

# **RANGER COLLEGE DISTRICT**

**ANNUAL FINANCIAL AND COMPLIANCE REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2021**

# RANGER COLLEGE DISTRICT

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# RANGER COLLEGE DISTRICT

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**RANGER COLLEGE DISTRICT  
ORGANIZATIONAL DATA  
For the Year Ended August 31, 2021**

Board of Regents

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Officers

Jackie Stephens	Chairman
Jo Ann Greenwood	Vice Chairman
Sandi Herod	Secretary

Members

		<u>Term Expires</u>
Gay Ann Wolford	Ranger, Texas	2022
Sandi Herod	Ranger, Texas	2022
Jackie Stephens	Ranger, Texas	2022
Ron Butler	Ranger, Texas	2024
Vacant	Ranger, Texas	2024
Della Carey	Ranger, Texas	2024
Doug Crawley	Ranger, Texas	2026
Bobby Murry	Ranger, Texas	2026
Jo Ann Greenwood	Ranger, Texas	2026

Key Administrative Personnel

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Dr. Bill Campion	President
Mr. Derrick Worrels	Provisional President
Mr. Jon Dixon Bailey	Executive Vice President for Workforce Development
Ms. Gaylyn Mendoza	Senior Vice President of Financial and Administrative Services
Dr. Matt Underwood	Senior Vice President of Erath and Brown Counties
Mr. Ahmy Arca	Vice President for Student Services
Ms. Dayna Prochaska	Vice President of Instruction
Ms. Lindy Matthews	Vice President of Administrative Services
Ms. Debbie Karl	Vice President of Accreditation and Institutional Effectiveness
Ms. Stephanie Worrels	Associate Vice President - Erath County
Mr. Robert Culverhouse	Dean of Enrollment Management/Registrar
Dr. Sandra Lee	Dean of Nursing

**FINANCIAL SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Regents  
Ranger College District

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Ranger College District (the College) as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions 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 opinions.

## **Opinions**

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College as of August 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof 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, the schedule of the College's proportionate share of net pension liability, the schedule of the College's contributions for pensions, the schedule of the College's proportionate share of net OPEB liability, the schedule of the College's contributions for OPEB, and the related notes 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 opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental information and the schedule of state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The supplemental information and the 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 audit 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 supplemental information and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, on our consideration of the College'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 the College's 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 College's internal control over financial reporting and compliance.

*Snow Garrett Williams*

Snow Garrett Williams  
December 8, 2021



**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2021 and 2020**

This section of the Ranger College District's annual financial report presents management's discussion and analysis of the College's financial activity during the fiscal years ended August 31, 2021 and 2020. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

**Using This Annual Report**

The financial statements focus on the College as a whole. The statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the statement of net position is designed to be similar to bottom line results for the College.

The statement of revenues, expenses, and changes in net position focuses on both the gross costs and the net costs of the College's activities which are supported mainly by tuition and fees and by federal, state, and other revenues. This approach is intended to summarize and simplify the user's analysis of the costs of various College services to students and the public.

The final required financial statement, the statement of cash flows, reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 23 of this report.

The Ranger College Foundation, Inc. is a discretely presented component unit of the College and is reported as separate financial statements.



**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2021 and 2020**



**Financial Highlights**

The College's net position increased from August 31, 2020, to August 31, 2021 by \$722,609 and decreased from August 31, 2019, to August 31, 2020, by \$1,431,584. As of August 31, 2021 and 2020, the College's net position was \$759,013 and \$36,404, which includes \$8,180,082 and \$7,896,431 in net investment in capital assets, \$287,178 and \$287,063 in restricted net position, and (\$7,708,247) and (\$8,147,090) in unrestricted net position, respectively.

Operating expenses for fiscal years 2021 and 2020, were \$17,070,628 and \$16,914,960, of which \$5,722,110 and \$6,076,495 were expended for instruction, \$2,604,795 and \$2,720,084 were expended for institutional support, and \$2,853,825 and \$2,817,586 were expended for auxiliary enterprises, respectively. In fiscal years 2021 and 2020, depreciation expense was \$975,789 and \$838,949, respectively.

Operating revenues for fiscal years 2021 and 2020, were \$8,734,763 and \$6,901,495, which includes \$4,115,434 and \$3,454,226 in tuition and fees (net of discounts), \$1,656,684 and \$1,635,217 in auxiliary revenue (net of discounts), \$1,862,897 and \$725,666 in federal grants and contracts, and \$669,538 and \$834,602 in state grants and contracts, respectively.

Net non-operating revenues for fiscal years 2021 and 2020, were \$9,058,474 and \$8,581,881, which includes \$4,486,303 and \$4,525,503 in state allocations, \$4,302,969 and \$3,447,134 in federal grants, and \$593,844 and \$633,674 in ad-valorem taxes, respectively.



**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2021 and 2020**

**Financial Analysis of the College as a Whole**

Statement of Net Position

The statement of net position presents current assets (non-restricted assets expected to provide support within a year), non-current assets (restricted assets expected to provide long-term benefit), deferred outflows of resources, current liabilities (obligations which must be met within the current year), non-current liabilities (obligations which are not settled in the current year), and deferred inflows of resources. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are presented using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. Net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the financial position of the College. As of August 31, 2021, net position was \$759,013. This was an increase of \$722,609 from the period ended August 31, 2020. As of August 31, 2020, the net position was \$36,404. This was a decrease of \$1,431,584 from the period ended August 31, 2019.

**Net Position**  
**As of August 31,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current Assets	\$ 9,032,289	\$ 7,473,052	\$ 8,726,774
Non-current Assets			
Capital Assets, Net of Depreciation	22,713,508	23,131,105	22,476,690
Other	<u>287,178</u>	<u>287,063</u>	<u>1,067,044</u>
Total Assets	<u>32,032,975</u>	<u>30,891,220</u>	<u>32,270,508</u>
Deferred Outflows of Resources	<u>3,567,210</u>	<u>4,188,128</u>	<u>4,141,513</u>
Current Liabilities	7,320,329	6,953,399	6,843,485
Non-current Liabilities	<u>24,901,556</u>	<u>25,558,957</u>	<u>24,995,640</u>
Total Liabilities	<u>32,221,885</u>	<u>32,512,356</u>	<u>31,839,125</u>
Deferred Inflows of Resources	<u>2,619,287</u>	<u>2,530,588</u>	<u>3,104,908</u>
Net Position			
Net Investment in Capital Assets	8,180,082	7,896,431	7,339,501
Restricted for: Expendable	287,178	287,063	286,933
Unrestricted	<u>(7,708,247)</u>	<u>(8,147,090)</u>	<u>(6,158,446)</u>
Total Net Position	<u>\$ 759,013</u>	<u>\$ 36,404</u>	<u>\$ 1,467,988</u>

**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2021 and 2020**

Investment in capital assets (e.g., land, building and improvements, land improvements, leasehold improvements, library books, and vehicles and equipment) less any related debt used to acquire those assets that is still outstanding was \$8,180,082 and \$7,896,431 at August 31, 2021 and 2020, respectively. The College uses these assets to provide services to the students; consequently, they are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At August 31, 2021 and 2020, an additional \$287,178 and \$287,063, respectively, of the College's net position represents resources that are subject to external restrictions on how they may be used. All restricted net position of the College is being held for debt service. The remaining portion of the College's net position at August 31, 2021 and 2020, is (\$7,708,247) and (\$8,147,090), respectively.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as the non-operating revenue and expenses. Operating revenues are primarily those that result directly from instruction, the operation of the College's auxiliary services (cafeteria, dormitories, bookstore, etc.) and Federal, State, and local grants. State allocations and property tax receipts, while budgeted for operations, are considered non-operating revenues and depreciation is shown in operating expenses according to accounting principles generally accepted in the United States of America.

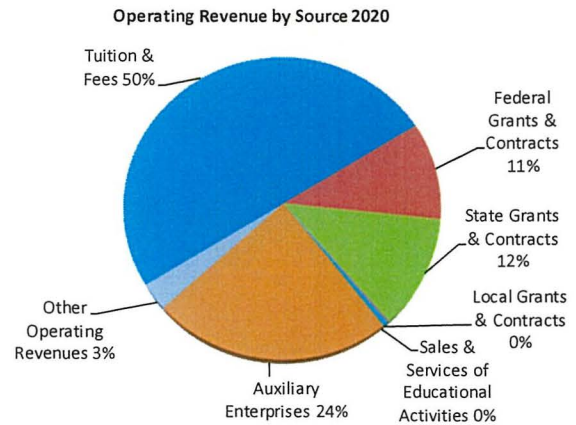
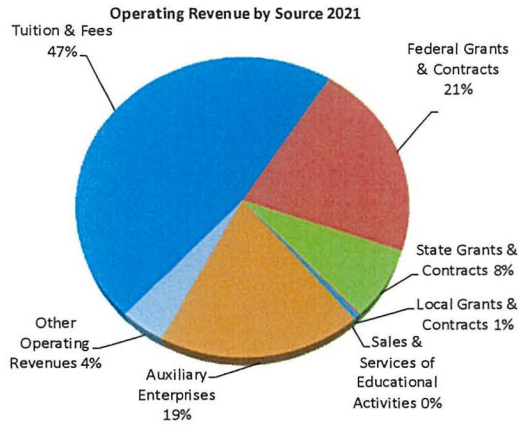


