

**WEATHERFORD COLLEGE  
OF THE PARKER COUNTY  
JUNIOR COLLEGE DISTRICT**

**ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2023**

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT**

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**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT**

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**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
ORGANIZATIONAL DATA  
For the Year Ended August 31, 2023**

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Board of Trustees

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Officers

Dan Carney, Chairman  
Doug Dowd, Vice Chairman  
Lela Morris, Secretary / Treasurer

Members

		<u>Term Expires</u> <u>May 31,</u>
G.B. Bailey	Weatherford, Texas	2029
Lela Morris	Weatherford, Texas	2029
Dr. Trev Dixon	Weatherford, Texas	2027
Doug Dowd	Weatherford, Texas	2027
Dan Carney	Weatherford, Texas	2027
Mac Smith	Weatherford, Texas	2025
Judy McAnally	Weatherford, Texas	2025
		<u>Term Expires</u> <u>December 31,</u>
Dr. Robert Marlett	Wise County, Texas	2023

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Principal Administrative Officers

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Dr. Tod Allen Farmer	President
Brent Baker	Vice President - Institutional Advancement
Dr. Andra Cantrell	Executive Vice President - Financial & Administrative Services
Michael Endy	Vice President - Workforce Education
Dr. Scott Tarnowiecky	Assistant Vice President - Student Services
Dr. Shannon Ydoyaga	Executive Vice President - Academics

**FINANCIAL SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Weatherford College of the  
Parker County Junior College District

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Weatherford College of the Parker County Junior College District (the College) as of and for the years ended August 31, 2023 and 2022, 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 business-type activities and the discretely presented component unit of the College as of August 31, 2023 and 2022, and the respective changes in financial position thereof and cash flows of the College 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. The financial statements of Weatherford College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

***Emphasis of Matter***

As described in Note 2 to the financial statements, for the years ended August 31, 2023 and 2022, the College adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-based Information Technology Arrangements*. 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 net OPEB liability, the schedule of the College's contributions for OPEB, and the related notes on pages 6 - 14 and 60 - 64 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 accompanying supplemental schedules and 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* (Schedules A – F), are presented for purposes of additional analysis and are 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 schedules and schedule of expenditures of federal 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 November 29, 2023, 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  
November 29, 2023



**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

This section of the Weatherford College of the Parker County Junior 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, 2023 and 2022. 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 ad valorem taxes 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 Weatherford College Foundation, Inc. is a discretely presented component unit of the College and is reported as separate financial statements. Complete financial statements for the Foundation may be obtained from the Weatherford College Business Office.

**Financial Highlights**

The College's net position increased from August 31, 2022 to August 31, 2023 by \$13,038,102 and increased from August 31, 2021 to August 31, 2022 by \$12,209,455. As of August 31, 2023 and 2022, the College's net position was \$86,709,778 and \$73,671,676 which includes \$36,936,337 and \$31,915,310 in net investment in capital assets, \$9,191,242 and \$5,551,053 in restricted net position, and \$40,582,199 and \$36,205,313 in unrestricted net position, respectively.

Operating expenses for fiscal years 2023 and 2022 were \$54,008,917 and \$56,146,803 of which \$19,728,559 and \$17,730,831 were expended for instruction, \$8,823,312 and \$8,577,311 were expended for institutional support, and \$4,315,589 and \$3,477,821 were expended for auxiliary enterprises, respectively. In fiscal years 2023 and 2022, depreciation and amortization expense was \$5,613,187 and \$3,911,455 respectively.

Operating revenues for fiscal years 2023 and 2022 were \$27,771,222 and \$23,640,875 which includes \$12,956,240 and \$10,382,227 in tuition and fees (net of discounts), \$4,228,022 and \$3,518,332 in local grants and contracts, \$5,036,977 and \$1,523,501 in auxiliary enterprises (net of discounts), and \$3,661,892 and \$6,300,477 in federal grants and contracts, respectively.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

Net non-operating revenues for fiscal years 2023 and 2022 were \$39,275,797 and \$44,715,383 which includes \$12,048,958 and \$11,247,637 in state appropriations, \$23,173,974 and \$21,033,086 in total ad valorem taxes for maintenance and operations and debt service (net of allowances), and \$6,517,423 and \$12,193,736 in federal grants, respectively.

For the years ended August 31, 2023 and 2022, the College implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. See Note 2 to the financial statements for more information regarding implementation.

**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 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, 2023, the net position was \$86,709,778. This was an increase of \$13,038,102 from the period ended August 31, 2022. As of August 31, 2022, the net position was \$73,671,676. This was an increase of \$12,209,455 from the period ended August 31, 2021. The College's financial position remains strong with adequate liquid assets at a reasonable level of unrestricted net position.



**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

	<b>Net Position</b>		
	<b>As of August 31,</b>		
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>Restated 2021</b></u>
Current Assets	\$ 59,615,682	\$ 60,396,344	\$ 46,969,011
Non-current Assets			
Capital Assets, Net of Depreciation	104,649,394	89,062,377	79,625,994
Other	<u>49,627,345</u>	<u>46,593,069</u>	<u>40,271,766</u>
Total Assets	<u>213,892,421</u>	<u>196,051,790</u>	<u>166,866,771</u>
Deferred Outflows of Resources	<u>8,027,723</u>	<u>8,134,198</u>	<u>11,106,621</u>
Current Liabilities	22,999,689	17,826,980	18,569,050
Non-current Liabilities	<u>97,855,723</u>	<u>99,908,801</u>	<u>88,024,087</u>
Total Liabilities	<u>120,855,412</u>	<u>117,735,781</u>	<u>106,593,137</u>
Deferred Inflows of Resources	<u>14,354,954</u>	<u>12,778,531</u>	<u>9,918,034</u>
Net Position			
Net Investment in Capital Assets	36,936,337	31,915,310	32,086,368
Restricted for: Expendable	9,191,242	5,551,053	3,226,499
Unrestricted	<u>40,582,199</u>	<u>36,205,313</u>	<u>26,149,354</u>
Total Net Position	<u>\$ 86,709,778</u>	<u>\$ 73,671,676</u>	<u>\$ 61,462,221</u>

Investment in capital assets (e.g., land, collections, construction in process, buildings, land improvements, library books, furniture, machinery, vehicles and other equipment, and right-to-use assets) less any related debt used to acquire those assets that is still outstanding was \$36,936,337 and \$31,915,310 at August 31, 2023 and 2022, 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, 2023 and 2022, an additional \$9,191,242 and \$5,551,053, 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 student aid, instructional programs, capital projects, and debt service. The remaining portion of the College's net position at August 31, 2023 and 2022, is \$40,582,199 and \$36,205,313, respectively.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

Statement of Revenues, Expenses, and Changes in Net Position

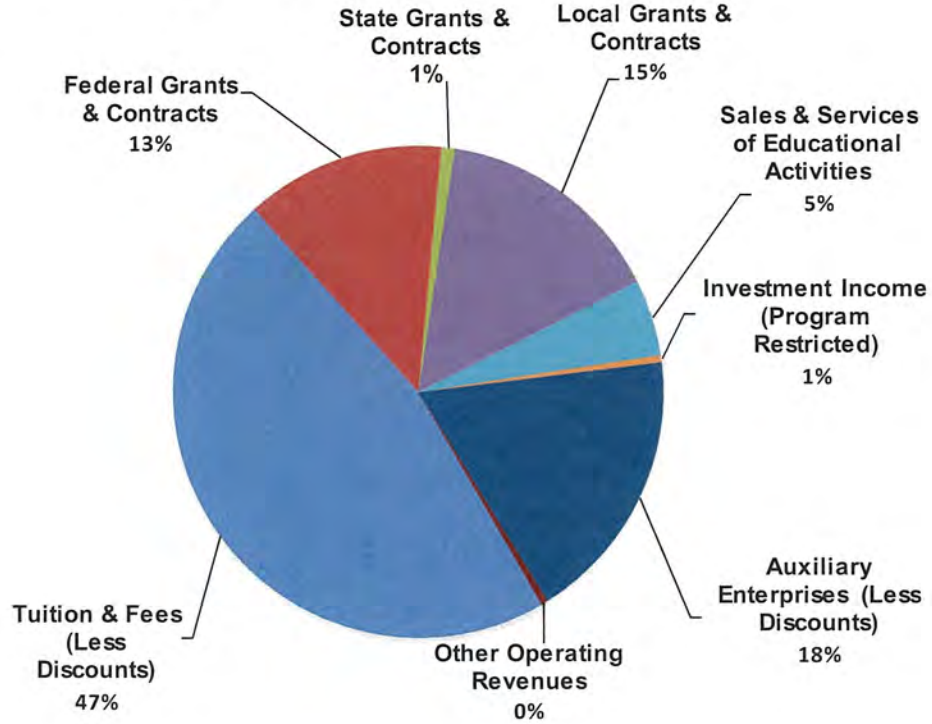
The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as the non-operating revenues and expenses. Operating revenues are primarily those that result directly from instruction, the operation of the College's auxiliary services (cafeteria,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

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

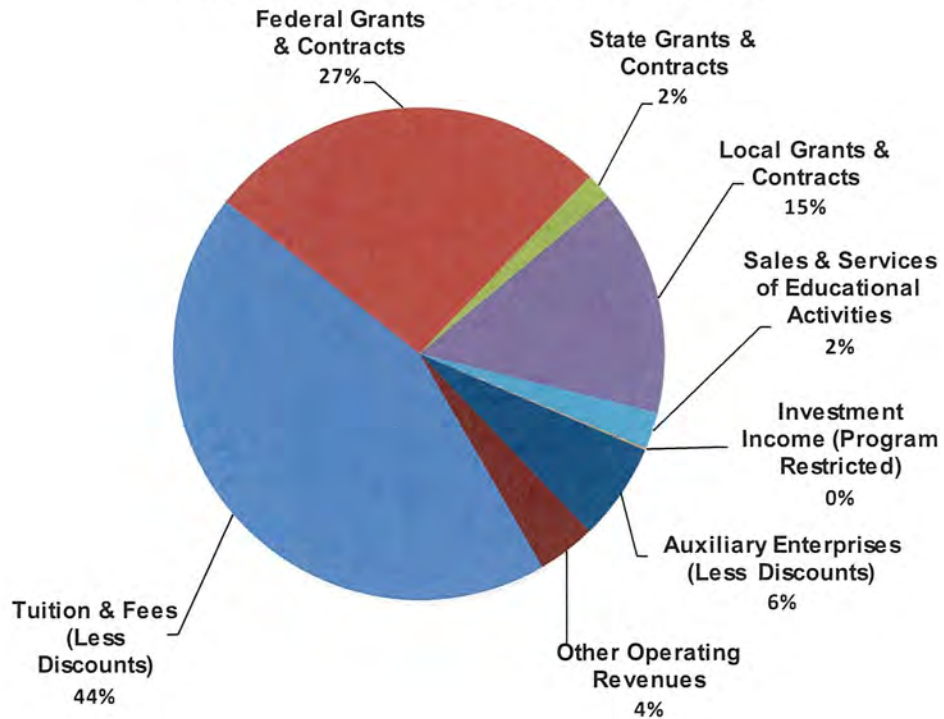
	<u>2023</u>	<u>2022</u>	<u>Restated 2021</u>
Operating Revenues			
Tuition and Fees (Less Discounts)	\$ 12,956,240	\$ 10,382,227	\$ 11,352,956
Federal Grants and Contracts	3,661,892	6,300,477	1,948,358
State Grants and Contracts	241,340	413,895	-
Local Grants and Contracts	4,228,022	3,518,332	3,553,446
Sales and Services of Educational Activities	1,389,484	577,213	795,012
Investment Income (Program Restricted)	129,025	20,920	22,798
Auxiliary Enterprises (Less Discounts)	5,036,977	1,523,501	3,537,365
Other Operating Revenues	128,242	904,310	1,306,247
Total Operating Revenues	<u>27,771,222</u>	<u>23,640,875</u>	<u>22,516,182</u>
Less Operating Expenses	<u>54,008,917</u>	<u>56,146,803</u>	<u>51,893,061</u>
Net Operating Loss	<u>(26,237,695)</u>	<u>(32,505,928)</u>	<u>(29,376,879)</u>
Non-Operating Revenues (Expenses)			
State Appropriations	12,048,958	11,247,637	11,488,842
Maintenance Ad Valorem Taxes	23,164,284	20,437,883	18,089,381
Debt Service Ad Valorem Taxes	9,690	595,203	687,364
Federal Revenue, Non-Operating	6,517,423	12,193,736	8,835,262
Gifts	50,904	2,059,181	63,869
Investment Income (Net of Investment Expense)	799,961	220,933	111,303
Gain/(Loss) on Disposal of Capital Assets	(335,745)	793,619	(506,097)
Interest on Capital Related Debt	(2,979,678)	(2,485,152)	(582,639)
Other Non-Operating Expenses	-	(347,657)	(561,068)
Total Non-Operating Revenues (Expenses)	<u>39,275,797</u>	<u>44,715,383</u>	<u>37,626,217</u>
Increase (Decrease) in Net Position	13,038,102	12,209,455	8,249,338
Net Position, Beginning of Year	<u>73,671,676</u>	<u>61,462,221</u>	<u>53,212,883</u>
Net Position, End of Year	<u>\$ 86,709,778</u>	<u>\$ 73,671,676</u>	<u>\$ 61,462,221</u>
Total Revenues	<u>\$ 70,362,442</u>	<u>\$ 71,189,067</u>	<u>\$ 61,792,203</u>

