

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

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2002

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
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For the Year Ended August 31, 2002**

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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, 2002**

Board of Trustees

Officers

Pat Hamilton	Chairman
Roger Grizzard	Vice Chairman
Jean Bryan	Secretary/Treasurer

Members

		<u>Term Expires</u> <u>May 31,</u>
Dorotha Guess	Millsap, Texas	2003
Martin Brown	Millsap, Texas	2003
Raymond Curtis	Weatherford, Texas	2003
Pat Hamilton	Weatherford, Texas	2005
Roger Grizzard	Weatherford, Texas	2005
Clarence Culwell	Springtown, Texas	2007
Jean Bryan	Weatherford, Texas	2007

Principal Administrative Officers

Don Huff	President
Arleen Atkins	Vice President - Instruction
Andra Cantrell	Vice President - Financial & Administrative Affairs
Duane Durrett	Vice President - Student Affairs

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the Weatherford College of the Parker County Junior College District, as of and for the year ended August 31, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Weatherford College of the Parker County Junior College District, as of August 31, 2002, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the basic financial statements, the College adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*; Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - For Public Colleges and Universities*; and Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, as of September 1, 2001. This results in a change in the format and content of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2002 on our consideration of the Weatherford College of the Parker County Junior College District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We performed our audit to form an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Weatherford College of the Parker County Junior College District. Also, the accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and

Page two

supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Statistical Supplement is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Snow, Garrett & Company

Snow, Garrett & Company, CPA's
October 14, 2002

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2002**

This section of the Weatherford College of the Parker County Junior College District's Comprehensive Annual Financial report presents management's discussion and analysis of the College's financial activity during the fiscal year ended August 31, 2002. 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 basic financial statements (pages 11-15), and the footnotes (pages 16-31). Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The new basic financial statements (implemented in the fiscal year ended August 31, 2002) focus on the College as a whole. The basic statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the Statement of Net Assets is designed to be similar to bottom line results for the College. This statement, for the first time, combines and consolidates current financial resources with capital assets.

The Statement of Revenues, Expenses, and Changes in Net Assets focuses on both the gross costs and the new costs of College activities, which are supported mainly by property taxes and by state and other revenues. This approach is intended to summarize and simplify the user's analysis of cost of various College services to students and the public.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities.

The Weatherford College Development Foundation is a discretely presented component unit of the College and is reported as a separate column on the College's financial statements. Complete financial statements for the Foundation may be obtained from the Weatherford College Business Office.

Financial Highlights

As of August 31, 2002, the College's net assets are \$17.3 million, which includes \$8.6 million in current assets, \$19.0 million in capital assets, net of depreciation, and \$9.7 million in non-current liabilities.

Operating expenses at August 31, 2002, were \$19.8 million of which \$9.4 million is expended for instruction, \$2.9 million is expended for institutional support, and \$2.0 million is expended for auxiliary enterprises. In fiscal year 2002, depreciation expense was \$0.7 million. The addition of depreciation expense is due to the implementation of new GASB 34/35 guidelines in the current fiscal year.

Operating revenue at fiscal year end is \$17.6 million, which includes a \$7 million in state appropriations, \$2.9 million in tuition and fees (net of discounts), \$4.6 million in federal grants and contracts, and \$1.6 million in auxiliary revenue (net of discounts).

Non-operating revenue at August 31, 2002, is \$4.3 million, which includes \$4.1 million in ad-valorem taxes for maintenance and operations, and \$0.7 million in ad-valorem taxes for general obligation bonds.

The College Board of Trustees approved the construction of a baseball facility in March 2002 to be funded by College financial reserves. The College entered into a contract with Joe R. Jones Construction to construct the facility. The estimated cost of construction is \$1.65 million with an estimated completion date of January 2003. The College Development Foundation will conduct an ongoing fundraising campaign to replenish College reserves used to finance the project. As of August 31, 2002, the campaign had raised \$353,615 toward the project.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2002**

The Weatherford Student Housing Foundation was incorporated on June 20, 2002, as a non-profit corporation under the Texas Non-Profit Corporation Act. The Housing Foundation applied for tax-exempt status under Section 501 (c) (3) of the Internal Revenue Code and is awaiting the IRS determination letter.

The College entered into a pre-development agreement in April 2002, with American Campus Developers, L.L.C., to develop a 76-unit, 280-bed student housing facility located on the campus of Weatherford College. The estimated construction costs for the proposed project is \$7.8 million. Construction of the project will be financed through the issuance of long-term tax-exempt bonds prior to the commencement of construction. Construction on the apartment style complex is expected to begin in February 2003 with occupancy planned for the fall of 2003.

Financial Analysis of the College as a Whole

**Net Assets
As of August 31, 2002
(in millions)**

Current Assets	\$	8.6
Non-Current Assets		
Capital Assets, Net of Depreciation		19.0
Other		2.8
Total Assets		30.4
Current Liabilities		3.4
Non-Current Liabilities		9.7
Total Liabilities		13.1
Net Assets		
Investment in Capital Assets		8.9
Restricted for:		
Expendable		3.4
Unrestricted		5.0
Total Net Assets	\$	17.3

This schedule is prepared from the College's statement of net assets (page 11-12), which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

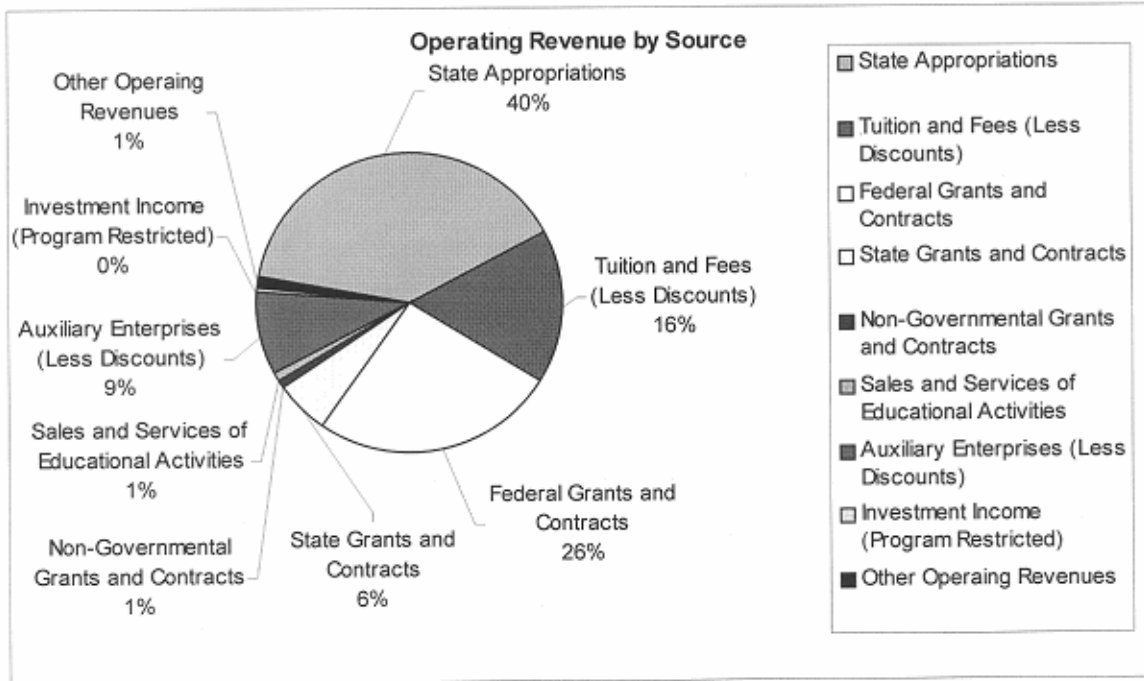
**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2002

**Operating Results for the Year Ended
August 31, 2002
(in millions)**

Operating Revenue		
State Appropriations	\$	7.0
Tuition and Fees (Less Discounts)		2.9
Federal Grants and Contracts		4.6
State Grants and Contracts		1.0
Non-Governmental Grants and Contracts		0.2
Sales and Services of Educational Activities		0.1
Auxiliary Enterprises (Less Discounts)		1.6
Investment Income (Program Restricted)		-
Other Operating Revenues		0.2
Total		<u>17.6</u>
Less Operating Expenses		<u>19.8</u>
Net Operating Loss		<u>(2.2)</u>
Non-Operating Revenue (Expense)		
Ad-Valorem Taxes for Maintenance & Operations		4.1
Ad-Valorem Taxes for General Obligation Bonds		0.7
Gifts		-
Investment Income (Net of Investment Expense)		0.1
Interest on Capital Related Debt		(0.6)
Other Non-Operating Revenues (Expenses)		-
Total		<u>4.3</u>
Increase in Net Assets		2.1
Net Assets, Beginning of Year (as Restated)		15.2
Net Assets, End of Year	\$	<u>17.3</u>
Total Revenues	\$	<u>22.5</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2002

The following is a graphic illustration of revenues by source.