**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2021 and 2020**

**Operating Results for the Years Ended**  
**August 31,**

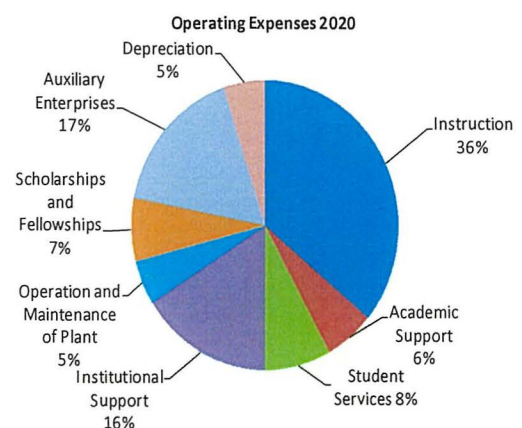
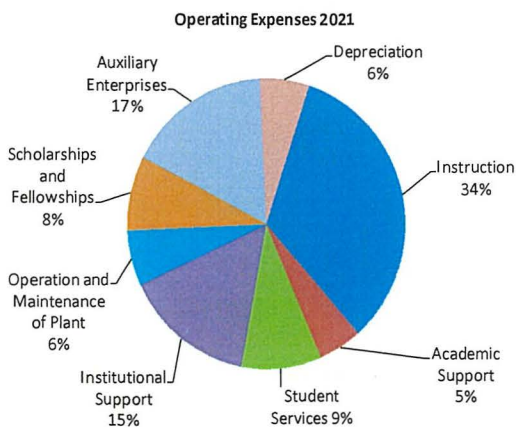
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues			
Tuition and Fees (Less Discounts)	\$ 4,115,434	\$ 3,454,226	\$ 3,088,372
Federal Grants and Contracts	1,862,897	725,666	680,079
State Grants and Contracts	669,538	834,602	599,827
Local Grants and Contracts	32,363	15,000	20,159
Sales and Services of Educational Activities	29,663	31,573	37,378
Auxiliary Enterprises (Less Discounts)	1,656,684	1,635,217	1,712,538
Other Operating Revenues	368,184	205,211	188,263
Total Operating Revenues	<u>8,734,763</u>	<u>6,901,495</u>	<u>6,326,616</u>
Less Operating Expenses	<u>17,070,628</u>	<u>16,914,960</u>	<u>15,430,598</u>
Net Operating Loss	<u>(8,335,865)</u>	<u>(10,013,465)</u>	<u>(9,103,982)</u>
Non-Operating Revenues (Expenses)			
State Allocations	4,486,303	4,525,503	4,519,833
Ad-Valorem Taxes for Maintenance and Operations	28,036	28,416	34,736
Ad-Valorem Taxes for Debt Service	565,808	605,258	592,787
Federal Revenue, Non-Operating	4,302,969	3,447,134	3,259,990
Gifts	191,185	642,018	264,249
Investment Income (Net of Investment Expense)	1,964	34,679	157,633
Interest on Capital Related Debt	(517,791)	(539,454)	(193,562)
Gain/(Loss) on Disposal of Capital Assets	-	(161,673)	1,000
Total Non-Operating Revenues (Expenses)	<u>9,058,474</u>	<u>8,581,881</u>	<u>8,636,666</u>
Change in Net Position	722,609	(1,431,584)	(467,316)
Net Position, Beginning of Year	<u>36,404</u>	<u>1,467,988</u>	<u>1,935,304</u>
Net Position, End of Year	<u>\$ 759,013</u>	<u>\$ 36,404</u>	<u>\$ 1,467,988</u>
Total Revenues	<u>\$ 18,311,028</u>	<u>\$ 16,184,503</u>	<u>\$ 15,155,844</u>

# RANGER COLLEGE DISTRICT Management's Discussion and Analysis August 31, 2021 and 2020



## Operating Expenses For the Years Ended August 31,

	2021	2020	2019
Instruction	\$ 5,722,110	\$ 6,076,495	\$ 4,896,638
Academic Support	867,595	947,271	873,114
Student Services	1,584,921	1,382,658	1,488,501
Institutional Support	2,604,795	2,720,084	2,558,985
Operation and Maintenance of Plant	1,052,494	947,249	801,694
Scholarships and Fellowships	1,409,099	1,184,668	872,357
Auxiliary Enterprises	2,853,825	2,817,586	3,230,275
Depreciation	975,789	838,949	709,034
<b>Total</b>	<b>\$ 17,070,628</b>	<b>\$ 16,914,960</b>	<b>\$ 15,430,598</b>
<b>Total Expenses (Including Non-Operating Expenses)</b>	<b>\$ 17,588,419</b>	<b>\$ 17,454,414</b>	<b>\$ 15,624,160</b>



**RANGER COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2021 and 2020**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The College's investment in total capital assets as of August 31, 2021 and 2020, amounts to \$22,713,508 and \$23,131,105, respectively, (net of accumulated depreciation). Investments in capital assets include land, construction in progress, buildings and improvements, land improvements, leasehold improvements, library books, and vehicles and equipment.



**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2021 and 2020**

Major capital asset events during the 2021 fiscal year include the following:

- Baseball field improvements;
- Purchase of a soccer scoreboard;
- Purchase of welders paid for with Perkins grant funds;
- Robotics equipment paid for with JET grant funds;
- Nursing equipment paid for with NIGP grant funds.

Major capital asset events during the 2020 fiscal year include the following:

- Continued construction at the Ranger campus;
- Renovation of Meyerson Buildings;
- Equipment paid for with JET grant funds;
- Mechatronics Trainer purchased with grant funds; and
- Purchase of a baseball scoreboard.

<b>Capital Assets, Net</b>			
<b>August 31,</b>			
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Capital Assets			
Land	\$ 764,848	\$ 764,848	\$ 764,848
Construction in Progress	271,063	182,291	10,343,390
Building and Improvements	23,165,043	23,128,628	13,063,211
Land Improvements	2,102,244	2,069,339	704,742
Leasehold Improvements	792,940	792,940	792,940
Library Books	165,493	165,493	165,493
Vehicles and Equipment	3,251,007	2,850,907	3,079,974
Total	30,512,638	29,954,446	28,914,598
Less Accumulated Depreciation	(7,799,130)	(6,823,341)	(6,437,908)
Net Capital Assets	<u>\$ 22,713,508</u>	<u>\$ 23,131,105</u>	<u>\$ 22,476,690</u>

Additional information on the College's capital assets can be found in Note 5 of this report.

**Long-term debt.** At August 31, 2021 and 2020, the College had total debt outstanding, which represents bonds payable of \$13,032,884 and \$13,587,133, respectively, and notes payable of \$1,500,542 and \$1,647,541, respectively. The College's total long-term liabilities decreased by a net amount of \$734,017 during the fiscal year ending August 31, 2021 due to regularly scheduled payments. The College's total long-term liabilities decreased by a net amount of \$682,626 during the fiscal year ending August 31, 2020 due to regularly scheduled payments.

Additional information on the College's long-term debt can be found in Notes 6 and 7 of this report.



**RANGER COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2021 and 2020**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Regents adopted the College's 2021 – 2022 budget and tax rate on August 30, 2021. The annual budget is developed to provide efficient, effective, and economic uses of the College's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the Board of Regents sets the direction of the College, allocates its resources, and establishes its priorities.

In considering the College budget for fiscal year 2022, the Board of Regents and management considered the following factors:

- Startup costs for adding our Automotive program and Drone course.
- Continuing resources for expanding dual credit enrollment to bring college success at the high school level.
- Continuing resources for expanding welding, machining, and emergency medical technicians' programs.
- Increased expenditures related additional needs in technology and supplies to better equip and continue to maintain a safe and healthy environment for our students, faculty, and staff.
- Increased employee benefits due to increase in faculty and staff, state regulated retirement rates, and OPEB / pension expenses related to GASB pronouncements.
- Increased depreciation expense due to the addition of equipment, vehicles, and improvement to buildings and fields.

The COVID-19 pandemic has created many challenges for the College when estimating enrollment, budget, and overall operations. The College expects that COVID-19 may have the following financial impacts:

- Possible increase in revenue due to expending all of the remaining CRRSAA and ARP federal funding; and
- Possible increases in expenses for virtual learning, campus safety and security, and additional cleaning expenses. However, claiming lost revenue due to decreases in enrollment are not considered grant expenditures.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Ranger College District's finances and to show the College's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Senior Vice President of Financial and Administrative Services at 1240 College Circle, Ranger, Texas 76470.

**RANGER COLLEGE DISTRICT**  
**Statements of Net Position**  
**August 31, 2021 and 2020**

**EXHIBIT 1**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 3,727,039	\$ 2,670,893
Accounts Receivable (net)	5,206,746	4,696,366
Inventories	64,917	30,820
Prepaid Expenses	32,837	49,223
Deposits	750	25,750
<b>Total Current Assets</b>	<b>9,032,289</b>	<b>7,473,052</b>
<b>Non-Current Assets</b>		
Restricted Cash and Cash Equivalents	287,178	287,063
Capital Assets, net of Accumulated Depreciation (See Note 5)	22,713,508	23,131,105
<b>Total Non-Current Assets</b>	<b>23,000,686</b>	<b>23,418,168</b>
<b>Total Assets</b>	<b>32,032,975</b>	<b>30,891,220</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pensions	1,140,708	1,467,493
Deferred Outflows Related to OPEB	2,426,502	2,720,635
<b>Total Deferred Outflows of Resources</b>	<b>3,567,210</b>	<b>4,188,128</b>

**RANGER COLLEGE DISTRICT**  
**Statements of Net Position**  
**August 31, 2021 and 2020**

**EXHIBIT 1**

	<b>2021</b>	<b>2020</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 642,782	\$ 439,633
Accrued Liabilities	447,516	440,849
Accrued Compensable Absences - Current Portion	127,725	133,613
Funds Held for Others	21,927	23,620
Unearned Revenue	5,174,391	4,938,968
Notes Payable - Current Portion	149,960	146,998
Bonds Payable - Current Portion	562,000	554,249
Net OPEB Liability - Current Portion	194,028	275,469
	<b>7,320,329</b>	<b>6,953,399</b>
<b>Total Current Liabilities</b>		
<b>Non-Current Liabilities</b>		
Accrued Compensable Absences	28,668	25,127
Notes Payable	1,350,582	1,500,543
Bonds Payable	12,470,884	13,032,884
Net Pension Liability	2,631,165	2,584,469
Net OPEB Liability	8,420,257	8,415,934
	<b>24,901,556</b>	<b>25,558,957</b>
<b>Total Non-Current Liabilities</b>		
	<b>32,221,885</b>	<b>32,512,356</b>
<b>Total Liabilities</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows Related to Pensions	426,353	567,041
Deferred Inflows Related to OPEB	2,192,934	1,963,547
	<b>2,619,287</b>	<b>2,530,588</b>
<b>Total Deferred Inflows of Resources</b>		
<b>NET POSITION</b>		
Net Investment in Capital Assets	8,180,082	7,896,431
Restricted for:		
Expendable		
Debt Service	287,178	287,063
Unrestricted	(7,708,247)	(8,147,090)
	<b>\$ 759,013</b>	<b>\$ 36,404</b>
<b>Total Net Position (Schedule D)</b>		

