

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

**ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2013**

**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, 2013**

Board of Trustees

Officers

Frank Martin	Chairman
Joel Watson	Vice Chairman
Dr. Luke Haynes	Secretary

Members

		Term Expires
		<u>May 31,</u>
Dr. Trev Dixon	Weatherford, Texas	2015
Joel Watson	Weatherford, Texas	2015
Trey Cobb	Weatherford, Texas	2015
Frank Martin	Weatherford, Texas	2017
Dr. Luke Haynes	Weatherford, Texas	2017
Mac Smith	Weatherford, Texas	2019
Don Allen	Weatherford, Texas	2019

Principal Administrative Officers

Dr. Kevin Eaton	President
Dr. Richard Bowers	Vice President - Instruction & Student Affairs
Andra Cantrell	Vice President - Financial & Administrative Affairs
Brent Baker	Vice President - Institutional Advancement

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 as of and for the years ended August 31, 2013 and 2012, 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 an opinion 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 opinion.

Opinion

In our opinion, the 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, 2013 and 2012, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Weatherford College of the Parker County Junior College District's financial statements. The supplemental information and state awards section 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 3, 2013, on our consideration of the Weatherford College of the Parker County Junior College District'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 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 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 Weatherford College of the Parker County Junior College District's internal control over financial reporting and compliance.

Snow Garrett Williams

Snow Garrett Williams

December 3, 2013

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2013 and 2012

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 year ended August 31, 2013 and 2012. 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 (pages 10-16), and the footnotes (pages 18-33). 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. This statement combines and consolidates current financial resources with capital assets.

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 property taxes and by 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 Weatherford College Foundation, Inc. and the Weatherford Student Housing Foundation are discretely presented component units of the College and are reported as separate columns on the College's financial statements. Complete financial statements for the Foundations may be obtained from the Weatherford College Business Office.

Financial Highlights

The College's net position increased from August 31, 2012 to August 31, 2013 by \$0.6 million, and increased from August 31, 2011 to August 31, 2012 by \$1.9 million. As of August 31, 2013 and 2012, the College's net position were \$54.2 million and \$53.6 million, which includes \$22.3 million and \$22.5 million in net investment in capital assets, \$5.9 million and \$3.6 million in restricted net position, and \$26.0 million and \$27.5 million in unrestricted net position, respectively.

Operating expenses for 2013 and 2012 were \$41.1 million and \$38.8 million of which \$16.2 million and \$15.7 million were expended for instruction, \$6.5 million and \$6.9 million were expended for institutional support, and \$1.6 million and \$1.4 million were expended for auxiliary enterprises, respectively. In fiscal year 2013 and 2012, depreciation expense was \$1.8 million and \$1.5 million, respectively.

Operating revenue for 2013 and 2012 was \$14.7 million and \$13.2 million, which includes \$7.0 million and \$7.1 million in tuition and fees (net of discounts), \$3.5 million and \$3.4 million in local grants and contracts, and \$1.5 million and \$1.5 million in federal grants and contracts, respectively.

Net non-operating revenue for 2013 and 2012 was \$27.0 million and \$27.5 million, which includes \$9.1 million and \$9.1 million in state allocations, \$9.9 million and \$9.6 million in ad-valorem taxes for maintenance and operations, \$0.7 million and \$0.7 million in ad-valorem taxes for general obligation bonds, and \$8.0 million and \$8.2 million in federal grants, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2013 and 2012

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), current liabilities (obligations which must be met within the current year), and non-current liabilities (obligations which are not settled in the current year.) All assets and liabilities 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 liabilities, is one way to measure the financial position of the College. As of August 31, 2013, the net position was \$54.2 million. This was an increase of \$0.6 million from the period ended August 31, 2012. As of August 31, 2012, the net position was \$53.6 million. This was an increase of \$1.9 million from the period ended August 31, 2011. The College's financial position remains strong with adequate liquid assets at a reasonable level of unrestricted net position.

**Net Position
As of August 31,
(in millions)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current Assets	\$ 27.9	\$ 28.0	\$ 34.9
Non-current Assets			
Capital Assets, Net of Depreciation	41.5	30.9	20.9
Other	14.1	12.9	13.6
Total Assets	<u>83.5</u>	<u>71.8</u>	<u>69.4</u>
Current Liabilities	11.0	10.6	9.3
Non-current Liabilities	18.3	7.6	8.4
Total Liabilities	<u>29.3</u>	<u>18.2</u>	<u>17.7</u>
Net Position			
Net Investment in Capital Assets	22.3	22.5	11.7
Restricted for: Expendable	5.9	3.6	7.3
Unrestricted	26.0	27.5	32.70
Total Net Position	<u>\$ 54.2</u>	<u>\$ 53.6</u>	<u>\$ 51.7</u>

This schedule is prepared from the College's statements of net position on pages 10 and 11.

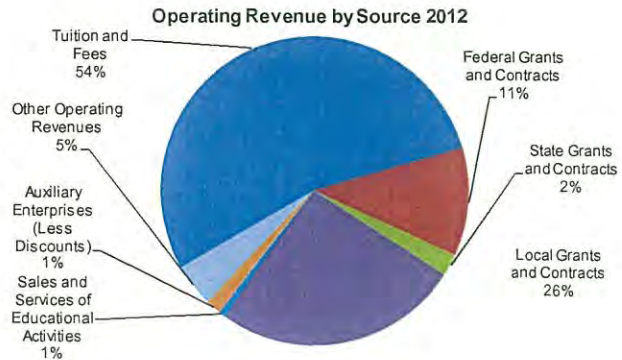
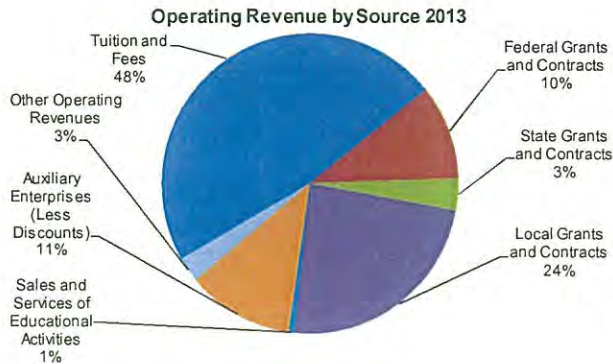
Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the operating results of the College, as well as the non-operating revenue 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.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2013 and 2012

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

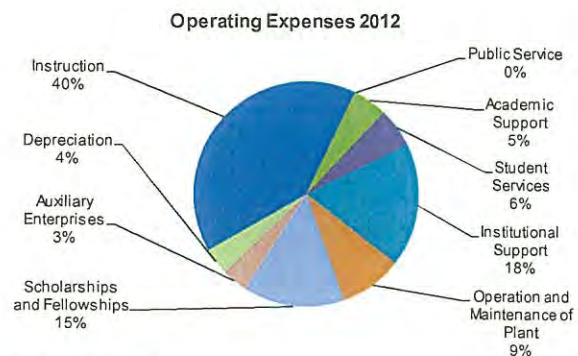
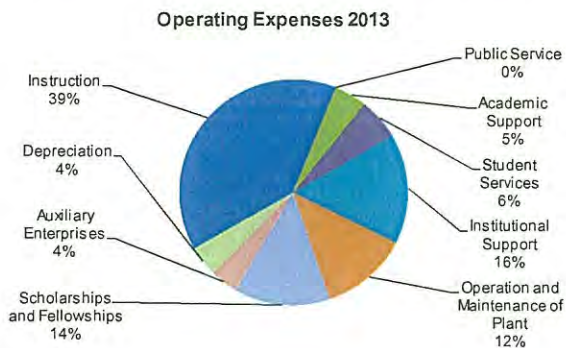
	2013	2012	2011
Operating Revenue			
Tuition and Fees (Less Discounts)	\$ 7.0	\$ 7.1	\$ 7.3
Federal Grants and Contracts	1.5	1.5	1.3
State Grants and Contracts	0.5	0.3	0.8
Local Grants and Contracts	3.5	3.4	3.4
Non-Governmental Grants and Contracts	0.0	0.0	0.0
Sales and Services of Educational Activities	0.1	0.1	0.1
Investment Income (Program Restricted)	0.0	0.0	0.0
Auxiliary Enterprises (Less Discounts)	1.7	0.2	1.1
Other Operating Revenues	0.4	0.6	0.5
Total	14.7	13.2	14.5
Less Operating Expenses	41.1	38.8	37.4
Net Operating Loss	(26.4)	(25.6)	(22.9)
Non-Operating Revenues (Expenses)			
State Allocations	9.1	9.1	10.0
Ad-Valorem Taxes for Maintenance and Operations	9.9	9.6	9.4
Ad-Valorem Taxes for General Obligation Bonds	0.7	0.7	0.7
Federal Revenue, Non-Operating	8.0	8.2	8.5
Gifts	0.1	0.1	0.1
Investment Income (Net of Investment Expense)	0.1	0.2	0.1
Contributions in Aid of Construction	0.3	0.0	0.0
Interest on Capital Related Debt	(0.5)	(0.4)	(0.4)
Other Non-Operating Expenses	(0.3)	0.0	0.0
Disposal of Capital Related Assets (Net of Accumulated Depreciation)	(0.4)	0.0	0.5
Total	27.0	27.5	28.9
Increase in Net Position	0.6	1.9	6.0
Net Position, Beginning of Year	53.6	51.7	45.7
Net Position, End of Year	\$ 54.2	\$ 53.6	\$ 51.7
Total Revenues	\$ 42.9	\$ 41.1	\$ 43.8



