

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

**ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2021**

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

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

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**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
ORGANIZATIONAL DATA
For the Year Ended August 31, 2021**

Board of Trustees

Officers

Mac Smith	Chairman
Sue Coody	Vice Chairman
Lela Morris	Secretary / Treasurer

Members

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

		<u>Term Expires December 31,</u>
Dr. Robert Marlett	Wise County, Texas	2021

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 Financial Statements

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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The supplemental information and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and 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 2, 2021, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Snow Garrett Williams

Snow Garrett Williams
December 2, 2021

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020**

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, 2021 and 2020. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

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

The statement of revenues, expenses, and changes in net position focuses on both the gross costs and the net costs of the College's activities which are supported mainly by 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 21 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, 2020 to August 31, 2021 by \$9,583,931 and increased from August 31, 2019 to August 31, 2020 by \$2,314,482. As of August 31, 2021 and 2020, the College's net position was \$62,796,814 and \$53,212,883 which includes \$18,796,917 and \$30,548,815 in net investment in capital assets, \$18,567,046 and \$5,433,419 in restricted net position, and \$25,432,851 and \$17,230,649 in unrestricted net position, respectively.

Operating expenses for fiscal years 2021 and 2020 were \$50,688,150 and \$50,184,289 of which \$17,651,475 and \$18,287,233 were expended for instruction, \$8,522,601 and \$8,370,633 were expended for institutional support, and \$2,786,710 and \$2,679,729 were expended for auxiliary enterprises, respectively. In fiscal years 2021 and 2020, depreciation expense was \$1,879,281 and \$1,844,621 respectively.

Operating revenues for fiscal years 2021 and 2020 were \$22,516,182 and \$18,000,063 which includes \$11,352,956 and \$9,884,181 in tuition and fees (net of discounts), \$3,553,446 and \$3,546,598 in local grants and contracts, \$3,537,365 and \$1,519,886 in auxiliary enterprises (net of discounts), and \$1,948,358 and \$1,967,759 in federal grants and contracts, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020**

Net non-operating revenues for fiscal years 2021 and 2020 were \$37,755,899 and \$34,498,708 which includes \$11,488,842 and \$11,603,770 in state appropriations, \$18,776,745 and \$16,267,076 in total ad valorem taxes for maintenance and operations and debt service (net of allowances), and \$8,835,262 and \$7,010,350 in federal grants, respectively.

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, 2021, the net position was \$62,796,814. This was an increase of \$9,583,931 from the period ended August 31, 2020. As of August 31, 2020, the net position was \$53,212,883. This was an increase of \$2,314,482 from the period ended August 31, 2019. 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, 2021 and 2020**

Net Position As of August 31,			
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current Assets	\$ 46,969,011	\$ 38,913,602	\$ 36,797,260
Non-current Assets			
Capital Assets, Net of Depreciation	58,764,139	41,893,318	39,822,452
Other	40,271,766	22,812,085	21,782,865
Total Assets	<u>146,004,916</u>	<u>103,619,005</u>	<u>98,402,577</u>
Deferred Outflows of Resources	<u>11,106,621</u>	<u>15,115,072</u>	<u>16,393,735</u>
Current Liabilities	17,412,464	14,494,151	12,375,896
Non-current Liabilities	66,984,225	42,301,913	41,574,954
Total Liabilities	<u>84,396,689</u>	<u>56,796,064</u>	<u>53,950,850</u>
Deferred Inflows of Resources	<u>9,918,034</u>	<u>8,725,130</u>	<u>9,947,061</u>
Net Position			
Net Investment in Capital Assets	18,796,917	30,548,815	27,070,303
Restricted for: Expendable	18,567,046	5,433,419	5,172,075
Unrestricted	25,432,851	17,230,649	18,656,023
Total Net Position	<u>\$ 62,796,814</u>	<u>\$ 53,212,883</u>	<u>\$ 50,898,401</u>

Investment in capital assets (e.g., land, collections, construction in process, buildings, land improvements, library books, and furniture, machinery, vehicles and other equipment) less any related debt used to acquire those assets that is still outstanding was \$18,796,917 and \$30,548,815 at August 31, 2021 and 2020, respectively. The College uses these assets to provide services to the students; consequently, they are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At August 31, 2021 and 2020, an additional \$18,567,046 and \$5,433,419 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, 2021 and 2020, is \$25,432,851 and \$17,230,649 respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020**

Statement of Revenues, Expenses, and Changes in Net Position

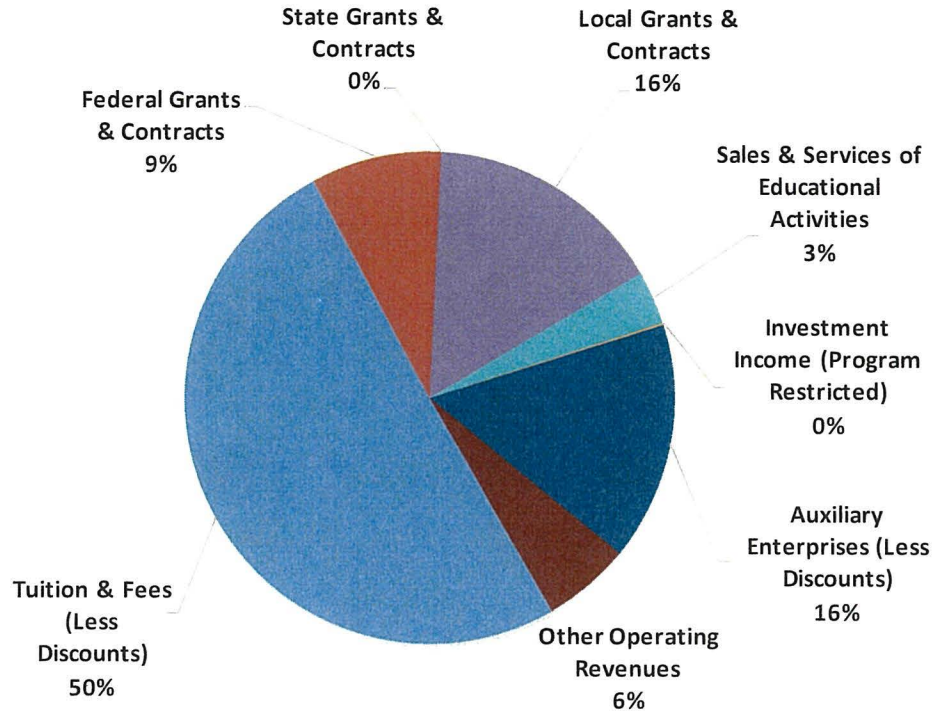
The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as the non-operating revenues and expenses. Operating revenues are primarily those that result directly from instruction, the operation of the College's auxiliary services (cafeteria,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

