.12%</u>

Employer	2010		2009		2008	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
AMR/American Airlines	11,709	0.72%	11,842	0.73%	11,842	0.73%
Lockheed Martin	13,500	0.83%	13,500	0.83%	13,500	0.83%
Fort Worth ISD						
Texas Health Resources						
NAS-Fort Worth-Joint Reserve Base	11,350	0.70%	5,361	0.33%	5,361	0.33%
Arlington ISD						
University of Texas at Arlington	5,300	0.33%	4,987	0.31%	3,337	0.21%
JPS Health Network	4,302	0.26%	4,302	0.26%	3,811	0.23%
City of Fort Worth						
Cook Children's Health Care System					3,900	0.24%
Alcon Laboratories Inc.	3,300	0.20%				
Burlington Northern						
Harris Methodist Fort Worth	3,968	0.24%	3,968	0.24%	3,500	0.22%
Bell Helicopter Textron Plant	3,820	0.24%	3,820	0.24%	3,820	0.24%
City of Arlington						
Fidelity Investments	3,200	0.20%				
American Airlines/ HQ	6,500	0.40%	6,500	0.40%	4,118	0.25%
Cowboys Stadium			3,500	0.22%		
Odyssey One Source Inc			3,273	0.20%		
RadioShack Corp					3,337	0.21%
	<u>66,949</u>	<u>4.12%</u>	<u>61,053</u>	<u>3.76%</u>	<u>56,526</u>	<u>3.48%</u>



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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Faculty				
Full-Time	709	673	667	668
Part-Time	524	508	503	525
Total	<u>1,233</u>	<u>1,181</u>	<u>1,170</u>	<u>1,193</u>
Percent				
Full-Time	57.5%	57.0%	57.0%	56.0%
Part-Time	42.5%	43.0%	43.0%	44.0%
Staff and Administrators				
Full-Time	1,687	1,662	1,618	1,544
Part-Time	1,207	1,155	1,124	1,073
Total	<u>2,894</u>	<u>2,817</u>	<u>2,742</u>	<u>2,617</u>
Percent				
Full-Time	58.3%	59.0%	59.0%	59.0%
Part-Time	41.7%	41.0%	41.0%	41.0%
FTSE per Full-Time Faculty	40	42	42	44
FTSE per Full-Time Staff Member	17	17	17	19
Average Annual Faculty Salary	\$ 65,893	\$ 65,321	\$ 64,934	\$ 64,556

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
656	653	673	664	602	576
605	598	501	473	490	431
<u>1,261</u>	<u>1,251</u>	<u>1,174</u>	<u>1,137</u>	<u>1,092</u>	<u>1,007</u>
52.0%	52.2%	57.3%	58.4%	55.1%	57.2%
48.0%	47.8%	42.7%	41.6%	44.9%	42.8%
1,505	1,429	1,398	1,338	1,174	1,070
1,082	1,005	971	956	804	1,058
<u>2,587</u>	<u>2,434</u>	<u>2,369</u>	<u>2,294</u>	<u>1,978</u>	<u>2,128</u>
58.2%	58.7%	59.0%	58.3%	59.4%	50.3%
41.8%	41.3%	41.0%	41.7%	40.6%	49.7%
45	44	42	38	38	38
20	20	20	19	19	20
\$ 63,352	\$ 59,446	\$ 59,496	\$ 60,110	\$ 58,209	\$ 55,981

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

<u>Student Classification</u>	<u>Fall 2016</u>		<u>Fall 2015</u>		<u>Fall 2014</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
00-30 hours	35,452	63%	36,056	63%	35,341	61%
31-60 hours	14,611	26%	15,240	27%	16,083	28%
Unclassified	1,708	3%	1,968	3%	2,100	4%
Associates	3,135	6%	3,075	5%	2,933	5%
Bachelors	1,083	2%	1,138	2%	1,146	2%
Total	<u>55,989</u>	<u>100%</u>	<u>57,477</u>	<u>100%</u>	<u>57,603</u>	<u>100%</u>