**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2013 and 2012

**Operating Expenses
For the Years Ended August 31,
(in millions)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating Expenses			
Instruction	\$ 16.2	\$ 15.7	\$ 15.7
Public Service	-	-	-
Academic Support	1.9	1.9	1.7
Student Services	2.4	2.2	2.4
Institutional Support	6.5	6.9	6.3
Operation and Maintenance of Plant	5.1	3.5	2.5
Scholarships and Fellowships	5.6	5.7	6.1
Auxiliary Enterprises	1.6	1.4	1.6
Depreciation	1.8	1.5	1.1
Total	<u>\$ 41.1</u>	<u>\$ 38.8</u>	<u>\$ 37.4</u>
Total Expenses (Including Interest Expense, Non-Operating Expenses and Loss on Sale of Capital Assets)	<u>\$ 42.3</u>	<u>\$ 39.2</u>	<u>\$ 37.8</u>



**Analysis of Net Position
August 31,
(in millions)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position			
Net Investment in Capital Assets	\$ 22.3	\$ 22.5	\$ 11.7
Restricted for: Expendable	5.9	3.6	7.3
Unrestricted	26.0	27.5	32.7
Total Net Position	<u>\$ 54.2</u>	<u>\$ 53.6</u>	<u>\$ 51.7</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Management's Discussion and Analysis
August 31, 2013 and 2012

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Capital Assets			
Land and Improvements	\$ 8.3	\$ 8.3	\$ 5.6
Building	36.8	29.8	19.8
Construction in Progress	4.7	0.0	2.1
Equipment	5.1	4.8	4.2
Library Books	1.6	1.6	1.5
Total	<u>56.5</u>	<u>44.5</u>	<u>33.2</u>
Less Accumulated Depreciation	<u>(15.0)</u>	<u>(13.6)</u>	<u>(12.3)</u>
Net Capital Assets	<u>\$ 41.5</u>	<u>\$ 30.9</u>	<u>\$ 20.9</u>

As of August 31, 2013 and 2012, the College recorded \$56.5 million and \$44.5 million invested in capital assets, \$15.0 million and \$13.6 million in accumulated depreciation and \$41.5 million and \$30.9 million in net capital assets, respectively.

The College has long-term debt in the form of bonds payable including limited tax refunding bonds, series 2007 and consolidated fund revenue bond, series 2012, with an outstanding balance of \$12.3 million and \$5.1 million, notes payable with an outstanding balance of \$6.4 million and \$3.2 million, and a capital lease payable with an outstanding balance of \$90 thousand and \$132 thousand as of August 31, 2013 and 2012, respectively.

Economic Factors and Next Year's Budget and Rates

The Board of Trustees adopted the College's 2013 – 2014 budget and tax rate on August 22, 2013. The annual budget is developed to provide efficient, effective and economic uses of the College's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the Board of Trustees sets the direction of the College, allocates its resources and establishes its priorities.

In considering the College budget for fiscal year 2014, the Board of Trustees and management considered the following factors:

- The most predominant driver in budget decisions was the overall state of the economy and the reduction of State benefit appropriations.
- Increased costs as well as decreasing state benefit appropriations were a driving force behind the decision to increase tuition rates for students.
- The Board of Trustees' desire not to increase tax rates.
- The desire to give an across the board cost of living raise and also to maintain both health and retirement benefits at the same level as in previous years.
- An expansion of facility space and cost.

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 Vice President of Financial and Administrative Affairs at 225 College Park Drive, Weatherford, Texas 76086.

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

Statements of Net Position
August 31, 2013 and August 31, 2012

EXHIBIT 1

	2013	2012
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 22,167,363	\$ 22,552,353
Accounts Receivable (net)	1,526,592	1,579,749
Deferred Charges	3,999,977	3,664,558
Prepaid Expense	163,915	168,427
Total Current Assets	27,857,847	27,965,087
Non-Current Assets		
Restricted Cash and Cash Equivalents	5,502,187	4,791,465
Endowment Investments	1	1
Other Long-Term Investments	398,766	1,815
Investments in Real Estate	8,165,750	8,165,750
Capital Assets, net of Accumulated Depreciation (See Note 6)	41,547,994	30,852,754
Total Non-Current Assets	55,614,698	43,811,785
Total Assets	\$ 83,472,545	\$ 71,776,872

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

Statements of Net Position
August 31, 2013 and August 31, 2012

EXHIBIT 1

	2013	2012
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 1,678,298	\$ 2,695,859
Accrued Compensable Absences - Current Portion	387,531	406,295
Funds Held for Others	326,235	280,292
Deferred Revenues	7,630,591	6,446,582
Notes Payable - Current Portion	195,183	329,308
Capital Leases Payable - Current Portion	43,893	42,209
Bonds Payable - Current Portion	766,099	415,000
	Total Current Liabilities	10,615,545
Non-Current Liabilities		
Notes Payable	6,178,520	2,830,000
Capital Leases Payable	45,645	89,538
Bonds Payable	12,043,646	4,655,000
	Total Non-Current Liabilities	7,574,538
	Total Liabilities	18,190,083
NET POSITION		
Net Investment in Capital Assets	22,275,008	22,491,699
Restricted for:		
Expendable		
Student Aid	1,917,907	1,903,750
Instructional Programs	87,682	87,661
Loans	7,586	7,214
Capital Projects	1,830,153	253,506
Debt Service	2,063,984	1,347,493
Unrestricted	25,994,584	27,495,466
	Total Net Position (Schedule D)	\$ 53,586,789
	\$ 54,176,904	\$ 53,586,789

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

**Component Units
Statements of Financial Position**

EXHIBIT 1

	August 31, 2013	November 30, 2012
	Weatherford College Foundation, Inc.	Weatherford Student Housing Foundation*
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 211,426	\$ -
Investments	65,806	-
Accounts Receivable (net)	168,144	-
Prepaid Expenses	-	-
Total Current Assets	445,376	-
Non-Current Assets		
Endowment Investments	6,741,833	-
Unconditional Promises to Give	325,307	-
Capital Assets, net of Accumulated Depreciation	140,000	-
Total Non-Current Assets	7,207,140	-
Total Assets	7,652,516	-
LIABILITIES		
Current Liabilities		
Accounts Payable	10,493	-
Total Liabilities	10,493	-
NET ASSETS		
Unrestricted	408,473	-
Temporarily Restricted	2,124,461	-
Permanently Restricted	5,109,089	-
Total Net Assets	\$ 7,642,023	\$ -

