

RANGER COLLEGE DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2022

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, 2022**

Board of Regents

Officers

Jackie Stephens	Chairman
Jo Ann Greenwood	Vice Chairman
Sandi Herod	Secretary

Members

		<u>Term Expires</u>
Ron Butler	Ranger, Texas	2024
Della Carey	Ranger, Texas	2024
Vanna Dains	Ranger, Texas	2024
Doug Crawley	Ranger, Texas	2026
Bobby Murry	Ranger, Texas	2026
Jo Ann Greenwood	Ranger, Texas	2026
Shawn Wells	Ranger, Texas	2028
Sandi Herod	Ranger, Texas	2028
Jackie Stephens	Ranger, Texas	2028

Key Administrative Personnel

Mr. Derrick Worrels	President
Mr. Dixon Bailey	Executive Vice President of Workforce & Economic Development
Dr. Matt Underwood	Senior Vice President Erath/Brown Centers
Ms. Gaylyn Mendoza	Senior Vice President of Financial and Administrative Services
Ms. Dayna Prochaska	Vice President of Instruction
Mr. Ahmy Arca	Vice President of Student Services
Ms. Lindy Matthews	Vice President of Administrative Services/HR
Ms. Debbie Karl	Vice President of Accrediation and Institutional Effectiveness
Mr. Robert Culverhouse	Associate Vice President of Technology
Mr. Scott Norwood	Athletic Director

FINANCIAL SECTION



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Regents
Ranger College District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College as of August 31, 2022 and 2021, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 2 to the financial statements, for the years ended August 31, 2022 and 2021, the College adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the College's proportionate share of net pension liability, the schedule of the College's contributions for pension, the schedule of the College's proportionate share of OPEB liability, the schedule of the College's contributions for OPEB and the related notes on pages 53 - 57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental information and schedule of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 16, 2022, 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 16, 2022

RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021

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, 2022 and 2021. 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.

Financial Highlights

The College's net position increased from August 31, 2021, restated, to August 31, 2022 by \$834,361 and increased from August 31, 2020 to August 31, 2021, restated, by \$715,310. As of August 31, 2022 and 2021, restated, the College's net position was \$1,586,075 and \$751,714, which includes \$8,069,751 and \$8,172,783 in net investment in capital assets, \$288,622 and \$287,178 in restricted net position, and (\$6,772,298) and (\$7,708,247) in unrestricted net position, respectively.

Operating expenses for fiscal years 2022 and 2021 were \$17,414,135 and \$17,060,881, of which \$4,836,242 and \$5,716,918 were expended for instruction, \$2,829,194 and \$2,594,220 were expended for institutional support, and \$2,645,892 and \$2,849,824 were expended for auxiliary enterprises, respectively. In fiscal years 2022 and 2021, depreciation and amortization expense was \$1,102,989 and \$1,027,997, respectively.

Operating revenues for fiscal years 2022 and 2021 were \$7,055,451 and \$8,734,763, which includes \$3,503,518 and \$4,115,434 in tuition and fees (net of discounts), \$1,531,773 and \$1,656,684 in auxiliary revenue (net of discounts), \$1,349,984 and \$1,862,897 in federal grants and contracts, and \$463,558 and \$669,538 in state grants and contracts, respectively.

Net non-operating revenues for fiscal years 2022 and 2021 were \$11,193,045 and \$9,041,428, which includes \$4,902,708 and \$4,486,303 in state allocations, \$6,354,117 and \$4,302,969 in federal grants, and \$632,730 and \$593,844 in ad-valorem taxes, respectively.

RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021

For the years ended August 31, 2022 and 2021, the College implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. See Note 2 to the financial statements for more information regarding implementation and restatement.

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, 2022, net position was \$1,586,075. This was an increase of \$834,361 from the period ended August 31, 2021. As of August 31, 2021, the net position was \$751,714. This was a increase of \$715,310 from the period ended August 31, 2020.

Net Position
As of August 31,

	2022	Restated 2021	2020
Current Assets	\$ 10,101,405	\$ 9,032,289	\$ 7,473,052
Non-current Assets			
Capital Assets, Net of Depreciation	22,153,572	23,008,909	23,131,105
Other	288,622	287,178	287,063
Total Assets	<u>32,543,599</u>	<u>32,328,376</u>	<u>30,891,220</u>
Deferred Outflows of Resources	<u>2,698,056</u>	<u>3,567,210</u>	<u>4,188,128</u>
Current Liabilities	7,351,059	7,385,125	6,953,399
Non-current Liabilities	<u>23,065,068</u>	<u>25,139,460</u>	<u>25,558,957</u>
Total Liabilities	<u>30,416,127</u>	<u>32,524,585</u>	<u>32,512,356</u>
Deferred Inflows of Resources	<u>3,239,453</u>	<u>2,619,287</u>	<u>2,530,588</u>
Net Position			
Net Investment in Capital Assets	8,069,751	8,172,783	7,896,431
Restricted for: Expendable	288,622	287,178	287,063
Unrestricted	<u>(6,772,298)</u>	<u>(7,708,247)</u>	<u>(8,147,090)</u>
Total Net Position	<u>\$ 1,586,075</u>	<u>\$ 751,714</u>	<u>\$ 36,404</u>

RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021

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 \$8,069,751 and \$8,172,783 at August 31, 2022 and 2021, 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, 2022 and 2021, an additional \$288,622 and \$287,178, 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, 2022 and 2021, is (\$6,772,298) and (\$7,708,247), 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 and amortization is shown in operating expenses according to accounting principles generally accepted in the United States of America.



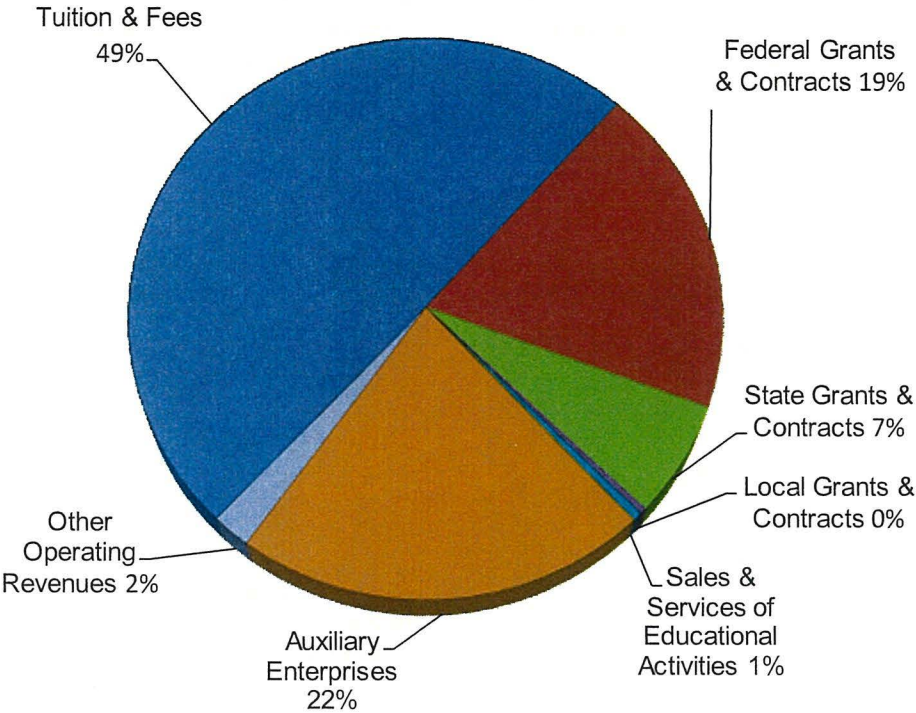
RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021