<u>Semester Hour Load</u>	<u>Fall 2016</u>		<u>Fall 2015</u>		<u>Fall 2014</u>	
0-11 semester hours	39,976	71%	40,751	71%	39,919	69%
12 & over	16,013	29%	16,726	29%	17,684	31%
Total	<u>55,989</u>	<u>100%</u>	<u>57,477</u>	<u>100%</u>	<u>57,603</u>	<u>100%</u>

Average course load	8.2	8.2	8.3
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<u>Tuition Status</u>	<u>Fall 2016</u>		<u>Fall 2015</u>		<u>Fall 2014</u>	
Texas resident (in-district)	48,369	86%	49,498	86%	49,655	86%
Texas resident (out-of-district)	3,833	7%	3,801	7%	4,044	7%
Non-resident tuition	3,787	7%	4,178	7%	3,904	7%
Total	<u>55,989</u>	<u>100%</u>	<u>57,477</u>	<u>100%</u>	<u>57,603</u>	<u>100%</u>

Source:
 CBM001

Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
37,196	61%	29,411	52%	36,012	63%	37,994	65%	34,988	67%
17,263	28%	19,333	34%	15,504	27%	15,133	26%	13,021	25%
2,324	4%	2,914	5%	1,999	4%	1,671	3%	1,509	3%
2,797	5%	3,785	7%	2,072	4%	2,059	4%	1,783	3%
1,287	2%	986	2%	1,219	2%	1,194	2%	1,048	2%
<u>60,867</u>	<u>100%</u>	<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>	<u>52,349</u>	<u>100%</u>

40,172	66%	37,243	66%	36,924	65%	37,153	64%	33,503	64%
20,695	34%	19,186	34%	19,882	35%	20,898	36%	18,846	36%
<u>60,867</u>	<u>100%</u>	<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>	<u>52,349</u>	<u>100%</u>

8.6

8.7

8.7

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8.6

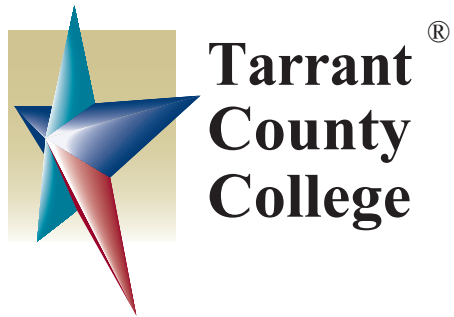
52,861	87%	48,807	86%	49,856	88%	50,870	88%	45,937	88%
4,293	7%	4,368	8%	4,106	7%	4,267	7%	4,002	8%
3,713	6%	3,254	6%	2,844	5%	2,914	5%	2,410	4%
<u>60,867</u>	<u>100%</u>	<u>56,429</u>	<u>100%</u>	<u>56,806</u>	<u>100%</u>	<u>58,051</u>	<u>100%</u>	<u>52,349</u>	<u>100%</u>

<u>Student Classification</u>	Fall 2008		Fall 2007	
	Number	Percent	Number	Percent
00-30 hours	30,545	67%	28,825	67%
31-60 hours	10,970	24%	10,112	24%
Unclassified	1,324	3%	1,161	3%
Associates	1,588	4%	1,533	4%
Bachelors	898	2%	787	2%
Total	<u>45,325</u>	<u>100%</u>	<u>42,418</u>	<u>100%</u>

<u>Semester Hour Load</u>				
0-11 semester hours	29,914	66%	27,784	66%
12 & over	15,411	34%	14,634	34%
Total	<u>45,325</u>	<u>100%</u>	<u>42,418</u>	<u>100%</u>

Average course load	8.6	8.6
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<u>Tuition Status</u>				
Texas resident (in-district)	40,104	89%	37,301	88%
Texas resident (out-of-district)	3,219	7%	3,463	8%
Non-resident tuition	2,002	4%	1,654	4%
Total	<u>45,325</u>	<u>100%</u>	<u>42,418</u>	<u>100%</u>



