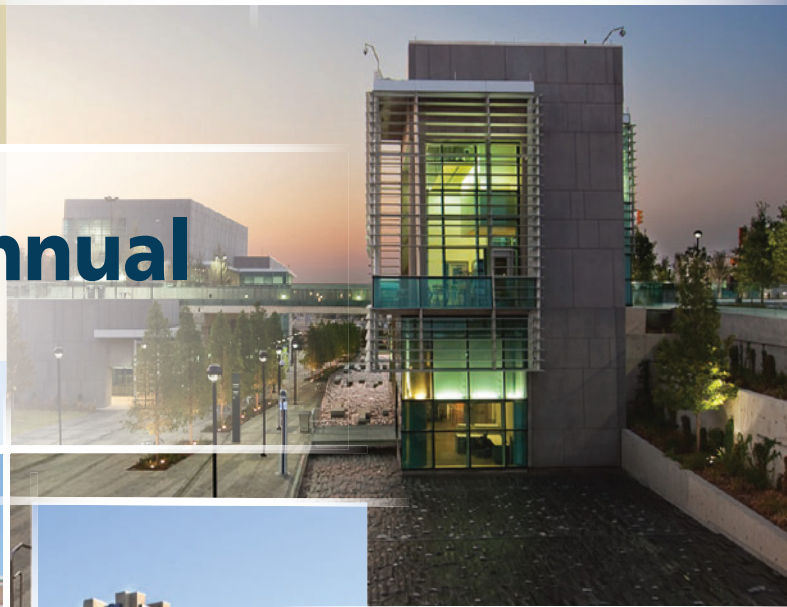




# Comprehensive Annual Financial Report



FOR THE FISCAL YEARS ENDED  
AUGUST 31, 2019 AND 2018

TARRANT COUNTY COLLEGE DISTRICT TEXAS

Equal Opportunity/Equal Access Institution





**SUCCESS WITHIN REACH.**

## Comprehensive Annual Financial Report

For the Fiscal Years Ended  
August 31, 2019 and 2018

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



# Tarrant County College District Comprehensive Annual Financial Report Table of Contents

Page

## INTRODUCTORY SECTION

|                                      |      |
|--------------------------------------|------|
| Chancellor’s Letter.....             | i    |
| Transmittal Letter.....              | iii  |
| GFOA Certificate of Achievement..... | viii |
| Elected Officials.....               | ix   |
| Principal Officials.....             | x    |
| Organizational Chart.....            | xi   |

## FINANCIAL SECTION

|  |    |
|--|----|
| Independent Auditor’s Report.....  | 1  |
| Management’s Discussion and Analysis.....  | 4  |
| <b>FINANCIAL STATEMENTS</b>  |    |
| Statements of Net Position.....  | 11 |
| Statements of Revenues, Expenses and Changes in Net Position.....                | 13 |
| Statements of Cash Flows.....  | 14 |
| Notes to Financial Statements.....   | 15 |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>  |    |
| Schedule of the District’s Proportionate Share of the Net Pension Liability..... | 48 |
| Schedule of District Contributions for Pensions.....                             | 50 |
| Notes to Required Supplementary Information.....                                 | 52 |
| Schedule of the District’s Proportionate Share of the Net OPEB Liability.....    | 53 |
| Schedule of District Contributions for OPEB.....                                 | 54 |
| Notes to Required Supplementary Information.....                                 | 55 |
| <b>SUPPLEMENTARY DATA</b>  |    |
| Schedule of Operating Revenues.....  | 58 |
| Schedule of Operating Expenses by Object.....                                    | 60 |
| Schedule of Non-Operating Revenues and Expenses.....                             | 62 |
| Schedule of Net Position by Source and Availability.....                         | 64 |

## STATISTICAL SECTION - (Unaudited)

|  |    |
|--|----|
| Net Position by Component.....                             | 68 |
| Revenues by Source.....                                    | 70 |
| Program Expenses by Function.....                          | 72 |
| Tuition and Fees.....                                      | 74 |
| Assessed Value and Taxable Assessed Value of Property..... | 76 |
| State Appropriation Per FTSE and Contact Hour.....         | 78 |
| Principal Taxpayers.....                                   | 80 |
| Property Tax Levies and Collections.....                   | 82 |
| Ratios of Outstanding Debt.....                            | 84 |

**Tarrant County College District  
Comprehensive Annual Financial Report  
Table of Contents  
(Continued)**

|   | Page |
|---|------|
| Legal Debt Margin Information .....                         | 86   |
| Pledged Revenue Coverage.....                               | 88   |
| Demographic and Economic Statistics – Taxing District ..... | 89   |
| Principal Employers.....                                    | 90   |
| Faculty, Staff and Administrators Statistics.....           | 94   |
| Enrollment Details.....                                     | 96   |
| Student Profile.....  | 100  |
| Transfers to Senior Institutions.....                       | 103  |
| Capital Asset Information .....                             | 104  |

**FEDERAL SINGLE AUDIT SECTION**

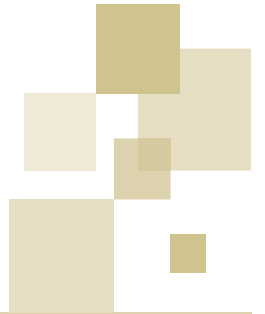
|  |     |
|--|-----|
| Schedule of Expenditures of Federal Awards .....   | 107 |
| Notes to Schedule of Expenditures of Federal Awards.....   | 110 |
| Independent Auditor’s Report on Internal Control over Financial Reporting and<br>on Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with Government Auditing Standards ..... | 111 |
| Independent Auditor’s Report on Compliance for Each Major Federal Program<br>and Report on Internal Control over Compliance in Accordance with the<br>Uniform Guidance .....   | 113 |
| Federal Schedule of Findings and Questioned Costs.....   | 115 |

**STATE SINGLE AUDIT SECTION**

|  |     |
|--|-----|
| Schedule of Expenditures of State Awards .....   | 117 |
| Notes to Schedule of Expenditures of State Awards.....   | 118 |
| Independent Auditor’s Report on Compliance for Each Major State Program and<br>Report on Internal Control over Compliance Required by<br>UGMS Single Audit Circular..... | 119 |
| State Schedule of Findings and Questioned Costs.....   | 121 |

**Introductory Section**

**Introductory Section**







# Chancellor's Letter

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



December 12, 2019

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 2019, which ended on August 31, 2019.

I am proud to see the difference Tarrant County College continues to make in the lives of our students and throughout our community. In May, we awarded 7,812 degrees and certificates – including 359 associate degrees through our Early College High Schools – to individuals who will take the next step on their academic and/or career paths in pursuit of meaningful work that supports their families and undergirds our community. So many of the people we graduate perform the very jobs – in our own backyard – that we rely upon for our health, safety and well-being. Consider this: in the last five years, TCC has educated and trained 472 basic and degreed peace officers, 63 emergency medical services technicians, 126 information security specialists, 331 firefighters, 150 paramedics, 152 HVAC technicians, 179 sign language interpreters and 162 substance abuse counselors, all of whom perform vital services that may go unrecognized until those services are needed. Even more noteworthy: in the same five-year period, TCC has educated and trained 1,317 nurses and 1,091 teachers. When speaking before community groups, I share these numbers and ask people to consider who might provide these services were TCC not in existence.

Two years ago, we introduced our Three Goals that guide every decision we make on behalf of our students, faculty, staff and community. We are committed to operating as One College that is Student-Ready, putting the student at the core of each of our programs and offerings, and we will continue to Serve the Community through partnerships with area school districts as well as business and industry. In our 54th year, we recognize that our mission must evolve as our regional needs are evolving. Looking into the future, and with the continuing growth of Tarrant County's population, TCC is strongly committed to connecting students (of all ages) to education and training which matches the local jobs, career opportunities, interests, and leadership needs of our local community and economy. We will continue to partner with business and industry to identify future skills gaps and develop programs that ensure a trained workforce will be ready to step into those available positions. We will continue our partnerships with area school districts to ensure students follow their high school endorsements seamlessly with a guided pathway at TCC, enabling them to abbreviate their time in school so they move from academic path, to degree/credential, to career efficiently and effectively. And we will continue to place a

To the Board of Trustees  
Tarrant County College District

premium on the input of our community and business partners so that, together, we are developing world-ready students prepared to keep our region economically competitive.

As an example, input from our industry advisory groups revealed a growing demand for skilled workers in cyber security and human resources. Accordingly, we worked to develop two certificates – Level 1 for computer security specialists and information security analysts, and Level 2 for ethical hacking – available completely online through TCC Connect. Additionally, we developed and now offer through TCC Connect an Associate of Applied Science degree in Business Administration-Marketing and an Associate of Applied Science degree in Human Resources Management, also completely online. These new programs exemplify our continued focus on creating programs that meet employers’ future needs while also accommodating students’ needs for accessibility with flexibility given concurrent life responsibilities.

Partnership takes many forms; our students benefit from the input from area business industry, as area business and industry also benefits from TCC. Since 1997, TCC’s Corporate Solutions and Economic Development (CSED) organization has worked to develop customized training specific to the needs of its client businesses, community organizations and industry associations. This year, DFW International Airport expanded its partnership with TCC to provide customized educational and training opportunities to more employees at the Airport, and will be offered at no cost to DFW Airport employees. As part of this relationship, TCC CSED is developing and delivering training in communication, business writing, safety and maintenance, contract management, and Professional in Human Resources (PHR) and project management certification preparation, all of which are being provided at the Airport. On average, CSED trains nearly 4,000 workers annually. We fully expect this number to increase as we broaden our scope of training programs designed with future business and industry needs in mind.

I am proud to report that our people have embraced the three goals and are working on various principle teams dedicated to achieving these goals through intentional, well-developed strategies and offerings that will help us better serve the needs of the 21st century student and workforce.

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



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

# TRANSMITTAL LETTER

FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

December 12, 2019

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

The comprehensive annual financial report of the Tarrant County College District for the fiscal year ended August 31, 2019, 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***

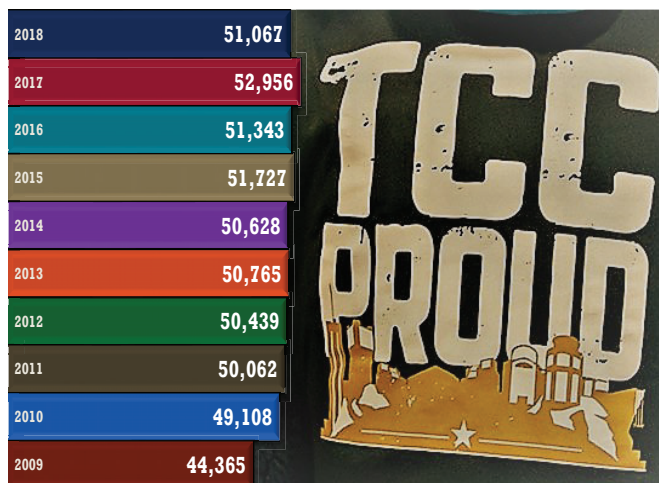
The Tarrant County College District's comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2019 was prepared by the Finance Department. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with Annual Financial Reporting Requirements for Texas Public Community Colleges as set forth by the Texas Higher Education Coordinating Board. The Notes to the Financial Statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the District and other necessary disclosures of important matters relating to the financial position of the District. The notes are treated as an integral part of the financial statements and should be read in

conjunction with them. Further, this letter of transmittal and the financial statements should be read in conjunction with the Management's Discussion and Analysis (pages 4-10), 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,

## **Enrollment by Headcount**



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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 commitment to serving the community and regularly pursues opportunities to improve programs, processes and systems to ensure the District is operating in the most effective and efficient manner possible to benefit students and those who serve them.

### *Economic Condition and Outlook*

Located in North Central Texas, Tarrant County continues its unprecedented growth, with more than two million people now calling it "home" and as many as three million residents predicted by 2050. The County's unemployment rate dropped to 3.25 percent in July 2019 from 3.7 percent in the prior year, and the median household income of \$61,052 is 7.25 percent higher than the national average of \$60,336 with the highest regional salaries found in Architecture & Engineering Occupations; Computer, Engineering, & Science Occupations; and, Computer & Mathematical Occupations. The median property value in Tarrant County totals \$186,200 with a home ownership rate of 60.6 percent, compared to the U.S. media property value of \$229,600 and a national home ownership rate of 64.8 percent. Fort Worth currently ranks as the nation's 13th-largest city and was designated by the Partners for Livable Communities as one of the nation's "Most Livable Communities." Fort Worth boasts more than 109 acres of museum space and is second only to Washington D.C. in the number of accredited museums within walking distance of one another. Because of museums and other points of local interest, approximately 7.5 million visitors arrive annually and contribute approximately \$900 million to the city's economy.

Tarrant County industry continues to flourish, as evidenced by the continued build-out of industrial space throughout Dallas/Fort Worth. Of the approximately 26.2 million square feet of new industrial space introduced this past year, Tarrant County accounted for nearly 37 percent, with another 25.3 million square feet now under construction in 2019. The 2019 acquisition of 600 acres near the BNSF Railway's Alliance Intermodal Facility by Hillwood is expected to result in an additional 36 million square feet of industrial space at AllianceTexas alone. In North Fort Worth, Stream Realty Partners is developing a 1.1 million-square-foot industrial project, Northwest Commerce Park, which will consist of three buildings on a 66-acre tract near BNSF Intermodal and the Fort Worth Alliance Airport. The Fort Worth Chamber of Commerce counts approximately 65 active prospects for near-future office and industrial relocation.

Further to Tarrant County's explosive growth as a logistics and transportation hub, American Airlines is building a \$100 million parts distribution center near

Dallas Fort Worth International Airport on a 30-acre parcel of land adjacent to the airline's existing air freight facility. When completed, the facility will be the central distribution point for all aircraft parts both at DFW and all domestic airports.

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

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

### *Commitment to Excellence*

- TCC's commitment to excellence – for students and for the greater community – is reflected by countless success stories enjoyed by students and staff alike, many of whom are experiencing recognition at the national level.
- Seven students ranked among the best in the nation at the Business Professional of American leadership conference, bringing home 18 national awards in various categories. More



than 500 students for U.S. community colleges and universities competed in written test and scenario-based exercises. TCC was the only Texas community college to participate.

- In April, the Mexican Consulate unveiled an 8'x6' seamless tile mural featuring artwork submitted by more than 30 TCC art students as part of its contest to commemorate the 100th anniversary of the Mexican Consulate. This installation will be permanent.
- TCC's student-run newspaper, The Collegian, was named University and College Newspaper of the Year by the Texas Associated Press Managing Editors at the organization's 2019 convention. TCC eclipsed numerous four-year schools including Lamar University, Baylor University, Texas Tech University and Texas State University to take top honors.
- A team of students ranked among the best in the nation in the American Mathematical Association of Two-Year Colleges' (AMATYC) 2018 Student Research League competition. The Student Research League tasks students with formulating a solution to an open-ended research problem. The team placed first in the Southwest Region and second in the nation.
- TCC's respiratory program received the commission of Accreditation for Respiratory Care's (CoARC) Distinguished RRT Credentialing Success Award, joining a select group of programs from across the country. The award is presented as part of the organization's ongoing efforts to value the RRT credential as a measure of a program's success in inspiring its graduates to achieve their highest educational and professional aspirations.
- The College's new Diagnostic Medical



Sonography program was named one of the 63 most affordable, fully accredited sonography associate degree programs in the U.S. The program launched in 2017 and graduated its first class in May.

- TCC South hosted Building Sciences Expo 2019, a conference that focused on the opportunities, strategies and benefits of green building design. Hundreds of people visited the campus to tour the Center of Excellence for Energy Technology, a LEED-certified Platinum building.
- Four TCC culinary arts instructors earned accolades for their creations at the DFW West 2019 Fort Worth Food and Equipment Expo. The team competed in an American Culinary Federation (ACF) Contemporary Hot Food category; the team won two bronze and two silver medals.
- TCC Connect was ranked among the 2019 Best Online Community Colleges in Texas by SR Education Group, coming in at #10. A total of 423 schools are featured in the state ranking and the nationwide Best Overall Community College ranking.
- Acknowledging TCC's continued commitment to veterans, Military Times named the College to its "Best for Vets: Colleges" list, with TCC Trinity River landing 3rd on a list of 33 two-year schools in the state. There were a total of 208 institutions listed, divided into categories for four-year, two-year, online and nontraditional schools.

## *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, 2019 are included on pages 115 and 121, 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 appropriat-

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ed 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 issuances.

### *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, 2018. This was the twenty-seventh consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized comprehensive annual financial report. The

report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### *Acknowledgments*

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

Sincerely,



Susan Alanis, MPA  
Chief Operating Officer



Nancy H. Chang, MBA  
Associate Vice Chancellor for Finance



Stan L. Vick, CPA  
Director of Accounting



Linzy R. Brannan, CPA  
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, 2018**

*Christopher P. Morill*

Executive Director/CEO



# Tarrant County College District Elected Officials August 31, 2019



Conrad Heede  
President of the Board  
Term Expires: May 2021



Teresa Ayala  
Vice President  
Term Expires: May 2021



Diane Patrick  
Secretary  
Term Expires: May 2021



Michael Evans, Sr.  
Assistant Secretary  
Term Expires: May 2023



Kenneth Barr  
Member of the Board  
Term Expires: May 2025



Bill Greenhill  
Member of the Board  
Term Expires: May 2023



Gwendolyn Morrison  
Member of the Board  
Term Expires: May 2025

**Tarrant County College District  
Principal Officials  
August 31, 2019**

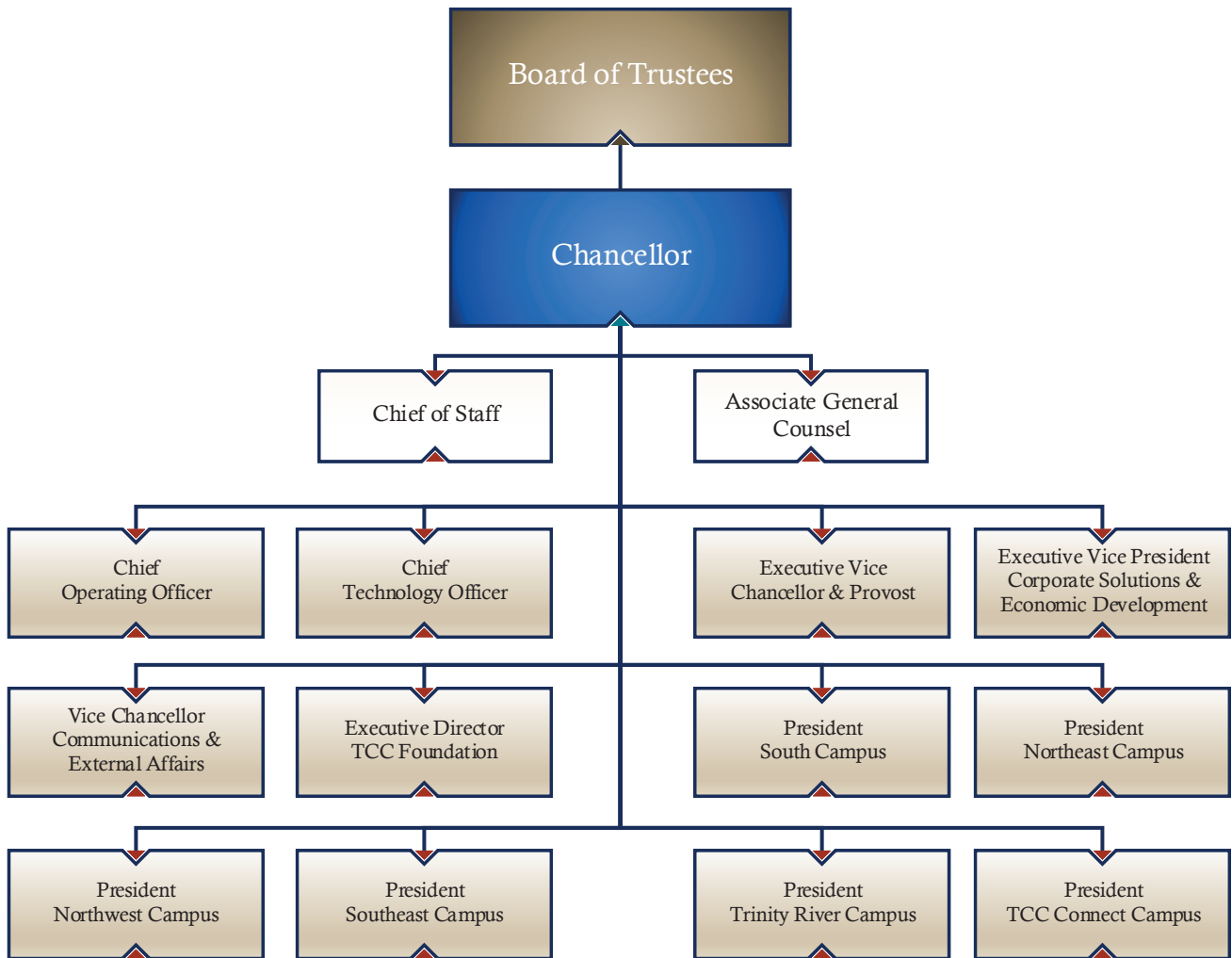
**Administrative Officials**

|   |                             |
|---|-----------------------------|
| Chancellor  | Eugene V. Giovannini, Ed.D. |
| Executive Vice Chancellor and Provost                   | Elva Concha LeBlanc, Ph.D.  |
| Chief Operating Officer                                 | Susan Alanis, MPA           |
| President, Northeast Campus                             | Kenya Ayers, Ed.D.          |
| President, Northwest Campus                             | Zarina Blankenbaker, Ph.D.  |
| Associate General Counsel                               | Carol Bracken, J.D.         |
| President, Southeast Campus                             | Bill Coppola, Ph.D.         |
| Vice Chancellor for Communications and External Affairs | Reginald Gates, M.Ed.       |
| President, South Campus                                 | Peter Jordan, Ed.D.         |
| Executive Director for Development                      | C. Joe McIntosh, Ed.D       |
| President, Trinity River Campus                         | S. Sean Madison, Ed.D.      |
| President, TCC Connect Campus                           | Carlos Morales, Ph.D.       |
| Chief Technology Officer                                | Robert Pacheco, B.A.        |

**Finance Officials**

|                                       |                       |
|---------------------------------------|-----------------------|
| Associate Vice Chancellor for Finance | Nancy H. Chang, MBA   |
| Director of Accounting                | Stan L. Vick, CPA     |
| Chief Accountant                      | Linzy R. Brannan, CPA |

# Tarrant County College District Organizational Chart





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

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**SUCCESS WITHIN REACH.**







## 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, 2019 and 2018, 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, 2019 and 2018, 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 10 and the required supplementary information on pages 48 to 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements. The introductory section on pages i to xii, the statistical section on pages 67 to 105, and the additional financial information on pages 58 to 65 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards, as required Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are also presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The additional financial information and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional financial information and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.



To the Board of Trustees  
Tarrant County College District

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 12, 2019

# Management's Discussion and Analysis

For the Years Ended August 31, 2019 and 2018

## *Introduction*

The following Management's Discussion and Analysis (MD&A) reviews the District's financial activity during the fiscal years ended August 31, 2019, 2018 and 2017. 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-vii), the District's basic financial statements (pages 11-14) and the notes to the financial statements (pages 15-45). Responsibility for the completeness and fairness of the information in this section rests with the District management.

## *Understanding the Financial Statements*

The financial statement presentation was mandated by GASB 34 and implemented by the District in fiscal year 2002. For financial statement purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the District are presented using the economic measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated. (A detailed discussion of the reporting and accounting policies of the District may be found in Note 2 to the financial statements, pages 15-18.) The financial statements are comprised of the following components.

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

*Statement of Net Position (SNP)* provides a snapshot of the District's assets, liabilities and deferred outflows and inflows of resources at the end of the fiscal 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, 2019 and 2018. 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 2019 Financial Highlights

- In the fiscal year ended August 31, 2019, total District revenues exceeded total expenses by \$31.2 million as a result of careful budgeting, prudent fiscal management and conservation of resources.
- During the fiscal year, the District capitalized \$27.8 million of capital improvements to existing buildings, \$6 million of capital improvements other than buildings, \$1.3 million of telecommunications and peripheral equipment, and \$3.8 million of furniture and other equipment.

## Statement of Net Position

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

Total assets increased by \$43.3 million during fiscal year 2019, and \$36.9 million during fiscal year 2018 and total liabilities increased \$53.4 million for fiscal year 2019 and increased \$129.3 million for fiscal year 2018.