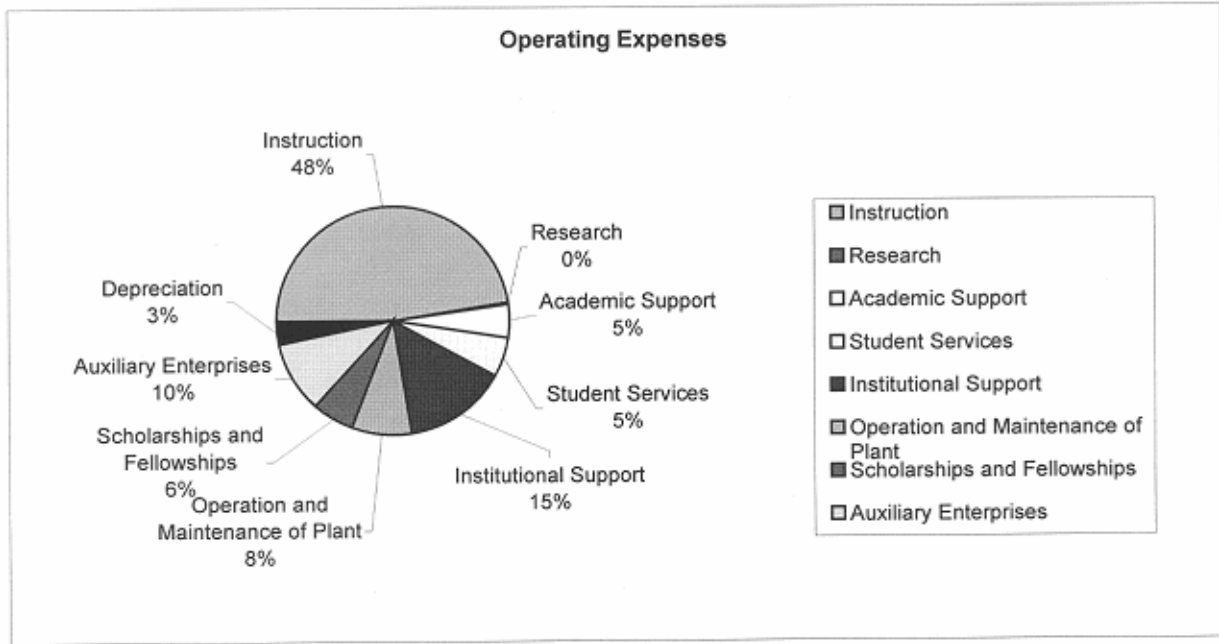


**Operating Expenses
August 31, 2002
(in millions)**

Operating Expense		
Instruction	\$	9.4
Research		0.1
Academic Support		0.9
Student Services		1.0
Institutional Support		2.9
Operation and Maintenance of Plant		1.6
Scholarships and Fellowships		1.2
Auxiliary Enterprises		2.0
Depreciation		0.7
Total	<u>\$</u>	<u>19.8</u>
Total Expenses (Including Interest Expense)	<u>\$</u>	<u>20.4</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2002

The following is a graphic illustration of operating expenses.

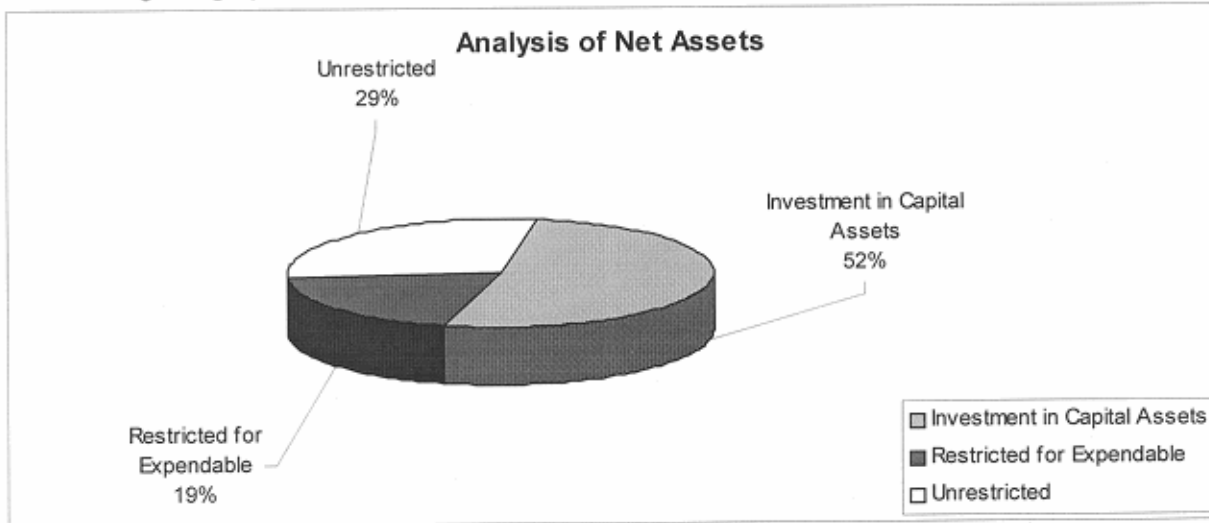


**Analysis of Net Assets
August 31, 2002
(in millions)**

Net Assets		
Investment in Capital Assets	\$	8.9
Restricted for Expendable		3.4
Unrestricted		5.0
Total Net Assets	<u>\$</u>	<u>17.3</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2002

The following is a graphic illustration of net assets.



**Capital Assets, Net
August 31, 2002
(in millions)**

Capital Assets	
Land and Improvements	\$ 1.8
Buildings	20.1
Construction in Progress	0.2
Equipment	2.1
Library Books	0.9
Total	<u>25.1</u>
Less Accumulated Depreciation	(6.1)
Net Capital Assets	<u><u>\$ 19.0</u></u>

As of August 31, 2002, the College recorded \$25.1 million invested in capital assets, \$6.1 million in accumulated depreciation and \$19.0 million in net capital assets. In fiscal year 2002, the College revised its capitalization minimum from \$500 per item to \$5,000 per item and wrote off a total of \$2.7 million in computer technology and equipment, retroactive to the beginning of fiscal year 2002. The remaining fixed assets had accumulated depreciation of \$5.5 million as of September 1, 2001.

The College has long-term debt in the form of general obligations bonds, series 1996, with an outstanding balance of \$8.14 million and notes payable with an outstanding balance of \$1.95 million as of August 31, 2002.

The College's total debt decreased by \$512,060 during the current fiscal year, with no new debt issuances.

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

Statement of Net Assets
For the Year Ended August 31, 2002

EXHIBIT 1

	Primary Institution	Component Unit (Foundation)
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 5,575,489	\$ 191,449
Short-Term Investments	49,196	827,214
Accounts Receivable (net)	1,708,120	398,512
Inventories	321,799	-
Other Assets	988,210	-
	8,642,814	1,417,175
Non-Current Assets		
Restricted Cash and Cash Equivalents	1,484,165	224,166
Endowment Investments	1	1,322,151
Other Non-Current Investments	-	342,742
Investments in Real Estate	1,286,090	-
Capital Assets, (net) (See Note 5)	19,042,976	144,000
	21,813,232	2,033,059
	Total Current Assets	Total Current Assets
	8,642,814	1,417,175
	Total Non-Current Assets	Total Non-Current Assets
	21,813,232	2,033,059
	Total Assets	Total Assets
	\$ 30,456,046	\$ 3,450,234

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

Statement of Net Assets
For the Year Ended August 31, 2002

EXHIBIT 1

	Primary Institution	Component Unit (Foundation)
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 744,309	\$ 390
Funds Held for Others	94,121	-
Deferred Revenues	2,076,550	-
Notes Payable - Current Portion	278,854	-
Bonds Payable - Current Portion	225,000	-
	3,418,834	390
Total Current Liabilities		
Non-Current Liabilities		
Deposits	35,873	-
Notes Payable	1,672,726	-
Bonds Payable	7,920,000	-
Other Non-Current Liabilities	101,744	-
	9,730,343	-
Total Non-Current Liabilities		
	13,149,177	390
Total Liabilities		
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	8,946,396	140,000
Restricted for		
Unexpendable		
Student Aid	-	1,561,715
Instructional Programs	-	25,285
Expendable		
Student Aid	990,617	323,960
Instructional Programs	81,503	3,890
Loans	12,898	-
Capital Projects	1,933,550	367,872
Debt Service	321,648	-
Other	-	43,124
Unrestricted	5,020,257	983,998
	17,306,869	3,449,844
Total Net Assets		
	\$ 30,456,046	\$ 3,450,234
Total Liabilities and Net Assets		