Operating Results for the Years Ended
August 31,

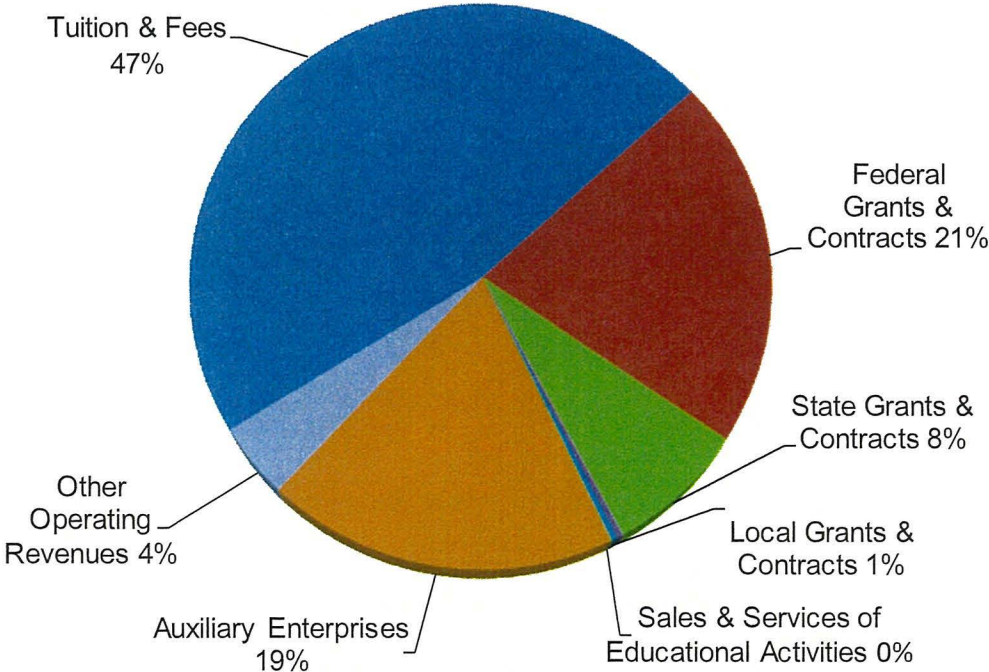
	2022	Restated 2021	2020
Operating Revenues			
Tuition and Fees (Less Discounts)	\$ 3,503,518	\$ 4,115,434	\$ 3,454,226
Federal Grants and Contracts	1,349,984	1,862,897	725,666
State Grants and Contracts	463,558	669,538	834,602
Local Grants and Contracts	23,942	32,363	15,000
Sales and Services of Educational Activities	36,670	29,663	31,573
Auxiliary Enterprises (Less Discounts)	1,531,773	1,656,684	1,635,217
Other Operating Revenues	146,006	368,184	205,211
Total Operating Revenues	<u>7,055,451</u>	<u>8,734,763</u>	<u>6,901,495</u>
Less Operating Expenses	<u>17,414,135</u>	<u>17,060,881</u>	<u>16,914,960</u>
Net Operating Loss	<u>(10,358,684)</u>	<u>(8,326,118)</u>	<u>(10,013,465)</u>
Non-Operating Revenues (Expenses)			
State Allocations	4,902,708	4,486,303	4,525,503
Ad-Valorem Taxes for Maintenance and Operations	28,955	28,036	28,416
Ad-Valorem Taxes for Debt Service	603,775	565,808	605,258
Federal Revenue, Non-Operating	6,354,117	4,302,969	3,447,134
Gifts	38,301	191,185	642,018
Investment Income (Net of Investment Expense)	26,827	1,964	34,679
Interest on Capital Related Debt	(511,487)	(534,837)	(539,454)
Gain/(Loss) on Disposal of Capital Assets	(250,151)	-	(161,673)
Total Non-Operating Revenues (Expenses)	<u>11,193,045</u>	<u>9,041,428</u>	<u>8,581,881</u>
Change in Net Position	834,361	715,310	(1,431,584)
Net Position, Beginning of Year	<u>751,714</u>	<u>36,404</u>	<u>1,467,988</u>
Net Position, End of Year	<u>\$ 1,586,075</u>	<u>\$ 751,714</u>	<u>\$ 36,404</u>
Total Revenues	<u>\$ 19,010,134</u>	<u>\$ 18,311,028</u>	<u>\$ 16,184,503</u>

**RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

Operating Revenue by Source 2022



Operating Revenue by Source 2021 (Restated)



RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021

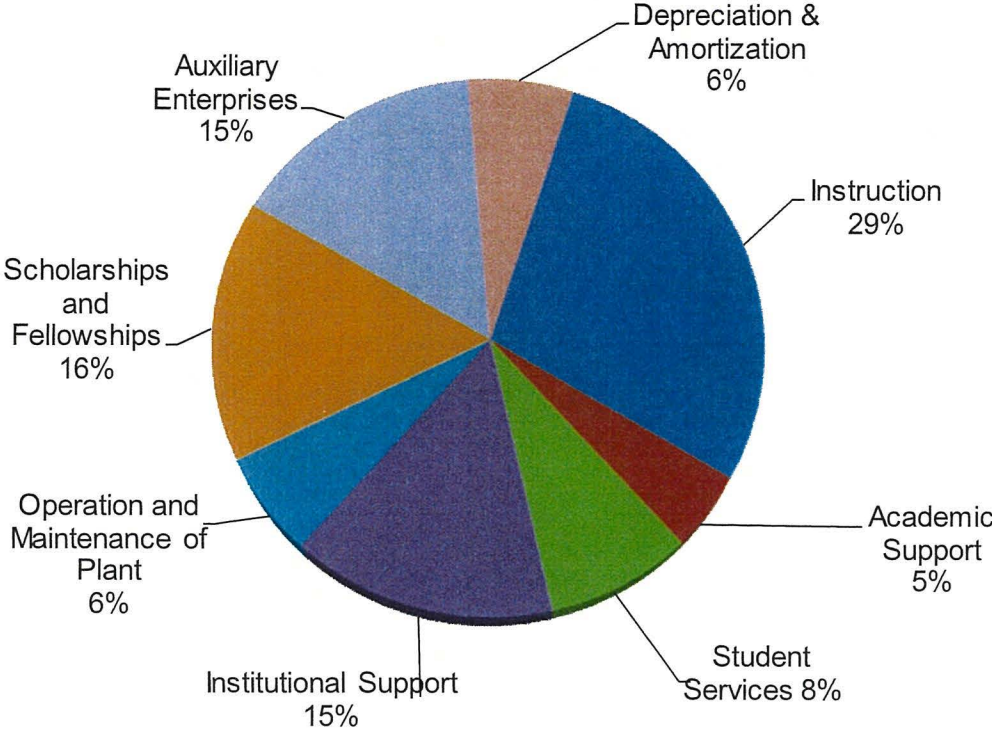
Operating Expenses
For the Years Ended August 31,

	2022	Restated 2021	2020
Instruction	\$ 4,963,165	\$ 5,716,918	\$ 6,076,495
Academic Support	819,241	867,307	947,271
Student Services	1,445,098	1,583,382	1,382,658
Institutional Support	2,618,381	2,594,220	2,720,084
Operation and Maintenance of Plant	1,076,024	1,012,134	947,249
Scholarships and Fellowships	2,728,297	1,409,099	1,184,668
Auxiliary Enterprises	2,660,940	2,849,824	2,817,586
Depreciation and Amortization	1,102,989	1,027,997	838,949
Total	\$ 17,414,135	\$ 17,060,881	\$ 16,914,960
 Total Expenses (Including Non-Operating Expenses)	 \$ 18,175,773	 \$ 17,595,718	 \$ 17,454,414

