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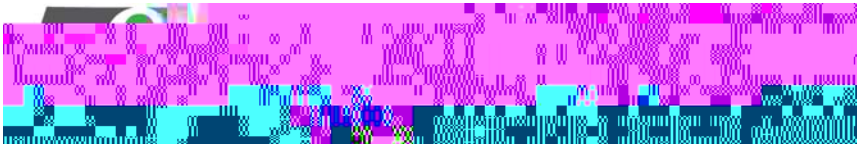
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NORTHEAST TEXAS COMMUNITY COLLEGE
MT. PLEASANT, TEXAS
ORGANIZATIONAL DATA
For the Fiscal Year 2022

BOARD OF TRUSTEES

			<u>TITLE</u>	<u>TERMS</u>
Mr. Chuck Johns	Pittsburg	R		

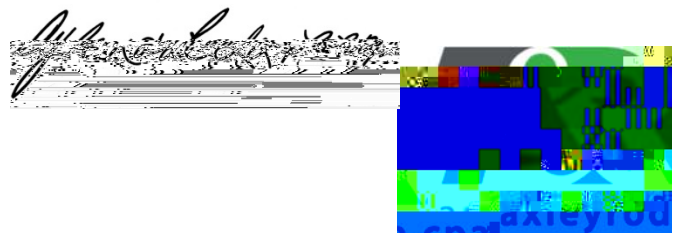
INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT



Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that



Management's Discussion and Analysis
August 31, 2022

This section of Northeast Texas Community College's Annual Financial Report presents management's discussion and analysis of the College's financial activity during fiscal years ending 2020, 2021, and 2022. Since this management's discussion and analysis is designed to focus on current activities, resulting change, decisions or conditions of facts, please read it in conjunction with the College's basic financial statements and the footnotes. The College endeavors to present an objective and easily readable analysis of the overall financial activities to students and the public. Responsibility for the completeness and fairness of this information rests with the College.

The third asset category is the unrestricted assets and is available to both the College and the Foundation for any lawful purpose.

As of August 31, 2022, 2021 and 2020, the College's net positions were \$(4,250,465), \$(4,637,784), and \$(4,104,432), respectively. From the data presented, readers of the Statement of Net Position are able to determine the Net Assets available to continue the operations of the institution. They are also able to determine how much the College owes vendors, investors, and lending institutions.

The Statement of Revenues, Expenses, and Changes in Net Position focus on both the gross costs and the net costs of College activities that are supported mainly by state appropriation, property taxes, tuition and fees, and other revenues. The outcome

In comparing the fiscal periods ended August 31, 2022 and 2021:

Net Tuition and fee revenues increased \$459,814 or 13.8% . This was a result of increased enrollment.

Net Auxiliary Enterprises increased \$202,644 or 11.25% mainly as a result of increased housing occupancy and a increase in Whatley program revenues.

Federal Grants and Contracts increased \$362,020 or 10.9% primarily as a result of increases in HEERF federal funding. State Grants and Contracts decreased \$240,986 or 34.5% largely as a result of decreased awards through the Texas Workforce Commission and Nursing Shortage Reduction Program (NSRP).

In comparing the fiscal periods ended August 31, 2022 and 2021:

Instruction decreased \$274,421 or 2.7% primarily due to decreased instructional salaries.

Academic Support decreased \$106,581 or 8.3% as a result of salary savings through restructuring and lower contracted service expenditures.

Institutional Support increased \$758,550 or 14.1% as a result of an increase expenditures through HEERF federal funds.

Total other non-operating increased \$268 or 13.1% due to gains on disposal of assets.

In comparing the fiscal periods ended August 31, 2021 and 2020:

Instruction decreased \$4,988 or 0.05% primarily due to increased allocation for GASB 68 & 75 expenditures.

Academic Support decreased \$162,387 or 11.24% as a result of two positions unfilled for the prior year being filled in 2020-2021 and increased allocation for GASB 68 & 75 expenditures.

Institutional Support increased \$268,494 or 5.26% as a result of an increase expenditures due to the Title V Grants increased allocation for GASB 68 & 75 expenditures.

In the fiscal period ended August 31, 2014, the College issued \$86,000 in equipment financing notes for the purchase of a college bus.

In the fiscal period ended August 31, 2013, the College issued \$2,138,638 in limited Tax Refunding Bonds to be used to advance refund the remaining 2003 Series Limited Tax Bonds.