* See Note 23

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2013 and August 31, 2012

EXHIBIT 2

	<u>2013</u>	<u>2012</u>
REVENUES		
Operating Revenues		
Tuition and Fees (Net of Discounts of \$4,289,671 and \$4,091,986, respectively)	\$ 6,973,854	\$ 7,136,957
Federal Grants and Contracts	1,474,412	1,448,032
State Grants and Contracts	517,732	346,435
Local Grants and Contracts	3,504,694	3,399,402
Non-Governmental Grants and Contracts	10,276	5,400
Sales and Services of Educational Activities	83,564	73,238
Investment Income (Program Restricted)	32,782	26,193
Auxiliary Enterprises (Net of Discounts of \$751,250 and \$385,858, respectively)	1,691,453	171,140
Other Operating Revenues	424,743	580,778
Total Operating Revenues (Schedule A)	<u>14,713,510</u>	<u>13,187,575</u>
EXPENSES		
Operating Expenses		
Instruction	16,200,567	15,685,127
Public Service	44,561	39,103
Academic Support	1,861,542	1,957,923
Student Services	2,351,976	2,176,766
Institutional Support	6,500,246	6,883,864
Operation and Maintenance of Plant	5,147,140	3,579,595
Scholarships and Fellowships	5,606,090	5,719,442
Auxiliary Enterprises	1,617,714	1,376,943
Depreciation	1,753,247	1,453,818
Total Operating Expenses (Schedule B)	<u>41,083,083</u>	<u>38,872,581</u>
Operating Loss	(26,369,573)	(25,685,006)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	9,157,527	9,102,632
Maintenance Ad Valorem Taxes	9,875,105	9,561,405
Debt Service Ad Valorem Taxes	732,999	709,635
Federal Revenue, Non-Operating	7,967,747	8,230,890
Gifts	73,388	90,712
Investment Income	151,916	191,657
Contributions in Aid of Construction	250,000	15,000
Interest on Capital Related Debt	(542,885)	(388,075)
Other Non-Operating Expenses	(257,311)	-
Gain (Loss) on Disposal of Capital Assets	(448,798)	18,432
Net Non-Operating Revenues (Expenses) (Schedule C)	<u>26,959,688</u>	<u>27,532,288</u>
Increase in Net Position	590,115	1,847,282
NET POSITION		
Net Position - Beginning of Year	<u>53,586,789</u>	<u>51,739,507</u>
Net Position - End of Year	<u>\$ 54,176,904</u>	<u>\$ 53,586,789</u>

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Component Units
Statements of Activities**

EXHIBIT 2

	For the Year Ending August 31, 2013	For the Three Months Ending November 30, 2012
	Weatherford College Foundation, Inc.	Weatherford Student Housing Foundation*
REVENUE		
Contributions	\$ 955,865	\$ -
Rent Revenue	-	201,797
Fees	-	1,362
Miscellaneous Revenue	-	4,941
Interest and Dividends	135,651	171
Realized Gain on Investments	81,103	-
Unrealized Gain on Investments	70,478	-
Gain on Disposal of Assets	-	383,524
Total Revenue	1,243,097	591,795
EXPENSES		
Contractual	44,731	18,665
Contributions	266,300	-
Depreciation and Amortization	-	32,384
Interest Expense	-	62,880
Legal and Professional	13,725	11,325
Maintenance	-	3,803
Management Fees	-	28,826
Other	71,452	9,408
Scholarships	129,586	-
Supplies	18,890	4,289
Utilities	-	19,617
Total Expenses	544,684	191,197
Change in Net Assets	698,413	400,598
Net Assets - Beginning of Year	6,943,610	(400,598)
Net Assets - End of Year	<u>\$ 7,642,023</u>	<u>\$ -</u>

* See Note 23

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statements of Cash Flows
For the Years Ended August 31, 2013 and August 31, 2012

EXHIBIT 3

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Students and Other Customers	\$ 9,720,812	\$ 8,314,024
Receipts from Grants and Contracts	5,706,137	5,866,809
Payments to or on Behalf of Employees	(22,286,243)	(20,640,192)
Payments to Suppliers for Goods or Services	(11,027,946)	(8,786,052)
Payments of Scholarships	(5,941,509)	(5,760,569)
Other receipts (payments)	424,743	580,778
	(23,404,006)	(20,425,202)
Net Cash Used by Operating Activities		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	7,754,139	7,767,124
Receipts from Ad Valorem Taxes	9,868,392	9,582,205
Receipts from Non-Operating Federal Revenue	8,029,798	8,115,214
Receipts from Gifts and Grants (Other Than Capital)	69,178	6,473
Receipts from (Payments to) Student Organizations and Other Agency Transactions	45,943	37,788
	25,767,450	25,508,804
Net Cash Provided by Non-Capital Financing Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Issuance of Capital Debt	12,033,943	-
Proceeds from the Sale of Capital Assets	3,930	25,702
Receipts from Ad Valorem Taxes	732,710	712,447
Purchases of Capital Assets	(12,897,005)	(11,379,098)
Receipts from Gifts and Grants (Capital)	250,000	15,000
Payments on Capital Debt - Principal	(1,340,692)	(815,990)
Payments on Capital Debt - Interest	(606,336)	(416,706)
	(1,823,450)	(11,858,645)
Net Cash Used by Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	(397,056)	1,184
Receipts from Investment Earnings	182,794	217,852
	(214,262)	219,036
Net Cash Provided (Used) by Investing Activities		
Increase (Decrease) in Cash and Cash Equivalents	325,732	(6,556,007)
Cash and Cash Equivalents - September 1	27,343,818	33,899,825
Cash and Cash Equivalents - August 31	\$ 27,669,550	\$ 27,343,818
Reconciliation to Exhibit 1:		
Cash and Cash Equivalents	\$ 22,167,363	\$ 22,552,353
Restricted Cash and Cash Equivalents	5,502,187	4,791,465
	\$ 27,669,550	\$ 27,343,818
Total Cash and Cash Equivalents		

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statements of Cash Flows
For the Years Ended August 31, 2013 and August 31, 2012

EXHIBIT 3

	2013	2012
Non-Cash Investing, Capital and Financing Activities:		
Gift of Capital Asset	\$ 4,211	\$ 84,239
Net Decrease in Fair Value of Investments	\$ (105)	\$ (756,042)
Reconciliation of Operating Loss to Net Cash Used By		
Operating Activities:		
Operating Loss	\$ (26,369,573)	\$ (25,685,006)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating		
Activities:		
Depreciation Expense	1,753,247	1,453,818
Unrealized Loss on Fair Value of Investments	105	756,042
Loss on Disposal of Capital Asset	-	27,398
Bad Debt Expense	13,162	150,696
Payments Made Directly by State for Benefits	1,403,388	1,335,508
Investment Income (Program Restricted)	(32,782)	(26,193)
Changes in Assets and Liabilities		
Receivables, Net	(13,150)	284,873
Deferred Charges	(335,419)	(41,127)
Prepaid Expenses	4,512	(53,253)
Accounts Payable	(992,741)	805,527
Deferred Revenue	1,184,009	531,916
Compensated Absences	(18,764)	34,599
Net Cash Used By Operating Activities	\$ (23,404,006)	\$ (20,425,202)

**NOTES TO THE
FINANCIAL STATEMENTS**

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

**Notes to the Financial Statements
August 31, 2013 and August 31, 2012**

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.

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. The College is reported as a special-purpose government engaged in business-type activities (BTA).

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 §56.033). When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act 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 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 tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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.

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

Notes to the Financial Statements
August 31, 2013 and August 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purpose of cash flows, 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. Long-term investments have an original maturity of greater than one year at the time of purchase.

Capital Assets

Capital assets are recorded 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. Renovations of \$100,000 to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

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

Long-Term Liabilities

Long-term liabilities are reported net of applicable bond premium, which is deferred and amortized using the straight-line method that approximates the effective interest method.

Deferred Revenues

Revenues, primarily consisting of grants, tuition, fees, and meal charges, related to academic terms in the next fiscal year are recorded on the balance sheet as deferred revenue in the current fiscal year. Tuition and fees of \$6,985,291 and \$5,726,819 and federal, state, and local grants of \$645,300 and \$719,763 have been reported as deferred revenue at August 31, 2013 and August 31, 2012, respectively.