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended August 31, 2002

EXHIBIT 2

	Primary Institution	Component Unit (Foundation)
REVENUES		
Operating Revenues		
State Appropriations	\$ 7,018,258	\$ -
Tuition and Fees (Net of Discounts of \$971,399)	2,914,609	-
Federal Grants and Contracts	4,517,599	-
State Grants and Contracts	994,418	-
Non-Governmental Grants and Contracts	183,711	-
Sales and Services of Educational Activities	137,444	-
Investment Income (Program Restricted)	39,247	-
Auxiliary Enterprises (Net of Discounts of \$499,679)	1,622,315	-
Other Operating Revenues	244,306	389,626
Total Operating Revenues (Schedule 2-A)	17,671,907	389,626
EXPENSES		
Operating Expenses		
Instruction	9,444,070	-
Research	70,438	-
Academic Support	944,090	-
Student Services	1,061,238	-
Institutional Support	2,916,008	53,430
Operation and Maintenance of Plant	1,614,829	-
Scholarships and Fellowships	1,188,329	87,003
Auxiliary Enterprises	1,979,939	-
Depreciation	656,199	-
Total Operating Expenses (Schedule 2-B)	19,875,140	140,433
Operating Income (Loss)	(2,203,233)	249,193
NON-OPERATING REVENUES (EXPENSES)		
Maintenance Ad-Valorem Taxes		
Taxes for Maintenance & Operations	4,065,200	-
Taxes for General Obligation Bonds	742,010	-
Gifts	17,521	-
Investment Income (Net of Investment Expenses)	106,199	4,783
Interest on Capital Related Debt	(621,828)	-
Other Non-Operating Revenues (Expenses)	12,979	-
Net Non-Operating Revenues (Expenses)	4,322,081	4,783
Increase (Decrease) in Net Assets	2,118,848	253,976
NET ASSETS		
Net Assets - Beginning of Year		3,195,868
Net Assets - Beginning of Year, as Restated	15,188,021	
Net Assets - End of Year	\$ 17,306,869	\$ 3,449,844

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statement of Cash Flows
For the Year Ended August 31, 2002

EXHIBIT 3

	Primary Institution	Component Unit (Foundation)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Students and Other Customers	\$ 5,040,580	\$ -
Receipts of Appropriations, Grants, and Contracts	12,464,754	-
Other Receipts	-	84,326
Payments to or on Behalf of Employees	(11,703,643)	-
Payments to Suppliers for Goods or Services	(6,304,917)	(53,743)
Payments of Scholarships	(1,199,447)	(87,003)
	<u>(1,702,673)</u>	<u>(56,420)</u>
Net Cash Used by Operating Activities		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad Valorem Tax Revenues	4,004,405	-
Gifts and Grants (Other Than Capital)	13,521	-
Student Organization and Other Agency Transactions	26,562	-
	<u>4,044,488</u>	<u>-</u>
Net Cash Provided by Non-Capital Financing Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Ad Valorem Tax Revenues	735,731	-
Insurance Proceeds	12,979	-
Purchases of Capital Assets	(1,084,645)	-
Payments on Capital Debt and Leases	(1,152,534)	-
	<u>(1,488,469)</u>	<u>-</u>
Net Cash Used by Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of Principal on Securities	7,904	-
Investment Earnings	150,339	116,359
Proceeds from Redemption of Certificates of Deposits	-	35,000
Proceeds from Redemption of Securities	-	1,248,754
Dividends Reinvested	-	(3,977)
Purchases of Certificates of Deposits	-	(334,113)
Purchases of Securities	-	(953,754)
	<u>158,243</u>	<u>108,269</u>
Net Cash Provided by Investing Activities		
Increase in Cash and Cash Equivalents	1,011,589	51,849
Cash and Cash Equivalents - September 1, 2001	<u>6,048,065</u>	<u>363,766</u>
Cash and Cash Equivalents - August 31, 2002	<u>\$ 7,059,654</u>	<u>\$ 415,615</u>
Reconciliation to Exhibit 1:		
Cash and Cash Equivalents	\$ 5,575,489	\$ 191,449
Restricted Cash and Cash Equivalents	1,484,165	224,166
Total Cash and Cash Equivalents	<u>\$ 7,059,654</u>	<u>\$ 415,615</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statement of Cash Flows
For the Year Ended August 31, 2002

EXHIBIT 3

	<u>Primary Institution</u>	<u>Component Unit (Foundation)</u>
Non-Cash Investing, Capital and Financing Activities:		
Gift of Non-Capital Asset	\$ 4,000	\$ -
Net Decrease in Fair Value of Investments	<u>\$ -</u>	<u>\$ (105,801)</u>
Reconciliation of Operating Income (Loss) to Net Cash Used By		
Operating Activities:		
Operating Income (Loss)	\$(2,203,233)	\$ 249,193
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	656,199	-
Unrealized Gain & Loss on Fair Value of Investments	7,323	-
Non-cash expenses	4,000	-
Investment Income (Program Restricted)	(39,247)	-
Return on Investment	(7,904)	-
Changes in Assets and Liabilities		
Receivables, Net	(367,088)	(305,300)
Inventories	(78,158)	-
Other Assets	(272,658)	-
Accounts Payable	219,969	(313)
Deferred Revenue	371,910	-
Compensated Absences	10,624	-
Deposits Held for Others	<u>(4,410)</u>	<u>-</u>
Net Cash Used By Operating Activities	<u><u>\$(1,702,673)</u></u>	<u><u>\$ (56,420)</u></u>

**NOTES TO THE
FINANCIAL STATEMENTS**

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

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 and the surrounding communities. The College is considered to be 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.

The accompanying financial statements present the College and its component unit, an entity for which the College is considered to be financially accountable. This discretely presented component unit is reported in a separate column in the entity-wide financial statements to emphasize it is legally separate from the College.

Discretely Presented Component Unit

The Weatherford College Development Foundation (Foundation) is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The College appoints a voting majority of the Foundation's Board, but it is not obligated to pay debt related to this foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted \$81,783 for designated scholarships, and \$7,986 for other contributions to the College during the year ended August 31, 2002.

Complete financial statements for the Foundation may be obtained from the Weatherford College Business Office.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Report 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 and Junior Colleges*. The College applies all applicable GASB pronouncements and all Financial Accounting Standard Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount.

Title IV, 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 restricted revenue. When the student is awarded and uses these funds for tuition and fees, the amounts are recorded as revenue and a corresponding amount is recorded as a tuition discount.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 tuition and fee revenue and a corresponding amount is recorded as a tuition discount.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the College are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the years for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Non-Current Cash and Investments

Non-current cash and investments are set aside and classified as restricted assets on the balance sheet 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*, investments are reported 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. The governing board has designated public funds investment pools comprised of \$49,196 to be short-term investments. Long-term investments have an original maturity of greater than one year at the time of purchase.

Inventories

Inventories consist of consumable office supplies, physical plant supplies, food service supplies, and bookstore stock. Inventories are valued at cost under the "first-in, first-out" method and are charged to expense as consumed.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. The College reports depreciation under a single-line item as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention. The following lives are used:

Buildings	50 years
Facilities and Other Improvements	20 years
Furniture, Machinery, Vehicles and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years
Library Books	As long as in collection

Library Books

Library books are capitalized but not depreciated. Library books will be written off as the books are removed from service.

Deferred Revenues

Tuition, fees, and other revenues received and related to the period after August 31, 2002 have been deferred.

Non-Current Liabilities

Non-current liabilities consist of notes payable, bonds payable, and other non-current obligations and are reported in the statement of net assets. See Notes 7 and 8 below for further detail.

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 year ended August 31, 2002.

The preparation of the financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Operating Revenues and Expenses

The statement of revenues, expenses, and changes in net assets distinguishes between operating and non-operating revenues. For this purpose, operating revenues, such as tuition and fees, result from exchange transactions associated with the principal activities of the College. Exchange transactions are those in which each part to the transactions receives or gives up essentially equal values. Non-operating revenues arise from exchange transactions not associated with the College's principal activities (such as investment income) and from all non-exchange transactions (such as grants and property taxes).

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The College reports its net assets in three components. Net assets invested in capital assets are equal to amounts reported for capital assets net of accumulated depreciation and related debt. Restricted net assets are reported when assets (net of related debt) can only be used for a specified purpose that is established by grantors, contributors, or laws or regulations governing the College. The discretely presented component unit's restricted net assets arise primarily from endowments or restricted donations, and are therefore, considered unexpendable. The College's restricted net assets are considered expendable. Unrestricted net assets are all other College net assets that do not meet the definitions of invested in capital assets or restricted.

Prior Year Restatement

In June 1999, GASB approved Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*. This was followed by GASB Statement No. 35, *Basic Financial Statements – Management's Discussion and Analysis for Public Colleges and Universities*, which extends the guidance of GASB 34 to public colleges and universities. The College implemented these changes for the year ended August 31, 2002, resulting in an entirely new financial statement presentation format. The College is reported as a special-purpose government engaged in business-type activities. Beginning net assets, as restated, was determined as follows:

Beginning Net Assets	\$ 23,055,991
Write Down of Capital Assets	(2,684,091)
Accumulated Depreciation	(5,466,556)
Deferred Property Tax Revenue	282,677
Beginning Net Assets, as Restated	\$ 15,188,021

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

At August 31, 2002, the carrying amount of Weatherford College's deposits was \$7,056,554 and total bank deposits equaled \$7,556,923. Bank balances of \$231,451 are covered by federal depository insurance and \$7,325,472 was covered by collateral pledged in Weatherford College's name. Total pledged securities at August 31, 2002, were \$8,385,016. The collateral was held by Weatherford College or by its agent (Category 1).