- **Current Assets** increased by \$21.3 million during fiscal year 2019, and decreased by \$5.4 million during fiscal year 2018. The 2019 increase is attributable to an increase in short-term investments. The 2018 decrease is primarily due to a decrease 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 2019, current assets as a percentage of total assets increased slightly from 14.4 percent to 15.6 percent.

- **Non-current Assets** increased by 2.1 percent, or \$22.0 million, for fiscal year 2019, and increased \$42.3 million (4.1 percent) for fiscal year 2018. The 2019 increase is due to an increase in long-term investments. Long-term investments as a percentage of total assets increased from 13.5 percent for the prior year to 14.9 percent for the current year. Capital assets as a percentage of total assets had a slight decrease going from 72.1 percent for fiscal year 2018 to 69.5 percent for fiscal year 2019. The trends for long-term investments and capital assets will fluctuate with the spending schedule in future years based on planned construction and renovation projects. The majority of the capital asset value is in property and equipment, with additional construction continually ongoing. Capital assets were \$897.4 million as of August 31, 2019 as compared to \$899.4 million at August 31, 2018. This decrease, net of current year depreciation of \$34.3 million, reflects spending on various ongoing capital improvement projects.

- **Deferred Outflows of Resources** - Required entries from GASB 68 resulted in the recording of an additional \$22.4 million of deferred outflows of resources related to pensions for the year ended August 31, 2019, bringing the total to \$37.4 million, as compared to \$15.0 million at August 31, 2018. FY 2019 required entries from GASB 75 resulted in the recording of an additional \$42.8 million of deferred outflows of resources related to Other Post-Employment Benefits (OPEB) bringing the total to \$46.7 million, as compared to \$3.9 million at August 31, 2018.

## Condensed Statements of Net Position

| August 31<br>(Dollars in millions) | 2019       | 2018     | 2018-19<br>Change | 2017       | 2017-18<br>Change |
|------------------------------------|------------|----------|-------------------|------------|-------------------|
| Current Assets                     | \$ 200.8   | \$ 179.5 | \$ 21.3           | \$ 184.9   | \$ (5.4)          |
| Non-Current Assets:                |            |          |                   |            |                   |
| Long-Term Investments              | 192.4      | 168.4    | 24.0              | 131.4      | 37.0              |
| Capital Assets, net                | 897.4      | 899.4    | (2.0)             | 894.1      | 5.3               |
| Total Assets                       | 1,290.6    | 1,247.3  | 43.3              | 1,210.4    | 36.9              |
| Deferred Outflows                  | 84.1       | 18.9     | 65.2              | 16.7       | 2.2               |
| Current Liabilities                | 53.8       | 50.8     | 3.0               | 48.2       | 2.6               |
| Non-Current Liabilities            | 232.7      | 182.3    | 50.4              | 55.6       | 126.7             |
| Total Liabilities                  | 286.5      | 233.1    | 53.4              | 103.8      | 129.3             |
| Deferred Inflows                   | 70.8       | 46.8     | 24.0              | 12.8       | 34.0              |
| Net Investment in Capital          | 897.4      | 899.4    | (2.0)             | 894.1      | 5.3               |
| Restricted                         | 7.7        | 7.3      | 0.4               | 6.9        | 0.4               |
| Unrestricted                       | 112.3      | 79.5     | 32.8              | 209.5      | (130.0)           |
| Total Net Position                 | \$ 1,017.4 | \$ 986.2 | \$ 31.2           | \$ 1,110.5 | \$ (124.3)        |

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

Year Ended August 31  
(Dollars in Millions)

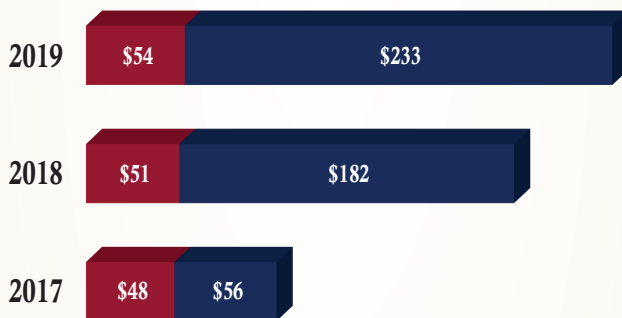
### CAPITAL ASSETS

■ LT Investments ■ Current Assets ■ Capital Assets



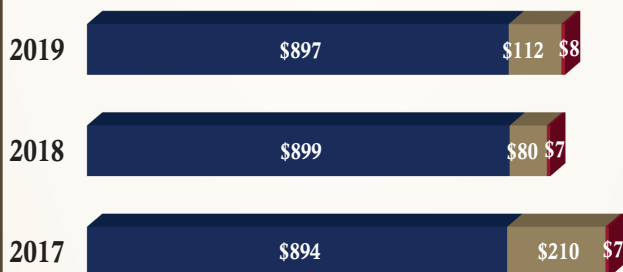
### LIABILITIES

■ Current Liabilities ■ Non-Current Liabilities



### NET POSITION

■ Invested in Capital Assets ■ Unrestricted ■ Restricted



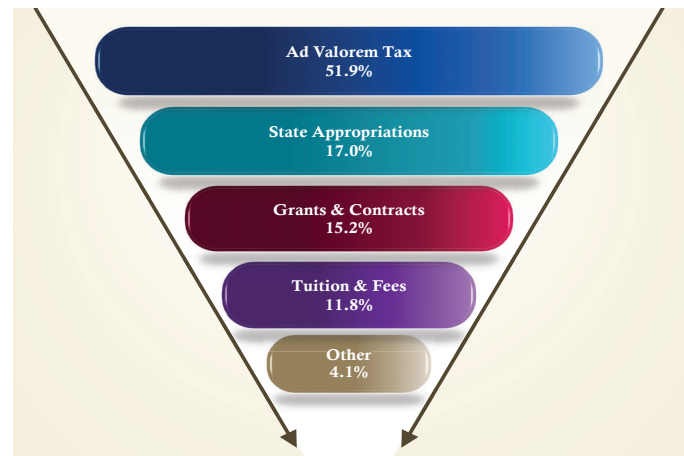
- **Current Liabilities** increased \$3.0 million to a balance of \$53.8 million for the year ended August 31, 2019. These were comprised of accounts payable, accrued liabilities, accrued employee benefits, unearned revenue, and the current portion of Net OPEB liability. Accounts payable and accrued liabilities for goods and services received prior to the end of the fiscal year decreased \$1.8 million.
- **Non-current Liabilities** primarily consist of accrued employee benefits, net pension liability as required by GASB 68 and net OPEB liability which is required by GASB 75. Total non-current liabilities were \$182.3 million at August 31, 2018, and were \$232.7 million at August 31, 2019. This includes net pension liability of \$44.2 million at August 31, 2018 as compared to \$75.9 million at August 31, 2019, and net OPEB liability of \$133.7 million at August 31, 2018 as compared to \$152.3 million at August 31, 2019.
- **Deferred Inflows of Resources** - Required entries from GASB 68 resulted in the recording of an decrease of \$6.2 million of deferred inflows of resources related to pensions for the year ended August 31, 2019, bringing the total to \$10.9 million, as compared to \$17.1 million at August 31, 2018. Required entries from GASB 75 resulted in the recording of an increase of \$30.2 million of deferred inflows of resources related to OPEB for the year ended August 31, 2019 bringing the total to \$59.9 million, as compared to \$29.7 million at August 31, 2018.
- **Net Position** (total assets and deferred outflows less total liabilities and deferred inflows) increased \$31.2 million, or 3.2 percent. This was primarily due to the increase in both current and non-current investments. Net investment in capital assets, \$897.4 million, represents 88.2 percent of net position, which reflects the District's substantial investment in capital assets such as property, buildings, and equipment. Restricted net position such as grants from third-party agencies with expenditure restrictions, student loan funds, or assets designated for debt service represented an additional 0.8 percent of net position. The remaining unrestricted net position may be used for educational or general operations of the District. Unrestricted net position increased \$32.8 million,

and represents 11.0 percent of net position. During fiscal year 2019, the net position designated for future capital outlay increased by \$0.4 million to \$23.0 million. The portion of net position committed to capital assets is expected to remain substantial with the ongoing improvements district wide.

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

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

## Total Revenue By Source Fiscal Year 2018-19 Total \$471.8



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 2019 and prior years.

## Revenues

Total revenues increased \$15.3 million, or 3.4 percent, over the prior year to \$471.8 million in 2019. For fiscal 2018, total revenue was \$456.5 million. The increase for fiscal 2019 is primarily the result of an increase in ad valorem taxes. For fiscal year 2018 the increase of \$19.8 million was also due to a increase in ad valorem taxes.

### Operating Revenues

Operating revenue increased \$0.2 million in 2019, or 0.3 percent over 2018, to \$74.5 million. In fiscal year 2018, operating revenue increased 0.5 percent over 2017. The primary source of operating revenue has continually been tuition and fees.

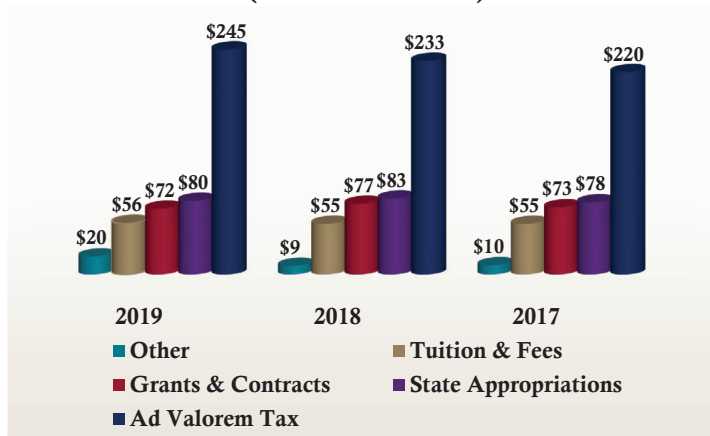
Revenue from tuition and fees increased \$0.6 million or 1.1 percent over 2018 to \$55.7 million. For the fiscal years 1996 through 2001, the District maintained a policy of increasing the in-district tuition rate by \$2 per hour per year. After 2001, in response to a call from the Texas Higher Education 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

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

| Years Ended August 31<br>(Dollars in millions) | 2019              | 2018            | 2018-19<br>Change | 2017              | 2017-18<br>Change |
|--|-------------------|-----------------|-------------------|-------------------|-------------------|
| <b>Operating Revenue</b>                       |                   |                 |                   |                   |                   |
| Tuition & Fees                                 | \$ 55.7           | \$ 55.1         | \$ 0.6            | \$ 55.0           | \$ 0.1            |
| Grants & Contracts                             | 12.4              | 14.3            | (1.9)             | 13.3              | 1.0               |
| Auxiliary Enterprises                          | 4.6               | 4.1             | 0.5               | 3.8               | 0.3               |
| Other Operating Revenue                        | 1.8               | 0.8             | 1.0               | 1.8               | (1.0)             |
| <b>Total Operating Revenue</b>                 | <b>74.5</b>       | <b>74.3</b>     | <b>0.2</b>        | <b>73.9</b>       | <b>0.4</b>        |
| <b>Operating Expenses</b>                      |                   |                 |                   |                   |                   |
| Instruction                                    | 159.3             | 150.6           | 8.7               | 140.7             | 9.9               |
| Public Service                                 | 10.3              | 14.1            | (3.8)             | 12.7              | 1.4               |
| Academic Support                               | 37.9              | 34.0            | 3.9               | 35.1              | (1.1)             |
| Student Services                               | 40.9              | 38.4            | 2.5               | 36.2              | 2.2               |
| Institutional Support                          | 54.7              | 50.3            | 4.4               | 45.8              | 4.5               |
| Operation & Maintenance of Plant               | 40.4              | 36.9            | 3.5               | 34.9              | 2.0               |
| Scholarships & Fellowships                     | 56.8              | 60.4            | (3.6)             | 58.1              | 2.3               |
| Auxiliary Enterprises                          | 5.4               | 4.6             | 0.8               | 4.6               | -                 |
| Depreciation                                   | 34.3              | 33.5            | 0.8               | 32.2              | 1.3               |
| <b>Total Operating Expenses</b>                | <b>440.0</b>      | <b>422.8</b>    | <b>17.2</b>       | <b>400.3</b>      | <b>22.5</b>       |
| Operating Loss                                 | (365.5)           | (348.5)         | (17.0)            | (326.4)           | (22.1)            |
| <b>Non-Operating Revenue (Expense)</b>         |                   |                 |                   |                   |                   |
| State Appropriations                           | 80.1              | 82.6            | (2.5)             | 78.4              | 4.2               |
| Ad Valorem Tax                                 | 245.0             | 232.6           | 12.4              | 220.3             | 12.3              |
| Grants & Contracts                             | 59.1              | 62.6            | (3.5)             | 59.7              | 2.9               |
| Other Revenue-Gifts                            | 0.1               | 0.1             | -                 | 0.7               | (0.6)             |
| Investment & Other Income                      | 13.0              | 4.3             | 8.7               | 3.7               | 0.6               |
| Non-Operating Expense                          | (0.6)             | (1.1)           | 0.5               | (0.4)             | (0.7)             |
| <b>Total Non-Operating Revenue (Expense)</b>   | <b>396.7</b>      | <b>381.1</b>    | <b>15.6</b>       | <b>362.4</b>      | <b>18.7</b>       |
| Increase in Net Position                       | 31.2              | 32.6            | (1.4)             | 36.0              | (3.4)             |
| <b>Net Position</b>                            |                   |                 |                   |                   |                   |
| Net Position-Year Beginning                    | 986.2             | 1,110.5         | (124.3)           | 1,074.5           | 36.0              |
| Change in Accounting Principle                 |                   | (156.9)         | 156.9             |                   |                   |
| Total Revenue                                  | 471.8             | 456.5           | 15.3              | 436.7             | 19.8              |
| Total Expenses                                 | (440.6)           | (423.9)         | (16.7)            | (400.7)           | (23.2)            |
| <b>Net Position-Year End</b>                   | <b>\$ 1,017.4</b> | <b>\$ 986.2</b> | <b>\$ 31.2</b>    | <b>\$ 1,110.5</b> | <b>\$ 32.6</b>    |

## Revenue By Source

Years Ended August 31  
(Dollars in millions)



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

### Non-Operating Revenues (Expense)

Non-operating revenues (expense) increased from \$381.1 million to \$396.7 million for the fiscal years ended August 31, 2019 and 2018, respectively. For fiscal 2017, non-operating revenue was \$362.4 million. For 2019, non-operating revenue consists predominantly of ad valorem taxes of \$245.0 million, which increased by \$12.4 million or 5.3 percent, and state appropriations of \$80.1 million, which decreased by \$2.5 million or 3.0 percent.

In 1998, the Board of Trustees of the Tarrant County College District, acting on the chancellor’s recommendation, altered the traditional approach of relying on bonded indebtedness for new construction, repair and renovation, and major equipment purchases. Instead, the District elected to fund such expenditures from maintenance and operations tax revenue. In August 2002, the Board of Trustees of the District set the tax rate at 13.938 cents per \$100 valuation. Since that time the Board of Trustees increased the tax rate to 14.897 for 2012 and 2013, and increased the tax rate to 14.950 for 2014 through 2016, and decreased the tax rate to 14.473 for 2017, 14.006 for 2018, 13.607 for 2019, and 13.017 for 2020.

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.

## Operating Expense by Natural Classification

| Years Ended August 31<br>(Dollars in millions) | 2019            | 2018            | 2018-19<br>Change | 2017            | 2017-18<br>Change |
|--|-----------------|-----------------|-------------------|-----------------|-------------------|
| Salary & Wages                                 | \$ 190.9        | \$ 184.3        | \$ 6.6            | \$ 178.6        | \$ 5.7            |
| Staff Benefits                                 | 73.6            | 67.5            | 6.1               | 59.7            | 7.8               |
| Other Expenses                                 | 141.2           | 137.5           | 3.7               | 129.8           | 7.7               |
| Depreciation                                   | 34.3            | 33.5            | 0.8               | 32.2            | 1.3               |
| <b>Total Operating Expenses</b>                | <b>\$ 440.0</b> | <b>\$ 422.8</b> | <b>\$ 17.2</b>    | <b>\$ 400.3</b> | <b>\$ 22.5</b>    |

State appropriations accounted for 35 percent of total (operating and non-operating) revenue in fiscal 1998, and have declined to 17.0 percent of revenue in 2019. Tuition and fees accounted for 22.9 percent in fiscal 1998 and 11.8 percent in fiscal 2019. In contrast, local property taxes accounted for 21.0 percent of total revenue in fiscal 1998 and 51.9 percent of revenue in 2019. Tuition and fees were \$55.7 million in fiscal 2019 and \$55.1 million in fiscal 2018, and slightly decreased as a percentage of total revenue to 11.8 percent in 2019 from 12.1 percent in 2018.

Grants and contracts have decreased from \$76.9 million in 2018 to \$71.5 million in 2019, and are 15.1 percent of total revenues. During fiscal 2017, revenues from grants and contracts were \$73.0 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 2019. 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 2019, the District recorded a \$0.5 million increase in sales revenues from operations at our auxiliary enterprises.

Fiscal year 2019 investment and other income increased by \$8.7 million to \$13.0 million compared to a

\$0.6 million increase for the prior year. (See Note 4, page 22, for additional information on investment earnings and portfolio market adjustments.)

**Expenses**

Total expenses including non-operating expenses for fiscal 2019 increased \$16.7 million to \$440.6 million from \$423.9 million for fiscal 2018. For fiscal 2017, total expenses were \$400.7 million. Operating expenses increased by \$17.2 million to \$440.0 million, an increase of 4.1 percent from fiscal 2018. For fiscal 2017, operating expenses were \$422.8 million. Significant fluctuations in 2019 operating expenses are as follows:

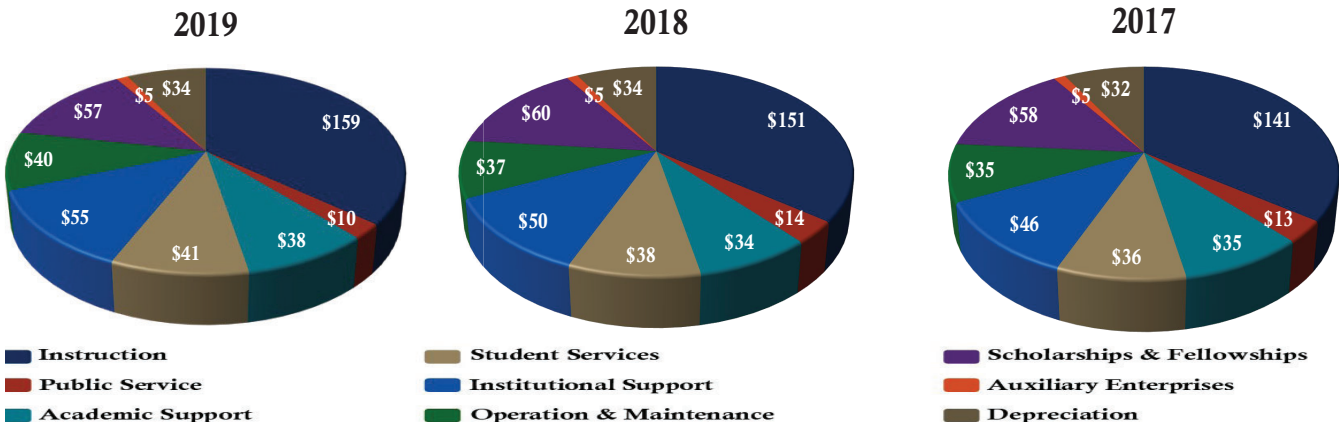
- Salaries and wages increased \$6.6 million to \$190.9 million
- Staff benefits increased by \$6.1 million to \$73.6 million
- Other expenses increased by \$3.7 million to \$141.2 million

An analysis of operating expenses by function indicates the most significant year-to-year percentage change to be in public service (decreased 27.0 percent to \$10.3 million). Public service was also the most significant year-to-year percentage change in fiscal 2018 with an 11.0 percent increase.

**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

**Operating Expense By Function**  
 Years Ended August 31  
 (Dollars in millions)



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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 \$295.2 million for fiscal 2019, \$282.7 million for fiscal 2018, and \$275.1 million for fiscal 2017. 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 \$360.6 million for 2019, \$352.1 million for 2018, and \$335.7 million for 2017.

Cash used for capital and related financing activities was \$32.8 million for 2019, \$39.9 million for 2018, and \$52.8 million for 2017. This is regarding the purchase of capital assets.

Cash used by investing activities for 2019 was \$33.3 million, which reflects the purchase and maturity of investments and interest income from investments. This was \$3.7 million more than cash used by investing activities for fiscal 2018 of \$29.6 million.

Cash and cash equivalents decreased by \$0.7 million from \$2.4 million at August 31, 2018 to \$1.7 million at August 31, 2019.

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

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

At August 31, 2019, the District had a total of \$897.4 million in capital assets, net of accumulated depreciation. Capital assets decreased \$2.0 million for 2019, increased \$5.3 million for 2018, and increased \$20.9 million for 2017. Construction-in-progress was \$14.2 million at August 31, 2019. During 2019, \$39.6 million of construction-in-progress jobs were completed, including \$11.5 million on District wide mechanical, electrical, and plumbing projects, \$4.4 million on Trinity River Tx Academy of Biomedical Sciences, \$3.6 million on Trinity River Tarleton space, \$5.8 million on District wide space renovation and several smaller scale projects throughout the District. (See Note 19, pages 42-43, to the financial statements for more detailed information regarding capital assets.)

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

Construction-in-progress was \$20.6 million at August 31, 2018. During 2018, \$49.8 million of construction-in-progress jobs were completed, including \$3.1 million District code blue phones, \$3.3 million on Southeast Learning Commons, \$3.5 million on South mechanical, electrical, and plumbing projects, \$7.3 million on Northeast mechanical, electrical, and plumbing projects, \$1.9 million on Trinity River fire alarm upgrades, \$5.2 million on Trinity River Campus renovations, \$7.0 million on the Riverside warehouse renovations and several smaller scale projects throughout the District.

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.

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

The District currently has no bond debt, but as noted above, an \$825 million bond improvement proposal was approved by voters on November 5, 2019.

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

District management would like to report that Tarrant County College District completes fiscal 2019 with an exceptionally strong financial position. In addition, the budget adopted by the Board of Trustees for fiscal 2020 indicates that budgeted revenue coupled with unrestricted Net Position will be sufficient for operating needs and will allow the District to meet anticipated capital outlay requirements.