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

	Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent
<u>Gender</u>						
Female	32,489	58.0%	33,700	58.6%	34,190	59.4%
Male	23,500	42.0%	23,777	41.4%	23,413	40.6%
Total	<u>55,989</u>	<u>100.0%</u>	<u>57,477</u>	<u>100.0%</u>	<u>57,603</u>	<u>100.0%</u>

<u>Ethnic Origin</u>	Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent
White	22,356	39.9%	23,776	41.4%	24,669	42.8%
Hispanic	17,818	31.8%	17,305	30.1%	16,107	28.0%
African American	9,406	16.8%	10,192	17.7%	10,723	18.6%
Asian	3,369	6.0%	3,297	5.7%	3,351	5.8%
Native American	205	0.4%	251	0.5%	259	0.5%
Other	2,835	5.1%	2,656	4.6%	2,494	4.3%
Total	<u>55,989</u>	<u>100.0%</u>	<u>57,477</u>	<u>100.0%</u>	<u>57,603</u>	<u>100.0%</u>

<u>Age</u>	Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent
Under 17	3,725	6.7%	3,145	5.5%	2,399	4.1%
17	3,703	6.5%	3,486	6.1%	3,210	5.7%
18	6,053	10.8%	5,870	10.2%	5,712	9.9%
19-21	16,586	29.6%	16,618	28.9%	16,150	28.0%
22-24	7,899	14.1%	8,319	14.5%	8,643	15.0%
25-30	8,162	14.6%	8,819	15.3%	9,136	15.9%
31-35	3,619	6.5%	3,982	6.9%	4,375	7.6%
36-50	4,990	8.9%	5,744	10.0%	6,325	11.0%
51-64	1,110	2.0%	1,332	2.3%	1,505	2.6%
65 and older	142	0.3%	162	0.3%	148	0.2%
Total	<u>55,989</u>	<u>100.0%</u>	<u>57,477</u>	<u>100.0%</u>	<u>57,603</u>	<u>100.0%</u>

Average age	24.3	24.8	25.6
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Source:
CBM001

Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
36,630	60.2%	34,426	61.0%	34,618	60.9%	34,864	60.1%	31,347	59.9%
24,237	39.8%	22,003	39.0%	22,188	39.1%	23,187	39.9%	21,002	40.1%
<u>60,867</u>	<u>100.0%</u>	<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>

27,512	45.2%	26,654	47.2%	28,408	50.0%	30,683	52.9%	29,333	56.0%
15,991	26.3%	13,779	24.4%	12,642	22.3%	12,064	20.8%	10,412	19.9%
11,622	19.1%	11,008	19.5%	10,946	19.3%	10,485	18.1%	8,647	16.5%
3,399	5.6%	3,211	5.7%	3,319	5.8%	3,462	6.0%	3,121	6.0%
313	0.5%	296	0.5%	312	0.5%	293	0.5%	253	0.5%
2,030	3.3%	1,481	2.6%	1,179	2.1%	1,064	1.8%	583	1.1%
<u>60,867</u>	<u>100.0%</u>	<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>

1,653	2.7%	1,348	2.4%	1,232	2.2%	1,093	1.9%	768	1.5%
3,317	5.5%	1,995	3.5%	2,048	3.6%	1,853	3.2%	2,047	3.9%
5,954	9.8%	5,509	9.8%	5,807	10.2%	5,858	10.1%	5,637	10.8%
16,884	27.7%	16,129	28.6%	16,204	28.4%	16,736	28.8%	15,610	29.8%
9,250	15.2%	8,575	15.2%	8,921	15.7%	9,340	16.1%	8,156	15.6%
9,855	16.2%	9,544	16.9%	9,714	17.1%	10,303	17.7%	8,737	16.7%
4,926	8.1%	4,908	8.7%	4,692	8.3%	4,668	8.0%	4,046	7.7%
7,277	12.0%	6,890	12.2%	6,744	11.9%	6,823	11.8%	6,095	11.6%
1,610	2.6%	1,415	2.5%	1,301	2.3%	1,277	2.2%	1,145	2.2%
141	0.2%	116	0.2%	143	0.3%	100	0.2%	108	0.2%
<u>60,867</u>	<u>100.0%</u>	<u>56,429</u>	<u>100.0%</u>	<u>56,806</u>	<u>100.0%</u>	<u>58,051</u>	<u>100.0%</u>	<u>52,349</u>	<u>100.0%</u>