**RANGER COLLEGE DISTRICT  
Component Unit  
Statement of Financial Position  
August 31, 2021**

**EXHIBIT 1**

	<u>Ranger College Foundation, Inc.</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 225,354
Investments	2,625,240
Accounts Receivable	<u>2,519</u>
<b>Total Current Assets</b>	<u>2,853,113</u>
<b>Non-Current Assets</b>	
Land	<u>8,500</u>
<b>Total Non-Current Assets</b>	<u>8,500</u>
<b>Total Assets</b>	<u>2,861,613</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Notes Payable - Current Portion	<u>135,000</u>
<b>Total Current Liabilities</b>	<u>135,000</u>
<b>Non-Current Liabilities</b>	
Notes Payable	<u>130,000</u>
<b>Total Non-Current Liabilities</b>	<u>130,000</u>
<b>Total Liabilities</b>	<u>265,000</u>
<b>NET ASSETS</b>	
Without Donor Restriction	2,551,613
With Donor Restriction	<u>45,000</u>
<b>Total Net Assets</b>	<u><u>\$ 2,596,613</u></u>

**RANGER COLLEGE DISTRICT**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2021 and 2020**

**EXHIBIT 2**

	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>		
<b>Operating Revenues</b>		
Tuition and Fees (Net of Discounts of \$3,963,425 and \$3,578,511, respectively)	\$ 4,115,434	\$ 3,454,226
Federal Grants and Contracts	1,862,897	725,666
State Grants and Contracts	669,538	834,602
Non-Governmental Grants and Contracts	32,363	15,000
Sales and Services of Educational Activities	29,663	31,573
Auxiliary Enterprises (Net of Discounts of \$1,123,052 and \$1,043,464, respectively)	1,656,684	1,635,217
Other Operating Revenues	368,184	205,211
<b>Total Operating Revenues (Schedule A)</b>	<b>8,734,763</b>	<b>6,901,495</b>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Instruction	5,722,110	6,076,495
Academic Support	867,595	947,271
Student Services	1,584,921	1,382,658
Institutional Support	2,604,795	2,720,084
Operation and Maintenance of Plant	1,052,494	947,249
Scholarships and Fellowships	1,409,099	1,184,668
Auxiliary Enterprises	2,853,825	2,817,586
Depreciation	975,789	838,949
<b>Total Operating Expenses (Schedule B)</b>	<b>17,070,628</b>	<b>16,914,960</b>
<b>Operating Loss</b>	<b>(8,335,865)</b>	<b>(10,013,465)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State Appropriations	4,486,303	4,525,503
Maintenance Ad Valorem Taxes	28,036	28,416
Debt Service Ad Valorem Taxes	565,808	605,258
Federal Revenue, Non-Operating	4,302,969	3,447,134
Gifts	191,185	642,018
Investment Income	1,964	34,679
Interest on Capital Related Debt	(517,791)	(539,454)
Loss on Disposal of Capital Assets	-	(161,673)
<b>Net Non-Operating Revenues (Expenses) (Schedule C)</b>	<b>9,058,474</b>	<b>8,581,881</b>
<b>Change in Net Position</b>	<b>722,609</b>	<b>(1,431,584)</b>
<b>NET POSITION</b>		
Net Position - Beginning of Year	36,404	1,467,988
Net Position - End of Year	<b>\$ 759,013</b>	<b>\$ 36,404</b>

**RANGER COLLEGE DISTRICT  
Component Unit  
Statement of Activities  
For the Year Ended August 31, 2021**

**EXHIBIT 2**

	<u>Ranger College Foundation, Inc.</u>
<b>REVENUE</b>	
Contributions	\$ 130,955
Interest and Dividends	17
Gain on Investments	<u>409,965</u>
<b>Total Revenue</b>	<u>540,937</u>
<b>EXPENSES</b>	
Interest	8,021
Contributions to Ranger College	93,986
Salaries and Payroll Taxes	12,918
Supplies	<u>1,607</u>
<b>Total Expenses</b>	<u>116,532</u>
<b>Change in Net Assets</b>	424,405
Net Assets - Beginning of Year	<u>2,172,208</u>
Net Assets - End of Year	<u><u>\$ 2,596,613</u></u>

**RANGER COLLEGE DISTRICT**  
**Statements of Cash Flows**  
**For the Years Ended August 31, 2021 and 2020**

**EXHIBIT 3**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Students and Other Customers	\$ 6,496,229	\$ 5,711,271
Receipts from Grants and Contracts	2,600,507	1,436,999
Payments to or on Behalf of Employees	(7,481,026)	(7,997,197)
Payments to Suppliers for Goods or Services	(6,111,401)	(6,466,154)
Payments of Scholarships	(1,409,099)	(1,184,668)
Other receipts (payments)	368,184	205,211
	<b>(5,536,606)</b>	<b>(8,294,538)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from State Appropriations	3,900,072	3,900,985
Receipts from Maintenance Ad Valorem Taxes	31,618	40,257
Receipts from Non-Operating Federal Revenue	3,686,427	3,390,938
Receipts from Gifts and Grants (Other Than Capital)	191,185	642,018
Receipts from (Payments to) Student Organizations and Other Agency Transactions	(1,693)	23,620
	<b>7,807,609</b>	<b>7,997,818</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from Sale of Capital Assets	-	116,239
Receipts from Debt Service Ad Valorem Taxes	562,580	593,678
Purchases of Capital Assets	(558,192)	(1,771,276)
Payments on Capital Debt - Principal	(687,999)	(669,095)
Payments on Capital Debt - Interest	(533,095)	(554,893)
	<b>(1,216,706)</b>	<b>(2,285,347)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from Investment Earnings	1,964	34,679
	<b>1,964</b>	<b>34,679</b>
<b>Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>1,056,261</b>	<b>(2,547,388)</b>
<b>Cash and Cash Equivalents - September 1</b>	<b>2,957,956</b>	<b>5,505,344</b>
<b>Cash and Cash Equivalents - August 31</b>	<b>\$ 4,014,217</b>	<b>\$ 2,957,956</b>

**RANGER COLLEGE DISTRICT**  
**Statements of Cash Flows**  
**For the Years Ended August 31, 2021 and 2020**

**EXHIBIT 3**

	<b>2021</b>	<b>2020</b>
<b>Reconciliation to Exhibit 1:</b>		
Cash and Cash Equivalents	\$ 3,727,039	\$ 2,670,893
Restricted Cash and Cash Equivalents	287,178	287,063
<b>Total Cash and Cash Equivalents</b>	<b>\$ 4,014,217</b>	<b>\$ 2,957,956</b>
 <b>Reconciliation of Operating Loss to Net Cash Used By Operating Activities:</b>		
Operating Loss	\$ (7,717,226)	\$ (10,013,465)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	975,789	838,949
Bad Debt Expense	388,926	467,836
Payments Made Directly by State for Benefits	586,231	624,518
Changes in Assets and Liabilities:		
Receivables, Net	(901,757)	(885,311)
Inventories	(34,097)	(19,340)
Prepaid Expenses	41,386	(20,935)
Deferred Outflows of Resources	620,918	(46,615)
Accounts Payable	203,149	(484,921)
Accrued Liabilities	8,722	(23,499)
Unearned Revenue	235,423	401,625
Net Pension Liability	46,696	(32,001)
Net OPEB Liability	(77,118)	1,456,471
Compensable Absences	(2,347)	16,470
Deferred Inflows of Resources	88,699	(574,320)
<b>Net Cash Used By Operating Activities</b>	<b>\$ (5,536,606)</b>	<b>\$ (8,294,538)</b>



**NOTES TO THE  
FINANCIAL STATEMENTS**

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**1. REPORTING ENTITY**

Ranger College District (the College) was established in 1926, in accordance with the laws of the State of Texas, to serve the educational needs of Ranger and the surrounding communities. The College is considered a special-purpose, primary government according to the definition in the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This section provides a summary of the College's significant accounting activities and other topics related to the College's financial reporting.

Reporting Guidelines

The significant accounting policies followed by the College 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 College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities (BTA).

Tuition Discounting

*Texas Public Education Grants (TPEG)*

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

*Title IV, Higher Education Act (HEA) Program Funds*

Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

*Other Tuition Discounts*

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

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis, whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

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 College's Board of Regents 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

For the purpose of cash flows, the College considers cash and cash equivalents as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Deferred Outflows

In addition to assets, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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 then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by the GASB. The College has deferred outflows related to the pension plan, see additional information in Note 8, and other post-employment benefits, see additional information in Note 11.

Non-Current Cash and Investments

Non-current cash and cash equivalents are set aside and classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts and their use is limited to obligations, such as, scholarships, grant requirements, revenue bonds, and construction.

