

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

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2022

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

TABLE OF CONTENTS

	Page	Exhibit
Organizational Data	1	
<u>Financial Section</u>		
Independent Auditor's Report	3	
Management's Discussion and Analysis	6	
Statements of Net Position	15	1
Statement of Financial Position - Component Unit	17	1
Statements of Revenues, Expenses, and Changes in Net Position	18	2
Statement of Activities - Component Unit	19	2
Statements of Cash Flows	20	3
<u>Notes to the Financial Statements</u>	23	
<u>Required Supplementary Information</u>		
Schedule of the College's Proportionate Share of Net Pension Liability	60	
Schedule of the College's Contributions for Pensions	61	
Schedule of the College's Proportionate Share of Net OPEB Liability	62	
Schedule of the College's Contributions for OPEB	63	
Notes to Required Supplementary Information	64	
<u>Supplemental Information</u>		<u>Schedule</u>
Schedule of Operating Revenues	66	A
Schedule of Operating Expenses by Object	67	B
Schedule of Non-Operating Revenues and Expenses	68	C
Schedule of Net Position by Source and Availability	69	D

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

TABLE OF CONTENTS

Overall Compliance and Internal Controls Section

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 <i>Government Auditing Standards</i>	71
Summary Schedule of Prior Audit Findings	73
Schedule of Findings and Questioned Costs	74
Corrective Action Plan	75

Federal Awards Section

Schedule

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	77	
Schedule of Expenditures of Federal Awards	80	E

State Awards Section

Schedule of Expenditures of State Awards	83	F
--	----	---

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
ORGANIZATIONAL DATA
For the Year Ended August 31, 2022**

Board of Trustees

Officers

Mac Smith	Chairman
Dan Carney	Vice Chairman
Lela Morris	Secretary / Treasurer

Members

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

		<u>Term Expires December 31,</u>
Dr. Robert Marlett	Wise County, Texas	2023

Principal Administrative Officers

Dr. Tod Allen Farmer	President
Brent Baker	Vice President - Institutional Advancement
Dr. Andra Cantrell	Executive Vice President - Financial & Administrative Services
Michael Endy	Vice President - Academics & Student Services

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 Weatherford College of the Parker County Junior College District (the College) as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis the schedule of the College's proportionate share of net pension liability, the schedule of the College's contributions for pension, the schedule of the College's proportionate share of OPEB liability, the schedule of the College's contributions for OPEB and the related notes on pages 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 supplemental information and schedule of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Snow Garrett Williams

Snow Garrett Williams
December 6, 2022

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

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, 2022 and 2021. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

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

The statement of revenues, expenses, and changes in net position focuses on both the gross costs and the net costs of the College's activities which are supported mainly by 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, 2021 to August 31, 2022 by \$12,209,455 and increased from August 31, 2020 to August 31, 2021 by \$8,249,338. As of August 31, 2022 and 2021, the College's net position was \$73,671,676 and \$61,462,221 which includes \$31,915,310 and \$32,086,368 in net investment in capital assets, \$5,551,053 and \$3,226,499 in restricted net position, and \$36,205,313 and \$26,149,354 in unrestricted net position, respectively.

Operating expenses for fiscal years 2022 and 2021 were \$56,146,803 and \$51,893,061 of which \$17,730,831 and \$17,651,475 were expended for instruction, \$8,577,311 and \$8,405,232 were expended for institutional support, and \$3,477,821 and \$2,786,710 were expended for auxiliary enterprises, respectively. In fiscal years 2022 and 2021, depreciation and amortization expense was \$3,911,455 and \$3,528,222 respectively.

Operating revenues for fiscal years 2022 and 2021 were \$23,640,875 and \$22,516,182 which includes \$10,382,227 and \$11,352,956 in tuition and fees (net of discounts), \$3,518,332 and \$3,553,446 in local grants and contracts, \$1,523,501 and \$3,537,365 in auxiliary enterprises (net of discounts), and \$6,300,477 and \$1,948,358 in federal grants and contracts, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

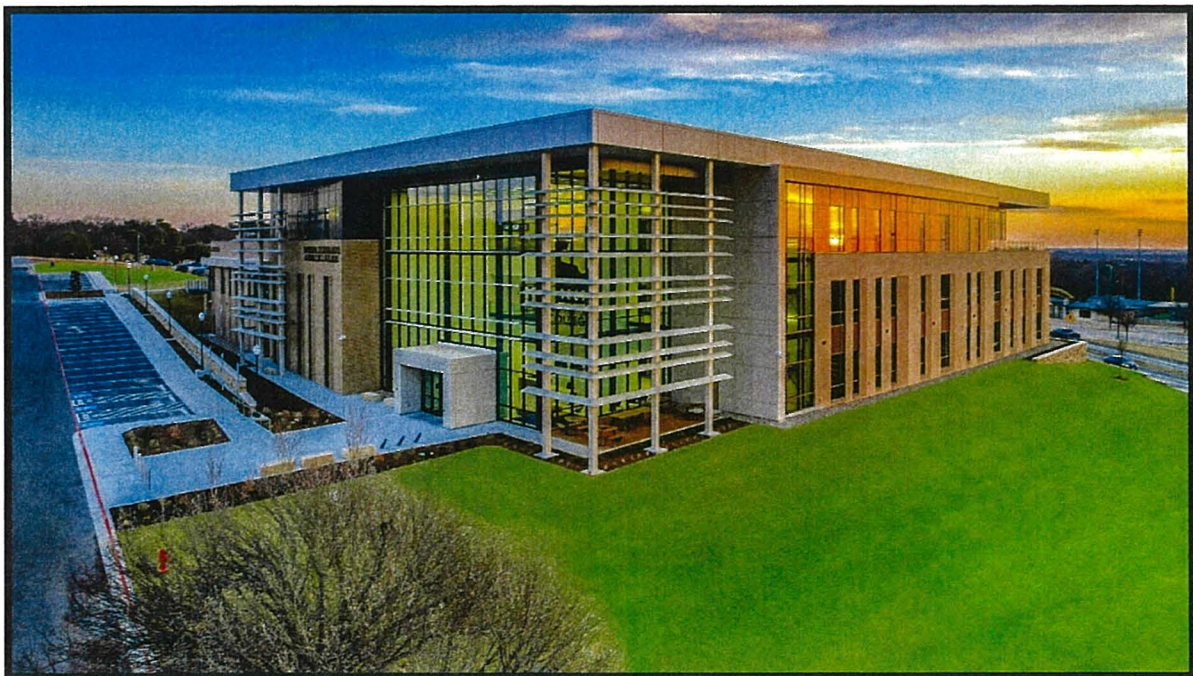
Net non-operating revenues for fiscal years 2022 and 2021 were \$44,715,383 and \$37,626,217 which includes \$11,247,637 and \$11,488,842 in state appropriations, \$21,033,086 and \$18,776,745 in total ad valorem taxes for maintenance and operations and debt service (net of allowances), and \$12,193,736 and \$8,835,262 in federal grants, respectively.

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

Financial Analysis of the College as a Whole

Statement of Net Position

The statement of net position presents current assets (non-restricted assets expected to provide support within a year), non-current assets (restricted assets expected to provide long-term benefit), deferred outflows of resources, current liabilities (obligations which must be met within the current year), non-current liabilities (obligations which are not settled in the current year), and deferred inflows of resources. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are presented using the accrual basis of accounting, which is similar to the accounting by most private-sector institutions. Net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the financial position of the College. As of August 31, 2022, the net position was \$73,671,676. This was an increase of \$12,209,455 from the period ended August 31, 2021. As of August 31, 2021, the net position was \$61,462,221. This was an increase of \$8,249,338 from the period ended August 31, 2020. 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, 2022 and 2021**

	Net Position		
	As of August 31,		
	2022	Restated 2021	2020
	<u> </u>	<u> </u>	<u> </u>
Current Assets	\$ 60,396,344	\$ 46,969,011	\$ 38,913,602
Non-current Assets			
Capital Assets, Net of Depreciation	89,062,377	79,625,994	41,893,318
Other	46,593,069	40,271,766	22,812,085
Total Assets	<u>196,051,790</u>	<u>166,866,771</u>	<u>103,619,005</u>
Deferred Outflows of Resources	<u>8,134,198</u>	<u>11,106,621</u>	<u>15,115,072</u>
Current Liabilities	17,826,980	18,569,050	14,494,151
Non-current Liabilities	99,908,801	88,024,087	42,301,913
Total Liabilities	<u>117,735,781</u>	<u>106,593,137</u>	<u>56,796,064</u>
Deferred Inflows of Resources	<u>12,778,531</u>	<u>9,918,034</u>	<u>8,725,130</u>
Net Position			
Net Investment in Capital Assets	31,915,310	32,086,368	30,548,815
Restricted for: Expendable	5,551,053	3,226,499	5,433,419
Unrestricted	36,205,313	26,149,354	17,230,649
Total Net Position	<u>\$ 73,671,676</u>	<u>\$ 61,462,221</u>	<u>\$ 53,212,883</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 \$31,915,310 and \$32,086,368 at August 31, 2022 and 2021, respectively. The College uses these assets to provide services to the students; consequently, they are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At August 31, 2022 and 2021, an additional \$5,551,053 and \$3,226,499, 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, 2022 and 2021, is \$36,205,313 and \$26,149,354, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