26.0

26.0

25.8

25.6

25.6

<u>Gender</u>	<u>Fall 2008</u>		<u>Fall 2007</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Female	27,371	60.4%	25,701	60.6%
Male	17,954	39.6%	16,717	39.4%
Total	<u>45,325</u>	<u>100.0%</u>	<u>42,418</u>	<u>100.0%</u>

<u>Ethnic Origin</u>				
White	26,278	58.0%	25,308	59.6%
Hispanic	8,421	18.6%	7,472	17.6%
African American	7,143	15.8%	6,429	15.2%
Asian	2,768	6.1%	2,464	5.8%
Native American	256	0.5%	192	0.5%
Other	459	1.0%	553	1.3%
Total	<u>45,325</u>	<u>100.0%</u>	<u>42,418</u>	<u>100.0%</u>

<u>Age</u>				
Under 17	468	1.0%	390	0.9%
17	1,675	3.7%	1,609	3.8%
18	5,146	11.4%	4,871	11.5%
19-21	14,218	31.4%	13,326	31.4%
22-24	7,136	15.7%	6,794	16.0%
25-30	7,228	15.9%	6,611	15.6%
31-35	3,306	7.3%	3,012	7.1%
36-50	5,157	11.4%	4,941	11.6%
51-64	906	2.0%	799	1.9%
65 and older	85	0.2%	65	0.2%
Total	<u>45,325</u>	<u>100.0%</u>	<u>42,418</u>	<u>100.0%</u>

Average age	25.3	25.3
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**TARRANT COUNTY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 17
TRANSFERS TO SENIOR INSTITUTIONS
2015-2016 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
Universities:					
Angelo State University	32	3		35	0.23%
Lamar University	27	3		30	0.20%
Midwestern State University	126	12		138	0.91%
Prairie View A&M University	53			53	0.35%
Sam Houston State University	89	16		105	0.69%
Stephen F. Austin State University	202	11		213	1.40%
Sul Ross State University	4			4	0.03%
Tarleton State University	1,202	227		1,429	9.40%
Texas A&M University	792	35		827	5.44%
Texas A&M University - Central Texas	2	1		3	0.02%
Texas A&M University - Commerce	106	19	1	126	0.83%
Texas A&M University - Corpus Christi	58	4		62	0.41%
Texas A&M University - Kingsville	4			4	0.03%
Texas A&M University - San Antonio	3	2		5	0.03%
Texas A&M University - Texarkana	5			5	0.03%
Texas A&M University at Galveston	24			24	0.16%
Texas Southern University	28	5		33	0.22%
Texas State University	370	22		392	2.58%
Texas Tech University	791	49	1	841	5.53%
Texas Woman's University	707	107		814	5.35%
The University of Texas - Rio Grande Valley	7	1		8	0.05%
The University of Texas at Arlington	5,523	804	7	6,334	41.66%
The University of Texas at Austin	405	6		411	2.70%
The University of Texas at Dallas	309	12		321	2.11%
The University of Texas at El Paso	13	3		16	0.10%
The University of Texas at San Antonio	38	8		46	0.30%
The University of Texas at Tyler	50	3		53	0.35%
The University of Texas of the Permian Basin	47	4		51	0.34%
University of Houston	117	6		123	0.81%
University of Houston - Clear Lake		1		1	0.01%
University of Houston - Downtown	5			5	0.03%
University of Houston - Victoria	7	1		8	0.05%
University of North Texas	2,267	260	1	2,528	16.63%
University of North Texas at Dallas	77	12		89	0.58%
West Texas A&M University	58	9		67	0.44%
Total	13,548	1,646	10	15,204	100.00%