**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 1**  
**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2019 AND 2018**

|   | 2019          | 2018          |
|---|---------------|---------------|
| <b>ASSETS</b>   |               |               |
| <b>Current assets</b>   |               |               |
| Cash and cash equivalents   | \$ 1,671,129  | \$ 2,439,488  |
| Investments   | 169,928,808   | 149,014,149   |
| Accounts receivable, less allowance<br>for doubtful accounts of \$20,668,298 and<br>\$18,955,988 in 2019 and 2018, respectively | 14,470,865    | 11,728,651    |
| Taxes receivable, less allowance for<br>doubtful accounts of \$2,396,755 and<br>\$2,382,474 in 2019 and 2018, respectively      | 4,602,505     | 4,909,169     |
| Interest receivable   | 1,295,514     | 881,358       |
| Federal grants and contracts receivable   | 4,436,924     | 5,316,428     |
| State and local grants and contracts receivable   | 1,849,308     | 1,608,370     |
| Prepaid expenses and other current assets   | 2,563,289     | 3,598,737     |
| <b>Total current assets</b>   | 200,818,342   | 179,496,350   |
| <b>Non-current assets</b>   |               |               |
| Investments   | 191,900,283   | 167,814,499   |
| Restricted investments  | 546,885       | 559,620       |
| Capital assets, net   |               |               |
| Non-depreciable capital assets  | 98,268,330    | 104,675,519   |
| Depreciable capital assets  | 799,117,018   | 794,721,416   |
| <b>Total non-current assets</b>   | 1,089,832,516 | 1,067,771,054 |
| <b>Total assets</b>   | 1,290,650,858 | 1,247,267,404 |
| <br><b>DEFERRED OUTFLOWS OF RESOURCES</b>   |               |               |
| Deferred outflows related to pensions   | 37,445,042    | 15,016,484    |
| Deferred outflows related to OPEB   | 46,672,606    | 3,882,675     |
| <br><b>LIABILITIES</b>  |               |               |
| <b>Current liabilities</b>  |               |               |
| Accounts payable  | 12,267,976    | 13,683,290    |
| Accrued liabilities   | 7,366,207     | 7,768,514     |
| Accrued compensated absences  | 6,976,723     | 6,573,123     |
| Deposits held for others  | 440,205       | 454,259       |
| Unearned revenue  | 24,463,790    | 21,646,378    |
| Net OPEB liability  | 2,274,518     | 681,860       |
| <b>Total current liabilities</b>  | 53,789,419    | 50,807,424    |
| <b>Non-current liabilities</b>  |               |               |
| Accrued compensated absences  | 4,545,162     | 4,407,487     |
| Net pension liability   | 75,869,798    | 44,235,720    |
| Net OPEB liability  | 152,351,328   | 133,698,619   |
| <b>Total non-current liabilities</b>  | 232,766,288   | 182,341,826   |
| <b>Total liabilities</b>  | 286,555,707   | 233,149,250   |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>  |               |               |
| Deferred inflows related to pensions  | 10,937,143    | 17,089,532    |
| Deferred inflows related to OPEB  | 59,850,116    | 29,712,169    |

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

**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 1**  
**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2019 AND 2018**  
**(continued)**

|  | 2019                        | 2018                      |
|--|-----------------------------|---------------------------|
| <b>NET POSITION</b>                        |                             |                           |
| Net investment in capital assets           | \$ 897,385,348              | \$ 899,396,935            |
| Restricted for:                            |                             |                           |
| Expendable                                 |                             |                           |
| Student aid                                | 7,593,571                   | 7,214,390                 |
| Loans                                      | 146,256                     | 144,701                   |
| Total restricted                           | 7,739,827                   | 7,359,091                 |
| Unrestricted                               | 112,300,365                 | 79,459,586                |
| <br><b>Total net position (Schedule D)</b> | <br><b>\$ 1,017,425,540</b> | <br><b>\$ 986,215,612</b> |

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

**TARRANT COUNTY COLLEGE DISTRICT**  
**EXHIBIT 2**  
**STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**YEARS ENDED AUGUST 31, 2019 AND 2018**

|   | 2019             | 2018           |
|---|------------------|----------------|
| <b>REVENUES</b>   |                  |                |
| <b>Operating revenues</b>   |                  |                |
| Tuition and fees, net of allowances and discounts<br>of \$14,016,306 and \$14,720,744 in 2019 and<br>2018, respectively | \$ 55,682,936    | \$ 55,145,642  |
| Federal grants and contracts  | 3,380,340        | 3,144,177      |
| State grants and contracts  | 5,678,124        | 7,219,799      |
| Non-governmental grants and contracts   | 3,376,037        | 3,913,274      |
| Auxiliary enterprises   | 4,562,486        | 4,104,814      |
| Other operating revenue   | 1,804,790        | 799,607        |
| Total operating revenue (Schedule A)  | 74,484,713       | 74,327,313     |
| <b>EXPENSES</b>   |                  |                |
| <b>Operating expenses</b>   |                  |                |
| Instruction   | 159,321,611      | 150,579,446    |
| Public service  | 10,245,318       | 14,132,205     |
| Academic support  | 37,918,976       | 33,963,458     |
| Student services  | 40,891,712       | 38,449,561     |
| Institutional support   | 54,713,160       | 50,310,302     |
| Operation and maintenance of plant  | 40,368,561       | 36,897,204     |
| Scholarships and fellowships  | 56,825,486       | 60,424,814     |
| Auxiliary enterprises   | 5,395,065        | 4,618,011      |
| Depreciation  | 34,332,422       | 33,521,323     |
| Total operating expenses (Schedule B)   | 440,012,311      | 422,896,324    |
| Operating loss  | (365,527,598)    | (348,569,011)  |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>  |                  |                |
| State appropriations  | 80,154,552       | 82,581,830     |
| Maintenance ad-valorem taxes  | 244,974,129      | 232,639,439    |
| Federal grants and contracts  | 59,118,313       | 62,594,892     |
| Gifts   | 67,441           | 97,333         |
| Investment income   | 12,057,614       | 3,319,826      |
| Other income  | 939,730          | 1,027,388      |
| Loss on disposal of assets  | (574,253)        | (1,132,866)    |
| Total non-operating revenue (Schedule C)  | 396,737,526      | 381,127,842    |
| Increase in net position (Schedule D)   | 31,209,928       | 32,558,831     |
| <b>NET POSITION, BEGINNING OF YEAR</b>  | 986,215,612      | 953,656,781    |
| <b>NET POSITION, END OF YEAR</b>  | \$ 1,017,425,540 | \$ 986,215,612 |

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, 2019 AND 2018**

|  | 2019             | 2018             |
|--|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                      |                  |                  |
| Receipts from tuition and fees   | \$ 56,271,717    | \$ 53,111,522    |
| Receipts from grants and contracts   | 11,840,786       | 14,441,531       |
| Payments to suppliers  | (141,849,532)    | (134,644,028)    |
| Payments to or on behalf of employees  | (228,648,743)    | (221,649,085)    |
| Receipts from auxiliary enterprise charges                                       | 4,410,466        | 4,203,640        |
| Other receipts   | 2,750,335        | 1,822,836        |
| Net cash used by operating activities  | (295,224,971)    | (282,713,584)    |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                          |                  |                  |
| Receipts from state appropriations   | 55,364,500       | 55,365,768       |
| Receipts from non-operating federal revenue                                      | 59,983,216       | 64,217,129       |
| Receipts from local property taxes   | 245,280,793      | 232,533,957      |
| Net cash provided by non-capital financing activities                            | 360,628,509      | 352,116,854      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                  |                  |                  |
| Purchase of capital assets   | (32,827,647)     | (39,875,350)     |
| Net cash used by capital and related financing activities                        | (32,827,647)     | (39,875,350)     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                      |                  |                  |
| Proceeds from sale and maturities of investments                                 | 511,418,476      | 543,153,077      |
| Interest on investments  | 3,527,224        | 2,392,588        |
| Purchase of investments  | (548,289,950)    | (575,191,078)    |
| Net cash used by investing activities  | (33,344,250)     | (29,645,413)     |
| Net decrease in cash and cash equivalents  | (768,359)        | (117,493)        |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>                              | 2,439,488        | 2,556,981        |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>                                    | \$ 1,671,129     | \$ 2,439,488     |
| <b>RECONCILIATION OF OPERATING LOSS TO</b>                                       |                  |                  |
| <b>NET CASH USED BY OPERATING ACTIVITIES</b>                                     |                  |                  |
| Operating loss   | \$ (365,527,598) | \$ (348,569,011) |
| Adjustments to reconcile operating loss to net cash used by operating activities |                  |                  |
| Depreciation   | 34,332,422       | 33,521,323       |
| Non-cash state appropriations  | 24,790,052       | 27,216,062       |
| Pension expense  | 7,965,637        | 3,747,595        |
| OPEB expense   | 7,593,383        | 3,348,625        |
| Non-operating other income   | 945,545          | 1,023,229        |
| Change in operating assets and liabilities                                       |                  |                  |
| Receivables  | (968,551)        | (272,319)        |
| Prepaid expenses and other current assets  | 1,035,448        | 127,151          |
| Deferred outflows of resources   | (4,912,506)      | (4,628,899)      |
| Accounts payable and accrued liabilities   | (1,817,621)      | 2,760,673        |
| Accrued compensated absences   | 541,275          | 524,707          |
| Deposits held for others   | (14,054)         | (14,026)         |
| Deferred revenue   | 811,597          | (1,498,694)      |
| Net cash used by operating activities  | \$ (295,224,971) | \$ (282,713,584) |
| <b>SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>                   |                  |                  |
| Change in fair value of investments  | \$ 3,609,333     | \$ (2,003,962)   |
| Donation of capital assets   | \$ 67,441        | \$ 97,333        |

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 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 out-

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

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

standing at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding as of August 31, 2019 of \$23,139,098 have been provided for in the fiscal year 2020 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 \$157,905,363 and \$137,596,646 at August 31, 2019 and 2018, respectively, to be short-term investments. Long-term investments have an original maturity of greater than one year at the date of purchase.

### ***Capital Assets***

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

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

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

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

### ***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 associated deferred outflows and inflows of resources, the net OPEB liability and associated deferred outflows and inflows of resources 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, 2019 or 2018.

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

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

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

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

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a business-type activity and as a single proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees and certain grants and contracts. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as property taxes, state appropriations, gifts and contributions, and other revenue and expenses that are defined as non-operating by GASB 9, *Reporting Cash*

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

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

*Flows of Proprietary and Nonexpendable Trust Funds and Government Entities that use Proprietary Fund Accounting*, and investment income. Non-exchange transactions are recognized in accordance with the standards in GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with GASB 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the District records revenue received for federal Title IV grant programs (such as Pell grants) as non-operating revenue.

### ***Pensions***

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

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

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

### ***Reclassifications***

Certain reclassifications have been made to the 2018 financial statements to make them conform with the 2019 financial statement presentation. Such reclassifications had no effect on change in net position.

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

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



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

with a maximum weighted average maturity of two years and restricted to the investments authorized under this Policy which are rated AAA or equivalent by a nationally recognized crediting agency, and (14) interest-bearing accounts in any bank doing business in Texas which are fully insured by the FDIC or collateralized.

During the year ended August 31, 2012, the District established the Gas Royalty Scholarship Fund. As described in Note 4, these funds are invested and managed by a related organization. Under the District's investment policy, the scholarship fund is invested in accordance with the Public Funds Investment Act (PFIA). House Bill 1472, which became effective September 1, 2017, added section 2256.0206 to PFIA which allows that funds received from the management and development of mineral rights may be invested by a trustee under Subtitle B, Title 9, Property Code (Texas Trust Code).

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

At August 31, 2019 and 2018, the carrying amounts of the District's deposits were \$1,651,129 and \$2,419,488 and total bank balances equaled \$3,890,085 and \$3,552,857, respectively. Bank balances of \$250,000 were covered by the Federal Depository Insurance Corporation with \$3,640,085 and \$3,302,857 covered by collateral pledged in a joint custody security account with market values of \$4,076,957 and \$4,002,815 at August 31, 2019 and 2018, 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, 2019 and 2018 were \$13,442,821 and \$13,137,410 invested in TexPool, a pool managed by the Treasurer of the state of Texas, \$44,241,518 and \$35,190,840 invested in TexStar, a pool managed by JP Morgan Investment Management Inc. and First Southwest Company, \$48,047,848 and \$43,329,735 invested in TexasTerm, a series of pools managed by PFM Asset Management, LLC, and \$52,173,176 and \$45,938,661 invested in Lone Star Investment Pool, a pool managed by First Public, LLC, respectively. The fair value of the District's positions in the pools is substantially the same as the value of the pools' shares. The investments in which the pools may invest are subject to the same restrictions as the District.

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

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

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

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

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

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

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

The TexStar investment pool is an external investment pool measured at its net asset value. TexStar's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. TexStar has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on a major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

During the year ended August 31, 2012, the District entered into a management agreement with Tarrant County College Foundation (the Foundation), a related organization (see Note 16). Under this agreement, the Foundation will invest, manage and monitor certain designated funds of the District (hereinafter referred to as Beneficial Interest in Funds Held by Affiliate), derived principally from oil and gas lease and bonus payments. The terms of the agreement dictate that the District will determine the use of the earnings from the invested funds and authorize all expenditures from the funds.

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

| <b>Cash and Cash Equivalents</b>       |                     |                     |
|--|---------------------|---------------------|
|  | <b>2019</b>         | <b>2018</b>         |
| <b>Bank deposits</b>                   |                     |                     |
| Demand deposits                        | \$ 1,651,129        | \$ 2,419,488        |
| <b>Cash on hand</b>                    |                     |                     |
| Petty cash                             | 20,000              | 20,000              |
| <b>Total cash and cash equivalents</b> | <u>\$ 1,671,129</u> | <u>\$ 2,439,488</u> |

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

| <b>Reconciliation of Deposits and Investments to Exhibit 1</b> |                                   |                                   |
|--|-----------------------------------|-----------------------------------|
|  | Carrying Value<br>August 31, 2019 | Carrying Value<br>August 31, 2018 |
| TexPool  | \$ 13,442,821                     | \$ 13,137,410                     |
| TexStar  | 44,241,518                        | 35,190,840                        |
| TexasTERM - TexasDAILY   | 48,047,848                        | 43,329,735                        |
| Lone Star Investment Pool                                      | 52,173,176                        | 45,938,661                        |
| Beneficial Interest in Funds Held by Affiliate                 | 12,570,330                        | 11,977,123                        |
| U.S. Government Agencies                                       | 191,900,283                       | 167,814,499                       |
| <b>Total</b>   | <b>362,375,976</b>                | <b>317,388,268</b>                |
| Cash and cash equivalents                                      | 1,671,129                         | 2,439,488                         |
| <b>Total deposits and investments</b>                          | <b>364,047,105</b>                | <b>319,827,756</b>                |
| Cash and cash equivalents (Exhibit 1)                          | 1,671,129                         | 2,439,488                         |
| Investments - current (Exhibit 1)                              | 169,928,808                       | 149,014,149                       |
| Restricted investments - non-current (Exhibit 1)               | 546,885                           | 559,620                           |
| Investments - non-current (Exhibit 1)                          | 191,900,283                       | 167,814,499                       |
| <b>Total deposits and investments</b>                          | <b>\$ 364,047,105</b>             | <b>\$ 319,827,756</b>             |

As of August 31, 2019 the District had the following investments and maturities:

| <b>Investment Maturities (in Years)</b>        |               |                       |                       |                      |                      |                      |           |
|--|---------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|-----------|
| 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           | \$ 191,900,283        | \$ 30,141,164         | \$ 70,545,424        | \$ 60,829,838        | \$ 30,383,857        | \$        |
| TexPool  | AAAm          | 13,442,821            | 13,442,821            |                      |                      |                      |           |
| TexStar  | AAAm          | 44,241,518            | 44,241,518            |                      |                      |                      |           |
| TexasTERM - TexasDAILY                         | AAAm          | 48,047,848            | 48,047,848            |                      |                      |                      |           |
| Lone Star Investment Pool                      | AAAm          | 52,173,176            | 52,173,176            |                      |                      |                      |           |
| Beneficial interest in funds held by affiliate |               | 12,570,330            |                       |                      |                      |                      |           |
| <b>Total carrying value</b>                    |               | <b>\$ 362,375,976</b> | <b>\$ 188,046,527</b> | <b>\$ 70,545,424</b> | <b>\$ 60,829,838</b> | <b>\$ 30,383,857</b> | <b>\$</b> |

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, 2019 and 2018, Beneficial Interest in Funds Held by Affiliate was comprised of the following underlying investments:

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

|                          | 2019                 | 2018                 |
|--------------------------|----------------------|----------------------|
| Corporate Bonds          | \$ 3,696,829         | \$ 3,277,324         |
| Cash Equivalents         | 367,892              | 333,746              |
| U.S. Government Agencies |                      |                      |
| Mutual Funds             | 7,992,509            | 7,692,527            |
| Exchange - Traded Funds  | 513,100              | 673,526              |
| Total fair value         | <u>\$ 12,570,330</u> | <u>\$ 11,977,123</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, 2019, more than 5% of the District’s investments are in TexStar (12.2%), TexasDAILY (13.3%), Lone Star Investment Pool (14.4%), FHLB (25.2%), FNMA (13.9%), and FFCB (11.1%).

As of August 31, 2019 and 2018, restricted investments consisted of the following:

|                                   | 2019              | 2018              |
|-----------------------------------|-------------------|-------------------|
| Funds held for others             | \$ 439,127        | \$ 453,766        |
| Funds restricted to student loans | 107,758           | 105,854           |
| Total restricted investments      | <u>\$ 546,885</u> | <u>\$ 559,620</u> |

Investment income for the years ended August 31, 2019 and 2018 consisted of the following:

|  | 2019                 | 2018                |
|--|----------------------|---------------------|
| Interest and dividends                               | \$ 8,448,281         | \$ 5,323,788        |
| Net increase (decrease) in fair value of investments | 3,609,333            | (2,003,962)         |
| Total investment income                              | <u>\$ 12,057,614</u> | <u>\$ 3,319,826</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, 2019 and 2018 follows:

| 2019   |           |                       |           |                       |
|--|-----------|-----------------------|-----------|-----------------------|
|  | Level 1   | Level 2               | Level 3   | Total                 |
| U.S. Government Agency Securities              | \$        | \$ 191,900,283        | \$        | \$ 191,900,283        |
| Beneficial Interest in Funds Held by Affiliate |           | 12,570,330            |           | 12,570,330            |
|  | <u>\$</u> | <u>\$ 204,470,613</u> | <u>\$</u> | <u>\$ 204,470,613</u> |
| 2018   |           |                       |           |                       |
|  | Level 1   | Level 2               | Level 3   | Total                 |
| U.S. Government Agency Securities              | \$        | \$ 167,814,499        | \$        | \$ 167,814,499        |
| Beneficial Interest in Funds Held by Affiliate |           | 11,977,123            |           | 11,977,123            |
|  | <u>\$</u> | <u>\$ 179,791,622</u> | <u>\$</u> | <u>\$ 179,791,622</u> |

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, 2019 and 2018, the District did not invest in derivatives.

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## ***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/cafr2018.pdf>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

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

#### ***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.

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

**Contributions-continued**

Employee contribution rates are set in state statute, Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA), established the employer contribution rates for fiscal years 2018 and 2019.

| <b>Contribution Rates</b>                |               |              |
|--|---------------|--------------|
| Fiscal Year                              | 2019          | 2018         |
| Member                                   | 7.7%          | 7.7%         |
| Non-Employer Contributing Entity (State) | 6.8%          | 6.8%         |
| Employers                                | 6.8%          | 6.8%         |
| District Contributions                   | \$ 4,912,506  | \$ 4,628,899 |
| Member Contributions                     | \$ 10,208,635 | \$ 9,610,531 |
| State of Texas On-behalf Contributions   | \$ 3,797,494  | \$ 3,748,154 |

The District's contributions to the TRS pension plan in 2019 were \$4,912,506 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 2019 were \$3,797,494.

- 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 reduce 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.

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

### ***Actuarial Assumptions***

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

|  |   |
|--|---|
| Valuation Date   | August 31, 2017 rolled forward to August 31, 2018   |
| Actuarial Cost Method  | Individual Entry Age Normal   |
| Asset Valuation Method   | Market Value  |
| Single Discount Rate   | 6.907%  |
| Long-term Expected Rate  | 7.25%   |
| Municipal Bond Rate as of August 2018  | 3.69%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." |
| Last year ending August 31 in the 2017 to 2116 Projection Period (100 years) | 2116  |
| Inflation  | 2.30%   |
| Salary Increases   | 3.05% to 9.05% including inflation  |
| Ad hoc post-employment benefit changes                                       | None  |

The actuarial methods and assumptions are based primarily on a study of actual experience for the three year period ending August 31, 2017, and adopted in July 2018, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan.

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

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

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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

### ***Discount Rate***

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of



## NOTE 7. EMPLOYEES' RETIREMENT PLAN-continued

### Discount Rate-continued

3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the systems target asset allocation as of August 31, 2018 are summarized below:

| Asset Class                   | Target Allocation* | Long-Term Expected Geometric Real Rate of Return | Expected Contribution to Long-Term Portfolio Returns** |
|-------------------------------|--------------------|--|--|
| <b>Global Equity</b>          |                    |  |  |
| U.S.                          | 18.00%             | 5.70%  | 1.04%  |
| Non-U.S. Developed            | 13.00%             | 6.90%  | 0.90%  |
| Emerging Markets              | 9.00%              | 8.95%  | 0.80%  |
| Directional Hedge Funds       | 4.00%              | 3.53%  | 0.14%  |
| Private Equity                | 13.00%             | 10.18%   | 1.32%  |
| <b>Stable Value</b>           |                    |  |  |
| U.S. Treasuries               | 11.00%             | 1.11%  | 0.12%  |
| Absolute Return               | 0.00%              | 0.00%  | 0.00%  |
| Stable Value Hedge Funds      | 4.00%              | 3.09%  | 0.12%  |
| Cash                          | 1.00%              | -0.30%   | 0.00%  |
| <b>Real Return</b>            |                    |  |  |
| Global Inflation Linked Bonds | 3.00%              | 0.70%  | 0.02%  |
| Real Assets                   | 14.00%             | 5.21%  | 0.73%  |
| Energy and Natural Resources  | 5.00%              | 7.48%  | 0.37%  |
| Commodities                   | 0.00%              | 0.00%  | 0.00%  |
| <b>Risk Parity</b>            |                    |  |  |
| Risk Parity                   | 5.00%              | 3.70%  | 0.18%  |
| Inflation Expectation         |                    |  | 2.30%  |
| Volatility Drag               |                    |  | (0.79)   |
| <b>Total</b>                  | <b>100.00%</b>     |  | <b>7.25%</b>   |

\* Target allocations are based on the FY 2016 policy model.

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

Source: Teacher Retirement System of Texas 2018 Comprehensive Annual Financial Report

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

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact on the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the 2019 Net Pension Liability.

|   | 1% Decrease in<br>Discount Rate<br>(5.907%) | Discount Rate<br>(6.907%) | 1% Increase in<br>Discount Rate<br>(7.907%) |
|---|---|---------------------------|---|
| The Districts proportionate share of the net pension liability: | \$ 114,505,717                              | \$ 75,869,798             | \$ 44,591,729                               |

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

At August 31, 2019, the District reported a liability of \$75,869,798 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 | \$ 75,869,798         |
| State's proportionate share that is associated with the District           | 62,086,433            |
| <b>Total</b>   | <b>\$ 137,956,231</b> |

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. 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, 2017 through August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was .1378388%, which was a decrease of .37% from its proportion measured as of August 31, 2017.

For the year ended August 31, 2019, the District recognized pension expense of \$6,144,902 and revenue of \$6,144,902 for support provided by the state, based on a measurement date of August 31, 2018.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, based on a measurement date of August 31, 2017 rolled forward to August 31, 2018:

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

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

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience  | \$ 472,910                        | \$ 1,861,545                     |
| Changes in actuarial assumptions   | 27,354,716                        | 854,836                          |
| Difference between projected and actual investment earnings  | 3,942,899                         | 5,382,474                        |
| Changes in proportion and difference between the employer's contributions and the proportionate share of contributions | 762,011                           | 2,838,288                        |
| Contributions paid to TRS subsequent to the measurement date   | 4,912,506                         |                                  |
| Total  | <u>\$ 37,445,042</u>              | <u>\$ 10,937,143</u>             |

The contributions paid to TRS subsequent to the measurement date in the amount of \$4,912,506 will be recognized as a reduction of the net pension liability during the fiscal year ending August 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended August 31 | Pension Expense<br>Amount |
|----------------------|---------------------------|
| 2020                 | \$ 5,330,299              |
| 2021                 | 2,300,864                 |
| 2022                 | 1,696,638                 |
| 2023                 | 4,659,684                 |
| 2024                 | 4,627,123                 |
| Thereafter           | 2,980,785                 |

***Optional Retirement Plan***

***Plan Description***

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

***Funding Policy***

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 3.30% and 6.65%, respectively. The District contributed 5.20% in fiscal years 2019, 2018, and 2017 for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill (S.B.) 1812, 83rd Texas Legislature, Regular Session, effective

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

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

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, 2019, 2018, and 2017 were \$889,217, \$921,881 and \$934,035, respectively. The on-behalf payments are reflected in the accompanying financial statements as both revenue and expenses.

Total retirement expense paid by the state of \$5,017,840 is reflected in the accompanying financial statements as both revenues and expenditures. Participants contributed \$12,000,541 (\$10,208,635 for the Teacher Retirement Program and \$1,791,906 for the Optional Retirement Program). The District contributed \$1,066,124, \$1,121,393, and \$1,153,391 for the years ended August 31, 2019, 2018, and 2017, respectively, to the Optional Retirement Program to cover the 5.2% referenced above.

Total payroll expense for fiscal years 2019 and 2018 was approximately \$191,000,000 and \$184,300,000, respectively. The total payroll of employees covered by the Teacher Retirement System was approximately \$121,500,000 and \$113,900,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$26,900,000 and \$27,900,000 for fiscal years 2019 and 2018, respectively.