Inventories

Inventories consist of property held for sale and livestock. Inventories are valued at the lower of cost or market and are charged to expense as consumed.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

The College records capital assets at cost at the date of acquisition or fair value at the date of donation. For equipment, the College'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. The College capitalizes renovations of \$5,000 to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure. The College charges costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives 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 land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles, and other equipment, and 5 years for telecommunications and peripheral equipment.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer, cost-sharing, defined benefit pension plan with a special funding situation. The fiduciary net position of TRS 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 pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS' 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 fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) 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 SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Unearned Revenues

Revenues, primarily consisting of tuition, fees, meal charges, and resident hall charges, related to academic terms in the next fiscal year are recorded on the Statement of Net Position as unearned revenue in the current fiscal year. Tuition and fees of \$4,218,908 and \$4,519,953 and federal and state grants of \$955,483 and \$419,015 have been reported as unearned revenue at August 31, 2021 and 2020, respectively.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Bonds Payable

Bonds payable are reported net of applicable bond premium, which is deferred and amortized using the effective interest method.

Deferred Inflows

In addition to liabilities, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 permitted only to report deferred inflows in circumstances specifically authorized by the GASB. The College has deferred inflows related to the pension plan, see additional information in Note 8, and other post-employment benefits, see additional information in Note 11.

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, the College is aware that actual results could differ from those estimates.

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of the bookstore and food service is not performed by the College.

Application of Restricted and Unrestricted Resources

The College's policy is to first apply an expense against restricted resources then towards unrestricted resources, when both are available to pay an expense.

New Accounting Pronouncement

During the year ended August 31, 2021, the College implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. There were no changes to the methods of recording or reporting College activities as a result of this implementation.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**3. AUTHORIZED INVESTMENTS**

The College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001, Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than "A" by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

**4. DEPOSITS AND INVESTMENTS**

The College's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by the College's Board. The Investment Policy includes a list of authorized investment instruments. These include, with certain restrictions, (1) certificates of deposit, (2) U.S. Treasury Bills and Notes, and (3) investment pools. No other investments shall be made without approval of a majority of the Board of Regents.

**Cash and Deposits**

Cash and Cash Equivalents reported on Exhibit 1, Statements of Net Position, consist of the items reported below:

	August 31,	
	2021	2020
Bank Deposits with Financial Institutions	\$ 4,011,617	\$ 2,955,356
Petty Cash	2,600	2,600
Total Cash and Cash Equivalents	\$ 4,014,217	\$ 2,957,956

Interest Rate Risk – In accordance with the College's investment policy, the College does not purchase any securities with maturities greater than one year, unless reserve funds are necessary to match anticipated cash flow requirements. As of August 31, 2021 and 2020, the College had no investments and was not exposed to interest rate risk.

Credit Risk – The College has no formal policy addressing credit risk. However, the safety of principal is the primary objective of the College's investment policy. As of August 31, 2021 and 2020, the College had no investments and was not exposed to credit risk.

Concentration of Credit Risk – The College does not place a limit on the amount that may be invested in any one issue. As of August 31, 2021 and 2020, the College had no investments and was not exposed to concentration of credit risk.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the College's name. At August 31, 2021 and 2020, the College's cash and cash equivalents were not exposed to custodial credit risk.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**4. DEPOSITS AND INVESTMENTS (Continued)**

**Reconciliation of Deposits and Investments between Note 4 and Exhibit 1 for Primary Government:**

	August 31,	
	2021	2020
Per Note 4:		
Cash and Cash Equivalents	\$ 4,014,217	\$ 2,957,956
Total Deposits and Investments	\$ 4,014,217	\$ 2,957,956
Per Exhibit 1:		
Cash and Cash Equivalents	\$ 3,727,039	\$ 2,670,893
Restricted Cash and Cash Equivalents	287,178	287,063
Total Deposits and Investments	\$ 4,014,217	\$ 2,957,956

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**5. CAPITAL ASSETS**

Capital assets activity for the year ended August 31, 2021 was as follows:

	Balance 9/1/2020	Increases	Decreases	Balance 8/31/2021
<u>Not Depreciated:</u>				
Land	\$ 764,848	\$ -	\$ -	\$ 764,848
Construction in Progress	182,291	131,647	42,875	271,063
Subtotal	947,139	131,647	42,875	1,035,911
<u>Other Capital Assets:</u>				
Buildings and Improvements	23,128,628	36,415	-	23,165,043
Land Improvements	2,069,339	32,905	-	2,102,244
Leasehold Improvements	792,940	-	-	792,940
Library Books	165,493	-	-	165,493
Vehicles and Equipment	2,850,907	400,100	-	3,251,007
Subtotal	29,007,307	469,420	-	29,476,727
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	4,132,828	631,098	-	4,763,926
Land Improvements	397,554	60,990	-	458,544
Leasehold Improvements	743,540	24,570	-	768,110
Library Books	152,987	1,192	-	154,179
Vehicles and Equipment	1,396,432	257,939	-	1,654,371
Subtotal	6,823,341	975,789	-	7,799,130
Net Other Capital Assets	22,183,966	(506,369)	-	21,677,597
Net Capital Assets	<u>\$ 23,131,105</u>	<u>\$ (374,722)</u>	<u>\$ 42,875</u>	<u>\$ 22,713,508</u>



**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**5. CAPITAL ASSETS (Continued)**

Capital assets activity for the year ended August 31, 2020 was as follows:

	Balance 9/1/2019	Increases	Decreases	Balance 8/31/2020
<u>Not Depreciated:</u>				
Land	\$ 764,848	\$ -	\$ -	\$ 764,848
Construction in Progress	10,343,390	1,544,537	11,705,636	182,291
Subtotal	11,108,238	1,544,537	11,705,636	947,139
<u>Other Capital Assets:</u>				
Buildings and Improvements	13,063,211	10,406,060	340,643	23,128,628
Land Improvements	704,742	1,364,597	-	2,069,339
Leasehold Improvements	792,940	-	-	792,940
Library Books	165,493	-	-	165,493
Vehicles and Equipment	3,079,974	161,718	390,785	2,850,907
Subtotal	17,806,360	11,932,375	731,428	29,007,307
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	3,672,822	525,626	65,620	4,132,828
Land Improvements	355,330	42,224	-	397,554
Leasehold Improvements	720,031	23,509	-	743,540
Library Books	151,544	1,443	-	152,987
Vehicles and Equipment	1,538,181	246,147	387,896	1,396,432
Subtotal	6,437,908	838,949	453,516	6,823,341
Net Other Capital Assets	11,368,452	11,093,426	277,912	22,183,966
Net Capital Assets	<u>\$ 22,476,690</u>	<u>\$ 12,637,963</u>	<u>\$ 11,983,548</u>	<u>\$ 23,131,105</u>

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**6. NON-CURRENT LIABILITIES**

Non-current liability activity for the years ended August 31, 2021 and 2020 was as follows:

	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021	Current Portion
Revenue Bonds Payable	\$ 4,109,000	\$ -	\$ 326,000	\$ 3,783,000	\$ 337,000
Limited Tax Bonds Payable	9,270,000	-	215,000	9,055,000	225,000
Bond Premium	208,133	-	13,249	194,884	12,918
Note Payable - Direct Borrowings	1,647,541	-	146,999	1,500,542	149,960
Net Pension Liability	2,584,469	285,845	239,149	2,631,165	N/A
Net OPEB Liability	8,691,403	373,530	450,648	8,614,285	194,028
Accrued Compensable Absences	158,740	81,210	83,557	156,393	127,725
<b>Total Long-Term Liabilities</b>	<b>\$ 26,669,286</b>	<b>\$ 740,585</b>	<b>\$ 1,474,602</b>	<b>\$ 25,935,269</b>	<b>\$ 1,046,631</b>

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
Revenue Bonds Payable	\$ 4,424,000	\$ -	\$ 315,000	\$ 4,109,000	\$ 326,000
Limited Tax Bonds Payable	9,480,000	-	210,000	9,270,000	215,000
Bond Premium	221,664	-	13,531	208,133	13,249
Note Payable - Direct Borrowings	1,791,636	-	144,095	1,647,541	146,998
Net Pension Liability	2,616,470	494,336	526,337	2,584,469	N/A
Net OPEB Liability	7,234,932	1,562,829	106,358	8,691,403	275,469
Accrued Compensable Absences	142,270	58,603	42,133	158,740	133,613
<b>Total Long-Term Liabilities</b>	<b>\$ 25,910,972</b>	<b>\$ 2,115,768</b>	<b>\$ 1,357,454</b>	<b>\$ 26,669,286</b>	<b>\$ 1,110,329</b>

**7. DEBT OBLIGATIONS**

General information related to bonds payable and note payable is summarized below:

Revenue Bonds

- Combined Fee Revenue Bond, Series 2013.
- To purchase and renovate a building in Stephenville to be used for instruction.
- Issued May 15, 2013.
- Original balance of \$3,000,000 is payable in thirty semi-annual installments varying from \$160,000 to \$243,000, which includes interest at a rate of 2.95%.
- Final installment is due June 1, 2028.
- Source of revenue for debt service – tuition and fees.
- Outstanding principal balance of \$1,563,000 and \$1,762,000 at August 31, 2021 and 2020, respectively.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**7. DEBT OBLIGATIONS (Continued)**

Revenue Bonds

- Combined Fee Revenue Bond, Series 2014.
- To purchase and renovate a building in Stephenville to be used for instruction.
- Issued July 1, 2014.
- Original balance of \$3,000,000 is payable in forty semi-annual installments varying from \$88,000 to \$215,000, which includes interest at a rate of 4.1%.
- Final installment is due August 15, 2034.
- Source of revenue for debt service – tuition and fees.
- Outstanding principal balance of \$2,220,000 and \$2,347,000 at August 31, 2021 and 2020, respectively.

Limited Tax Bonds

- Limited Tax Bond, Series 2017.
- To renovate, construct, and equip school buildings and pay the costs of issuing the bonds.
- Issued March 1, 2017.
- Original balance of \$9,745,000 is payable in fifty-seven semi-annual installments varying from \$65,000 to \$560,000, which includes interest rates from 2% to 4%.
- Final installment is due February 15, 2046.
- Source of revenue for debt service – assessment of property taxes.
- Outstanding principal balance of \$9,055,000 and \$9,270,000 at August 31, 2021 and 2020, respectively.