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

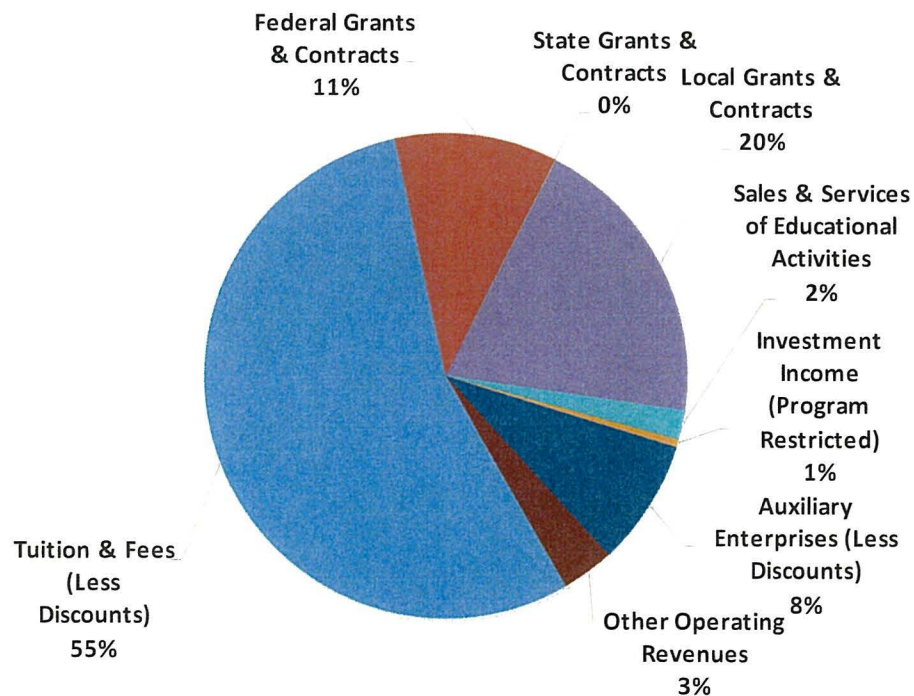
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenues			
Tuition and Fees (Less Discounts)	\$ 11,352,956	\$ 9,884,181	\$ 8,803,947
Federal Grants and Contracts	1,948,358	1,967,759	1,064,100
State Grants and Contracts	-	7,436	32,950
Local Grants and Contracts	3,553,446	3,546,598	3,290,028
Sales and Services of Educational Activities	795,012	352,039	102,330
Investment Income (Program Restricted)	22,798	93,704	101,630
Auxiliary Enterprises (Less Discounts)	3,537,365	1,519,886	1,867,267
Other Operating Revenues	1,306,247	628,460	682,489
Total Operating Revenues	<u>22,516,182</u>	<u>18,000,063</u>	<u>15,944,741</u>
Less Operating Expenses	<u>50,688,150</u>	<u>50,184,289</u>	<u>48,808,403</u>
Net Operating Loss	<u>(28,171,968)</u>	<u>(32,184,226)</u>	<u>(32,863,662)</u>
Non-Operating Revenues (Expenses)			
State Appropriations	11,488,842	11,603,770	10,962,324
Maintenance Ad Valorem Taxes	18,089,381	15,598,077	14,032,739
Debt Service Ad Valorem Taxes	687,364	668,999	675,486
Federal Revenue, Non-Operating	8,835,262	7,010,350	6,432,156
Gifts	63,869	59,990	78,951
Investment Income (Net of Investment Expense)	111,303	454,560	585,890
Gain/(Loss) on Disposal of Capital Assets	(506,097)	(530,168)	42,483
Interest on Capital Related Debt	(452,957)	(366,870)	(401,597)
Other Non-Operating Expenses	(561,068)	-	-
Total Non-Operating Revenues (Expenses)	<u>37,755,899</u>	<u>34,498,708</u>	<u>32,408,432</u>
Increase (Decrease) in Net Position	9,583,931	2,314,482	(455,230)
Net Position, Beginning of Year	<u>53,212,883</u>	<u>50,898,401</u>	<u>51,353,631</u>
Net Position, End of Year	<u>\$ 62,796,814</u>	<u>\$ 53,212,883</u>	<u>\$ 50,898,401</u>
Total Revenues	<u>\$ 61,792,203</u>	<u>\$ 53,395,809</u>	<u>\$ 48,754,770</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020**

OPERATING REVENUES BY SOURCE 2021



OPERATING REVENUES BY SOURCE 2020



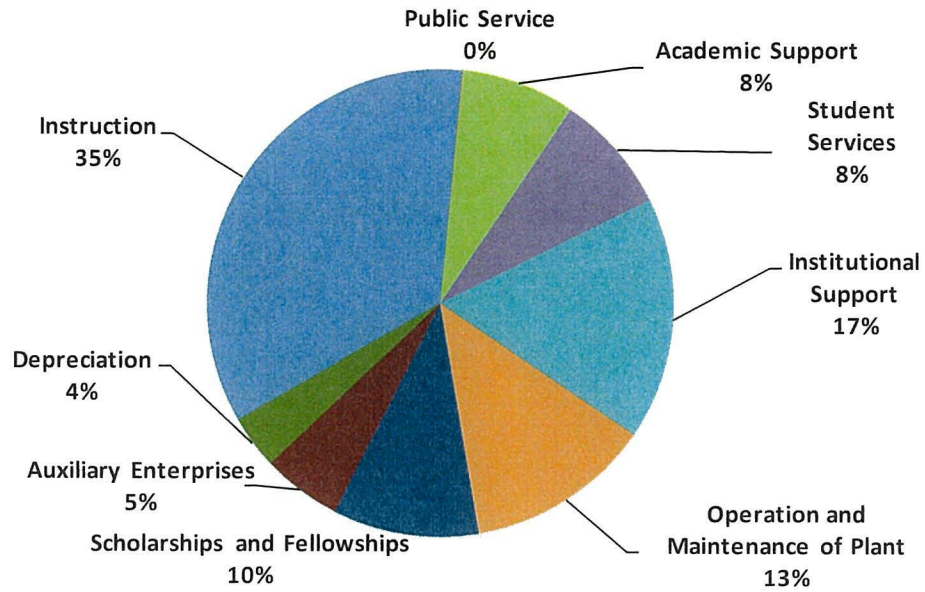
**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020**

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

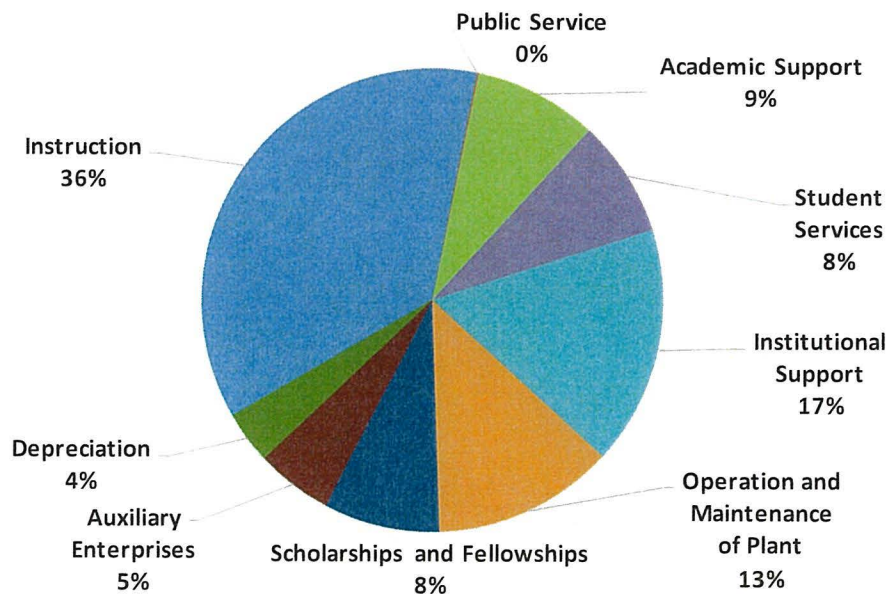
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Expenses			
Instruction	\$ 17,651,475	\$ 18,287,233	\$ 20,223,901
Public Service	14,275	40,439	40,007
Academic Support	4,004,918	4,367,828	1,914,495
Student Services	4,175,119	4,095,474	2,828,439
Institutional Support	8,522,601	8,370,633	8,095,022
Operation and Maintenance of Plant	6,510,646	6,395,963	7,155,459
Scholarships and Fellowships	5,143,125	4,102,369	3,611,211
Auxiliary Enterprises	2,786,710	2,679,729	3,116,597
Depreciation	1,879,281	1,844,621	1,823,272
Total	<u>\$ 50,688,150</u>	<u>\$ 50,184,289</u>	<u>\$ 48,808,403</u>
Total Expenses (Including Interest Expense and Non-Operating Expenses)	<u>\$ 52,208,272</u>	<u>\$ 51,081,327</u>	<u>\$ 49,210,000</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020**

OPERATING EXPENSES 2021



OPERATING EXPENSES 2020



**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The College's investment in total capital assets as of August 31, 2021 and 2020, amounts to \$58,764,139 and \$41,893,318 respectively, (net of accumulated depreciation). Investments in capital assets includes land, collections, construction in process, buildings, land improvements, library books, and furniture, machinery, vehicles, and other equipment.