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

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

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

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

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

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

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

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

***Benefits Provided***

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

***Contributions***

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

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

| <b>Maximum Monthly Employer Contribution<br/>Retiree Health and Basic Life Premium</b> |           |
|--|-----------|
| <b>Fiscal Year 2018</b>  |           |
| Retiree Only   | \$ 621.90 |
| Retiree & Spouse   | 1,334.54  |
| Retiree & Children   | 1,099.06  |
| Retiree & Family   | 1,811.70  |

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

**Contributions-continued**

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

| <b>Premium Contributions by Source<br/>                     Group Benefits Program Plan<br/>                     For the Years Ended August 31, 2018 and 2017</b> |                |                |
|---|----------------|----------------|
| Fiscal Year   | 2018           | 2017           |
| Employers   | \$ 307,028,461 | \$ 890,735,173 |
| Members (Employees)   | 203,123,120    | 195,806,162    |
| Nonemployer Contributing Entity (State of Texas)  | 16,585,270     | 44,433,743     |

Source: ERS 2018 Comprehensive Annual Financial Reports

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of August 31, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|   |   |
|---|---|
| Valuation Date  | August 31, 2018   |
| Actuarial Cost Method                                 | Entry Age   |
| Amortization method                                   | Level percent of payroll, Open  |
| Remaining amortization period                         | 30 Years  |
| Asset Valuation Method                                | N/A   |
| Discount Rate   | 3.96%   |
| Projected annual salary increase (includes inflation) | 2.50% to 9.50%  |
| Annual healthcare trend rate                          | 7.30% for FY 2020, 7.40% for FY 2021, 7.00% for FY 2022, decreasing 0.50% per year to 4.50% for FY 2027 and later years |

|  |                             |
|--|-----------------------------|
| Inflation assumption rate              | 2.50%                       |
| Ad hoc post-employment benefit changes | None                        |
| Mortality rate                         | <u>State Agency Members</u> |

- Service retirees, survivors and other Inactive Members - 2017 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2017.
- Disability Retirees - RP-2014 Disabled Retiree Mortality with Ultimate MP Projection Scale projected from the year 2014
- Active Members - RP-2014 Active Member Mortality tables with Ultimate MP Projection Scale from the year 2014

## NOTE 8. OTHER POST EMPLOYMENT BENEFITS-continued

### Actuarial Assumptions-continued

#### Higher Education Members

- Service retirees, Survivors and other Inactive Members - Tables based on Teachers Retirement System of Texas experience with Ultimate MP Projection Scale from the year 2018.
- Disability Retirees - Tables based on Teachers Retirement System of Texas experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
- Active Members - Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014.

Source: 2018 ERS CAFR except for mortality assumptions obtained from ERS FY18 GASB 74 Actuarial Valuation

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2011 to August 31, 2017 for higher education members.

#### **Investment Policy**

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

#### **Discount Rate**

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.51%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.96%, which amounted to an increase of 0.45%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

#### **Discount Rate Sensitivity Analysis**

The following schedule shows the impact on the District's proportionate share of the collective net OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.96%) in measuring the net OPEB liability.

|   | 1% Decrease in<br>Discount Rate<br>(2.96%) | Discount Rate<br>(3.96%) | 1% Increase in<br>Discount Rate<br>(4.96%) |
|---|--|--------------------------|--|
| The District's proportionate share of the net OPEB liability: | \$ 183,576,877                             | \$ 154,625,846           | \$ 132,713,202                             |

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

**Healthcare Trend Rate Sensitivity Analysis**

The initial healthcare trend rate is 7.3% and the ultimate rate is 4.5%. The following schedule shows the impact on the District’s proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (7.3%) in measuring the net OPEB liability.

|  | 1% Decrease in<br>Healthcare Cost<br>Trend Rates<br>(6.3% decreasing<br>to 3.5%) | Current Healthcare<br>Cost Trend Rates<br>(7.3% decreasing to<br>4.5%) | 1% Increase in<br>Healthcare Cost<br>Trend Rates<br>(8.3% decreasing<br>to 5.5%) |
|--|--|--|--|
| The District's proportionate share<br>of the net OPEB liability: | \$ 130,948,121   | \$ 154,625,846   | \$ 185,170,208   |

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

At August 31, 2019, the District reported a liability of \$154,625,846 for its proportionate share of the ERS’s net OPEB liability. This liability reflects a reduction for state support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

|   |                       |
|---|-----------------------|
| District's proportionate share of the collective net OPEB liability | \$ 154,625,846        |
| State's proportionate share that is associated with the District    | 140,022,927           |
| <b>Total</b>  | <b>\$ 294,648,773</b> |

The net OPEB liability was measured as of August 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability was based on the District’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017, thru August 31, 2018.

At the measurement date of August 31, 2018, the District’s proportion of the collective net OPEB liability was .52171938%, which was an increase of 32.3% from its proportion measured as of August 31, 2017.

For the year ended August 31, 2019, the District recognized a reduction to OPEB expense of \$839,779 and a reduction to revenue of \$839,779 for support provided by the state.

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

Demographic Assumptions

Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the TRS Trustees. These new assumptions were adopted to reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary.



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

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

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

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

Economic Assumptions

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

The discount rate was changed from 3.51% to 3.96% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit changes described below have been reflected in the FY 2019 Assumed Per Capita Health Benefits Costs.

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

Benefit revisions have been adopted since the prior valuation. The only benefit change for HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,550 to \$6,650 for individuals and from \$13,100 to \$13,300 for families in order to remain consistent with Internal Revenue Service maximums. This minor benefit change is provided for in the FY 2019 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

At August 31, 2019, the District reported its proportionate share of the ERS plan’s collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual economic experience  | \$                                | \$ 5,664,993                     |
| Changes in actuarial assumptions   |                                   | 54,185,123                       |
| Difference between projected and actual investment earnings  | 73,224                            |                                  |
| Changes in proportion and difference between the employer's contributions and the proportionate share of contributions | 45,276,613                        |                                  |
| Contributions paid to ERS subsequent to the measurement date   | 1,322,769                         |                                  |
| Total  | <u>\$ 46,672,606</u>              | <u>\$ 59,850,116</u>             |

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

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

The contributions subsequent to the measurement date in the amount of \$1,322,769 will be recognized as a reduction of the net OPEB liability during the fiscal year ending August 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Year Ended<br/>August 31:</b> | <b>OPEB Expense<br/>Amount</b> |
|----------------------------------|--------------------------------|
| 2020                             | \$ (5,378,910)                 |
| 2021                             | (5,378,910)                    |
| 2022                             | (5,378,910)                    |
| 2023                             | (434,705)                      |
| 2024                             | 2,071,156                      |
| Thereafter                       | 0                              |

The District is dependent upon information provided by ERS for recognizing the OPEB liability and related deferred inflows and deferred outflows of resources, and expenses. Information provided to the District by ERS for its accounting and reporting of the plan for fiscal year 2019 utilized data for retirees participating in the plan. Contributions made subsequent to the measurement date by the District for retirees have been recorded as deferred outflows of resources as of August 31, 2019, and contributions made subsequent to the measurement date by the District for active employees have been recorded as an expense for the year ended August 31, 2019. Future changes, if any, to the current methodology or actuarial assumptions being utilized could result in significant changes in accounting and financial reporting in future periods.

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

The state provides certain healthcare and life insurance benefits for active and retired employees through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's average contribution per full-time employee was \$403 and \$389 per month for the years ended August 31, 2019 and 2018, respectively. The cost of providing those benefits for all employees in the year ended August 31, 2019, paid by the state of Texas on behalf of the District, totaled \$14,452,295 (\$13,823,480 for the year ended August 31, 2018) with \$3,207,871 for 731 retirees (retiree benefits for 713 retirees cost \$3,098,460 in fiscal year 2018) and \$11,244,424 for 2,325 active employees (active employee benefits for 2,296 employees cost \$10,725,020 in fiscal year 2018). The on-behalf payments are reflected in the accompanying financial statements as both revenues and expenses.

**NOTE 10. DEFERRED COMPENSATION PROGRAMS**

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The employees' investments are held in tax deferred annuity plans pursuant to Internal Revenue Code Section 403(b). As of August 31, 2019 and 2018, the District had 371 and 334 employees participating in the program, respectively. A total of \$2,044,064 and \$1,835,309 in payroll deductions had been invested in approved plans during the fiscal years 2019 and 2018, respectively.

The District also sponsors a deferred compensation plan pursuant to Internal Revenue Code Section 457(b). Full-time employees can begin participating in the plan on their first day of employment. An employee can

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

contribute up to a maximum of \$19,000 (\$25,000 for participants over 50 years of age) for 2019. As of August 31, 2019, the District had 163 employees participating in the program. A total of \$828,726 in payroll deductions had been invested in approved plans during the fiscal year 2019. As of August 31, 2018, the District had 131 employees participating in the program. A total of \$814,357 in payroll deductions had been invested in approved plans during the fiscal year 2018. In August 2017 the District established a deferred compensation plan pursuant to Internal Revenue Code Section 457(f) covering a member of management.

**NOTE 11. COMPENSATED ABSENCES**

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

Compensated absences activity for the years ended August 31, 2019 and 2018 was as follows:

|      | Beginning Balance | Additions    | Reductions   | Ending Balance | Current Portion |
|------|-------------------|--------------|--------------|----------------|-----------------|
| 2019 | \$ 10,980,610     | \$ 8,650,488 | \$ 8,109,213 | \$ 11,521,885  | \$ 6,976,723    |
| 2018 | \$ 10,455,903     | \$ 8,424,525 | \$ 7,899,818 | \$ 10,980,610  | \$ 6,573,123    |

**NOTE 12. PENDING LAWSUITS AND CLAIMS**

On August 31, 2019, 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 13. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS**

Future minimum lease rental payments under noncancellable operating leases having an initial term in excess of one year as of August 31, 2019 are as follows:

**NOTE 13. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS**  
*-continued*

| Fiscal<br>Year Ending | Minimum Future<br>Lease Payments |
|-----------------------|----------------------------------|
| 2020                  | \$ 212,816                       |
| 2021                  | 144,208                          |
| 2022                  | 87,458                           |
| 2023                  | 73,458                           |
| 2024                  | 42,851                           |
|                       | \$ 560,791                       |

Approximately \$220,000 and \$632,000 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, 2019 and 2018, 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 through 2037, with an additional \$50,000 in 2026.

The District leases space in certain of its campuses under noncancelable operating leases. On January 10, 2018, the District entered into a contract to lease space in its Trinity River Campus to the Fort Worth Independent School District. The lease is for the establishment of an early college high school program known as the Texas Academy of Biomedical Sciences (TABS). The term of the lease commenced on August 1, 2018 and ends on August 31, 2023, and may be extended for three additional five year terms. The lease calls for monthly rent of \$45,500. In August 2019, the District entered into a contract to lease space in its Trinity River Campus to Tarleton State University. The term of the lease commences August 19, 2019 and ends on May 31, 2029. Substantially all of the payments to be received under this contract, totaling approximately \$2,000,000, will be received during the year ending August 31, 2020. Lease income under all operating leases totaled \$569,944 and \$64,577 during the years ended August 31, 2019 and 2018, respectively. Future minimum lease payments to be received under all such lease agreements are as follows:

| Fiscal<br>Year Ending | Minimum Future<br>Lease Payments |
|-----------------------|----------------------------------|
| 2020                  | \$ 2,569,944                     |
| 2021                  | 569,944                          |
| 2022                  | 569,944                          |
| 2023                  | 500,501                          |

**NOTE 14. CONTRACT AND GRANT AWARDS**

The District receives funding from various federal and state contract and grant programs. Revenues are recognized as funds are actually expended. Funds received but not expended during the reporting period are reported as unearned revenue. For direct federal contract and grant awards, funds expended but not collected are reported as federal receivables. Federal pass-through awards and non-federal contract and grant awards for which funds are expended but not collected are reported as state and local grants and contracts receivable. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g. multi-year awards or funds awarded during fiscal years 2019 and 2018 for which monies have not been received nor funds expended totaled approximately \$8,930,000 and \$9,980,000, respectively. Of this amount approximately \$6,430,000 and \$7,240,000 were from federal contract and grant awards and \$2,500,000 and \$2,740,000 were from state contract and grant awards for fiscal years ended August 31, 2019 and 2018, respectively.

**NOTE 15. RISK MANAGEMENT**

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

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

The workers' compensation plan is administered by an outside insurance carrier which processes all self-insurance claims. The District also carries an insurance policy for excess liabilities related to workers' compensation. An outside agent processes all unemployment compensation claims. The District has accrued amounts that represent the best estimate of claims filed, but not paid and claims incurred, but not reported. Accrued liabilities are generally based on actuarial valuation and the present value of unpaid expected claims. The discount rate used to calculate the present value of liabilities was 1.0% for the years ended August 31, 2019 and 2018.

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

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| Beginning balance                            | \$ 660,037           | \$ 921,701           |
| Current year claims and changes in estimates | 369,446              | 36,390               |
| Claim payments                               | (387,447)            | (298,054)            |
| Ending balance                               | 642,036              | 660,037              |
| Current portion                              | (642,036)            | (660,037)            |
| Non-current portion                          | \$ <u>          </u> | \$ <u>          </u> |

**NOTE 16. RELATED PARTIES**

The Tarrant County College Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the District. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted restricted gifts of \$1,651,304 and \$1,534,917 to the District during the years ended August 31, 2019 and 2018, 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, 2019 and 2018, the District had a receivable balance due from the Foundation of \$853,015 and \$712,936, respectively.

**NOTE 17. PROPERTY TAXES**

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the District.

|  | 2019                      | 2018                      |
|--|---------------------------|---------------------------|
| Assessed Valuation of the District     | \$ 228,996,172,093        | \$ 210,152,726,668        |
| Less: Exemptions and Abatements        | <u>(41,418,538,280)</u>   | <u>(38,835,438,015)</u>   |
| Net Assessed Valuation of the District | <u>\$ 187,577,633,813</u> | <u>\$ 171,317,288,653</u> |

| 2019   |                    |              |           |
|--|--------------------|--------------|-----------|
|  | Current Operations | Debt Service | Total     |
| Tax Rate per \$100 valuation assessed (maximum per enabling legislation) | \$ .20000          | \$ .50000    | \$ .70000 |
| Tax Rate per \$100 valuation assessed                                    | \$ .13607          | \$           | \$ .13607 |

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

**NOTE 17. PROPERTY TAXES-continued**

Taxes levied for the years ended August 31, 2019 and 2018 amounted to \$249,161,364 and \$237,394,561, 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.

| 2019                             |                       |              |                       |
|----------------------------------|-----------------------|--------------|-----------------------|
| Taxes Collected                  | Current Operations    | Debt Service | Total                 |
| Current Taxes Collected          | \$ 247,501,112        | \$           | \$ 247,501,112        |
| Delinquent Taxes Collected       | 689,620               |              | 689,620               |
| Penalties and Interest Collected | 1,252,573             |              | 1,252,573             |
| Total Collections                | <u>\$ 249,443,305</u> | <u>\$</u>    | <u>\$ 249,443,305</u> |

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

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, 2019 and 2018 were 100.11% and 99.86% of the current tax levy, respectively. The District remitted payments of \$4,162,511 and \$4,518,102 in fiscal years 2019 and 2018, respectively, for taxes collected on behalf of Tax Incremental Finance Districts. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

**NOTE 18. INCOME TAXES**

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The District had no unrelated business income tax liability for the years ended August 31, 2019 and 2018.

## NOTE 19. CAPITAL ASSETS

Capital assets activity for the years ended August 31, 2019 and 2018, is summarized as follows:

| 2019   |                      |                          |              |                   |
|--|----------------------|--------------------------|--------------|-------------------|
|  | Beginning<br>Balance | Additions<br>(Transfers) | Deletions    | Ending<br>Balance |
| Non-depreciable capital assets                 |                      |                          |              |                   |
| Land   | \$ 82,675,158        | \$                       | \$           | \$ 82,675,158     |
| Collections                                    | 1,426,368            |                          |              | 1,426,368         |
| Construction in progress                       | 20,573,993           | (6,407,189)              |              | 14,166,804        |
| Total cost of non-depreciable capital assets   | 104,675,519          | (6,407,189)              |              | 98,268,330        |
| Depreciable capital assets                     |                      |                          |              |                   |
| Buildings                                      | 681,945,594          | 27,760,920               | (99,901)     | 709,606,613       |
| Improvements<br>other than buildings           | 357,487,856          | 5,950,445                | (246,468)    | 363,191,833       |
| Telecommunications and<br>peripheral equipment | 31,679,410           | 1,291,062                | (1,327,221)  | 31,643,251        |
| Library books                                  | 6,381,962            | 468,075                  | (372,265)    | 6,477,772         |
| Furniture and other equipment                  | 51,293,422           | 3,831,775                | (1,243,827)  | 53,881,370        |
| Total cost of depreciable capital assets       | 1,128,788,244        | 39,302,277               | (3,289,682)  | 1,164,800,839     |
| Accumulated depreciation                       |                      |                          |              |                   |
| Buildings                                      | 146,425,361          | 12,385,643               | (1,649)      | 158,809,355       |
| Improvements<br>other than buildings           | 128,534,930          | 15,107,824               | (56,951)     | 143,585,803       |
| Telecommunications and<br>peripheral equipment | 23,914,907           | 2,403,640                | (1,442,518)  | 24,876,029        |
| Library books                                  | 2,824,702            | 322,338                  | (220,989)    | 2,926,051         |
| Furniture and other equipment                  | 32,366,928           | 4,112,977                | (993,322)    | 35,486,583        |
| Total accumulated depreciation                 | 334,066,828          | 34,332,422               | (2,715,429)  | 365,683,821       |
| Net depreciable capital assets                 | 794,721,416          | 4,969,855                | (574,253)    | 799,117,018       |
| Net capital assets                             | \$ 899,396,935       | \$ (1,437,334)           | \$ (574,253) | \$ 897,385,348    |



**NOTE 19. CAPITAL ASSETS-continued**

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

**NOTE 20. COMMITMENTS AND CONTINGENCIES**

The District has entered into several contracts for various construction and renovation projects across the District. As of August 31, 2019, the balance remaining on these contracts totaled approximately \$8,466,000.

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

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

|  | 2019                  | 2018                 |
|--|-----------------------|----------------------|
| Unrestricted net position              |                       |                      |
| Designated for                         |                       |                      |
| Capital outlay                         | \$ 22,928,785         | \$ 22,468,276        |
| Future renewals and replacements       | 3,674,020             | 6,004,074            |
| Future operating budgets               | 5,000,000             | 5,000,000            |
| Insurance                              | 700,000               | 700,000              |
| Undesignated                           | 79,997,560            | 45,287,236           |
| <b>Total unrestricted net position</b> | <b>\$ 112,300,365</b> | <b>\$ 79,459,586</b> |

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

Accounts receivable at August 31, 2019 and 2018, were as follows:

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| Student Receivables                        | \$ 31,576,025        | \$ 29,188,023        |
| Accounts Receivable                        | 1,501,840            | 1,431,951            |
| Other Receivables                          | 2,061,298            | 64,665               |
| Subtotal                                   | 35,139,163           | 30,684,639           |
| Allowance for Doubtful Accounts            | (20,668,298)         | (18,955,988)         |
| <b>Total Accounts Receivable-Exhibit 1</b> | <b>\$ 14,470,865</b> | <b>\$ 11,728,651</b> |

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

Accounts payable and accrued liabilities at August 31, 2019 and 2018, were as follows:

|   | 2019                 | 2018                 |
|---|----------------------|----------------------|
| Vendors Payable   | \$ 12,267,976        | \$ 13,683,290        |
| Accounts Payable-Exhibit 1                                | 12,267,976           | 13,683,290           |
| Salaries & Benefits Payable                               | 6,466,773            | 6,372,805            |
| Workers' Compensation Payable                             | 472,321              | 512,991              |
| Retainage Payable   | 257,398              | 735,672              |
| Unemployment Compensation                                 | 169,715              | 147,046              |
| Accrued Liabilities-Exhibit 1                             | 7,366,207            | 7,768,514            |
| <b>Total Accounts Payable and<br/>Accrued Liabilities</b> | <b>\$ 19,634,183</b> | <b>\$ 21,451,804</b> |

**NOTE 23. SUBSEQUENT EVENTS**

On November 5, 2019, voters in Tarrant County approved a proposal by the District for the issuance of \$825,000,000 in bonds, the proceeds of which would be used to construct, improve, renovate, and equip buildings throughout the District. Repayment of the bonds would be funded by property taxes. In August 2019, the District's board approved a property tax rate of \$0.13017 per \$100 valuation assessed for 2019.



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

|   | <u>2019*</u>          | <u>2018*</u>         |
|---|-----------------------|----------------------|
| District's proportionate share of collective net pension liability  | 0.1378388%            | 0.1383464%           |
| District's proportionate share of collective net pension liability  | \$ 75,869,798         | \$ 44,235,720        |
| Portion of non-employer contributing entity's total proportionate share of net pension liability associated with the District | <u>62,086,433</u>     | <u>36,644,031</u>    |
| Total   | <u>\$ 137,956,231</u> | <u>\$ 80,879,751</u> |
| District's covered payroll amount   | \$ 113,911,195        | \$ 109,351,322       |
| Ratio of the District's proportionate share of the collective net pension liability to its covered payroll amount             | 66.60%                | 40.45%               |
| TRS net position as percentage of total pension liability   | 73.74%                | 82.17%               |

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

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

| <u>2017*</u>         | <u>2016*</u>         | <u>2015*</u>         |
|----------------------|----------------------|----------------------|
| 0.1351266%           | 0.1371994%           | 0.1539892%           |
| \$ 51,062,332        | \$ 48,498,163        | \$ 41,132,646        |
| <u>41,687,371</u>    | <u>39,733,040</u>    | <u>33,243,381</u>    |
| <u>\$ 92,749,703</u> | <u>\$ 88,231,203</u> | <u>\$ 74,376,027</u> |
| \$ 102,150,596       | \$ 96,710,266        | \$ 91,440,746        |
| 49.99%               | 50.15%               | 44.98%               |
| 78.00%               | 78.43%               | 83.25%               |

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

|  | <u>2019*</u>       | <u>2018*</u>       |
|--|--------------------|--------------------|
| Legally required contributions                             | \$ 4,912,506       | \$ 4,628,899       |
| Actual contributions                                       | <u>(4,912,506)</u> | <u>(4,628,899)</u> |
| Contributions deficiency (excess)                          | -                  | -                  |
| District covered payroll amount                            | \$ 121,470,269     | \$ 113,911,195     |
| Ratio of actual contributions<br>to covered payroll amount | 4.04%              | 4.06%              |

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

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



| <u>2017*</u>                       | <u>2016*</u>                       | <u>2015*</u>                       |
|------------------------------------|------------------------------------|------------------------------------|
| \$ 4,512,730<br><u>(4,512,730)</u> | \$ 4,258,346<br><u>(4,258,346)</u> | \$ 4,054,353<br><u>(4,054,353)</u> |
| -                                  | -                                  | -                                  |
| \$ 109,351,322                     | \$ 102,150,596                     | \$ 96,710,266                      |
| 4.13%                              | 4.17%                              | 4.19%                              |

**TARRANT COUNTY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED AUGUST 31, 2019**

**CHANGES OF BENEFIT TERMS:**

There were no benefit changes recognized in the total pension liability as of August 31, 2018.

**CHANGES OF ASSUMPTIONS:**

There were no changes of assumptions for the year ended August 31, 2019.

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

|  | <u>2019*</u>                 | <u>2018*</u>                 |
|--|------------------------------|------------------------------|
| District's proportionate share of collective net OPEB liability  | 0.5217194%                   | 0.3943898%                   |
| District's proportionate share of collective net OPEB liability  | \$ 154,625,846               | \$ 134,380,479               |
| State's proportionate share of net OPEB liability associated with the District                                 | <u>140,022,927</u>           | <u>108,563,336</u>           |
| Total  | <u><u>\$ 294,648,773</u></u> | <u><u>\$ 242,943,815</u></u> |
| District's covered payroll amount  | \$ 133,033,828               | \$ 130,055,414               |
| Ratio of the District's proportionate share of the collective net OPEB liability to its covered payroll amount | 116.23%                      | 103.33%                      |
| ERS net position as percentage of total OPEB liability   | 1.27%                        | 2.04%                        |

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

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

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

|  | <u>2019*</u>       | <u>2018*</u>       |
|--|--------------------|--------------------|
| Legally required contributions                             | \$ 4,002,254       | \$ 3,842,889       |
| Actual contributions                                       | <u>(4,002,254)</u> | <u>(3,842,889)</u> |
| Contributions deficiency (excess)                          | -                  | -                  |
| District covered payroll amount                            | \$ 135,759,776     | \$ 133,033,828     |
| Ratio of actual contributions<br>to covered payroll amount | 2.95%              | 2.89%              |

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

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

**TARRANT COUNTY COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED AUGUST 31, 2019**

**CHANGES OF BENEFIT TERMS:**

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

- An increase in the out-of-pocket for both HealthSelect and Consumer Directed HealthSelect from \$6,550 to \$6,650 for individuals and from \$13,100 to \$13,300 for families in order to remain consistent with Internal Revenue Service maximums.