Statement of Revenues, Expenses, and Changes in Net Position

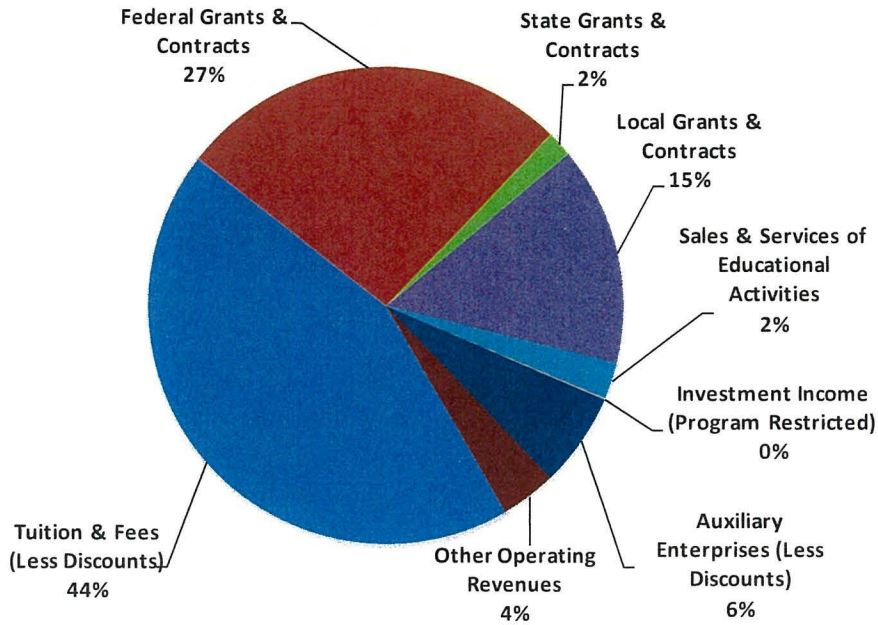
The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as the non-operating revenues and expenses. Operating revenues are primarily those that result directly from instruction, the operation of the College's auxiliary services (cafeteria, 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,**

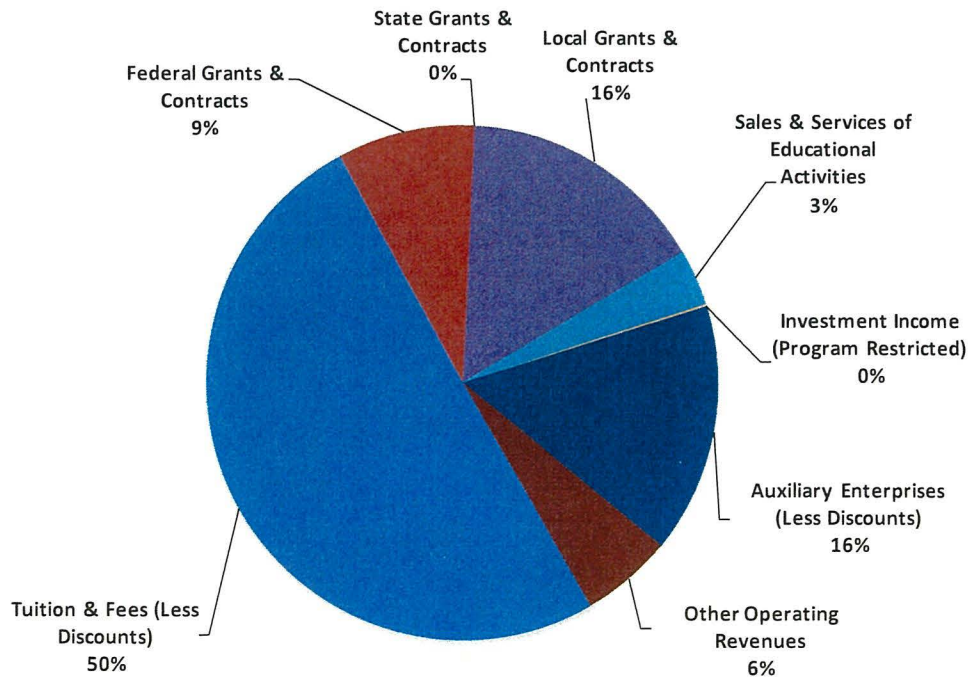
	2022	Restated 2021	2020
Operating Revenues			
Tuition and Fees (Less Discounts)	\$ 10,382,227	\$ 11,352,956	\$ 9,884,181
Federal Grants and Contracts	6,300,477	1,948,358	1,967,759
State Grants and Contracts	413,895	-	7,436
Local Grants and Contracts	3,518,332	3,553,446	3,546,598
Sales and Services of Educational Activities	577,213	795,012	352,039
Investment Income (Program Restricted)	20,920	22,798	93,704
Auxiliary Enterprises (Less Discounts)	1,523,501	3,537,365	1,519,886
Other Operating Revenues	904,310	1,306,247	628,460
Total Operating Revenues	<u>23,640,875</u>	<u>22,516,182</u>	<u>18,000,063</u>
Less Operating Expenses	<u>56,146,803</u>	<u>51,893,061</u>	<u>50,184,289</u>
Net Operating Loss	<u>(32,505,928)</u>	<u>(29,376,879)</u>	<u>(32,184,226)</u>
Non-Operating Revenues (Expenses)			
State Appropriations	11,247,637	11,488,842	11,603,770
Maintenance Ad Valorem Taxes	20,437,883	18,089,381	15,598,077
Debt Service Ad Valorem Taxes	595,203	687,364	668,999
Federal Revenue, Non-Operating	12,193,736	8,835,262	7,010,350
Gifts	2,059,181	63,869	59,990
Investment Income (Net of Investment Expense)	220,933	111,303	454,560
Gain/(Loss) on Disposal of Capital Assets	793,619	(506,097)	(530,168)
Interest on Capital Related Debt	(2,485,152)	(582,639)	(366,870)
Other Non-Operating Expenses	(347,657)	(561,068)	-
Total Non-Operating Revenues (Expenses)	<u>44,715,383</u>	<u>37,626,217</u>	<u>34,498,708</u>
Increase (Decrease) in Net Position	12,209,455	8,249,338	2,314,482
Net Position, Beginning of Year	<u>61,462,221</u>	<u>53,212,883</u>	<u>50,898,401</u>
Net Position, End of Year	<u>\$ 73,671,676</u>	<u>\$ 61,462,221</u>	<u>\$ 53,212,883</u>
Total Revenues	<u>\$ 71,189,067</u>	<u>\$ 61,792,203</u>	<u>\$ 53,395,809</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

OPERATING REVENUES BY SOURCE 2022



OPERATING REVENUES BY SOURCE 2021 (RESTATED)



**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

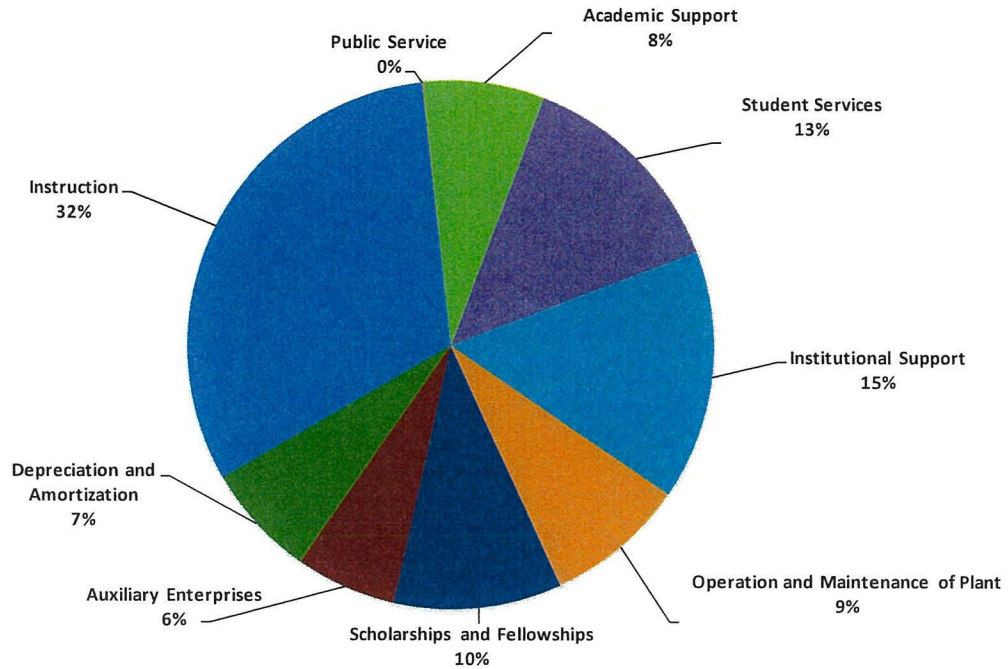
**Operating Expenses
For the Years Ended August 31,**