	Capital Assets, Net		
	August 31,		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Capital Assets			
Land	\$ 1,261,796	\$ 1,214,301	\$ 1,214,301
Collections	31,150	31,150	12,150
Construction in Process	19,206,295	3,404,611	1,475,785
Buildings	46,094,084	44,805,940	45,704,237
Land Improvements	10,419,556	9,934,760	8,773,108
Library Books	858,576	878,090	900,335
Furniture, Machinery, Vehicles, and Other Equipment	<u>9,386,627</u>	<u>8,878,647</u>	<u>7,929,398</u>
Total	<u>87,258,084</u>	<u>69,147,499</u>	<u>66,009,314</u>
Less Accumulated Depreciation	<u>(28,493,945)</u>	<u>(27,254,181)</u>	<u>(26,186,862)</u>
 Net Capital Assets	 <u>\$ 58,764,139</u>	 <u>\$ 41,893,318</u>	 <u>\$ 39,822,452</u>

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

Long-term debt. At August 31, 2021 and 2020, the College had long-term debt outstanding, which represents bonds payable of \$32,690,000 and \$6,645,000 respectively, and notes payable from direct borrowing of \$3,809,850 and \$4,211,071 respectively. The College's total debt increased (decreased) by a net amount of \$26,045,000 and (\$1,248,399) in fiscal years 2021 and 2020, respectively, due to issuing \$26,940,000 in Series 2021 Revenue Bonds, offset by regularly scheduled payments.

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020**

Economic Factors and Next Year's Budget and Rates

The Board of Trustees adopted the College's 2021-22 budget and tax rate on August 31, 2021. The annual budget is developed to provide efficient, effective, and economic uses of the College's resources, as well 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 2022, the Board of Trustees and management considered the following factors:

- Property valuations in Parker County increased by 15.3% resulting in an increased ad valorem tax levy.
- A 7.47% increase in the total ad valorem tax rate was necessary to fund the proposed 2021-22 budget.
- Tuition rates increased approximately 8.5% overall.
- State instructional appropriations decreased by 1.5% from the prior biennium.
- A cost of living increase of 5% to all full-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, 2021 and 2020**

EXHIBIT 1

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 39,076,180	\$ 32,211,661
Accounts Receivable (net)	7,829,456	6,694,391
Prepaid Expense	63,375	7,550
Total Current Assets	46,969,011	38,913,602
Non-Current Assets		
Restricted Cash and Cash Equivalents	22,582,805	7,158,485
Endowment Investments	38,961	33,600
Investments in Real Estate	17,650,000	15,620,000
Capital Assets (net) (See Note 6)	58,764,139	41,893,318
Total Non-Current Assets	99,035,905	64,705,403
Total Assets	146,004,916	103,619,005
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	2,585,516	3,456,516
Deferred Outflows Related to OPEB	8,521,105	11,658,556
Total Deferred Outflows of Resources	11,106,621	15,115,072

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Net Position
August 31, 2021 and 2020**

EXHIBIT 1

	2021	2020
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 4,026,495	\$ 1,921,940
Accrued Compensated Absences - Current Portion	597,918	580,229
Funds Held for Others	466,038	435,237
Unearned Revenues	9,623,927	9,068,483
Overpayment of State Appropriations - Current Portion	28,733	229,892
Notes Payable - Current Portion	424,564	401,220
Capital Leases Payable - Current Portion	106,770	102,481
Bonds Payable - Current Portion	1,389,677	945,618
Net OPEB Liability - Current Portion	748,342	809,051
Total Current Liabilities	17,412,464	14,494,151
Non-Current Liabilities		
Notes Payable	3,385,286	3,809,851
Capital Leases Payable	-	106,770
Bonds Payable	34,660,925	5,978,563
Net Pension Liability	7,251,630	7,689,136
Net OPEB Liability	21,686,384	24,717,593
Total Non-Current Liabilities	66,984,225	42,301,913
Total Liabilities	84,396,689	56,796,064
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	1,883,317	2,161,295
Deferred Inflows Related to OPEB	8,034,717	6,563,835
Total Deferred Inflows of Resources	9,918,034	8,725,130
NET POSITION		
Net Investment in Capital Assets	18,796,917	30,548,815
Restricted for:		
Expendable		
Student Aid	2,661,188	2,592,312
Instructional Programs	82,045	81,893
Capital Projects	360,578	353,888
Debt Service	15,463,235	2,405,326
Unrestricted	25,432,851	17,230,649
Total Net Position (Schedule D)	\$ 62,796,814	\$ 53,212,883

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Component Unit
Statement of Financial Position
August 31, 2021**

EXHIBIT 1

	<u>Weatherford College Foundation, Inc.</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 280,587
Accounts Receivable	250
Interest Receivable	6,236
Note Receivable, Current Portion	8,495
Unconditional Promises to Give, Current Portion	97,378
Total Current Assets	392,946
Non-Current Assets	
Cash and Cash Equivalents	2,524,541
Endowment Investments	9,474,203
Unconditional Promises to Give	176,315
Note Receivable, Net of Current Portion	166,431
Mineral Rights	1
Total Non-Current Assets	12,341,491
Total Assets	12,734,437
LIABILITIES	
Current Liabilities	
Accounts Payable	3,880
Total Liabilities	3,880
NET ASSETS	
Without Donor Restrictions	451,884
With Donor Restrictions	12,278,673
Total Net Assets	\$ 12,730,557

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2021 and 2020

EXHIBIT 2

	<u>2021</u>	<u>2020</u>
REVENUES		
Operating Revenues		
Tuition and Fees (Net of Discounts of \$3,644,258 and \$4,201,837, respectively)	\$ 11,352,956	\$ 9,884,181
Federal Grants and Contracts	1,948,358	1,967,759
State Grants and Contracts	-	7,436
Local Grants and Contracts	3,553,446	3,546,598
Sales and Services of Educational Activities	795,012	352,039
Investment Income (Program Restricted)	22,798	93,704
Auxiliary Enterprises (Net of Discounts of \$585,299 and \$603,098, respectively)	3,537,365	1,519,886
Other Operating Revenues	<u>1,306,247</u>	<u>628,460</u>
Total Operating Revenues (Schedule A)	<u>22,516,182</u>	<u>18,000,063</u>
EXPENSES		
Operating Expenses		
Instruction	17,651,475	18,287,233
Public Service	14,275	40,439
Academic Support	4,004,918	4,367,828
Student Services	4,175,119	4,095,474
Institutional Support	8,522,601	8,370,633
Operation and Maintenance of Plant	6,510,646	6,395,963
Scholarships and Fellowships	5,143,125	4,102,369
Auxiliary Enterprises	2,786,710	2,679,729
Depreciation	<u>1,879,281</u>	<u>1,844,621</u>
Total Operating Expenses (Schedule B)	<u>50,688,150</u>	<u>50,184,289</u>
Operating Loss	(28,171,968)	(32,184,226)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	11,488,842	11,603,770
Maintenance Ad Valorem Taxes	18,089,381	15,598,077
Debt Service Ad Valorem Taxes	687,364	668,999
Federal Revenue, Non-Operating	8,835,262	7,010,350
Gifts	63,869	59,990
Investment Income	111,303	454,560
Loss on Disposal of Capital Assets	(506,097)	(530,168)
Interest on Capital Related Debt	(452,957)	(366,870)
Other Non-Operating Expenses	<u>(561,068)</u>	<u>-</u>
Net Non-Operating Revenues (Schedule C)	<u>37,755,899</u>	<u>34,498,708</u>
Increase in Net Position	9,583,931	2,314,482
NET POSITION		
Net Position - Beginning of Year	<u>53,212,883</u>	<u>50,898,401</u>
Net Position - End of Year	<u>\$ 62,796,814</u>	<u>\$ 53,212,883</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Component Unit
Statement of Activities
For the Year Ended August 31, 2021**