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, 2013 and 2012.

Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

Notes to the Financial Statements
August 31, 2013 and August 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Non-Operating Revenues and Expenses

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. In fiscal year 2013, the operation of the bookstore was not performed by the College.

New GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued new pronouncements that the College has reviewed for application to their accounting and reporting.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, is effective for periods beginning after December 15, 2011. This standard improves financial reporting by contributing to the GASB's effort to codify all sources of generally accepted accounting principles for state and local governments so that they are derived from a single source. The College has implemented this statement in the year ended August 31, 2013. The College will not disclose that the College has elected to follow Pre-November 30, 1989 FASB and AICPA Pronouncement that did not conflict with GASB pronouncements.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, is effective for periods beginning after December 15, 2011. This standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The College has implemented this reporting for the year ended August 31, 2013. The components of net position were renamed to reflect the requirements of this statement and the financial statement elements of deferred outflows of resources and deferred inflows of resources were added to the financial statements, where applicable.

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

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

Notes to the Financial Statements
August 31, 2013 and August 31, 2012

4. DEPOSITS AND INVESTMENTS (Continued)

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

1. Certificates of Deposits that are legally authorized and adequately secured; and
2. U.S. Treasury Bills with a maximum security of twelve months.

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:

<u>Cash and Cash Equivalents</u>	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Bank Deposits		
Time Deposits	\$ 27,664,400	\$ 27,339,093
Total Bank Deposits	27,664,400	27,339,093
Petty Cash	5,150	4,725
Total Cash and Cash Equivalents	<u>\$ 27,669,550</u>	<u>\$ 27,343,818</u>

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 August 31, 2013</u>	<u>Market Value August 31, 2012</u>
ST Leasing-Corp Agency Only-Now DDA	N/A	\$ 398,261	\$ -
U.S. Agency Bonds			
Federal National Mortgage Association (FNMA)	3/2022	505	735
Federal National Mortgage Association	N/A	-	1,080
Total U.S. Agency Bonds		505	1,815
Mineral Rights	N/A	1	1
Real Estate	N/A	8,165,750	8,165,750
Total Investments		<u>\$ 8,564,517</u>	<u>\$ 8,167,566</u>

Interest Rate Risk – In accordance with the College's investment policy, the College does not purchase any investments with maturities greater than one year, unless assets are held in debt retirement funds which may be invested in maturities exceeding one year. As of August 31, 2013 and August 31, 2012, the College was not exposed to interest rate risk.

Credit Risk - The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. As of August 31, 2013 and August 31, 2012, the U.S. Agency Bonds (FNMA) do not have credit risk.

Concentration of Credit Risk - The College does not place a limit on the amount that may be invested in any one issue.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the College's name. At August 31, 2013 and August 31, 2012, the College's cash and cash equivalents were not exposed to custodial credit risk.

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

Notes to the Financial Statements
August 31, 2013 and August 31, 2012

4. DEPOSITS AND INVESTMENTS (Continued)

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the College, and are held by either the counterparty's trust department or agent but not in the College's name. At August 31, 2013 and August 31, 2012, the College's investment securities were not exposed to custodial credit risk.

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

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Per Note 4:		
Cash and Cash Equivalents	\$ 27,669,550	\$ 27,343,818
ST Leasing-Corp Agency Only-Now DDA	398,261	-
U.S. Agency Bonds	505	1,815
Real Estate Investments	8,165,750	8,165,750
Mineral Right Investment	1	1
Total Deposits and Investments	<u>\$ 36,234,067</u>	<u>\$ 35,511,384</u>
Per Exhibit 1:		
Cash and Cash Equivalents	\$ 22,167,363	\$ 22,552,353
Restricted Cash and Cash Equivalents	5,502,187	4,791,465
Other Long-Term Investments	398,766	1,815
Endowment Investments	1	1
Investments in Real Estate	8,165,750	8,165,750
Total Deposits and Investments	<u>\$ 36,234,067</u>	<u>\$ 35,511,384</u>

5. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

Receivables at August 31, 2013 and August 31, 2012 were as follows:

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Student Receivables (Net of Allowances of \$1,209,836 and \$728,165 for 2013 and 2012, respectively)	\$ 751,081	\$ 432,682
Taxes Receivable (Net of Allowances of \$185,835 and \$185,835 for 2013 and 2012, respectively)	375,177	368,175
Federal and State -		
Accounts Receivable	164,331	499,868
Other Accounts Receivable	234,098	279,023
Interest Receivable	1,905	1
	<u>\$ 1,526,592</u>	<u>\$ 1,579,749</u>

Payables

Payables at August 31, 2013 and August 31, 2012 were as follows:

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Vendor Payable	\$ 1,586,483	\$ 2,605,637
Salaries and Benefits Payable	78,679	52,266
Accrued Interest	13,136	37,956
	<u>\$ 1,678,298</u>	<u>\$ 2,695,859</u>

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

**Notes to the Financial Statements
August 31, 2013 and August 31, 2012**

6. CAPITAL ASSETS

Capital assets activity for the years ended August 31, 2013 and August 31, 2012 was as follows:

	Balance 9/1/2012	Increases	Decreases	Balance 8/31/2013
Not Depreciated:				
Land	\$ 1,214,301	\$ -	\$ -	\$ 1,214,301
Collections	12,150	-	-	12,150
Construction in Progress	-	4,760,028	-	4,760,028
Subtotal	<u>1,226,451</u>	<u>4,760,028</u>	<u>-</u>	<u>5,986,479</u>
Other Capital Assets:				
Buildings	29,723,597	7,764,387	720,517	36,767,467
Land Improvements	7,060,440	-	-	7,060,440
Library Books	1,639,859	52,175	82,324	1,609,710
Furniture, Machinery, Vehicles, and Other Equipment	4,812,169	324,626	-	5,136,795
Subtotal	<u>43,236,065</u>	<u>8,141,188</u>	<u>802,841</u>	<u>50,574,412</u>
Accumulated Depreciation:				
Buildings	8,438,423	853,771	267,788	9,024,406
Land Improvements	2,134,003	295,624	-	2,429,627
Library Books	714,429	73,682	82,324	705,787
Furniture, Machinery, Vehicles, and Other Equipment	2,322,907	530,170	-	2,853,077
Subtotal	<u>13,609,762</u>	<u>1,753,247</u>	<u>350,112</u>	<u>15,012,897</u>
Net Other Capital Assets	<u>29,626,303</u>	<u>6,387,941</u>	<u>452,729</u>	<u>35,561,515</u>
Net Capital Assets	<u>\$ 30,852,754</u>	<u>\$ 11,147,969</u>	<u>\$ 452,729</u>	<u>\$ 41,547,994</u>
	Balance 9/1/2011	Increases	Decreases	Balance 8/31/2012
Not Depreciated:				
Land	\$ 1,214,301	\$ -	\$ -	\$ 1,214,301
Collections	12,150	-	-	12,150
Construction in Progress	2,095,895	-	2,095,895	-
Subtotal	<u>3,322,346</u>	<u>-</u>	<u>2,095,895</u>	<u>1,226,451</u>
Other Capital Assets:				
Buildings	19,776,306	9,985,291	38,000	29,723,597
Land Improvements	4,347,576	2,712,864	-	7,060,440
Library Books	1,481,172	158,687	-	1,639,859
Furniture, Machinery, Vehicles, and Other Equipment	4,208,770	702,390	98,991	4,812,169
Subtotal	<u>29,813,824</u>	<u>13,559,232</u>	<u>136,991</u>	<u>43,236,065</u>
Accumulated Depreciation:				
Buildings	7,820,513	628,512	10,602	8,438,423
Land Improvements	1,899,418	234,585	-	2,134,003
Library Books	645,912	68,517	-	714,429
Furniture, Machinery, Vehicles, and Other Equipment	1,892,424	522,204	91,721	2,322,907
Subtotal	<u>12,258,267</u>	<u>1,453,818</u>	<u>102,323</u>	<u>13,609,762</u>
Net Other Capital Assets	<u>17,555,557</u>	<u>12,105,414</u>	<u>34,668</u>	<u>29,626,303</u>
Net Capital Assets	<u>\$ 20,877,903</u>	<u>\$ 12,105,414</u>	<u>\$ 2,130,563</u>	<u>\$ 30,852,754</u>