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

4. DEPOSITS AND INVESTMENTS (Continued)

The federal depository insurance of \$231,451 included the following:

Time and Savings Interest Bearing Accounts	\$	131,451
Bond Interest and Sinking Fund Accounts		100,000
Federal Depository Insurance	\$	231,451

Cash and Deposits include as reported on Exhibit 1, Balance Sheet, consist of the items reported below:

Cash and Deposits

Bank Deposits		
Time Deposits	\$ 7,056,554	
Total Bank Deposits		\$ 7,056,554
Cash and Cash Equivalents		
Petty Cash	3,100	
Total Cash and Cash Equivalents		3,100
Total Cash and Deposits		\$ 7,059,654

To comply with the reporting requirements of GASB Statement No. 3, *Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the College's investments are categorized under "Investment Categories" to give an indication of credit risk assumed by the College at year end. Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is not depicted in this note.

The following categories of credit risk are included:

- Category 1: Investments that are insured or registered or for which the securities are held by the institution or its agent in the institution's name.
- Category 2: Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the institution's name.
- Category 3: Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the institution's name.

Based on these three levels of risk, all of the College's cash deposits are classified as Category 1.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

4. DEPOSITS AND INVESTMENTS (Continued)

Investment Categories for Primary Government:

Type of Security	Category 1	Carrying Amount	Market Value
US Government Securities			
Federal National Mortgage Assn.	\$ 49,196	\$ 49,196	\$ 49,196
Treasury Bills	-	-	-
Corporate Bonds	-	-	-
Repurchase Agreements	-	-	-
TOTALS	\$ 49,196	\$ 49,196	\$ 49,196

Uncategorized Investments for Primary Government:

Type of Investments	Carrying Amount	Market Value
Mineral Rights	\$ 1	\$ 1
Real Estate	1,286,090	1,286,090
TOTALS	\$ 1,286,091	\$ 1,286,091

Reconciliation of deposits and Investments Between Note 4 and Exhibit 1 for Primary Government:

Per Note 4:	
Cash and Deposits	\$ 7,059,654
Investments	49,196
Uncategorized Investments	1,286,091
Total	\$ 8,394,941
Per Exhibit 1:	
Cash and Cash Equivalents	\$ 5,575,489
Short-Term Investments	49,196
Restricted Cash and Cash Equivalents	1,484,165
Endowment Investments	1
Investments in Real Estate	1,286,090
Total	\$ 8,394,941

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

4. DEPOSITS AND INVESTMENTS (Continued)

Investment Categories for Discretely Presented Component Units:

Type of Security	Category 1	Carrying Amount	Market Value
US Government Securities	\$ -	\$ -	\$ -
Treasury Bills	-	-	-
Corporate Stock	524,564	524,564	524,564
Repurchase Agreements	-	-	-
TOTALS	\$ 524,564	\$ 524,564	\$ 524,564

Uncategorized Investments for Discretely Presented Component Units:

Type of Investments	Carrying Amount	Market Value
Mutual Funds	\$ 244,958	\$ 244,958
Financial Square Trust Fund - Government Portfolio Cash	57,692	57,692
Endowment Certificates of Deposits	1,322,151	1,322,151
Other Certificates of Deposits	342,742	342,742
TOTALS	\$ 1,967,543	\$ 1,967,543

Reconciliation of deposits and Investments Between Note 4 and Exhibit 1 for Discretely Presented Component Units:

Per Note 4:	
Cash and Deposits	\$ 415,615
Investments	524,564
Uncategorized Investments	1,967,543
Total	\$ 2,907,722
Per Exhibit 1:	
Cash and Cash Equivalents	\$ 191,449
Short-Term Investments	827,214
Restricted Cash and Cash Equivalents	224,166
Endowment Investments	1,322,151
Certificates of Deposits	342,742
Total	\$ 2,907,722

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

5. ENDOWMENT INVESTMENTS OF THE DISCRETELY PRESENTED COMPONENT UNIT

As noted above, the endowment investments in the Foundation consist of certificates of deposit and therefore, have no appreciation or depreciation in value. Each endowment has its own guidelines for authorization and use of investment income. The endowment investments totaled \$1,322,151 at August 31, 2002.

6. DISAGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

Receivables at August 31, 2002 were as follows:

	Primary Institution	Component Unit (Foundation)
Student Receivables (Net of Allowances of \$208,600)	\$ 346,556	\$ -
Taxes Receivable (Net of Allowances of \$193,962)	349,751	-
Federal Accounts Receivable	807,284	-
Accounts Receivable	197,861	-
Interest Receivable	6,668	7,962
Unconditional Promises to Pay	-	390,550
	<u>\$ 1,708,120</u>	<u>\$ 398,512</u>

Payables

Payables at August 31, 2002 were as follows:

	Primary Institution	Component Unit (Foundation)
Vendor Payable	\$ 624,141	\$ 390
Salaries & Benefits Payable	120,168	-
	<u>\$ 744,309</u>	<u>\$ 390</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

7. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2002 was as follows:

	Balance 9/1/01	Increases	Decreases	Balance 8/31/02
Not Depreciated:				
Land	\$ 587,292	\$ -	\$ -	\$ 587,292
Library Books	853,875	70,562		924,437
Construction in Progress	11,245	183,943		195,188
Subtotal	<u>1,452,412</u>	<u>254,505</u>	<u>-</u>	<u>1,706,917</u>
Other Capital Assets:				
Buildings	20,110,023			20,110,023
Land Improvements	1,238,434			1,238,434
Furniture, Machinery, Vehicles, and Other Equipment	1,280,217	830,140		2,110,357
Subtotal	<u>22,628,674</u>	<u>830,140</u>	<u>-</u>	<u>23,458,814</u>
Accumulated Depreciation:				
Buildings	4,237,414	396,341		4,633,755
Land Improvements	587,851	39,307		627,158
Furniture, Machinery, Vehicles, and Other Equipment	641,291	220,551		861,842
Subtotal	<u>5,466,556</u>	<u>656,199</u>	<u>-</u>	<u>6,122,755</u>
Net Other Capital Assets	<u>17,162,118</u>	<u>173,941</u>	<u>-</u>	<u>17,336,059</u>
Net Capital Assets	<u>\$ 18,614,530</u>	<u>\$ 428,446</u>	<u>\$ -</u>	<u>\$ 19,042,976</u>

8. LONG-TERM LIABILITIES

	Balance 9/1/2001	Additions	Reductions	Balance 8/31/2002	Current Portion
Leases, Bonds and Notes					
General Obligation Bonds	\$ 8,360,000	\$ -	\$ 215,000	\$ 8,145,000	\$ 225,000
Revenue Bonds	30,000	-	30,000	-	-
Notes Payable	2,218,640	-	267,060	1,951,580	278,854
Total Leases, Bonds and Notes	<u>10,608,640</u>	<u>-</u>	<u>512,060</u>	<u>10,096,580</u>	<u>503,854</u>
Other Liabilities					
Compensated absences	91,118	10,626	-	101,744	-
Total Other Liabilities	<u>91,118</u>	<u>10,626</u>	<u>-</u>	<u>101,744</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 10,699,758</u>	<u>\$ 10,626</u>	<u>\$ 512,060</u>	<u>\$ 10,198,324</u>	<u>\$ 503,854</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

9. DEBT OBLIGATIONS

General information related to bonds payable is summarized below:

The Limited Tax Bonds, General Obligation Bonds, Series 1996

- ◆ To construct technology building, fine arts building and major repairs of existing buildings.
- ◆ Issue July 1, 1996.
- ◆ \$9,000,000; all authorized bonds have been issued.
- ◆ Source of revenue for debt service – assessment of property taxes.
- ◆ Outstanding Balance of \$8,145,000 at August 31, 2002, bearing interest at 5.375% to 7.875%.

Bonds are due in annual installments varying from \$225,000 to \$670,000 with interest rates from 5.375% to 7.875% with final installment due in 2022.

General information related to notes payable is summarized below:

Note Payable – LaSalle National Bank

- ◆ To construct Energy Saving System (electrical, lighting, air conditioning/heating and water conservation improvements and equipment).
- ◆ Original loan date – September 15, 1998.
- ◆ Total project price of \$2,448,576, with \$96,698 paid and the remaining balance of \$2,351,878 is payable in 120 monthly installments, which includes interest at a rate of 5.10%.
- ◆ Source of revenue for debt service – unrestricted revenue.
- ◆ Outstanding Balance of \$1,711,580 at August 31, 2002.

Note Payable – Weatherford National Bank

- ◆ To construct a new veterinary clinic.
- ◆ Original loan date – September 7, 2000.
- ◆ Total balance of \$300,000, is payable in five annual installments, which includes interest at a rate of 6.25%.
- ◆ Source of revenue for debt service – unrestricted revenue.
- ◆ Outstanding Balance of \$240,000 at August 31, 2002.