Note Payable from Direct Borrowings - State Energy Conservation Office (SECO)

- To fund Energy Conservation Measures.
- Original loan date – December 8, 2016.
- Total available draw down was \$1,968,046, which was drawn down during the fiscal years ending August 31, 2017 and 2018.
- Payable in accordance with the terms of the Loan Payment Schedule with quarterly installments of \$44,975 starting August 31, 2018 through February 28, 2031.
- Interest accrues at a rate of 2% from the date of the borrowing.
- Source of revenue for debt service – unrestricted revenue.
- Outstanding principal balance of \$1,500,542 and \$1,647,541 at August 31, 2021 and 2020, respectively.
- The above note payable from direct borrowings contains a provision that in the event of default, outstanding amounts become immediately due if the College is unable to make payment. Additionally, if the College fails to repay the loan within 90 days after the declaration of default, SECO may recommend that the Legislative Budget Board reduce state appropriations by the total outstanding amount due under the agreement.

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**7. DEBT OBLIGATIONS (Continued)**

The principal and interest expense requirements for the next five years and beyond are summarized below for the debt issued.

Year Ended August 31,	Revenue Bonds Payable			Limited Tax Bonds Payable			Amortization of Bond Premium
	Bonds Principal	Interest	Total	Bonds Principal	Interest	Total	
2022	\$ 337,000	\$ 137,128	\$ 474,128	\$ 225,000	\$ 343,775	\$ 568,775	\$ 12,918
2023	348,000	125,658	473,658	235,000	334,575	569,575	12,572
2024	361,000	113,806	474,806	245,000	326,813	571,813	12,282
2025	373,000	101,499	474,499	250,000	320,625	570,625	12,050
2026	386,000	88,771	474,771	255,000	313,994	568,994	11,801
2027 - 2031	1,359,000	259,299	1,618,299	1,415,000	1,430,043	2,845,043	53,724
2032 - 2036	619,000	51,453	670,453	1,730,000	1,118,600	2,848,600	42,001
2037 - 2041	-	-	-	2,110,000	735,600	2,845,600	27,592
2042 - 2046	-	-	-	2,590,000	266,800	2,856,800	9,944
<b>Total</b>	<b>\$ 3,783,000</b>	<b>\$ 877,614</b>	<b>\$ 4,660,614</b>	<b>\$ 9,055,000</b>	<b>\$ 5,190,825</b>	<b>\$ 14,245,825</b>	<b>\$ 194,884</b>

Year Ended August 31,	Note Payable - Direct Borrowings		
	Note Principal	Interest	Total
2022	\$ 149,960	\$ 29,940	\$ 179,900
2023	152,982	26,918	179,900
2024	156,065	23,835	179,900
2025	159,210	20,690	179,900
2026	162,418	17,482	179,900
2027 - 2031	719,907	36,981	756,888
<b>Total</b>	<b>\$ 1,500,542</b>	<b>\$ 155,846</b>	<b>\$ 1,656,388</b>

**8. EMPLOYEES' RETIREMENT PLANS**

Teacher Retirement System of Texas - Defined Benefit Pension Plan

***Plan Description***

The College participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan 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.

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**8. EMPLOYEES' RETIREMENT PLANS (Continued)**

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload 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***

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/aboutpublications.aspx>; 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 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 (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' 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. Actuarial implications of the funding provided in the manner are determined by the TRS's actuary.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

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**8. EMPLOYEES' RETIREMENT PLANS (Continued)**

***Contributions***

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution, which requires the Texas Legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year.

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

	<u>Contribution Rates</u>	
	<u>Fiscal Years</u>	
	<u>2021</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE) - State	7.5%	7.5%
Employers	7.5%	7.5%

<u>Fiscal Year 2021</u>	
College Contributions	\$ 202,701
Member Contributions	\$ 327,386
State of Texas (NECE) On-behalf Contributions	\$ 128,097

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools, and State agencies including TRS. In each respective role, the State contributes to the plan in accordance with State statutes and the General Appropriations Act (GAA).

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

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**8. EMPLOYEES' RETIREMENT PLANS (Continued)**

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- 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 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

***Actuarial Assumptions***

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020*	2.33%
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

\* 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."

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 14, 2019.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
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**8. EMPLOYEES' RETIREMENT PLANS (Continued)**

***Discount Rate***

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the TRS's target asset allocation as of August 31, 2020 are summarized below:



**RANGER COLLEGE DISTRICT**  
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**8. EMPLOYEES' RETIREMENT PLANS (Continued)**

**Asset Allocation and Long-Term Expected Rate of Return**

<u>Asset Class</u>	<u>Target Allocation %*</u>	<u>Long-Term Expected Geometric Real Rate of Return**</u>	<u>Expected Contribution to Long-Term Portfolio Returns</u>
<b>Global Equity</b>			
USA	18.0%	3.9%	0.99%
Non-U.S. Developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
<b>Stable Value</b>			
Government Bonds	16.0%	-0.7%	-0.05%
Absolute Return (including Credit Sensitive Investments)	0.0%	1.8%	0.00%
Stable Value Hedge Funds	5.0%	1.9%	0.11%
<b>Real Return</b>			
Real Estate	15.0%	4.6%	1.02%
Energy, Natural Resources, and Infrastructure	6.0%	6.0%	0.42%
Commodities	0.0%	0.8%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.0%	3.0%	0.30%
<b>Asset Allocation Leverage</b>			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
<b>Expected Return</b>	<b>100.00%</b>		<b>7.33%</b>

\* Target allocations are based on the FY 2020 policy model.

\*\* Capital Market Assumptions come from AON Hewitt (as of 08/31/2020).

\*\*\* The volatility drag results from the conversion between arithmetic and geometric mean returns.

**RANGER COLLEGE DISTRICT**  
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**8. EMPLOYEES' RETIREMENT PLANS (Continued)**

***Discount Rate Sensitivity Analysis***

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's proportionate share of the net pension liability:	\$4,057,207	\$2,631,165	\$1,472,534

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

At the fiscal year ended August 31, 2021, the College reported a liability of \$2,631,165 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College 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 College were as follows:

College's proportionate share of the collective net pension liability	\$ 2,631,165
State's proportionate share that is associated with the College	<u>1,662,766</u>
<b>Total</b>	<b><u>\$ 4,293,931</u></b>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the College's proportion of the collective net pension liability was 0.0049127 percent, which was a decrease of 1.1859 percent from its proportion measured as of August 31, 2019.

**Changes Since the Prior Actuarial Valuation**

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

For the fiscal year ended August 31, 2021, the College recognized pension expense of \$128,097 and revenue of \$128,097 for support provided by the State.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
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**8. EMPLOYEES' RETIREMENT PLANS (Continued)**

At August 31, 2021, the College reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 4,804	\$ 73,429
Changes in actuarial assumptions	610,524	259,590
Difference between projected and actual investment earnings	117,212	63,946
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	234,779	29,388
Contributions paid to TRS after the measurement date	173,389	-
Total	\$ 1,140,708	\$ 426,353

The net amounts of the College's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year ended August 31:	Pension Expense Amount
2022	\$ 115,363
2023	205,505
2024	186,550
2025	60,268
2026	(24,911)
Thereafter	(1,809)

Optional Retirement Plan - Defined Contribution Plan

***Plan Description***

Participation in the Optional Retirement Program is in lieu of participation in the TRS. 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/College and each participant are 6.6 percent and 6.65 percent, respectively. 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 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50 percent of eligible employees in the reporting district.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
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**8. EMPLOYEES' RETIREMENT PLANS (Continued)**

The retirement expense to the State for the College was \$41,284 and \$37,596 for the fiscal years ended August 31, 2021 and 2020, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll for all College employees was \$6,238,199 and \$6,685,825 for fiscal years 2021 and 2020, respectively. The total payroll of employees covered by the TRS was \$3,873,696 and \$4,251,765, and the total payroll of employees covered by the Optional Retirement Program was \$1,391,221 and \$1,501,511 for fiscal years 2021 and 2020, respectively.

**9. COMPENSABLE ABSENCES**

Full-time employees earn annual leave at a rate of 4.6 hours per month from September through June. Twelve-month employees become eligible for vacation after one year of service. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum of twenty days (160 hours). Employees who fail to work one year forfeit vacation benefits. Employees, who have worked a minimum of one year and terminate their employment with a minimum of a two-week notice, are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for unpaid annual leave in the amount of \$156,393 and \$158,740 as of August 31, 2021 and 2020, respectively.

Sick leave is earned at the rate of eight hours per month per contract length and can be accumulated up to a maximum of 480 hours. The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since all accrued sick leave is forfeited by employees upon termination of employment.

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

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2021, and totaled \$478,567 for the year. The cost of providing those benefits for 33 retirees for the year ended August 31, 2021 was \$132,364. For 109 active employees, the cost of providing benefits was \$346,203 for the year ended August 31, 2021. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2020, and totaled \$478,567 for the year. The cost of providing those benefits for 33 retirees for the year ended August 31, 2020 was \$131,442. For 107 active employees, the cost of providing benefits was \$347,125 for the year ended August 31, 2020. Senate Bill 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

**RANGER COLLEGE DISTRICT**  
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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

***Plan Description***

The College participates in a cost-sharing, multiple-employer, defined benefit 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 authorized 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 18<sup>th</sup> Street, Austin, TX 78701; or by calling (877) 275-4377.

***Benefits Provided***

Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum 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. There are no long-term contracts for contributions to the plan.