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

**OPERATING REVENUES BY SOURCE 2023**



**OPERATING REVENUES BY SOURCE 2022**



**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

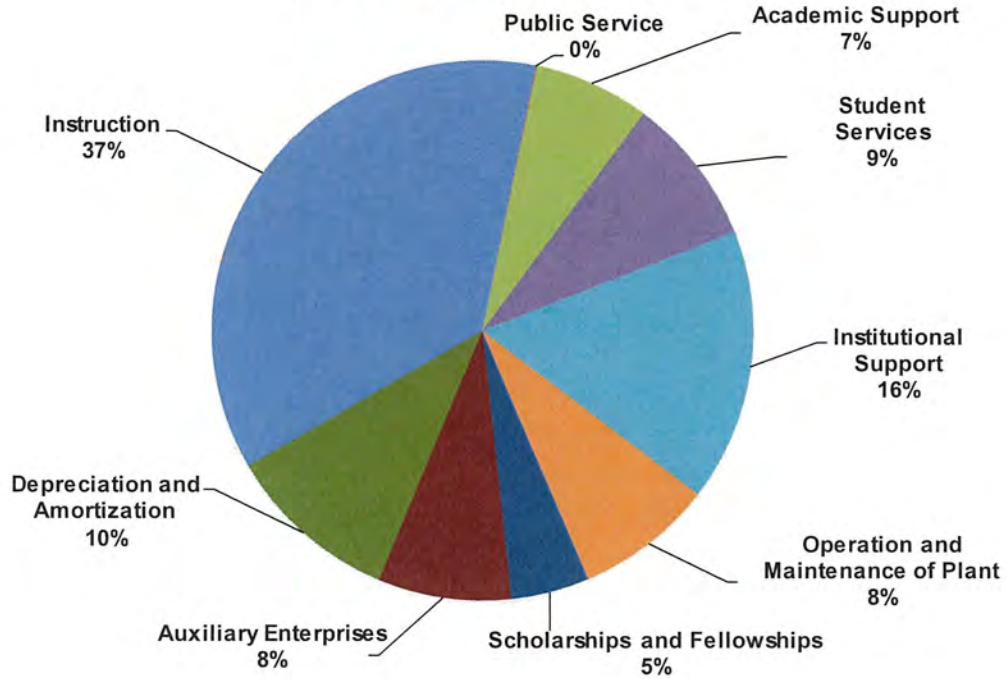
**Operating Expenses  
For the Years Ended August 31,**

	<u>2023</u>	<u>2022</u>	<u>Restated 2021</u>
Operating Expenses			
Instruction	\$ 19,728,559	\$ 17,730,831	\$ 17,651,475
Public Service	25,234	20,072	14,275
Academic Support	3,732,872	4,211,540	4,004,918
Student Services	4,794,407	7,563,901	4,175,119
Institutional Support	8,823,312	8,577,311	8,405,232
Operation and Maintenance of Plant	4,448,190	4,840,607	6,183,985
Scholarships and Fellowships	2,527,567	5,813,265	5,143,125
Auxiliary Enterprises	4,315,589	3,477,821	2,786,710
Depreciation and Amortization	5,613,187	3,911,455	3,528,222
Total	<u>\$ 54,008,917</u>	<u>\$ 56,146,803</u>	<u>\$ 51,893,061</u>
Total Expenses (Including Interest Expense and Non-Operating Expenses)	<u>\$ 57,324,340</u>	<u>\$ 58,979,612</u>	<u>\$ 53,542,865</u>

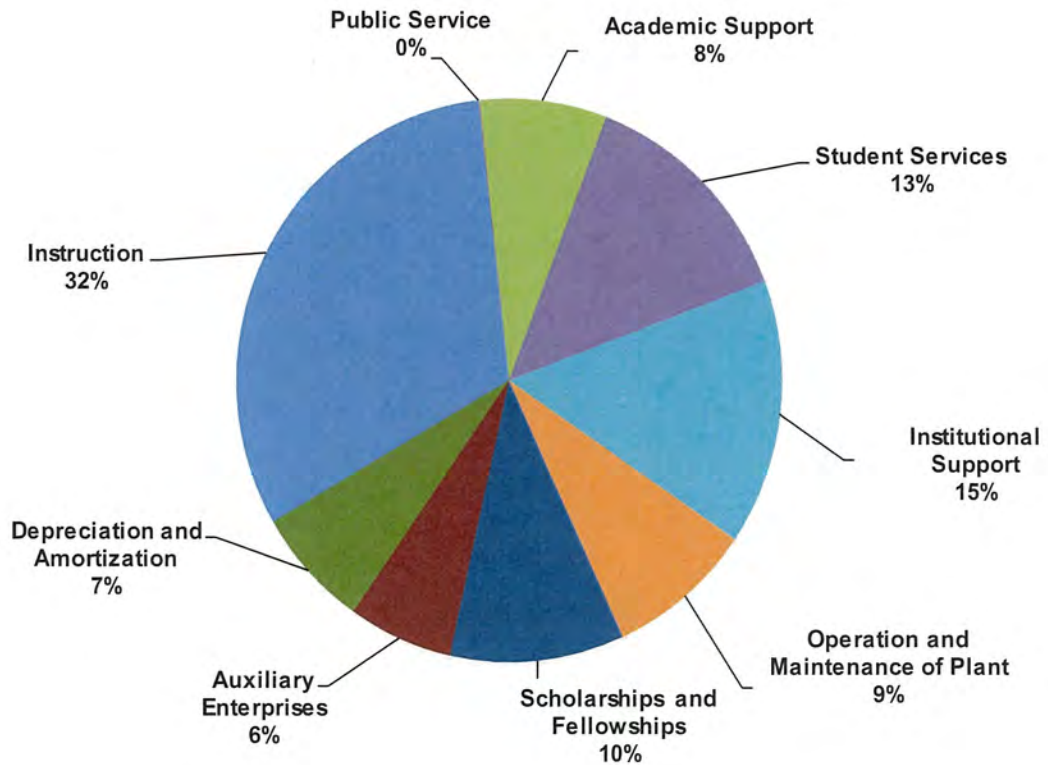


**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

**OPERATING EXPENSES 2023**



**OPERATING EXPENSES 2022**



**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The College's investment in total capital assets as of August 31, 2023 and 2022, amounts to \$104,649,394 and \$89,062,377, respectively, (net of accumulated depreciation). Investments in capital assets includes land, collections, intangible assets, construction in process, buildings, land improvements, library books, furniture, machinery, vehicles and other equipment, and right-to-use assets.

Capital Assets	Capital Assets, Net August 31,		
	2023	2022	Restated 2021
Land	\$ 479,685	\$ 598,212	\$ 1,261,796
Collections	31,150	31,150	31,150
Intangible Assets	500,000	500,000	-
Construction in Process	16,938,735	4,958,673	19,206,295
Buildings	70,334,329	71,116,522	46,094,084
Land Improvements	11,250,043	11,297,894	10,419,556
Library Books	855,355	850,222	858,576
Furniture, Machinery, Vehicles, and Other Equipment	11,888,964	10,488,912	9,386,627
Right-to-Use Leased Equipment	22,904,706	22,904,706	22,510,796
Right-to-Use Subscription Asset	7,005,806	-	-
Total	142,188,773	122,746,291	109,768,880
Less Accumulated Depreciation/Amortization	(37,539,379)	(33,683,914)	(30,142,886)
Net Capital Assets	\$ 104,649,394	\$ 89,062,377	\$ 79,625,994

Additional information on the College's capital assets can be found in Note 6 of this report.

**Long-term debt.** At August 31, 2023 and 2022, the College had long-term debt outstanding, which represents bonds payable of \$50,429,961 and \$52,011,030, notes payable from direct borrowing of \$2,941,836 and \$3,385,287, leases of \$20,242,084 and \$21,451,142, and subscriptions of \$3,272,144 and \$0, respectively. The College's total debt increased by a net amount of \$38,566 in fiscal year 2023 primarily due to the increase of \$3,762,012 in subscription liability offset by regularly scheduled payments. The College's total debt increased by a net amount of \$14,655,056 in fiscal year 2022 due to issuing \$16,295,000 in Series 2022 Revenue Bonds and \$393,910 in lease liability offset by regularly scheduled payments.

Additional information on the College's long-term debt can be found in Notes 7 through 11 of this report.



**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2023 and 2022**

**Economic Factors and Next Year's Budget and Rates**

The Board of Trustees adopted the College's 2023-24 budget and tax rate on August 21, 2023. 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 Trustees sets the direction of the College, allocates its resources and establishes its priorities.

In considering the College budget for fiscal year 2024, the Board of Trustees and management considered the following factors:

- Property valuations in Parker County increased by 29.7% resulting in an increased ad valorem tax levy.
- A 7.5% increase in the total ad valorem tax rate above the unadjusted no-new-revenue tax rate was necessary to fund the 2023-24 budget.
- Tuition rates increased approximately 8.5% overall.
- State instructional appropriations increased by approximately 8.5% over the 2022-23 fiscal year.
- A cost of living salary increase of 5% to all full-time and part-time employees.

**Request for Information**

This financial report is designed to provide a general overview of the Weatherford College of the Parker County Junior 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 Executive Vice President of Financial and Administrative Services at 225 College Park Drive, Weatherford, Texas 76086.