The notes payable are due in monthly and annual installments varying from \$25,070 to \$63,869 with interest rates from 5.10% to 6.25% with the final installment due in 2009.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

9. DEBT OBLIGATIONS (Continued)

The principal and interest expense requirements for the next five years and beyond is summarized below for the bonds issued.

Year Ended August 31,	General Obligation Bonds		Notes Payable	
	Bonds Principal	Total Interest	Notes Principal	Total Interest
2003	225,000	494,712	278,854	97,435
2004	235,000	476,992	290,238	82,390
2005	250,000	458,486	300,074	66,591
2006	265,000	438,799	313,530	50,145
2007	280,000	417,930	267,687	33,018
2008 - 2012	1,675,000	1,758,788	501,197	23,635
2013 - 2017	2,230,000	1,202,406	-	-
2018 - 2022	2,985,000	502,204	-	-
Total	\$ 8,145,000	\$ 5,750,317	\$ 1,951,580	\$ 353,214

10. EMPLOYEES' RETIREMENT PLAN

The College contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. The TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of reporting districts. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, TX 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading. State law provides for fiscal years 2000, 2001 and 2002 a state contribution rate of 6.0% and a member contribution rate of 6.4%. In certain instances the reporting College is required to make all or a portion of the state's 6.0% contribution. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortized TRS's unfounded 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. State contributions to TRS made on behalf of the College's employees for the years ended August 31, 2000, 2001 and 2002 were \$199,236, \$152,835, and \$186,452, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

10. EMPLOYEES' RETIREMENT PLAN (Continued)

The State of Texas has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the Teacher Retirement System. The optional program provides for the purchase of annuity contracts. For employees hired before September 1, 1995, the percentages of participant salaries currently contributed by the state and each participant are 7.31% and 6.40%, respectively. For employees hired after September 1, 1995, contributions by the state are 6% of participants' salaries. Since these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the College was \$424,164 for the fiscal year ended August 31, 2002. This amount represents \$186,452 and \$237,712 expended appropriations made by the State Legislature on behalf of the College for the Teacher Retirement System and the Optional Retirement Program, 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 Government Code 609.001. As of August 31, 2002, the College had 64 employees participating in the program. A total of \$182,930 in payroll deductions had been invested in approved plans during the fiscal year.

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 during fiscal year 2002 is that an employee may carry a maximum of ten days (80 hours) of accrued leave forward from one fiscal year to another fiscal year. 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 unpaid annual leave in the amount of \$101,744, which is reported as other non-current liabilities on the statement of net assets.

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. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENT

Expenses include \$96,471 for rent paid under operating leases during the fiscal year ended August 31, 2002.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

13. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENT (Continued)

Future, minimum lease rental payments under noncancellable operating leases having an initial term in excess of one year as of August 2002 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2003	101,400
2004	101,400
2005	112,508
2006	118,300
2007	118,300
2008 and beyond	285,892
Total	<u>\$ 837,800</u>

14. 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, 2002, the College paid an annual premium of \$35,689 plus \$95,033 toward the loss fund. This \$130,722 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 to statutory limits.

15. 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 officials liability and certain other risks. The amounts of settlements during each of the past three fiscal years have not exceeded insurance coverage.

16. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar 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 \$315.68 per month for the year ended August 31, 2002, and totaled \$932,754 for the year. The cost of providing those benefits for 48 retirees was \$152,393 and for 206 active employees amounted to \$780,360.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

17. PROPERTY TAX

The District'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 District.

At August 31, 2002:

Assessed Valuation of the District	\$ 4,686,809,260
Less: Exemptions	1,155,782,088
Less: Abatements	<u>12,235,783</u>
 Net Assessed Valuation of the District	 <u><u>\$ 3,518,791,389</u></u>

	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation of authorized	\$ -	\$ -	\$ 0.30000
Tax Rate per \$100 valuation of assessed	\$ 0.11320	\$ 0.02060	\$ 0.13380

Taxes levied for the year ended August 31, 2002 were \$4,802,515 (which includes any penalty and interest assessed if applicable). 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.

	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 3,791,685	\$ 690,004	\$ 4,481,689
Delinquent Taxes Collected	195,791	35,923	231,714
Penalties and Interest Collected	<u>77,724</u>	<u>16,083</u>	<u>93,807</u>
 Total Collections	 <u><u>\$ 4,065,200</u></u>	 <u><u>\$ 742,010</u></u>	 <u><u>\$ 4,807,210</u></u>

Tax collections for the year ended August 31, 2002 were 99% 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 to either maintenance and operations or interest and sinking expenditures.

18. DEFERRED REVENUES

Revenues, primarily consisting of grants, tuition, fees, and housing charges, related to academic terms in the next fiscal year are recorded on the balance sheet as deferred revenue in the current fiscal year. Total deferred revenue as of August 31, 2002 is \$2,076,550.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Notes to the Financial Statements
August 31, 2002

19. COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

In July 1998, the College entered into a ten-year agreement with Coca-Cola Bottling Company to use Coca-Cola products and equipment exclusively for vending machines and concession sales. In the contract, Coca-Cola agreed to pay the college \$150,000 up-front money in fiscal year 1998, \$1,000 per year for ten years for scholarships as well as pay commissions for the products sold. The contract also provides that the College must repay a portion of the \$150,000 up-front money if the contract is terminated. Specifically, the amount due to Coca-Cola upon termination is \$15,000 for each remaining year of the ten-year contract. This amount would be \$90,000 as of August 31, 2002. At this time, the College has no intention to terminate the contract with Coca-Cola.

In fiscal year 2000, the College entered into a grant agreement with the Corporation for Economic Development of the City of Decatur, Texas (EDC). The College received a grant in the amount of \$50,000 with an agreement to convert a portion of a privately owned building in Decatur, Texas into a facility to be used for the exclusive purpose of using the facility for the performance of vocational training of Decatur area residents or other employees of Decatur businesses. The building is to be used for a period of five years for no other purpose except for the conduct of vocational training. In the event this facility is used less than five years by the College or for any other purpose, the College must refund a pro rata amount of the grant to the EDC.

In April 2002, the College entered into a pre-development agreement with American Campus Developers, LLC to develop an in-depth proposal for dormitory construction in fiscal year 2003. A new not-for-profit housing foundation is being created and is currently awaiting IRS approval. The dormitory will be constructed on land owned by the College, which will be leased to the housing foundation. All facilities and any related debt will be owned and managed by the housing foundation. In the event that the development agreement is not executed by the College on or before November 1, 2002, the College will be responsible for the payment of pre-development costs up to \$225,000 to American Campus Developers, LLC. If the College engages into a contract with a developer other than American Campus Developers, LLC, on or before December 31, 2004, to construct a housing facility, and the College utilizes the plans or any material portion thereof, the College shall be liable to American Campus Developers, LLC for the sum of \$147,847.

In March 2002, the College Board of Trustees approved the construction of a baseball facility to be funded from the College's unrestricted reserves. The College entered into a contract with Joe R. Jones Construction, Inc. to construct the facility in June 2002. The Board also approved the transfer of \$1,650,000 of unrestricted reserves to a construction account for this facility. The Weatherford College Development Foundation will conduct an ongoing fundraising campaign to replenish College reserves used to finance the project. At August 31, 2002, \$183,943 is included in Construction in Progress for the baseball facility.

SUPPLEMENTAL INFORMATION

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Schedule of Detailed Operating Revenues
For the Year Ended August 31, 2002

Schedule 2-A

	Educational Activities	Auxiliary Enterprises	Total
State Appropriations			
Education and General State Support	\$ 5,359,961	\$	\$ 5,359,961
State Group Insurance	934,660		934,660
State Retirement Matching	424,165		424,165
Other	299,472		299,472
Total State Appropriations	<u>7,018,258</u>	<u>-</u>	<u>7,018,258</u>
Tuition			
State Funded Courses			
In-District Resident Tuition	1,533,567		1,533,567
Out-of-District Resident Tuition	1,108,516		1,108,516
TPEG (set aside)*	112,338		112,338
Non-Resident Tuition	82,592		82,592
Non-State Funded Continuing Education	124,945		124,945
Total Tuition	<u>2,961,958</u>	<u>-</u>	<u>2,961,958</u>
Fees			
General Fee	621,295		621,295
Student Service Fee	127,916		127,916
Laboratory Fee	174,839		174,839
Total Fees	<u>924,050</u>	<u>-</u>	<u>924,050</u>
Scholarship Allowances and Discounts			
Scholarship Allowances	(102,541)		(102,541)
Remissions and Exemptions	(63,876)		(63,876)
TPEG Allowances	(52,342)		(52,342)
Federal Grants to Students	(682,449)		(682,449)
Other	(70,191)		(70,191)
Total Scholarship Allowances	<u>(971,399)</u>	<u>-</u>	<u>(971,399)</u>
Total Net Tuition and Fees	<u>2,914,609</u>	<u>-</u>	<u>2,914,609</u>
Other Operating Revenues			
Federal Grants and Contracts	4,517,599		4,517,599
State Grants and Contracts	994,418		994,418
Nongovernmental Grants and Contracts	183,711		183,711
Sales and Services of Educational Activities	137,444		137,444
Investment Income (Program Restricted)	39,247		39,247
Other Operating Revenues	244,306		244,306
Total Other Operating Revenues	<u>6,116,725</u>	<u>-</u>	<u>6,116,725</u>
Auxiliary Enterprises			
Residential Life		705,251	705,251
Scholarship Allowances and Discounts		(235,649)	(235,649)
Net Resident Life	-	<u>469,602</u>	<u>469,602</u>
Bookstore		1,261,231	1,261,231
Scholarship Allowances and Discounts		(253,767)	(253,767)
Net Bookstore	-	<u>1,007,464</u>	<u>1,007,464</u>
Intercollegiate Athletics		17,789	17,789
Net Intercollegiate Athletics		<u>17,789</u>	<u>17,789</u>
Student Services		124,609	124,609
Scholarship Allowances and Discounts		(10,263)	(10,263)
Net Student Services		<u>114,346</u>	<u>114,346</u>
Carter Agriculture Center		13,114	13,114
Net Carter Agriculture Center		<u>13,114</u>	<u>13,114</u>
Total Net Auxiliary Enterprises	-	<u>1,622,315</u>	<u>1,622,315</u>
Total Operating Revenues (Exhibit 2)	<u>\$ 16,049,592</u>	<u>\$ 1,622,315</u>	<u>\$ 17,671,907</u>