In the fiscal period ended August 31, 2012, the College issued \$5,741,765 in Limited Tax Refunding Bonds to be used to advance refund a portion of the 2003 Series Limited Tax Bonds.

The College has revenue bonds, general obligation bonds, and other notes payable for which contractual payments have been made in the fiscal periods ended August 31, 2022 and 2021.

See Note 9 - Bonds and Notes Payable of the financial statements for further information about long-term debt activity.

In the fiscal period ended August 31, 2022, the College expended \$295,846 in Federal grant funds to purchase equipment for use in our workforce education program. The College also expended approximately \$167,212 in bond funds for the repair and renovation of the main campus.

In the fiscal period ended August 31, 2021, the College expended \$104,830 in Federal grant funds to purchase equipment for use in our workforce education program. The College also expended approximately \$7,850 in bond funds for the repair and renovation of the main campus.

In the fiscal period ended August 31, 2020, the College expended \$44,023 in Federal grant funds to purchase equipment for use in our workforce education program. The College also expended approximately \$85,000 in bond funds for the repair and renovation of the main campus.

In the fiscal period ended August 31, 2019, the College expended \$316,805 in Federal grant funds to purchase equipment for use in our workforce education programs. The College also expended approximately \$365,000 in bond funds for the repair and renovation of the main campus.

In the fiscal period ended August 31, 2018, the College expended \$63,999 in Federal grant funds to purchase equipment for use in our workforce education programs. The College also expended approximately \$1,400,000 in bond funds for the repair and renovation of the main campus.

In the fiscal period ended August 31, 2017, the College expended \$83,310 in Federal grant funds to purchase equipment for use in our workforce education programs. The College also expended approximately \$13,000,000 in bond funds for the repair and renovation of the main campus.

In the fiscal period ended August 31, 2016, the College expended approximately \$250,000 in Federal grant funds to purchase equipment for use in our workforce education programs. The College also expended approximately \$5,000,000 in bond funds for the repair and renovation of the main campus.

In the fiscal period ended August 31, 2015, the College expended approximately \$779,000 in Federal grant funds to purchase equipment for use in our workforce education programs. The College also expended \$293,000 in bond funds for the design phase of the main campus repair and renovation project.

In the fiscal period ended August 31, 2014, the College expended approximately \$232,000 in Federal grant funds to purchase equipment for use in our workforce education programs and computer system. The College also expended approximately \$201,000 to remodel half of the College's original dorms.

In the fiscal period ended August 31, 2013, the College expended approximately \$296,700 in Federal and State grant funds to purchase equipment for use in our workforce education programs. The foundation expended approximately \$148,400 to make additional improvements to the College's performing arts facilities and matching funds for the above state grant.

See Note 7 - Capital Assets of the financial statements for further information about capital asset activity.

On April 26, 2016 Standard & Poor's affirmed the College's Revenue Financing debt rating at BBB and rated the college's General Obligation Financing debt at AA. Management does not believe it has any debt limitations that may affect the financing of planned facilities or services.

The final statement presented by the Northeast Texas Community College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts:

Part 1 deai nsth

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Part 4 shows the cash flows from investing activities where proceeds from the sale and purchase of investments including investment earnings are reflected.

Part 5 reconciles the net cash used in the operating income or loss that is reflected on the Statement of Net Assets under the line item "Cash and Cash Equivalents".

Net position increased in fiscal year 2022 by \$387,319 primaril

FINANCIAL STATEMENTS

NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
 COMPONENT UNIT
 STATEMENTS OF FINANCIAL POSITION
 August 31, 2022 and 2021

EXHIBIT 1A

	2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4 476 561	\$ 2 235 345
Accounts receivable	2 279	12 306
TOTAL CURRENT ASSETS	4 478 840	2 247 651
Noncurrent Assets:		
Long-term investments	5 646 177	6 634 658
Property, plant, and equipment, net of accumulated depreciation	821 452	828 989
Other assets	39 199	39 217
TOTAL NONCURRENT ASSETS	6 506 828	7 502 864
TOTAL ASSETS	10 985 668	9 750 515
LIABILITIES		
Current Liabilities:		
Deferred revenue	982 559	722 547

NORTHEAST TEXAS COMMUNITY COLLEGE
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 For the Years Ended August 31, 2022 and 2021