**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Statements of Net Position  
August 31, 2023 and 2022**

**EXHIBIT 1**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 49,592,134	\$ 51,551,640
Accounts Receivable (net)	10,004,645	8,844,704
Prepaid Expenses	18,903	-
<b>Total Current Assets</b>	<b>59,615,682</b>	<b>60,396,344</b>
<b>Non-Current Assets</b>		
Restricted Cash and Cash Equivalents	26,343,978	26,399,303
Endowment Investments	175,551	115,301
Lease Receivable	2,347,816	2,428,465
Investments in Real Estate	20,760,000	17,650,000
Capital Assets (net) (See Note 6)	104,649,394	89,062,377
<b>Total Non-Current Assets</b>	<b>154,276,739</b>	<b>135,655,446</b>
<b>Total Assets</b>	<b>213,892,421</b>	<b>196,051,790</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pensions	4,953,796	1,946,193
Deferred Outflows Related to OPEB	3,073,927	6,188,005
<b>Total Deferred Outflows of Resources</b>	<b>8,027,723</b>	<b>8,134,198</b>

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Statements of Net Position  
August 31, 2023 and 2022**

**EXHIBIT 1**

	<b>2023</b>	<b>2022</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 5,364,474	\$ 2,579,443
Funds Held for Others	643,489	546,825
Unearned Revenues	11,696,095	10,393,137
Accrued Compensated Absences - Current Portion	624,520	600,449
Notes Payable - Current Portion	462,895	443,450
Leases Payable - Current Portion	1,332,190	1,209,592
Subscription Liability - Current Portion	662,105	-
Bonds Payable - Current Portion	1,737,232	1,570,784
Net OPEB Liability - Current Portion	476,689	483,300
<b>Total Current Liabilities</b>	<b>22,999,689</b>	<b>17,826,980</b>
<b>Non-Current Liabilities</b>		
Notes Payable	2,478,941	2,941,837
Leases Payable	18,909,894	20,241,550
Subscription Liability	2,610,039	-
Bonds Payable	48,692,729	50,440,246
Net Pension Liability	7,305,123	3,252,134
Net OPEB Liability	17,858,997	23,033,034
<b>Total Non-Current Liabilities</b>	<b>97,855,723</b>	<b>99,908,801</b>
<b>Total Liabilities</b>	<b>120,855,412</b>	<b>117,735,781</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows Related to Leases	2,273,714	2,397,716
Deferred Inflows Related to Pensions	3,371,213	4,479,590
Deferred Inflows Related to OPEB	8,710,027	5,901,225
<b>Total Deferred Inflows of Resources</b>	<b>14,354,954</b>	<b>12,778,531</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	36,936,337	31,915,310
Restricted for:		
Expendable		
Student Aid	2,987,789	2,810,029
Instructional Programs	78,977	78,977
Capital Projects	2,497,168	2,436,918
Debt Service	3,627,308	225,129
Unrestricted	40,582,199	36,205,313
<b>Total Net Position (Schedule D)</b>	<b>\$ 86,709,778</b>	<b>\$ 73,671,676</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Component Unit  
Statements of Financial Position  
August 31, 2023 and 2022**

**EXHIBIT 1**

	<b>Weatherford College Foundation, Inc.</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 268,044	\$ 636,767
Interest Receivable	-	4,659
Note Receivable - Current Portion	9,329	8,902
Unconditional Promises to Give - Current Portion	98,702	102,820
	<b>376,075</b>	<b>753,148</b>
<b>Non-Current Assets</b>		
Cash and Cash Equivalents	1,114,307	481,099
Endowment Investments	9,660,363	9,926,676
Unconditional Promises to Give	85,435	125,119
Note Receivable	148,200	157,529
Mineral Rights	1	1
	<b>11,008,306</b>	<b>10,690,424</b>
	<b>11,384,381</b>	<b>11,443,572</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	4,637	403,859
	<b>4,637</b>	<b>403,859</b>
<b>NET ASSETS</b>		
Without Donor Restrictions	420,937	399,340
With Donor Restrictions	10,958,807	10,640,373
	<b>\$ 11,379,744</b>	<b>\$ 11,039,713</b>

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2023 and 2022**

**EXHIBIT 2**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
<b>Operating Revenues</b>		
Tuition and Fees (Net of Discounts of \$6,302,315 and \$6,714,572, respectively)	\$ 12,956,240	\$ 10,382,227
Federal Grants and Contracts	3,661,892	6,300,477
State Grants and Contracts	241,340	413,895
Local Grants and Contracts	4,228,022	3,518,332
Sales and Services of Educational Activities	1,389,484	577,213
Investment Income (Program Restricted)	129,025	20,920
Auxiliary Enterprises (Net of Discounts of \$892,538 and \$1,044,608, respectively)	5,036,977	1,523,501
Other Operating Revenues	128,242	904,310
<b>Total Operating Revenues (Schedule A)</b>	<b>27,771,222</b>	<b>23,640,875</b>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Instruction	19,728,559	17,730,831
Public Service	25,234	20,072
Academic Support	3,732,872	4,211,540
Student Services	4,794,407	7,563,901
Institutional Support	8,823,312	8,577,311
Operation and Maintenance of Plant	4,448,190	4,840,607
Scholarships and Fellowships	2,527,567	5,813,265
Auxiliary Enterprises	4,315,589	3,477,821
Depreciation and Amortization	5,613,187	3,911,455
<b>Total Operating Expenses (Schedule B)</b>	<b>54,008,917</b>	<b>56,146,803</b>
<b>Operating Loss</b>	<b>(26,237,695)</b>	<b>(32,505,928)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State Appropriations	12,048,958	11,247,637
Maintenance Ad Valorem Taxes	23,164,284	20,437,883
Debt Service Ad Valorem Taxes	9,690	595,203
Federal Revenue, Non-Operating	6,517,423	12,193,736
Gifts	50,904	2,059,181
Investment Income	799,961	220,933
Gain (Loss) on Disposal of Capital Assets	(335,745)	793,619
Interest on Capital Related Debt	(2,979,678)	(2,485,152)
Other Non-Operating Expenses	-	(347,657)
<b>Net Non-Operating Revenues (Schedule C)</b>	<b>39,275,797</b>	<b>44,715,383</b>
<b>Increase in Net Position</b>	<b>13,038,102</b>	<b>12,209,455</b>
<b>NET POSITION</b>		
Net Position - Beginning of Year	73,671,676	61,462,221
Net Position - End of Year	<b>\$ 86,709,778</b>	<b>\$ 73,671,676</b>

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Component Unit  
Statements of Activities  
For the Years Ended August 31, 2023 and 2022**

**EXHIBIT 2**

	<b>Weatherford College Foundation, Inc.</b>					
	<b>2023</b>			<b>2022</b>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support, Revenues, and Reclassifications</b>						
Contributions	\$ 97,837	\$ 560,258	\$ 658,095	\$ 80,184	\$ 2,673,943	\$ 2,754,127
Interest and dividends	9,834	246,339	256,173	8,208	223,127	231,335
Investment return (loss), net	(21,431)	248,378	226,947	(69,729)	(1,069,164)	(1,138,893)
Other revenues	136	-	136	215	-	215
Net assets released from restrictions due to satisfaction of purpose restrictions	736,541	(736,541)	-	3,466,206	(3,466,206)	-
<b>Total public support, revenues, and     reclassifications</b>	<b>822,917</b>	<b>318,434</b>	<b>1,141,351</b>	<b>3,485,084</b>	<b>(1,638,300)</b>	<b>1,846,784</b>
<b>Expenses</b>						
<b>Programs</b>						
Contributions to Weatherford College	96,784		96,784	2,997,921	-	2,997,921
Scholarships	564,930		564,930	387,060	-	387,060
Other contributions	2,179		2,179	32,450	-	32,450
<b>Total programs</b>	<b>663,893</b>	<b>-</b>	<b>663,893</b>	<b>3,417,431</b>	<b>-</b>	<b>3,417,431</b>
<b>Management and General</b>						
Awards	1,665		1,665	1,278	-	1,278
Bad debt	-		-	500	-	500
Bank fees and charges	3,515		3,515	1,835	-	1,835
Contract services	585		585	1,003	-	1,003
Legal and professional	21,500		21,500	16,700	-	16,700
Printing and postage	4,216		4,216	1,077	-	1,077
Supplies	14,801		14,801	16,236	-	16,236
Other expenses	64,497		64,497	60,137	-	60,137
<b>Total management and general</b>	<b>110,779</b>	<b>-</b>	<b>110,779</b>	<b>98,766</b>	<b>-</b>	<b>98,766</b>
<b>Fundraising</b>						
Advertising	10,538		10,538	5,009	-	5,009
Receptions and entertainment	16,110		16,110	16,422	-	16,422
<b>Total fundraising</b>	<b>26,648</b>	<b>-</b>	<b>26,648</b>	<b>21,431</b>	<b>-</b>	<b>21,431</b>
<b>Total expenses</b>	<b>801,320</b>	<b>-</b>	<b>801,320</b>	<b>3,537,628</b>	<b>-</b>	<b>3,537,628</b>
Change in net assets	21,597	318,434	340,031	(52,544)	(1,638,300)	(1,690,844)
Net assets at beginning of year	399,340	10,640,373	11,039,713	451,884	12,278,673	12,730,557
Net assets at end of year	<b>\$ 420,937</b>	<b>\$ 10,958,807</b>	<b>\$ 11,379,744</b>	<b>\$ 399,340</b>	<b>\$ 10,640,373</b>	<b>\$ 11,039,713</b>

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Statements of Cash Flows  
For the Years Ended August 31, 2023 and 2022**

**EXHIBIT 3**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Students and Other Customers	\$ 16,008,682	\$ 12,870,906
Receipts from Grants and Contracts	8,204,992	10,099,791
Payments to Suppliers for Goods or Services	(11,573,017)	(19,392,066)
Payments to or On Behalf of Employees	(27,842,040)	(25,789,479)
Payments for Scholarships	(2,483,934)	(5,774,281)
Other Receipts	128,242	904,310
<b>Net Cash Used by Operating Activities</b>	<b>(17,557,075)</b>	<b>(27,080,819)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from State Appropriations	9,025,185	9,107,854
Receipts from Ad Valorem Taxes Levied for Maintenance and Operations	23,166,562	20,473,647
Receipts from Non-Operating Federal Revenue	6,804,782	11,624,198
Receipts from Non-Capital Gifts and Non-Exchange Grants	50,904	63,179
Receipts from Student Organizations and Other Agency Transactions	96,664	80,787
Payments on Overpayment of State Appropriations	-	(28,733)
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>39,144,097</b>	<b>41,320,932</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Receipts from Capital Gifts	-	1,996,002
Proceeds from the Sale of Capital Assets	10,331	1,523,410
Receipts from Ad Valorem Taxes Levied for Debt Service	9,998	597,138
Purchases of Capital Assets	(17,784,268)	(13,683,719)
Proceeds from the Issuance of Debt	-	17,002,451
Payment on Capital Debt - Principal	(3,392,377)	(2,745,549)
Payment on Capital Debt - Interest	(3,314,273)	(2,803,401)
<b>Net Cash Provided by (Used by) Capital and Related Financing Activities</b>	<b>(24,470,589)</b>	<b>1,886,332</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts of Interest and Dividends on Investments	868,736	165,513
<b>Net Cash Provided by Investing Activities</b>	<b>868,736</b>	<b>165,513</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,014,831)</b>	<b>16,291,958</b>
<b>Cash and Cash Equivalents - September 1</b>	<b>77,950,943</b>	<b>61,658,985</b>
<b>Cash and Cash Equivalents - August 31</b>	<b>\$ 75,936,112</b>	<b>\$ 77,950,943</b>

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Statements of Cash Flows  
For the Years Ended August 31, 2023 and 2022**

**EXHIBIT 3**

	<b>2023</b>	<b>2022</b>
<b>Reconciliation to Exhibit 1:</b>		
Cash and Cash Equivalents	\$ 49,592,134	\$ 51,551,640
Restricted Cash and Cash Equivalents	26,343,978	26,399,303
<b>Total Cash and Cash Equivalents</b>	<b>\$ 75,936,112</b>	<b>\$ 77,950,943</b>
 <b>Non-Cash Investing, Capital, and Financing Activities:</b>		
Net Increase in Fair Value of Investments	\$ 3,110,000	\$ 76,340
Amortization of Premium on Bonds	\$ 331,069	\$ 314,680
 <b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>		
Operating Loss	\$ (26,237,695)	\$ (32,505,928)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	5,613,187	3,911,455
Unrealized Gain on Fair Value of Investments	(3,110,000)	-
Bad Debt Expense (Recovery)	66,646	(30,831)
Payments Made Directly by State for Benefits	3,023,773	2,139,783
Investment Income (Program Restricted)	(129,025)	(20,920)
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources		
Receivables, Net	(1,516,532)	(452,578)
Prepaid Expenses	(18,903)	63,375
Lease Receivable	80,649	(2,428,465)
Deferred Outflows of Resources	106,475	2,972,423
Accounts Payable	2,788,557	(1,443,483)
Unearned Revenues	1,302,958	769,210
Compensated Absences	24,071	2,531
Net Pension Liability	4,052,989	(3,999,496)
Net OPEB Liability	(5,180,648)	1,081,608
Deferred Inflows of Resources	1,576,423	2,860,497
<b>Net Cash Used By Operating Activities</b>	<b>\$ (17,557,075)</b>	<b>\$ (27,080,819)</b>



**NOTES TO THE  
FINANCIAL STATEMENTS**

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

**1. REPORTING ENTITY**

Weatherford College of the Parker County Junior College District (the College) was established in 1869, in accordance with the laws of the State of Texas, to serve the educational needs of Weatherford, Texas 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 amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded 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 amounts are recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

**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 Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

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 its pension plan and for other post-employment benefits (OPEB). See additional information in Note 12 and Note 16, respectively.