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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

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

Maximum Monthly Employer Contribution  
Retiree Health and Basic Life Premium Plan  
Fiscal Year 2020

Retiree only	\$	624.82
Retiree & Spouse		1,340.82
Retiree & Children		1,104.22
Retiree & Family		1,820.22

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

Premium Contributions by Source  
Group Benefits Program Plan  
For the Plan's Years Ended August 31, 2020 and 2019

	2020	2019
Employers	\$ 748,369,212	\$ 401,284,833
Members (Employees)	111,098,506	209,836,664
Nonemployer Contributing Entity (State of Texas)	37,736,903	20,182,872

*Source: ERS 2020 Comprehensive Annual Financial Report*

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of August 31, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

Actuarial Assumptions  
ERS Group Benefits Program Plan

Valuation Date	August 31, 2020
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll, open
Remaining Amortization Period	30 years
Asset Valuation Method	N/A
Discount Rate	2.20%
Projected Annual Salary Increase (Includes Inflation)	2.30% to 9.05%
Annual Healthcare Trend Rate	
Medical (HealthSelect)	8.80% for FY 2022, 5.25% for FY 2023, 5.00% for FY 2024, 4.75% for FY 2025, 4.60% for FY 2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2029 and later years
Medical (HealthSelect Medicare Advantage)	-53.30% for FY 2022, 0.00% for FY 2023, 66.67% for FY 2024, 24.00% for FY 2025, 4.60% for FY 2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY 2029 and later years
Pharmacy	10.00% for FY 2022 and FY 2023, decreasing 100 basis points per year to 5.00% for FY 2028 and 4.30% for FY 2029 and later years
Inflation Assumption Rate	2.30%
Ad Hoc Post-Employment Benefit Changes	None
Mortality Assumptions:	
Service Retirees, Survivors, and Other Inactive Members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018
Disability Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Source: Fiscal year 2020 ERS CAFR

**RANGER COLLEGE DISTRICT**  
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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuary as of August 31, 2019 and the TRS retirement plan actuary as of August 31, 2017.

***Investment Policy***

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

***Discount Rate***

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the *beginning* of the measurement year was 2.97%. The discount rate used to measure the total OPEB liability as of the *end* of the measurement year was 2.20%, which amounted to a decrease of 0.77%. 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 College's proportionate share of the collective net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.20%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.20%)	Discount Rate (2.20%)	1% Increase in Discount Rate (3.20%)
College's proportionate share of the net OPEB liability:	\$10,238,686	\$8,614,285	\$7,341,714



**RANGER COLLEGE DISTRICT**  
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**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

***Healthcare Trend Rate Sensitivity Analysis***

The following schedule shows the impact on the College's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1% less than and 1% greater than the healthcare cost trend rate that was used in measuring the net OPEB liability.

	1% Decrease *	Current Healthcare Cost Trend Rates*	1% Increase *
College's proportionate share of the net OPEB liability:	\$7,209,591	\$8,614,285	\$10,455,695

\* See Actuarial Assumptions on page 44 for Annual Healthcare Trend Rates.

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

At August 31, 2021, the College reported a liability of \$8,614,285 for its proportionate share of the ERS's net OPEB liability. The liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College 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 College were as follows:

College's proportionate share of the collective net OPEB liability	\$	8,614,285
State's proportionate share that is associated with the College		478,567
Total	\$	9,092,852

The net OPEB liability was measured as of August 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's portion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.02606864%, which was a decrease of 3.67% from the proportion measured as of August, 31, 2019.

For the year ended August 31, 2021, the College recognized OPEB expense of \$62,068 and revenue of \$62,068 for support provided by the State.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

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

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future female retirees assumed to be married and electing coverage for their spouse.
- The proportion of future retirees assumed to cover dependent children.
- The assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the ACA have been updated since the previous valuation to reflect IRS notice 2020-44 published June 8, 2020.
- The assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- The discount rate assumption was changed from 2.97% as of August 31, 2019 to 2.20% as of August 31, 2020 as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**11. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

At August 31, 2021, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 336,909
Changes in actuarial assumptions	498,705	1,856,025
Differences between projected and actual investment earnings	2,571	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,825,497	-
Contributions paid to ERS subsequent to the measurement date	99,729	-
Total	\$ 2,426,502	\$ 2,192,934

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31:	OPEB Expense Amount
2022	\$ (133,151)
2023	113,898
2024	216,065
2025	(14,162)
2026	(48,811)
Thereafter	-

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**12. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

**Receivables**

Receivables at August 31, 2021 and 2020 were as follows:

	August 31,	
	2021	2020
Student Receivables (Net of Allowances of \$4,324,691 and \$3,968,775 for 2021 and 2020, respectively)	\$ 4,128,351	\$ 4,195,891
Taxes Receivables (Net of Allowances of \$18,463 and \$17,092 for 2021 and 2020, respectively)	51,838	52,192
Federal, State, and Local Grants Receivable	1,026,116	445,283
Other Accounts Receivable	441	3,000
Total Accounts Receivable	\$ 5,206,746	\$ 4,696,366

**Payables**

Payables at August 31, 2021 and 2020 were as follows:

	August 31,	
	2021	2020
Vendor Payable	\$ 525,277	\$ 313,005
Benefit Payable	117,505	126,628
Total Accounts Payable	\$ 642,782	\$ 439,633

**13. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA audit and accounting guide, *State and Local Governments*, 8.99). For Federal Contract and Grant Awards, funds expended but not collected are reported as Accounts Receivable (net) on Exhibit 1. Contract and grant awards that are not yet funded, and for which the College 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 2021 and 2020 for which monies have not been received nor funds expended totaled \$1,483,737 and \$1,938,355, respectively. Of these amounts, \$572,413 and \$675,292 were from Federal Contract and Grant Awards and \$911,324 and \$1,263,063 were from State Contract and Grant Awards for fiscal years ended 2021 and 2020, respectively.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**14. AD VALOREM TAX**

The College's ad valorem property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the College.

	August 31,		
	2021	2020	
Assessed Valuation of the College	\$ 173,437,720	\$ 166,119,480	
	Current Operations	Debt Service	Total
At August 31, 2021			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.01455	\$ 0.32272	\$ 0.33727
At August 31, 2020			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.01403	\$ 0.36095	\$ 0.37498

Taxes levied for the years ended August 31, 2021 and 2020 were \$586,632 and \$622,912, respectively. 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.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**14. AD VALOREM TAX (Continued)**

	2021		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 24,600	\$ 545,684	\$ 570,284
Delinquent Taxes Collected	2,974	9,880	12,854
Penalties and Interest Collected	462	10,244	10,706
Total Gross Collections	28,036	565,808	593,844
Tax Appraisal & Collection Fees	(1,195)	(26,508)	(27,703)
Total Net Collections	<u>\$ 26,841</u>	<u>\$ 539,300</u>	<u>\$ 566,141</u>
	2020		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 22,536	\$ 579,606	\$ 602,142
Delinquent Taxes Collected	5,371	12,898	18,269
Penalties and Interest Collected	509	12,754	13,263
Total Gross Collections	28,416	605,258	633,674
Tax Appraisal & Collection Fees	(1,033)	(26,572)	(27,605)
Total Net Collections	<u>\$ 27,383</u>	<u>\$ 578,686</u>	<u>\$ 606,069</u>

Tax collections for the years ended August 31, 2021 and 2020 were 97% and 97% of the current tax levy, respectively. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of current operations/maintenance and debt service.

**15. INCOME TAXES**

The College 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 College had no unrelated business income tax liability for the years ended August 31, 2021 and 2020.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**16. COMPONENT UNIT**

Ranger College Foundation, Inc. - Discretely Presented Component Unit

The Ranger College Foundation, Inc. (the Foundation) was established as a separate nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted \$93,986 and \$584,100 for other contributions to the College during the years ended August 31, 2021 and 2020, respectively. Also, at August 31, 2021 and 2020, the College reported a receivable from the Foundation of \$0 and \$1,050, respectively. There were no payables to the Foundation at August 31, 2021 and 2020. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit. Accordingly, the Foundation's financial statements are included in the College's annual report as a discretely presented component unit (see table of contents).

**17. COMMITMENTS AND CONTINGENCIES**

**Operating Lease Commitments and Rental Agreement**

Expenses include \$195,346 and \$162,769 for rent paid under operating leases during the fiscal years ended August 31, 2021 and 2020, respectively. Future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year as of August 31, 2021 are as follows:

Year Ended August 31,	Amount
2022	\$ 180,351
2023	150,203
2024	93,928
2025	53,371
2026	48,466
Thereafter	<u>47,346</u>
Total	<u>\$ 573,665</u>

**18. RISK MANAGEMENT**

The College has the responsibility for making and carrying out decisions that will minimize the adverse effects of accidental losses that involve the College's assets. Accordingly, commercial insurance coverages are obtained to include general liability, property and casualty, employee and automobile liability, fidelity, public official's liability and certain other risks. The amounts of settlements during each of the past three fiscal years have not exceeded insurance coverage.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2021 and 2020**

**19. SUBSEQUENT EVENTS**

The College evaluated subsequent events through December 8, 2021, the date the financial statements were available to be issued, and nothing requiring disclosure was noted.



**REQUIRED SUPPLEMENTARY INFORMATION**

**RANGER COLLEGE DISTRICT**  
**Schedule of the College's Proportionate Share of Net Pension Liability**  
**Last Ten Fiscal Years \*\***

<u>Fiscal Year Ending August 31*</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
College's proportionate share of collective net pension liability (NPL) (%)	0.0049127%	0.0049717%	0.0047535%	0.0044934%	0.0036272%	0.0035399%	0.0037633%
College's proportionate share of collective NPL (\$)	\$ 2,631,165	\$ 2,584,469	\$ 2,616,470	\$ 1,436,764	\$ 1,370,661	\$ 1,251,307	\$ 1,005,230
State's proportionate share of NPL associated with the College	1,662,766	1,558,340	1,567,085	743,500	1,713,093	(34,084)	628,357
Total	<u>\$ 4,293,931</u>	<u>\$ 4,142,809</u>	<u>\$ 4,183,555</u>	<u>\$ 2,180,264</u>	<u>\$ 3,083,754</u>	<u>\$ 1,217,223</u>	<u>\$ 1,633,587</u>
College's covered payroll	\$ 4,251,765	\$ 3,958,764	\$ 3,623,931	\$ 3,253,820	\$ 2,809,247	\$ 2,186,874	\$ 1,992,401
College's proportionate share of collective NPL as a percentage of covered payroll	61.88%	65.28%	72.20%	44.16%	48.79%	57.22%	50.45%
Plan fiduciary net position as percentage of total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

\*The amounts presented above are as of the measurement date of the collective net pension liability for the respective fiscal year.