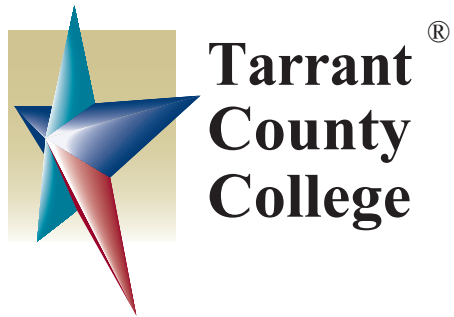
Source:

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Academic Buildings	85	86	86	84
Square footage	2,376,535	2,391,882	2,387,613	2,267,293
Libraries	5	5	5	5
Square footage	124,630	124,630	124,630	124,630
Number of Volumes	260,982	279,028	282,822	274,597
Administrative and support support buildings	16	15	15	15
Square footage	330,212	248,558	252,270	192,115
Dining Facilities	10	10	10	8
Square footage	95,327	95,327	95,327	89,146
Average daily customers	1,803	1,725	1,707	2,138
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	20	22	24	24
Light Trucks/Vans	187	183	179	174
Fire Trucks	4	3	3	2

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
82	81	79	60	52	41
2,191,020	2,172,664	2,167,963	2,030,332	2,021,500	1,625,000
5	5	5	5	5	4
127,000	124,630	127,000	127,000	127,000	113,000
282,245	278,276	266,019	253,989	237,318	212,591
15	14	13	11	10	8
97,607	79,000	77,400	70,500	69,000	66,000
6	6	6	5	5	4
80,109	80,109	80,109	79,000	79,000	61,000
2,402	2,200	2,345	2,230	1,308	1,380
13	13	13	13	13	12
172,000	172,000	172,000	172,000	172,000	166,000
4	4	4	4	4	4
5	5	5	5	5	4
3	3	3	3	3	2
12	12	12	11	11	10
100,205	97,100	97,100	91,000	91,000	56,000
25	65	52	44	44	41
166	127	112	127	130	128



**Tarrant[®]
County
College**



FEDERAL SINGLE AUDIT SECTION

FEDERAL SINGLE AUDIT SECTION



**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2017**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
DEPARTMENT OF EDUCATION			
Federal Direct Programs:			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 959,868
Federal Work Study Program	84.033		587,315
Federal Pell Grant Program	84.063		58,105,222
Federal Direct Student Loans	84.268		31,182,091
Total Student Financial Assistance Cluster			<u>90,834,496</u>
TRIO Cluster			
TRIO Student Support Services	84.042A		272,697
TRIO Upward Bound	84.047A		828,663
Total TRIO Cluster			<u>1,101,360</u>
Total Direct from Department of Education			91,935,856
Pass-Through From:			
Fort Worth Independent School District			
Adult Education - Basic Grants to States	84.002	0514AEL000	276,950
Tarrant County Workforce Development Board			
Adult Education - Basic Grants to States	84.002	17-SPC-AEL-005	83,474
Houston Community College			
Adult Education - Basic Grants to States	84.002	2816AEL004	85,288
			<u>445,712</u>
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	174258	1,451,279
Institute of Education Sciences			
MDRC Adult Basic Education Study Site	84.305A	121151	3,660
			<u>1,454,939</u>
Total Department of Education			93,836,507
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-Through From:			
Water from the Rock			
Community Development Block Grants/Entitlement Grants	14.218	2921	16,006