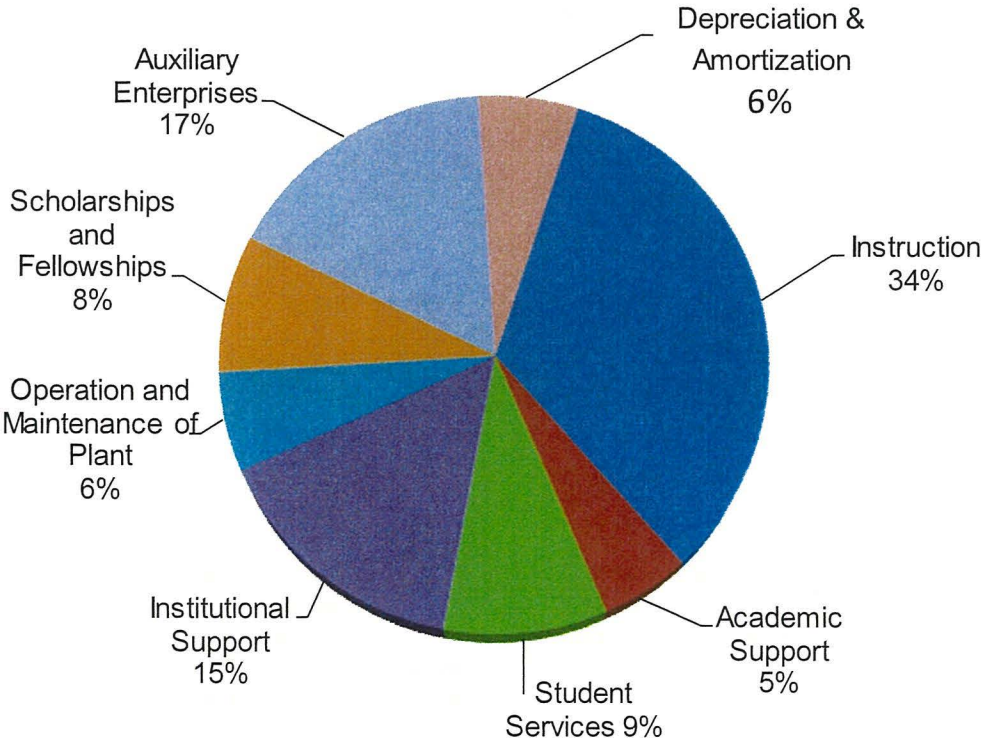


**RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

Operating Expenses 2022



Operating Expenses 2021 (Restated)



RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The College's investment in total capital assets as of August 31, 2022 and 2021, amounts to \$22,153,572 and \$23,008,909, respectively, (net of accumulated depreciation and amortization). Investments in capital assets include land, construction in progress, buildings and improvements, land improvements, leasehold improvements, library books, vehicles and equipment, and right-to-use leased equipment.

Major capital asset events during the 2022 fiscal year include the following:

- Completion of baseball field improvements;
- Remodel of the President's house; and
- Equipment paid for with JET grant funds;

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; and
- Nursing equipment paid for with NIGP grant funds.

	Capital Assets, Net		
	August 31,		
	2022	Restated 2021	2020
	<u>2022</u>	<u>Restated 2021</u>	<u>2020</u>
Capital Assets			
Land	\$ 739,948	\$ 764,848	\$ 764,848
Construction in Progress	237,947	271,063	182,291
Building and Improvements	22,997,389	23,165,043	23,128,628
Land Improvements	2,327,591	2,102,244	2,069,339
Leasehold Improvements	792,940	792,940	792,940
Library Books	165,493	165,493	165,493
Vehicles and Equipment	3,431,554	3,251,007	2,850,907
Right-to-Use Leased Equipment	372,060	347,609	-
Total	31,064,922	30,860,247	29,954,446
Less Accumulated Depreciation and Amortization	<u>(8,911,350)</u>	<u>(7,851,338)</u>	<u>(6,823,341)</u>
Net Capital Assets	<u>\$ 22,153,572</u>	<u>\$ 23,008,909</u>	<u>\$ 23,131,105</u>

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

RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021

Long-term debt. At August 31, 2022 and 2021, the College had total debt outstanding which represents bonds payable of \$12,457,966 and \$13,032,884, respectively, notes payable of \$1,350,582 and \$1,500,542, and lease liability of \$275,273 and \$302,700, respectively. The College's total long-term liabilities decreased by a net amount of \$752,305 during the fiscal year ending August 31, 2022 due to regularly scheduled payments. The College's total long-term liabilities decreased by a net amount of \$725,266 during the fiscal year ending August 31, 2021 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Regents adopted the College's 2022 – 2023 budget and tax rate on August 1, 2022. 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 2023, the Board of Regents and management considered the following factors:

- Startup costs for implementing our Quality Enhancement Plan (QEP) that will be reviewed by SACSCOC during our decennial accreditation review.
- Continuing resources for expanding dual credit enrollment to bring college success at the high school level.
- Continuing resources for expanding welding, machining, emergency medical technician, drone, and automotive programs.
- Increased personnel for the expanding needs to support the College's technology at all campuses.
- Increased institutional advancement to generate additional funds for the College.
- Increased expenditures related to increased costs due to current economy.

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, 2022 and 2021

EXHIBIT 1

	2022	Restated 2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 5,694,857	\$ 3,727,039
Accounts Receivable (net)	4,347,108	5,206,746
Inventories	13,686	64,917
Prepaid Expenses	45,004	32,837
Deposits	750	750
Total Current Assets	10,101,405	9,032,289
Non-Current Assets		
Restricted Cash and Cash Equivalents	288,622	287,178
Capital Assets, net of Accumulated Depreciation and Amortization (See Note 5)	22,153,572	23,008,909
Total Non-Current Assets	22,442,194	23,296,087
Total Assets	32,543,599	32,328,376
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	828,997	1,140,708
Deferred Outflows Related to OPEB	1,869,059	2,426,502
Total Deferred Outflows of Resources	2,698,056	3,567,210

RANGER COLLEGE DISTRICT
Statements of Net Position
August 31, 2022 and 2021

EXHIBIT 1

	2022	Restated 2021
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 505,057	\$ 642,782
Accrued Liabilities	434,066	447,516
Accrued Compensable Absences - Current Portion	114,413	127,725
Funds Held for Others	33,744	21,927
Unearned Revenue	5,278,691	5,174,391
Notes Payable - Current Portion	152,982	149,960
Bonds Payable - Current Portion	595,572	574,918
Lease Liability - Current Portion	55,281	51,878
Net OPEB Liability - Current Portion	181,253	194,028
Total Current Liabilities	7,351,059	7,385,125
Non-Current Liabilities		
Accrued Compensable Absences	20,606	28,668
Notes Payable	1,197,600	1,350,582
Bonds Payable	11,862,394	12,457,966
Lease Liability	219,992	250,822
Net Pension Liability	1,126,317	2,631,165
Net OPEB Liability	8,638,159	8,420,257
Total Non-Current Liabilities	23,065,068	25,139,460
Total Liabilities	30,416,127	32,524,585
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	1,477,260	426,353
Deferred Inflows Related to OPEB	1,762,193	2,192,934
Total Deferred Inflows of Resources	3,239,453	2,619,287
NET POSITION		
Net Investment in Capital Assets	8,069,751	8,172,783
Restricted for:		
Expendable		
Debt Service	288,622	287,178
Unrestricted	(6,772,298)	(7,708,247)
Total Net Position (Schedule D)	\$ 1,586,075	\$ 751,714

**RANGER COLLEGE DISTRICT
Component Unit
Statement of Financial Position
August 31, 2022**

EXHIBIT 1

	<u>Ranger College Foundation, Inc.</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 290,677
Investments	2,368,534
Accounts Receivable	<u>1,544</u>
Total Current Assets	<u>2,660,755</u>
Non-Current Assets	
Land	<u>8,500</u>
Total Non-Current Assets	<u>8,500</u>
Total Assets	<u>2,669,255</u>
LIABILITIES	
Current Liabilities	
Payable to Ranger College	303
Notes Payable - Current Portion	<u>130,000</u>
Total Current Liabilities	<u>130,303</u>
Total Liabilities	<u>130,303</u>
NET ASSETS	
Without Donor Restriction	2,447,952
With Donor Restriction	<u>91,000</u>
Total Net Assets	<u><u>\$ 2,538,952</u></u>