EXHIBIT 2

	2022	2021
Operating Revenue:		
Tuition and fees (net allowances and discounts of \$4,617,790 and \$4,566,196)	\$ 3 790 774	\$ 3 330 960
Federal grants and contracts	3 680 789	3 318 769
State grants and contracts	456 955	697 941
Non-governmental grants and contracts	90 166	42 057
Sales and services of educational activities	83 570	19 304
Auxiliary enterprises (net of discounts of \$691,536 and \$742,636)	2 004 506	1 801 862
Other operating revenues	470 499	439 578
TOTAL OPERATING REVENUES (SCHEDULE A)	10 577 259	9 650 471
Operating Expenses:		
Instruction	9 848 046	10 122 467
Public service	474 978	325 709
Academic support	1 175 362	1 281 943
Student services	1 513 208	1 588 169
Institutional support	6 127 989	5 369 440
Operation and maintenance of plant	1 528 151	1 505 563
Scholarships and fellowships	4 728 106	2 752 309
Auxiliary enterprises		

NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
 COMPONENT UNIT
 STATEMENTS OF ACTIVITIES
 For the Years Ended August 31, 2022 and 2021

EXHIBIT 2A

	2022	2021
Operating Revenue:		
Federal grants and contracts	\$ 131 101	\$ 132 048
State grants and contracts	1 240 785	975 876
Local grants and contracts	1 150 984	1 049 178
TOTAL OPERATING REVENUES	2 522 870	2 157 102
Operating Expenses:		
Public service	2 741 504	2 331 757
Scholarships	364 921	323 132
Depreciation	7 537	7 537
TOTAL OPERATING EXPENSES	3 113 962	2 662 426
OPERATING LOSS	(591 092)	(505 324)
Non-Operating Revenues:		
Investment income	30 599	32 767
TOTAL NON-OPERATING REVENUES (EXPENSES) (SCHEDULE C)	30 599	32 767
(LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, LOSSES	(560 493)	(472 557)
Other Revenues, (Expenses), Gains, Losses:		
Additions to endowments	392 265	482 055
Gains (loss) on investments	(1 202 627)	593 366
Contributions	826 996	1 128 838
TOTAL OTHER REVENUES, (EXPENSES), GAINS, LOSSES	16 634	2 204 229
INCREASE (DECREASE) IN NET POSITION	(543 859)	1 731 672
Net position - Beginning of year	8 865 340	7 133 668
NET POSITION - END OF YEAR	\$ 8 321 481	\$ 8 865 340

NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
 COMPONENT UNIT
 STATEMENTS OF CASH FLOWS
 For the Years Ended August 31, 2022 and 2021

EXHIBIT 3A

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Receipts from grants and contracts	\$ 2 311 578	\$ 1 911 684
Payments of scholarships	1 154 099	(376 798)
Payments of grants and contract costs	<u>(2 260 175)</u>	<u>(1 885 422)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1 205 502</u>	<u>(350 536)</u>
Cash Flows from Noncapital Financing Activities:		
Additions to permanent and term endowment and other contributions	<u>1 219 261</u>	<u>1 030 408</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1 219 261</u>	<u>1 030 408</u>
Cash Flows from Investing Activities:		
Proceeds from sale of investments	369 414	429 365

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2022 and 2021

NOTE 1 - REPORTING ENTITY

Northeast Texas Community College (the College) was formed in J

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows of Resources

In addition to assets, 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 future periods and so will not be recognized as an outflow of resources (expenses) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. A typical deferred outflow for community colleges is a deferred charge on refunding debt and/or charges relating pension benefits.

Investments

In accordance with GASB Statement No 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity of greater than one year at the time of purchase. Non-current investments include investments that are current but not available for operations.

Inventories

Inventories consisting of consumable office supplies, and bookstore stock. Inventories are stated a lower of cost or market using the first-in, first-out (FIFO) method and are charged to expense as consumed.

Deferred Inflows of Resources

In addition to liabilities, 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 future periods and so will not be recognized as an inflow of resources (revenues) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB. A typical deferred inflow for community colleges is pension or OPEB related.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and estimated useful life in excess of one year. Renovations of \$50,000 to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles and other equipment, and 5 years for telecommunications and peripheral equipment.