	<u>2022</u>	<u>Restated 2021</u>	<u>2020</u>
Operating Expenses			
Instruction	\$ 17,730,831	\$ 17,651,475	\$ 18,287,233
Public Service	20,072	14,275	40,439
Academic Support	4,211,540	4,004,918	4,367,828
Student Services	7,563,901	4,175,119	4,095,474
Institutional Support	8,577,311	8,405,232	8,370,633
Operation and Maintenance of Plant	4,840,607	6,183,985	6,395,963
Scholarships and Fellowships	5,813,265	5,143,125	4,102,369
Auxiliary Enterprises	3,477,821	2,786,710	2,679,729
Depreciation and Amortization	3,911,455	3,528,222	1,844,621
Total	<u>\$ 56,146,803</u>	<u>\$ 51,893,061</u>	<u>\$ 50,184,289</u>
Total Expenses (Including Interest Expense and Non-Operating Expenses)	<u>\$ 58,979,612</u>	<u>\$ 53,542,865</u>	<u>\$ 51,081,327</u>

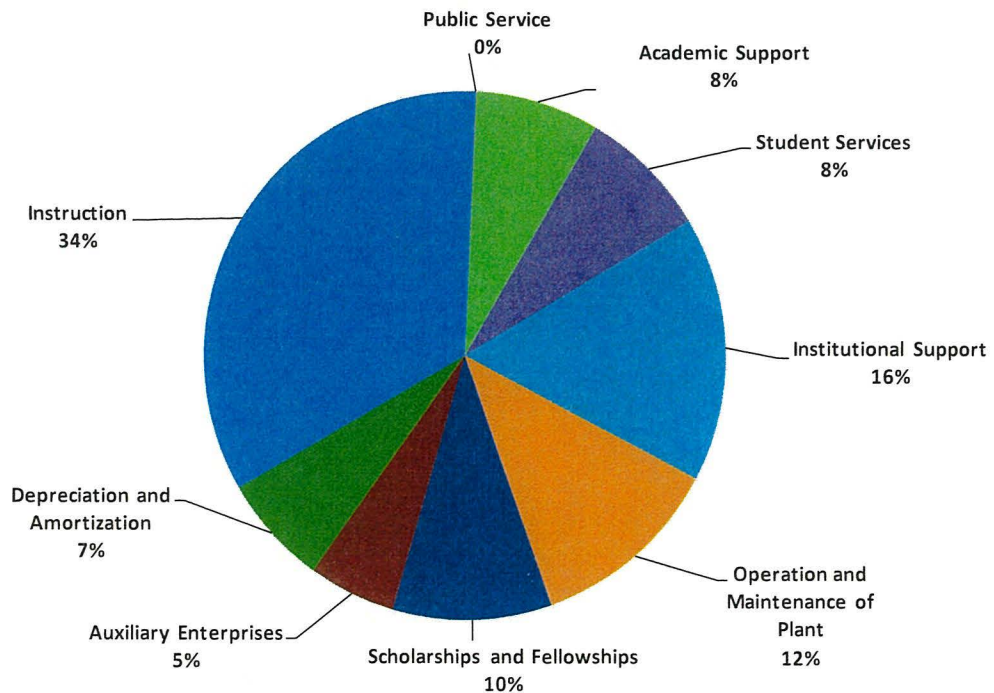


**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

OPERATING EXPENSES 2022



OPERATING EXPENSES 2021 (RESTATED)



**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The College's investment in total capital assets as of August 31, 2022 and 2021, amounts to \$89,062,377 and \$79,625,994, respectively, (net of accumulated depreciation). Investments in capital assets includes land, collections, 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,		
	2022	Restated 2021	2020
Land	\$ 598,212	\$ 1,261,796	\$ 1,214,301
Collections	31,150	31,150	31,150
Intangible Assets	500,000	-	-
Construction in Process	4,958,673	19,206,295	3,404,611
Buildings	71,116,522	46,094,084	44,805,940
Land Improvements	11,297,894	10,419,556	9,934,760
Library Books	850,222	858,576	878,090
Furniture, Machinery, Vehicles, and Other Equipment	10,488,912	9,386,627	8,878,647
Right-to-Use Leased Equipment	22,904,706	22,510,796	-
Total	<u>122,746,291</u>	<u>109,768,880</u>	<u>69,147,499</u>
Less Accumulated Depreciation	<u>(33,683,914)</u>	<u>(30,142,886)</u>	<u>(27,254,181)</u>
Net Capital Assets	<u>\$ 89,062,377</u>	<u>\$ 79,625,994</u>	<u>\$ 41,893,318</u>

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

Long-term debt. At August 31, 2022 and 2021, the College had long-term debt outstanding, which represents bonds payable of \$52,011,030 and \$36,050,602, notes payable from direct borrowing of \$3,385,287 and \$3,809,850, finance purchase contracts of \$0 and \$106,770, leases of \$21,451,142 and \$22,196,448, and overpayment of state appropriations of \$0 and \$28,733, respectively. 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. The College's total debt increased by a net amount of \$50,618,008 in fiscal year 2021 due to issuing \$26,940,000 in Series 2021 Revenue Bonds and \$22,510,796 in lease liability recognized due to the implementation of GASB 87 in fiscal year 21, offset by regularly scheduled payments.

Additional information on the College's long-term debt can be found in Notes 7, 8, 9, and 10 of this report.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2022 and 2021**

Economic Factors and Next Year's Budget and Rates

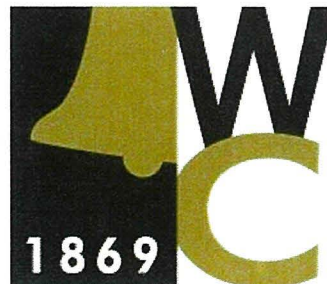
The Board of Trustees adopted the College's 2022-23 budget and tax rate on August 22, 2022. The annual budget is developed to provide efficient, effective, and economic uses of the College's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the Board of Trustees sets the direction of the College, allocates its resources and establishes its priorities.

In considering the College budget for fiscal year 2023, the Board of Trustees and management considered the following factors:

- Property valuations in Parker County increased by 11% resulting in an increased ad valorem tax levy.
- A 7.36% increase in the total ad valorem tax rate above the unadjusted no-new-revenue tax rate was necessary to fund the proposed 2022-23 budget.
- Tuition rates increased approximately 8.5% overall.
- State instructional appropriations remained the same as the prior year due to this being the second year of the biennium.
- A cost of living salary increase of 6% to 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, 2022 and 2021**

EXHIBIT 1

	2022	Restated 2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 51,551,640	\$ 39,076,180
Accounts Receivable (net)	8,844,704	7,829,456
Prepaid Expense	-	63,375
Total Current Assets	60,396,344	46,969,011
Non-Current Assets		
Restricted Cash and Cash Equivalents	26,399,303	22,582,805
Endowment Investments	115,301	38,961
Lease Receivable	2,428,465	-
Investments in Real Estate	17,650,000	17,650,000
Capital Assets (net) (See Note 6)	89,062,377	79,625,994
Total Non-Current Assets	135,655,446	119,897,760
Total Assets	196,051,790	166,866,771
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	1,946,193	2,585,516
Deferred Outflows Related to OPEB	6,188,005	8,521,105
Total Deferred Outflows of Resources	8,134,198	11,106,621

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statements of Net Position
August 31, 2022 and 2021

EXHIBIT 1

	<u>2022</u>	<u>Restated 2021</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 2,579,443	\$ 4,026,495
Accrued Compensated Absences - Current Portion	600,449	597,918
Funds Held for Others	546,825	466,038
Unearned Revenues	10,393,137	9,623,927
Overpayment of State Appropriations - Current Portion	-	28,733
Notes Payable - Current Portion	443,450	424,564
Finance Purchase - Current Portion	-	106,770
Leases Payable - Current Portion	1,209,592	1,156,586
Bonds Payable - Current Portion	1,570,784	1,389,677
Net OPEB Liability - Current Portion	483,300	748,342
Total Current Liabilities	<u>17,826,980</u>	<u>18,569,050</u>
Non-Current Liabilities		
Notes Payable	2,941,837	3,385,286
Leases Payable	20,241,550	21,039,862
Bonds Payable	50,440,246	34,660,925
Net Pension Liability	3,252,134	7,251,630
Net OPEB Liability	23,033,034	21,686,384
Total Non-Current Liabilities	<u>99,908,801</u>	<u>88,024,087</u>
Total Liabilities	<u>117,735,781</u>	<u>106,593,137</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Leases	2,397,716	-
Deferred Inflows Related to Pensions	4,479,590	1,883,317
Deferred Inflows Related to OPEB	5,901,225	8,034,717
Total Deferred Inflows of Resources	<u>12,778,531</u>	<u>9,918,034</u>
NET POSITION		
Net Investment in Capital Assets	31,915,310	32,086,368
Restricted for:		
Expendable		
Student Aid	2,810,029	2,661,188
Instructional Programs	78,977	82,045
Capital Projects	2,436,918	360,578
Debt Service	225,129	122,688
Unrestricted	36,205,313	26,149,354
Total Net Position (Schedule D)	<u>\$ 73,671,676</u>	<u>\$ 61,462,221</u>