This minor benefit change is provided for in the FY 2019 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

**CHANGES IN ASSUMPTIONS:**

***Demographic Assumptions***

Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the ERS Trustees. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

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

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

***Economic Assumptions***

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

The discount rate was changed from 3.51% to 3.96% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit changes have been reflected in the FY 2019 Assumed Per Capita Health Benefit Costs.



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# Supplementary Data

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE A  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2019  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2018)**

|  | Unrestricted         | Restricted           | Total<br>Educational<br>Activities |
|--|----------------------|----------------------|------------------------------------|
| <b>Tuition</b>                         |                      |                      |                                    |
| State funded courses                   |                      |                      |                                    |
| In-district resident tuition           | \$ 45,819,520        | \$                   | \$ 45,819,520                      |
| Out-of-district resident tuition       | 7,917,999            |                      | 7,917,999                          |
| Non-resident tuition                   | 7,258,258            |                      | 7,258,258                          |
| TPEG- credit (set aside)*              | 3,472,509            |                      | 3,472,509                          |
| Continuing education                   | 2,750,780            |                      | 2,750,780                          |
| TPEG-continuing education (set aside)* | 177,918              |                      | 177,918                            |
| Non-state funded continuing education  | 1,347,081            |                      | 1,347,081                          |
| Total tuition                          | <u>68,744,065</u>    |                      | <u>68,744,065</u>                  |
| <b>Fees</b>                            |                      |                      |                                    |
| Laboratory fees                        |                      |                      |                                    |
| Installment plan fees                  | 824,875              |                      | 824,875                            |
| Other fees                             | 130,302              |                      | 130,302                            |
| Total fees                             | <u>955,177</u>       |                      | <u>955,177</u>                     |
| <b>Allowances and discounts</b>        |                      |                      |                                    |
| Bad debt allowance                     | (1,720,459)          |                      | (1,720,459)                        |
| Scholarship allowances                 | (933,203)            |                      | (933,203)                          |
| Remissions and exemptions              | (1,245,019)          |                      | (1,245,019)                        |
| TPEG allowances                        | (604,851)            |                      | (604,851)                          |
| Federal grants to students             | (9,512,774)          |                      | (9,512,774)                        |
| Total allowances and discounts         | <u>(14,016,306)</u>  |                      | <u>(14,016,306)</u>                |
| Total net tuition and fees             | 55,682,936           |                      | 55,682,936                         |
| <b>Other operating revenues</b>        |                      |                      |                                    |
| Federal grants and contracts           |                      | 3,380,340            | 3,380,340                          |
| State grants and contracts             |                      | 5,678,124            | 5,678,124                          |
| Non-governmental grants and contracts  |                      | 3,376,037            | 3,376,037                          |
| Other operating revenues               | 1,804,790            |                      | 1,804,790                          |
| Total other operating revenues         | <u>1,804,790</u>     | <u>12,434,501</u>    | <u>14,239,291</u>                  |
| <b>Auxiliary enterprises</b>           |                      |                      |                                    |
| Bookstore                              |                      |                      |                                    |
| Food service                           |                      |                      |                                    |
| Testing center                         |                      |                      |                                    |
| Child center                           |                      |                      |                                    |
| Professional Pilot                     |                      |                      |                                    |
| Total net auxiliary enterprises        |                      |                      |                                    |
| Total operating revenues               | <u>\$ 57,487,726</u> | <u>\$ 12,434,501</u> | <u>\$ 69,922,227</u>               |

\* In accordance with Education Code 56.033, \$3,650,427 and \$3,484,637 of tuition for the years ended August 31, 2019 and 2018, 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<br>Enterprises | 2019<br>Total        | 2018<br>Total        |
|--------------------------|----------------------|----------------------|
| \$                       | \$ 45,819,520        | \$ 45,609,891        |
|                          | 7,917,999            | 7,405,351            |
|                          | 7,258,258            | 7,539,323            |
|                          | 3,472,509            | 3,261,813            |
|                          | 2,750,780            | 3,469,732            |
|                          | 177,918              | 222,824              |
|                          | 1,347,081            | 1,330,215            |
|                          | <u>68,744,065</u>    | <u>68,839,149</u>    |
|                          |                      | 115,561              |
|                          | 824,875              | 762,650              |
|                          | 130,302              | 149,026              |
|                          | <u>955,177</u>       | <u>1,027,237</u>     |
|                          | (1,720,459)          | (1,881,649)          |
|                          | (933,203)            | (1,047,029)          |
|                          | (1,245,019)          | (1,114,909)          |
|                          | (604,851)            | (554,763)            |
|                          | <u>(9,512,774)</u>   | <u>(10,122,394)</u>  |
|                          | <u>(14,016,306)</u>  | <u>(14,720,744)</u>  |
|                          | 55,682,936           | 55,145,642           |
|                          | 3,380,340            | 3,144,177            |
|                          | 5,678,124            | 7,219,799            |
|                          | 3,376,037            | 3,913,274            |
|                          | 1,804,790            | 799,607              |
|                          | <u>14,239,291</u>    | <u>15,076,857</u>    |
| 1,238,259                | 1,238,259            | 852,476              |
| 474,170                  | 474,170              | 449,889              |
| 298,497                  | 298,497              | 252,530              |
| 302,862                  | 302,862              | 309,915              |
| <u>2,248,698</u>         | <u>2,248,698</u>     | <u>2,240,004</u>     |
| <u>4,562,486</u>         | <u>4,562,486</u>     | <u>4,104,814</u>     |
| <u>\$ 4,562,486</u>      | <u>\$ 74,484,713</u> | <u>\$ 74,327,313</u> |
|                          | (Exhibit 2)          | (Exhibit 2)          |

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE B  
SCHEDULE OF OPERATING EXPENSES  
BY OBJECT  
YEAR ENDED AUGUST 31, 2019  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2018)**

|  | Salaries<br>and Wages | Staff Benefits       |                      |
|--|-----------------------|----------------------|----------------------|
|  |                       | State                | Local                |
| Unrestricted - educational activities        |                       |                      |                      |
| Instruction                                  | \$ 104,285,475        | \$                   | \$ 20,634,448        |
| Public service                               | 5,059,582             |                      | 1,011,205            |
| Academic support                             | 21,340,695            |                      | 9,059,106            |
| Student services                             | 23,186,479            |                      | 6,656,527            |
| Institutional support                        | 26,285,389            |                      | 7,568,575            |
| Operation and maintenance of plant           | 7,148,329             |                      | 3,769,824            |
| Scholarships and fellowships                 |                       |                      |                      |
| Total unrestricted educational activities    | 187,305,949           |                      | 48,699,685           |
| Restricted - educational activities          |                       |                      |                      |
| Instruction                                  | 1,308,404             | 13,128,271           |                      |
| Public service                               | 451,642               | 880,343              |                      |
| Academic support                             | 106,575               | 2,063,085            |                      |
| Student services                             | 1,289,544             | 3,688,442            |                      |
| Institutional support                        |                       | 5,029,911            |                      |
| Scholarships and fellowships                 |                       |                      |                      |
| Total restricted educational activities      | 3,156,165             | 24,790,052           |                      |
| Total educational activities                 | 190,462,114           | 24,790,052           | 48,699,685           |
| Auxiliary enterprises                        | 407,836               |                      | 171,848              |
| Depreciation expense                         |                       |                      |                      |
| Buildings and other real estate improvements |                       |                      |                      |
| Equipment and furniture                      |                       |                      |                      |
| Total operating expenses                     | <u>\$ 190,869,950</u> | <u>\$ 24,790,052</u> | <u>\$ 48,871,533</u> |

| Other<br>Expenses | 2019<br>Total  | 2018<br>Total  |
|-------------------|----------------|----------------|
| \$ 18,472,839     | \$ 143,392,762 | \$ 133,357,533 |
| 1,550,605         | 7,621,392      | 9,820,919      |
| 5,349,515         | 35,749,316     | 31,679,215     |
| 5,069,186         | 34,912,192     | 32,525,389     |
| 15,829,285        | 49,683,249     | 44,897,257     |
| 29,450,408        | 40,368,561     | 36,897,204     |
| 2,123,976         | 2,123,976      | 1,944,436      |
| 77,845,814        | 313,851,448    | 291,121,953    |
| 1,492,174         | 15,928,849     | 17,221,913     |
| 1,291,941         | 2,623,926      | 4,311,286      |
|                   | 2,169,660      | 2,284,243      |
| 1,001,534         | 5,979,520      | 5,924,172      |
|                   | 5,029,911      | 5,413,045      |
| 54,701,510        | 54,701,510     | 58,480,378     |
| 58,487,159        | 86,433,376     | 93,635,037     |
| 136,332,973       | 400,284,824    | 384,756,990    |
| 4,815,381         | 5,395,065      | 4,618,011      |
| 27,413,226        | 27,413,226     | 26,810,870     |
| 6,919,196         | 6,919,196      | 6,710,453      |
| \$ 175,480,776    | \$ 440,012,311 | \$ 422,896,324 |
|                   | (Exhibit 2)    | (Exhibit 2)    |

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE C  
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES  
YEAR ENDED AUGUST 31, 2019  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2018)**

|                                     | <u>Unrestricted</u>   | <u>Restricted</u>    | <u>Auxiliary<br/>Enterprises</u> |
|-------------------------------------|-----------------------|----------------------|----------------------------------|
| <b>NON-OPERATING REVENUES</b>       |                       |                      |                                  |
| State appropriations                |                       |                      |                                  |
| Education and general state support | \$ 55,364,500         | \$ 6,144,902         | \$                               |
| State group insurance               |                       | 13,627,310           |                                  |
| State retirement matching           |                       | 5,017,840            |                                  |
| Total state appropriations          | <u>55,364,500</u>     | <u>24,790,052</u>    |                                  |
| Maintenance ad valorem taxes        | 244,974,129           |                      |                                  |
| Federal grants and contracts        |                       | 59,118,313           |                                  |
| Gifts                               | 67,441                |                      |                                  |
| Investment income                   | 11,923,011            | 134,603              |                                  |
| Other income                        | <u>939,730</u>        |                      |                                  |
| Total non-operating revenues        | 313,268,811           | 84,042,968           |                                  |
| <b>NON-OPERATING EXPENSES</b>       |                       |                      |                                  |
| Loss on disposal of assets          | <u>574,253</u>        |                      |                                  |
| Total non-operating expenses        | <u>574,253</u>        |                      |                                  |
| Net non-operating revenues          | <u>\$ 312,694,558</u> | <u>\$ 84,042,968</u> | <u>\$</u>                        |

| <u>2019</u><br><u>Total</u> | <u>2018</u><br><u>Total</u> |
|-----------------------------|-----------------------------|
| \$ 61,509,402               | \$ 58,161,109               |
| 13,627,310                  | 19,633,362                  |
| 5,017,840                   | 4,787,359                   |
| <u>80,154,552</u>           | <u>82,581,830</u>           |
| 244,974,129                 | 232,639,439                 |
| 59,118,313                  | 62,594,892                  |
| 67,441                      | 97,333                      |
| 12,057,614                  | 3,319,826                   |
| 939,730                     | 1,027,388                   |
| <u>397,311,779</u>          | <u>382,260,708</u>          |
| <u>574,253</u>              | <u>1,132,866</u>            |
| <u>574,253</u>              | <u>1,132,866</u>            |
| <u>\$ 396,737,526</u>       | <u>\$ 381,127,842</u>       |
| (Exhibit 2)                 | (Exhibit 2)                 |

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE D  
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
YEAR ENDED AUGUST 31, 2019  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2018)**

|   | Detail by Source |            |                |
|---|------------------|------------|----------------|
|   | Unrestricted     | Restricted |                |
|   |                  | Expendable | Non-Expendable |
| Current:                                |                  |            |                |
| Unrestricted                            | \$ 56,127,435    | \$         | \$             |
| Board designated                        | 32,302,805       |            |                |
| Restricted                              |                  | 7,593,571  |                |
| Auxiliary enterprises                   | 23,870,125       |            |                |
| Loan                                    |                  | 146,256    |                |
| Plant:                                  |                  |            |                |
| Investment in plant                     |                  |            |                |
| Total net position, August 31, 2019     | 112,300,365      | 7,739,827  |                |
| Total net position, August 31, 2018     | 79,459,586       | 7,359,091  |                |
| Net increase (decrease) in net position | \$ 32,840,779    | \$ 380,736 | \$             |





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

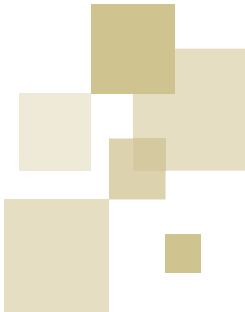
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**SUCCESS WITHIN REACH.**



**Statistical Section**

**Statistical Section**





# STATISTICAL SECTION

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

## Contents

### Statistical Supplements

#### **Financial Trends** **1-3**

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

#### **Revenue Capacity** **4-8**

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

#### **Debt Capacity** **9-11**

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

#### **Demographic and Economic Information** **12-13**

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

#### **Operating Information** **14-18**

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

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

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

|   | 2019                 | 2018                 | 2017                 | 2016                 |
|---|----------------------|----------------------|----------------------|----------------------|
| Net investment in capital assets          | \$ 897,385,348       | \$ 899,396,935       | \$ 894,078,441       | \$ 873,199,085       |
| Restricted - expendable                   | 7,739,827            | 7,359,091            | 6,923,169            | 6,498,958            |
| Restricted - nonexpendable                |                      |                      |                      |                      |
| Unrestricted                              | 112,300,365          | 79,459,586           | 209,516,518          | 194,778,466          |
| Total primary government net position     | 1,017,425,540        | 986,215,612          | 1,110,518,128        | 1,074,476,509        |
| Net position, beginning of year           | 986,215,612          | 1,110,518,128        | 1,074,476,509        | 1,039,845,416        |
| Change in accounting principle            |                      | (156,861,347)        |                      |                      |
| Net position, beginning of year, restated |                      | 953,656,781          |                      |                      |
| Increase in net position                  | <u>\$ 31,209,928</u> | <u>\$ 32,558,831</u> | <u>\$ 36,041,619</u> | <u>\$ 34,631,093</u> |

| 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 871,262,514       | \$ 839,009,623       | \$ 816,910,267       | \$ 772,740,979       | \$ 757,613,463       | \$ 707,299,717       |
| 6,784,817            | 8,843,553            | 6,639,969            | 6,770,189            | 6,243,001            | 5,601,190            |
| 161,798,085          | 206,331,733          | 193,380,837          | 196,305,399          | 160,030,490          | 157,642,379          |
| 1,039,845,416        | 1,054,184,909        | 1,016,931,073        | 975,816,567          | 923,886,954          | 870,543,286          |
| 1,054,184,909        | 1,016,931,073        | 975,662,444          | 923,886,954          | 870,543,286          | 792,148,121          |
| (46,603,458)         |                      |                      |                      |                      |                      |
| 1,007,581,451        |                      |                      |                      |                      |                      |
| <u>\$ 32,263,965</u> | <u>\$ 37,253,836</u> | <u>\$ 41,268,629</u> | <u>\$ 51,929,613</u> | <u>\$ 53,343,668</u> | <u>\$ 78,395,165</u> |

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

|                                       | 2019                 | 2018                 | 2017                 | 2016                 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Operating revenues                    |                      |                      |                      |                      |
| Tuition and fees (net of discounts)   | \$ 55,682,936        | \$ 55,145,642        | \$ 54,986,934        | \$ 52,482,348        |
| Governmental grants and contracts     |                      |                      |                      |                      |
| Federal grants and contracts          | 3,380,340            | 3,144,177            | 4,523,229            | 3,676,399            |
| State grants and contracts            | 5,678,124            | 7,219,799            | 5,402,033            | 5,512,293            |
| Non-governmental grants and contracts | 3,376,037            | 3,913,274            | 3,445,783            | 2,586,684            |
| Auxiliary enterprises                 | 4,562,486            | 4,104,814            | 3,799,593            | 3,742,094            |
| Other operating revenues              | 1,804,790            | 799,607              | 1,785,418            | 2,347,842            |
| Total operating revenues              | <u>74,484,713</u>    | <u>74,327,313</u>    | <u>73,942,990</u>    | <u>70,347,660</u>    |
| Non-operating revenues                |                      |                      |                      |                      |
| State appropriations                  | 80,154,552           | 82,581,830           | 78,428,968           | 72,889,359           |
| Ad-valorem taxes                      | 244,974,129          | 232,639,439          | 220,336,268          | 206,958,870          |
| Federal grants and contracts          | 59,118,313           | 62,594,892           | 59,652,406           | 64,293,615           |
| Gifts                                 | 67,441               | 97,333               | 722,163              | 14,650               |
| Investment income                     | 12,057,614           | 3,319,826            | 2,595,851            | 2,767,332            |
| Other income                          | 939,730              | 1,027,388            | 1,087,193            | 2,103,574            |
| Total non-operating revenues          | <u>397,311,779</u>   | <u>382,260,708</u>   | <u>362,822,849</u>   | <u>349,027,400</u>   |
| Other revenues                        |                      |                      |                      |                      |
| Additions to permanent endowments     |                      |                      |                      |                      |
| Total revenues                        | <u>\$471,796,492</u> | <u>\$456,588,021</u> | <u>\$436,765,839</u> | <u>\$419,375,060</u> |
| Operating revenues                    |                      |                      |                      |                      |
| Tuition and fees (net of discounts)   | 11.80%               | 12.07%               | 12.59%               | 12.51%               |
| Governmental grants and contracts     |                      |                      |                      |                      |
| Federal grants and contracts          | 0.72%                | 0.68%                | 1.03%                | 0.88%                |
| State grants and contracts            | 1.20%                | 1.58%                | 1.24%                | 1.31%                |
| Non-governmental grants and contracts | 0.72%                | 0.86%                | 0.79%                | 0.62%                |
| Auxiliary enterprises                 | 0.97%                | 0.90%                | 0.87%                | 0.89%                |
| Other operating revenues              | 0.38%                | 0.18%                | 0.41%                | 0.56%                |
| Total operating revenues              | <u>15.79%</u>        | <u>16.27%</u>        | <u>16.93%</u>        | <u>16.77%</u>        |
| Non-operating revenues                |                      |                      |                      |                      |
| State appropriations                  | 16.99%               | 18.09%               | 17.96%               | 17.38%               |
| Ad-valorem taxes                      | 51.92%               | 50.95%               | 50.45%               | 49.35%               |
| Federal grants and contracts          | 12.53%               | 13.71%               | 13.66%               | 15.33%               |
| Gifts                                 | 0.01%                | 0.02%                | 0.16%                | 0.01%                |
| Investment income                     | 2.56%                | 0.73%                | 0.59%                | 0.66%                |
| Other income                          | 0.20%                | 0.23%                | 0.25%                | 0.50%                |
| Total non-operating revenues          | <u>84.21%</u>        | <u>83.73%</u>        | <u>83.07%</u>        | <u>83.23%</u>        |
| Other revenues                        |                      |                      |                      |                      |
| Additions to permanent endowments     |                      |                      |                      |                      |
| Total revenues                        | <u>100.00%</u>       | <u>100.00%</u>       | <u>100.00%</u>       | <u>100.00%</u>       |

| 2015                 | 2014                 | 2013                 | 2012                 | 2011                 | 2010                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 49,478,068        | \$ 49,371,002        | \$ 50,245,813        | \$ 50,214,996        | \$ 46,446,649        | \$ 45,507,326        |
| 3,685,838            | 3,217,611            | 3,757,923            | 3,338,370            | 3,738,898            | 2,662,284            |
| 5,228,098            | 5,880,099            | 5,554,657            | 4,770,234            | 6,403,470            | 4,436,087            |
| 2,727,036            | 4,946,370            | 3,162,051            | 3,971,945            | 3,123,262            | 2,245,408            |
| 3,358,327            | 2,835,286            | 2,920,961            | 3,275,283            | 3,453,670            | 3,381,510            |
| 4,714,371            | 6,343,924            | 6,212,717            | 5,607,184            | 6,922,636            | 7,036,611            |
| 69,191,738           | 72,594,292           | 71,854,122           | 71,178,012           | 70,088,585           | 65,269,226           |
| 70,036,690           | 69,156,327           | 63,300,842           | 61,563,447           | 65,923,473           | 67,133,335           |
| 197,422,606          | 187,826,286          | 182,149,704          | 180,009,933          | 163,339,387          | 170,989,124          |
| 66,314,027           | 76,657,485           | 80,360,739           | 77,967,771           | 84,809,753           | 59,862,557           |
|                      | 100,000              | 142,795              |                      | 750                  | 5,250                |
| 1,467,880            | 3,653,612            |                      | 1,117,501            | 1,600,511            | 1,404,780            |
| 910,990              | 1,691,575            | 1,134,523            | 899,186              | 2,213,352            | 702,665              |
| 336,152,193          | 339,085,285          | 327,088,603          | 321,557,838          | 317,887,226          | 300,097,711          |
|                      |                      |                      |                      |                      | 26,223               |
| <u>\$405,343,931</u> | <u>\$411,679,577</u> | <u>\$398,942,725</u> | <u>\$392,735,850</u> | <u>\$387,975,811</u> | <u>\$365,393,160</u> |
| 12.21%               | 11.99%               | 12.59%               | 12.81%               | 11.98%               | 12.45%               |
| 0.91%                | 0.78%                | 0.94%                | 0.85%                | 0.96%                | 0.73%                |
| 1.29%                | 1.43%                | 1.39%                | 1.21%                | 1.65%                | 1.21%                |
| 0.68%                | 1.20%                | 0.79%                | 1.01%                | 0.81%                | 0.61%                |
| 0.83%                | 0.70%                | 0.73%                | 0.83%                | 0.89%                | 0.93%                |
| 1.17%                | 1.54%                | 1.56%                | 1.43%                | 1.78%                | 1.93%                |
| 17.09%               | 17.64%               | 18.00%               | 18.14%               | 18.07%               | 17.86%               |
| 17.28%               | 16.80%               | 15.87%               | 15.68%               | 16.99%               | 18.37%               |
| 48.70%               | 45.62%               | 45.66%               | 45.82%               | 42.10%               | 46.80%               |
| 16.36%               | 18.62%               | 20.15%               | 19.85%               | 21.86%               | 16.38%               |
| 0.00%                | 0.02%                | 0.04%                |                      |                      |                      |
| 0.36%                | 0.89%                |                      | 0.28%                | 0.41%                | 0.38%                |
| 0.21%                | 0.41%                | 0.28%                | 0.23%                | 0.57%                | 0.19%                |
| 82.91%               | 82.36%               | 82.00%               | 81.86%               | 81.93%               | 82.12%               |
|                      |                      |                      |                      |                      | 0.02%                |
| <u>100.00%</u>       | <u>100.00%</u>       | <u>100.00%</u>       | <u>100.00%</u>       | <u>100.00%</u>       | <u>100.00%</u>       |