Other Post-Employment Benefits

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 postemployment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension

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NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Estimates

The preparation of the financial statements, in conformity with

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 4 - DEPOSITS AND INVESTMENTS

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

	AUGUST 31,	
	2022	2021
Demand deposits	\$ 1 888 918	\$ 2 333 151
Time deposits	3 142 227	1 618 022
Petty cash	10 050	10 050
TOTAL CASH AND DEPOSITS	\$ 5 041 195	\$ 3 961 223

Cash and Deposits Reconciliation of Deposits and Investments to Exhibit 1

TYPE OF SECURITY	FAIR VALUE AUGUST 31,	
	2022	2021
Investment pool	\$ 1 496 803	\$ 2 590 010
TOTAL	1 496 803	2 590 010
TOTAL CASH AND DEPOSITS	5 041 195	3 961 223
TOTAL DEPOSITS AND INVESTMENTS	\$ 6 537 998	\$ 6 551 233
Cash and cash equivalents (Exhibit 1)	\$ 1 199 546	\$ 4 173 066
Restricted cash and equivalents (Exhibit 1)	2 196 225	760 133
Investments (Exhibit 1)	2 200 233	699 208
Restricted investments (Exhibit 1)	941 994	918 815
TOTAL DEPOSITS AND INVESTMENTS	\$ 6 537 998	\$ 6 551 233

Cash and Deposits for Northeast Texas Community College Foundation reported on Exhibit 1A consist of the following:

	AUGUST 31,	
	2022	2021
Demand deposits	\$ 4 476 561	\$ 2 235 345
TOTAL CASH AND DEPOSITS	\$ 4 476 561	\$ 2 235 345

Reconciliation of Deposits and Investments to Exhibit 1A

TYPE OF SECURITY	FAIR VALUE AUGUST 31,	
	2022	2021
U. S. government agencies	\$ -	\$ 1 047 705
Corporate bond/note	3 040 569	1 636 381
Mutual funds	2 605 609	3 951 572
TOTAL INVESTMENTS	5 646 177	6 634 658
Total cash and deposits	4 476 561	2 235 345
TOTAL DEPOSITS AND INVESTMENTS	\$ 10 122 738	\$ 8 870 003
Cash and cash equivalents	\$ 4 476 561	\$ 2 235 345
Long-term investments	5 646 177	6 634 658
TOTAL DEPOSITS AND INVESTMENTS	\$ 10 122 738	\$ 8 870 003

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

Investment Type	CREDIT RATING	MARKET VALUE	INVESTMENT MATURITIES (IN YEARS)		
			LESS THAN 1	1-2	2-3
Certificates of Deposits		\$ 3 142 227	\$ 3 142 227	\$ -	\$ -
Investment Pool	N/A	1 496 803	1 496 803	-	-
TOTAL MARKET VALUE	AAA	\$ 4 639 030	\$ 4 639 030	\$ -	\$ -

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

Investment Type	CREDIT RATING	MARKET VALUE	NO MATURITY	INVESTMENT MATURITIES (IN YEARS)		
				LESS THAN 1	1-2	2-3
Mutual Funds	N/A	\$ 5 646 177	\$ 5 646 177	\$ -	\$ -	\$ -
TOTAL MARKET VALUE		\$ 5 646 177	\$ 5 646 177	\$ -	\$ -	\$ -

Interest Rate Risk - In accordance with state law and Northeast Texas Community College policy, the College does not purchase any investments with maturities greater than 10 years.

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - CONTINUED

Credit Risk - In accordance with state law and the College's investment policy, investments in mutual funds and investment pools must be rated at least AAA; commercial paper must be rated at least A-1 or P-1; and investments in obligations from other states, municipalities, counties, etc. must be rated at least A, as well.

Concentration of Credit Risk - The College does not place a limit on the amount that may be invested in any one issuer. More than 47% of the College's investments are in investment pools (62.0%) and certificates of deposit (38.0%).

Custodial Credit Risk - At August 31, 2022 and 2021, the College had money on deposit at two banks. The carrying amount of the CoQ M

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 7 - CAPITAL ASSETS

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

	BALANCE AUGUST 31, 2021	<u>INCREASES</u>	<u>DECREASES</u>	BALANCE AUGUST 31, 2022
Not Depreciated:				

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 9 - BONDS AND NOTES PAYABLE - CONTINUED

General information related to bonds payable is summarized below:

Limited Tax Refunding Bonds, Series 2012

To advance refund a portion of the 2003 Series Limited Tax Bonds
Issued January 20, 2012

Total authorized and issued \$9,293,154

Source of revenue for debt service is ad valorem taxes

Outstanding principal balance at August 31, 2021 and 2020 was

NORTHEAST TEXAS COMMUNITY COLLEGE
 AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 August 31, 2022 and 2021

NOTE 9 - BONDS AND NOTES PAYABLE - CONTINUED

Notes Payable

The College entered into a 4.34% maintenance tax note payable with the City of Mesquite, Texas. The note is due on 1/1/2025.