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

Notes to the Financial Statements
August 31, 2013 and August 31, 2012

7. LONG-TERM LIABILITIES

Long-term liability activity for the years ended August 31, 2013 and August 31, 2012 was as follows:

	Balance September 1, 2012	Additions	Reductions	Balance August 31, 2013	Current Portion
Limited Tax Refunding Bonds	\$ 5,070,000	\$ -	\$ 415,000	\$ 4,655,000	\$ 435,000
Revenue Bonds	-	7,980,000	345,000	7,635,000	290,000
Bond Premium	-	558,377	38,632	519,745	41,099
Notes Payable	3,159,308	3,752,878	538,483	6,373,703	195,183
Capital Leases Payable	131,747	-	42,209	89,538	43,893
Compensated Absences	406,295	387,531	406,295	387,531	387,531
Total Long-Term Liabilities	\$ 8,767,350	\$ 12,678,786	\$ 1,785,619	\$ 19,660,517	\$ 1,392,706

	Balance September 1, 2011	Additions	Reductions	Balance August 31, 2012	Current Portion
Limited Tax Refunding Bonds	\$ 5,470,000	\$ -	\$ 400,000	\$ 5,070,000	\$ 415,000
Notes Payable	3,534,708	-	375,400	3,159,308	329,308
Capital Leases Payable	172,337	-	40,590	131,747	42,209
Compensated Absences	371,696	406,295	371,696	406,295	406,295
Total Long-Term Liabilities	\$ 9,548,741	\$ 406,295	\$ 1,187,686	\$ 8,767,350	\$ 1,192,812

8. DEBT OBLIGATIONS

General information related to bonds payable is summarized below:

Limited Tax Refunding Bonds, General Obligation Bonds, Series 2007

- ◆ To refund the Limited Tax Bonds, Series 1996.
- ◆ Issued March 21, 2007.
- ◆ \$7,170,000; all authorized bonds have been issued.
- ◆ Source of revenue for debt service – assessment of property taxes.
- ◆ Outstanding Balance of \$4,655,000 and \$5,070,000 at August 31, 2013 and August 31, 2012, respectively, bearing interest at 3.55% to 4.00%.

Bonds payable are due in annual installments varying from \$245,000 to \$615,000 with interest rates from 3.55% to 4.00% with final installment due in 2022.

Consolidated Fund Bonds, Revenue Bonds, Series 2012

- ◆ To purchase student housing facilities.
- ◆ Issued October 1, 2012.
- ◆ \$7,980,000; all authorized bonds have been issued.
- ◆ Source of revenue for debt service – tuition and fees.
- ◆ Outstanding Balance of \$7,635,000 at August 31, 2013 bearing interest at 2.00% to 4.00%.
- ◆ Issued at a premium of \$558,377, of which \$519,745 was unamortized at August 31, 2013.

Bonds payable are due in annual installments varying from \$290,000 to \$490,000 with interest rates from 2.00% to 4.00% with final installment due in 2031.

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

Notes to the Financial Statements
August 31, 2013 and August 31, 2012

8. DEBT OBLIGATIONS (Continued)

General information related to notes and capital leases payable is summarized below:

Note Payable – SunTrust Leasing Corporation

- ◆ To pay off the LaSalle Note Payable and to upgrade facilities' energy management systems at the Main and Decatur Campuses.
- ◆ Original loan date – January 27, 2003.
- ◆ Total balance of \$2,558,818, is payable in 40 quarterly installments, which includes interest at a rate of 4.27%.
- ◆ Source of revenue for debt service – unrestricted revenue.
- ◆ Outstanding Balance of \$214,308 at August 31, 2012.

The notes payable are due in quarterly installments varying from \$72,956 to \$81,650 with an interest rate of 4.27% with the final installment was paid in 2013.

Note Payable – All American Investment Group, LLC

- ◆ To upgrade facilities' energy management systems at the Main and Wise County Campuses.
- ◆ Original loan date – January 15, 2013.
- ◆ Total balance of \$3,752,878, is payable in 30 semi-annual installments, which includes interest at a rate of 2.35%.
- ◆ Source of revenue for debt service – unrestricted revenue.
- ◆ Outstanding Balance of \$3,543,703 August 31, 2013.

The notes payable are due in semi-annual installments varying from \$116,822 to \$267,695 with an interest rate of 2.35% with the final installment to be paid in 2028.

Note Payable – Maintenance Tax Notes, Series 2011

- ◆ To replace roofs and renovate classrooms and to pay related fees and to pay the costs of issuance associated with the tax notes.
- ◆ Original loan date – March 15, 2011.
- ◆ Total balance of \$3,045,000, is payable in 19 yearly installments, which includes interest at a rate of 4.15%.
- ◆ Source of revenue for debt service – unrestricted revenue.
- ◆ Outstanding Balance of \$2,830,000 and \$2,945,000 at August 31, 2013 and August 31, 2012, respectively.

The notes payable are due in annual installments varying from \$100,000 to \$225,000 with an interest rate of 4.15% with the final installment due in 2030.

Capital Lease Payable – California First National Bank

- ◆ To purchase a Ferrara H4590 fire truck.
- ◆ Original capital lease date – May 1, 2010.
- ◆ Total balance of \$216,886, is payable in five annual installments, which includes interest at a rate of 3.99%.
- ◆ Source of revenue for debt service – unrestricted revenue.
- ◆ Outstanding Balance of \$89,538 and \$131,747 at August 31, 2013 and August 31, 2012, respectively.

The capital lease payable is due in annual installments of \$47,466 with an interest rate of 3.99% with the final installment due in 2015.

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

Notes to the Financial Statements
August 31, 2013 and August 31, 2012

8. DEBT OBLIGATIONS (Continued)

The following is an analysis of equipment leased under a capital lease as of August 31, 2013:

Equipment	\$ 272,909
Less accumulated depreciation	<u>95,518</u>
Total	<u>\$ 177,391</u>

Obligations under capital leases at August 31, 2013, were as follows:

For the Year Ended August 31,	Total
<u>2014</u>	<u>\$ 47,466</u>
2015	<u>47,466</u>
Total minimum lease payments	94,932
Less: Amount representing interest costs	<u>(5,394)</u>
Present value of minimum lease payment	<u>\$ 89,538</u>

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

Year Ended August 31,	Limited Tax Refunding Bonds			Revenue Bonds			Amortization of Bond Premium
	Bonds Principal	Interest	Total	Bonds Principal	Interest	Total	
2014	\$ 435,000	\$ 186,200	\$ 621,200	\$ 290,000	\$ 265,450	\$ 555,450	\$ 41,099
2015	450,000	168,800	618,800	290,000	259,650	549,650	40,201
2016	470,000	150,800	620,800	295,000	253,850	548,850	39,300
2017	490,000	132,000	622,000	305,000	247,950	552,950	38,381
2018	515,000	112,400	627,400	310,000	241,850	551,850	37,394
2019 - 2023	2,295,000	234,800	2,529,800	1,685,000	1,065,100	2,750,100	164,512
2023 - 2027	-	-	-	2,010,000	737,800	2,747,800	113,403
2027 - 2032	-	-	-	2,450,000	301,200	2,751,200	45,455
Total	<u>\$ 4,655,000</u>	<u>\$ 985,000</u>	<u>\$ 5,640,000</u>	<u>\$ 7,635,000</u>	<u>\$ 3,372,850</u>	<u>\$ 11,007,850</u>	<u>\$ 519,745</u>