Non-Current Cash and Investments

Non-current cash and investments 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, revenue bonds, general obligation bonds, and endowments.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, the College reports investments at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

**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 \$100,000 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. Right-to-use assets from arrangements that qualify as leases are amortized over the shorter of the lease term or the useful life of the underlying asset. Right-to-use subscription assets resulting from qualifying subscription-based information technology arrangements (SBITAs) are amortized over the subscription term.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a cost-sharing multiple-employer defined benefit pension that has 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's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The 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.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

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

Unearned Revenue

Revenues, primarily consisting of grants, tuition, fees, and meal 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 \$11,602,821 and \$10,373,601 and federal, state, and local grants of \$93,274 and \$19,536 have been reported as unearned revenue at August 31, 2023 and 2022, respectively.

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 leases receivable, its pension plan, and for other post-employment benefits (OPEB). See additional information in Notes 24, 12, and 16, respectively.

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 and amortization on capital assets. The operation of the bookstore 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.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

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

New Accounting Pronouncement

For the years ended August 31, 2023 and 2022, the College implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement establishes requirements for accounting for applicable subscription-based information technology arrangements (SBITAs) based on the principle that a subscription asset derives from contracts that convey control of the right to use another entity's information technology software, alone or in combination with tangible capital assets, for a specified period. In accordance with this statement, a government is required to recognize an intangible right-to-use subscription asset and a corresponding subscription liability. This statement was adopted by the College as of September 1, 2021 and it had no effect on fiscal year 2022 amounts as previously reported.

**3. AUTHORIZED INVESTMENTS**

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

**4. DEPOSITS AND INVESTMENTS**

The College's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by the College's Board of Trustees. The Investment Policy includes a list of authorized investment instruments and a maximum allowable maturity of any individual investment. In addition, it includes an Investment Strategy Statement that addresses the unique characteristics of the fund groups and describes the priorities of investment types, safety of principal, maximization of returns, and the assurance that anticipated cash flows are matched with adequate investment liquidity.

The College's Executive Vice President of Financial and Administrative Affairs submits an investment summary report quarterly to the Board of Trustees. The report details the investment position of the College and the compliance of the investment portfolio as it relates to both the adopted investment strategy statement and the investment policy.

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

The College is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Certificates of Deposits that are legally authorized and adequately secured, and
2. U.S. Treasury Bills with a maximum maturity of 12 months.

In addition, the investment of bond proceeds and pledged revenue is permitted to the extent allowed by law. No other investments shall be made without approval of a majority of the Board of Trustees.

Cash and Deposits

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

	8/31/2023	8/31/2022
<u>Cash and Cash Equivalents</u>		
Bank Deposits - Time Deposits	\$ 75,932,367	\$ 77,947,198
Petty Cash	3,745	3,745
 Total Cash and Cash Equivalents	 \$ 75,936,112	 \$ 77,950,943

Investments

Investments reported on Exhibit 1, Statements of Net Position, consist of the items reported below:

Type of Investments	Maturity	Market Value 8/31/2023	Market Value 8/31/2022
Mineral Rights	N/A	\$ 175,551	\$ 115,301
Real Estate	N/A	20,760,000	17,650,000
 Total Investments		 \$ 20,935,551	 \$ 17,765,301

**WEATHERFORD COLLEGE OF THE PARKER  
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**4. DEPOSITS AND INVESTMENTS (Continued)**

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

	<u>8/31/2023</u>	<u>8/31/2022</u>
Per Note 4:		
Cash and Cash Equivalents	\$ 75,936,112	\$ 77,950,943
Investments	<u>20,935,551</u>	<u>17,765,301</u>
Total Deposits and Investments	<u>\$ 96,871,663</u>	<u>\$ 95,716,244</u>
Per Exhibit 1:		
Cash and Cash Equivalents	\$ 49,592,134	\$ 51,551,640
Restricted Cash and Cash Equivalents	26,343,978	26,399,303
Endowment Investments	175,551	115,301
Investments in Real Estate	<u>20,760,000</u>	<u>17,650,000</u>
Total Deposits and Investments	<u>\$ 96,871,663</u>	<u>\$ 95,716,244</u>

**5. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The College's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets for identical assets or liabilities that the government can access at the measurement date.

Level 2 – Investments reflect prices that are based on a similar observable asset or liability either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources for the asset or liability.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.



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**5. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

The fair value hierarchy of investments at August 31, 2023 follows:

	August 31, 2023				August 31, 2022
	Level 1	Level 2	Level 3	Total	Total
Mineral Rights	\$ -	\$ 175,551	\$ -	\$ 175,551	\$ 115,301
Real Estate	-	20,760,000	-	20,760,000	17,650,000
Total Investments	\$ -	\$ 20,935,551	\$ -	\$ 20,935,551	\$ 17,765,301

**6. CAPITAL ASSETS**

Capital assets activity for the year ended August 31, 2023 was as follows:

	Balance 9/1/2022	Increases	Decreases	Balance 8/31/2023
<b>Not Depreciated:</b>				
Land	\$ 598,212	\$ -	\$ 118,527	\$ 479,685
Collections	31,150	-	-	31,150
Intangible Assets	500,000	-	-	500,000
Construction in Process	4,958,673	16,622,935	4,642,873	16,938,735
Subtotal	6,088,035	16,622,935	4,761,400	17,949,570
<b>Buildings and Other Capital Assets:</b>				
Buildings	71,116,522	781,550	1,563,743	70,334,329
Land Improvements	11,297,894	-	47,851	11,250,043
Library Books	850,222	12,277	7,144	855,355
Furniture, Machinery, Vehicles, and Other Equipment	10,488,912	1,766,585	366,533	11,888,964
Right-to-Use Leased Equipment	22,904,706	-	-	22,904,706
Right-to-Use Subscription Asset	-	7,005,806	-	7,005,806
Subtotal	116,658,256	9,566,218	1,985,271	124,239,203
<b>Accumulated Depreciation/Amortization:</b>				
Buildings	17,882,571	1,266,008	1,352,023	17,796,556
Land Improvements	5,397,187	407,288	43,067	5,761,408
Library Books	258,538	42,836	7,100	294,274
Furniture, Machinery, Vehicles, and Other Equipment	6,786,680	772,635	355,532	7,203,783
Right-to-Use Leased Equipment	3,358,938	1,752,994	-	5,111,932
Right-to-Use Subscription Asset	-	1,371,426	-	1,371,426
Subtotal	33,683,914	5,613,187	1,757,722	37,539,379
Net Other Capital Assets	82,974,342	3,953,031	227,549	86,699,824
<b>Net Capital Assets</b>	<b>\$ 89,062,377</b>	<b>\$ 20,575,966</b>	<b>\$ 4,988,949</b>	<b>\$ 104,649,394</b>

**WEATHERFORD COLLEGE OF THE PARKER  
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August 31, 2023 and 2022**

**6. CAPITAL ASSETS (Continued)**

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

	Restated Balance 9/1/2021	Increases	Decreases	Balance 8/31/2022
<b>Not Depreciated:</b>				
Land	\$ 1,261,796	\$ -	\$ 663,584	\$ 598,212
Collections	31,150	-	-	31,150
Intangible Assets	-	500,000	-	500,000
Construction in Process	19,206,295	11,653,155	25,900,777	4,958,673
Subtotal	<u>20,499,241</u>	<u>12,153,155</u>	<u>26,564,361</u>	<u>6,088,035</u>
<b>Buildings and Other Capital Assets:</b>				
Buildings	46,094,084	25,022,438	-	71,116,522
Land Improvements	10,419,556	878,338	-	11,297,894
Library Books	858,576	14,013	22,367	850,222
Furniture, Machinery, Vehicles, and Other Equipment	9,386,627	1,516,552	414,267	10,488,912
Right-to-Use Leased Equipment	22,510,796	393,910	-	22,904,706
Subtotal	<u>89,269,639</u>	<u>27,825,251</u>	<u>436,634</u>	<u>116,658,256</u>
<b>Accumulated Depreciation/Amortization:</b>				
Buildings	16,847,750	1,034,821	-	17,882,571
Land Improvements	4,962,592	434,595	-	5,397,187
Library Books	232,875	48,030	22,367	258,538
Furniture, Machinery, Vehicles, and Other Equipment	6,450,728	684,012	348,060	6,786,680
Right-to-Use Leased Equipment	1,648,941	1,709,997	-	3,358,938
Subtotal	<u>30,142,886</u>	<u>3,911,455</u>	<u>370,427</u>	<u>33,683,914</u>
Net Other Capital Assets	<u>59,126,753</u>	<u>23,913,796</u>	<u>66,207</u>	<u>82,974,342</u>
 Net Capital Assets	 <u>\$ 79,625,994</u>	 <u>\$ 36,066,951</u>	 <u>\$ 26,630,568</u>	 <u>\$ 89,062,377</u>

**WEATHERFORD COLLEGE OF THE PARKER  
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**7. NONCURRENT LIABILITIES**

Noncurrent liability activity for the year ended August 31, 2023 was as follows:

	Balance 9/1/2022	Additions	Reductions	Balance 8/31/2023	Current Portion
<b>Bonds</b>					
Revenue Bonds	\$ 47,910,000	\$ -	\$ 1,250,000	\$ 46,660,000	\$ 1,440,000
Bond Premium	4,101,030	-	331,069	3,769,961	297,232
Subtotal	<u>52,011,030</u>	<u>-</u>	<u>1,581,069</u>	<u>50,429,961</u>	<u>1,737,232</u>
Notes Payable - Direct Borrowings	3,385,287	-	443,451	2,941,836	462,895
Leases	21,451,142	-	1,209,058	20,242,084	1,332,190
Subscription Liability	-	3,762,012	489,868	3,272,144	662,105
Net Pension Liability	3,252,134	4,724,028	671,039	7,305,123	N/A
Net OPEB Liability	23,516,334	-	5,180,648	18,335,686	476,689
Compensated Absences	600,449	624,520	600,449	624,520	624,520
<b>Total Noncurrent Liabilities</b>	<u>\$ 104,216,376</u>	<u>\$ 9,110,560</u>	<u>\$ 10,175,582</u>	<u>\$ 103,151,354</u>	<u>\$ 5,295,631</u>

The College did not have any unused lines of credit or subjective acceleration clauses as of August 31, 2023 and 2022. The notes payable from direct borrowing for All American Investment Group, LLC, contains a term specified in the debt agreement that the equipment will be repossessed in the event of default. See Note 9 for more information. No other terms specified in debt agreements related to significant events of default or termination with finance-related consequences exist.