EXHIBIT 2

	<u>Weatherford College Foundation, Inc.</u>
REVENUE	
Contributions	\$ 2,203,540
Interest and Dividends	204,129
Investment Return, Net	842,101
Other Revenues	<u>109</u>
Total Revenue	<u>3,249,879</u>
EXPENSES	
Fundraising	16,487
Contributions	429,142
Legal and Professional	40,199
Other	46,797
Scholarships	371,664
Supplies	<u>17,011</u>
Total Expenses	<u>921,300</u>
Change in Net Assets	2,328,579
Net Assets - Beginning of Year	<u>10,401,978</u>
Net Assets - End of Year	<u><u>\$ 12,730,557</u></u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2021 and 2020**

EXHIBIT 3

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Students And Other Customers	\$ 13,350,881	\$ 8,170,421
Receipts From Grants And Contracts	5,230,272	5,442,120
Payments To Suppliers For Goods Or Services	(12,847,636)	(13,126,598)
Payments To Or On Behalf Of Employees	(25,837,014)	(24,961,145)
Payments For Scholarships	(5,075,467)	(515,903)
Other Receipts	1,306,247	628,460
	<u>1,306,247</u>	<u>628,460</u>
Net Cash Used by Operating Activities	<u>(23,872,717)</u>	<u>(24,362,645)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts From State Appropriations	9,350,912	9,297,542
Receipts From Ad Valorem Taxes Levied For Maintenance And Operation	18,055,508	15,610,952
Receipts From Non-Operating Federal Revenue	8,843,185	6,707,755
Receipts From Non-Capital Gifts And Non-Exchange Grants	63,869	40,990
Receipts From (Payments To) Student Organizations And Other Agency Transactions	30,801	178,457
Payments On Overpayment Of State Appropriations	(201,159)	(287,370)
	<u>(201,159)</u>	<u>(287,370)</u>
Net Cash Provided by Non-Capital Financing Activities	<u>36,143,116</u>	<u>31,548,326</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds From Issuance Of Capital Debt	3,132,038	-
Receipts From Ad Valorem Taxes For Debt Service	686,068	669,745
Purchases Of Capital Assets	(18,539,696)	(4,426,975)
Proceeds From The Issuance Of Debt	26,378,932	-
Payment On Capital Debt - Principal	(1,398,702)	(1,346,766)
Payment On Capital Debt - Interest	(367,611)	(309,211)
	<u>(367,611)</u>	<u>(309,211)</u>
Net Cash Provided by (Used by) Capital and Related Financing Activities	<u>9,891,029</u>	<u>(5,413,207)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts Of Interest And Dividends On Investments	127,411	675,481
Purchase Of Investments	-	(33,600)
	<u>-</u>	<u>(33,600)</u>
Net Cash Provided by Investing Activities	<u>127,411</u>	<u>641,881</u>
Increase in Cash and Cash Equivalents	22,288,839	2,414,355
Cash and Cash Equivalents - September 1	<u>39,370,146</u>	<u>36,955,791</u>
Cash and Cash Equivalents - August 31	<u>\$ 61,658,985</u>	<u>\$ 39,370,146</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2021 and 2020**

EXHIBIT 3

	2021	2020
Reconciliation to Exhibit 1:		
Cash and Cash Equivalents	\$ 39,076,180	\$ 32,211,661
Restricted Cash and Cash Equivalents	22,582,805	7,158,485
Total Cash and Cash Equivalents	\$ 61,658,985	\$ 39,370,146
 Non-Cash Investing, Capital and Financing Activities:		
Gift Of Capital Assets	\$ -	\$ 19,000
Net Increase (Decrease) In Fair Value Of Investments	\$ 2,035,361	\$ (16,540)
 Reconciliation of Operating Loss to Net Cash Used By Operating Activities		
Operating Loss	\$ (28,171,968)	\$ (32,184,226)
Adjustments To Reconcile Net Loss To Net Cash Used By Operating Activities:		
Depreciation Expense	1,879,281	1,844,621
Unrealized Gain On Fair Value Of Investments	(2,028,671)	(44,470)
Bad Debt Expense	24,938	22,437
Payments Made Directly By State For Benefits	2,137,930	2,306,228
Investment Income (Program Restricted)	(22,798)	(93,704)
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources		
Receivables, Net	(1,132,757)	(4,196,543)
Other Assets - Current	-	3,510,201
Prepaid Expenses	(55,825)	49,985
Deferred Outflows Of Resources	4,008,451	1,278,663
Accounts Payable	1,252,089	867,526
Unearned Revenues	555,444	575,655
Compensated Absences	17,689	30,575
Net Pension Liability	(437,506)	(684,133)
Net Opeb Liability	(3,091,918)	3,576,471
Deferred Inflows Of Resources	1,192,904	(1,221,931)
Net Cash Used By Operating Activities	\$ (23,872,717)	\$ (24,362,645)

**NOTES TO THE
FINANCIAL STATEMENTS**

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

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, 2021 and 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of 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 10 and Note 14, 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, 2021 and 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The College records capital assets at cost at the date of acquisition or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. The College capitalizes renovations of \$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 \$9,471,478 and \$8,644,502 and federal, state, and local grants of \$152,449 and \$423,981 have been reported as unearned revenue at August 31, 2021 and 2020, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bonds Payable

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

Deferred Inflows

In addition to liabilities, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by the GASB. The College has deferred inflows related to its pension plan and for other post-employment benefits (OPEB). See additional information in Note 10 and Note 14, 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.

New Accounting Pronouncement

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

3. AUTHORIZED INVESTMENTS

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

4. DEPOSITS AND INVESTMENTS

The College's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by the College's Board 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.

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:

	8/31/2021	8/31/2020
<u>Cash and Cash Equivalents</u>		
Bank Deposits - Time Deposits	\$ 61,654,940	\$ 39,365,771
Petty Cash	4,045	4,375
Total Cash and Cash Equivalents	\$ 61,658,985	\$ 39,370,146

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

4. DEPOSITS AND INVESTMENTS (Continued)

Investments

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

<u>Types of Investments</u>	<u>Maturity</u>	<u>Market Value 8/31/2021</u>	<u>Market Value 8/31/2020</u>
Mineral Rights	N/A	\$ 38,961	\$ 33,600
Real Estate	N/A	17,650,000	15,620,000
Total Investments		<u>\$ 17,688,961</u>	<u>\$ 15,653,600</u>

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

	<u>8/31/2021</u>	<u>8/31/2020</u>
Per Note 4:		
Cash and Cash Equivalents	\$ 61,658,985	\$ 39,370,146
Mineral Right Investment	38,961	33,600
Real Estate Investments	17,650,000	15,620,000
Total Deposits and Investments	<u>\$ 79,347,946</u>	<u>\$ 55,023,746</u>
Per Exhibit 1:		
Cash and Cash Equivalents	\$ 39,076,180	\$ 32,211,661
Restricted Cash and Cash Equivalents	22,582,805	7,158,485
Endowment Investments	38,961	33,600
Investments in Real Estate	17,650,000	15,620,000
Total Deposits and Investments	<u>\$ 79,347,946</u>	<u>\$ 55,023,746</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

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.