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NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 10 - DEFINED BENEFIT PENSION PLAN - CONTINUED

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 2021 through 2025.

	CONTRIBUTION RATES	
	2022	2021
Member	7.7%	7.7%
Non-Employer Contributing Entity	7.5%	7.5%
Employers	7.5%	7.5%
Employer Contributions - 2022	\$ 501 077	
Member Contributions - 2022	\$ 806 398	
NECE On-behalf Contributions - 2021	\$ 259 298	

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 the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

The District's contributions to the TRS pension plan in 2022 were \$501,077, as reported in the Schedule of the District's Contributions in the Required Supplementary Information section of these financial statements. Estimated state of Texas on-behalf contributions for 2022 were \$259,298.

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

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

On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

During a new member's first 90 days of employment.

When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 10 - DEFINED BENEFIT PENSION PLAN - CONTINUED

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted in July 2018. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period. Assumptions, methods, and plan changes were updated from the prior year's report. The net pension liability increased significantly since the prior measurement date due to a change in the following actuarial

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 10 - DEFINED BENEFIT PENSION PLAN - CONTINUED

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2021 Net Pension Liability.

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 11 - DEFINED CONTRIBUTION PENSION PLAN

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

Funding Policy - Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.0% and 6.65%, respectively. The College contributes 5.2% for employees who were participating in the optional retirement program prior to September 1, 1995 and 3.3% for all others. 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 (SB) 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.

The retirement expense of the state for the College, for both the defined benefit plan and the defined contribution plan, was \$259,298, \$259,694, and \$333,237 for the fiscal years ended August 31, 2022, 2021, and 2020, respectively. This amount represents the portion of expended appropriations made by the Texas Legislature on behalf of the College.

The total payroll for the College employees was \$11,805,184, \$11,502,202, and \$11,766,650 for fiscal years 2022, 2021, and 2020, respectively. The total payroll of employees covered by the TRS was \$11,762,626,

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - CONTINUED

Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follow:

Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the trustees from the Teachers Retirement System of Texas.

Assumed expenses, assumed per capita health benefit costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.

The percentage of current retirees and their spouses not yet el

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) - CONTINUED

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 17 - CONTRACT AND GRANT AWARDS - CONTINUED

Contracts and grant award funds already committed or funds awarded during fiscal years 2022 and 2021 for the College and Foundation are as follows:

	2022	2021
College:		
Federal	\$ 2 071 031	\$ 2 776 401
State	81 815	149 655
TOTAL	\$ 2 152 846	\$ 2 926 056
Foundation:		
Federal	\$ 132 251	\$ 131 101
State	1 033 725	1 024 738
TOTAL	\$ 1 165 976	\$ 1 155 839

NOTE 18 - SELF INSURED PLANS

The College self-insures for coverage in the areas of workers' compensation and unemployment compensation. These plans are on a pay-as-you-go basis, in which no assets are set aside. Accrued liabilities are generally based on actuarial valuation and represent the present value of unpaid expected claims. Estimated future payments for incurred claims are charged to current operations. Management has determined the liability to be less than \$10,000.

NOTE 19 - AD VALOREM TAX

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

	AUGUST 31,	
	2022	2021
Assessed valuation of the college	\$ 5 708 431 476	\$ 5 161 146 604
M		

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 20 - TAX ABATEMENT

Northeast Texas Community College has upheld county property tax abatement agreements with local businesses

NORTHEAST TEXAS COMMUNITY COLLEGE
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and 2021

NOTE 25 - TC³ CONSORTIUM

The purpose of this strategic partnership with 7 community colleges is to utilize a common Student Information System to facilitate a growing number of "shared services" in a manner that reduces administrative overhead and supports growth without an increase in administrative costs. The members include Northeast Texas Community College, Texarkana College, Kilgore College, Paris Junior College, and Angelina College. TC³ members have formally adopted an interlocal agreement, appointed officers, and secured private start-up funding as well as a special-item appropriation from the state of Texas for \$2.375 million.

NOTE 26 - PENDING LAWSUITS AND CLAIMS

As of August 31, 2022, there are no lawsuits pending against the College.