Noncurrent liability activity for the year ended August 31, 2022 was as follows:

	Restated Balance 9/1/2021	Additions	Reductions	Balance 8/31/2022	Current Portion
<b>Bonds</b>					
Limited Tax Refunding Bonds	\$ 580,000	\$ -	\$ 580,000	\$ -	\$ -
Revenue Bonds	32,110,000	16,295,000	495,000	47,910,000	1,250,000
Bond Premium	3,360,602	1,055,108	314,680	4,101,030	320,784
Subtotal	<u>36,050,602</u>	<u>17,350,108</u>	<u>1,389,680</u>	<u>52,011,030</u>	<u>1,570,784</u>
Notes Payable - direct borrowings	3,809,850	-	424,563	3,385,287	443,450
Finance Purchase	106,770	-	106,770	-	-
Leases	22,196,448	393,910	1,139,216	21,451,142	1,209,592
Overpayment of State Appropriations	28,733	-	28,733	-	-
Net Pension Liability	7,251,630	-	3,999,496	3,252,134	N/A
Net OPEB Liability	22,434,726	2,671,849	1,590,241	23,516,334	483,300
Compensated Absences	597,918	600,449	597,918	600,449	600,449
<b>Total Noncurrent Liabilities</b>	<u>\$ 92,476,677</u>	<u>\$ 21,016,316</u>	<u>\$ 9,276,617</u>	<u>\$ 104,216,376</u>	<u>\$ 4,307,575</u>

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**8. DEBT AND LEASE OBLIGATIONS**

Debt service requirements on August 31, 2023, were as follows:

Year Ended August 31,	Revenue Bonds			Amortization of Bond Premium
	Bonds Principal	Interest	Total	
2024	\$ 1,440,000	\$ 1,840,632	\$ 3,280,632	\$ 297,232
2025	1,515,000	1,772,332	3,287,332	286,431
2026	1,580,000	1,700,432	3,280,432	275,072
2027	1,660,000	1,625,432	3,285,432	263,217
2028	1,735,000	1,546,632	3,281,632	250,765
2029 - 2033	10,010,000	6,413,360	16,423,360	1,045,352
2034 - 2038	9,435,000	4,233,160	13,668,160	706,223
2039 - 2043	10,035,000	2,388,160	12,423,160	417,458
2044 - 2048	6,405,000	1,046,884	7,451,884	198,319
2049 - 2053	2,845,000	133,238	2,978,238	29,892
<b>Total</b>	<b>\$ 46,660,000</b>	<b>\$ 22,700,262</b>	<b>\$ 69,360,262</b>	<b>\$ 3,769,961</b>

Year Ended August 31,	Notes Payable - Direct Borrowings		
	Notes Principal	Interest	Total
2024	\$ 462,895	\$ 92,676	\$ 555,571
2025	487,921	78,559	566,480
2026	508,551	63,672	572,223
2027	534,803	48,208	583,011
2028	507,666	31,455	539,121
2029 - 2033	440,000	27,597	467,597
<b>Total</b>	<b>\$ 2,941,836</b>	<b>\$ 342,167</b>	<b>\$ 3,284,003</b>

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**8. DEBT AND LEASE OBLIGATIONS (Continued)**

Year Ended August 31,	Lease Liability		
	Lease Principal	Interest	Total
2024	\$ 1,332,190	\$ 1,004,967	\$ 2,337,157
2025	1,451,353	939,510	2,390,863
2026	1,466,097	869,648	2,335,745
2027	1,533,600	798,150	2,331,750
2028	1,659,914	721,586	2,381,500
2029 - 2033	10,318,930	2,230,319	12,549,249
2034	2,480,000	124,000	2,604,000
<b>Total</b>	<b>\$ 20,242,084</b>	<b>\$ 6,688,180</b>	<b>\$ 26,930,264</b>

Year Ended August 31,	Subscription Liability		
	Subscription Principal	Interest	Total
2024	\$ 662,105	\$ 147,246	\$ 809,351
2025	728,944	117,452	846,396
2026	800,510	84,649	885,159
2027	878,024	48,626	926,650
2028	202,561	9,115	211,676
<b>Total</b>	<b>\$ 3,272,144</b>	<b>\$ 407,088</b>	<b>\$ 3,679,232</b>

**9. BONDS AND NOTES PAYABLE**

General information related to bonds payable is summarized below:

- Consolidated Fund Revenue Bonds, Series 2012
  - To purchase student housing facilities.
  - Issued October 1, 2012.
  - Total authorized and issued \$7,980,000.
  - Source of revenue for debt service – tuition and fees.
  - Outstanding principal balance as of August 31, 2023 and 2022 is \$4,460,000 and \$4,820,000, respectively.
  - Issued at a premium of \$558,377, of which \$158,858 and \$188,578 was unamortized at August 31, 2023 and 2022, respectively.

Bonds payable are due in annual installments varying from \$290,000 to \$525,000, with interest rates from 2.00% to 4.00%, and with final installment due in 2033.

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**9. BONDS AND NOTES PAYABLE (Continued)**

- Consolidated Fund Revenue Bonds, Series 2021
  - To build the Workforce and Emerging Technologies Building.
  - Issued March 1, 2021.
  - Total authorized and issued \$26,940,000.
  - Source of revenue for debt service – tuition and fees.
  - Outstanding principal balance as of August 31, 2023 and 2022 is \$26,280,000 and \$26,795,000, respectively.
  - Issued at a premium of \$3,132,038, of which \$2,669,990 and \$2,867,630 was unamortized at August 31, 2023 and 2022, respectively.

Bonds payable are due in annual installments varying from \$145,000 to \$1,445,000, with interest rates from 2.625% to 5.00%, and with final installment due in 2050.

- Consolidated Fund Revenue Bonds, Series 2022
  - To build Durant Hall Dormitory.
  - Issued May 24, 2022.
  - Total authorized and issued \$16,295,000.
  - Source of revenue for debt service – tuition and fees.
  - Outstanding principal balance as of August 31, 2023 and 2022 is \$15,920,000 and \$16,295,000, respectively.
  - Issued at a premium of \$1,055,108, of which \$941,113 and \$1,044,822 was unamortized at August 31, 2023 and 2022, respectively.

Bonds payable are due in annual installments varying from \$375,000 to \$1,195,000, with interest rates from 4.00% to 5.00%, and with final installment due in 2042.

- Note Payable from Direct Borrowing– All American Investment Group, LLC
  - To upgrade facilities' energy management systems/equipment at the Main and Wise County Campuses.
  - Original loan date – January 15, 2013.
  - Total original balance of \$3,752,878.
  - Source of revenue for debt service – unrestricted revenue.
  - Outstanding note payable principal balance from direct borrowing as of August 31, 2023 and 2022 is \$1,541,837 and \$1,815,287, respectively.
  - Contains a provision that the equipment will be repossessed in the event of default.

The note payable is due in semi-annual installments varying from \$116,822 to \$267,695, with an interest rate of 2.35%, and with final installment due in 2028. The note is secured by equipment.

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**9. BONDS AND NOTES PAYABLE (Continued)**

- Note Payable from Direct Borrowing – Maintenance Tax Notes, Series 2011
  - To replace roofs and renovate classrooms and to pay related fees and the costs of issuance associated with the tax notes.
  - Original loan date – March 15, 2011.
  - Total original balance of \$3,045,000.
  - Source of revenue for debt service – unrestricted revenue.
  - Outstanding principal balance as of August 31, 2023 and 2022 is \$1,400,000 and \$1,570,000, respectively.

The note payable is due in annual installments varying from \$100,000 to \$225,000, with an interest rate of 4.15%, and with the final installment due in 2030. The note is secured by available funds of the College, including proceeds of the College's limited maintenance tax.

**10. LEASES PAYABLE**

General information related to leases payable is summarized below:

Asset	Term, Including Renewals	Interest Rate	Payment Amount	Lease Liability 8/31/2023
Copiers	60 months	4.5%	\$ 10,485	\$ 268,756
Antenna Space	120 months	4.5%	3,000	255,926
Postage Machines	48 months	4.5%	716	12,433
Computer Equipment	4 years	2.5%	6,060	11,689
Computer Equipment	4 years	2.5%	4,392	12,556
Computer Equipment	4 years	4.9%	12,650	23,561
Computer Equipment	4 years	3.9%	24,147	67,163
Wise County Campus	14 years	2.0%	varies	19,590,000
				<u>\$ 20,242,084</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 the years ended August 31, 2023 or 2022.

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**11. SUBSCRIPTION LIABILITIES**

General information related to subscription liabilities is summarized below:

<u>Software</u>	<u>Term, Including Renewals</u>	<u>Interest Rate</u>	<u>Payment Amount</u>	<u>Subscription Liability 8/31/2023</u>
Enterprise Resource Planning	5 years	4.50%	varies	\$ 2,212,983
Learning Management System	5 years	4.50%	varies	192,005
Student Success & Engagement	6 years	4.50%	varies	867,156
				<u>\$ 3,272,144</u>

There were no variable payments penalties not included in the measurement of the contracts. The College did not have any commitments under subscription contracts not yet commenced at year-end or components of losses associated with asset impairments.

**12. 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 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 on the internet 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.



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

***Benefits Provided***

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education 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 System's actuary.

***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% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% 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 86<sup>th</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

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

	<u>Contribution Rates</u>	
	<u>Fiscal Years</u>	
	<u>2023</u>	<u>2022</u>
Member	8.00%	7.70%
Non-Employer Contributing Entity (NECE) - State	7.75%	7.50%
Employers	7.75%	7.50%

Fiscal Year Contributions

2023 Member Contributions	\$ 1,163,548
2023 NECE On-behalf Contributions	\$ 514,158
2023 Employer Contributions	\$ 638,589

The College's contributions to the TRS pension plan in 2023 were \$638,589 as reported in the Schedule of College's Contributions for Pensions in the Required Supplementary Information section of these financial statements. Estimated state of Texas on-behalf contributions for 2023 were \$514,158.

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.

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% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

***Actuarial Assumptions***

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.00%
Long-term Expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022*	3.91%*
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
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, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

***Discount Rate***

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. 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% of payroll in fiscal year 2020 gradually increasing to 9.55% 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.

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2022 are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity *	14.0%	7.7%	1.55%
<b>Stable Value</b>			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return *	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
<b>Real Return</b>			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources, and Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.0%	4.6%	0.43%
<b>Asset Allocation Leverage</b>			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
<b>Expected Return</b>	<u>100.00%</u>		<u>8.19%</u>

\* Absolute Return includes Credit Sensitive Investments.

\*\* Target allocations are based on the FY 2022 policy model.

\*\*\* Capital Market Assumptions come from AON Hewitt (as of 08/31/2022).

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

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

***Discount Rate Sensitivity Analysis***

The following table presents the Net Pension Liability of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
College's proportionate share of the net pension liability:	\$ 11,364,009	\$ 7,305,123	\$ 4,015,214

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

At August 31, 2023, the College reported a liability of \$7,305,123 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	\$ 7,305,123
State's proportionate share that is associated with the College	5,943,095
Total	\$ 13,248,218

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the College's proportion of the collective net pension liability was 0.01230494%, which was a decrease of 0.0004653% from its proportion measured as of August 31, 2021.

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

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

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25% to 7.00%.

For the year ended August 31, 2023, the College recognized pension expense of \$514,158 and revenue of \$514,158 for support provided by the State.