RANGER COLLEGE DISTRICT
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2022 and 2021

EXHIBIT 2

	<u>2022</u>	<u>Restated 2021</u>
REVENUES		
Operating Revenues		
Tuition and Fees (Net of Discounts of \$3,529,885 and \$3,963,425, respectively)	\$ 3,503,518	\$ 4,115,434
Federal Grants and Contracts	1,349,984	1,862,897
State Grants and Contracts	463,558	669,538
Non-Governmental Grants and Contracts	23,942	32,363
Sales and Services of Educational Activities	36,670	29,663
Auxiliary Enterprises (Net of Discounts of \$935,522 and \$1,123,052, respectively)	1,531,773	1,656,684
Other Operating Revenues	146,006	368,184
Total Operating Revenues (Schedule A)	<u>7,055,451</u>	<u>8,734,763</u>
EXPENSES		
Operating Expenses		
Instruction	4,963,165	5,716,918
Academic Support	819,241	867,307
Student Services	1,445,098	1,583,382
Institutional Support	2,618,381	2,594,220
Operation and Maintenance of Plant	1,076,024	1,012,134
Scholarships and Fellowships	2,728,297	1,409,099
Auxiliary Enterprises	2,660,940	2,849,824
Depreciation and Amortization	1,102,989	1,027,997
Total Operating Expenses (Schedule B)	<u>17,414,135</u>	<u>17,060,881</u>
Operating Loss	(10,358,684)	(8,326,118)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	4,902,708	4,486,303
Maintenance Ad Valorem Taxes	28,955	28,036
Debt Service Ad Valorem Taxes	603,775	565,808
Federal Revenue, Non-Operating	6,354,117	4,302,969
Gifts	38,301	191,185
Investment Income	26,827	1,964
Interest on Capital Related Debt	(511,487)	(534,837)
Loss on Disposal of Capital Assets	(250,151)	-
Net Non-Operating Revenues (Expenses) (Schedule C)	<u>11,193,045</u>	<u>9,041,428</u>
Change in Net Position	834,361	715,310
NET POSITION		
Net Position - Beginning of Year	<u>751,714</u>	<u>36,404</u>
Net Position - End of Year	<u>\$ 1,586,075</u>	<u>\$ 751,714</u>

**RANGER COLLEGE DISTRICT
Component Unit
Statement of Activities
For the Year Ended August 31, 2022**

EXHIBIT 2

	Ranger College Foundation, Inc.
REVENUE	
Contributions	\$ 249,470
Interest and Dividends	79
	249,549
Total Revenue	249,549
 EXPENSES	
Interest	6,806
Contributions to Ranger College	33,157
Loss on Investments	256,706
Legal and Professional	985
Salaries and Payroll Taxes	4,306
Supplies	5,250
	307,210
Total Expenses	307,210
Change in Net Assets	(57,661)
Net Assets - Beginning of Year	2,596,613
Net Assets - End of Year	\$ 2,538,952

RANGER COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2022 and 2021

EXHIBIT 3

	2022	Restated 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Students and Other Customers	\$ 5,773,628	\$ 6,496,229
Receipts from Grants and Contracts	2,376,980	1,981,868
Payments to or on Behalf of Employees	(7,467,169)	(7,481,026)
Payments to Suppliers for Goods or Services	(5,690,232)	(6,049,446)
Payments of Scholarships	(2,728,297)	(1,409,099)
Other receipts	146,006	368,184
Net Cash Used by Operating Activities	(7,589,084)	(6,093,290)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	4,265,748	3,900,072
Receipts from Maintenance Ad Valorem Taxes	27,111	31,618
Receipts from Non-Operating Federal Revenue	6,348,474	4,305,066
Receipts from Gifts and Grants (Other Than Capital)	38,301	191,185
Receipts from (Payments to) Student Organizations and Other Agency Transactions	11,817	(1,693)
Net Cash Provided by Non-Capital Financing Activities	10,691,451	8,426,248
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds from Sale of Capital Assets	59,890	-
Receipts from Debt Service Ad Valorem Taxes	603,775	562,580
Purchases of Capital Assets	(533,242)	(558,192)
Payments on Capital Debt - Principal	(763,838)	(732,908)
Payments on Capital Debt - Interest	(526,517)	(550,141)
Net Cash Used by Capital Financing Activities	(1,159,932)	(1,278,661)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from Investment Earnings	26,827	1,964
Net Cash Provided by Investing Activities	26,827	1,964
Increase in Cash and Cash Equivalents	1,969,262	1,056,261
Cash and Cash Equivalents - September 1	4,014,217	2,957,956
Cash and Cash Equivalents - August 31	\$ 5,983,479	\$ 4,014,217

RANGER COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2022 and 2021

EXHIBIT 3

	2022	Restated 2021
Reconciliation to Exhibit 1:		
Cash and Cash Equivalents	\$ 5,694,857	\$ 3,727,039
Restricted Cash and Cash Equivalents	288,622	287,178
Total Cash and Cash Equivalents	\$ 5,983,479	\$ 4,014,217
 Reconciliation of Operating Loss to Net Cash Used By		
Operating Activities:		
Operating Loss	\$ (10,358,684)	\$ (8,326,118)
Adjustments to Reconcile Operating Loss to Net Cash		
Used by Operating Activities:		
Depreciation and Amortization Expense	1,102,989	1,027,997
Bad Debt Expense	269,738	388,926
Payments Made Directly by State for Benefits	636,960	586,231
Changes in Assets and Liabilities:		
Receivables, Net	597,387	(901,757)
Inventories	51,231	(34,097)
Prepaid Expenses	(12,167)	41,386
Deferred Outflows of Resources	869,154	620,918
Accounts Payable	(137,725)	203,149
Accrued Liabilities	(11,338)	8,722
Unearned Revenue	104,300	235,423
Net Pension Liability	(1,504,848)	46,696
Net OPEB Liability	205,127	(77,118)
Compensable Absences	(21,374)	(2,347)
Deferred Inflows of Resources	620,166	88,699
Net Cash Used By Operating Activities	\$ (7,589,084)	\$ (6,093,290)

**NOTES TO THE
FINANCIAL STATEMENTS**

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

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, 2022 and 2021

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 9, and other post-employment benefits, see additional information in Note 12.

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, 2022 and 2021

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 \$4,028,730 and \$4,218,908 and federal and state grants of \$1,249,961 and \$955,483 have been reported as unearned revenue at August 31, 2022 and 2021, respectively.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

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 9, and other post-employment benefits, see additional information in Note 12.