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

|                                    | 2019                  | 2018                  | 2017                  | 2016                  |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Instruction                        | \$ 159,321,611        | \$ 150,579,446        | \$ 140,735,776        | \$ 136,401,326        |
| Public service                     | 10,245,318            | 14,132,205            | 12,736,336            | 10,082,205            |
| Academic support                   | 37,918,976            | 33,963,458            | 35,116,541            | 30,605,416            |
| Student services                   | 40,891,712            | 38,449,561            | 36,217,071            | 32,772,581            |
| Institutional support              | 54,713,160            | 50,310,302            | 45,811,537            | 42,947,782            |
| Operation and maintenance of plant | 40,368,561            | 36,897,204            | 34,862,956            | 33,057,686            |
| Scholarship and fellowships        | 56,825,486            | 60,424,814            | 58,061,684            | 63,879,015            |
| Auxiliary enterprises              | 5,395,065             | 4,618,011             | 4,587,947             | 4,036,187             |
| Depreciation                       | 34,332,422            | 33,521,323            | 32,197,448            | 30,617,191            |
| Total operating expenses           | 440,012,311           | 422,896,324           | 400,327,296           | 384,399,389           |
| Interest on capital related debt   |                       |                       |                       |                       |
| Foundation transfer                |                       |                       |                       |                       |
| Loss on disposal of capital assets | 574,253               | 1,132,866             | 396,924               | 344,578               |
| Total non-operating expenses       | 574,253               | 1,132,866             | 396,924               | 344,578               |
| Total expenses                     | <u>\$ 440,586,564</u> | <u>\$ 424,029,190</u> | <u>\$ 400,724,220</u> | <u>\$ 384,743,967</u> |
|                                    |                       |                       |                       |                       |
| Instruction                        | 36.16%                | 35.51%                | 35.12%                | 35.45%                |
| Public service                     | 2.33%                 | 3.33%                 | 3.18%                 | 2.62%                 |
| Academic support                   | 8.61%                 | 8.01%                 | 8.76%                 | 7.96%                 |
| Student services                   | 9.28%                 | 9.07%                 | 9.04%                 | 8.52%                 |
| Institutional support              | 12.42%                | 11.86%                | 11.43%                | 11.16%                |
| Operation and maintenance of plant | 9.16%                 | 8.70%                 | 8.70%                 | 8.59%                 |
| Scholarship and fellowships        | 12.90%                | 14.25%                | 14.49%                | 16.60%                |
| Auxiliary enterprises              | 1.22%                 | 1.09%                 | 1.15%                 | 1.05%                 |
| Depreciation                       | 7.79%                 | 7.91%                 | 8.03%                 | 7.96%                 |
| Total operating expenses           | <u>99.87%</u>         | <u>99.73%</u>         | <u>99.90%</u>         | <u>99.91%</u>         |
| Interest on capital related debt   |                       |                       |                       |                       |
| Foundation transfer                |                       |                       |                       |                       |
| Loss on disposal of capital assets | 0.13%                 | 0.27%                 | 0.10%                 | 0.09%                 |
| Total non-operating expenses       | <u>0.13%</u>          | <u>0.27%</u>          | <u>0.10%</u>          | <u>0.09%</u>          |
| Total expenses                     | <u>100.00%</u>        | <u>100.00%</u>        | <u>100.00%</u>        | <u>100.00%</u>        |



| 2015                  | 2014                  | 2013                  | 2012                  | 2011                  | 2010                  |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 130,672,056        | \$ 123,303,575        | \$ 115,814,409        | \$ 108,078,177        | \$ 114,166,378        | \$ 95,921,420         |
| 9,188,202             | 8,099,598             | 8,333,736             | 5,496,537             | 7,001,458             | 6,739,303             |
| 28,991,793            | 27,567,965            | 24,779,010            | 21,512,584            | 21,847,574            | 16,917,975            |
| 31,470,516            | 29,578,631            | 28,786,433            | 24,690,936            | 25,282,806            | 20,840,918            |
| 40,875,729            | 39,704,272            | 39,193,209            | 34,326,749            | 29,283,026            | 31,207,465            |
| 33,264,591            | 38,451,779            | 34,748,311            | 38,794,192            | 34,941,445            | 39,900,473            |
| 64,561,713            | 75,701,812            | 76,363,289            | 78,968,897            | 78,792,547            | 55,583,034            |
| 3,786,956             | 2,822,103             | 2,243,087             | 2,152,576             | 2,262,986             | 2,114,115             |
| 29,897,030            | 29,196,006            | 27,412,612            | 26,188,770            | 20,670,066            | 17,268,778            |
| 372,708,586           | 374,425,741           | 357,674,096           | 340,209,418           | 334,248,286           | 286,493,481           |
|                       |                       |                       | 289,308               |                       |                       |
| 371,380               |                       |                       | 307,511               | 383,857               | 201,997               |
| 371,380               |                       |                       | 596,819               | 383,857               | 302,517               |
| <u>\$ 373,079,966</u> | <u>\$ 374,425,741</u> | <u>\$ 357,674,096</u> | <u>\$ 340,806,237</u> | <u>\$ 334,632,143</u> | <u>\$ 286,997,995</u> |
| 35.03%                | 32.93%                | 32.38%                | 31.74%                | 34.11%                | 33.42%                |
| 2.45%                 | 2.16%                 | 2.33%                 | 1.61%                 | 2.09%                 | 2.35%                 |
| 7.77%                 | 7.36%                 | 6.93%                 | 6.31%                 | 6.53%                 | 5.89%                 |
| 8.44%                 | 7.90%                 | 8.05%                 | 7.24%                 | 7.56%                 | 7.26%                 |
| 10.96%                | 10.61%                | 10.96%                | 10.07%                | 8.75%                 | 10.87%                |
| 8.92%                 | 10.27%                | 9.71%                 | 11.38%                | 10.44%                | 13.90%                |
| 17.31%                | 20.22%                | 21.35%                | 23.17%                | 23.55%                | 19.37%                |
| 1.02%                 | 0.75%                 | 0.63%                 | 0.63%                 | 0.68%                 | 0.74%                 |
| 8.01%                 | 7.80%                 | 7.66%                 | 7.68%                 | 6.18%                 | 6.02%                 |
| 99.91%                | 100.00%               | 100.00%               | 99.83%                | 99.89%                | 99.82%                |
|                       |                       |                       | 0.08%                 |                       |                       |
| 0.09%                 |                       |                       | 0.09%                 | 0.11%                 | 0.07%                 |
| 0.09%                 |                       |                       | 0.17%                 | 0.11%                 | 0.11%                 |
| 100.00%               | 100.00%               | 100.00%               | 100.00%               | 100.00%               | 100.00%               |

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

RESIDENT

Fees per Semester Credit Hour (b)

| Academic Year | In-District Tuition | Out-of-District Tuition | Facilities Use & Technology Fees (a) | Student Services Fee (a) | Total Tuition & Fees In-District | Total Tuition & Fees Out-of-District |
|---------------|---------------------|-------------------------|--------------------------------------|--------------------------|----------------------------------|--------------------------------------|
| 2019          | \$ 59               | \$ 106                  | \$                                   | \$                       | \$ 59                            | \$ 106                               |
| 2018          | 59                  | 106                     |                                      |                          | 59                               | 106                                  |
| 2017          | 59                  | 106                     |                                      |                          | 59                               | 106                                  |
| 2016          | 55                  | 86                      |                                      |                          | 55                               | 86                                   |
| 2015          | 55                  | 86                      |                                      |                          | 55                               | 86                                   |
| 2014          | 55                  | 86                      |                                      |                          | 55                               | 86                                   |
| 2013          | 52                  | 76                      |                                      |                          | 52                               | 76                                   |
| 2012          | 50                  | 73                      |                                      |                          | 50                               | 73                                   |
| 2011          | 50                  | 73                      |                                      |                          | 50                               | 73                                   |
| 2010          | 50                  | 73                      |                                      |                          | 50                               | 73                                   |

NON-RESIDENT

Fees per Semester Credit Hour (b)

| Academic Year | Non-Resident Tuition Out of State | Non-Resident Tuition International | Facilities Use & Technology Fees | Student Services Fee | Total Tuition & Fees Out of State | Total Tuition & Fees International |
|---------------|-----------------------------------|------------------------------------|----------------------------------|----------------------|-----------------------------------|------------------------------------|
| 2019          | \$ 255                            | \$ 255                             | \$                               | \$                   | \$ 255                            | \$ 255                             |
| 2018          | 255                               | 255                                |                                  |                      | 255                               | 255                                |
| 2017          | 255                               | 255                                |                                  |                      | 255                               | 255                                |
| 2016          | 205                               | 205                                |                                  |                      | 205                               | 205                                |
| 2015          | 205                               | 205                                |                                  |                      | 205                               | 205                                |
| 2014          | 205                               | 205                                |                                  |                      | 205                               | 205                                |
| 2013          | 171                               | 171                                |                                  |                      | 171                               | 171                                |
| 2012          | 165                               | 165                                |                                  |                      | 165                               | 165                                |
| 2011          | 165                               | 165                                |                                  |                      | 165                               | 165                                |
| 2010          | 165                               | 165                                |                                  |                      | 165                               | 165                                |

Note:

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

RESIDENT  
Fees per Semester Credit Hour (SCH)

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

NON-RESIDENT  
Fees per Semester Credit Hour (SCH)

| Cost for 12<br>SCH<br>Out of State | Cost for 12<br>SCH<br>International | Increase from<br>Prior Year<br>Out of State | Increase from<br>Prior Year<br>International |
|------------------------------------|-------------------------------------|---|--|
| \$ 3,060                           | \$ 3,060                            | 0.00%                                       | 0.00%  |
| 3,060                              | 3,060                               | 0.00%                                       | 0.00%  |
| 3,060                              | 3,060                               | 24.39%                                      | 24.39%                                       |
| 2,460                              | 2,460                               | 0.00%                                       | 0.00%  |
| 2,460                              | 2,460                               | 0.00%                                       | 0.00%  |
| 2,460                              | 2,460                               | 19.88%                                      | 19.88%                                       |
| 2,052                              | 2,052                               | 3.64%                                       | 3.64%  |
| 1,980                              | 1,980                               | 0.00%                                       | 0.00%  |
| 1,980                              | 1,980                               | 0.00%                                       | 0.00%  |
| 1,980                              | 1,980                               | 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<br/>Valuation of<br/>Real Property</u> | <u>Assessed<br/>Valuation of<br/>Personal Property</u> | <u>Assessed<br/>Valuation of<br/>Property</u> | <u>Less: Exemptions</u> |
|--------------------|--|--|---|-------------------------|
| 2019               | \$ 197,677,751,257                                 | \$ 30,869,611,640                                      | \$ 228,547,362,897                            | \$ (43,540,190,343)     |
| 2018               | 181,478,921,348                                    | 29,134,190,135   | 210,613,111,483                               | (45,242,452,413)        |
| 2017               | 162,291,841,412                                    | 28,072,182,184   | 190,364,023,596                               | (40,373,205,705)        |
| (b) 2016           | 144,468,399,702                                    | 26,875,858,000   | 171,344,257,702                               | (37,435,407,124)        |
| 2015               | 141,311,318,941                                    | 25,239,113,478   | 166,550,432,419                               | (30,237,870,137)        |
| 2014               | 134,490,264,565                                    | 23,748,078,239   | 158,238,342,804                               | (30,784,142,232)        |
| 2013               | 131,175,795,248                                    | 22,689,236,805   | 153,865,032,053                               | (28,772,399,041)        |
| 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)        |

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> |
|-------------------------------|--|---------------------------------------|-------------------------|------------------|
| \$ 185,007,172,554            | 80.95%   | \$ 0.13607                            | \$                      | \$ 0.13607       |
| 165,370,659,070               | 78.52%   | 0.14006                               |                         | 0.14006          |
| 149,990,817,891               | 78.79%   | 0.14473                               |                         | 0.14473          |
| 133,908,850,578               | 78.15%   | 0.14950                               |                         | 0.14950          |
| 136,312,562,282               | 81.84%   | 0.14392                               | 0.00558                 | 0.14950          |
| 127,454,200,572               | 80.55%   | 0.14241                               | 0.00709                 | 0.14950          |
| 125,092,633,012               | 81.30%   | 0.14241                               | 0.00656                 | 0.14897          |
| 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          |

**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<br>Appropriation<br>(Unrestricted) | FTSE   | State<br>Appropriation<br>per FTSE |
| 2019        | \$ 55,364,500                            | 27,665 | \$ 2,001                           |
| 2018        | 55,365,768                               | 28,774 | 1,924                              |
| 2017        | 56,326,105                               | 28,038 | 2,009                              |
| 2016        | 56,235,643                               | 28,364 | 1,983                              |
| 2015        | 54,396,982                               | 28,160 | 1,932                              |
| 2014        | 54,479,329                               | 29,395 | 1,853                              |
| 2013        | 53,068,368                               | 29,403 | 1,805                              |
| 2012        | 51,882,971                               | 29,054 | 1,786                              |
| 2011        | 48,763,674                               | 28,417 | 1,716                              |
| 2010        | 50,920,045                               | 25,536 | 1,994                              |

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<br>Vocational<br>Contact<br>Hours (a) | Continuing<br>Ed Contact<br>Hours (b) | Total Contact<br>Hours | State<br>Appropriation<br>per Contact<br>Hour |
|--|---------------------------------------|------------------------|---|
| 17,459,848   | 636,616                               | 18,096,464             | \$ 3.06                                       |
| 18,042,096   | 673,690                               | 18,715,786             | 2.96  |
| 17,613,050   | 722,912                               | 18,335,962             | 3.07  |
| 17,824,356   | 874,252                               | 18,698,608             | 3.01  |
| 18,199,288   | 816,899                               | 19,016,187             | 2.86  |
| 18,599,915   | 778,717                               | 19,378,632             | 2.81  |
| 18,611,304   | 756,028                               | 19,367,332             | 2.74  |
| 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  |

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

| Taxpayer                         | Type of Business                    | 2019                      | 2018                      | 2017                      |
|----------------------------------|-------------------------------------|---------------------------|---------------------------|---------------------------|
| Winner LLC                       | Technology                          | \$ 1,574,939,466          | \$ 1,054,626,607          | \$ 368,973,812            |
| American Airlines Inc            | Airline                             | 1,326,443,458             | 1,130,994,158             | 914,365,256               |
| Oncor Electric Delivery Co LLC   | Electric Utility                    | 1,155,058,854             | 1,106,298,311             | 1,104,560,947             |
| General Motors LLC               | Auto Manufacturer                   | 786,833,915               | 592,360,932               | 596,415,769               |
| Bell Helicopter Textron          | Helicopter Manufacturer             | 531,418,645               | 542,109,329               | 625,144,551               |
| Atmos Energy/Mid Tex Division    | Natural Gas Utility                 | 468,623,200               | 428,739,050               | 391,051,446               |
| Alcon Laboratories Inc           | Ophthalmic Manufacturing & Research | 441,287,485               | 449,069,886               | 603,391,911               |
| Wal-Mart Stores                  | Retail                              | 417,738,835               | 444,872,061               | 551,430,061               |
| Opryland Hotel                   | Hotel                               | 407,132,619               | 350,206,304               |                           |
| DDR/DTC City Investments LP Etal | Real Estate                         | 288,872,491               |                           |                           |
| XTO Energy Inc                   | Natural Gas Utility                 |                           | 319,534,069               |                           |
| Mouser Electronics Inc           | Electronics Distributor             |                           |                           | 370,536,067               |
| Dallas MTA LP                    | Wireless Service                    |                           |                           | 297,653,461               |
| Barnett Gathering LP             | Natural Gas Exploration             |                           |                           |                           |
| Amazon.Com.KYDC LLC              | Online Retail                       |                           |                           |                           |
| Chesapeake Operating             | Natural Gas Utility                 |                           |                           |                           |
| Devon Energy Production          | Natural Gas Utility                 |                           |                           |                           |
| Town Square Ventures LP          | Retail                              |                           |                           |                           |
| Southwestern Bell                | Telephone Utility                   |                           |                           |                           |
| Quicksilver Resources            | Natural Gas Exploration             |                           |                           |                           |
| Encana Oil & Gas (USA) Inc       | Natural Gas Utility                 |                           |                           |                           |
|                                  | Totals                              | <u>\$ 7,398,348,968</u>   | <u>\$ 6,418,810,707</u>   | <u>\$ 5,823,523,281</u>   |
|                                  | Total Taxable Assessed Value        | <u>\$ 185,007,172,554</u> | <u>\$ 165,370,659,070</u> | <u>\$ 149,990,817,891</u> |

| Taxpayer                         | Type of Business                    | 2019         | 2018         | 2017         |
|----------------------------------|-------------------------------------|--------------|--------------|--------------|
| Winner LLC                       | Technology                          | 0.85%        | 0.64%        | 0.25%        |
| American Airlines Inc            | Airline                             | 0.72%        | 0.68%        | 0.61%        |
| Oncor Electric Delivery Co LLC   | Electric Utility                    | 0.62%        | 0.67%        | 0.74%        |
| General Motors LLC               | Auto Manufacturer                   | 0.43%        | 0.36%        | 0.40%        |
| Bell Helicopter Textron          | Helicopter Manufacturer             | 0.29%        | 0.33%        | 0.42%        |
| Atmos Energy/Mid Tex Division    | Natural Gas Utility                 | 0.25%        | 0.26%        | 0.26%        |
| Alcon Laboratories Inc           | Ophthalmic Manufacturing & Research | 0.24%        | 0.27%        | 0.40%        |
| Wal-Mart Stores                  | Retail                              | 0.23%        | 0.27%        | 0.37%        |
| Opryland Hotel                   | Hotel                               | 0.22%        | 0.21%        |              |
| DDR/DTC City Investments LP Etal | Real Estate                         | 0.16%        |              |              |
| XTO Energy Inc                   | Natural Gas Utility                 |              | 0.19%        |              |
| Mouser Electronics Inc           | Electronics Distributor             |              |              | 0.25%        |
| Dallas MTA LP                    | Wireless Service                    |              |              | 0.20%        |
| Barnett Gathering LP             | Natural Gas Exploration             |              |              |              |
| Amazon.Com.KYDC LLC              | Online Retail                       |              |              |              |
| Chesapeake Operating             | Natural Gas Utility                 |              |              |              |
| Devon Energy Production          | Natural Gas Utility                 |              |              |              |
| Town Square Ventures LP          | Retail                              |              |              |              |
| Southwestern Bell                | Telephone Utility                   |              |              |              |
| Quicksilver Resources            | Natural Gas Exploration             |              |              |              |
| Encana Oil & Gas (USA) Inc       | Natural Gas Utility                 |              |              |              |
|                                  | Totals                              | <u>4.01%</u> | <u>3.88%</u> | <u>3.90%</u> |

Source:  
Tarrant Appraisal District



Taxable Assessed Value by Tax Year

| 2016                      | 2015                      | 2014                      | 2013                      | 2012                      | 2011                      | 2010                      |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$ 608,719,560            | \$ 434,149,748            | \$ 415,466,631            | \$ 366,781,877            | \$ 332,996,493            | \$ 292,074,639            | \$ 379,219,005            |
| 996,396,908               | 996,124,098               | 996,541,431               | 951,568,636               | 910,223,719               | 888,088,078               | 903,047,789               |
|                           | 694,999,441               | 305,558,069               |                           |                           |                           |                           |
| 513,773,261               | 526,450,434               | 368,852,302               | 353,813,947               | 388,497,181               | 418,973,452               | 441,749,768               |
| 268,687,927               |                           |                           |                           |                           |                           |                           |
|                           |                           |                           |                           |                           |                           |                           |
| 499,185,633               | 474,129,452               | 474,104,104               | 470,417,156               | 437,961,437               | 395,426,831               | 392,756,246               |
| 559,231,745               |                           | 252,604,271               | 278,139,403               | 285,854,271               | 273,331,856               | 247,781,677               |
|                           |                           |                           |                           |                           |                           |                           |
| 297,815,979               | 703,298,589               | 691,815,632               | 597,305,424               | 874,943,953               |                           | 295,564,940               |
| 318,402,108               |                           |                           |                           |                           |                           |                           |
|                           |                           |                           |                           |                           |                           |                           |
| 345,413,120               | 401,081,040               | 400,981,515               | 471,761,413               | 288,678,979               | 251,248,399               |                           |
| 315,194,518               |                           |                           |                           |                           |                           |                           |
|                           | 494,992,110               | 472,698,380               | 565,845,620               | 664,160,020               | 736,221,860               | 512,027,150               |
|                           | 295,994,780               | 322,885,510               | 381,143,310               | 471,202,990               | 506,053,300               | 497,668,900               |
|                           | 293,001,243               |                           | 240,513,694               | 269,220,847               | 308,900,768               | 348,419,062               |
|                           |                           |                           |                           |                           | 359,055,290               |                           |
|                           |                           |                           |                           |                           |                           | 311,069,570               |
| <u>\$ 4,722,820,759</u>   | <u>\$ 5,314,220,935</u>   | <u>\$ 4,701,507,845</u>   | <u>\$ 4,677,290,480</u>   | <u>\$ 4,923,739,890</u>   | <u>\$ 4,429,374,473</u>   | <u>\$ 4,329,304,107</u>   |
| <u>\$ 133,908,850,578</u> | <u>\$ 136,312,562,282</u> | <u>\$ 127,454,200,572</u> | <u>\$ 125,092,633,012</u> | <u>\$ 123,490,855,713</u> | <u>\$ 122,011,215,326</u> | <u>\$ 127,707,265,683</u> |

% of Taxable Assessed Value by Tax Year

| 2016         | 2015         | 2014         | 2013         | 2012         | 2011         | 2010         |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.45%        | 0.32%        | 0.33%        | 0.29%        | 0.27%        | 0.24%        | 0.30%        |
| 0.74%        | 0.73%        | 0.78%        | 0.76%        | 0.74%        | 0.73%        | 0.71%        |
|              | 0.51%        | 0.24%        |              |              |              |              |
| 0.38%        | 0.39%        | 0.29%        | 0.28%        | 0.31%        | 0.34%        | 0.35%        |
| 0.20%        |              |              |              |              |              |              |
|              |              |              |              |              |              |              |
| 0.37%        | 0.35%        | 0.37%        | 0.38%        | 0.35%        | 0.32%        | 0.31%        |
| 0.42%        |              | 0.20%        | 0.22%        | 0.23%        | 0.22%        | 0.19%        |
|              |              |              |              |              |              |              |
| 0.22%        | 0.52%        | 0.54%        | 0.48%        | 0.71%        |              | 0.23%        |
| 0.24%        |              |              |              |              |              |              |
|              |              |              |              |              |              |              |
| 0.26%        | 0.29%        | 0.31%        | 0.38%        | 0.23%        | 0.21%        |              |
| 0.24%        |              |              |              |              |              |              |
|              | 0.36%        | 0.37%        | 0.45%        | 0.54%        | 0.60%        | 0.40%        |
|              | 0.22%        | 0.25%        | 0.30%        | 0.38%        | 0.41%        | 0.39%        |
|              | 0.21%        |              |              |              |              |              |
|              |              |              | 0.19%        | 0.22%        | 0.25%        | 0.27%        |
|              |              |              |              |              | 0.29%        |              |
|              |              |              |              |              |              | 0.24%        |
|              |              |              |              |              |              |              |
| <u>3.52%</u> | <u>3.90%</u> | <u>3.68%</u> | <u>3.73%</u> | <u>3.98%</u> | <u>3.61%</u> | <u>3.39%</u> |

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

| Fiscal Year<br>Ended<br>August 31 | Levy           | Cumulative Levy<br>Adjustment | Adjusted<br>Tax Levy<br>(a) | Collections-Year of<br>Levy<br>(b) |
|-----------------------------------|----------------|-------------------------------|-----------------------------|------------------------------------|
| 2019                              | \$ 245,547,235 | \$ 3,440,901                  | \$ 248,988,136              | \$ 246,894,874                     |
| 2018                              | 226,743,507    | 8,123,143                     | 234,866,650                 | 233,242,550                        |
| 2017                              | 213,254,345    | 7,724,561                     | 220,978,906                 | 218,693,928                        |
| 2016                              | 195,442,891    | 13,876,314                    | 209,319,205                 | 207,402,437                        |
| 2015                              | 201,369,072    | (459,345)                     | 200,909,727                 | 198,833,848                        |
| 2014                              | 188,459,192    | 2,236,286                     | 190,695,478                 | 188,956,746                        |
| 2013                              | 184,458,402    | 395,328                       | 184,853,730                 | 183,071,724                        |
| 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                        |

Source:  
Tarrant County Tax Assessor/ Collector and District records

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

| <u>Percentage</u> | <u>Prior Collections<br/>of Prior Levies (c)</u> | <u>Current<br/>Collections<br/>of Prior Levies<br/>(d)</u> | <u>Total Collections<br/>(b+c+d)</u> | <u>Cumulative<br/>Collections<br/>of Adjusted Levy</u> |
|-------------------|--|--|--------------------------------------|--|
| 99.16%            | \$   | \$   | \$ 246,894,874                       | 99.16%   |
| 99.31%            |  | 719,610  | 233,962,160                          | 99.61%   |
| 98.97%            | 1,004,842  | 130,484  | 219,829,254                          | 99.48%   |
| 99.08%            | 1,481,565  | 83,406   | 208,967,408                          | 99.83%   |
| 98.97%            | 1,357,733  | 25,165   | 200,216,746                          | 99.66%   |
| 99.09%            | 1,199,077  | (101,824)  | 190,053,999                          | 99.66%   |
| 99.04%            | 1,516,968  | (194,348)  | 184,394,344                          | 99.75%   |
| 98.99%            | 1,672,694  | 16,040   | 182,362,050                          | 99.92%   |
| 98.88%            | 1,678,641  | 11,611   | 166,572,500                          | 99.90%   |
| 98.57%            | 1,888,192  | 10,432   | 173,762,468                          | 99.65%   |