At August 31, 2023, the College reported its proportionate share of the TRS's 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 actuarial experience	\$ 105,924	\$ 159,266
Changes in actuarial assumptions	1,361,183	339,245
Difference between projected and actual investment earnings	2,838,335	2,116,612
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	9,765	756,090
Contributions paid to TRS subsequent to the measurement date	638,589	-
Total	\$ 4,953,796	\$ 3,371,213

Contributions made subsequent to the measurement date of \$638,589 are reported as deferred outflows of resources related to pensions and will be recognized as a change of the net pension liability for the fiscal year ending August 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

College's fiscal year ended August 31:	Pension Expense Amount
2024	\$ 255,355
2025	32,917
2026	(125,386)
2027	712,533
2028	68,575
Thereafter	-

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

Optional Retirement Plan - Defined Contribution Plan

***Plan Description***

Participation in the Optional Retirement Program is in lieu of participation in the TRS. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

***Funding Policy***

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the State/College and each participant are 6.60% and 6.65%, respectively. The College contributes an additional 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995 and an additional 0.18% for all employees participating in the optional retirement plan. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the State has no additional or unfunded liability for this program. Senate Bill 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the State for the College was \$196,600 and \$185,856 for the fiscal years ended August 31, 2023 and 2022, 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 \$24,590,432 and \$22,560,955 for fiscal years 2023 and 2022, respectively. The total payroll of employees covered by the TRS was \$14,544,355 and \$13,564,109, and the total payroll of employees covered by the Optional Retirement Program was \$6,260,141 and \$5,917,654 for fiscal years 2023 and 2022, respectively.

**13. DEFERRED COMPENSATION PROGRAM**

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Texas Government Code 609.001.

As of August 31, 2023, the College has 66 employees participating and vested in the program. A total of \$398,523 in contributions were invested in the plan during the fiscal year.

As of August 31, 2022, the College had 68 employees participating and vested in the program. A total of \$436,794 in contributions were invested in the plan during the fiscal year.

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**13. DEFERRED COMPENSATION PROGRAM (Continued)**

The College's deferred compensation program is an elective contribution deducted from payroll and disbursed to approved external vendors each pay period. Therefore, the total deferred salaries and accumulated earnings of current employees and corresponding payable to the vested employees are maintained by the external vendors rather than the College.

**14. COMPENSATED ABSENCES**

Full-time employees earn annual leave from .833 to 1.25 days per month depending on the number of years employed with the College. 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 fifteen days (120 hours). Employees with at least three months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for the unpaid annual leave in the amount of \$624,520 and \$600,449 for the fiscal years ended August 31, 2023 and 2022, respectively.

Sick leave is earned at the rate of one day per month per contract length and can be accumulated up to a maximum of 60 days (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.

**15. 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, 2023, and totaled \$1,745,710 for the year. The cost of providing those benefits for 128 retirees in the year ended August 31, 2023, was \$543,078. For 293 active employees, the cost of providing benefits was \$1,202,632 for the year ended August 31, 2023. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2022, and totaled \$1,745,710 for the year. The cost of providing those benefits for 121 retirees in the year ended August 31, 2022 was \$509,319. For 275 active employees, the cost of providing benefits was \$1,236,391 for the year ended August 31, 2022. Senate Bill 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.



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**16. 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 by visiting <https://ers.texas.gov>; or by writing to ERS at: 200 East 18<sup>th</sup> Street, Austin, TX 78701; or by calling (877) 275-4377.

***Benefits Provided***

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

***Contributions***

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

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

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

Maximum Monthly Employer Contribution  
Retiree Health and Basic Life Premium  
Plan Fiscal Year 2022

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, 2022 and 2021

	2022	2021
Employers	\$ 699,999,453	\$ 766,689,167
Members (Employees)	190,659,955	192,426,941
Nonemployer Contributing Entity (State of Texas)	36,750,724	39,188,518

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

***Actuarial Assumptions***

The total OPEB liability was determined by an actuarial valuation as of August 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2022
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	3.59%
Projected Annual Salary Increase (Includes Inflation)	2.30% to 8.95%
Annual Healthcare Trend Rate	<u>HealthSelect</u> – 5.60% for FY2024, 5.30% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years  <u>HealthSelect Medicare Advantage</u> – 66.67% for FY2024, 24.00% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years  <u>Pharmacy</u> – 10.00% for FY2024 and FY2025, decreasing 100 basis points per year to 5.00% for FY2030 and 4.30% for FY2031 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 2021.
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 Pub-2010 Amount-Weighted-Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP Projection Scale from year 2010.

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**16. 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, 2021.

***Investment Policy***

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2022 to require that all funds in the plan be invested in cash and equivalent securities and specify that the expected rate of return on these investments is 4.1%.

***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 2.14%. The discount rate used to measure the total OPEB liability as of the *end* of the measurement year was 3.59%, which amounted to an increase of 1.45%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

***Discount Rate Sensitivity Analysis***

The following schedule shows the impact on the 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 (3.59%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.59%)	Discount Rate (3.59%)	1% Increase in Discount Rate (4.59%)
College's proportionate share of the net OPEB liability:	\$ 21,384,952	\$ 18,335,686	\$ 15,897,008

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**16. 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. See actuarial assumptions section above for specific rates.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
College's proportionate share of the net OPEB liability:	\$ 15,701,996	\$ 18,335,686	\$ 21,698,199

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

At August 31, 2023, the College reported a liability of \$18,335,686 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	\$ 18,335,686
State's proportionate share that is associated with the College	16,865,776
<b>Total</b>	<b>\$ 35,201,462</b>

The net OPEB liability was measured as of August 31, 2022, 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 proportion 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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.06436518%, which was a decrease of 0.00118467% from its proportion measured as of August 31, 2021.

For the year ended August 31, 2023, the College recognized OPEB expense of \$614,334 and revenue of \$614,334 for support provided by the State.

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**16. 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 cover dependent children.
- 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.
- 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 patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent information.
- The discount rate was changed from 2.14%, as of August 31, 2021, to 3.59%, as of August 31, 2022, 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.

At August 31, 2023, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 578,513
Changes in actuarial assumptions	1,077,295	5,667,734
Differences between projected and actual investment earnings	3,163	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,587,317	2,463,780
Contributions paid to ERS subsequent to the measurement date	406,152	-
Total	\$ 3,073,927	\$ 8,710,027

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

Contributions made subsequent to the measurement date of \$406,152 are reported as deferred outflows of resources related to OPEB and will be recognized as a change of the net OPEB liability for the fiscal year ending August 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

College's Fiscal Year Ended August 31:	OPEB Expense Amount
2024	\$ (670,914)
2025	(1,934,850)
2026	(1,630,156)
2027	(1,190,477)
2028	(615,855)

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

**Receivables**

Receivables at August 31, 2023 and 2022 were as follows:

	8/31/2023	8/31/2022
Student Receivables (Net of Allowances of \$1,003,171 and \$937,622 for 2023 and 2022, respectively)	\$ 8,199,484	\$ 6,629,893
Taxes Receivable (Net of Allowances of \$201,880 and \$201,880 for 2023 and 2022, respectively)	316,496	319,082
Federal and State Accounts Receivable	631,882	919,241
Other Accounts Receivable	856,783	976,488
	\$ 10,004,645	\$ 8,844,704

**Payables**

Payables at August 31, 2023 and 2022 were as follows:

	8/31/2023	8/31/2022
Vendor Payable	\$ 4,443,384	\$ 1,637,147
Salaries and Benefits Payable	760,369	778,049
Accrued Interest	160,721	164,247
	\$ 5,364,474	\$ 2,579,443

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**18. 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 2023 and 2022 for which monies have not been received nor funds expended totaled \$953,329 and \$9,447,462, respectively. Of these amounts, \$562,919 and \$9,234,599 were from federal contract and grant awards, and \$390,410 and \$212,863 were from state contract and grant awards for fiscal years ended 2023 and 2022, respectively.

**19. SELF-INSURED PLANS**

In 1995, the College began participating in the Texas Public Junior and Community College Employee Benefits Consortium (Consortium), which was established in 1991 by several Texas area community colleges as a means of reducing the costs of workers compensation insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. The main purpose of the Consortium is to jointly self-insure certain workers compensation risks up to an agreed upon retention limit. For the year ended August 31, 2023, the College paid an annual premium of \$54,766 plus \$30,790 toward the loss fund. This \$85,556 was the maximum cost for the self-insured plan. For the year ended August 31, 2022, the College paid an annual premium of \$52,565 plus \$33,687 toward the loss fund. This \$86,252 was the maximum cost for the self-insured plan. All claims up to \$225,000 are paid from the loss fund. Amounts over \$225,000 are paid by the insurance company up to statutory limits.



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August 31, 2023 and 2022**

**20. 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 District.

	<u>8/31/2023</u>	<u>8/31/2022</u>
Assessed Valuation of the College	\$ 27,251,399,619	\$ 25,661,544,555
Less: Exemptions	6,907,861,561	6,860,989,406
Less: Abatements	<u>426,977,136</u>	<u>876,877,200</u>
Net Assessed Valuation of the College	<u>\$ 19,916,560,922</u>	<u>\$ 17,923,677,949</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
At August 31, 2023			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.12248	\$ -	\$ 0.12248
At August 31, 2022			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.11903	\$ 0.00344	\$ 0.12248

Taxes levied for the years ended August 31, 2023 and 2022 were \$23,086,014 and \$20,789,561, 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.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

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

	August 31, 2023		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 22,767,075	\$ -	\$ 22,767,075
Delinquent Taxes Collected	243,060	8,025	251,085
Penalties and Interest Collected	154,149	1,665	155,814
Total Gross Collections	23,164,284	9,690	23,173,974
Tax Appraisal & Collection Fees	(338,470)	-	(338,470)
Total Net Collections	\$ 22,825,814	\$ 9,690	\$ 22,835,504
	August 31, 2022		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 19,987,940	\$ 577,482	\$ 20,565,422
Delinquent Taxes Collected	298,229	12,404	310,633
Penalties and Interest Collected	151,714	5,317	157,031
Total Gross Collections	20,437,883	595,203	21,033,086
Tax Appraisal & Collection Fees	(294,715)	(8,515)	(303,230)
Total Net Collections	\$ 20,143,168	\$ 586,688	\$ 20,729,856

Tax collections for the years ended August 31, 2023 and 2022 were 99% of the current tax levy in both years. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

**21. BRANCH CAMPUS MAINTENANCE TAX**

A branch campus maintenance tax, which is established by election, is levied by Wise County. The 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 Wise County. Collections are transferred to the College to be used for operation of a branch campus in Wise County, Texas. This revenue is reported under Local Grants and Contracts.

County	Collections (including penalties and interest) August 31, 2023	Collections (including penalties and interest) August 31, 2022
Wise County	\$ 4,227,688	\$ 3,514,630

**22. 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, 2023 and 2022.

**23. COMPONENT UNIT**

Weatherford College Foundation, Inc. - Discrete Component Unit

The Weatherford College Foundation, Inc. (the Foundation) was established as a separate nonprofit organization with the sole purpose of supporting educational and other activities of the College, including raising funds to provide student scholarships and assistance in the development and growth of the College. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted \$564,930 and \$387,060 for designated scholarships and \$96,784 and \$2,997,921 for other contributions to the College during the years ended August 31, 2023 and 2022, respectively. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Foundation is a component unit of the College because the economic resources received or held by the Foundation are entirely or almost entirely for the direct benefit of the College.