The fair value hierarchy of investments at August 31, 2021 follows:

	August 31, 2021				August 31, 2020
	Level 1	Level 2	Level 3	Total	Total
Mineral Rights	\$ -	\$ 38,961	\$ -	\$ 38,961	\$ 33,600
Real Estate	-	17,650,000	-	17,650,000	15,620,000
Total Investments	\$ -	\$ 17,688,961	\$ -	\$ 17,688,961	\$ 15,653,600

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

6. CAPITAL ASSETS

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

	Balance 9/1/2020	Increases	Decreases	Balance 8/31/2021
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>
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
Subtotal	<u>64,497,437</u>	<u>3,407,020</u>	<u>1,145,614</u>	<u>66,758,843</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
Subtotal	<u>27,254,181</u>	<u>1,879,281</u>	<u>639,517</u>	<u>28,493,945</u>
Net Other Capital Assets	<u>37,243,256</u>	<u>1,527,739</u>	<u>506,097</u>	<u>38,264,898</u>
Net Capital Assets	<u>\$ 41,893,318</u>	<u>\$ 17,376,918</u>	<u>\$ 506,097</u>	<u>\$ 58,764,139</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

6. CAPITAL ASSETS (Continued)

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

	Balance 9/1/2019	Increases	Decreases	Balance 8/31/2020
Not Depreciated:				
Land	\$ 1,214,301	\$ -	\$ -	\$ 1,214,301
Collections	12,150	19,000	-	31,150
Construction in Process	1,475,785	1,948,415	19,589	3,404,611
Subtotal	<u>2,702,236</u>	<u>1,967,415</u>	<u>19,589</u>	<u>4,650,062</u>
Other Capital Assets:				
Buildings	45,704,237	279,333	1,177,630	44,805,940
Land Improvements	8,773,108	1,161,652	-	9,934,760
Library Books	900,335	5,840	28,085	878,090
Furniture, Machinery, Vehicles, and Other Equipment	7,929,398	1,051,324	102,075	8,878,647
Subtotal	<u>63,307,078</u>	<u>2,498,149</u>	<u>1,307,790</u>	<u>64,497,437</u>
Accumulated Depreciation:				
Buildings	15,902,612	818,734	647,462	16,073,884
Land Improvements	4,519,067	365,198	-	4,884,265
Library Books	177,530	58,126	27,765	207,891
Furniture, Machinery, Vehicles, and Other Equipment	5,587,653	602,563	102,075	6,088,141
Subtotal	<u>26,186,862</u>	<u>1,844,621</u>	<u>777,302</u>	<u>27,254,181</u>
Net Other Capital Assets	<u>37,120,216</u>	<u>653,528</u>	<u>530,488</u>	<u>37,243,256</u>
Net Capital Assets	<u>\$ 39,822,452</u>	<u>\$ 2,620,943</u>	<u>\$ 550,077</u>	<u>\$ 41,893,318</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

7. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2021 was as follows:

	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021	Current Portion
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
Notes Payable - direct borrowings	4,211,071	-	401,221	3,809,850	424,564
Leases Payable	209,251	-	102,481	106,770	106,770
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	\$ 31,483,468	\$ 6,573,643	\$ 70,280,229	\$ 3,296,004

The College did not have any unused lines of credit or subjective acceleration clauses as of August 31, 2021 and 2020. 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, 2020 was as follows:

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
Limited Tax Refunding Bonds	\$ 1,680,000	\$ -	\$ 540,000	\$ 1,140,000	\$ 560,000
Revenue Bonds	5,830,000	-	325,000	5,505,000	335,000
Bond Premium	340,061	-	60,880	279,181	50,618
Notes Payable - direct borrowings	4,594,470	-	383,399	4,211,071	401,220
Leases Payable	307,618	-	98,367	209,251	102,481
Overpayment of State Appropriations	517,262	-	287,370	229,892	229,892
Net Pension Liability	8,373,269	1,076,942	1,761,075	7,689,136	N/A
Net OPEB Liability	21,950,173	3,949,735	373,264	25,526,644	809,051
Compensated Absences	549,654	580,229	549,654	580,229	580,229
Total Noncurrent Liabilities	\$ 44,142,507	\$ 5,606,906	\$ 4,379,009	\$ 45,370,404	\$ 3,068,491

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Notes to the Financial Statements
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8. DEBT AND LEASE OBLIGATIONS

Debt service requirements on August 31, 2021, were as follows:

Year Ended August 31,	Limited Tax Refunding Bond			Revenue Bonds			Amortization of Bond Premium
	Bond Principal	Interest	Total	Bonds Principal	Interest	Total	
2022	\$ 580,000	\$ 17,400	\$ 597,400	\$ 495,000	\$ 1,549,439	\$ 2,044,439	\$ 314,677
2023	-	-	-	875,000	1,168,532	2,043,532	217,075
2024	-	-	-	910,000	1,128,382	2,038,382	209,860
2025	-	-	-	955,000	1,086,582	2,041,582	202,336
2026	-	-	-	995,000	1,042,682	2,037,682	194,436
2027 - 2031	-	-	-	5,725,000	4,481,560	10,206,560	840,322
2032 - 2036	-	-	-	5,395,000	3,155,710	8,550,710	601,488
2037 - 2041	-	-	-	5,205,000	2,244,910	7,449,910	423,830
2042 - 2046	-	-	-	6,030,000	1,416,160	7,446,160	269,621
2047 - 2051	-	-	-	5,525,000	436,776	5,961,776	86,957
Total	\$ 580,000	\$ 17,400	\$ 597,400	\$ 32,110,000	\$ 17,710,733	\$ 49,820,733	\$ 3,360,602

Year Ended August 31,	Notes Payable - Direct Borrowings			Overpayment of State Appropriations
	Notes Principal	Interest	Total	
2022	\$ 424,564	\$ 119,267	\$ 543,831	\$ 28,733
2023	443,450	106,240	549,690	-
2024	462,895	92,676	555,571	-
2025	487,922	78,559	566,481	-
2026	508,551	63,672	572,223	-
2027 - 2031	1,482,468	107,260	1,589,728	-
Total	\$ 3,809,850	\$ 567,674	\$ 4,377,524	\$ 28,733

The College has entered into certain capital lease agreements under which the related equipment will become the property of the College when all terms of the lease agreements are met. Obligations under capital leases at August 31, 2021, were as follows:

Year Ended	Total
2022	\$ 111,240
Total Minimum Lease Payments	111,240
Less: Interest	(4,470)
Present Value of Minimum Lease Payments	<u>\$ 106,770</u>

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8. DEBT AND LEASE OBLIGATIONS (Continued)

The following is an analysis of equipment leased under capital leases as of August 31:

	<u>8/31/2021</u>	<u>8/31/2020</u>
Equipment	\$ 507,322	\$ 507,322
Less accumulated depreciation	(355,125)	(253,661)
Total	<u>\$ 152,197</u>	<u>\$ 253,661</u>

9. BONDS AND NOTES PAYABLE

General information related to bonds payable is summarized below:

- 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, 2021 and 2020 is \$580,000 and \$1,140,000, respectively.
 - Issued at a premium of \$183,642, of which \$8,585 and \$26,239 was unamortized at August 31, 2021 and 2020, respectively.

Bonds payable are due in annual installments varying from \$55,000 to \$580,000, with interest rates from 2.00% to 3.00%, and with final installment due 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, 2021 and 2020 is \$26,940,000 and \$0, respectively.
 - Issued at a premium of \$3,132,038, of which \$3,132,038 and \$0 was unamortized at August 31, 2021 and 2020, 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.

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9. BONDS AND NOTES PAYABLE (Continued)

- 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, 2021 and 2020 is \$5,170,000 and \$5,505,000, respectively.
 - Issued at a premium of \$558,377, of which \$219,976 and \$252,940 was unamortized at August 31, 2021 and 2020, 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.

- 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, 2021 and 2020 is \$2,074,850 and \$2,321,071, 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, 2021 and 2020 is \$1,735,000 and \$1,890,000, 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, 2021 and 2020**

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, 2021 and 2020 is \$28,733 and \$229,892, respectively.

10. EMPLOYEES' RETIREMENT PLANS

Teacher Retirement System of Texas - Defined Benefit Pension Plan

Plan Description

The College participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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/Pages/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

**WEATHERFORD COLLEGE OF THE PARKER
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10. EMPLOYEES' RETIREMENT PLANS (Continued)

Benefits Provided

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

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

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

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.

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10. EMPLOYEES' RETIREMENT PLANS (Continued)

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

	<u>Contribution Rates</u>	
	<u>Fiscal Years</u>	
	<u>2021</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE) - State	7.5%	6.8%
Employers	7.5%	6.8%

<u>Fiscal Year Contributions</u>	
2020 Member Contributions	\$ 1,017,969
2020 NECE On-behalf Contributions	\$ 444,613
2020 Employer Contributions	\$ 529,945

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.

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.