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

EXHIBIT 1

	<u>Weatherford College Foundation, Inc.</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 636,767
Interest Receivable	4,659
Note Receivable, Current Portion	8,902
Unconditional Promises to Give, Current Portion	<u>102,820</u>
Total Current Assets	<u>753,148</u>
Non-Current Assets	
Cash and Cash Equivalents	481,099
Endowment Investments	9,926,676
Unconditional Promises to Give	125,119
Note Receivable, Net of Current Portion	157,529
Mineral Rights	<u>1</u>
Total Non-Current Assets	<u>10,690,424</u>
Total Assets	<u>11,443,572</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	<u>403,859</u>
Total Liabilities	<u>403,859</u>
NET ASSETS	
Without Donor Restrictions	399,340
With Donor Restrictions	<u>10,640,373</u>
Total Net Assets	<u><u>\$ 11,039,713</u></u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2022 and 2021

EXHIBIT 2

	2022	Restated 2021
REVENUES		
Operating Revenues		
Tuition and Fees (Net of Discounts of \$6,714,572 and \$3,644,258, respectively)	\$ 10,382,227	\$ 11,352,956
Federal Grants and Contracts	6,300,477	1,948,358
State Grants and Contracts	413,895	-
Local Grants and Contracts	3,518,332	3,553,446
Sales and Services of Educational Activities	577,213	795,012
Investment Income (Program Restricted)	20,920	22,798
Auxiliary Enterprises (Net of Discounts of \$1,044,608 and \$585,299, respectively)	1,523,501	3,537,365
Other Operating Revenues	904,310	1,306,247
Total Operating Revenues (Schedule A)	23,640,875	22,516,182
EXPENSES		
Operating Expenses		
Instruction	17,730,831	17,651,475
Public Service	20,072	14,275
Academic Support	4,211,540	4,004,918
Student Services	7,563,901	4,175,119
Institutional Support	8,577,311	8,405,232
Operation and Maintenance of Plant	4,840,607	6,183,985
Scholarships and Fellowships	5,813,265	5,143,125
Auxiliary Enterprises	3,477,821	2,786,710
Depreciation and Amortization	3,911,455	3,528,222
Total Operating Expenses (Schedule B)	56,146,803	51,893,061
Operating Loss	(32,505,928)	(29,376,879)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	11,247,637	11,488,842
Maintenance Ad Valorem Taxes	20,437,883	18,089,381
Debt Service Ad Valorem Taxes	595,203	687,364
Federal Revenue, Non-Operating	12,193,736	8,835,262
Gifts	2,059,181	63,869
Investment Income	220,933	111,303
Gain on Disposal of Capital Assets	793,619	(506,097)
Interest on Capital Related Debt	(2,485,152)	(582,639)
Other Non-Operating Expenses	(347,657)	(561,068)
Net Non-Operating Revenues (Schedule C)	44,715,383	37,626,217
Increase in Net Position	12,209,455	8,249,338
NET POSITION		
Net Position - Beginning of Year	61,462,221	53,212,883
Net Position - End of Year	\$ 73,671,676	\$ 61,462,221

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Component Unit
Statement of Activities
For the Year Ended August 31, 2022**

EXHIBIT 2

	<u>Weatherford College Foundation, Inc.</u>
REVENUE	
Contributions	\$ 2,754,127
Interest and Dividends	231,335
Investment Return, Net	(1,138,893)
Other Revenues	<u>215</u>
Total Revenue	<u>1,846,784</u>
EXPENSES	
Fundraising	21,431
Contributions	3,030,371
Legal and Professional	16,700
Other	65,830
Scholarships	387,060
Supplies	<u>16,236</u>
Total Expenses	<u>3,537,628</u>
Change in Net Assets	(1,690,844)
Net Assets - Beginning of Year	<u>12,730,557</u>
Net Assets - End of Year	<u><u>\$ 11,039,713</u></u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2022 and 2021**

EXHIBIT 3

	2022	Restated 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Students And Other Customers	\$ 12,870,906	\$ 13,350,881
Receipts From Grants And Contracts	10,099,791	5,230,272
Payments To Suppliers For Goods Or Services	(19,392,066)	(12,403,606)
Payments To Or On Behalf Of Employees	(25,789,479)	(25,837,014)
Payments For Scholarships	(5,774,281)	(5,075,467)
Other Receipts	904,310	1,306,247
Net Cash Used by Operating Activities	(27,080,819)	(23,428,687)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts From State Appropriations	9,107,854	9,350,912
Receipts From Ad Valorem Taxes Levied For Maintenance And Operation	20,473,647	18,055,508
Receipts From Non-Operating Federal Revenue	11,624,198	8,843,185
Receipts From Non-Capital Gifts And Non-Exchange Grants	63,179	63,869
Receipts From (Payments To) Student Organizations And Other Agency Transactions	80,787	30,801
Payments On Overpayment Of State Appropriations	(28,733)	(201,159)
Net Cash Provided by Non-Capital Financing Activities	41,320,932	36,143,116
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts From Capital Gifts	1,996,002	-
Proceeds From The Sale Of Capital Assets	1,523,410	-
Receipts From Ad Valorem Taxes For Debt Service	597,138	686,068
Purchases Of Capital Assets	(13,683,719)	(18,539,696)
Proceeds From The Issuance Of Debt	17,002,451	29,510,970
Payment On Capital Debt - Principal	(2,745,549)	(1,713,050)
Payment On Capital Debt - Interest	(2,803,401)	(497,293)
Net Cash Provided by Capital and Related Financing Activities	1,886,332	9,446,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest and Dividends on Investments	165,513	127,411
Net Cash Provided by Investing Activities	165,513	127,411
Increase in Cash and Cash Equivalents	16,291,958	22,288,839
Cash and Cash Equivalents - September 1	61,658,985	39,370,146
Cash and Cash Equivalents - August 31	\$ 77,950,943	\$ 61,658,985

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2022 and 2021**

EXHIBIT 3

	2022	Restated 2021
Reconciliation to Exhibit 1:		
Cash and Cash Equivalents	\$ 51,551,640	\$ 39,076,180
Restricted Cash and Cash Equivalents	26,399,303	22,582,805
Total Cash and Cash Equivalents	\$ 77,950,943	\$ 61,658,985
 Non-Cash Investing, Capital and Financing Activities:		
Net Increase (Decrease) In Fair Value Of Investments	\$ 76,340	\$ 2,035,361
 Reconciliation of Operating Loss to Net Cash Used By Operating Activities		
Operating Loss	\$ (32,505,928)	\$ (29,376,879)
Adjustments To Reconcile Net Loss To Net Cash Used By Operating Activities:		
Depreciation and Amortization Expense	3,911,455	3,528,222
Unrealized Gain On Fair Value Of Investments	-	(2,028,671)
Bad Debt Expense (Recovery)	(30,831)	24,938
Payments Made Directly By State For Benefits	2,139,783	2,137,930
Investment Income (Program Restricted)	(20,920)	(22,798)
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources		
Receivables, Net	(452,578)	(1,132,757)
Other Assets - Current	-	-
Prepaid Expenses	63,375	(55,825)
Lease Receivable	(2,428,465)	-
Deferred Outflows Of Resources	2,972,423	4,008,451
Accounts Payable	(1,443,483)	1,252,089
Unearned Revenues	769,210	555,444
Compensated Absences	2,531	17,689
Net Pension Liability	(3,999,496)	(437,506)
Net OPEB Liability	1,081,608	(3,091,918)
Deferred Inflows Of Resources	2,860,497	1,192,904
Net Cash Used By Operating Activities	\$ (27,080,819)	\$ (23,428,687)

**NOTES TO THE
FINANCIAL STATEMENTS**

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

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, 2022 and 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of 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 11 and Note 15, 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, 2022 and 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The College records capital assets at cost at the date of acquisition or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. The College capitalizes renovations of \$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 five years for telecommunications and peripheral equipment.

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.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost-sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS'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.