**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2017**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
DEPARTMENT OF JUSTICE			
Pass-Through From:			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	BA-20005-SM01.1	3,974
DEPARTMENT OF LABOR			
Pass-Through From:			
Arlington Chamber of Commerce Foundation			
Employment Service / Wagner-Peyser Funded Activities	17.207	0516WBP000	12,758
Texas Workforce Commission			
WIOA Adult Program	17.208	0517ATP000	<u>106,820</u>
Total Department of Labor			119,578
U.S. GENERAL SERVICES ADMINISTRATION			
Donation of Federal Surplus Personal Property	39.003		429,076
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Pass-Through From:			
Arts Midwest			
Big Read	45.024	00017914	8,018
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Pass-Through From:			
Texas State Library and Archives Commission	45.310	LS-00-15-0044-15	679
NATIONAL SCIENCE FOUNDATION			
Pass-Through From:			
University of Texas at El Paso			
LSAMP: A Model Senior Alliance	47.076	26-1008-4125	34,957

**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2017**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
SMALL BUSINESS ADMINISTRATION			
Pass-Through From:			
North Texas Small Business Development Center Small Business Development Center	59.037	SBAHQ-17-B-0002	290,002
ENVIRONMENTAL PROTECTION AGENCY			
Environmental Workforce Development and Job Training Cooperative Agreements	66.815		61,231
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through From:			
Health Resources and Services Administration Nursing Workforce Diversity	93.178	D19HP28746	410,763
Fort Worth Independent School District Temporary Assistance for Needy Families	93.558	0514AEL000	75,004
Texas Workforce Commission Temporary Assistance for Needy Families - Governor's Summer Merit Program	93.558	0517SMP000	27,899
Governor's Summer Merit Program	93.558	0516SMP000	10,460
Temporary Assistance for Needy Families - Apprenticeship	93.558	0517ATP000	24,087
Total Temporary Assistance for Needy Families			<u>137,450</u>
Total Department of Health and Human Services			<u>548,213</u>
Total Federal Financial Assistance			<u><u>\$ 95,348,241</u></u>

See Notes to Schedule on Following Page

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

NOTE 1. FEDERAL ASSISTANCE RECONCILIATION

Federal Revenues – per Schedule of Expenditures of Federal Awards:

Federal Grants and Contracts – per Schedule A	\$ 4,523,229
Federal Grants and Contracts – per Schedule C	59,652,406
Direct Loans	31,182,091
Veterans' Administration	<u>(9,485)</u>
 Total Federal Revenues per Schedule of Expenditures of Federal Awards	 <u>\$ 95,348,241</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 & Admin Cost Recovered</u>
U.S. Department of Education:			
84.268 Direct Loans	<u>\$ 31,182,091</u>	<u>\$ -</u>	<u>\$ 31,182,091</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.

NOTE 5. NON-MONETARY ASSISTANCE

Donation of Federal Surplus Property (CFDA 39.003) is reported at the fair value of the donated property at the time of receipt.



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, 2017, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Public Funds Investment Act

We have performed a compliance audit of the District's adherence to the requirements of the Public Funds Investment Act. During the year ended August 31, 2017, the District was not in

To the Board of Trustees
Tarrant County College District

compliance in all respects with the requirements of the Public Funds Investment Act. The item of noncompliance was as follows: Within its beneficial interest in funds held by affiliate, the District held certain equity investments which are not allowable under the Public Fund Investment Act. The District divested all noncompliant investments in September 2016.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Fort Worth, Texas
December 15, 2017



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

To the Board of Trustees
Tarrant County College District

Report on Compliance for Each Major Federal Program

We have audited the compliance of Tarrant Country College District (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2017.

To the Board of Trustees
Tarrant County College District

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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

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

Fort Worth, Texas
December 15, 2017

**TARRANT COUNTY COLLEGE DISTRICT
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2017**

Section I. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified _____ Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified _____ Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

Student Financial Assistance Cluster
TRIO Cluster

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

Auditee qualified as low-risk auditee? X Yes _____ No

**TARRANT COUNTY COLLEGE DISTRICT
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2017
(CONTINUED)**

Section II. Financial Statement Findings

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

Section III. Federal Award Findings and Questioned Costs

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

Section IV. Corrective Action Plan

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

Section V. Prior Year Audit Findings

There were no prior year audit findings.