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

**RANGER COLLEGE DISTRICT**  
**Schedule of the College's Contributions for Pensions**  
**Last Ten Fiscal Years \*\***

<u>Fiscal Year Ending August 31*</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Legally required contributions	\$ 173,389	\$ 190,187	\$ 160,181	\$ 149,602	\$ 134,611	\$ 109,468	\$ 110,821
Actual contributions	173,389	190,187	160,181	149,602	134,611	109,468	110,821
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll amount	\$ 3,873,696	\$ 4,251,765	\$ 3,958,764	\$ 3,623,931	\$ 3,253,820	\$ 2,809,247	\$ 2,186,874
Contributions as a percentage of covered payroll	4.48%	4.47%	4.05%	4.13%	4.14%	3.90%	5.07%

\* The amounts presented above are as of the College's respective fiscal year-end.

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

**RANGER COLLEGE DISTRICT**  
**Schedule of the College's Proportionate Share of Net OPEB Liability**  
**Employee Retirement System of Texas**  
**State Retiree Health Plan**  
**Last Ten Fiscal Years\*\***

<b>Fiscal years ended August 31*,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
College's proportion of collective net OPEB liability (%)	0.0260686%	0.0251468%	0.0244112%	0.0172439%
College's proportionate share of collective net OPEB liability (\$)	\$ 8,614,285	\$ 8,691,403	\$ 7,234,932	\$ 5,875,499
State's proportionate share of net OPEB liability associated with the College	<u>478,567</u>	<u>475,463</u>	<u>458,129</u>	<u>127,742</u>
Total	<u>\$ 9,092,852</u>	<u>\$ 9,166,866</u>	<u>\$ 7,693,061</u>	<u>\$ 6,003,241</u>
College's covered-employee payroll	\$ 5,753,276	\$ 5,222,661	\$ 5,014,948	\$ 4,810,086
College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	149.73%	166.42%	144.27%	122.15%
Plan fiduciary net position as percentage of the total net OPEB liability	0.32%	0.17%	1.27%	2.04%

\*The amounts presented above are as of the measurement date of the collective net OPEB liability.

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

**RANGER COLLEGE DISTRICT**  
**Schedule of the College's Contributions for OPEB**  
**Employee Retirement System of Texas**  
**State Retiree Health Plan**  
**Last Ten Fiscal Years\*\***

<u>Fiscal years ended August 31*,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Legally required contributions	\$ 738,495	\$ 783,667	\$ 745,158	\$ 174,359
Actual contributions	738,495	783,667	745,158	174,359
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll amount	\$ 5,264,197	\$ 5,753,276	\$ 5,222,661	\$ 5,014,948
Contributions as a percentage of covered-employee payroll	14.03%	13.62%	14.27%	3.48%

\* The amounts presented above are as of the College's most recent fiscal year-end.

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

**RANGER COLLEGE DISTRICT**  
**Notes to Required Supplementary Information**  
**For the Year Ended August 31, 2021**

**Defined Benefit Pension and OPEB Plans**

*Change of benefit terms*

Change of benefit terms that affected the measurement of the total net pension liability during the measurement period are described in the notes to the financial statements (Note 8).

Change of benefit terms that affected the measurement of the total net OPEB liability during the measurement period are described in the notes to the financial statements (Note 11).

*Changes of assumptions*

Changes of assumptions that affected the measurement of the net pension liability during the measurement period are described in the notes to the financial statements (Note 8).

Changes of assumptions that affected the measurement of the net OPEB liability during the measurement period are described in the notes to the financial statements (Note 11).

**SUPPLEMENTAL INFORMATION**

**RANGER COLLEGE DISTRICT**  
**Schedule A**  
**Schedule of Operating Revenues**  
**For the Year Ended August 31, 2021**  
**(With Memorandum Totals for the Year Ended August 31, 2020)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Totals	
					8/31/2021	8/31/2020
<b>Tuition</b>						
State Funded Credit Courses						
In-District Resident Tuition	\$ 16,823	\$ -	\$ 16,823	\$ -	\$ 16,823	\$ 25,597
Out-of-District Resident Tuition	4,346,719	-	4,346,719	-	4,346,719	4,031,287
Non-Resident Tuition	147,083	-	147,083	-	147,083	136,966
TPEG - Credit (set aside)*	131,354	-	131,354	-	131,354	128,957
State Funded Continuing Education	343,707	-	343,707	-	343,707	555,567
Total Tuition	<u>4,985,686</u>	<u>-</u>	<u>4,985,686</u>	<u>-</u>	<u>4,985,686</u>	<u>4,878,374</u>
<b>Fees</b>						
General Fees	654,890	-	654,890	-	654,890	659,846
Laboratory Fees	134,940	-	134,940	-	134,940	100,908
Registration Fees	315,060	-	315,060	-	315,060	319,251
Educational Service Fees	197,778	-	197,778	-	197,778	199,024
Other Fees	1,790,505	-	1,790,505	-	1,790,505	875,334
Total Fees	<u>3,093,173</u>	<u>-</u>	<u>3,093,173</u>	<u>-</u>	<u>3,093,173</u>	<u>2,154,363</u>
<b>Scholarship Allowances and Discounts</b>						
Bad Debt Allowance	(388,926)	-	(388,926)	-	(388,926)	(467,836)
Scholarship Allowances	(1,274,184)	-	(1,274,184)	-	(1,274,184)	(976,309)
Title IV Federal Program	(2,162,267)	-	(2,162,267)	-	(2,162,267)	(2,050,574)
GEER Federal Program	(42,825)	-	(42,825)	-	(42,825)	-
TPEG Awards	(76,637)	-	(76,637)	-	(76,637)	(69,854)
Other State Grants	(18,586)	-	(18,586)	-	(18,586)	(13,938)
Total Scholarship Allowances	<u>(3,963,425)</u>	<u>-</u>	<u>(3,963,425)</u>	<u>-</u>	<u>(3,963,425)</u>	<u>(3,578,511)</u>
<b>Total Net Tuition and Fees</b>	<u>4,115,434</u>	<u>-</u>	<u>4,115,434</u>	<u>-</u>	<u>4,115,434</u>	<u>3,454,226</u>
<b>Additional Operating Revenues</b>						
Federal Grants and Contracts	67,788	1,795,109	1,862,897	-	1,862,897	725,666
State Grants and Contracts	-	669,538	669,538	-	669,538	834,602
Non-Governmental Grants and Contracts	-	32,363	32,363	-	32,363	15,000
Sales and Services of Educational Activities	29,663	-	29,663	-	29,663	31,573
Other Operating Revenues	368,184	-	368,184	-	368,184	205,211
Total Additional Operating Revenues	<u>465,635</u>	<u>2,497,010</u>	<u>2,962,645</u>	<u>-</u>	<u>2,962,645</u>	<u>1,812,052</u>
<b>Auxiliary Enterprises</b>						
Residential Life	-	-	-	524,700	524,700	458,596
Less Discounts	-	-	-	(274,595)	(274,595)	(232,805)
Bookstore	-	-	-	821,917	821,917	1,008,251
Less Discounts	-	-	-	(273,248)	(273,248)	(354,699)
Food Services	-	-	-	1,010,023	1,010,023	850,443
Less Discounts	-	-	-	(575,209)	(575,209)	(455,960)
Intercollegiate Athletics	-	-	-	194,543	194,543	195,418
Student Services	-	-	-	3,061	3,061	-
Child Care Services	-	-	-	225,492	225,492	165,973
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,656,684</u>	<u>1,656,684</u>	<u>1,635,217</u>
<b>Total Operating Revenues</b>	<u>\$ 4,581,069</u>	<u>\$ 2,497,010</u>	<u>\$ 7,078,079</u>	<u>\$ 1,656,684</u>	<u>\$ 8,734,763</u>	<u>\$ 6,901,495</u>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.033, \$131,354 and \$128,957 for years August 31, 2021 and 2020, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).



**RANGER COLLEGE DISTRICT**  
**Schedule B**  
**Schedule of Operating Expenses by Object**  
**For the Year Ended August 31, 2021**  
**(With Memorandum Totals for the Year Ended August 31, 2020)**

	Operating Expenses				Totals	
	Salaries and Wages	Benefits		Other Expenses	8/31/2021	8/31/2020
		State Benefits	Local Benefits			
Unrestricted Educational Activities						
Instruction	\$ 2,939,097	\$ -	\$ 1,075,258	\$ 525,822	\$ 4,540,177	\$ 4,864,781
Academic Support	564,761	-	206,616	22,492	793,869	877,400
Student Services	463,552	-	169,589	87,665	720,806	808,886
Institutional Support	889,188	-	325,305	914,584	2,129,077	2,577,514
Operation and Maintenance of Plant	227,454	-	-	820,529	1,047,983	947,249
<b>Total Unrestricted Educational Activities</b>	<b>5,084,052</b>	<b>-</b>	<b>1,776,768</b>	<b>2,371,092</b>	<b>9,231,912</b>	<b>10,075,830</b>
Restricted Educational Activities						
Instruction	260,657	354,773	-	566,503	1,181,933	1,211,714
Academic Support	5,555	68,171	-	-	73,726	69,871
Student Services	330,345	55,955	79,461	398,354	864,115	573,772
Institutional Support	173,979	107,332	-	194,407	475,718	142,570
Operation and Maintenance of Plant	4,319	-	-	192	4,511	-
Scholarships and Fellowships	-	-	-	1,409,099	1,409,099	1,184,668
<b>Total Restricted Educational Activities</b>	<b>774,855</b>	<b>586,231</b>	<b>79,461</b>	<b>2,568,555</b>	<b>4,009,102</b>	<b>3,182,595</b>
<b>Total Educational Activities</b>	<b>5,858,907</b>	<b>586,231</b>	<b>1,856,229</b>	<b>4,939,647</b>	<b>13,241,014</b>	<b>13,258,425</b>
Auxiliary Enterprises	379,292	-	63,045	2,411,488	2,853,825	2,817,586
Depreciation Expense - Buildings and Land Improvements	-	-	-	716,658	716,658	591,359
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	259,131	259,131	247,590
<b>Total Operating Expenses</b>	<b>\$ 6,238,199</b>	<b>\$ 586,231</b>	<b>\$ 1,919,274</b>	<b>\$ 8,326,924</b>	<b>\$ 17,070,628</b>	<b>\$ 16,914,960</b>
				(Exhibit 2)	(Exhibit 2)	