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

|   | 2019 (a)  | 2018 (a)  | 2017 (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, 2019, 2018 and 2017, there was no bonded debt outstanding at those dates as all bonds payable were completely paid off in February 2015. As a result, the calculations presented in the table are not relevant for August 31, 2015, August 31, 2016, August 31, 2017, August 31, 2018, and August 31, 2019.

| 2016 (a)  | 2015 (a)  | 2014                | 2013                 | 2012                 | 2011                 | 2010                 |
|-----------|-----------|---------------------|----------------------|----------------------|----------------------|----------------------|
| \$        | \$        | \$ 8,062,949        | \$ 15,875,819        | \$ 23,324,225        | \$ 30,588,040        | \$ 37,444,583        |
|           |           | (1,656,309)         | (1,784,207)          | (2,559,199)          | (3,260,900)          | (4,073,884)          |
|           |           | 6,406,640           | 14,091,612           | 20,765,026           | 27,327,140           | 33,370,699           |
| <u>\$</u> | <u>\$</u> | <u>\$ 6,406,640</u> | <u>\$ 14,091,612</u> | <u>\$ 20,765,026</u> | <u>\$ 27,327,140</u> | <u>\$ 33,370,699</u> |

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

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

|   | 2019 (a)                  | 2018 (a)                  | 2017 (a)                  | 2016 (a)                  |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Taxable Assessed Value  | <u>\$ 185,007,172,554</u> | <u>\$ 165,370,659,070</u> | <u>\$ 149,990,817,891</u> | <u>\$ 133,908,850,578</u> |
| General Obligation Bonds  |                           |                           |                           |                           |
| Statutory Tax Levy Limit for Debt Service                               | \$ 925,035,863            | \$ 826,853,295            | \$ 749,954,089            | \$ 669,544,253            |
| Less Funds Restricted for Repayment<br>of General Obligation Bonds      |                           |                           |                           |                           |
| Total Net General Obligation Debt                                       | 925,035,863               | 826,853,295               | 749,954,089               | 669,544,253               |
| Current Year Debt Service Requirements                                  |                           |                           |                           |                           |
| Excess of Statutory Limit for Debt Service<br>over Current Requirements | <u>\$ 925,035,863</u>     | <u>\$ 826,853,295</u>     | <u>\$ 749,954,089</u>     | <u>\$ 669,544,253</u>     |
| Net Current Requirements as a % of<br>Statutory Limit                   | 0.00%                     | 0.00%                     | 0.00%                     | 0.00%                     |

Note:

Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

- (a) While the District had net position restricted for debt service in the amount of \$23,521 as of both August 31, 2016 and 2015 and \$0 as of August 31, 2019, 2018 and 2017, there was no bonded debt outstanding at those dates as all bonds payable were completely paid off in February 2015. As a result, the calculations presented in the table are not relevant for August 31, 2015, August 31, 2016, August 31, 2017, August 31, 2018 and August 31, 2019.

| 2015 (a)                  | 2014                      | 2013                      | 2012                      | 2011                      | 2010                      |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <u>\$ 136,312,562,282</u> | <u>\$ 127,454,200,572</u> | <u>\$ 125,092,633,012</u> | <u>\$ 123,490,855,713</u> | <u>\$ 122,011,215,326</u> | <u>\$ 127,707,265,683</u> |
| \$ 681,562,811            | \$ 637,271,003            | \$ 625,463,165            | \$ 617,454,279            | \$ 610,056,077            | \$ 638,536,328            |
|                           | (1,656,309)               | (1,784,207)               | (2,559,199)               | (3,260,900)               | (4,073,884)               |
| 681,562,811               | 635,614,694               | 623,678,958               | 614,895,080               | 606,795,177               | 634,462,444               |
| 8,129,263                 | 8,124,425                 | 8,166,281                 | 8,389,325                 | 8,372,725                 | 8,260,344                 |
| <u>\$ 673,433,548</u>     | <u>\$ 627,490,269</u>     | <u>\$ 615,512,677</u>     | <u>\$ 606,505,755</u>     | <u>\$ 598,422,452</u>     | <u>\$ 626,202,100</u>     |
| 1.19%                     | 1.01%                     | 1.02%                     | 0.94%                     | 0.84%                     | 0.66%                     |

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 11  
PLEGDED 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)**

| Calendar<br>Year | District<br>Population | District<br>Personal<br>Income | District<br>Personal Income<br>Per Capita | District<br>Unemployment<br>Rate |
|------------------|------------------------|--------------------------------|---|----------------------------------|
| 2019             | 2,084,931              | \$ 97,639,160,000              | \$ 46,831                                 | 3.40%                            |
| 2018             | 2,054,475              | 96,909,978,000                 | 47,170                                    | 3.60%                            |
| 2017             | 2,016,872              | 96,600,949,000                 | 47,896                                    | 3.90%                            |
| 2016             | 1,982,498              | 89,814,369,000                 | 45,304                                    | 4.20%                            |
| 2015             | 1,945,360              | 84,905,643,000                 | 43,645                                    | 4.00%                            |
| 2014             | 1,911,541              | 80,929,107,000                 | 42,337                                    | 5.50%                            |
| 2013             | 1,880,153              | 75,776,982,000                 | 40,304                                    | 5.90%                            |
| 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%                            |

Sources:

Population from US Bureau of the Census

Personal Income from US Bureau of Economic Analysis

Unemployment rate from US Bureau of Labor & Statistics

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

| Employer                           | 2019                |                                | 2018                |                                | 2017                |                                |
|------------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|
|                                    | 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              | 2.32%                          | 25,000              | 2.37%                          | 25,000              | 2.42%                          |
| Lockheed Martin                    | 13,690              | 1.27%                          | 13,690              | 1.30%                          | 13,690              | 1.32%                          |
| Fort Worth ISD                     | 12,000              | 1.11%                          | 12,000              | 1.14%                          | 12,000              | 1.16%                          |
| Texas Health Resources             | 12,000              | 1.11%                          | 12,000              | 1.14%                          | 12,000              | 1.16%                          |
| NAS-Fort Worth-Joint Reserve Base  | 10,000              | 0.93%                          | 10,000              | 0.95%                          | 10,000              | 0.97%                          |
| Arlington ISD                      | 8,500               | 0.79%                          | 8,500               | 0.81%                          | 8,500               | 0.82%                          |
| University of Texas at Arlington   | 7,311               | 0.68%                          | 7,311               | 0.69%                          | 7,311               | 0.71%                          |
| JPS Health Network                 | 6,500               | 0.60%                          | 6,500               | 0.62%                          | 6,500               | 0.63%                          |
| City of Fort Worth                 | 6,161               | 0.57%                          | 6,161               | 0.58%                          | 6,161               | 0.60%                          |
| Cook Children's Health Care System | 6,042               | 0.56%                          | 6,042               | 0.57%                          | 6,042               | 0.58%                          |
| Alcon Laboratories Inc.            |                     |                                |                     |                                |                     |                                |
| Burlington Northern                |                     |                                |                     |                                |                     |                                |
| Harris Methodist Fort Worth        |                     |                                |                     |                                |                     |                                |
| Bell Helicopter Textron Plant      |                     |                                |                     |                                |                     |                                |
| City of Arlington                  |                     |                                |                     |                                |                     |                                |
| Fidelity Investments               |                     |                                |                     |                                |                     |                                |
| American Airlines/ HQ              |                     |                                |                     |                                |                     |                                |
|                                    | 107,204             | 9.94%                          | 107,204             | 10.17%                         | 107,204             | 10.37%                         |

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

(Source data has not been updated since 2016)

Prior Source Now Unavailable:  
 North Central Texas Council of Governments

| 2016                |                                | 2015                |                                | 2014                |                                | 2013                |                                |
|---------------------|--------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|
| Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment |
| 25,000              | 2.47%                          | 24,000              | 2.40%                          | 22,169              | 2.34%                          | 22,169              | 2.38%                          |
| 13,690              | 1.35%                          | 13,690              | 1.37%                          | 14,988              | 1.58%                          | 14,988              | 1.61%                          |
| 12,000              | 1.18%                          | 12,000              | 1.20%                          | 11,000              | 1.16%                          | 11,000              | 1.18%                          |
| 12,000              | 1.18%                          | 12,000              | 1.20%                          | 18,866              | 1.99%                          | 18,866              | 2.03%                          |
| 10,000              | 0.99%                          | 11,000              | 1.10%                          | 11,350              | 1.20%                          | 11,350              | 1.22%                          |
| 8,500               | 0.84%                          | 8,126               | 0.81%                          | 8,126               | 0.86%                          | 8,126               | 0.87%                          |
| 7,311               | 0.72%                          |                     |                                | 6,239               | 0.66%                          | 6,239               | 0.67%                          |
| 6,500               | 0.64%                          | 6,000               | 0.60%                          | 4,872               | 0.51%                          | 4,872               | 0.52%                          |
| 6,161               | 0.61%                          | 6,161               | 0.62%                          | 6,195               | 0.65%                          | 6,195               | 0.67%                          |
| 6,042               | 0.60%                          | 5,876               | 0.59%                          | 4,826               | 0.51%                          | 4,826               | 0.52%                          |
|                     |                                | 5,922               | 0.59%                          |                     |                                |                     |                                |
| <u>107,204</u>      | <u>10.58%</u>                  | <u>104,775</u>      | <u>10.48%</u>                  | <u>108,631</u>      | <u>11.46%</u>                  | <u>108,631</u>      | <u>11.67%</u>                  |

| Employer                           | 2012                |                                | 2011                |                                | 2010                |                                |
|------------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|
|                                    | 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              | 1.11%                          | 11,709              | 0.72%                          | 11,709              | 0.72%                          |
| Lockheed Martin                    | 10,500              | 0.99%                          | 13,500              | 0.83%                          | 13,500              | 0.83%                          |
| Fort Worth ISD                     |                     |                                |                     |                                |                     |                                |
| Texas Health Resources             |                     |                                |                     |                                |                     |                                |
| NAS-Fort Worth-Joint Reserve Base  | 11,350              | 1.07%                          | 11,350              | 0.70%                          | 11,350              | 0.70%                          |
| Arlington ISD                      |                     |                                |                     |                                |                     |                                |
| University of Texas at Arlington   |                     |                                | 5,300               | 0.33%                          | 5,300               | 0.33%                          |
| JPS Health Network                 | 4,600               | 0.43%                          | 4,302               | 0.26%                          | 4,302               | 0.26%                          |
| City of Fort Worth                 |                     |                                |                     |                                |                     |                                |
| Cook Children's Health Care System |                     |                                |                     |                                |                     |                                |
| Alcon Laboratories Inc.            | 3,500               | 0.33%                          | 3,300               | 0.20%                          | 3,300               | 0.20%                          |
| Burlington Northern                | 4,900               | 0.46%                          |                     |                                |                     |                                |
| Harris Methodist Fort Worth        | 4,100               | 0.39%                          | 3,968               | 0.24%                          | 3,968               | 0.24%                          |
| Bell Helicopter Textron Plant      | 3,820               | 0.36%                          | 3,820               | 0.24%                          | 3,820               | 0.24%                          |
| City of Arlington                  | 3,500               | 0.33%                          |                     |                                |                     |                                |
| Fidelity Investments               | 3,200               | 0.30%                          | 3,200               | 0.20%                          | 3,200               | 0.20%                          |
| American Airlines/ HQ              |                     |                                | 6,500               | 0.40%                          | 6,500               | 0.40%                          |
|                                    | <u>61,179</u>       | <u>5.77%</u>                   | <u>66,949</u>       | <u>4.12%</u>                   | <u>66,949</u>       | <u>4.12%</u>                   |



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**SUCCESS WITHIN REACH.**

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

|                                 | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  |
|---------------------------------|--------------|--------------|--------------|--------------|
| Faculty                         |              |              |              |              |
| Full-Time                       | 773          | 746          | 709          | 673          |
| Part-Time                       | <u>591</u>   | <u>574</u>   | <u>524</u>   | <u>508</u>   |
| Total                           | <u>1,364</u> | <u>1,320</u> | <u>1,233</u> | <u>1,181</u> |
| Percent                         |              |              |              |              |
| Full-Time                       | 56.7%        | 56.5%        | 57.5%        | 57.0%        |
| Part-Time                       | 43.3%        | 43.5%        | 42.5%        | 43.0%        |
| Staff and Administrators        |              |              |              |              |
| Full-Time                       | 1,661        | 1,652        | 1,687        | 1,662        |
| Part-Time                       | <u>1,238</u> | <u>1,217</u> | <u>1,207</u> | <u>1,155</u> |
| Total                           | <u>2,899</u> | <u>2,869</u> | <u>2,894</u> | <u>2,817</u> |
| Percent                         |              |              |              |              |
| Full-Time                       | 57.3%        | 57.6%        | 58.3%        | 59.0%        |
| Part-Time                       | 42.7%        | 42.4%        | 41.7%        | 41.0%        |
| FTSE per Full-Time Faculty      | 36           | 39           | 40           | 42           |
| FTSE per Full-Time Staff Member | 17           | 17           | 17           | 17           |
| Average Annual Faculty Salary   | \$ 67,432    | \$ 66,800    | \$ 65,893    | \$ 65,321    |

| 2015         | 2014         | 2013         | 2012         | 2011         | 2010         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 667          | 668          | 656          | 653          | 673          | 664          |
| 503          | 525          | 605          | 598          | 501          | 473          |
| <u>1,170</u> | <u>1,193</u> | <u>1,261</u> | <u>1,251</u> | <u>1,174</u> | <u>1,137</u> |
| 57.0%        | 56.0%        | 52.0%        | 52.2%        | 57.3%        | 58.4%        |
| 43.0%        | 44.0%        | 48.0%        | 47.8%        | 42.7%        | 41.6%        |
| 1,618        | 1,544        | 1,505        | 1,429        | 1,398        | 1,338        |
| 1,124        | 1,073        | 1,082        | 1,005        | 971          | 956          |
| <u>2,742</u> | <u>2,617</u> | <u>2,587</u> | <u>2,434</u> | <u>2,369</u> | <u>2,294</u> |
| 59.0%        | 59.0%        | 58.2%        | 58.7%        | 59.0%        | 58.3%        |
| 41.0%        | 41.0%        | 41.8%        | 41.3%        | 41.0%        | 41.7%        |
| 42           | 44           | 45           | 44           | 42           | 38           |
| 17           | 19           | 20           | 20           | 20           | 19           |
| \$ 64,934    | \$ 64,556    | \$ 63,352    | \$ 59,446    | \$ 59,496    | \$ 60,110    |

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

| <u>Student Classification</u> | Fall 2018     |             | Fall 2017     |             | Fall 2016     |             |
|-------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
|                               | Number        | Percent     | Number        | Percent     | Number        | Percent     |
| 00-30 hours                   | 36,247        | 63%         | 36,235        | 63%         | 35,452        | 63%         |
| 31-60 hours                   | 14,825        | 26%         | 14,806        | 26%         | 14,611        | 26%         |
| Unclassified                  | 1,455         | 3%          | 1,528         | 3%          | 1,708         | 3%          |
| Associates                    | 3,359         | 6%          | 3,229         | 6%          | 3,135         | 6%          |
| Bachelors                     | 1,163         | 2%          | 1,124         | 2%          | 1,083         | 2%          |
| Total                         | <u>57,049</u> | <u>100%</u> | <u>56,922</u> | <u>100%</u> | <u>55,989</u> | <u>100%</u> |

| <u>Semester Hour Load</u> | Fall 2018     |             | Fall 2017     |             | Fall 2016     |             |
|---------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| 0-11 semester hours       | 41,646        | 73%         | 40,984        | 72%         | 39,976        | 71%         |
| 12 & over                 | 15,403        | 27%         | 15,938        | 28%         | 16,013        | 29%         |
| Total                     | <u>57,049</u> | <u>100%</u> | <u>56,922</u> | <u>100%</u> | <u>55,989</u> | <u>100%</u> |

|                     |     |     |     |
|---------------------|-----|-----|-----|
| Average course load | 8.0 | 8.1 | 8.2 |
|---------------------|-----|-----|-----|

| <u>Tuition Status</u>            | Fall 2018     |             | Fall 2017     |             | Fall 2016     |             |
|----------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| Texas resident (in-district)     | 49,359        | 86%         | 48,879        | 86%         | 48,369        | 86%         |
| Texas resident (out-of-district) | 3,961         | 7%          | 3,840         | 7%          | 3,833         | 7%          |
| Non-resident tuition             | 3,729         | 7%          | 4,203         | 7%          | 3,787         | 7%          |
| Total                            | <u>57,049</u> | <u>100%</u> | <u>56,922</u> | <u>100%</u> | <u>55,989</u> | <u>100%</u> |

Source:  
 CBM001



| Fall 2015     |             | Fall 2014     |             | Fall 2013     |             | Fall 2012     |             | Fall 2011     |             |
|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| Number        | Percent     | Number        | Percent     | Number        | Percent     | Number        | Percent     | Number        | Percent     |
| 36,056        | 63%         | 35,341        | 61%         | 37,196        | 61%         | 29,411        | 52%         | 36,012        | 63%         |
| 15,240        | 27%         | 16,083        | 28%         | 17,263        | 28%         | 19,333        | 34%         | 15,504        | 27%         |
| 1,968         | 3%          | 2,100         | 4%          | 2,324         | 4%          | 2,914         | 5%          | 1,999         | 4%          |
| 3,075         | 5%          | 2,933         | 5%          | 2,797         | 5%          | 3,785         | 7%          | 2,072         | 4%          |
| 1,138         | 2%          | 1,146         | 2%          | 1,287         | 2%          | 986           | 2%          | 1,219         | 2%          |
| <u>57,477</u> | <u>100%</u> | <u>57,603</u> | <u>100%</u> | <u>60,867</u> | <u>100%</u> | <u>56,429</u> | <u>100%</u> | <u>56,806</u> | <u>100%</u> |

|               |             |               |             |               |             |               |             |               |             |
|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| 40,751        | 71%         | 39,919        | 69%         | 40,172        | 66%         | 37,243        | 66%         | 36,924        | 65%         |
| 16,726        | 29%         | 17,684        | 31%         | 20,695        | 34%         | 19,186        | 34%         | 19,882        | 35%         |
| <u>57,477</u> | <u>100%</u> | <u>57,603</u> | <u>100%</u> | <u>60,867</u> | <u>100%</u> | <u>56,429</u> | <u>100%</u> | <u>56,806</u> | <u>100%</u> |

8.2

8.3

8.6

8.7

8.7

|               |             |               |             |               |             |               |             |               |             |
|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| 49,498        | 86%         | 49,655        | 86%         | 52,861        | 87%         | 48,807        | 86%         | 49,856        | 88%         |
| 3,801         | 7%          | 4,044         | 7%          | 4,293         | 7%          | 4,368         | 8%          | 4,106         | 7%          |
| 4,178         | 7%          | 3,904         | 7%          | 3,713         | 6%          | 3,254         | 6%          | 2,844         | 5%          |
| <u>57,477</u> | <u>100%</u> | <u>57,603</u> | <u>100%</u> | <u>60,867</u> | <u>100%</u> | <u>56,429</u> | <u>100%</u> | <u>56,806</u> | <u>100%</u> |





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**SUCCESS WITHIN REACH.**

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

|        | Fall 2018     |               | Fall 2017     |               | Fall 2016     |               |
|--------|---------------|---------------|---------------|---------------|---------------|---------------|
|        | Number        | Percent       | Number        | Percent       | Number        | Percent       |
| Gender |               |               |               |               |               |               |
| Female | 34,071        | 59.7%         | 33,313        | 58.5%         | 32,489        | 58.0%         |
| Male   | 22,978        | 40.3%         | 23,609        | 41.5%         | 23,500        | 42.0%         |
| Total  | <u>57,049</u> | <u>100.0%</u> | <u>56,922</u> | <u>100.0%</u> | <u>55,989</u> | <u>100.0%</u> |

| Ethnic Origin    |               |               |               |               |               |               |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| White            | 20,227        | 35.5%         | 21,363        | 37.5%         | 22,356        | 39.9%         |
| Hispanic         | 19,983        | 35.0%         | 18,960        | 33.3%         | 17,818        | 31.8%         |
| African American | 9,575         | 16.8%         | 9,647         | 16.9%         | 9,406         | 16.8%         |
| Asian            | 3,616         | 6.3%          | 3,552         | 6.3%          | 3,369         | 6.0%          |
| Native American  | 210           | 0.4%          | 222           | 0.4%          | 205           | 0.4%          |
| Other            | 3,438         | 6.0%          | 3,178         | 5.6%          | 2,835         | 5.1%          |
| Total            | <u>57,049</u> | <u>100.0%</u> | <u>56,922</u> | <u>100.0%</u> | <u>55,989</u> | <u>100.0%</u> |

| Age          |               |               |               |               |               |               |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Under 17     | 4,566         | 8.0%          | 4,075         | 7.2%          | 3,725         | 6.7%          |
| 17           | 4,244         | 7.4%          | 4,097         | 7.2%          | 3,703         | 6.5%          |
| 18           | 6,115         | 10.7%         | 6,205         | 10.9%         | 6,053         | 10.8%         |
| 19-21        | 16,467        | 28.9%         | 16,823        | 29.6%         | 16,586        | 29.6%         |
| 22-24        | 7,717         | 13.5%         | 7,874         | 13.8%         | 7,899         | 14.1%         |
| 25-30        | 8,156         | 14.3%         | 8,105         | 14.2%         | 8,162         | 14.6%         |
| 31-35        | 3,721         | 6.5%          | 3,645         | 6.4%          | 3,619         | 6.5%          |
| 36-50        | 4,880         | 8.6%          | 4,849         | 8.5%          | 4,990         | 8.9%          |
| 51-64        | 1,023         | 1.8%          | 1,090         | 1.9%          | 1,110         | 2.0%          |
| 65 and older | 160           | 0.3%          | 159           | 0.3%          | 142           | 0.3%          |
| Total        | <u>57,049</u> | <u>100.0%</u> | <u>56,922</u> | <u>100.0%</u> | <u>55,989</u> | <u>100.0%</u> |

|             |      |  |      |  |      |  |
|-------------|------|--|------|--|------|--|
| Average age | 24.1 |  | 24.1 |  | 24.3 |  |
|-------------|------|--|------|--|------|--|