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.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement and Restatement

For the years ended August 31, 2022 and 2021, the College implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. This statement establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. This statement was adopted by the College as of September 1, 2020 and had the following effect on fiscal year 2021 amounts as previously reported:

Net Position August 31, 2021		\$	759,013
Adjustments:			
Right-to-Use Leased Equipment			347,609
Right-to-Use Asset Accumulated Depreciation			(52,208)
Lease Liability			(302,700)
			(302,700)
Restated Net Position August 31, 2021		\$	751,714
Change in Net Position August 31, 2021		\$	722,609
Adjustments:			
Interest on Capital Related Debt			(17,046)
Institutional Support			10,575
Operation and Maintenance of Plant			40,360
Student Services			1,539
Academic Support			288
Instruction			5,192
Auxiliary Enterprises			4,001
Depreciation and Amortization			(52,208)
			(52,208)
Restated Change in Net Position August 31, 2021		\$	715,310

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.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

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,	
	2022	2021
Bank Deposits with Financial Institutions	\$ 5,980,879	\$ 4,011,617
Petty Cash	2,600	2,600
Total Cash and Cash Equivalents	\$ 5,983,479	\$ 4,014,217

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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021, the College's cash and cash equivalents were not exposed to custodial credit risk.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

4. DEPOSITS AND INVESTMENTS (Continued)

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

	August 31,	
	2022	2021
Per Note 4:		
Cash and Cash Equivalents	\$ 5,983,479	\$ 4,014,217
Total Deposits and Investments	\$ 5,983,479	\$ 4,014,217
Per Exhibit 1:		
Cash and Cash Equivalents	\$ 5,694,857	\$ 3,727,039
Restricted Cash and Cash Equivalents	288,622	287,178
Total Deposits and Investments	\$ 5,983,479	\$ 4,014,217

5. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2022 was as follows:

	Restated Balance 9/1/2021	Increases	Decreases	Balance 8/31/2022
<u>Not Depreciated:</u>				
Land	\$ 764,848	\$ -	\$ 24,900	\$ 739,948
Construction in Progress	271,063	108,456	141,572	237,947
Subtotal	1,035,911	108,456	166,472	977,895
<u>Other Capital Assets:</u>				
Buildings and Improvements	23,165,043	150,539	318,193	22,997,389
Land Improvements	2,102,244	225,347	-	2,327,591
Leasehold Improvements	792,940	-	-	792,940
Library Books	165,493	-	-	165,493
Vehicles and Equipment	3,251,007	180,547	-	3,431,554
Right-to-Use Leased Equipment	347,609	24,451	-	372,060
Subtotal	29,824,336	580,884	318,193	30,087,027
<u>Accumulated Depreciation and Amortization:</u>				
Buildings and Improvements	4,763,926	629,487	42,977	5,350,436
Land Improvements	458,544	66,705	-	525,249
Leasehold Improvements	768,110	11,093	-	779,203
Library Books	154,179	1,192	-	155,371
Vehicles and Equipment	1,654,371	302,861	-	1,957,232
Right-to-Use Leased Equipment	52,208	91,651	-	143,859
Subtotal	7,851,338	1,102,989	42,977	8,911,350
Net Other Capital Assets	21,972,998	(522,105)	275,216	21,175,677
Net Capital Assets	\$ 23,008,909	\$ (413,649)	\$ 441,688	\$ 22,153,572

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

5. CAPITAL ASSETS (Continued)

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

	Restated Balance 9/1/2020	Increases	Decreases	Restated 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
Right-to-Use Leased Equipment	326,718	20,891	-	347,609
Subtotal	29,334,025	490,311	-	29,824,336
<u>Accumulated Depreciation: and Amortization:</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
Right-to-Use Leased Equipment	-	52,208	-	52,208
Subtotal	6,823,341	1,027,997	-	7,851,338
Net Other Capital Assets	22,510,684	(537,686)	-	21,972,998
Net Capital Assets	<u>\$ 23,457,823</u>	<u>\$ (406,039)</u>	<u>\$ 42,875</u>	<u>\$ 23,008,909</u>

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

6. NON-CURRENT LIABILITIES

Non-current liability activity for the years ended August 31, 2022 and 2021 was as follows:

	Restated Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022	Current Portion
Revenue Bonds Payable	\$ 3,783,000	\$ -	\$ 337,000	\$ 3,446,000	\$ 348,000
Limited Tax Bonds Payable	9,055,000	-	225,000	8,830,000	235,000
Bond Premium	194,884	-	12,918	181,966	12,572
Note Payable - Direct Borrowings	1,500,542	-	149,960	1,350,582	152,982
Lease Liability	302,700	24,451	51,878	275,273	55,281
Net Pension Liability	2,631,165	-	1,504,848	1,126,317	N/A
Net OPEB Liability	8,614,285	1,002,031	796,904	8,819,412	181,253
Accrued Compensable Absences	156,393	93,203	114,577	135,019	114,413
Total Long-Term Liabilities	\$ 26,237,969	\$ 1,119,685	\$ 3,193,085	\$ 24,164,569	\$ 1,099,501

	Restated Balance September 1, 2020	Additions	Reductions	Restated 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
Lease Liability	326,718	20,891	44,909	302,700	51,878
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
Total Long-Term Liabilities	\$ 26,996,004	\$ 761,476	\$ 1,519,511	\$ 26,237,969	\$ 1,098,509

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 \$1,359,000 and \$1,563,000 at August 31, 2022 and 2021, respectively.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

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 \$2,087,000 and \$2,220,000 at August 31, 2022 and 2021, 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 \$8,830,000 and \$9,055,000 at August 31, 2022 and 2021, 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 \$1,350,582 and \$1,500,542 at August 31, 2022 and 2021, 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.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
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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	
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	398,000	75,588	473,588	265,000	306,843	571,843	11,531
2028 - 2032	1,159,000	209,089	1,368,089	1,470,000	1,374,000	2,844,000	51,612
2033 - 2037	421,000	26,075	447,075	1,800,000	1,048,000	2,848,000	39,345
2038 - 2042	-	-	-	2,200,000	649,400	2,849,400	24,349
2043 - 2047	-	-	-	2,110,000	172,800	2,282,800	6,424
Total	\$ 3,446,000	\$ 740,486	\$ 4,186,486	\$ 8,830,000	\$ 4,847,050	\$13,677,050	\$ 181,966

Year Ended August 31,	Note Payable - Direct Borrowings			Lease Liabilities		
	Note Principal	Interest	Total	Lease Principal	Interest	Total
2023	\$ 152,982	\$ 26,918	\$ 179,900	\$ 55,281	\$ 12,910	\$ 68,191
2024	156,065	23,835	179,900	56,430	10,133	66,563
2025	159,210	20,690	179,900	42,347	7,621	49,968
2026	162,418	17,482	179,900	38,246	5,596	43,842
2027	165,691	14,209	179,900	36,543	3,616	40,159
2028 - 2032	554,216	22,772	576,988	46,426	1,721	48,147
Total	\$ 1,350,582	\$ 125,906	\$ 1,476,488	\$ 275,273	\$ 41,597	\$ 316,870

8. LEASES PAYABLE

General information related to leases payable is summarized below:

Asset	Term, Including Renewals	Interest Rate	Payment Amount	Lease Liability 8/31/2022
Building	120 months	5.50%	\$ 3,210	\$ 203,341
Copiers/ Printers	48 - 60 months	4.25% - 5.25%	2,473	71,932
				<u>\$ 275,273</u>

There were no variable payments, residual value guarantees, or penalties not included in the measurement of the leases. The College did not have any commitments under leases not yet commenced at year-end, components of losses associated with asset impairments, or sublease transactions for Fiscal Year 2022.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
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9. 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.

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

Detailed 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 at <https://www.trs.texas.gov>; 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' actuary.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
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9. 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>2022</u>	<u>2021</u>
Member	8.0%	7.7%
Non-Employer Contributing Entity (NECE) - State	7.8%	7.5%
Employers	7.8%	7.5%

<u>Fiscal Year 2022</u>	
College Contributions	\$ 188,739
Member Contributions	\$ 298,471
State of Texas (NECE) On-behalf Contributions	\$ 117,171

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.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
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9. 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020*	1.95%*
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, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

9. 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%. 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.

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

Best estimates of geometric real rates of return for each major asset class included in the TRS' target asset allocation as of August 31, 2021 are summarized below:

Asset Allocation and Long-Term Expected Rate of Return

Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	-0.2%	0.01%
Absolute Return	0.0%	1.1%	0.00%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy, Natural Resources, and Infrastructure	6.0%	4.7%	0.35%
Commodities	0.0%	1.7%	0.00%
Risk Parity			
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	-0.7%	-0.01%
Asset Allocation Leverage	-6.0%	-0.5%	0.03%
Inflation Expectation			2.20%
Volatility Drag****			-0.95%
Expected Return	<u>100.00%</u>		<u>6.90%</u>

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY 2021 policy model.