Year Ended August 31,	Notes Payable			Capital Lease Payable		
	Notes Principal	Interest	Total	Capital Lease Principal	Interest	Total
2014	\$ 195,183	\$ 159,084	\$ 354,267	\$ 43,893	\$ 3,573	\$ 47,466
2015	280,781	193,081	473,862	45,645	1,821	47,466
2016	290,088	184,180	474,268	-	-	-
2017	309,783	175,056	484,839	-	-	-
2018	337,317	165,288	502,605	-	-	-
2019 - 2023	2,018,714	655,052	2,673,766	-	-	-
2023 - 2027	2,501,837	314,570	2,816,407	-	-	-
2027 - 2032	440,000	27,597	467,597	-	-	-
Total	<u>\$ 6,373,703</u>	<u>\$ 1,873,908</u>	<u>\$ 8,247,611</u>	<u>\$ 89,538</u>	<u>\$ 5,394</u>	<u>\$ 94,932</u>

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

**Notes to the Financial Statements
August 31, 2013 and August 31, 2012**

9. ADVANCE REFUNDING BONDS

- ◆ Refunded \$7,170,000 of Limited Tax Bonds, General Obligation Bonds, Series 1996.
- ◆ Issued refunding bonds on March 21, 2007.
- ◆ \$7,170,000, all authorized bonds have been issued.
- ◆ Limited Tax Refunding Bonds, General Obligation Bonds, Series 2007
- ◆ Average interest rate of bonds refunded – 5.874190%.
- ◆ The 1996 Series bonds are considered fully defeased and the liability for those bonds has been removed from the Investment in Plant Fund Group.
- ◆ Advance refunding of the 1996 Series bonds reduced the College’s debt service payments over the next 15 years by approximately \$1,003,115.
- ◆ Economic Gain - \$750,055 difference between the net present value of the old and new debt service payments.
- ◆ As of August 31, 2013, the amount of defeased debt outstanding that is deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are paid in full is as follows:

Bond Issue	Year Refunded	Par Value Outstanding
Limited Tax Bonds, Series 1996	2007	\$ 4,820,000

10. EMPLOYEES’ RETIREMENT PLAN

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas.

Teacher Retirement System of Texas

Plan Description. The College contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. 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 downloading the report from the TRS internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (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 the fiscal year; (2) state statute prohibits benefit improvements, if as a result of a 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

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

Notes to the Financial Statements
August 31, 2013 and August 31, 2012

10. EMPLOYEES' RETIREMENT PLAN (Continued)

Contribution rates and contributions for fiscal years 2013-2011 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum.

Contribution Rates and Contribution Amounts

Year	Member		State		Statutory Minimum Amounts
	Rate	Amount	Rate	Amount	
2013	6.4%	\$702,382	6.400%	\$ 585,527	\$ 1,287,909
2012	6.4%	\$668,116	6.000%	\$ 532,205	\$ 1,200,321
2011	6.4%	\$668,427	6.644%	\$ 582,114	\$ 1,250,541

Optional Retirement Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.0% and 6.65%, respectively. The College contributes an additional 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995 and an additional .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.

The retirement expense to the State for the College was \$907,167 and \$859,877 for the fiscal years ended August 31, 2013 and August 31, 2012, respectively. This amount represents for fiscal year ended August 31, 2013, \$585,527 and \$321,640 expended appropriations made by the State Legislature on behalf of the College for the Teacher Retirement System and the Optional Retirement Program, respectively. This amount represents for fiscal year ended August 31, 2012, \$532,205 and \$327,672 expended appropriations made by the State Legislature on behalf of the College for the Teacher Retirement System and the Optional Retirement Program, respectively.

The total payroll for all College employees was \$18,861,637 and \$18,385,802 for the fiscal years 2013 and 2012, respectively. The total payroll of employees covered by the Teacher Retirement System was \$10,974,717 and \$10,439,319, and the total payroll of employees covered by the Optional Retirement Program was \$5,655,958 and \$5,773,556 for fiscal years 2013 and 2012, respectively.

State Funding Shortfall

During the 2011 legislative session, the Texas Legislature appropriated retirement funds for various types of educational institutions other than community and junior colleges in satisfaction of their contribution requirement, but the community college appropriations restricted the State's contribution to TRS/ORP on behalf of community colleges to only six percent of each district's unrestricted general revenue appropriation for each year of the biennium state budget. This resulted in the College disclosing a contingency in fiscal year 2012 that estimated a shortfall of state contributions of \$399,407.

In fiscal year 2013, the State required community college districts to pay retirement shortfall contributions for 2012 and 2013. Therefore, the College included \$458,550 and \$399,408 for 2013 and 2012, respectively, in local benefits expenses in the Schedule of Operating Expenses by Object (Schedule B).

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

**Notes to the Financial Statements
August 31, 2013 and August 31, 2012**

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, 2013 and 2012, the College had 47 and 44 employees, respectively, participating in the program. A total of \$308,056 and \$274,985 in payroll deductions had been invested in approved plans during the fiscal years ended August 31, 2013 and August 31, 2012, respectively.

12. COMPENSABLE 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 unpaid annual leave in the amount of \$387,531 and \$406,295 for the fiscal years ended August 31, 2013 and August 31, 2012, 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. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENT

Expenses include \$106,956 and \$126,302 for rent paid under operating leases during the fiscal years ended August 31, 2013 and August 31, 2012.

Future, minimum lease rental payments under noncancellable operating leases having an initial term in excess of one year as of August 2013 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2014	<u>\$ 98,043</u>
Total	<u>\$ 98,043</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, 2013, the College paid an annual premium of \$52,606 plus \$111,178 toward the loss fund. This \$163,784 was the maximum cost for the self-insured plan. For the year ended August 31, 2012, the College paid an annual premium of \$43,439 plus \$53,682 toward the loss fund. This \$97,121 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.

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

**Notes to the Financial Statements
August 31, 2013 and August 31, 2012**

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 official's 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 \$470.38 per month for the year ended August 31, 2013, and totaled \$922,452 for the year. The cost of providing those benefits for 69 retirees was \$381,567 and for 303 active employees amounted to \$540,885. The State's contribution per full-time employee was \$438.30 per month for the year ended August 31, 2012, and totaled \$875,038 for the year. The cost of providing those benefits for 64 retirees was \$328,968 and for 308 active employees amounted to \$546,070.

17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The College contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

Funding Policy. 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. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB Statement No. 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The State's contributions to SRHP on the College's behalf for the years ended August 31, 2013, 2012, and 2011 were \$922,452, \$875,038, and \$1,347,110, respectively, which equaled the required contributions each year. The College does not provide any other postemployment benefits other than those discussed in Notes 16 and 17.

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

**Notes to the Financial Statements
August 31, 2013 and August 31, 2012**

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.

	August 31, 2013	August 31, 2012
Assessed Valuation of the College	\$ 12,988,682,550	\$ 12,785,706,300
Less: Exemptions	3,593,508,905	3,555,316,097
Less: Abatements	16,389,350	34,569,060
Net Assessed Valuation of the College	\$ 9,378,784,295	\$ 9,195,821,143

	Current Operations	Debt Service	Total
At August 31, 2013			
Tax Rate per \$100 valuation of authorized	\$ -	\$ -	\$ 0.30000
Tax Rate per \$100 valuation of assessed	\$ 0.10517	\$ 0.00781	\$ 0.11298
At August 31, 2012			
Tax Rate per \$100 valuation of authorized	\$ -	\$ -	\$ 0.30000
Tax Rate per \$100 valuation of assessed	\$ 0.10421	\$ 0.00774	\$ 0.11195

Taxes levied for the years ended August 31, 2013 and 2012 were \$10,509,959 and \$10,220,777, 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, 2013			
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 9,589,104	\$ 710,647	\$ 10,299,751
Delinquent Taxes Collected	176,890	13,707	190,597
Penalties and Interest Collected	109,111	8,645	117,756
Total Collections	\$ 9,875,105	\$ 732,999	\$ 10,608,104

August 31, 2012			
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 9,331,418	\$ 693,073	\$ 10,024,491
Delinquent Taxes Collected	138,311	10,947	149,258
Penalties and Interest Collected	91,676	5,615	97,291
Total Collections	\$ 9,561,405	\$ 709,635	\$ 10,271,040

Tax collections for the years ended August 31, 2013 and 2012 were 100% 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, 2013 and August 31, 2012

19. BRANCH CAMPUS MAINTENANCE TAX

A branch campus maintenance tax that is established by election is levied by Wise County. It 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 or Independent School District	Collections (including penalties and interest August 31, 2013	Collections (including penalties and interest August 31, 2012
Wise County	\$ 3,468,694	\$ 3,363,402

20. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal and non-federal contract and grant awards, funds expended, but not collected, are both included in 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 2013 and 2012 for which monies have not been received nor funds expended totaled \$854,653 and \$627,068, respectively, of which all were from Federal Contract and Grant Awards.