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 \$10,373,601 and \$9,471,478 and federal, state, and local grants of \$19,536 and \$152,449 have been reported as unearned revenue at August 31, 2022 and 2021, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bonds Payable

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

Deferred Inflows

In addition to liabilities, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by the GASB. The College has deferred inflows related to leases receivable, its pension plan, and for other post-employment benefits (OPEB). See additional information in Notes 23, 11, and 15, 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 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, 2022 and 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement and Restatement

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

Net Position August 31, 2021		\$ 62,796,814
Adjustments:		
Right-of-Use Leased Equipment		22,510,796
Right-of-Use Asset Accumulated Amortization		(1,648,941)
Lease Liability		<u>(22,196,448)</u>
Restated Net Position August 31, 2021		<u>\$ 61,462,221</u>

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.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

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:

	8/31/2022	8/31/2021
<u>Cash and Cash Equivalents</u>		
Bank Deposits - Time Deposits	\$ 77,947,198	\$ 61,654,940
Petty Cash	3,745	4,045
Total Cash and Cash Equivalents	\$ 77,950,943	\$ 61,658,985

Investments

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

	Maturity	Market Value 8/31/2022	Market Value 8/31/2021
<u>Types of Investments</u>			
Mineral Rights	N/A	\$ 115,301	\$ 38,961
Real Estate	N/A	17,650,000	17,650,000
Total Investments		\$ 17,765,301	\$ 17,688,961

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

4. DEPOSITS AND INVESTMENTS (Continued)

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

	8/31/2022	8/31/2021
Per Note 4:		
Cash and Cash Equivalents	\$ 77,950,943	\$ 61,658,985
Mineral Right Investment	115,301	38,961
Real Estate Investments	17,650,000	17,650,000
Total Deposits and Investments	\$ 95,716,244	\$ 79,347,946
Per Exhibit 1:		
Cash and Cash Equivalents	\$ 51,551,640	\$ 39,076,180
Restricted Cash and Cash Equivalents	26,399,303	22,582,805
Endowment Investments	115,301	38,961
Investments in Real Estate	17,650,000	17,650,000
Total Deposits and Investments	\$ 95,716,244	\$ 79,347,946

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.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

5. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The fair value hierarchy of investments at August 31, 2022 follows:

	August 31, 2022				August 31, 2021
	Level 1	Level 2	Level 3	Total	Total
Mineral Rights	\$ -	\$ 115,301	\$ -	\$ 115,301	\$ 38,961
Real Estate	-	17,650,000	-	17,650,000	17,650,000
Total Investments	\$ -	\$ 17,765,301	\$ -	\$ 17,765,301	\$ 17,688,961

6. CAPITAL ASSETS

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

	Restated Balance 9/1/2021	Increases	Decreases	Balance 8/31/2022
Not Depreciated:				
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>
Buildings and Other Capital Assets:				
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>
Accumulated Depreciation:				
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
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

6. CAPITAL ASSETS (Continued)

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

	Balance 9/1/2020	Increases	Decreases	Restated Balance 8/31/2021
Not Depreciated:				
Land	\$ 1,214,301	\$ 47,495	\$ -	\$ 1,261,796
Collections	31,150	-	-	31,150
Construction in Process	3,404,611	15,801,684	-	19,206,295
Subtotal	<u>4,650,062</u>	<u>15,849,179</u>	<u>-</u>	<u>20,499,241</u>
Buildings and Other Capital Assets:				
Buildings	44,805,940	1,358,085	69,941	46,094,084
Land Improvements	9,934,760	1,240,994	756,198	10,419,556
Library Books	878,090	7,693	27,207	858,576
Furniture, Machinery, Vehicles, and Other Equipment	8,878,647	800,248	292,268	9,386,627
Right-to-Use Leased Equipment	-	22,510,796	-	22,510,796
Subtotal	<u>64,497,437</u>	<u>25,917,816</u>	<u>1,145,614</u>	<u>89,269,639</u>
Accumulated Depreciation:				
Buildings	16,073,884	800,843	26,977	16,847,750
Land Improvements	4,884,265	403,083	324,756	4,962,592
Library Books	207,891	52,193	27,209	232,875
Furniture, Machinery, Vehicles, and Other Equipment	6,088,141	623,162	260,575	6,450,728
Right-to-Use Leased Equipment	-	1,648,941	-	1,648,941
Subtotal	<u>27,254,181</u>	<u>3,528,222</u>	<u>639,517</u>	<u>30,142,886</u>
Net Other Capital Assets	<u>37,243,256</u>	<u>22,389,594</u>	<u>506,097</u>	<u>59,126,753</u>
Net Capital Assets	<u><u>\$ 41,893,318</u></u>	<u><u>\$ 38,238,773</u></u>	<u><u>\$ 506,097</u></u>	<u><u>\$ 79,625,994</u></u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

7. NONCURRENT LIABILITIES

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

	Restated Balance 9/1/2021	Additions	Reductions	Balance 9/1/2022	Current Portion
Bonds					
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	36,050,602	17,350,108	1,389,680	52,011,030	1,570,784
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
Total Noncurrent Liabilities	\$ 92,476,677	\$ 21,016,316	\$ 9,276,617	\$ 104,216,376	\$ 4,307,575

The College did not have any unused lines of credit or subjective acceleration clauses as of August 31, 2022 and 2021. 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, 2021 was as follows:

	Balance 9/1/2020	Additions	Reductions	Restated Balance 9/1/2021	Current Portion
Bonds					
Limited Tax Refunding Bonds	\$ 1,140,000	\$ -	\$ 560,000	\$ 580,000	\$ 580,000
Revenue Bonds	5,505,000	26,940,000	335,000	32,110,000	495,000
Bond Premium	279,181	3,132,038	50,617	3,360,602	314,677
Subtotal	6,924,181	30,072,038	945,617	36,050,602	1,389,677
Notes Payable - direct borrowings	4,211,071	-	401,221	3,809,850	424,564
Finance Purchase	209,251	-	102,481	106,770	106,770
Leases	-	22,510,796	314,348	22,196,448	1,156,586
Overpayment of State Appropriations	229,892	-	201,159	28,733	28,733
Net Pension Liability	7,689,136	670,503	1,108,009	7,251,630	N/A
Net OPEB Liability	25,526,644	143,009	3,234,927	22,434,726	748,342
Compensated Absences	580,229	597,918	580,229	597,918	597,918
Total Noncurrent Liabilities	\$ 45,370,404	\$ 53,994,264	\$ 6,887,991	\$ 92,476,677	\$ 4,452,590

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

8. DEBT AND LEASE OBLIGATIONS

Debt service requirements on August 31, 2022, were as follows:

Year Ended August 31,	Revenue Bonds			Amortization of Bond Premium
	Bonds Principal	Interest	Total	
2023	\$ 1,250,000	\$ 2,035,579	\$ 3,285,579	\$ 320,784
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 - 2032	9,555,000	6,867,510	16,422,510	1,117,007
2033 - 2037	9,595,000	4,624,060	14,219,060	766,589
2038 - 2042	10,895,000	2,770,360	13,665,360	475,305
2043 - 2047	6,215,000	1,235,260	7,450,260	234,689
2048 - 2052	4,205,000	264,244	4,469,244	64,704
Total	\$ 47,910,000	\$ 24,735,841	\$ 72,645,841	\$ 4,101,030

Year Ended August 31,	Notes Payable - Direct Borrowings			Leases		
	Notes Principal	Interest	Total	Lease Principal	Interest	Total
2023	\$ 443,450	\$ 106,240	\$ 549,690	\$ 1,209,057	\$ 1,064,350	\$ 2,273,407
2024	462,895	92,676	555,571	1,332,190	1,004,967	2,337,157
2025	487,922	78,559	566,481	1,451,353	939,510	2,390,863
2026	508,551	63,672	572,223	1,466,097	869,648	2,335,745
2027	534,803	48,208	583,011	1,533,600	798,150	2,331,750
2028 - 2032	947,666	59,052	1,006,718	9,653,845	2,711,655	12,365,500
2033 - 2037	-	-	-	4,805,000	364,250	5,169,250
2038 - 2042	-	-	-	-	-	-
2043 - 2047	-	-	-	-	-	-
2048 - 2052	-	-	-	-	-	-
Total	\$ 3,385,287	\$ 448,407	\$ 3,833,694	\$ 21,451,142	\$ 7,752,530	\$ 29,203,672

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

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, 2022 and 2021 is \$4,820,000 and \$5,170,000, respectively.
 - Issued at a premium of \$558,377, of which \$188,578 and \$219,976 was unamortized at August 31, 2022 and 2021, 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.

- Limited Tax Refunding Bonds, General Obligation Bonds, Series 2016
 - To refund the Limited Tax Refunding Bonds, Series 2007.
 - Issued June 1, 2016.
 - Total authorized and issued \$3,260,000.
 - Source of revenue for debt service – ad valorem taxes.
 - Outstanding principal balance as of August 31, 2022 and 2021 is \$0 and \$580,000, respectively.
 - Issued at a premium of \$183,642, of which \$0 and \$8,585 was unamortized at August 31, 2022 and 2021, respectively.

Bonds payable were due in annual installments varying from \$55,000 to \$580,000, with interest rates from 2.00% to 3.00%, and with final installment made in 2022.

- 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, 2022 and 2021 is \$26,795,000 and \$26,940,000, respectively.
 - Issued at a premium of \$3,132,038, of which \$2,867,630 and \$3,132,041 was unamortized at August 31, 2022 and 2021, 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.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

9. BONDS AND NOTES PAYABLE (Continued)

- 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, 2022 and 2021 is \$16,295,000 and \$0, respectively.
 - Issued at a premium of \$1,055,108, of which \$1,044,822 and \$0 was unamortized at August 31, 2022 and 2021, 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, 2022 and 2021 is \$1,815,287 and \$2,074,850, 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.

- 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, 2022 and 2021 is \$1,570,000 and \$1,735,000, 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 building renovations.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

9. BONDS AND NOTES PAYABLE (Continued)

- Overpayment of State Appropriations
 - The College was overpaid state appropriations from the Texas Higher Education Coordinating Board (THECB) during the fiscal years ending August 31, 2017 and 2016 of \$718,423 each fiscal year totaling \$1,436,846 related to a contact hour adjustment on the formula funding for the 2016-2017 biennium.
 - Repayment will be recouped by the THECB withholding \$28,737 of each future state appropriation payment scheduled to be transferred to the College over 50 payments.
 - Source of revenue for debt service – unrestricted revenue.
 - Outstanding balance as of August 31, 2022 and 2021 is \$0 and \$28,733, respectively.