NOTE 27 - SUBSEQUENT EVENTS

Management has considered and reviewed all subsequent events through the date the financial statements were available to be released, which was December 13, 2022.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES

NORTHEAST TEXAS COMMUNITY COLLEGE AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
REQUIRED SUPPLEMENTARY SCHEDULE I
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

2021 2020 2019 2018 2017 2016 2015 2014

NORTHEAST TEXAS COMMUNITY COLLEGE AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
 REQUIRED SUPPLEMENTARY SCHEDULE II
 SCHEDULE OF THE COLLEGE'S PENSION CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 LAST TEN FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 501 077	\$ 461 449	\$ 454 013	\$ 360 087	\$ 351 746	\$ 334 778	\$ 319 900	\$ 311 480
Actual contributions	<u>(501 077)</u>	<u>(461 449)</u>	<u>(454 013)</u>	<u>(360 087)</u>	<u>(351 746)</u>	<u>(334 778)</u>	<u>(319 900)</u>	<u>(311 480)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Colleg

NORTHEAST TEXAS COMMUNITY COLLEGE AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
 REQUIRED SUPPLEMENTARY SCHEDULE III
 SCHEDULE OF THE COLLEGE'S SHARE OF NET OPEB LIABILITY
 EMPLOYEES RETIREMENT SYSTEM OF TEXAS
 LAST TEN FISCAL YEARS

College's proportion of the OPEBL	0.05737306%	0.0555049%	0.04826415%	0.05109246%	0.03546448%
College's proportionate share of the OPEBL	\$ 20 582 874	\$ 18 341 396	\$ 16 681 382	\$ 15 142 653	\$ 12 083 816
State share of the OPEBL associated with the College TOTAL	<u>\$ 10 170 227</u> <u>\$ 30 753 101</u>	<u>\$ 9 365 621</u> <u>\$ 21 707 017</u>	<u>\$ 11 406 193</u> <u>\$ 28 087 575</u>	<u>\$ 9 285 987</u> <u>\$ 24 428 640</u>	<u>\$ 7 490 251</u> <u>\$ 19 574 067</u>
College's covered-employee payroll* <i>Prior FY TRS Gross - September through August</i>	\$ 11 365 465	\$ 11 365 440	\$ 10 579 162	\$ 10 644 405	\$ 10 341 867
Proportionate share/covered payroll	181.1%	191.64%	157.68%	142.26%	116.84%
Plan fiduciary net position/total OPEB liability	0.38%	0.32%	0.17%	1.27%	2.04%
Contractually required contribution	\$ 166 478	\$ 392 425	\$ 375 914	\$ 359 717	\$ 340 703
Actual contribution	(166 478)	(392 425)	(375 914)	(359 717)	(340 703)
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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NORTHEAST TEXAS COMMUNITY COLLEGE AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES
August 31, 2022

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

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

The total pension liability as of August 31, 2020 was developed using a roll-forward method from August 31, 2019.

Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated on the experience study performed for TRS for the period ending August 31, 2018.

Economic assumptions including rates of salary increase for individual participants were updated based on the same experience study.

The discount rate remained unchanged.

The long term assumed rate of return changed from 8.0 to 7.25 percent.

The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

Under Q/A # 4.107 of GASB's Implementation Guide No. 2017-2, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, this valuation reflects the benefit advance of the preparation of this report. The only benefit change for dependents for whom Medicare is not primary is an increase in the and Consumer Directed HealthSelect (CDHP) from \$6,650 to \$6,750.

SUPPLEMENTAL FINANCIAL INFORMATION

For the Fiscal Years Ended
August 31, 2022 and 2021

NORTHEAST TEXAS COMMUNITY COLLEGE
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2022
With Memorandum Totals for the Year Ended August 31, 2021

NORTHEAST TEXAS COMMUNITY COLLEGE
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

	<u>SALARIES AND WAGES</u>	<u>STATE BENEFITS</u>	<u>LOCAL BENEFITS</u>	<u>OTHER EXPENSES</u>	<u>TOTALS</u>	
					<u>2022</u>	<u>2021</u>
Unrestricted - Educational Activities:						
Instruction	\$ 6 355 149	\$ -	\$ 1 609 369	\$ 5 98 048	\$ 8 562 566	\$ 8 521 755
Public service	37 200	-	9 420	126 001	172 621	102 371
Academic support	692 032	-	175 239	238 736	1 106 017	1 192 630
Student services M						