*** Capital Market Assumptions come from AON Hewitt (as of 08/31/2021).

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

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

9. 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%) or one percentage point higher (8.25%) 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:	\$2,461,174	\$1,126,317	\$43,337

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

At the fiscal year ended August 31, 2022, the College reported a liability of \$1,126,317 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	\$ 1,126,317
State's proportionate share that is associated with the College	699,224
Total	\$ 1,825,541

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

At the measurement date of August 31, 2021, the College's proportion of the collective net pension liability was 0.0044227 percent, which was a decrease of 0.0005% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

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

For the fiscal year ended August 31, 2022, the College recognized pension expense of \$117,171 and revenue of \$117,171 for support provided by the State.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

9. EMPLOYEES' RETIREMENT PLANS (Continued)

At August 31, 2022, 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	\$ 1,885	\$ 79,293
Changes in actuarial assumptions	398,130	173,550
Difference between projected and actual investment earnings	69,958	1,014,358
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	160,386	210,059
Contributions paid to TRS after the measurement date	198,638	-
Total	\$ 828,997	\$ 1,477,260

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	\$ (104,956)
2023	(123,374)
2024	(240,878)
2025	(319,272)
2026	(45,069)
Thereafter	(13,352)

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.

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

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the State/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, 83rd 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.

The retirement expense to the State for the College was \$43,344 and \$41,284 for the fiscal years ended August 31, 2022 and 2021, 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 \$6,422,537 and \$6,238,199 for fiscal years 2022 and 2021, respectively. The total payroll of employees covered by the TRS was \$4,376,982 and \$3,873,696, and the total payroll of employees covered by the Optional Retirement Program was \$1,313,740 and \$1,391,221 for fiscal years 2022 and 2021, respectively.

10. 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 \$135,019 and \$156,393 as of August 31, 2022 and 2021, 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.

RANGER COLLEGE DISTRICT
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11. 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, 2022, and totaled \$543,000 for the year. The cost of providing those benefits for 32 retirees for the year ended August 31, 2022 was \$129,068. For 95 active employees, the cost of providing benefits was \$413,932 for the year ended August 31, 2022. 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. Senate Bill 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

12. 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 Annual Comprehensive Financial Report (ACFR) 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>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided

Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum 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.

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

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated, and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

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 2021

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

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

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

	2021	2020
Employers	\$ 766,689,167	\$ 748,369,212
Members (Employees)	107,612,306	111,098,506
Nonemployer Contributing Entity (State of Texas)	39,188,518	20,182,872

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

Actuarial Assumptions

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

Actuarial Assumptions
ERS Group Benefits Program Plan

Valuation Date	August 31, 2021
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll, open
Remaining Amortization Period	30 years
Asset Valuation Method	Not applicable because the plan operates on a pay-as-you-go basis.
Discount Rate	2.14%
Projected Annual Salary Increase (Includes Inflation)	2.30% to 9.05%
Annual Healthcare Trend Rate	<u>HealthSelect</u> – 5.25% for FY2023, 5.15% for FY2024, 5.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years <u>HealthSelect Medicare Advantage</u> – 0% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years <u>Pharmacy</u> – 10.00% for FY2023 and FY2024, decreasing 100 basis points per year to 5.00% for FY2029 and 4.30% for FY2030 and later years
Inflation Assumption Rate	2.30%
Ad Hoc Post-Employment Benefit Changes	None
Mortality 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 2021 ERS ACFR

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
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12. 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 2.20%. The discount rate used to measure the total OPEB liability as of the *end* of the measurement year was 2.14%, which amounted to a decrease of 0.06%. 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 (2.14%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.14%)	Discount Rate (2.14%)	1% Increase in Discount Rate (3.14%)
College's proportionate share of the net OPEB liability:	\$10,504,255	\$8,819,412	\$7,501,275

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Notes to the Financial Statements
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12. 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:	\$7,385,219,595	\$8,819,412	\$10,698,459,889

* 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, 2022, the College reported a liability of \$8,819,412 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	\$ 8,819,412
State's proportionate share that is associated with the College	478,567
Total	\$ 9,297,979

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

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.02458338%, which was a decrease of 0.0014853% from the proportion measured as of August, 31, 2020.

For the year ended August 31, 2022, the College recognized OPEB expense of \$69,697 and revenue of \$69,697 for support provided by the State.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

12. 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 retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to be married and electing coverage for their spouse.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- The percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on short-term expectations. The annual rate of increase in the Patient-Centered Outcome Research Institute fees payable under the ACA has been updated to reflect recent health plan experience and its effects on our short-term expectations. Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.
- The discount rate was changed from 2.20%, as of August 31, 2020, to 2.14%, as of August 31, 2021, as a result of requirements by GASB No. 74 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, 2022 and 2021

12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

At August 31, 2022, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 216,330
Changes in actuarial assumptions	603,810	982,286
Differences between projected and actual investment earnings	1,562	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,177,267	563,577
Contributions paid to ERS subsequent to the measurement date	<u>86,420</u>	<u>-</u>
Total	<u>\$ 1,869,059</u>	<u>\$ 1,762,193</u>

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:

<u>Year Ended August 31:</u>	<u>OPEB Expense Amount</u>
2023	\$ 79,768
2024	163,592
2025	(73,596)
2026	(109,207)
2027	(40,111)

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

Receivables at August 31, 2022 and 2021 were as follows:

	August 31,	
	2022	2021
Student Receivables (Net of Allowances of \$4,581,376 and \$4,324,691 for 2022 and 2021, respectively)	\$ 3,790,708	\$ 4,128,351
Taxes Receivables (Net of Allowances of \$19,807 and \$18,463 for 2022 and 2021, respectively)	53,682	51,838
Federal, State, and Local Grants Receivable	492,263	1,026,116
Other Accounts Receivable	10,455	441
Total Accounts Receivable	\$ 4,347,108	\$ 5,206,746

Payables

Payables at August 31, 2022 and 2021 were as follows:

	August 31,	
	2022	2021
Vendor Payable	\$ 389,726	\$ 525,277
Benefit Payable	115,331	117,505
Total Accounts Payable	\$ 505,057	\$ 642,782

14. 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 2022 and 2021 for which monies have not been received nor funds expended totaled \$3,284,502 and \$1,483,737, respectively. Of these amounts, \$899,657 and \$572,413 were from Federal Contract and Grant Awards and \$2,384,845 and \$911,324 were from State Contract and Grant Awards for fiscal years ended 2022 and 2021, respectively.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

15. 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,		
	2022	2021	
Assessed Valuation of the College	\$ 181,033,368	\$ 173,437,720	
	Current Operations	Debt Service	Total
At August 31, 2022			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.01513	\$ 0.33333	\$ 0.34846
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

Taxes levied for the years ended August 31, 2022 and 2021 were \$629,789 and \$586,632, 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.

	2022		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 26,468	\$ 583,646	\$ 610,114
Delinquent Taxes Collected	2,091	11,413	13,504
Penalties and Interest Collected	396	8,716	9,112
Total Gross Collections	28,955	603,775	632,730
Tax Appraisal & Collection Fees	(1,256)	(27,704)	(28,960)
Total Net Collections	\$ 27,699	\$ 576,071	\$ 603,770
	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	\$ 26,841	\$ 539,300	\$ 566,141

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021

15. AD VALOREM TAX (Continued)

Tax collections for the years ended August 31, 2022 and 2021 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.

16. 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, 2022 and 2021.

17. 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 \$32,600 and \$93,986 for other contributions to the College during the years ended August 31, 2022 and 2021, respectively. There were no receivables from or payables to the Foundation at August 31, 2022 and 2021. 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).