10. LEASES PAYABLE

General information related to leases payable is summarized below:

Asset	Term, Including Renewals	Interest Rate	Payment Amount	Lease Liability 8/31/2022
Copiers	60 months	4.5%	\$ 10,485	\$ 379,758
Antenna Space	120 months	4.5%	3,000	279,824
Postage Machines	48 months	4.5%	716	20,269
Computer Equipment	4 years	2.5%	6,060	17,324
Computer Equipment	4 years	2.5%	4,392	16,543
Computer Equipment	5 years	4.9%	12,650	34,525
Computer Equipment	5 years	3.9%	24,147	87,899
Wise County Campus	14 years	2.0%	varies	20,615,000
				<u>\$ 21,451,142</u>

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

11. 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). The TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard 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 that includes financial statements and required supplementary information. That report is available at <https://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

11. EMPLOYEES' RETIREMENT PLANS (Continued)

Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% 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 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee and employer contribution rates for fiscal years 2020 through 2025.

	<u>Contribution Rates</u>	
	<u>Fiscal Years</u>	
	<u>2022</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE) - State	7.5%	7.5%
Employers	7.5%	7.5%

<u>Fiscal Year Contributions</u>	
2022 Member Contributions	\$ 1,085,129
2022 NECE On-behalf Contributions	\$ 466,411
2022 Employer Contributions	\$ 573,517

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

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

11. EMPLOYEES' RETIREMENT PLANS (Continued)

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% 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, there is an additional surcharge an employer is subject to:

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

Actuarial Assumptions

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

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020*	1.95%*
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

**Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."*

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

11. EMPLOYEES' RETIREMENT PLANS (Continued)

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

Discount Rate

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

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

11. EMPLOYEES' RETIREMENT PLANS (Continued)

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-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, 2021 are summarized below:

Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	-20.0%	0.01%
Absolute Return	0.0%	1.1%	0.00%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy, Natural Resources, and Infrastructure	6.0%	4.7%	0.35%
Commodities	0.0%	1.7%	0.00%
Risk Parity			
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	-0.7%	-0.01%
Asset Allocation Leverage	-6.0%	-0.5%	0.03%
Inflation Expectation			2.20%
Volatility Drag****			-0.95%
Expected Return	<u>100.00%</u>		<u>6.90%</u>

* Absolute Return includes Credit Sensitive Investments.

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

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

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

11. EMPLOYEES' RETIREMENT PLANS (Continued)

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's proportionate share of the net pension liability:	\$ 7,106,432	\$ 3,252,134	\$ 125,131

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

At the fiscal year ended August 31, 2022, the College reported a liability of \$3,252,134 for its proportionate share of the TRS's 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	\$ 3,252,134
State's proportionate share that is associated with the College	<u>2,745,592</u>
Total	<u><u>\$ 5,997,726</u></u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the College's proportion of the collective net pension liability was 0.01277027 percent, which was a decrease of 0.0007696 percent from its proportion measured as of August 31, 2020.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

11. EMPLOYEES' RETIREMENT PLANS (Continued)

Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2022, the College recognized pension expense of \$10,977 and revenue of \$460,085 for support provided by the State.

At August 31, 2022, 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	\$ 5,442	\$ 228,953
Changes in actuarial assumptions	1,149,566	501,112
Difference between projected and actual investment earnings	201,999	2,928,872
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	15,669	820,653
Contributions paid to TRS subsequent to the measurement date	573,517	-
Total	\$ 1,946,193	\$ 4,479,590

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

College's fiscal year ended August 31:	Pension Expense Amount
2022	\$ (624,047)
2023	(576,051)
2024	(806,824)
2025	(971,570)
2026	(104,608)
Thereafter	(23,814)

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

11. 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, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the State for the College was \$185,856 and \$188,192 for the fiscal years ended August 31, 2022 and 2021, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll for all College employees was \$22,560,955 and \$22,464,556 for fiscal years 2022 and 2021, respectively. The total payroll of employees covered by the TRS was \$13,564,109 and \$13,220,381, and the total payroll of employees covered by the Optional Retirement Program was \$5,917,654 and \$5,973,922 for fiscal years 2022 and 2021, respectively.

12. 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, 2022 and 2021, the College had 68 and 61 employees, respectively, participating in the program. A total of \$436,794 and \$402,277 in payroll deductions had been invested in approved plans during the fiscal years ended August 31, 2022 and 2021, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

13. 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 \$600,449 and \$597,918 for the fiscal years ended August 31, 2022 and 2021, 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.

14. HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2022, and totaled \$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. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2021, and totaled \$1,729,422 for the year. The cost of providing those benefits for 124 retirees in the year ended August 31, 2021 was \$462,225. For 278 active employees, the cost of providing benefits was \$1,267,197 for the year ended August 31, 2021. Senate Bill 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

15. 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 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

15. 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 2021

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

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

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

	2021	2020
Employers	\$ 766,689,167	\$ 748,369,212
Members (Employees)	192,426,941	230,151,101
Nonemployer Contributing Entity (State of Texas)	39,188,518	37,736,903

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

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

Actuarial Assumptions

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

Actuarial Assumptions
ERS Group Benefits Program Plan

Valuation Date	August 31, 2021
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll, open
Remaining Amortization Period	30 years
Asset Valuation Method	Not applicable because the plan operates on a pay-as-you-go basis.
Discount Rate	2.14%
Projected Annual Salary Increase (Includes Inflation)	2.30% to 9.05%
Annual Healthcare Trend Rate	<u>HealthSelect</u> – 5.25% for FY2023, 5.15% for FY2024, 5.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years <u>HealthSelect Medicare Advantage</u> – 0% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years <u>Pharmacy</u> – 10.00% for FY2023 and FY2024, decreasing 100 basis points per year to 5.00% for FY2029 and 4.30% for FY2030 and later years
Inflation Assumption Rate	2.30%
Ad Hoc Post-Employment Benefit Changes	None
Mortality Assumptions:	
Service Retirees, Survivors, and Other Inactive Members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018.
Disability Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active Members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014.

Source: FY 2021 ERS ACFR

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

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

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

Investment Policy

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

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the *beginning* of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the *end* of the measurement year was 2.14%, which amounted to a decrease of 0.06%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.14%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.14%)	Discount Rate (2.14%)	1% Increase in Discount Rate (3.14%)
College's proportionate share of the net OPEB liability:	\$ 28,008,855	\$ 23,516,334	\$ 20,001,621

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

15. 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:	\$ 19,692,167	\$ 23,516,334	\$ 28,526,689

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

At August 31, 2022, the College reported a liability of \$23,516,334 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	\$ 23,516,334
State's proportionate share that is associated with the College	20,643,478
Total	\$ 44,159,812

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

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.06554985%, which was a decrease of 0.00234236% from its proportion measured as of August 31, 2020.

For the year ended August 31, 2022, the College recognized OPEB expense of \$251,868 and revenue of \$251,868 for support provided by the State.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

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

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

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to be married and electing coverage for their spouse.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- The percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on short-term expectations. The annual rate of increase in the Patient-Centered Outcome Research Institute fees payable under the ACA has been updated to reflect recent health plan experience and its effects on our short-term expectations. Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.
- The discount rate was changed from 2.20%, as of August 31, 2020, to 2.14%, as of August 31, 2021, as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

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

At August 31, 2022, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 576,829
Changes in actuarial assumptions	1,610,021	2,619,194
Differences between projected and actual investment earnings	2,902	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,234,493	2,705,202
Contributions paid to ERS subsequent to the measurement date	340,589	-
Total	<u>\$ 6,188,005</u>	<u>\$ 5,901,225</u>

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

<u>Year Ended August 31:</u>	<u>OPEB Expense Amount</u>
2022	\$ 732,580
2023	483,875
2024	(774,509)
2025	(469,047)
2026	(26,708)

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

16. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

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

	<u>8/31/2022</u>	<u>8/31/2021</u>
Student Receivables (Net of Allowances of \$937,622 and \$968,453 for 2022 and 2021, respectively)	\$ 6,629,893	\$ 6,611,086
Taxes Receivable (Net of Allowances of \$201,880 and \$201,880 for 2022 and 2021, respectively)	319,082	356,781
Federal and State Accounts Receivable	919,241	349,703
Other Accounts Receivable	<u>976,488</u>	<u>511,886</u>
	<u>\$ 8,844,704</u>	<u>\$ 7,829,456</u>

Payables

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

	<u>8/31/2022</u>	<u>8/31/2021</u>
Vendor Payable	\$ 1,637,147	\$ 3,347,838
Salaries and Benefits Payable	778,049	510,841
Accrued Interest	<u>164,247</u>	<u>167,816</u>
	<u>\$ 2,579,443</u>	<u>\$ 4,026,495</u>

17. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA) audit and accounting guide, *State and Local Governments*, 8.99. For federal contract and grant awards, funds expended but not collected are reported as Accounts Receivable (net) on Exhibit 1. Contract and grant awards that are not yet funded, and for which the College has not yet performed services, are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards or funds awarded during fiscal years 2022 and 2021 for which monies have not been received nor funds expended totaled \$9,447,462 and \$16,172,239, respectively. Of these amounts, \$9,234,599 and \$16,150,301 were from federal contract and grant awards, and \$212,863 and \$21,938 were from state contract and grant awards for fiscal years ended 2022 and 2021, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

18. 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, 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. For the year ended August 31, 2021, the College paid an annual premium of \$52,371 plus \$32,272 toward the loss fund. This \$84,643 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.