NORTHEAST TEXAS COMMUNITY COLLEGE
 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

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>AUXILIARY ENTERPRISES</u>	<u>TOTALS</u>	
				<u>2022</u>	<u>2021</u>
Non-Operating Revenues:					

NORTHEAST TEXAS COMMUNITY COLLEGE
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

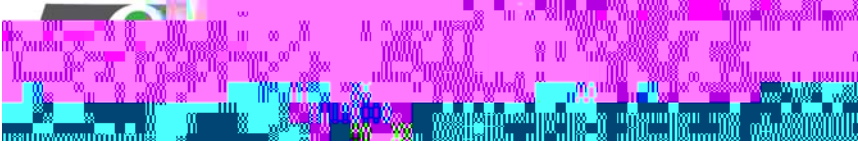
	DETAIL BY SOURCE					AVAILABLE FOR CURRENT OPERATIONS		MEMORANDUM TOTAL 08/31/2021
	UNRESTRICTED	RESTRICTED		NET INVESTMENT IN CAPITAL ASSETS	TOTAL 08/31/2022	YES	NO	
		EXPENDABLE	NON- EXPENDABLE					
Current								
Unrestricted	\$ (16 444 164)	\$ -	\$ -	\$ -	\$ (16 444 164)	\$ 6 024 741	\$ (22 468 905)	\$ (16 235 784)
Board designated reserve	515 717	-	-	-	515 717	515 717	-	515 717
Plant								
Investment in plant	-	580 912	-	11 097 070	11 677 892	-	11 677 982	11 082 283
TOTAL NET POSITION, AUGUST 31, 2022	(15 928 447)	580 912	-	11 097 070	(4 250 465)	6 540 458	(10 790 923)	(4 637 784)
TOTAL NET POSITION, AUGUST 31, 2021	(16 263 061)	707 416	-	10 917 861	(4 637 784)	6 032 509	(10 670 293)	(4 104 432)
NET INCREASE (DECREASE) IN NET POSITION	\$ 334 614	\$ (126 504)	\$ -	\$ 179 209	\$ 387 319	\$ 507 949	\$ (120 630)	\$ (553 352)

See independent auditors' report.

SINGLE AUDIT SECTION

Annual Financial Report

For the Fiscal Years Ended
August 31, 2022 and 2021



INDEPENDENT AUDITORS' 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

Board of Trustees
Northeast Texas Community College and
Northeast Texas Community College Foundation
Mt. Pleasant, Texas

Members of the Board of Trustees:

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 Northeast Texas Community College and Northeast Texas Community College Foundation, Inc. as of and for the year ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s basic financial statements, and have issued our report thereon dated December 13, 2022.

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

We performed tests designed to verify Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s compliance with the Public Funds Investment Act. The results of our tests disclosed no instances of noncompliance with the Public Funds Investment Act.

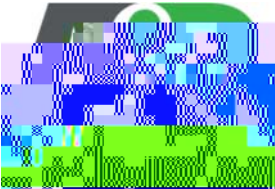
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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

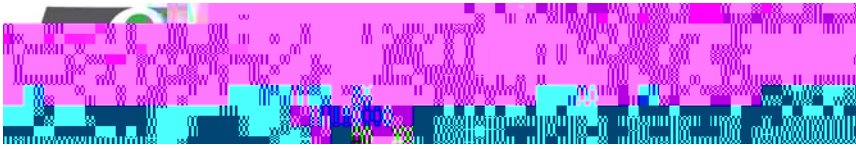
This report is intended for the information and use of management, the audit committee, Board of Trustees, others within the entity, the Texas Higher Education Coordinating Board, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



A handwritten signature in black ink is written over a rectangular stamp. The stamp contains the text "CERTIFIED PUBLIC ACCOUNTANTS" in a bold, sans-serif font. The signature is written in a cursive style and appears to be "A. J. [unclear]".

Lufkin, Texas
December 13, 2022





INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

Board of Trustees
Northeast Texas Community College and
Northeast Texas Community College Foundation
Mt. Pleasant, Texas

Members of the Board of Trustees:

We have audited Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas Single Audit Circular, Uniform Grant Management Standards which could have a direct and material effect on each of Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s major federal and state programs for the year ended August 31, 2022. Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

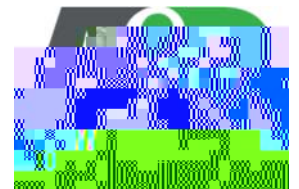
In our opinion, Northeast Texas Community College and Northeast Texas Community College Foundation, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2022.