21. PENDING LAWSUITS AND CLAIMS

On August 31, 2013, there were pending lawsuits involving the College. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

23. CONSTRUCTION COMMITMENT

On May 21, 2013 the College entered into a construction management agreement for the construction of a new building. The College will pay a management fee of \$555,949 in addition to construction costs which are guaranteed not to exceed a maximum price of \$4,977,081. As of August 31, 2013 the College had incurred costs of \$1,205,994 related to this contract.

23. COMPONENT UNITS

Weatherford College Foundation, Inc. - Discretely Presented Component Unit

The Weatherford College Foundation, Inc. (Foundation) was established as a separate nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted \$119,686 and \$109,643 for designated scholarships, and \$265,300 and \$17,500 for other contributions to the College during the years ended August 31, 2013 and 2012, respectively. The Foundation received \$16,575 and \$57,250 from the College for an endowment scholarship fund in fiscal years 2013 and 2012, respectively. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

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

**Notes to the Financial Statements
August 31, 2013 and August 31, 2012**

23. COMPONENT UNITS (Continued)

Weatherford Student Housing Foundation - Discretely Presented Component Unit

The Weatherford Student Housing Foundation (Housing Foundation) was established as a separate nonprofit organization in 2003 for the purpose of owning, operating, developing or otherwise providing housing for students, faculty and staff of the College. The Housing Foundation remitted \$28,826 and \$156,000 for management fees to the College during the years ended August 31, 2013 and 2012, respectively. In early fiscal year 2013, the College acquired the Housing Foundation's assets and related liabilities subsequent to issuing the Consolidated Fund Bonds, Revenue Bonds, Series 2012. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Housing Foundation was a component unit of the College for all of fiscal year 2012 and the first few months of fiscal year 2013 because:

- 1.) The College and its operations provide financial support to the Housing Foundation and the economic resources received or held by the Housing Foundation are entirely or almost entirely for the direct benefit of the College, and
- 2.) The College is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the Housing Foundation, and
- 3.) The economic resources held by the Housing Foundation that the College is entitled or has the ability to otherwise access, are significant to the College.

Accordingly, the Foundation's and the Housing Foundation's financial statements are included in the College's annual report as discrete component units (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.

SUPPLEMENTAL INFORMATION

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2013
(With Memorandum Totals for the Year Ended August 31, 2012)

			Total	Auxiliary	Totals	
	Unrestricted	Restricted	Educational Activities	Enterprises	August 31, 2013	August 31, 2012
Tuition						
State Funded Credit Courses						
In-District Resident Tuition	\$ 3,436,009	\$ -	\$ 3,436,009	\$ -	\$ 3,436,009	\$ 3,640,382
Out-of-District Resident Tuition	5,694,172	-	5,694,172	-	5,694,172	5,462,457
Non-Resident Tuition	460,449	-	460,449	-	460,449	402,300
TPEG - credit (set aside)*	576,239	-	576,239	-	576,239	575,351
State Funded Continuing Education	971,526	-	971,526	-	971,526	1,034,145
TPEG - non-credit (set aside)*	61,808	-	61,808	-	61,808	64,707
Non-State Funded Continuing Education	156,071	-	156,071	-	156,071	116,488
Total Tuition	<u>11,356,274</u>	<u>-</u>	<u>11,356,274</u>	<u>-</u>	<u>11,356,274</u>	<u>11,295,830</u>
Fees						
General Fee	192,148	-	192,148	-	192,148	192,090
Laboratory Fee	336,701	-	336,701	-	336,701	349,030
Prior Year Tuition and Fees	(62)	-	(62)	-	(62)	-
Total Fees	<u>528,787</u>	<u>-</u>	<u>528,787</u>	<u>-</u>	<u>528,787</u>	<u>541,120</u>
Scholarship Allowances and Discounts						
Bad Debt Allowance	(30,757)	-	(30,757)	-	(30,757)	(100,987)
Scholarship Allowances	(414,842)	-	(414,842)	-	(414,842)	(419,627)
Remissions and Exemptions - State	(383,500)	-	(383,500)	-	(383,500)	(330,298)
Remissions and Exemptions - Local	(207,279)	-	(207,279)	-	(207,279)	(176,722)
Title IV Federal Program	(3,143,144)	-	(3,143,144)	-	(3,143,144)	(3,252,391)
Other Federal Grants	(4,754)	-	(4,754)	-	(4,754)	(4,062)
TPEG Awards	(426,473)	-	(426,473)	-	(426,473)	(412,452)
Other State Grants	(300,458)	-	(300,458)	-	(300,458)	(3,454)
Total Scholarship Allowances	<u>(4,911,207)</u>	<u>-</u>	<u>(4,911,207)</u>	<u>-</u>	<u>(4,911,207)</u>	<u>(4,699,993)</u>
Total Net Tuition and Fees	<u>6,973,854</u>	<u>-</u>	<u>6,973,854</u>	<u>-</u>	<u>6,973,854</u>	<u>7,136,957</u>
Additional Operating Revenues						
Federal Grants and Contracts	65,000	1,409,412	1,474,412	-	1,474,412	1,448,032
State Grants and Contracts	40,912	476,820	517,732	-	517,732	346,435
Local Grants and Contracts	3,504,694	-	3,504,694	-	3,504,694	3,399,402
Non-Governmental Grants and Contracts	761	9,515	10,276	-	10,276	5,400
Sales and Services of Educational Activities	83,564	-	83,564	-	83,564	73,238
Investment Income (Program Restricted)	-	32,782	32,782	-	32,782	26,193
Other Operating Revenues	424,743	-	424,743	-	424,743	580,778
Total Additional Operating Revenues	<u>4,119,674</u>	<u>1,928,529</u>	<u>6,048,203</u>	<u>-</u>	<u>6,048,203</u>	<u>5,879,478</u>
Auxiliary Enterprises						
Bookstore	-	-	-	321,070	321,070	327,986
Less Discounts	-	-	-	-	-	-
Food Services	-	-	-	736,304	736,304	683,288
Less Discounts	-	-	-	(285,934)	(285,934)	(286,742)
Student Housing	-	-	-	1,051,712	1,051,712	-
Less Discounts	-	-	-	(374,815)	(374,815)	-
Intercollegiate Athletics	-	-	-	610	610	1,955
Student Services	-	-	-	257,483	257,483	263,584
Less Discounts	-	-	-	(90,501)	(90,501)	(99,116)
Carter Agriculture Center	-	-	-	75,524	75,524	(719,815)
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,691,453</u>	<u>1,691,453</u>	<u>171,140</u>
Total Operating Revenues	<u>\$ 11,093,528</u>	<u>\$ 1,928,529</u>	<u>\$ 13,022,057</u>	<u>\$ 1,691,453</u>	<u>\$ 14,713,510</u>	<u>\$ 13,187,575</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$638,047 and \$640,058 for years August 31, 2013 and 2012, 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, 2013
(With Memorandum Totals for the Year Ended August 31, 2012)**