Source:  
CBM001

| Fall 2015     |               | Fall 2014     |               | Fall 2013     |               | Fall 2012     |               |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Number        | Percent       | Number        | Percent       | Number        | Percent       | Number        | Percent       |
| 33,700        | 58.6%         | 34,190        | 59.4%         | 36,630        | 60.2%         | 34,426        | 61.0%         |
| 23,777        | 41.4%         | 23,413        | 40.6%         | 24,237        | 39.8%         | 22,003        | 39.0%         |
| <u>57,477</u> | <u>100.0%</u> | <u>57,603</u> | <u>100.0%</u> | <u>60,867</u> | <u>100.0%</u> | <u>56,429</u> | <u>100.0%</u> |
| 23,776        | 41.4%         | 24,669        | 42.8%         | 27,512        | 45.2%         | 26,654        | 47.3%         |
| 17,305        | 30.1%         | 16,107        | 28.0%         | 15,991        | 26.3%         | 13,779        | 24.4%         |
| 10,192        | 17.7%         | 10,723        | 18.6%         | 11,622        | 19.1%         | 11,008        | 19.5%         |
| 3,297         | 5.7%          | 3,351         | 5.8%          | 3,399         | 5.6%          | 3,211         | 5.7%          |
| 251           | 0.5%          | 259           | 0.5%          | 313           | 0.5%          | 296           | 0.5%          |
| 2,656         | 4.6%          | 2,494         | 4.3%          | 2,030         | 3.3%          | 1,481         | 2.6%          |
| <u>57,477</u> | <u>100.0%</u> | <u>57,603</u> | <u>100.0%</u> | <u>60,867</u> | <u>100.0%</u> | <u>56,429</u> | <u>100.0%</u> |
| 3,145         | 5.5%          | 2,399         | 4.1%          | 1,653         | 2.7%          | 1,348         | 2.4%          |
| 3,486         | 6.1%          | 3,210         | 5.7%          | 3,317         | 5.5%          | 1,995         | 3.5%          |
| 5,870         | 10.2%         | 5,712         | 9.9%          | 5,954         | 9.8%          | 5,509         | 9.8%          |
| 16,618        | 28.9%         | 16,150        | 28.0%         | 16,884        | 27.7%         | 16,129        | 28.6%         |
| 8,319         | 14.5%         | 8,643         | 15.0%         | 9,250         | 15.2%         | 8,575         | 15.2%         |
| 8,819         | 15.3%         | 9,136         | 15.9%         | 9,855         | 16.2%         | 9,544         | 16.9%         |
| 3,982         | 6.9%          | 4,375         | 7.6%          | 4,926         | 8.1%          | 4,908         | 8.7%          |
| 5,744         | 10.0%         | 6,325         | 11.0%         | 7,277         | 12.0%         | 6,890         | 12.2%         |
| 1,332         | 2.3%          | 1,505         | 2.6%          | 1,610         | 2.6%          | 1,415         | 2.5%          |
| 162           | 0.3%          | 148           | 0.2%          | 141           | 0.2%          | 116           | 0.2%          |
| <u>57,477</u> | <u>100.0%</u> | <u>57,603</u> | <u>100.0%</u> | <u>60,867</u> | <u>100.0%</u> | <u>56,429</u> | <u>100.0%</u> |
| 24.8          |               | 25.6          |               | 26.0          |               | 26.0          |               |

| <u>Gender</u> | Fall 2011     |                | Fall 2010     |                | Fall 2009     |                |
|---------------|---------------|----------------|---------------|----------------|---------------|----------------|
|               | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Female        | 34,618        | 60.9%          | 34,864        | 60.1%          | 31,347        | 59.9%          |
| Male          | 22,188        | 39.1%          | 23,187        | 39.9%          | 21,002        | 40.1%          |
| Total         | <u>56,806</u> | <u>100.0%</u>  | <u>58,051</u> | <u>100.0%</u>  | <u>52,349</u> | <u>100.0%</u>  |

| <u>Ethnic Origin</u> |               |               |               |               |               |               |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| White                | 28,408        | 50.0%         | 30,683        | 52.8%         | 29,333        | 56.0%         |
| Hispanic             | 12,642        | 22.3%         | 12,064        | 20.8%         | 10,412        | 19.9%         |
| African American     | 10,946        | 19.3%         | 10,485        | 18.1%         | 8,647         | 16.5%         |
| Asian                | 3,319         | 5.8%          | 3,462         | 6.0%          | 3,121         | 6.0%          |
| Native American      | 312           | 0.5%          | 293           | 0.5%          | 253           | 0.5%          |
| Other                | 1,179         | 2.1%          | 1,064         | 1.8%          | 583           | 1.1%          |
| Total                | <u>56,806</u> | <u>100.0%</u> | <u>58,051</u> | <u>100.0%</u> | <u>52,349</u> | <u>100.0%</u> |

| <u>Age</u>   |               |               |               |               |               |               |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Under 17     | 1,232         | 2.2%          | 1,093         | 1.9%          | 768           | 1.5%          |
| 17           | 2,048         | 3.6%          | 1,853         | 3.2%          | 2,047         | 3.9%          |
| 18           | 5,807         | 10.2%         | 5,858         | 10.1%         | 5,637         | 10.8%         |
| 19-21        | 16,204        | 28.4%         | 16,736        | 28.8%         | 15,610        | 29.8%         |
| 22-24        | 8,921         | 15.7%         | 9,340         | 16.1%         | 8,156         | 15.6%         |
| 25-30        | 9,714         | 17.1%         | 10,303        | 17.7%         | 8,737         | 16.7%         |
| 31-35        | 4,692         | 8.3%          | 4,668         | 8.0%          | 4,046         | 7.7%          |
| 36-50        | 6,744         | 11.9%         | 6,823         | 11.8%         | 6,095         | 11.6%         |
| 51-64        | 1,301         | 2.3%          | 1,277         | 2.2%          | 1,145         | 2.2%          |
| 65 and older | 143           | 0.3%          | 100           | 0.2%          | 108           | 0.2%          |
| Total        | <u>56,806</u> | <u>100.0%</u> | <u>58,051</u> | <u>100.0%</u> | <u>52,349</u> | <u>100.0%</u> |

|             |      |      |      |
|-------------|------|------|------|
| Average age | 25.8 | 25.6 | 25.6 |
|-------------|------|------|------|

**TARRANT COUNTY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 17  
TRANSFERS TO SENIOR INSTITUTIONS  
2017-2018 GRADUATES, COMPLETERS AND NON-RETURNERS  
(UNAUDITED)**

|  | Transfer<br>Student<br>Count<br>Academic | Transfer<br>Student<br>Count<br>Technical | Transfer<br>Student<br>Count<br>Tech-Prep | Total of<br>all<br>Transfer<br>Students | % of<br>all<br>Transfer<br>Students |
|--|--|---|---|---|-------------------------------------|
| <b>Universities:</b>                         |  |   |   |   |                                     |
| Angelo State University                      | 26                                       | 1   |   | 27                                      | 0.18%                               |
| Lamar University                             | 28                                       | 4   |   | 32                                      | 0.21%                               |
| Midwestern State University                  | 162                                      | 29  |   | 191                                     | 1.25%                               |
| Prairie View A&M University                  | 82                                       | 13  |   | 95                                      | 0.62%                               |
| Sam Houston State University                 | 108                                      | 24  |   | 132                                     | 0.86%                               |
| Stephen F. Austin State University           | 194                                      | 38  |   | 232                                     | 1.52%                               |
| Sul Ross State University                    | 4  |   |   | 4                                       | 0.03%                               |
| Tarleton State University                    | 1,129                                    | 241                                       | 2   | 1,372                                   | 8.98%                               |
| Texas A&M International University           | 3  |   |   | 3                                       | 0.02%                               |
| Texas A&M University                         | 661                                      | 68  |   | 729                                     | 4.77%                               |
| Texas A&M University - Central Texas         | 4  | 2   |   | 6                                       | 0.04%                               |
| Texas A&M University - Commerce              | 98                                       | 27  |   | 125                                     | 0.82%                               |
| Texas A&M University - Corpus Christi        | 51                                       | 9   |   | 60                                      | 0.39%                               |
| Texas A&M University - Kingsville            | 4  | 1   |   | 5                                       | 0.03%                               |
| Texas A&M University - San Antonio           | 6  | 2   |   | 8                                       | 0.05%                               |
| Texas A&M University - Texarkana             | 6  | 1   |   | 7                                       | 0.05%                               |
| Texas A&M University at Galveston            | 5  |   |   | 5                                       | 0.03%                               |
| Texas Southern University                    | 32                                       | 2   |   | 34                                      | 0.22%                               |
| Texas State University                       | 330                                      | 61  |   | 391                                     | 2.56%                               |
| Texas Tech University                        | 655                                      | 71  |   | 726                                     | 4.75%                               |
| Texas Woman's University                     | 762                                      | 120                                       |   | 882                                     | 5.77%                               |
| The University of Texas - Rio Grande Valley  | 6  | 2   |   | 8                                       | 0.05%                               |
| The University of Texas at Arlington         | 5,600                                    | 712                                       | 7   | 6,319                                   | 41.35%                              |
| The University of Texas at Austin            | 328                                      | 30  |   | 358                                     | 2.34%                               |
| The University of Texas at Dallas            | 323                                      | 40  |   | 363                                     | 2.38%                               |
| The University of Texas at El Paso           | 12                                       |   |   | 12                                      | 0.08%                               |
| The University of Texas at San Antonio       | 70                                       | 14  |   | 84                                      | 0.55%                               |
| The University of Texas at Tyler             | 27                                       | 9   |   | 36                                      | 0.24%                               |
| The University of Texas of the Permian Basin | 36                                       | 7   |   | 43                                      | 0.28%                               |
| University of Houston                        | 99                                       | 6   |   | 105                                     | 0.69%                               |
| University of Houston - Clear Lake           |  | 2   |   | 2                                       | 0.01%                               |
| University of Houston - Downtown             | 2  |   |   | 2                                       | 0.01%                               |
| University of Houston - Victoria             | 3  | 1   |   | 4                                       | 0.03%                               |
| University of North Texas                    | 2,425                                    | 327                                       |   | 2,752                                   | 18.01%                              |
| University of North Texas at Dallas          | 71                                       | 22  |   | 93                                      | 0.61%                               |
| West Texas A&M University                    | 28                                       | 5   |   | 33                                      | 0.22%                               |
| <b>Total</b>                                 | <b>13,380</b>                            | <b>1,891</b>                              | <b>9</b>                                  | <b>15,280</b>                           | <b>100.00%</b>                      |

Source:

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

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

|  | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|-------------|-------------|
| Academic Buildings                           | 85          | 85          | 85          | 86          |
| Square footage                               | 2,436,166   | 2,437,334   | 2,376,535   | 2,391,882   |
| Libraries                                    | 5           | 5           | 5           | 5           |
| Square footage                               | 124,630     | 124,630     | 124,630     | 124,630     |
| Number of Volumes                            | 225,028     | 223,398     | 260,982     | 279,028     |
| Administrative and support support buildings | 17          | 16          | 16          | 15          |
| Square footage                               | 278,301     | 273,133     | 330,212     | 248,558     |
| Dining Facilities                            | 10          | 10          | 10          | 10          |
| Square footage                               | 95,327      | 95,327      | 95,327      | 95,327      |
| Average daily customers                      | 2,157       | 4,524       | 1,803       | 1,725       |
| Athletic Facilities                          | 13          | 13          | 13          | 13          |
| Square footage                               | 172,000     | 172,000     | 172,000     | 172,000     |
| Gymnasiums                                   | 4           | 4           | 4           | 4           |
| Fitness Centers                              | 5           | 5           | 5           | 5           |
| Tennis Courts                                | 3           | 3           | 3           | 3           |
| Plant facilities                             | 14          | 14          | 14          | 14          |
| Square footage                               | 104,725     | 104,725     | 104,725     | 104,725     |
| Transportation                               |             |             |             |             |
| Cars   | 23          | 27          | 20          | 22          |
| Light Trucks/Vans                            | 202         | 189         | 187         | 183         |
| Fire Trucks                                  | 4           | 4           | 4           | 3           |



| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 86          | 84          | 82          | 81          | 79          | 60          |
| 2,387,613   | 2,267,293   | 2,191,020   | 2,172,664   | 2,167,963   | 2,030,332   |
| 5           | 5           | 5           | 5           | 5           | 5           |
| 124,630     | 124,630     | 127,000     | 124,630     | 127,000     | 127,000     |
| 282,822     | 274,597     | 282,245     | 278,276     | 266,019     | 253,989     |
| 15          | 15          | 15          | 14          | 13          | 11          |
| 252,270     | 192,115     | 97,607      | 79,000      | 77,400      | 70,500      |
| 10          | 8           | 6           | 6           | 6           | 5           |
| 95,327      | 89,146      | 80,109      | 80,109      | 80,109      | 79,000      |
| 1,707       | 2,138       | 2,402       | 2,200       | 2,345       | 2,230       |
| 13          | 13          | 13          | 13          | 13          | 13          |
| 172,000     | 172,000     | 172,000     | 172,000     | 172,000     | 172,000     |
| 4           | 4           | 4           | 4           | 4           | 4           |
| 5           | 5           | 5           | 5           | 5           | 5           |
| 3           | 3           | 3           | 3           | 3           | 3           |
| 14          | 14          | 12          | 12          | 12          | 11          |
| 104,725     | 104,725     | 100,205     | 97,100      | 97,100      | 91,000      |
| 24          | 24          | 25          | 65          | 52          | 44          |
| 179         | 174         | 166         | 127         | 112         | 127         |
| 3           | 2           |             |             |             |             |



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

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**SUCCESS WITHIN REACH.**

**Federal Single Audit Section**

**Federal Single Audit Section**



**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2019**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title | Federal<br>CFDA<br>Number | Pass<br>Through<br>Grantor's<br>Number | Pass Through<br>Disbursements<br>and<br>Expenditures |
|--|---------------------------|--|--|
| <b>DEPARTMENT OF EDUCATION</b>                             |                           |  |  |
| Federal Direct Programs:                                   |                           |  |  |
| Student Financial Assistance Cluster                       |                           |  |  |
| Federal Supplemental Educational Opportunity Grant         | 84.007                    |  | \$ 2,080,959   |
| Federal Work Study Program                                 | 84.033                    |  | 963,657  |
| Federal Pell Grant Program                                 | 84.063                    |  | 56,073,696   |
| Federal Direct Student Loans                               | 84.268                    |  | <u>25,619,344</u>                                    |
| Total Student Financial Assistance Cluster                 |                           |  | 84,737,656   |
| TRIO Cluster   |                           |  |  |
| TRIO Student Support Services                              | 84.042                    |  | 292,333  |
| TRIO Upward Bound  | 84.047                    |  | <u>799,473</u>                                       |
| Total TRIO Cluster   |                           |  | <u>1,091,806</u>                                     |
| Total Direct from Department of Education                  |                           |  | 85,829,462   |
| Pass-Through From:   |                           |  |  |
| Tarrant County Workforce Development Board                 |                           |  |  |
| Adult Education - Basic Grants to States                   | 84.002                    | 18-SPC-AEL-005                         | 344,644  |
| Adult Education - Basic Grants to States - EL Civics       | 84.002                    | 18-SPC-AEL-005                         | <u>51,882</u>  |
| Total Tarrant County Workforce Development Board           |                           |  | 396,526  |
| Texas Higher Education Coordinating Board                  |                           |  |  |
| Career and Technical Education - Basic Grants to States    | 84.048                    | 194256                                 | <u>1,190,717</u>                                     |
| Total U.S. Department of Education                         |                           |  | 87,416,705   |
| <b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>         |                           |  |  |
| Pass-Through From:   |                           |  |  |
| Water from the Rock  |                           |  |  |
| Community Development Block Grants/Entitlement Grants      | 14.218                    | 2948                                   | 16,938   |
| <b>DEPARTMENT OF JUSTICE</b>                               |                           |  |  |
| Pass-Through From:   |                           |  |  |
| Bureau of Justice Assistance                               |                           |  |  |
| Bulletproof Vest Partnership Program                       | 16.607                    | 372366                                 | 4,001  |

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2019**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title | Federal<br>CFDA<br>Number | Pass<br>Through<br>Grantor's<br>Number | Pass Through<br>Disbursements<br>and<br>Expenditures |
|--|---------------------------|--|--|
| <b>DEPARTMENT OF LABOR</b>                                 |                           |  |  |
| Pass-Through From:   |                           |  |  |
| Texas Workforce Commission                                 |                           |  |  |
| WIOA Cluster -   |                           |  |  |
| WIA Dislocated Workers Formula Grant                       | 17.278                    | 0519ATP000                             | 210,550  |
| WIA Dislocated Workers Formula Grant                       | 17.278                    | 0518WOS000                             | 9,356  |
| Total U.S. Department of Labor                             |                           |  | 219,906  |
| <b>DEPARTMENT OF TRANSPORTATION</b>                        |                           |  |  |
| Pass-Through From:   |                           |  |  |
| National Highway Traffic Safety Administration             |                           |  |  |
| Texas Department of Transportation                         |                           |  |  |
| Texans Standing Tall                                       | 20.616                    | 2018-TST-G-1YG-0233                    | 4,500  |
| Texans Standing Tall                                       | 20.616                    | 2019-TST-G-1YG-0192                    | 2,574  |
| Texans Standing Tall                                       | 20.616                    | 2019-TST-G-1YG-0192                    | 4,225  |
| Texans Standing Tall                                       | 20.616                    | 2019-TST-G-1YG-0192                    | 4,185  |
| Texans Standing Tall                                       | 20.616                    | 2019-TST-G-1YG-0192                    | 1,918  |
| Texans Standing Tall                                       | 20.616                    | 2019-TST-G-1YG-0192                    | 275  |
| Total U.S. Department of Transportation                    |                           |  | 17,677   |
| <b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>               |                           |  |  |
| Pass-Through From:   |                           |  |  |
| Promotion of the Humanities Public Programs                |                           |  |  |
| NEH on the Road: Jacob A Riis                              | 45.164                    | MR-263640-18                           | 1,000  |
| <b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>            |                           |  |  |
| Pass-Through From:   |                           |  |  |
| Texas State Library and Archives Commission                |                           |  |  |
| Interlibrary Loan Lending Reimbursement Program            | 45.310                    | LS-00-17-0044-17                       | 734  |
| <b>NATIONAL SCIENCE FOUNDATION</b>                         |                           |  |  |
| Pass-Through From:   |                           |  |  |
| Occidental College   |                           |  |  |
| Center for Undergraduate Research in Mathematics           | 47.049                    | OXY-CURM0008                           | 4,804  |
| Mathematical Association of America                        |                           |  |  |
| Professional Development Emphasizing Data                  | 47.076                    | DUE-1626337                            | 4,657  |
| University of Texas at El Paso                             |                           |  |  |
| LSAMP: A Model Senior Alliance                             | 47.076                    | 226100996E                             | 12,345   |
| Total National Science Foundation                          |                           |  | 21,806   |

**TARRANT COUNTY COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2019**

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title  | Federal<br>CFDA<br>Number | Pass<br>Through<br>Grantor's<br>Number | Pass Through<br>Disbursements<br>and<br>Expenditures |
|---|---------------------------|--|--|
| <b>SMALL BUSINESS ADMINISTRATION</b>  |                           |  |  |
| Pass-Through From:  |                           |  |  |
| North Texas Small Business Development Center   |                           |  |  |
| Small Business Development Center   | 59.037                    | SBHQ-18-B0002                          | 42,924   |
| Small Business Development Center   | 59.037                    | SBAHQ-19-B0021                         | 253,785  |
| Total Small Business Administration   |                           |  | <u>296,709</u>                                       |
| <b>ENVIRONMENTAL PROTECTION AGENCY</b>  |                           |  |  |
| Environmental Workforce Development and<br>Job Training Cooperative Agreements                                | 66.815                    | JT-01F10001-0                          | 922  |
| <b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>  |                           |  |  |
| Pass-Through From:  |                           |  |  |
| Tarrant County Workforce Development Board  |                           |  |  |
| Temporary Assistance for Needy Families Cluster -<br>Temporary Assistance for Needy Families                  | 93.558                    | 18-SPC-AEL-005                         | 32,040   |
| Texas Workforce Commission  |                           |  |  |
| Temporary Assistance for Needy Families Cluster -<br>Apprenticeship - Temporary Assistance for Needy Families | 93.558                    | 0519ATP000                             | 58,370   |
| Total Department of Health and Human Services   |                           |  | <u>90,410</u>  |
| Total Federal Financial Assistance  |                           |  | <u><u>\$ 88,086,808</u></u>                          |

See Notes to Schedule on Following Page

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

**NOTE 1. FEDERAL ASSISTANCE RECONCILIATION**

Federal Revenues – per Schedule of Expenditures of Federal Awards:

|  |                          |
|--|--------------------------|
| Federal Grants and Contracts – per Schedule A                                | \$ 3,380,340             |
| Federal Grants and Contracts – per Schedule C                                | 59,118,313               |
| Direct Loans   | 25,619,344               |
| Veterans' Administration   | <u>(31,189)</u>          |
| <br>Total Federal Revenues per Schedule<br>of Expenditures of Federal Awards | <br><u>\$ 88,086,808</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/<br/>CFDA Number/Program Name</u> | <u>New Loans<br/>Processed</u> | <u>Admin<br/>Cost<br/>Recovered</u> | <u>Total Loans<br/>Processed &amp;<br/>Admin Cost<br/>Recovered</u> |
|--|--------------------------------|-------------------------------------|---|
| U.S. Department of Education:                        |                                |                                     |   |
| 84.268 Direct Loans                                  | <u>\$ 25,619,344</u>           | <u>\$ -</u>                         | <u>\$ 25,619,344</u>  |

**NOTE 4. INDIRECT COST RATE**

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



**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards**

To the Board of Trustees  
Tarrant County College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tarrant County College District (the District) as of and for the year ended August 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 12, 2019.

**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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Public Funds Investment Act**

We have also performed tests designed to verify the District's compliance with the requirements of the Texas Public Funds Investment Act. During the year ended August 31, 2019, no instances of noncompliance were found.

To the Board of Trustees  
Tarrant County College District

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 12, 2019



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**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, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Weaver and Tidwell, L.L.P.  
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To the Board of Trustees  
Tarrant County College District

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

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

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

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

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

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
December 12, 2019

**TARRANT COUNTY COLLEGE DISTRICT  
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2019**

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

*Financial Statements*

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified \_\_\_\_\_ Yes   X   No
  
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported
  
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified \_\_\_\_\_ Yes   X   No
  
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

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

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

Identification of major programs:

Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B programs: \$2,642,604

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

**TARRANT COUNTY COLLEGE DISTRICT  
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2019  
(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**

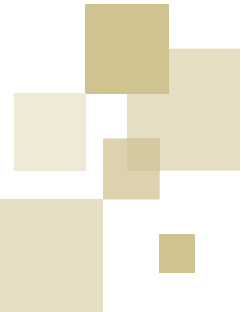
The current year audit of federal awards disclosed no findings that require a corrective action plan.

**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, 2019**

| <u>Grant Agency / Program Title</u>                         | <u>Grant Contract Number</u> | <u>Expenditures</u> |
|---|------------------------------|---------------------|
| <b>TEXAS WORKFORCE COMMISSION</b>                           |                              |                     |
| Apprenticeship  | 0519ATP000                   | \$ 372,726          |
| Skills for Small Business                                   | 0519SSD000                   | 17,716              |
| Skills Development Fund - Lockheed Martin                   | 0518SDF001                   | 519,370             |
| Skills Development Fund - Skills for Transition             | 0518SDF000                   | 2,000               |
| Skills Development Fund - Inspirus                          | 0518SDF001                   | 129,507             |
| Skills Development Fund - Robotic Manufacturing             | 0518SDF002                   | 153,108             |
| Skills Development Fund - Flex N Gate                       | 0518SDF003                   | 22,429              |
| Skills Development Fund - Triumph                           | 0519SDF000                   | <u>123,860</u>      |
| Total Direct from Texas Workforce Commission                |                              | 1,340,716           |
| Pass-Through From:  |                              |                     |
| Fort Worth Independent School District                      |                              |                     |
| Adult Basic Education Program                               | 18-SPC-AEL-005               | <u>31,251</u>       |
| Total Texas Workforce Commission                            |                              | 1,371,967           |
| <b>TEXAS COMPTROLLER OF PUBLIC ACCOUNTS</b>                 |                              |                     |
| Law Enforcement Office Standards and Education              | 9P190428                     | 5,424               |
| <b>TEXAS HIGHER EDUCATION COORDINATING BOARD</b>            |                              |                     |
| Work Study  | 20326                        | 204,729             |
| Texas Educational Opportunity Grant                         | 20357                        | 3,571,494           |
| Professional Nursing Shortage FY2017                        | 17984                        | 5,172               |
| Professional Nursing Shortage Over 70% Program FY2017       | 17752                        | 94,310              |
| Nursing Innovation Grant Program - Building Simulation      | 18026                        | 7,650               |
| Accelerate TX ICP Model                                     | 18669                        | 43,818              |
| Intensive College Readiness Model                           | 18669                        | 33,100              |
| CB Workstudy Mentoring Model                                | 20832                        | 129,609             |
| Educational Aide Exemption Program                          | 20319                        | 4,240               |
| Texas-Science, Technology, Engineering and Math T-STEM      | 16911                        | <u>2,286</u>        |
| Total Direct from Texas Higher Education Coordinating Board |                              | 4,096,408           |
| Pass-Through From:  |                              |                     |
| Dallas County Community College                             |                              |                     |
| Small Business Development Center                           | SBHQ-18-B0005                | 9,978               |
| Small Business Development Center                           | SBAHQ-18-B0021               | <u>194,347</u>      |
| Total from Dallas County Community College                  |                              | <u>204,325</u>      |
| Total Texas Higher Education Coordinating Board             |                              | <u>4,300,733</u>    |
| Total State Financial Assistance                            |                              | <u>\$ 5,678,124</u> |

See Notes to Schedule on Following Page

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

**NOTE 1. STATE ASSISTANCE RECONCILIATION**

State Revenues – per Schedule of Expenditures of State Awards:

|   |                     |
|---|---------------------|
| State Grants and Contracts – per Schedule A                       | <u>\$ 5,678,124</u> |
| Total State Revenues per Schedule of Expenditures of State Awards | <u>\$ 5,678,124</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. 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.



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**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 County 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, 2019. The District's major state programs are identified in the summary of auditor's results section of the accompanying state schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major State Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2019.

Weaver and Tidwell, L.L.P.  
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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 to determine the 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 12, 2019

**TARRANT COUNTY COLLEGE DISTRICT  
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2019**

**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  
Texas Workforce Commission - Apprenticeship

**TARRANT COUNTY COLLEGE DISTRICT  
STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2019  
(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.