STATE SINGLE AUDIT SECTION

STATE SINGLE AUDIT SECTION

**TARRANT COUNTY COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED AUGUST 31, 2017**

Grant Agency / Program Title	Grant Contract Number	Expenditures
TEXAS WORKFORCE COMMISSION		
Apprenticeship	0517ATP000	\$ 404,116
Skills Development Fund - Dannon	0516SDF000	66,456
Skills Development Fund - Lockheed Martin	0516SDF001	952,415
Skills Development Fund - Health Consortium	0516SDF002	89,752
Skills for Small Business	0515SSD000	34,780
Skills for Small Business	0517SSD000	2,980
Total Direct from Texas Workforce Commission		<u>1,550,499</u>
Pass-Through From:		
Fort Worth Independent School District		
Adult Basic Education Program	0514AEL000	<u>43,447</u>
Total Texas Workforce Commission		1,593,946
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		
Law Enforcement Office Standards and Education		5,751
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Work Study	17497	173,151
Toward Excellence, Access & Success Grant I	17568	1,987
Educational Aide Exemption Program	17462	1,647
Professional Nursing Shortage Over 70% Program FY 2015	13824	4,855
Professional Nursing Shortage FY 2017	17984	510
Professional Nursing Shortage Over 70% Program FY 2017	17752	68,051
Nursing Innovation Grant Program - Building Simulation	18026	160,409
Texas Educational Opportunity Grant	17549	2,976,831
Accelerate Texas Mentor College	15133	80,105
Workstudy Mentoring Model	15568	14,731
Texas-Science, Technology, Engineering and Math T-STEM	16911	93,312
Total Direct From Texas Higher Education Coordinating Board		<u>3,575,589</u>
Pass-Through From:		
Dallas County Community College		
Small Business Development Center	SBAHQ-17-B-0002	<u>226,747</u>
Total Texas Higher Education Coordinating Board		<u>3,802,336</u>
Total State Financial Assistance		<u><u>\$ 5,402,033</u></u>

See Notes to Schedule on Following Page

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

NOTE 1. STATE ASSISTANCE RECONCILIATION

State Revenues – per Schedule of Expenditures of State Awards:

State Grants and Contracts – per Schedule A \$ 5,402,033

Total State Revenues per Schedule of Expenditures of State Awards \$ 5,402,033

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds, which have been expended by the District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. Management believes they have followed all applicable guidelines issued by various entities in the preparation of the schedule.



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

To the Board of Trustees
Tarrant County College District

Report on Compliance for Each Major State Program

We have audited the compliance of Tarrant Country College District (the District) with the types of compliance requirements described in the Texas Governor's Office of Budget and Planning, *Uniform Grant Management Standards (UGMS)* which includes the *State of Texas Single Audit Circular*, that could have a direct and material effect on each of the District's major state programs for the year ended August 31, 2017. The District's major state programs are identified in the summary of auditor's results section of the accompanying state schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2017.

To the Board of Trustees
Tarrant County College District

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

Fort Worth, Texas
December 15, 2017

**TARRANT COUNTY COLLEGE DISTRICT
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2017**

Section I. Summary of Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal Control over Financial reporting:

- Material weakness(es) identified _____ Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

- Noncompliance material to financial statements noted? _____ Yes X No

State Awards

Internal control over major programs:

- Material weakness(es) identified _____ Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

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

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

Identification of major programs:

Texas Educational Opportunity Grant

**TARRANT COUNTY COLLEGE DISTRICT
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2017
(CONTINUED)**

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

Auditee qualified as low-risk auditee? X Yes No

Section II. Financial Statement Findings

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

Section III. State Award Findings and Questioned Costs

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

Section IV. Corrective Action Plan

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

Section V. Prior Year Audit Findings

There were no prior year audit findings.

TARRANT COUNTY COLLEGE DISTRICT
FINANCE DEPARTMENT
1500 HOUSTON STREET
FORT WORTH, TEXAS 76102



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