* In accordance with Education Code 56.033, \$112,338 of tuition was set aside for Texas Public Education Grants (TPEG).

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Schedule of Operating Expenses and Capital Outlay by Functional and Natural Classifications
For the Year Ended August 31, 2002

Schedule 2-B

	Faculty Salaries	Staff Salaries/Wages	Benefits		Other Expenses	Total (Exhibit 2)	Memorandum Only			
			State Benefits	Local Benefits			Capital Outlay Equipment	Facilities	Total Operating Expenses and Capital Outlay	
Educational Activities										
Instruction	\$5,054,709	\$ 1,248,507	\$ 914,897	\$339,913	\$1,886,044	\$ 9,444,070	\$ 774,511	\$183,943	\$ 10,402,524	
Research		55,905	8,153	814	5,566	70,438			70,438	
Academic Support		641,278	100,145	14,810	187,857	944,090	113,020		1,057,110	
Student Services		764,013	119,848	20,543	156,834	1,061,238			1,061,238	
Institutional Support		1,532,137	215,782	186,710	981,379	2,916,008	13,171		2,929,179	
Operation and Maintenance of Plant					1,614,829	1,614,829			1,614,829	
Scholarship and Fellowships		77,624			1,110,705	1,188,329			1,188,329	
Educational Activities	5,054,709	4,319,464	1,358,825	562,790	5,943,214	17,239,002	900,702	183,943	18,323,647	
Auxiliary Enterprises		333,592		81,604	1,564,743	1,979,939			1,979,939	
Depreciation Expense					656,199					
Total	\$5,054,709	\$ 4,653,056	\$1,358,825	\$644,394	\$8,164,156	\$19,875,140	\$ 900,702	\$183,943	\$ 20,303,586	(a)

(a) Memorandum Total excludes Depreciation Expense

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Schedule of Tuition and Fee Discounting
For the Year Ended August 31, 2002

Schedule 2-C

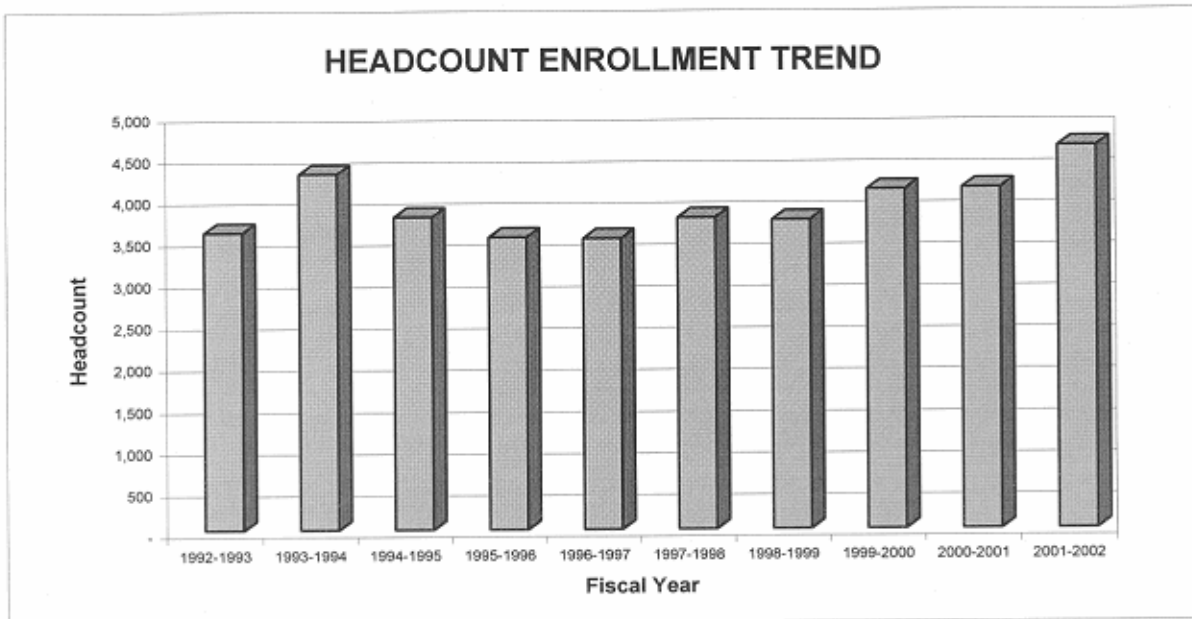
Tuition Revenue		
State Funded Courses		
In-District Resident Tuition	\$ 1,533,567	
Out-of-District Resident Tuition	1,108,516	
TPEG (set aside)	112,338	
Non-Resident Tuition	82,592	
Non-State Funded Continuing Education	<u>124,945</u>	
Total Tuition Revenue		\$ 2,961,958
Fees Revenue		
General Fee	621,295	
Student Service Fee	127,916	
Laboratory Fee	<u>174,839</u>	
Total Fees		924,050
Scholarship Allowances and Discounts		
Scholarship Allowances	(102,541)	
Remissions and Exemptions	(63,876)	
TPEG Allowances	(52,342)	
Federal Grants to Students	(682,449)	
Other	<u>(70,191)</u>	
Total Scholarship Allowances		<u>(971,399)</u>
Total Net Tuition and Fees Revenues		<u>\$ 2,914,609</u>
Auxiliary Enterprises		
Residential Life	705,251	
Scholarship Allowances and Discounts	(235,649)	
Bookstore	1,261,231	
Scholarship Allowances and Discounts	(253,767)	
Intercollegiate Athletics	17,789	
Student Services	124,609	
Scholarship Allowances and Discounts	(10,263)	
Carter Agriculture Center	<u>13,114</u>	
Total Net Auxiliary Enterprises		<u>\$ 1,622,315</u>

STATISTICAL SUPPLEMENT

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Headcount Enrollment *
Last 10 Fiscal Years
(UNAUDITED)

<u>Fiscal Year</u>	<u>State Funded Total</u>	<u>Non State Funded Other</u>
1992-1993	3,570	-
1993-1994	4,272	-
1994-1995	3,751	-
1995-1996	3,506	-
1996-1997	3,488	-
1997-1998	3,732	-
1998-1999	3,701	-
1999-2000	4,065	-
2000-2001	4,084	-
2001-2002	4,586	-