**WEATHERFORD COLLEGE OF THE PARKER
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10. EMPLOYEES' RETIREMENT PLANS (Continued)

- 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

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

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

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

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10. EMPLOYEES' RETIREMENT PLANS (Continued)

Discount Rate

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

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

**WEATHERFORD COLLEGE OF THE PARKER
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10. 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, 2020 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%	3.9%	0.99%
Non-U.S. Developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Absolute Return (including Credit Sensitive Investments)	0.0%	1.8%	0.00%
Stable Value Hedge Funds	5.0%	1.9%	0.11%
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy, Natural Resources, and Infrastructure	6.0%	6.0%	0.42%
Commodities	0.0%	0.8%	0.00%
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Asset Allocation Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
Expected Return	<u>100.00%</u>		<u>7.33%</u>

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

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

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

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10. 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:	\$ 11,181,883	\$ 7,251,630	\$ 4,058,385

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

At the fiscal year ended August 31, 2021, the College reported a liability of \$7,251,630 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	\$ 7,251,630
State's proportionate share that is associated with the College	5,771,312
Total	\$ 13,022,942

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

At the measurement date of August 31, 2020, the College's proportion of the collective net pension liability was 0.01353978 percent, which was a decrease of 0.0012518 percent from its proportion measured as of August 31, 2019.

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10. 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, 2021, the College recognized pension expense of \$694,161 and revenue of \$444,613 for support provided by the State.

At August 31, 2021, 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 actual economic experience	\$ 13,241	\$ 202,374
Changes in actuarial assumptions	1,682,636	715,445
Difference between projected and actual investment earnings	323,042	176,239
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	21,571	789,259
Contributions paid to TRS subsequent to the measurement date	545,026	-
Total	\$ 2,585,516	\$ 1,883,317

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	\$ (119,274)
2023	206,733
2024	253,886
2025	9,328
2026	(166,075)
Thereafter	(27,425)

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10. 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 \$188,192 and \$183,375 for the fiscal years ended August 31, 2021 and 2020, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll for all College employees was \$22,464,556 and \$21,878,534 for fiscal years 2021 and 2020, respectively. The total payroll of employees covered by the TRS was \$13,220,381 and \$13,041,317, and the total payroll of employees covered by the Optional Retirement Program was \$5,973,922 and \$5,877,938 for fiscal years 2021 and 2020, respectively.

11. 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, 2021 and 2020, the College had 61 and 48 employees, respectively, participating in the program. A total of \$402,277 and \$341,356 in payroll deductions had been invested in approved plans during the fiscal years ended August 31, 2021 and 2020, respectively.

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12. 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 \$597,918 and \$580,229 for the fiscal years ended August 31, 2021 and 2020, 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.

13. HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2021, and totaled \$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. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2020, and totaled \$1,729,422 for the year. The cost of providing those benefits for 101 retirees in the year ended August 31, 2020 was \$412,187. For 299 active employees, the cost of providing benefits was \$1,317,235 for the year ended August 31, 2020. 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
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14. 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/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; 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, 2021 and 2020**

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

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

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

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

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

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

	2020	2019
Employers	\$ 748,369,212	\$ 401,284,833
Members (Employees)	230,151,101	209,836,664
Nonemployer Contributing Entity (State of Texas)	37,736,903	20,182,872

**WEATHERFORD COLLEGE OF THE PARKER
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14. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions

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

Actuarial Assumptions ERS Group Benefits Program Plan	
Valuation Date	August 31, 2020
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll, open
Remaining Amortization Period	30 years
Asset Valuation Method	Not applicable because the plan operates on a pay-as-you-go basis
Discount Rate	2.20%
Projected Annual Salary Increase (Includes Inflation)	2.30% to 9.05%
Annual Healthcare Trend Rate	<u>HealthSelect</u> – 8.80% for FY2022, 5.25% for FY2023, 5.00% for FY2024, 4.75% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years <u>HealthSelect Medicare Advantage</u> – (53.30)% for FY2022, 0.00% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years <u>Pharmacy</u> – 10.00% for FY2022 and FY2023, decreasing 100 basis points per year to 5.00% for FY2028 and 4.30% for FY2029 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 2020 ERS CAFR

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

14. 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 2.97%. The discount rate used to measure the total OPEB liability as of the *end* of the measurement year was 2.20%, which amounted to a decrease of 0.77%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.20%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.20%)	Discount Rate (2.20%)	1% Increase in Discount Rate (3.20%)
College's proportionate share of the net OPEB liability:	\$ 26,665,261	\$ 22,434,726	\$ 19,120,492

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

14. 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:	\$ 18,776,395	\$ 22,434,726	\$ 27,230,430

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

At August 31, 2021, the College reported a liability of \$22,434,732 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	\$ 22,434,726
State's proportionate share that is associated with the College	<u>19,010,291</u>
Total	<u>\$ 41,445,017</u>

The net OPEB liability was measured as of August 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's 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, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.06789221%, which was a decrease of 0.00596389% from its proportion measured as of August 31, 2019.

For the year ended August 31, 2021, the College recognized OPEB expense of \$224,297 and revenue of \$224,297 for support provided by the State.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

14. 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 female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectation.
- The Patient-Centered Outcome Research Institute fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- The discount rate assumption was changed from 2.97%, as of August 31, 2019, to 2.20%, as of August 31, 2020, as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 877,434
Changes in actuarial assumptions	1,298,815	4,833,760
Differences between projected and actual investment earnings	6,709	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,878,377	2,323,523
Contributions paid to ERS subsequent to the measurement date	337,204	-
Total	\$ 8,521,105	\$ 8,034,717

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

Year Ended August 31:	OPEB Expense Amount
2022	\$ 84,549
2023	727,947
2024	508,168
2025	(739,237)
2026	(432,243)

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

15. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

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

	8/31/2021	8/31/2020
Student Receivables (Net of Allowances of \$968,453 and \$943,456 for 2021 and 2020, respectively)	\$ 6,611,086	\$ 5,602,409
Taxes Receivable (Net of Allowances of \$201,880 and \$201,880 for 2021 and 2020, respectively)	356,781	321,612
Federal and State Accounts Receivable	349,703	357,626
Other Accounts Receivable	511,886	412,744
	\$ 7,829,456	\$ 6,694,391

Payables

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

	8/31/2021	8/31/2020
Vendor Payable	\$ 3,347,838	\$ 1,323,826
Salaries and Benefits Payable	510,841	566,261
Accrued Interest	167,816	31,853
	\$ 4,026,495	\$ 1,921,940

16. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA) audit and accounting guide, *State and Local Governments*, 8.99. For federal contract and grant awards, funds expended but not collected are reported as Accounts Receivable (net) on Exhibit 1. Contract and grant awards that are not yet funded, and for which the College has not yet performed services, are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards or funds awarded during fiscal years 2021 and 2020 for which monies have not been received nor funds expended totaled \$16,172,239 and \$1,630,734, respectively. Of these amounts, \$16,150,301 and \$1,629,715 were from federal contract and grant awards, and \$21,938 and \$1,019 were from state contract and grant awards for fiscal years ended 2021 and 2020, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

17. 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, 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. For the year ended August 31, 2020, the College paid an annual premium of \$51,237 plus \$34,685 toward the loss fund. This \$85,922 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.

18. 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.