19. 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>8/31/2022</u>	<u>8/31/2021</u>
Assessed Valuation of the College	\$ 25,661,544,555	\$ 21,511,662,510
Less: Exemptions	6,860,989,406	5,653,192,663
Less: Abatements	<u>876,877,200</u>	<u>286,130,654</u>
Net Assessed Valuation of the College	<u>\$ 17,923,677,949</u>	<u>\$ 15,572,339,193</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
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
At August 31, 2021			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.12078	\$ 0.00458	\$ 0.12536

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2022 and 2021**

19. AD VALOREM TAX (Continued)

Taxes levied for the years ended August 31, 2022 and 2021 were \$20,789,561 and \$18,547,113, 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.

	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
	20,437,883	595,203	21,033,086
Tax Appraisal & Collection Fees	(294,715)	(8,515)	(303,230)
	\$ 20,143,168	\$ 586,688	\$ 20,729,856
	August 31, 2021		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 17,714,657	\$ 670,820	\$ 18,385,477
Delinquent Taxes Collected	241,413	10,904	252,317
Penalties and Interest Collected	133,311	5,640	138,951
	18,089,381	687,364	18,776,745
Tax Appraisal & Collection Fees	(260,892)	(9,879)	(270,771)
	\$ 17,828,489	\$ 677,485	\$ 18,505,974

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

20. 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, 2022	Collections (including penalties and interest) August 31, 2021
Wise County	\$ 3,514,630	\$ 3,528,475

21. INCOME TAXES

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2022 and 2021.

22. 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 \$497,367 and \$399,246 for designated scholarships and \$2,887,613 and \$393,594 for other contributions to the College during the years ended August 31, 2022 and 2021, 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, 2022 and 2021**

23. 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 \$15,697 for the initial ten-year term. Lease revenue in the amount of \$82,324 and interest income of \$73,945 were recognized for the year ended August 31, 2022.

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

Year Ending August 31,	Principal	Interest
2023	\$ 80,648	\$ 107,631
2024	84,353	103,926
2025	88,229	100,051
2026	92,282	95,998
2027	96,521	91,758
2028-2032	553,336	388,062
2033-2037	692,664	248,734
2038-2042	740,432	75,968
Total	<u>\$ 2,428,465</u>	<u>\$ 1,212,128</u>

24. 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, 2022 and 2021**

25. 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 for a cloud-based learning management system which began on September 1, 2022 and expires on August 31, 2027. Future minimum payments under these contracts are as follows:

Year Ending August 31,	Amount
2023	\$ 2,444,216
2024	2,494,536
2025	2,533,697
2026	2,573,515
2027	57,340

26. PENDING LAWSUITS AND CLAIMS

On August 31, 2022, 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.

27. SUBSEQUENT EVENTS

The College has evaluated subsequent events through December 6, 2022, the date the financial statements were available to be issued, noting the following:

- The College accepted a contract with Imperial Construction, Inc. in October 2022, for the construction of the Vickie and Jerry Durant Hall at a guaranteed maximum price not to exceed \$27,945,000.

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 Fiscal Years****

<u>Fiscal Year Ending August 31*</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
College's proportion of collective net pension liability (NPL) (%)	0.0127703%	0.0135398%	0.0147916%	0.0152120%	0.0150920%	0.0150860%	0.0164233%	0.0186811%
College's proportionate share of collective NPL (\$)	\$ 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	<u>2,745,592</u>	<u>5,771,312</u>	<u>5,520,920</u>	<u>5,901,360</u>	<u>3,465,765</u>	<u>4,172,552</u>	<u>4,052,905</u>	<u>3,433,764</u>
Total	<u>\$ 5,997,726</u>	<u>\$ 13,022,942</u>	<u>\$ 13,210,056</u>	<u>\$ 14,274,629</u>	<u>\$ 8,291,376</u>	<u>\$ 9,873,322</u>	<u>\$ 9,858,324</u>	<u>\$ 8,423,744</u>
College's covered payroll	\$ 13,220,381	\$ 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	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	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****

<u>Fiscal Year Ending August 31*</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Legally required contributions	\$ 573,517	\$ 545,026	\$ 548,921	\$ 517,293	\$ 513,849	\$ 495,628	\$ 479,120	\$ 486,301
Actual contributions	573,517	545,026	548,921	517,293	513,849	495,628	479,120	486,301
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll amount	\$ 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	4.23%	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 Fiscal Years****

<u>Fiscal Year Ending August 31*,</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
College's proportion of collective net OPEB liability (%)	0.0655499%	0.0678922%	0.0738561%	0.0740616%	0.0430528%
College's proportionate share of collective net OPEB liability (\$)	\$ 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>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>\$ 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	\$ 19,194,303	\$ 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	122.52%	118.58%	134.57%	118.51%	81.20%
Plan fiduciary net position as percentage of the total net OPEB liability	0.38%	0.32%	0.17%	1.27%	2.04%

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

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

**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*,	2022	2021	2020	2019	2018
Legally required contributions	\$ 1,895,196	\$ 1,975,062	\$ 2,039,998	\$ 2,189,483	\$ 2,156,052
Actual contributions	1,895,196	1,975,062	2,039,998	2,189,483	2,156,052
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll amount	\$ 19,481,764	\$ 19,194,303	\$ 18,919,255	\$ 18,969,196	\$ 18,521,159
Contributions as a percentage of covered-employee payroll	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, 2022**

Defined Benefit Pension and OPEB Plans

Change of benefit terms

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

Change of benefit terms that affected the measurement of the 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 11).

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, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Totals	
					8/31/2022	8/31/2021
Tuition						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 4,793,954	\$ -	\$ 4,793,954	\$ -	\$ 4,793,954	\$ 4,448,198
Out-of-District Resident Tuition	8,509,118	-	8,509,118	-	8,509,118	7,683,095
Non-Resident Tuition	915,156	-	915,156	-	915,156	684,403
TPEG - Credit (Set Aside)*	849,162	-	849,162	-	849,162	780,192
State Funded Continuing Education	598,069	-	598,069	-	598,069	569,320
TPEG - Non-Credit (Set Aside)*	35,885	-	35,885	-	35,885	34,159
Non-State Funded Educational Programs	49,450	-	49,450	-	49,450	48,297
Total Tuition	15,750,794	-	15,750,794	-	15,750,794	14,247,664
Fees						
General Fee	2,597,172	-	2,597,172	-	2,597,172	2,003,272
Laboratory Fee	332,865	-	332,865	-	332,865	325,637
Total Fees	2,930,037	-	2,930,037	-	2,930,037	2,328,909
Allowances and Discounts						
Bad Debt Allowance	30,831	-	30,831	-	30,831	(24,997)
Scholarship Allowance	(882,873)	-	(882,873)	-	(882,873)	(719,378)
Remissions and Exemptions - State	(823,694)	-	(823,694)	-	(823,694)	(826,218)
Remissions and Exemptions - Local	(791,169)	-	(791,169)	-	(791,169)	(728,144)
Title IV Federal Grants	(2,648,269)	-	(2,648,269)	-	(2,648,269)	(2,391,900)
Other Federal Grants	(2,536,115)	-	(2,536,115)	-	(2,536,115)	(7,117)
TPEG Awards	(531,640)	-	(531,640)	-	(531,640)	(525,863)
Other State Grants	(115,675)	-	(115,675)	-	(115,675)	-
Total Allowances and Discounts	(8,298,604)	-	(8,298,604)	-	(8,298,604)	(5,223,617)
Total Net Tuition and Fees	10,382,227	-	10,382,227	-	10,382,227	11,352,956
Additional Operating Revenues						
Federal Grants and Contracts	815,465	5,485,012	6,300,477	-	6,300,477	1,948,358
State Grants and Contracts	5,575	408,320	413,895	-	413,895	-
Local Grants and Contracts	3,518,332	-	3,518,332	-	3,518,332	3,553,446
Sales and Services of Educational Activities	577,213	-	577,213	-	577,213	795,012
Investment Income (Program Restricted)	-	20,920	20,920	-	20,920	22,798
Other Operating Revenues	904,310	-	904,310	-	904,310	1,306,247
Total Additional Operating Revenues	5,820,895	5,914,252	11,735,147	-	11,735,147	7,625,861
Auxiliary Enterprises						
Bookstore	-	-	-	171,829	171,829	151,626
Food Services	-	-	-	814,171	814,171	649,210
Less Discounts	-	-	-	(333,240)	(333,240)	(200,575)
Student Housing	-	-	-	1,253,668	1,253,668	1,074,302
Less Discounts	-	-	-	(644,102)	(644,102)	(384,724)
Student Services	-	-	-	190,677	190,677	186,654
Less Discounts	-	-	-	(67,266)	(67,266)	-
Carter Agriculture Center	-	-	-	26,897	26,897	2,060,872
Radio Station	-	-	-	110,867	110,867	-
Total Net Auxiliary Enterprises	-	-	-	1,523,501	1,523,501	3,537,365
Total Operating Revenues	\$ 16,203,122	\$ 5,914,252	\$ 22,117,374	\$ 1,523,501	\$ 23,640,875	\$ 22,516,182
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$885,047 and \$814,351 for years August 31, 2022 and 2021, 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, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)**