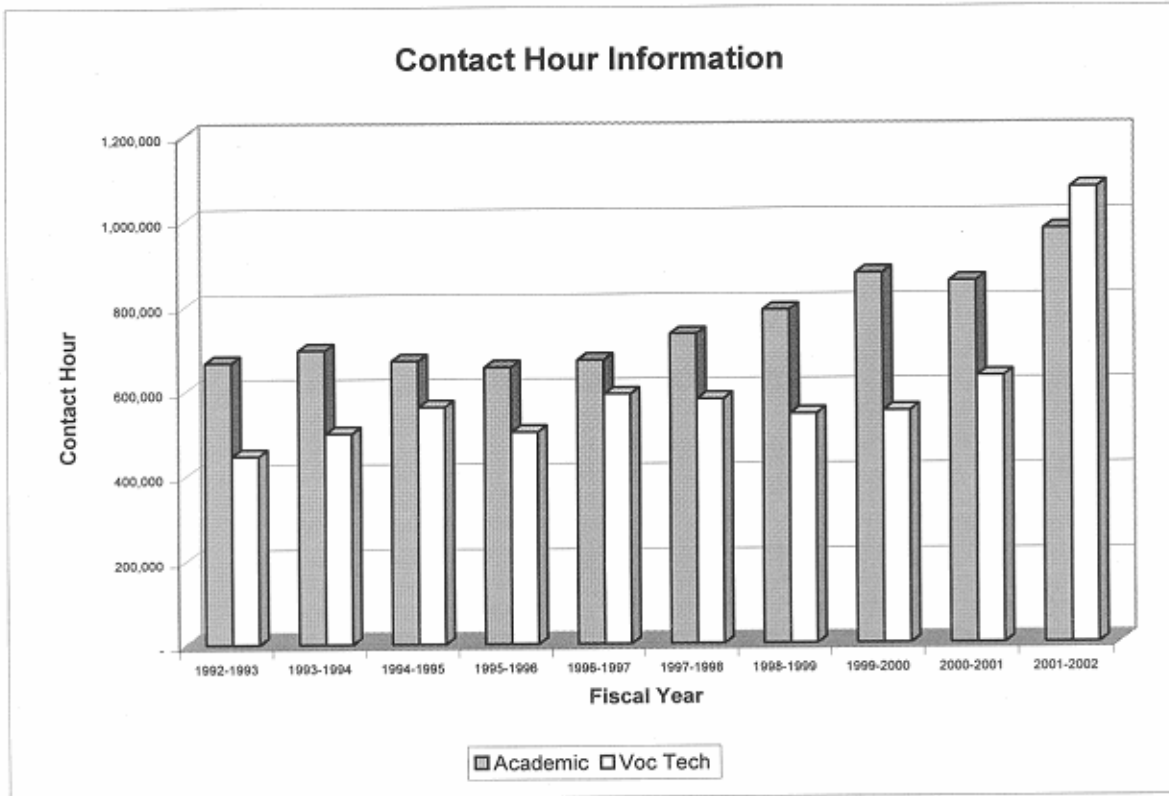
* Unduplicated Headcount



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

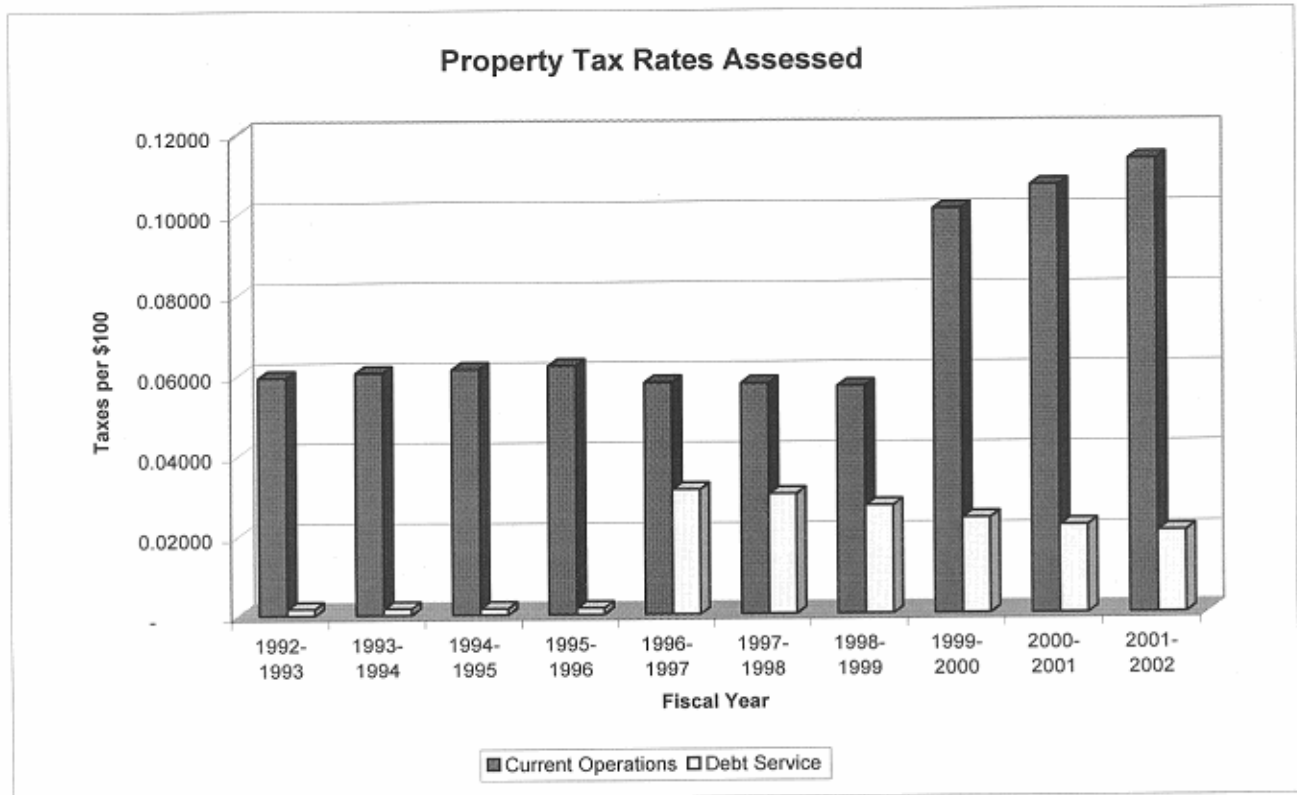
**Contact Hour Information
Last 10 Fiscal Years
(UNAUDITED)**

Fiscal Year	Contact Hours		Total
	Academic	Voc Tech	
1992-1993	666,640	447,136	1,113,776
1993-1994	695,296	499,398	1,194,694
1994-1995	669,888	560,973	1,230,861
1995-1996	654,872	502,243	1,157,115
1996-1997	671,152	590,711	1,261,863
1997-1998	732,464	578,395	1,310,859
1998-1999	788,048	542,961	1,331,009
1999-2000	874,448	549,464	1,423,912
2000-2001	855,584	631,008	1,486,592
2001-2002	976,720	1,075,222	2,051,942



**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Property Tax Rates Assessed
Last 10 Fiscal Years
(UNAUDITED)

Fiscal Year	Current Operations	Debt Service	Total
1992-1993	0.05940	0.00170	0.06110
1993-1994	0.06050	0.00170	0.06220
1994-1995	0.06130	0.00160	0.06290
1995-1996	0.06210	0.00170	0.06380
1996-1997	0.05790	0.03130	0.08920
1997-1998	0.05760	0.03010	0.08770
1998-1999	0.05680	0.02710	0.08390
1999-2000	0.10100	0.02400	0.12500
2000-2001	0.10680	0.02210	0.12890
2001-2002	0.11320	0.02060	0.13380



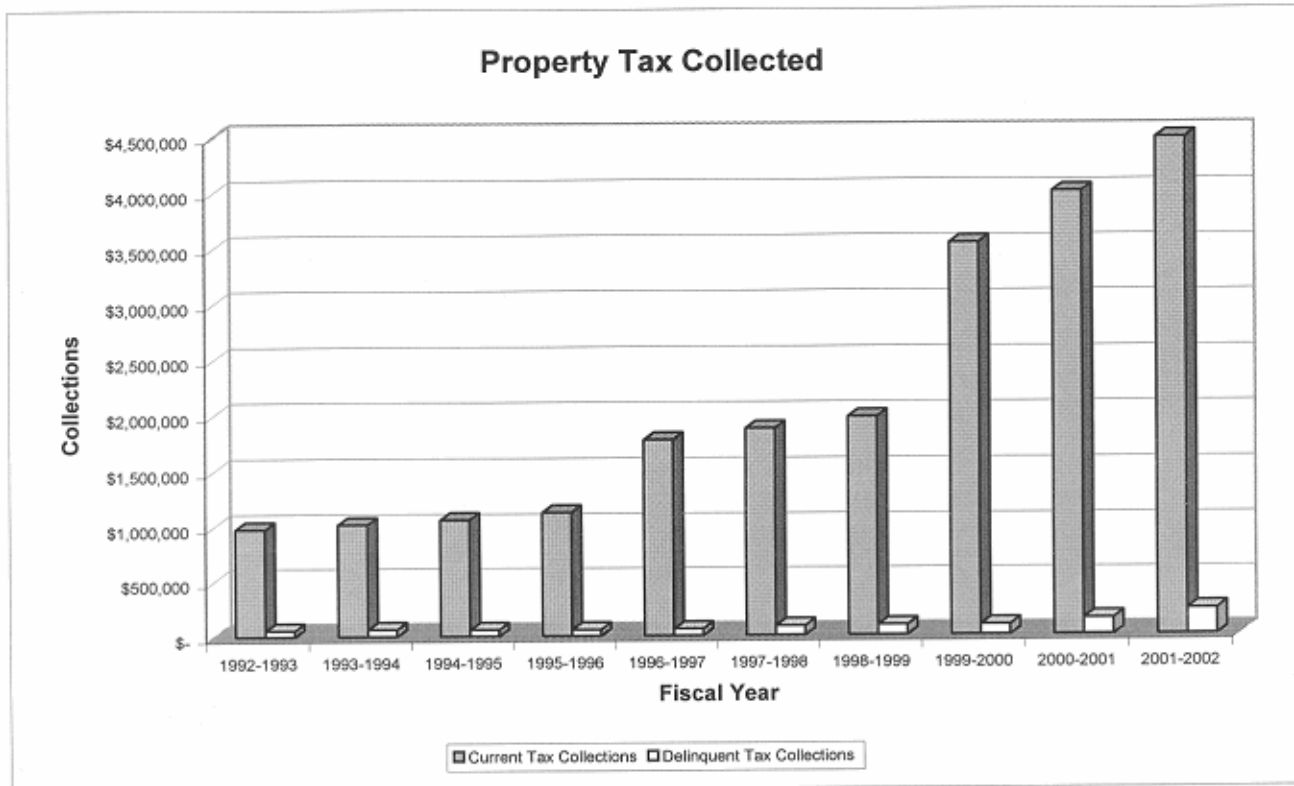
**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Property Tax Rates Authorized
Last 10 Fiscal Years
(UNAUDITED)