**RANGER COLLEGE DISTRICT**  
**Schedule C**  
**Schedule of Non-Operating Revenues and Expenses**  
**For the Year Ended August 31, 2021**  
**(With Memorandum Totals for the Year Ended August 31, 2020)**

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				8/31/2021	8/31/2020
<b>Non-Operating Revenues</b>					
<b>State Appropriations</b>					
Education and General State Support	\$ 3,863,950	\$ -	\$ -	\$ 3,863,950	\$ 3,864,163
State Group Insurance	-	478,567	-	478,567	478,567
State OPEB	-	(62,068)	-	(62,068)	6,283
State Retirement Matching	-	169,842	-	169,842	142,889
Professional Nursing Shortage Reduction	-	36,012	-	36,012	33,601
<b>Total State Appropriations</b>	<b>3,863,950</b>	<b>622,353</b>	<b>-</b>	<b>4,486,303</b>	<b>4,525,503</b>
Maintenance Ad Valorem Taxes	28,036	-	-	28,036	28,416
Debt Service Ad Valorem Taxes	565,808	-	-	565,808	605,258
Federal Revenue, Non-Operating	618,639	3,684,330	-	4,302,969	3,447,134
Gifts	191,185	-	-	191,185	642,018
Investment Income	1,964	-	-	1,964	34,679
Gain/ (Loss) on Disposal of Capital Assets	-	-	-	-	(161,673)
<b>Total Non-Operating Revenue</b>	<b>5,269,582</b>	<b>4,306,683</b>	<b>-</b>	<b>9,576,265</b>	<b>9,121,335</b>
<b>Non-Operating Expenses</b>					
Interest on Capital Related Debt	517,791	-	-	517,791	539,454
<b>Total Non-Operating Expenses</b>	<b>517,791</b>	<b>-</b>	<b>-</b>	<b>517,791</b>	<b>539,454</b>
<b>Net Non-Operating Revenues (Expenses)</b>	<b>\$ 4,751,791</b>	<b>\$ 4,306,683</b>	<b>\$ -</b>	<b>\$ 9,058,474</b>	<b>\$ 8,581,881</b>
				(Exhibit 2)	(Exhibit 2)

**RANGER COLLEGE DISTRICT**  
**Schedule D**  
**Schedule of Net Position by Source and Availability**  
**For the Year Ended August 31, 2021**  
**(With Memorandum Totals for the Year Ended August 31, 2020)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total	Yes	No
		Expendable	Non- Expendable				
Current							
Unrestricted	\$ (7,708,247)	\$ -	\$ -	\$ -	\$ (7,708,247)	\$ (7,708,247)	\$ -
Plant							
Debt Service	-	287,178	-	-	287,178		287,178
Investment in Plant	-	-	-	8,180,082	8,180,082		8,180,082
<b>Totals</b>							
Net Position, August 31, 2021	(7,708,247)	287,178	-	8,180,082	759,013 (Exhibit 1)	(7,708,247)	8,467,260
Net Position, August 31, 2020	(8,147,090)	287,063	-	7,896,431	36,404 (Exhibit 1)	(8,147,090)	8,183,494
<b>Net Increase (Decrease) in Net Position</b>	<u>\$ 438,843</u>	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 283,651</u>	<u>\$ 722,609</u> (Exhibit 2)	<u>\$ 438,843</u>	<u>\$ 283,766</u>

**OVERALL COMPLIANCE AND  
INTERNAL CONTROLS SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**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 Regents  
Ranger 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 the Ranger College District (the College) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 8, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing 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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 College's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the Public Funds Investment Act (Chapter 2256, Texas Government Code), noncompliance with which could have a direct and material effect on the financial statements. 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*.

We have performed tests designed to verify the College's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2021, no instances of noncompliance were noted.

## **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.

*Snow Garrett Williams*

Snow Garrett Williams  
December 8, 2021

**RANGER COLLEGE DISTRICT  
Summary Schedule of Prior Audit Findings  
For the Year Ended August 31, 2021**

There were no prior year findings.

**RANGER COLLEGE DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**August 31, 2021**

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

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:  
 Material weakness(es) identified?        yes   X   no  
 Significant deficiencies identified that are not  
 considered to be material weaknesses?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

Federal Awards

Internal control over major programs:  
 Material weakness(es) identified?        yes   X   no  
 Significant deficiencies identified that are not  
 considered to be material weaknesses?        yes   X   none reported

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

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

Identification of Major Programs:

Federal Awards

U.S. Department of Education:  
                     ALN 84.425      Education Stabilization Fund

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

Auditee qualified as a low-risk auditee?   X   yes        no

**Section II – Financial Statement Findings**

None Noted

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

None Noted



**RANGER COLLEGE DISTRICT  
Corrective Action Plan  
August 31, 2021**

A corrective action plan is not needed.

**FEDERAL AWARDS SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Regents  
Ranger College District

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

We have audited Ranger College District (the College)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2021. The College's major federal programs are identified in the summary of auditor's results section of the accompanying 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 College'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* 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 College'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 College's compliance.

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

In our opinion, the College 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, 2021.

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

Management of the College 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 College'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 College'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.

*Snow Garrett Williams*

Snow Garrett Williams  
December 8, 2021

**RANGER COLLEGE DISTRICT**  
**Schedule E**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2021**

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<b>U.S. Department of Education</b>			
<b>Direct Programs:</b>			
<b>Student Financial Aid Cluster</b>			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 61,836
Federal College Workstudy Program	84.033		83,921
Federal Pell Grant Program	84.063		2,864,939
Federal Direct Student Loans	84.268		<u>1,815,393</u>
Total Student Financial Aid Cluster			4,826,089
<b>TRIO Cluster</b>			
TRIO - Student Support Services Grant	84.042 A		260,969
TRIO - Upward Bound	84.047 A		<u>314,059</u>
Total TRIO Cluster			575,028
COVID-19 Education Stabilization Fund - Student Aid	84.425 E		673,634
COVID-19 Education Stabilization Fund - Institutional	84.425 F		<u>1,744,422</u>
Total COVID-19 Education Stabilization Fund			2,418,056
<b>Pass-Through From:</b>			
<b>Texas Higher Education Coordinating Board</b>			
<b>Career and Technical Education Basic Grants - Texas Counselors' Network</b>			
	84.048	194251	95,743
<b>Education Stabilization Fund Program</b>			
COVID-19 Governor's Emergency Education Relief (GEER)	84.425 C	23630	26,382
COVID-19 Governor's Emergency Education Relief (GEER)	84.425 C	24794	<u>39,700</u>
Total Education Stabilization Fund Program			66,082
Total Passed-Through From Texas Higher Education Coordinating Board			<u>161,825</u>
Total U.S. Department of Education			<u>7,980,998</u>
<b>Institute of Museum and Library Services</b>			
<b>Pass-Through From:</b>			
<b>Texas State Library and Archives Commission</b>			
Grants to States	45.310	901804	<u>261</u>
Total Institute of Museum and Library Services			<u>261</u>
Total Federal Financial Assistance			<u>\$ 7,981,259</u>

**RANGER COLLEGE DISTRICT**  
**Schedule E**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2021**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$	1,795,109
Add: Indirect/Administrative Cost Recoveries - per Schedule A		67,788
Add: Non-Operating Revenues - Federal Revenue, non-operating - per Schedule C		<u>4,302,969</u>
Total Federal Revenues per Schedules A and C	\$	<u>6,165,866</u>
Reconciling Items:		
Federal Direct Student Loans		<u>1,815,393</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$	<u><u>7,981,259</u></u>

Note 2: Significant Accounting Policies used in Preparing the Schedule.

The expenditures included in the schedule are reported for the College'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 College 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 basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule. The College has elected to use the 10% de minimis cost rate as permitted in the Uniform Guidance, section 200.414.

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor ALN Number / Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed & Admin Cost Recovered
U.S. Department of Education 84.268 Federal Direct Student Loans	\$ 1,815,393	\$ -	\$ 1,815,393

**STATE AWARDS SECTION**

**RANGER COLLEGE DISTRICT**  
**Schedule F**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended August 31, 2021**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board Professional Nursing Shortage Reduction	20213	\$ 36,012
Texas Education Opportunity Grant	427:321	118,795
Nursing & Allied Health-Supporting Clinical Learning to Mitigate Impediments due to COVID-19	23792	41,157
Texas Workforce Commission Skills Development Fund - Manufacturing Consortium	0919SDF001	273,244
Skills Development Fund - COVID	0920COS002	21,012
Jobs and Education for Texans Grant Program	0920JET001	<u>215,330</u>
Total State Financial Assistance		<u>\$ 705,550</u>

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Financial Assistance - per Schedule of Expenditures of State Awards	\$ 705,550
Reconciling Items Professional Nursing Shortage Reduction reported on Schedule C	<u>(36,012)</u>
Total State Revenues per Exhibit 2 and Schedule A	<u>\$ 669,538</u>

Note 2: Significant Accounting Policies used in Preparing the Schedule.

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for the College's significant accounting policies. These expenditures are reported on the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.