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) and the State of Texas Single Audit Circular, issued by the Comptroller General of the United States. Our responsibilities under those standards, the Uniform Guidance and State of Texas Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northeast Texas Community College and Northeast Texas Community College Foundation and to meet our other 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 and state program. Our audit does not provide a legal determination of the college and the foundation's compliance with the compliance requirements referred to above.

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 Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s federal and state programs.

Our objectives are to obtain reasonable assurance about whether m- " d



In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the Texas State Single Audit Circular, 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 Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'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 Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'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 and Texas State Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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 r IQ

A handwritten signature in black ink, appearing to read "Julia L. [unclear]", is written over a horizontal line. Below the line, there are some faint, illegible markings.

NORTHEAST TEXAS COMMUNITY COLLEGE AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
 SCHEDULE E
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	PROVIDED TO SUBRECIPIENTS	PASS THROUGH DISBURSEMENTS AND EXPENDITURES
U.S. Department of Education				

NORTHEAST TEXAS COMMUNITY COLLEGE AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
 SCHEDULE E - CONTINUED
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended August 31, 2022

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	PASS THROUGH DISBURSEMENTS AND EXPENDITURES
<u>NOTE 1 - FEDERAL FINANCIAL ASSISTANCE RECONCILIATION</u>	
Revenue - Federal grants and contracts revenue - Per Schedule A - College	\$ 3 680 789
Add: Federal grants and contracts revenue - Per Schedule C - College	8 710 084
TOTAL FEDERAL REVENUES PER SCHEDULE A AND C	12 390 873
Reconciling Items:	
Add: Funds passed through to others	103 015
Add: Federal grant capital contributions - Per Exhibit 2 - College	295 846
Add: Direct loans	2 135 286
Add: Federal grants and contracts revenue - Foundation	131 101
TOTAL FEDERAL REVENUES PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	\$ 15 056 121

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

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 represent funds which have been expended by the College for the purposes of the award. The expenditures reported may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. Some amounts reported in the schedule may differ from amounts used in the preparation of the basis financial statements. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule. Since the College has agency approved Indirect Recovery Rate it has elected not to use the 10 percent de minimis cost rate as permitted in the UG, section 200.414.

NOTE 3 - STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED

FEDERAL GRANTOR CFDA NUMBER/PROGRAM NAME	NEW LOANS PROCESSED	ADMINISTRATIVE COST RECOVERED	TOTAL
U.S. Department of Education: All direct loans processed are included in the schedule.			

NOTE 4 - AMOUNTS PASSED THROUGH BY THE COLLEGE

The following amounts were passed through to the listed sub-recipients by the College:

U.S. Department of Education: Title V: TAMUT - Texarkana	\$ 103 015
TOTAL AMOUNT PASSED THROUGH BY THE COLLEGE	\$ 103 015

(A) Denotes federal financial assistance program for the Component Unit - Northeast Texas Community College Foundation.

NORTHEAST TEXAS COMMUNITY COLLEGE AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2022

GRANTOR/PROGRAM/TITLE	GRANT CONTRACT NUMBER	PASS THROUGH DISBURSEMENTS AND EXPENDITURES
Texas Education Agency:		
Temporary Assistance to Needy Families	(A) 200958027110020	\$ 1 158 606
TOTAL TEXAS EDUCATION AGENCY		<u>1 158 606</u>
U.S. Small Business Administration:		
Passed through Dallas Community College:		
SBDC	N/A	83 323
TOTAL U.S. SMALL BUSINESS ADMINISTRATION		<u>83 323</u>
Texas Higher Education Coordinating Board:		
Texas Education Opportunity Grant	N/A	279 560
Nursing Shortage	N/A	23 165
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		<u>302 725</u>
Texas College Workstudy		<u>16 032</u>
Texas Workforce Commission:		
Skills Development Fund	0720COS001	9 884
Passed through Paris Junior College:		
State AEFLA	0818ALA00C	38 053
Professional Development	0718ALA000	6 938
TOTAL TEXAS WORKFORCE COMMISSION		<u>54 875</u>
HOGG Foundation Grant:		
HOGG Foundation Grant	(A) WRC-040	<u>82 179</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 1 697 740</u>

NORTHEAST TEXAS COMMUNITY COLLEGE AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2022

None