Accordingly, the Foundation's financial statements are included in the College's annual report as a discrete component unit (see table of contents). Complete financial statements of the Foundation can be obtained from the Weatherford College Business Office at 225 College Park Drive, Weatherford, Texas 76086.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

**24. LESSOR AGREEMENTS**

On December 14, 2020, the College entered into an agreement with a tenant, the lessee, to rent space in the new Workforce and Emerging Technologies Building. The lease calls for an initial term of ten years commencing in January 2022 with two additional five-year renewal terms. The College is reasonably certain that the lessee will renew this lease for both additional terms. In accordance with the provisions of GASBS No. 87, the lease was measured as of the commencement date with a lease term of 20 years and an interest rate of 4.50%, the College's incremental borrowing rate.

Rent is payable on the first day of each month in the amount of \$15,690 for the initial ten-year term. Lease revenue in the amount of \$124,002 and \$82,324 and interest income of \$107,631 and \$73,945 were recognized for the years ended August 31, 2023 and 2022, respectively.

Future payments due to the College under the lease consisting of principal and interest are as follows:

Year Ending August 31,	Principal	Interest
2024	\$ 84,353	\$ 103,926
2025	88,229	100,051
2026	92,282	95,998
2027	96,521	91,758
2028	100,955	87,324
2029-2033	578,756	362,642
2034-2038	724,484	216,913
2039-2043	582,236	45,885
Total	<u>\$ 2,347,816</u>	<u>\$ 1,104,497</u>

**25. 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.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to the Financial Statements  
August 31, 2023 and 2022**

**26. COMMITMENTS**

The College has a contract with an outside party to provide facilities management services, which began on September 1, 2021 and expires on August 31, 2024. The College also has a contract with an outside party to build a new dormitory building, which began on December 14, 2022 and is anticipated to be complete in June of 2024. Future minimum payments under these contracts are as follows:

Year Ending August 31,	Amount
2024	\$ 16,983,313
2025	2,481,394
2026	2,518,615

**27. PENDING LAWSUITS AND CLAIMS**

On August 31, 2023, a lawsuit and claim involving Weatherford College was 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.

**28. SUBSEQUENT EVENTS**

The College has evaluated subsequent events through November 29, 2023, the date the financial statements were available to be issued, noting the following:

- Effective October 23, 2023, the College was gifted Canyon West Golf Course along with all associated improvements, equipment, and furniture.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule of the College's Proportionate Share of Net Pension Liability  
Last Ten Measurement Years\*\***

Measurement Year Ending August 31*,	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's proportion of collective net pension liability (NPL) (%)	0.0123049%	0.0127703%	0.0135398%	0.0147916%	0.0152120%	0.0150920%	0.0150860%	0.0164233%	0.0186811%
College's proportionate share of collective NPL (\$)	\$ 7,305,123	\$ 3,252,134	\$ 7,251,630	\$ 7,689,136	\$ 8,373,269	\$ 4,825,611	\$ 5,700,770	\$ 5,805,419	\$ 4,989,980
State's total proportionate share of NPL associated with the College	5,943,095	2,745,592	5,771,312	5,520,920	5,901,360	3,465,765	4,172,552	4,052,905	3,433,764
Total	\$ 13,248,218	\$ 5,997,726	\$ 13,022,942	\$ 13,210,056	\$ 14,274,629	\$ 8,291,376	\$ 9,873,322	\$ 9,858,324	\$ 8,423,744
College's covered payroll	\$ 13,564,109	\$ 13,220,361	\$ 13,041,317	\$ 12,831,136	\$ 12,543,569	\$ 12,173,411	\$ 11,831,988	\$ 11,826,629	\$ 11,425,794
College's proportionate share of collective NPL as a percentage of covered payroll	53.86%	24.60%	55.61%	59.93%	66.75%	39.64%	48.18%	49.09%	43.67%
Plan fiduciary net position as percentage of total pension liability	75.62%	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.

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

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule of the College's Contributions for Pensions  
Last Ten Fiscal Years\*\***

Fiscal Year Ending August 31*,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	\$ 638,589	\$ 573,517	\$ 545,026	\$ 548,921	\$ 517,293	\$ 513,849	\$ 495,628	\$ 479,120	\$ 486,301
Actual contributions	638,589	573,517	545,026	548,921	517,293	513,849	495,628	479,120	486,301
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll amount	\$ 14,544,355	\$ 13,564,109	\$ 13,220,381	\$ 13,041,317	\$ 12,831,136	\$ 12,543,569	\$ 12,173,411	\$ 11,831,988	\$ 11,826,629
Contributions as a percentage of covered payroll	4.39%	4.23%	4.12%	4.21%	4.03%	4.10%	4.07%	4.05%	4.11%

\* 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.



**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule of the College's Proportionate Share of Net OPEB Liability  
Employee Retirement System of Texas  
State Retiree Health Plan  
Last Ten Measurement Years\*\***

	2022	2021	2020	2019	2018	2017
College's proportion of collective net OPEB liability (%)	0.0643652%	0.0655499%	0.0678922%	0.0738561%	0.0740616%	0.0430528%
College's proportionate share of collective net OPEB liability (\$)	\$ 18,335,686	\$ 23,516,334	\$ 22,434,726	\$ 25,526,644	\$ 21,950,173	\$ 14,669,392
State's proportionate share of net OPEB liability associated with the College	<u>16,865,776</u>	<u>20,643,478</u>	<u>19,010,291</u>	<u>19,165,968</u>	<u>16,058,736</u>	<u>347,488</u>
Total	<u>\$ 35,201,462</u>	<u>\$ 44,159,812</u>	<u>\$ 41,445,017</u>	<u>\$ 44,692,612</u>	<u>\$ 38,008,909</u>	<u>\$ 15,016,880</u>
College's covered-employee payroll	\$ 19,481,764	\$ 19,194,303	\$ 18,919,255	\$ 18,969,196	\$ 18,521,159	\$ 18,065,262
College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	94.12%	122.52%	118.58%	134.57%	118.51%	81.20%
Plan fiduciary net position as percentage of the total net OPEB liability	0.57%	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.

**WEATHERFORD COLLEGE OF THE PARKER**  
**COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of the College's Contributions for OPEB**  
**Employee Retirement System of Texas**  
**State Retiree Health Plan**  
**Last Ten Fiscal Years\*\***

Fiscal Year Ending August 31*,	2023	2022	2021	2020	2019	2018
Legally required contributions	\$ 1,897,857	\$ 1,895,196	\$ 1,975,062	\$ 2,039,998	\$ 2,189,483	\$ 2,156,052
Actual contributions	<u>1,897,857</u>	<u>1,895,196</u>	<u>1,975,062</u>	<u>2,039,998</u>	<u>2,189,483</u>	<u>2,156,052</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll amount	\$ 20,804,496	\$ 19,481,764	\$ 19,194,303	\$ 18,919,255	\$ 18,969,196	\$ 18,521,159
Contributions as a percentage of covered-employee payroll	9.12%	9.73%	10.29%	10.78%	11.54%	11.64%

\* 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.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Notes to Required Supplementary Information  
For the Year Ended August 31, 2023**

**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 net OPEB liability during the measurement period are described in the notes to the financial statements (Note 16).

*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 12).

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 16).

**SUPPLEMENTAL INFORMATION**

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT**  
Schedule A  
Schedule of Operating Revenues  
For the Year Ended August 31, 2023  
(With Memorandum Totals for the Year Ended August 31, 2022)

	Total				Totals	
	Unrestricted	Restricted	Educational Activities	Auxiliary Enterprises	8/31/2023	8/31/2022
<b>Tuition</b>						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 5,321,642	\$ -	\$ 5,321,642	\$ -	\$ 5,321,642	\$ 4,793,954
Out-of-District Resident Tuition	9,267,559	-	9,267,559	-	9,267,559	8,509,118
Non-Resident Tuition	1,469,748	-	1,469,748	-	1,469,748	915,156
TPEG - Credit (Set Aside)*	952,779	-	952,779	-	952,779	849,162
State Funded Continuing Education	715,860	-	715,860	-	715,860	598,069
TPEG - Non-Credit (Set Aside)*	42,858	-	42,858	-	42,858	35,885
Non-State Funded Educational Programs	56,860	-	56,860	-	56,860	49,450
Total Tuition	<u>17,827,306</u>	<u>-</u>	<u>17,827,306</u>	<u>-</u>	<u>17,827,306</u>	<u>15,750,794</u>
<b>Fees</b>						
General Fee	3,306,523	-	3,306,523	-	3,306,523	2,597,172
Laboratory Fee	341,456	-	341,456	-	341,456	332,865
Total Fees	<u>3,647,979</u>	<u>-</u>	<u>3,647,979</u>	<u>-</u>	<u>3,647,979</u>	<u>2,930,037</u>
<b>Allowances and Discounts</b>						
Bad Debt Allowance	(66,646)	-	(66,646)	-	(66,646)	30,831
Scholarship Allowance	(1,192,917)	-	(1,192,917)	-	(1,192,917)	(882,873)
Remissions and Exemptions - State	(1,174,952)	-	(1,174,952)	-	(1,174,952)	(823,694)
Remissions and Exemptions - Local	(975,132)	-	(975,132)	-	(975,132)	(791,169)
Title IV Federal Grants	(4,294,006)	-	(4,294,006)	-	(4,294,006)	(2,648,269)
Other Federal Grants	(14,273)	-	(14,273)	-	(14,273)	(2,536,115)
TPEG Awards	(583,319)	-	(583,319)	-	(583,319)	(531,640)
Other State Grants	(217,800)	-	(217,800)	-	(217,800)	(115,675)
Total Allowances and Discounts	<u>(8,519,045)</u>	<u>-</u>	<u>(8,519,045)</u>	<u>-</u>	<u>(8,519,045)</u>	<u>(8,298,604)</u>
<b>Total Net Tuition and Fees</b>	<u>12,956,240</u>	<u>-</u>	<u>12,956,240</u>	<u>-</u>	<u>12,956,240</u>	<u>10,382,227</u>
<b>Additional Operating Revenues</b>						
Federal Grants and Contracts	708,531	2,953,361	3,661,892	-	3,661,892	6,300,477
State Grants and Contracts	10,890	230,450	241,340	-	241,340	413,895
Local Grants and Contracts	4,228,022	-	4,228,022	-	4,228,022	3,518,332
Sales and Services of Educational Activities	1,389,484	-	1,389,484	-	1,389,484	577,213
Investment Income (Program Restricted)	-	129,025	129,025	-	129,025	20,920
Other Operating Revenues	128,242	-	128,242	-	128,242	904,310
Total Additional Operating Revenues	<u>6,465,169</u>	<u>3,312,836</u>	<u>9,778,005</u>	<u>-</u>	<u>9,778,005</u>	<u>11,735,147</u>
<b>Auxiliary Enterprises</b>						
Bookstore	-	-	-	139,999	139,999	171,829
Food Services	-	-	-	877,768	877,768	814,171
Less Discounts	-	-	-	(324,807)	(324,807)	(333,240)
Student Housing	-	-	-	1,193,267	1,193,267	1,253,668
Less Discounts	-	-	-	(532,376)	(532,376)	(644,102)
Student Services	-	-	-	186,480	186,480	190,677
Less Discounts	-	-	-	(35,355)	(35,355)	(67,266)
Carter Agriculture Center	-	-	-	3,390,950	3,390,950	26,897
Radio Station	-	-	-	141,051	141,051	110,867
<b>Total Net Auxiliary Enterprises</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,036,977</u>	<u>5,036,977</u>	<u>1,523,501</u>
<b>Total Operating Revenues</b>	<u>\$ 19,421,409</u>	<u>\$ 3,312,836</u>	<u>\$ 22,734,245</u>	<u>\$ 5,036,977</u>	<u>\$ 27,771,222</u>	<u>\$ 23,640,875</u>
				(Exhibit 2)	(Exhibit 2)	