	8/31/2021	8/31/2020	
Assessed Valuation of the College	\$ 21,511,662,510	\$ 20,982,873,185	
Less: Exemptions	5,653,192,663	5,610,118,987	
Less: Abatements	286,130,654	646,927,924	
Net Assessed Valuation of the College	\$ 15,572,339,193	\$ 14,725,826,274	
	Current Operations	Debt Service	Total
At August 31, 2021			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.12078	\$ 0.00458	\$ 0.12536
At August 31, 2020			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.11022	\$ 0.00473	\$ 0.11495

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020**

18. AD VALOREM TAX (Continued)

Taxes levied for the years ended August 31, 2021 and 2020 were \$18,547,113 and \$16,344,953, 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, 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
Total Gross Collections	18,089,381	687,364	18,776,745
Tax Appraisal & Collection Fees	(260,892)	(9,879)	(270,771)
Total Net Collections	\$ 17,828,489	\$ 677,485	\$ 18,505,974
	August 31, 2020		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 15,400,515	\$ 660,125	\$ 16,060,640
Delinquent Taxes Collected	84,768	3,374	88,142
Penalties and Interest Collected	112,794	5,500	118,294
Total Gross Collections	15,598,077	668,999	16,267,076
Tax Appraisal & Collection Fees	(245,628)	(10,529)	(256,157)
Total Net Collections	\$ 15,352,449	\$ 658,470	\$ 16,010,919

Tax collections for the years ended August 31, 2021 and 2020 were 99% and 98%, respectively, of the current tax levy. 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, 2021 and 2020**

19. 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, 2021	Collections (including penalties and interest) August 31, 2020
Wise County	\$ 3,528,475	\$ 3,523,681

20. INCOME TAXES

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2021 and 2020.

21. 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 \$399,246 and \$292,554 for designated scholarships, and \$393,594 and \$577,137 for other contributions to the College during the years ended August 31, 2021 and 2020, 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, 2021 and 2020**

22. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENT

Expenses included \$175,885 and \$105,936 for rent paid under operating leases during the fiscal years ended August 31, 2021 and 2020, respectively. Future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year as of August 31, 2021 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2022	\$ 217,641
2023	185,701
2024	171,785
2025	161,820
2026	<u>74,940</u>
Total	<u>\$ 811,887</u>

23. 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.

24. SUBSEQUENT EVENTS

The College has evaluated subsequent events through December 2, 2021, the date the financial statements were available to be issued and noted the following:

- On July 27, 2021, the College signed an asset purchase agreement to acquire all of the licenses, permits, and other authorizations, including the Federal Communications Commission (FCC) Authorizations and certain other equipment from a nonprofit educational broadcasting corporation for \$500,000. The purchase is contingent upon final approval of the FCC.
- In October 2021, the Board of Trustees approved the sale of 34.774 acres of land in Aledo for approximately \$1,300,000.

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****

Fiscal Year Ending August 31*,	2021	2020	2019	2018	2017	2016	2015
College's proportion of collective net pension liability (NPL) (%)	0.0135398%	0.0147916%	0.0152120%	0.0150920%	0.0150860%	0.0164233%	0.0186811%
College's proportionate share of collective NPL (\$)	\$ 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>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>\$ 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	\$ 13,041,317	\$ 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	55.61%	59.93%	66.75%	39.64%	48.18%	49.09%	43.67%
Plan fiduciary net position as percentage of total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

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

Fiscal Year Ending August 31*,	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	\$ 545,026	\$ 548,921	\$ 517,293	\$ 513,849	\$ 495,628	\$ 479,120	\$ 486,301
Actual contributions	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>
College's covered payroll amount	\$ 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	4.12%	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****

Fiscal Year Ending August 31*,	2021	2020	2019	2018
College's proportion of collective net OPEB liability (%)	0.0678922%	0.0738561%	0.0740616%	0.0430528%
College's proportionate share of collective net OPEB liability (\$)	\$ 22,434,726	\$ 25,526,644	\$ 21,950,173	\$ 14,669,392
State's proportionate share of net OPEB liability associated with the College	19,010,291	19,165,968	16,058,736	347,488
Total	<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	\$ 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	118.58%	134.57%	118.51%	81.20%
Plan fiduciary net position as percentage of the total net OPEB liability	0.32%	0.17%	1.27%	2.04%

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

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

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

Defined Benefit Pension and OPEB Plans

Change of benefit terms

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

Change of benefit terms that affected the measurement of the total net OPEB liability during the measurement period are described in the notes to the financial statements (Note 14).

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 10).

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 14).

SUPPLEMENTAL INFORMATION

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2021
(With Memorandum Totals for the Year Ended August 31, 2020)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Totals	
					8/31/2021	8/31/2020
Tuition						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 4,448,198	\$ -	\$ 4,448,198	\$ -	\$ 4,448,198	\$ 4,472,332
Out-of-District Resident Tuition	7,683,095	-	7,683,095	-	7,683,095	7,459,353
Non-Resident Tuition	684,403	-	684,403	-	684,403	454,261
TPEG - Credit (Set Aside)*	780,192	-	780,192	-	780,192	767,173
State Funded Continuing Education	569,320	-	569,320	-	569,320	832,764
TPEG - Non-Credit (Set Aside)*	34,159	-	34,159	-	34,159	48,989
Non-State Funded Educational Programs	48,297	-	48,297	-	48,297	24,612
Total Tuition	<u>14,247,664</u>	<u>-</u>	<u>14,247,664</u>	<u>-</u>	<u>14,247,664</u>	<u>14,059,484</u>
Fees						
General Fee	2,003,272	-	2,003,272	-	2,003,272	1,055,589
Laboratory Fee	325,637	-	325,637	-	325,637	343,213
Total Fees	<u>2,328,909</u>	<u>-</u>	<u>2,328,909</u>	<u>-</u>	<u>2,328,909</u>	<u>1,398,802</u>
Allowances and Discounts						
Bad Debt Allowance	(24,997)	-	(24,997)	-	(24,997)	(49,405)
Scholarship Allowance	(719,378)	-	(719,378)	-	(719,378)	(610,123)
Remissions and Exemptions - State	(826,218)	-	(826,218)	-	(826,218)	(696,641)
Remissions and Exemptions - Local	(728,144)	-	(728,144)	-	(728,144)	(626,222)
Title IV Federal Grants	(2,391,900)	-	(2,391,900)	-	(2,391,900)	(2,964,985)
Other Federal Grants	(7,117)	-	(7,117)	-	(7,117)	(11,622)
TPEG Awards	(525,863)	-	(525,863)	-	(525,863)	(608,025)
Other State Grants	-	-	-	-	-	(7,082)
Total Allowances and Discounts	<u>(5,223,617)</u>	<u>-</u>	<u>(5,223,617)</u>	<u>-</u>	<u>(5,223,617)</u>	<u>(5,574,105)</u>
Total Net Tuition and Fees	<u>11,352,956</u>	<u>-</u>	<u>11,352,956</u>	<u>-</u>	<u>11,352,956</u>	<u>9,884,181</u>
Additional Operating Revenues						
Federal Grants and Contracts	257,361	1,690,997	1,948,358	-	1,948,358	1,967,759
State Grants and Contracts	-	-	-	-	-	7,436
Local Grants and Contracts	3,553,446	-	3,553,446	-	3,553,446	3,546,598
Sales and Services of Educational Activities	795,012	-	795,012	-	795,012	352,039
Investment Income (Program Restricted)	-	22,798	22,798	-	22,798	93,704
Other Operating Revenues	1,306,247	-	1,306,247	-	1,306,247	628,460
Total Additional Operating Revenues	<u>5,912,066</u>	<u>1,713,795</u>	<u>7,625,861</u>	<u>-</u>	<u>7,625,861</u>	<u>6,595,996</u>
Auxiliary Enterprises						
Bookstore	-	-	-	151,626	151,626	174,120
Food Services	-	-	-	649,210	649,210	670,527
Less Discounts	-	-	-	(200,575)	(200,575)	(230,974)
Student Housing	-	-	-	1,074,302	1,074,302	1,070,997
Less Discounts	-	-	-	(384,724)	(384,724)	(321,482)
Student Services	-	-	-	186,654	186,654	195,727
Less Discounts	-	-	-	-	-	(50,642)
Carter Agriculture Center	-	-	-	2,060,872	2,060,872	11,613
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,537,365</u>	<u>3,537,365</u>	<u>1,519,886</u>
Total Operating Revenues	<u>\$ 17,265,022</u>	<u>\$ 1,713,795</u>	<u>\$ 18,978,817</u>	<u>\$ 3,537,365</u>	<u>\$ 22,516,182</u>	<u>\$ 18,000,063</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$814,351 and \$816,162 for years August 31, 2021 and 2020, 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, 2021
(With Memorandum Totals for the Year Ended August 31, 2020)**