<u>Fiscal Year</u>	<u>Total</u>
1992-1993	0.3000
1993-1994	0.3000
1994-1995	0.3000
1995-1996	0.3000
1996-1997	0.3000
1997-1998	0.3000
1998-1999	0.3000
1999-2000	0.3000
2000-2001	0.3000
2001-2002	0.3000

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

**Property Tax Collected
Last 10 Fiscal Years
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
1992-1993	\$ 978,097	\$ 56,868	\$ 1,034,965
1993-1994	1,018,900	66,360	1,085,260
1994-1995	1,060,776	60,085	1,120,861
1995-1996	1,125,986	58,756	1,184,742
1996-1997	1,777,387	62,569	1,839,956
1997-1998	1,873,560	87,616	1,961,176
1998-1999	1,976,028	94,105	2,070,133
1999-2000	3,541,071	93,601	3,634,672
2000-2001	4,003,205	148,966	4,152,171
2001-2002	4,481,689	231,714	4,713,403



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

Net Assessed Valuation
Last 10 Fiscal Years
(UNAUDITED)

Fiscal Year	Assessed Valuation	Less: Exemptions	Net Assessed Valuation
1992-1993	\$ 2,439,563,361	(732,280,114)	\$ 1,707,283,247
1993-1994	2,490,415,911	(756,860,452)	1,733,555,459
1994-1995	2,531,668,980	(754,941,848)	1,776,727,132
1995-1996	2,610,638,911	(758,532,193)	1,852,106,718
1996-1997	2,874,645,685	(784,529,122)	2,090,116,563
1997-1998	3,026,256,629	(784,552,624)	2,241,704,005
1998-1999	3,264,922,672	(808,588,134)	2,456,334,538
1999-2000	4,140,322,544	(1,153,049,612)	2,987,272,932
2000-2001	4,419,348,457	(1,157,377,336)	3,261,971,121
2001-2002	4,686,809,260	(1,168,017,871)	3,518,791,389

**WEATHERFORD COLLEGE OF THE
COUNTY JUNIOR COLLEGE DISTRICT**
State Appropriations Per FTSE
Last 10 Fiscal Years
(UNAUDITED)

Fiscal Year	Appropriations Per FTSE
1992-1993	\$ 1,729
1993-1994	1,805
1994-1995	1,780
1995-1996	2,079
1996-1997	1,953
1997-1998	2,086
1998-1999	2,110
1999-2000	2,226
2000-2001	2,219
2001-2002	1,903

State Appropriations include only the formula produced amounts for Academic and Vocational Technical Programs.

To calculate FTSE:

Divide SCH by 30 and Non Semester Length Technical Contact Hours by 900.

**OVERALL COMPLIANCE AND
INTERNAL CONTROLS SECTION**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING 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 the basic financial statements of Weatherford College of the Parker County Junior College District, as of and for the year ended August 31, 2002, and have issued our report thereon dated October 14, 2002. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether the College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the College in a separate letter dated October 14, 2002.

This report is intended solely for the information and use of the College's Board of Trustees, the College's management, federal awarding agencies and pass-through entities, and others within the College and is not intended to be and should not be used by anyone other than these specified parties.


Snow, Garrett & Company, CPA's
October 14, 2002

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2002**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Reportable condition(s) 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

Reportable condition(s) identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be Reported in accordance with section 510(a) of Circular A-133? yes X no

Identification of Major Programs:

- U.S. Department of Education:
 - Student Financial Assistance Cluster of Programs:
 - CFDA # 84.007 Federal Supplemental Education Opportunity Grant
 - CFDA # 84.033 Federal College Workstudy Program
 - CFDA # 84.063 Federal Pell Grant
 - CFDA #84.334A Gaining an Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)
 - CFDA #84.048 Carl Perkins Vocational Education Grants
- U.S. Department of Health and Human Services:
 - CFDA # 93.558 Temporary Assistance for Needy Families-Self Sufficiency Grant

Dollar threshold used to distinguish between Type A and Type B federal programs: \$300,000

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 Reported.		\$0

FEDERAL AWARDS SECTION

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Weatherford College with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2002. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2002.

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Page two

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weaknesses is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the College's Board of Trustees, the College's management, federal awarding agencies and pass-through entities, and others within the College and is not intended to be and should not be used by anyone other than these specified parties.


Snow, Garrett & Company, CPA's
October 14, 2002

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2002

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
U.S. Department of Education			
Direct Programs:			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 42,953
Strengthening Institutions Grant (Title III)	84.031A		201,193
Federal College Workstudy Program	84.033		73,270
TRIO - Student Support Services Grant	84.042A		201,697
TRIO - Upward Bound Program	84.047A		231,371
Federal Pell Grant	84.063		1,760,170
School to Work Opportunities	84.278		119,630
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	84.334A		<u>480,793</u>
Total Direct Programs			<u>3,111,077</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048		425,430
Carl Perkins Vocational Education Tech Prep	84.243		<u>223,312</u>
			648,742
Texas Neighborhood Services, Inc.			
School to Work Opportunities	84.278		<u>23,373</u>
Total Pass-Through Programs			<u>672,115</u>
Total U.S. Department of Education			<u>3,783,192</u>
U.S. Department of Labor			
Direct Program:			
Urban/Rural Opportunities Supplemental Funds	17.249		86,467
Pass-Through From:			
North Central Texas Council of Governments (NCTCOG)			
Out of School Youth Program	17.255		<u>158,101</u>
Total U.S. Department of Labor			<u>244,568</u>
U.S. Department of Health and Human Services			
Pass-Through From:			
Texas Workforce Commission			
Temporary Assistance for Needy Families - Self Sufficiency Fund	93.558		<u>489,839</u>
Total U.S. Department of Health and Human Services			<u>489,839</u>
Total Federal Financial Assistance			<u>\$ 4,517,599</u>

See Notes to Schedule on following page.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2002

Note 1: Federal Assistance Reconciliation

Federal Revenues - per Exhibit 2 and Schedule 2-A	\$ 4,517,599
Reconciling Items	-
	-
Total Federal Revenues per Schedule of Expenditures of Federal Awards	\$ 4,517,599

Note 2: Significant Accounting Policies used in Preparing the Schedule.

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the 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.

Note 3: Amounts passed through by the College

The following amounts were passed-through to the listed subrecipients by the College.

CFDA No. 84.278, Federal School to Work grant expenditures includes \$9,752 passed through to:

Mineral Wells Independent School District	\$ 9,752
	9,752

CFDA No. 84.243, Carl Perkins Vocational Education Counselor's Network grant expenditures includes \$16,585 passed through to:

Blinn College	\$ 1,000
Bluebonnet Counseling Association	1,000
Dallas County Community College District	3,000
Del Mar College	1,000
Navarro College	1,000
North Harris Montgomery Community College District	1,000
Region Nineteen Education Service Center	1,000
South Plains College	1,000
Tarrant County College	1,000
Temple College	1,000
Texas Hill Country Counselors Association	1,000
Texas State Technical College at Harlingen	1,000
University of Texas at Tyler	1,000
Vernon Regional Junior College	931
Western Texas College	654
	16,585
Total	\$ 16,585

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2002**

CFDA No. 84.243, Carl Perkins Vocational Tech Prep grant expenditures includes \$34,763 passed through to:

Alvord Independent School District	\$ 1,324
Azle Independent School District	2,607
Decatur Independent School District	550
Dublin Independent School District	2,450
Huckabay Independent School District	2,948
Jacksboro Independent School District	3,000
Millsap Independent School District	1,432
Mineral Wells Independent School District	6,252
Paradise Independent School District	4,200
Peaster Independent School District	784
Poolville Independent School District	500
Springtown Independent School District	5,716
Weatherford Independent School District	<u>3,000</u>
Total	<u>\$ 34,763</u>

CFDA No. 84.334A, Gear Up grant expenditures include \$273,120 passed through to:

Mineral Wells Independent School District	<u>\$ 273,120</u>
---	-------------------

CFDA No. 84.048, Carl Perkins Vocational Education Texas TWO STEP grant expenditures include \$121,557 passed through to:

University of Texas - Arlington	\$ 92,911
Dallas Community College District - Richland College	<u>28,646</u>
Total	<u>\$ 121,557</u>