\* In accordance with Education Code 56.033, \$995,637 and \$885,047 for years August 31, 2023 and 2022, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule B  
Schedule of Operating Expenses by Object  
For the Year Ended August 31, 2023  
(With Memorandum Totals for the Year Ended August 31, 2022)**

	Operating Expenses					Totals	
	Salaries and Wages	Benefits			Other Expenses	8/31/2023	8/31/2022
		State	Local	-			
Unrestricted - Educational Activities							
Instruction	\$ 13,617,817	\$ -	\$ 1,980,100	\$ 2,093,852	\$ 17,691,769	\$ 16,214,596	
Public Service	-	-	-	19,601	19,601	13,744	
Academic Support	2,372,907	-	358,680	687,787	3,419,374	3,967,021	
Student Services	1,653,702	-	307,242	367,634	2,328,578	2,155,983	
Institutional Support	4,668,663	-	704,361	2,831,372	8,204,396	8,117,450	
Operation and Maintenance of Plant	155,243	-	25,356	4,267,591	4,448,190	4,840,607	
<b>Total Unrestricted Educational Activities</b>	<b>22,468,332</b>	<b>-</b>	<b>3,375,739</b>	<b>10,267,837</b>	<b>36,111,908</b>	<b>35,309,401</b>	
Restricted - Educational Activities							
Instruction	76,391	1,809,220	12,773	138,406	2,036,790	1,516,235	
Public Service	-	-	-	5,633	5,633	6,328	
Academic Support	-	313,498	-	-	313,498	244,519	
Student Services	497,829	284,251	120,127	1,563,622	2,465,829	5,407,918	
Institutional Support	-	616,804	-	2,112	618,916	459,861	
Scholarships and Fellowships	43,633	-	-	2,483,934	2,527,567	5,813,265	
<b>Total Restricted Educational Activities</b>	<b>617,853</b>	<b>3,023,773</b>	<b>132,900</b>	<b>4,193,707</b>	<b>7,968,233</b>	<b>13,448,126</b>	
<b>Total Educational Activities</b>	<b>23,086,185</b>	<b>3,023,773</b>	<b>3,508,639</b>	<b>14,461,544</b>	<b>44,080,141</b>	<b>48,757,527</b>	
<b>Auxiliary Enterprises</b>	<b>1,504,247</b>	<b>-</b>	<b>428,601</b>	<b>2,382,741</b>	<b>4,315,589</b>	<b>3,477,821</b>	
Depreciation Expense - Buildings and Land Improvements	-	-	-	1,673,296	1,673,296	1,469,416	
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	815,471	815,471	732,042	
Amortization Expense - Right-to-Use Assets	-	-	-	3,124,420	3,124,420	1,709,997	
<b>Total Operating Expenses</b>	<b>\$ 24,590,432</b>	<b>\$ 3,023,773</b>	<b>\$ 3,937,240</b>	<b>\$ 22,457,472</b>	<b>\$ 54,008,917</b>	<b>\$ 56,146,803</b>	
					(Exhibit 2)	(Exhibit 2)	

The accompanying Notes to the Financial Statements are an integral part of this statement.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule C**

**Schedule of Non-Operating Revenues and Expenses  
For the Year Ended August 31, 2023**

(With Memorandum Totals for the Year Ended August 31, 2022)

	Totals		
	Unrestricted	Restricted	Auxiliary Enterprises
	8/31/2023	8/31/2023	8/31/2022
Non-Operating Revenues			
State Appropriations			
Education and General State Support	\$ 8,925,332	\$ -	\$ 8,954,067
State Group Insurance	-	1,745,710	1,745,710
State OPEB	-	614,334	(250,830)
State Retirement Matching	-	663,729	645,941
Professional Nursing Shortage Reduction	-	69,507	119,345
Miscellaneous Revenues	-	30,346	33,404
Total State Appropriations	<u>8,925,332</u>	<u>3,123,626</u>	<u>11,247,637</u>
Ad Valorem Taxes (Net) - Maintenance	23,164,284	-	20,437,883
Ad Valorem Taxes (Net) - Debt Service	-	9,690	595,203
Federal Revenue, Non-Operating	-	6,517,423	12,193,736
Gifts	-	6,602	2,059,181
Investment Income	733,833	66,128	220,933
Gain (Loss) on Disposal of Capital Assets	<u>(335,745)</u>	<u>-</u>	<u>793,619</u>
<b>Total Non-Operating Revenues</b>	<b>32,487,704</b>	<b>9,723,469</b>	<b>47,548,192</b>
Non-Operating Expenses			
Interest on Capital Related Debt	750	2,978,928	2,485,152
Loss on Disposal of Capital Assets	-	-	-
Other Non-Operating Expense	-	-	347,657
<b>Total Non-Operating Expenses</b>	<b>750</b>	<b>2,978,928</b>	<b>2,832,809</b>
<b>Net Non-Operating Revenues</b>	<b>\$ 32,486,954</b>	<b>\$ 6,744,541</b>	<b>\$ 44,715,383</b>
		(Exhibit 2)	(Exhibit 2)

The accompanying Notes to the Financial Statements are an integral part of this statement.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule D**

**Schedule of Net Position by Source and Availability  
For the Year Ended August 31, 2023**

(With Memorandum Totals for the Year Ended August 31, 2022)

	Detail by Source				Capital Assets		Available for Current Operations	
	Unrestricted	Restricted		Non-Expendable	Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable					
Current								
Unrestricted	\$ 15,283,298	\$ -	\$ -	\$ -	\$ -	\$ 15,283,298	\$ 15,283,298	\$ -
Restricted								
Student Aid	-	2,987,789	-	-	-	2,987,789	2,987,789	-
Instructional Programs	-	78,977	-	-	-	78,977	78,977	-
Auxiliary Enterprises	2,832,727	-	-	-	-	2,832,727	-	2,832,727
Endowment	22,466,174	-	-	-	-	22,466,174	-	22,466,174
Plant								
Capital Projects	-	2,497,168	-	-	-	2,497,168	-	2,497,168
Debt Service	-	3,627,308	-	-	-	3,627,308	-	3,627,308
Investment in Plant	-	-	-	-	36,936,337	36,936,337	-	36,936,337
Total Net Position, August 31, 2023	40,582,199	9,191,242	-	-	36,936,337	86,709,778	18,350,064	68,359,714
Total Net Position, August 31, 2022	36,205,313	5,551,053	-	-	31,915,310	73,671,676 (Exhibit 1)	16,896,453	56,775,223 (Exhibit 1)
<b>Net Increase (Decrease) in Net Position</b>	<b>\$ 4,376,886</b>	<b>\$ 3,640,189</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,021,027</b>	<b>\$ 13,038,102</b>	<b>\$ 1,453,611</b>	<b>\$ 11,584,491</b>
								<b>(Exhibit 2)</b>



**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 Trustees  
Weatherford College of the  
Parker County Junior 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 business-type activities of Weatherford College of the Parker County Junior College District (the College) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 29, 2023.

**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 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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

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, 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, 2023, 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  
November 29, 2023

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Summary Schedule of Prior Audit Findings  
For the Year Ended August 31, 2023**

There were no prior year findings.

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended August 31, 2023**

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

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ <u>X</u> no	
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	_____ <u>X</u> none reported	
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	_____ <u>X</u> no	
Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	_____ <u>X</u> none reported	
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>		
Any audit findings disclosed that are required to be Reported in accordance with section 2 CFR Section 200.416(a)?	_____ yes	_____ <u>X</u> no	

Identification of Major Programs:

Federal Awards

U.S. Department of Education:

Educational Stabilization Fund Cluster of Programs:

ALN 84.425F	Institutional Aid
ALN 84.425M	Strengthening Institutions Program

TRIO Cluster of Programs:

ALN 84.042	Student Support Services Program
ALN 84.044	Talent Search Program
ALN 84.047	Upward Bound Program

U.S. Department of Transportation:

ALN 20.205	Highway Planning and Construction
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Dollar threshold used to distinguish between Type A and Type B federal programs:	<u>\$ 750,000</u>	
Auditee qualified as a low-risk auditee?	_____ <u>X</u> yes	_____ no

**Section II – Financial Statement Findings**

Findings required to be reported in accordance with <i>Government Auditing Standards</i>	<u>None Reported</u>
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**Section III – Federal Award Findings and Questioned Costs**

Findings/Noncompliance	Program	Questioned Costs
None Noted		

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Corrective Action Plan  
August 31, 2023**

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 Trustees  
Weatherford College of the  
Parker County Junior College District

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

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

We have audited Weatherford College of the Parker County Junior College District's (the College) compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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, 2023.

***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 of 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 provision 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 a 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 above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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  
November 29, 2023

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule E  
Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2023**

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		\$ 153,298
Federal College Workstudy Program	84.033		43,633
Federal Pell Grant Program	84.063		6,320,492
Federal Direct Student Loans	84.268		<u>5,074,894</u>
Total Student Financial Aid Cluster			11,592,317
TRIO Cluster			
TRIO - Student Support Services Program	84.042A		350,215
TRIO - Talent Search Program	84.044A		309,110
TRIO - Upward Bound Program	84.047A		<u>284,855</u>
Total TRIO Cluster			944,180
COVID-19 Education Stabilization Fund - Institutional Aid	84.425F		1,861,158
COVID-19 Education Stabilization Fund - Strengthening the Institution	84.425M		<u>227,852</u>
Total Education Stabilization Fund			2,089,010
Pass-Through From:			
Texas Higher Education Coordinating Board (THECB)			
Career and Technical Education Basic Grants to States	84.048	234265	<u>300,494</u>
Total U.S. Department of Education			<u>14,926,001</u>
Department of Transportation			
Pass-Through From:			
North Central Texas Council of Governments			
Highway Planning and Construction	20.205	TRN6906	<u>281,190</u>
Total Department of Transportation			<u>281,190</u>
National Science Foundation			
Education and Human Resources			
Industrial Maintenance Automation Technician Education	47.076		<u>47,018</u>
Total National Science Foundation			<u>47,018</u>
Total Federal Financial Assistance			<u>\$ 15,254,209</u>

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule E  
Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2023**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$	2,953,361
Add: Indirect/Administrative Cost Recoveries - per Schedule A		708,531
Add: Non-Operating Federal Revenue - per Schedule C		<u>6,517,423</u>
 Total Federal Revenues per Schedules A and C		 <u>10,179,315</u>
 Reconciling Items:		
Add: Federal Direct Student Loans		<u>5,074,894</u>
 Total Federal Expenditures per Schedule of Expenditures of Federal Awards	 \$	 <u><u>15,254,209</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 that 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. Since the College has agency approved Indirect Recovery Rate it has elected not 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 / 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>\$ 5,074,894</u>	<u>\$ -</u>	<u>\$ 5,074,894</u>

**STATE AWARDS SECTION**

**WEATHERFORD COLLEGE OF THE PARKER  
COUNTY JUNIOR COLLEGE DISTRICT  
Schedule F  
Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2023**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Comptroller of Public Accounts Law Enforcement Officer Standards and Education	17560028627-005	\$ 2,112
Texas Higher Education Coordinating Board Professional Nursing Shortage Reduction		69,507
Texas Workforce Commission Skills for Small Business Program	0422SSD002	<u>228,690</u>
Total Texas Workforce Commission		<u>228,690</u>
Office of the Governor Bullet-Resistant Shield Grant Program	4649101	<u>10,538</u>
Total State Financial Assistance		<u><u>\$ 310,847</u></u>

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Financial Assistance - per Schedule of Expenditures of State Awards	\$ 310,847
Reconciling Items:	
Professional Nursing Shortage Reduction - per Schedule C	<u>(69,507)</u>
Total State Grants and Contracts per Exhibit 2 and Schedule A	<u><u>\$ 241,340</u></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