	Operating Expenses					
	Salaries and Wages	Benefits		Other Expenses	Totals	
		State	Local		8/31/2021	8/31/2020
Unrestricted - Educational Activities						
Instruction	\$ 12,086,113	\$ -	\$ 2,512,091	\$ 1,470,442	\$ 16,068,646	\$ 16,681,373
Public Service	-	-	-	11,719	11,719	31,727
Academic Support	2,522,593	-	547,869	682,491	3,752,953	4,069,687
Student Services	1,717,654	-	378,832	367,049	2,463,535	2,392,382
Institutional Support	4,445,477	-	920,557	2,712,538	8,078,572	7,919,152
Operation and Maintenance of Plant	108,125	-	30,011	6,372,510	6,510,646	6,395,963
Total Unrestricted Educational Activities	20,879,962	-	4,389,360	11,616,749	36,886,071	37,490,284
Restricted - Educational Activities						
Instruction	138,353	1,221,021	24,875	198,580	1,582,829	1,605,860
Public Service	-	-	-	2,556	2,556	8,712
Academic Support	-	251,965	-	-	251,965	298,141
Student Services	494,079	220,915	133,235	863,355	1,711,584	1,703,092
Institutional Support	-	444,029	-	-	444,029	451,481
Scholarships and Fellowships	67,658	-	-	5,075,467	5,143,125	4,102,369
Total Restricted Educational Activities	700,090	2,137,930	158,110	6,139,958	9,136,088	8,169,655
Total Educational Activities	21,580,052	2,137,930	4,547,470	17,756,707	46,022,159	45,659,939
Auxiliary Enterprises	952,161	-	391,531	1,443,018	2,786,710	2,679,729
Depreciation Expense - Buildings and Land Improvements	-	-	-	1,203,927	1,203,927	1,183,932
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	675,354	675,354	660,689
Total Operating Expenses	\$ 22,532,213	\$ 2,137,930	\$ 4,939,001	\$ 21,079,006	\$ 50,688,150	\$ 50,184,289
				(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, 2021
(With Memorandum Totals for the Year Ended August 31, 2020)**

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				8/31/2021	8/31/2020
Non-Operating Revenues					
State Appropriations					
Education and General state support	\$ 9,030,945	\$ -	\$ -	\$ 9,030,945	\$ 9,059,678
State group insurance	-	1,729,422	-	1,729,422	1,729,422
State OPEB	-	(224,297)	-	(224,297)	21,713
State retirement matching	-	632,805	-	632,805	555,093
Professional nursing shortage reduction	-	294,477	-	294,477	213,369
Miscellaneous revenues	-	25,490	-	25,490	24,495
Total State Appropriations	9,030,945	2,457,897	-	11,488,842	11,603,770
Ad valorem taxes (net) - Maintenance	18,089,381	-	-	18,089,381	15,598,077
Ad valorem taxes (net) - Debt Service	-	687,364	-	687,364	668,999
Federal Revenue, Non-Operating	1,628,669	7,206,593	-	8,835,262	7,010,350
Gifts	-	2,556	61,313	63,869	59,990
Investment income	104,315	6,988	-	111,303	454,560
Total Non-Operating Revenues	28,853,310	10,361,398	61,313	39,276,021	35,395,746
Non-Operating Expenses					
Interest on capital related debt	-	452,957	-	452,957	366,870
Loss on disposal of capital assets	506,097	-	-	506,097	530,168
Other non-operating expense	561,068	-	-	561,068	-
Total Non-Operating Expenses	1,067,165	452,957	-	1,520,122	897,038
Net Non-Operating Revenues	\$ 27,786,145	\$ 9,908,441	\$ 61,313	\$ 37,755,899	\$ 34,498,708
				(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, 2021
(With Memorandum Totals for the Year Ended August 31, 2020)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current							
Unrestricted	\$ 2,881,923	\$ -	\$ -	\$ -	\$ 2,881,923	\$ 2,881,923	\$ -
Restricted							
Student Aid	-	2,661,188	-	-	2,661,188	2,661,188	-
Instructional Programs	-	82,045	-	-	82,045	82,045	-
Auxiliary Enterprises	3,383,626	-	-	-	3,383,626	-	3,383,626
Endowment	19,167,302	-	-	-	19,167,302	-	19,167,302
Plant							
Capital Projects	-	360,578	-	-	360,578	-	360,578
Debt Service	-	15,463,235	-	-	15,463,235	-	15,463,235
Investment in Plant	-	-	-	18,796,917	18,796,917	-	18,796,917
Total Net Position, August 31, 2021	25,432,851	18,567,046	-	18,796,917	62,796,814 (Exhibit 1)	5,625,156	57,171,658
Total Net Position, August 31, 2020	17,230,649	5,433,419	-	30,548,815	53,212,883 (Exhibit 1)	294,364	52,918,519
Net Increase (Decrease) in Net Position	\$ 8,202,202	\$ 13,133,627	\$ -	\$ (11,751,898)	\$ 9,583,931 (Exhibit 2)	\$ 5,330,792	\$ 4,253,139

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

**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, 2021, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated December 2, 2021.

Internal Control over Financial Reporting

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

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

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

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, 2021, no instances of noncompliance were noted.

Purpose of this Report

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

Snow Garrett Williams

Snow Garrett Williams
December 2, 2021

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2021**

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, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

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

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

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

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

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

Identification of Major Programs:

Federal Awards

U.S. Department of Education:

Student Financial Assistance Cluster of Programs:

ALN 84.007	Federal Supplemental Education Opportunity Grant
ALN 84.033	Federal College Workstudy Program
ALN 84.063	Federal Pell Grant Program
ALN 84.268	Federal Direct Student Loans

Educational Stabilization Fund Cluster of Programs:

ALN 84.425E	Student Aid
ALN 84.425F	Institutional Aid

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

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

Section II – Financial Statement Findings

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, 2021**

A corrective action plan is not needed.

FEDERAL AWARDS SECTION



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for 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, 2021. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Snow Garrett Williams

Snow Garrett Williams
December 2, 2021

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 130,846
Federal College Workstudy Program	84.033		67,658
Federal Pell Grant Program	84.063		5,420,206
Federal Direct Student Loans	84.268		4,320,069
Total Student Financial Aid Cluster			<u>9,938,779</u>
TRIO Cluster			
TRIO - Student Support Services Program	84.042A		209,473
TRIO - Talent Search Program	84.044A		334,284
TRIO - Upward Bound Program	84.047A		336,586
Total TRIO Cluster			<u>880,343</u>
COVID-19 Education Stabilization Fund - Student Aid	84.425E		1,587,883
COVID-19 Education Stabilization Fund - Institutional Aid	84.425F		2,495,639
Total Education Stabilization Fund			<u>4,083,522</u>
Pass-Through From:			
Texas Higher Education Coordinating Board (THECB) Career and Technical Education Basic Grants to States	84.048	214262	<u>195,285</u>
Total U.S. Department of Education			<u>15,097,929</u>
National Science Foundation			
Education and Human Resources Industrial Maintenance Automation Technician Education	47.076		<u>5,760</u>
Total National Science Foundation			<u>5,760</u>
Total Federal Financial Assistance			<u>\$ 15,103,689</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2021**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$	1,690,997
Add: Indirect/Administrative Cost Recoveries - per Schedule A		257,361
Add: Non-Operating Federal Revenue - per Schedule C		<u>8,835,262</u>
Total Federal Revenues per Schedules A and C	\$	<u>10,783,620</u>
Reconciling Items:		
Add: Federal Direct Student Loans		<u>4,320,069</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$	<u><u>15,103,689</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	\$ 4,320,069	\$ -	\$ 4,320,069

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, 2021**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board Professional Nursing Shortage Reduction		\$ 294,477
Total State Financial Assistance		\$ 294,477

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Financial Assistance - per Schedule of Expenditures of State Awards	\$ 294,477
Reconciling Items:	
Professional Nursing Shortage Reduction - per Schedule C	(294,477)
Total State Grants and Contracts per Exhibit 2 and Schedule A	\$ -

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.