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, 2022 and 2021

19. COMMITMENTS

The College has contracts with outside parties to provide the following services:

- Broadband internet access on four of the College’s campuses; beginning on February 26, 2021 and expiring on February 25, 2026.
- Broadband internet access on one of the College’s campuses; beginning on February 26, 2020 and expiring on February 25, 2023.
- Online course hosting; beginning on September 1, 2021 and ending on August 31, 2024.
- Cloud-based learning management system; beginning on September 1, 2021 and expiring on August 31, 2027.

Future minimum payments under these contracts are as follows:

Year Ending August 31,	Amount
2023	\$ 134,939
2024	123,487
2025	93,737
2026	65,509
2027	45,708

20. PENDING LAWSUITS AND CLAIMS

On August 31, 2022, certain lawsuits and claims involving Ranger College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

21. SUBSEQUENT EVENTS

The College evaluated subsequent events through December 16, 2022, the date the financial statements were available to be issued, noting the following:

- On October 20, 2022, the College entered into a contract to upgrade its enterprise resource planning software system to Jenzabar One. The total cost of the contract is \$1,438,200 for a period of five years, plus an additional \$55,000 for a state reporting component.

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>2022</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) (%)	0.0044227%	0.0049127%	0.0049717%	0.0047535%	0.0044934%	0.0036272%	0.0035399%	0.0037633%
College's proportionate share of collective NPL (\$)	\$ 1,126,317	\$ 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	<u>699,224</u>	<u>1,662,766</u>	<u>1,558,340</u>	<u>1,567,085</u>	<u>743,500</u>	<u>1,713,093</u>	<u>(34,084)</u>	<u>628,357</u>
Total	<u>\$ 1,825,541</u>	<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	\$ 3,873,696	\$ 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	29.08%	61.88%	65.28%	72.20%	44.16%	48.79%	57.22%	50.45%
Plan fiduciary net position as percentage of total pension liability	88.79%	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>2022</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	\$ 198,636	\$ 173,389	\$ 190,187	\$ 160,181	\$ 149,602	\$ 134,611	\$ 109,468	\$ 110,821
Actual contributions	198,636	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>	<u>\$ -</u>
College's covered payroll amount	\$ 4,376,982	\$ 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	4.54%	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**

Fiscal years ended August 31*,	2022	2021	2020	2019	2018
College's proportion of collective net OPEB liability (%)	0.02458338%	0.02606886%	0.0251468%	0.0244112%	0.0172439%
College's proportionate share of collective net OPEB liability (\$)	\$ 8,819,412	\$ 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>478,567</u>	<u>475,463</u>	<u>458,129</u>	<u>127,742</u>
Total	<u>\$ 9,297,979</u>	<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	\$ 5,264,197	\$ 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	167.54%	149.73%	166.42%	144.27%	122.15%
Plan fiduciary net position as percentage of the total net OPEB liability	0.38%	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**

Fiscal years ended August 31*,	2022	2021	2020	2019	2018
Legally required contributions	\$ 612,679	\$ 738,495	\$ 783,667	\$ 745,158	\$ 174,359
Actual contributions	<u>612,679</u>	<u>738,495</u>	<u>783,667</u>	<u>745,158</u>	<u>174,359</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll amount	\$ 5,690,721	\$ 5,264,197	\$ 5,753,276	\$ 5,222,661	\$ 5,014,948
Contributions as a percentage of covered-employee payroll	10.77%	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, 2022

Defined Benefit Pension and OPEB Plans

Change of benefit terms

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

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 12).

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 9).

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 12).

SUPPLEMENTAL INFORMATION

RANGER COLLEGE DISTRICT
Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

					Totals	
	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	8/31/2022	8/31/2021
Tuition						
State Funded Credit Courses						
In-District Resident Tuition	\$ 16,597	\$ -	\$ 16,597	\$ -	\$ 16,597	\$ 16,823
Out-of-District Resident Tuition	3,927,151	-	3,927,151	-	3,927,151	4,346,719
Non-Resident Tuition	118,261	-	118,261	-	118,261	147,083
TPEG - Credit (set aside)*	113,404	-	113,404	-	113,404	131,354
State Funded Continuing Education	186,223	-	186,223	-	186,223	343,707
Total Tuition	<u>4,361,636</u>	<u>-</u>	<u>4,361,636</u>	<u>-</u>	<u>4,361,636</u>	<u>4,985,686</u>
Fees						
General Fees	472,430	-	472,430	-	472,430	654,890
Laboratory Fees	81,237	-	81,237	-	81,237	134,940
Registration Fees	250,801	-	250,801	-	250,801	315,060
Educational Service Fees	159,245	-	159,245	-	159,245	197,778
Other Fees	1,708,054	-	1,708,054	-	1,708,054	1,790,505
Total Fees	<u>2,671,767</u>	<u>-</u>	<u>2,671,767</u>	<u>-</u>	<u>2,671,767</u>	<u>3,093,173</u>
Scholarship Allowances and Discounts						
Bad Debt Allowance	(269,738)	-	(269,738)	-	(269,738)	(388,926)
Scholarship Allowances	(1,218,638)	-	(1,218,638)	-	(1,218,638)	(1,274,184)
Title IV Federal Program	(1,931,459)	-	(1,931,459)	-	(1,931,459)	(2,162,267)
GEER Federal Program	(27,884)	-	(27,884)	-	(27,884)	(42,825)
TPEG Awards	(70,488)	-	(70,488)	-	(70,488)	(76,637)
Other State Grants	(11,678)	-	(11,678)	-	(11,678)	(18,586)
Total Scholarship Allowances	<u>(3,529,885)</u>	<u>-</u>	<u>(3,529,885)</u>	<u>-</u>	<u>(3,529,885)</u>	<u>(3,963,425)</u>
Total Net Tuition and Fees	<u>3,503,518</u>	<u>-</u>	<u>3,503,518</u>	<u>-</u>	<u>3,503,518</u>	<u>4,115,434</u>
Additional Operating Revenues						
Federal Grants and Contracts	-	1,349,984	1,349,984	-	1,349,984	1,862,897
State Grants and Contracts	-	463,558	463,558	-	463,558	669,538
Non-Governmental Grants and Contracts	-	23,942	23,942	-	23,942	32,363
Sales and Services of Educational Activities	36,670	-	36,670	-	36,670	29,663
Other Operating Revenues	146,006	-	146,006	-	146,006	368,184
Total Additional Operating Revenues	<u>182,676</u>	<u>1,837,484</u>	<u>2,020,160</u>	<u>-</u>	<u>2,020,160</u>	<u>2,962,645</u>
Auxiliary Enterprises						
Residential Life	-	-	-	422,064	422,064	524,700
Less Discounts	-	-	-	(248,151)	(248,151)	(274,595)
Bookstore	-	-	-	587,075	587,075	821,917
Less Discounts	-	-	-	(169,794)	(169,794)	(273,248)
Food Services	-	-	-	836,800	836,800	1,010,023
Less Discounts	-	-	-	(517,577)	(517,577)	(575,209)
Intercollegiate Athletics	-	-	-	271,861	271,861	194,543
Student Services	-	-	-	12,852	12,852	3,061
Child Care Services	-	-	-	336,643	336,643	225,492
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,531,773</u>	<u>1,531,773</u>	<u>1,656,684</u>
Total Operating Revenues	<u>\$ 3,686,194</u>	<u>\$ 1,837,484</u>	<u>\$ 5,523,678</u>	<u>\$ 1,531,773</u>	<u>\$ 7,055,451</u>	<u>\$ 8,734,763</u>
				(Exhibit 2)	(Exhibit 2)	

* In accordance with Education Code 56.033, \$113,404 and \$131,354 for years August 31, 2022 and 2021, 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, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