	Operating Expenses				Totals	
	Salaries and Wages	Benefits		Other Expenses	8/31/2022	Restated 8/31/2021
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 12,226,103	\$ -	\$ 2,040,708	\$ 1,947,785	\$ 16,214,596	\$ 16,068,646
Public Service	-	-	-	13,744	13,744	11,719
Academic Support	2,436,345	-	440,469	1,090,207	3,967,021	3,752,953
Student Services	1,502,463	-	284,710	368,810	2,155,983	2,463,535
Institutional Support	4,561,700	-	766,391	2,789,359	8,117,450	7,961,203
Operation and Maintenance of Plant	114,334	-	21,948	4,704,325	4,840,607	6,183,985
Total Unrestricted Educational Activities	20,840,945	-	3,554,226	10,914,230	35,309,401	36,442,041
Restricted - Educational Activities						
Instruction	119,628	1,239,054	19,894	137,659	1,516,235	1,582,829
Public Service	-	-	-	6,328	6,328	2,556
Academic Support	-	244,519	-	-	244,519	251,965
Student Services	474,206	198,384	121,791	4,613,537	5,407,918	1,711,584
Institutional Support	-	457,826	-	2,035	459,861	444,029
Scholarships and Fellowships	38,984	-	-	5,774,281	5,813,265	5,143,125
Total Restricted Educational Activities	632,818	2,139,783	141,685	10,533,840	13,448,126	9,136,088
Total Educational Activities	21,473,763	2,139,783	3,695,911	21,448,070	48,757,527	45,578,129
Auxiliary Enterprises	1,087,192	-	319,668	2,070,961	3,477,821	2,786,710
Depreciation Expense - Buildings and Land Improvements	-	-	-	1,469,416	1,469,416	1,203,927
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	732,042	732,042	675,354
Amortization Expense - Right Of Use Assets	-	-	-	1,709,997	1,709,997	1,648,941
Total Operating Expenses	\$ 22,560,955	\$ 2,139,783	\$ 4,015,579	\$ 27,430,486	\$ 56,146,803	\$ 51,893,061
					(Exhibit 2)	(Exhibit 2)

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)**

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				8/31/2022	Restated 8/31/2021
Non-Operating Revenues					
State Appropriations					
Education and General State Support	\$ 8,954,067	\$ -	\$ -	\$ 8,954,067	\$ 9,030,945
State Group Insurance	-	1,745,710	-	1,745,710	1,729,422
State OPEB	-	(250,830)	-	(250,830)	(224,297)
State Retirement Matching	-	645,941	-	645,941	632,805
Professional Nursing Shortage Reduction	-	119,345	-	119,345	294,477
Miscellaneous Revenues	-	33,404	-	33,404	25,490
Total State Appropriations	8,954,067	2,293,570	-	11,247,637	11,488,842
Ad Valorem Taxes (Net) - Maintenance	20,437,883	-	-	20,437,883	18,089,381
Ad Valorem Taxes (Net) - Debt Service	-	595,203	-	595,203	687,364
Federal Revenue, Non-Operating	1,125,776	11,067,960	-	12,193,736	8,835,262
Gifts	-	2,004,733	54,448	2,059,181	63,869
Investment Income	143,832	77,101	-	220,933	111,303
Gain on Disposal of Capital Assets	793,619	-	-	793,619	-
Total Non-Operating Revenues	31,455,177	16,038,567	54,448	47,548,192	39,276,021
Non-Operating Expenses					
Interest on Capital Related Debt	-	2,485,152	-	2,485,152	582,639
Loss on Disposal of Capital Assets	-	-	-	-	506,097
Other Non-Operating Expense	347,657	-	-	347,657	561,068
Total Non-Operating Expenses	347,657	2,485,152	-	2,832,809	1,649,804
Net Non-Operating Revenues	\$ 31,107,520	\$ 13,553,415	\$ 54,448	\$ 44,715,383	\$ 37,626,217
				(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, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current							
Unrestricted	\$ 14,007,447	\$ -	\$ -	\$ -	\$ 14,007,447	\$ 14,007,447	\$ -
Restricted							
Student Aid	-	2,810,029	-	-	2,810,029	2,810,029	-
Instructional Programs	-	78,977	-	-	78,977	78,977	-
Auxiliary Enterprises	3,034,821	-	-	-	3,034,821	-	3,034,821
Endowment	19,163,045	-	-	-	19,163,045	-	19,163,045
Plant							
Capital Projects	-	2,436,918	-	-	2,436,918	-	2,436,918
Debt Service	-	225,129	-	-	225,129	-	225,129
Investment in Plant	-	-	-	31,915,310	31,915,310	-	31,915,310
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
Total Net Position, August 31, 2021, Restated	26,149,354	3,226,499	-	32,086,368	61,462,221 (Exhibit 1)	5,625,156	55,837,065
Net Increase (Decrease) in Net Position	\$ 10,055,959	\$ 2,324,554	\$ -	\$ (171,058)	\$ 12,209,455 (Exhibit 2)	\$ 11,271,297	\$ 938,158

**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 Weatherford College of the Parker County Junior College District (the College) as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated December 6, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have performed tests designed to verify the College's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2022, no instances of noncompliance were noted.

Purpose of this Report

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



Snow Garrett Williams
December 6, 2022

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2022**

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, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be Reported in accordance with section 2 CFR Section 200.416(a)? _____ yes X no

Identification of Major Programs:

Federal Awards

U.S. Department of Education:

Educational Stabilization Fund Cluster of Programs:

ALN 84.425C	Governor's Emergency Education Relief Fund
ALN 84.425E	Student Aid
ALN 84.425F	Institutional Aid
ALN 84.425M	Strengthening Institutions Program

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

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

Section II – Financial Statement Findings

Findings required to be reported in accordance with *Government Auditing Standards* None Reported

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, 2022**

A corrective action plan is not needed.

FEDERAL AWARDS SECTION



SNOWGARRETT 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 the Weatherford College of the Parker County Junior College District's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities 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

Snow Garrett Williams
December 6, 2022

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 144,851
Federal College Workstudy Program	84.033		38,984
Federal Pell Grant Program	84.063		5,623,515
Federal Direct Student Loans	84.268		4,593,119
Total Student Financial Aid Cluster			10,400,469
TRIO Cluster			
TRIO - Student Support Services Program	84.042A		220,745
TRIO - Talent Search Program	84.044A		315,914
TRIO - Upward Bound Program	84.047A		303,158
Total TRIO Cluster			839,817
COVID-19 Education Stabilization Fund - Student Aid	84.425E		5,260,610
COVID-19 Education Stabilization Fund - Institutional Aid	84.425F		5,667,152
COVID-19 Education Stabilization Fund - Strengthening the Institution	84.425M		612,639
Pass-Through From:			
Texas Higher Education Coordinating Board (THECB)			
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief	84.425C		98,373
Total Education Stabilization Fund			11,638,774
Pass-Through From:			
Texas Higher Education Coordinating Board (THECB)			
Career and Technical Education Basic Grants to States	84.048	214262	203,273
Total U.S. Department of Education			23,082,333
National Science Foundation			
Education and Human Resources			
Industrial Maintenance Automation Technician Education	47.076		4,999
Total National Science Foundation			4,999
Total Federal Financial Assistance			\$ 23,087,332

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2022**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$	5,485,012
Add: Indirect/Administrative Cost Recoveries - per Schedule A		815,465
Add: Non-Operating Federal Revenue - per Schedule C		<u>12,193,736</u>
Total Federal Revenues per Schedules A and C	\$	<u>18,494,213</u>
Reconciling Items:		
Add: Federal Direct Student Loans		<u>4,593,119</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$	<u><u>23,087,332</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>\$ 4,593,119</u>	<u>\$ -</u>	<u>\$ 4,593,119</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, 2022**

<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	\$ 2,035
Texas Higher Education Coordinating Board Professional Nursing Shortage Reduction		119,345
Texas Workforce Commission Skills for Small Business Program	0421SSD002	86,468
Skills for Small Business Program	0422SSD002	20,317
Skills Development Fund Grant	0421SDF002	10,290
Jobs and Education for Texans	0421JET001	<u>294,785</u>
Total State Financial Assistance		<u>\$ 533,240</u>

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Financial Assistance - per Schedule of Expenditures of State Awards	\$ 533,240
Reconciling Items:	
Professional Nursing Shortage Reduction - per Schedule C	<u>(119,345)</u>
Total State Grants and Contracts per Exhibit 2 and Schedule A	<u>\$ 413,895</u>

Note 2: Significant Accounting Policies used in Preparing the Schedule

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