	Operating Expenses				Totals	
	Salaries and Wages	State Benefits	Local Benefits	Other Expenses	8/31/2022	Restated 8/31/2021
Unrestricted Educational Activities						
Instruction	\$ 3,010,564	\$ -	\$ 612,031	\$ 385,436	\$ 4,008,031	\$ 4,534,985
Academic Support	583,508	-	118,624	30,391	732,523	793,581
Student Services	498,908	-	101,425	135,646	735,979	719,267
Institutional Support	1,240,459	-	252,178	911,315	2,403,952	2,118,502
Operation and Maintenance of Plant	188,013	-	-	859,017	1,047,030	1,007,623
Total Unrestricted Educational Activities	5,521,452	-	1,084,258	2,321,805	8,927,515	9,173,958
Restricted Educational Activities						
Instruction	188,904	359,545	-	406,685	955,134	1,181,933
Academic Support	17,031	69,687	-	-	86,718	73,726
Student Services	340,914	59,583	73,140	235,482	709,119	864,115
Institutional Support	-	148,145	10,668	55,616	214,429	475,718
Operation and Maintenance of Plant	14,675	-	-	14,319	28,994	4,511
Scholarships and Fellowships	-	-	-	2,728,297	2,728,297	1,409,099
Total Restricted Educational Activities	561,524	636,960	83,808	3,440,399	4,722,691	4,009,102
Total Educational Activities	6,082,976	636,960	1,168,066	5,762,204	13,650,206	13,183,060
Auxiliary Enterprises	324,513	-	46,327	2,290,100	2,660,940	2,849,824
Depreciation Expense - Buildings and Land Improvements	-	-	-	707,285	707,285	716,658
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	304,053	304,053	259,131
Amortization Expense - Right-Of-Use Assets	-	-	-	91,651	91,651	52,208
Total Operating Expenses	\$ 6,407,489	\$ 636,960	\$ 1,214,393	\$ 9,063,642	\$ 17,414,135	\$ 17,060,881
				(Exhibit 2)	(Exhibit 2)	

RANGER COLLEGE DISTRICT
Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				8/31/2022	Restated 8/31/2021
Non-Operating Revenues					
State Appropriations					
Education and General State Support	\$ 4,227,526	\$ -	\$ -	\$ 4,227,526	\$ 3,863,950
State Group Insurance	-	543,000	-	543,000	478,567
State OPEB	-	(69,697)	-	(69,697)	(62,068)
State Retirement Matching	-	160,904	-	160,904	169,842
Professional Nursing Shortage Reduction	-	40,975	-	40,975	36,012
Total State Appropriations	4,227,526	675,182	-	4,902,708	4,486,303
Maintenance Ad Valorem Taxes	28,955	-	-	28,955	28,036
Debt Service Ad Valorem Taxes	603,775	-	-	603,775	565,808
Federal Revenue, Non-Operating	1,667,219	4,686,898	-	6,354,117	4,302,969
Gifts	38,301	-	-	38,301	191,185
Investment Income	26,827	-	-	26,827	1,964
Gain/ (Loss) on Disposal of Capital Assets	(250,151)	-	-	(250,151)	-
Total Non-Operating Revenue	6,342,452	5,362,080	-	11,704,532	9,576,265
Non-Operating Expenses					
Interest on Capital Related Debt	511,487	-	-	511,487	534,837
Total Non-Operating Expenses	511,487	-	-	511,487	534,837
Net Non-Operating Revenues (Expenses)	\$ 5,830,965	\$ 5,362,080	\$ -	\$ 11,193,045	\$ 9,041,428
				(Exhibit 2)	(Exhibit 2)

RANGER COLLEGE DISTRICT
Schedule D
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

	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	\$ (6,772,298)	\$ -	\$ -	\$ -	\$ (6,772,298)	\$ (6,772,298)	\$ -
Plant							
Debt Service	-	288,622	-	-	288,622		288,622
Investment in Plant	-	-	-	8,069,751	8,069,751		8,069,751
Totals							
Net Position, August 31, 2022	(6,772,298)	288,622	-	8,069,751	1,586,075 (Exhibit 1)	(6,772,298)	8,358,373
Net Position, August 31, 2021 Restated	(7,708,247)	287,178	-	8,172,783	751,714 (Exhibit 1)	(7,708,247)	8,459,961
Net Increase (Decrease) in Net Position	<u>\$ 935,949</u>	<u>\$ 1,444</u>	<u>\$ -</u>	<u>\$ (103,032)</u>	<u>\$ 834,361</u> (Exhibit 2)	<u>\$ 935,949</u>	<u>\$ (101,588)</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, 2022, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated December 16, 2022.

Report on 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 opinions 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.

Report on 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, 2022, 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
December 16, 2022

**RANGER COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2022**

There were no prior year findings.

RANGER COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
August 31, 2022

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:
 Education Stabilization Fund Cluster of Programs:
 ALN 84.425C Governor's Emergency Education Relief Fund
 ALN 84.425E Student Aid
 ALN 84.425F Institutional Aid

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, 2022**

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

Opinion on Each Major Federal Program

We have audited Ranger College District's (the College) 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 Auditor's Responsibilities for the Audit of Compliance 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 16, 2022

RANGER COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2022

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 120,816
Federal College Workstudy Program	84.033		29,943
Federal Pell Grant Program	84.063		2,472,882
Federal Direct Student Loans	84.268		1,237,444
Total Student Financial Aid Cluster			<u>3,861,085</u>
TRIO Cluster			
TRIO - Student Support Services Grant	84.042 A		259,122
TRIO - Upward Bound	84.047 A		333,311
Total TRIO Cluster			<u>592,433</u>
COVID-19 Education Stabilization Fund - Student Aid	84.425 E		2,063,257
COVID-19 Education Stabilization Fund - Institutional	84.425 F		2,187,847
Total COVID-19 Education Stabilization Fund			<u>4,251,104</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Career and Technical Education Basic Grants - Texas Counselors' Network	84.048	224249	96,506
Education Stabilization Fund Program			
COVID-19 Governor's Emergency Education Relief (GEER)	84.425 C	24111	76,925
COVID-19 Texas Reskilling and Upskilling for Education (TRUE) Institutional Capacity Grant	84.425 C	GR1205	63,492
Total Education Stabilization Fund Program			<u>140,417</u>
Total Passed-Through From Texas Higher Education Coordinating Board			<u>236,923</u>
Total U.S. Department of Education			<u>8,941,545</u>
Total Federal Financial Assistance			<u>\$ 8,941,545</u>

RANGER COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2022

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$ 1,349,984
Add: Non-Operating Revenues - Federal Revenue, non-operating - per Schedule C	<u>6,354,117</u>
Total Federal Revenues per Schedules A and C	<u>\$ 7,704,101</u>
Reconciling Items:	
Federal Direct Student Loans	<u>1,237,444</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 8,941,545</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	<u>\$ 1,237,444</u>	<u>\$ -</u>	<u>\$ 1,237,444</u>

STATE AWARDS SECTION

RANGER COLLEGE DISTRICT
Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2022

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Professional Nursing Shortage Reduction	22555	\$ 39,540
Professional Nursing Shortage Reduction	23070	1,435
Nursing Innovation Grant	23792	43,041
Texas Education Opportunity Grant	003603	117,300
Texas Workforce Commission		
Skills Development Fund	0422SDF002	122,531
Jobs and Education for Texans Grant Program	0921JET001	180,686
Total State Financial Assistance		<u>\$ 504,533</u>

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Financial Assistance - per Schedule of Expenditures of State Awards	\$ 504,533
Reconciling Items	
Professional Nursing Shortage Reduction reported on Schedule C	<u>(40,975)</u>
Total State Revenues per Exhibit 2 and Schedule A	<u>\$ 463,558</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.