	<u>Operating Expenses</u>				<u>Totals</u>	
	<u>Salaries and Wages</u>	<u>Benefits</u>		<u>Other Expenses</u>	<u>August 31, 2013</u>	<u>August 31, 2012</u>
		<u>State Benefits</u>	<u>Local Benefits</u>			
Unrestricted Educational Activities						
Instruction	\$ 10,579,348	\$ -	\$ 1,761,101	\$ 1,505,669	\$ 13,846,118	\$ 13,399,121
Public Service	13,145	-	1,606	28,749	43,500	38,199
Academic Support	1,155,544	-	218,741	301,443	1,675,728	1,739,174
Student Services	1,624,919	-	325,077	250,058	2,200,054	2,029,762
Institutional Support	3,575,398	-	676,789	1,968,783	6,220,970	6,615,333
Operation and Maintenance of Plant	80,385	-	27,888	5,038,867	5,147,140	3,579,595
Scholarships and Fellowships	-	-	-	-	-	-
Total Unrestricted Educational Activities	17,028,739	-	3,011,202	9,093,569	29,133,510	27,401,184
Restricted Educational Activities						
Instruction	\$ 919,409	906,213	\$ 185,967	342,860	2,354,449	2,286,006
Public Service	-	1,061	-	-	1,061	904
Academic Support	58,525	92,562	7,558	27,169	185,814	218,749
Student Services	12,363	124,276	1,037	14,246	151,922	147,004
Institutional Support	-	279,276	-	-	279,276	268,531
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	-	-	-	5,606,090	5,606,090	5,719,442
Total Restricted Educational Activities	990,297	1,403,388	194,562	5,990,365	8,578,612	8,640,636
Total Educational Activities	18,019,036	1,403,388	3,205,764	15,083,934	37,712,122	36,041,820
Auxiliary Enterprises	842,601	-	226,491	548,622	1,617,714	1,376,943
Depreciation Expense - Buildings and Land Improvements	-	-	-	1,149,395	1,149,395	863,097
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	603,852	603,852	590,721
Total Operating Expenses	\$ 18,861,637	\$ 1,403,388	\$ 3,432,255	\$ 17,385,803	\$ 41,083,083 (Exhibit 2)	\$ 38,872,581 (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, 2013
(With Memorandum Totals for the Year Ended August 31, 2012)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Totals</u>	
				<u>August 31, 2013</u>	<u>August 31, 2012</u>
Non-Operating Revenues					
State Appropriations					
Education and General State Support	\$ 7,654,277	\$ -	\$ -	\$ 7,654,277	\$ 7,675,921
State Group Insurance	-	922,452	-	922,452	875,038
State Retirement Matching	-	480,936	-	480,936	460,470
Professional Nursing Shortage Reduction	-	99,862	-	99,862	91,203
Total State Appropriations	<u>7,654,277</u>	<u>1,503,250</u>	<u>-</u>	<u>9,157,527</u>	<u>9,102,632</u>
Maintenance Ad Valorem Taxes	9,875,105	-	-	9,875,105	9,561,405
Debt Service Ad Valorem Taxes	732,999	-	-	732,999	709,635
Federal Revenue, Non-Operating	-	7,967,747	-	7,967,747	8,230,890
Gifts	52,071	10,000	11,317	73,388	90,712
Investment Income	151,916	-	-	151,916	191,657
Contributions in Aid of Construction	250,000	-	-	250,000	15,000
Total Non-Operating Revenue	<u>18,716,368</u>	<u>9,480,997</u>	<u>11,317</u>	<u>28,208,682</u>	<u>27,901,931</u>
Non-Operating Expenses					
Interest on Capital Related Debt	542,885	-	-	542,885	388,075
Other Non-Operating Expenses	257,311	-	-	257,311	-
(Gain) Loss on Disposal of Capital Assets	448,798	-	-	448,798	(18,432)
Total Non-Operating Expenses	<u>1,248,994</u>	<u>-</u>	<u>-</u>	<u>1,248,994</u>	<u>369,643</u>
Net Non-Operating Revenues (Expenses)	<u>\$ 17,467,374</u>	<u>\$ 9,480,997</u>	<u>\$ 11,317</u>	<u>\$ 26,959,688</u>	<u>\$ 27,532,288</u>
				(Exhibit 2)	(Exhibit 2)

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, 2013
(With Memorandum Totals for the Year Ended August 31, 2012)

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current							
Unrestricted	\$ 16,153,759	\$	\$	\$	\$ 16,153,759	\$ 16,153,759	\$
Board Designated					-		
Restricted							
Student Aid		1,917,907			1,917,907	1,917,907	
Instructional Programs		87,682			87,682	87,682	
Auxiliary Enterprises	8,479				8,479		8,479
Loan		7,586			7,586		7,586
Endowment	9,832,346				9,832,346		9,832,346
Quasi					-		
Unrestricted					-		
Restricted					-		
Endowment					-		
True					-		
Term (per instructions at maturity)					-		
Life Income Contracts					-		
Annuities					-		
Plant					-		
Unexpended					-		
Capital Projects		1,830,153			1,830,153		1,830,153
Debt Service		2,063,984			2,063,984		2,063,984
Investment in Plant				22,275,008	22,275,008		22,275,008
Totals							
Net Position, August 31, 2013	25,994,584	5,907,312	-	22,275,008	54,176,904 (Exhibit 1)	18,159,348	36,017,556
Net Position, August 31, 2012	27,495,466	3,599,624	-	22,491,699	53,586,789 (Exhibit 1)	19,363,404	34,223,385
Net Increase (Decrease) in Net Position	<u>\$ (1,500,882)</u>	<u>\$ 2,307,688</u>	<u>\$ -</u>	<u>\$ (216,691)</u>	<u>\$ 590,115</u> (Exhibit 2)	<u>\$ (1,204,056)</u>	<u>\$ 1,794,171</u>

**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 as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the College's financial statements, and have issued our report thereon dated December 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Weatherford College of the Parker County Junior College District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

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, 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*.

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 3, 2013

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2013**

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, 2013**

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 and State 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 510(a) of Circular A-133? _____ yes X no

Identification of Major Programs:

Federal Awards

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 Program
CFDA # 84.268	Federal Direct Student Loans

State Awards

Texas Workforce Commission
N/A Skills Development Fund Grant

Dollar threshold used to distinguish between Type A and Type B federal and state 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 and State 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, 2013**

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 OMB CIRCULAR A-133**

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 Weatherford College of the Parker County Junior College District's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. 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 the requirements of laws, regulations, contracts, and grants 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 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 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, Weatherford College of the Parker County Junior College District, 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, 2013.

Report on Internal Control Over Compliance

Management of Weatherford College of the Parker County Junior College District 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 OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Snow Garrett Williams

Snow Garrett Williams

December 3, 2013

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

Schedule E

**Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2013**

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
Institute of Museum and Library Services			
Pass-Through From Texas State Library and Archives Commission			
TSL Impact - Grants to States	45.310	475-13033	\$ 9,851
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		73,302
Federal College Workstudy Program	84.033		89,130
Federal Pell Grant Program	84.063		7,805,315
Federal Direct Student Loans	84.268		5,365,479
Higher Education Institutional Aid - Expanding Access to			
High-Demand Allied Health Programs	84.031A		459,783
TRIO Cluster			
TRIO - Student Support Services Program	84.042A		269,894
TRIO - Talent Search Program	84.044A		222,997
TRIO - Upward Bound Program	84.047A		244,344
Pass-Through From:			
Texas Higher Education Coordinating Board (THECB)			
Career and Technical Education Basic Grants to States	84.048	134269	<u>153,009</u>
Total U.S. Department of Education			<u>14,683,253</u>
U.S. Department of Health and Human Services			
Pass-Through From University of Texas Medical Branch-Galveston			
Model State-Supported Area Health Education Centers	93.107	13-008	94,000
Geriatric Education Center Area Health Education Centers	93.969	12-095	<u>20,534</u>
Total U.S. Department of Health and Human Services			<u>114,534</u>
Total Federal Financial Assistance			<u>\$ 14,807,638</u>

See Notes to Schedule on following page.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2013**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$	1,474,412
Add: Non-Operating Federal Revenue from Schedule C		<u>7,967,747</u>
Total Federal Revenues per Statement of Revenues, Expenses and changes in Net Assets	\$	<u>9,442,159</u>
Reconciling Items:		
Add: Federal Direct Student Loans		<u>5,365,479</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	\$	<u><u>14,807,638</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 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 preparation to 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.

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor CFDA Number / Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed & Admin Cost Recovered
U.S. Department of Education 84.268 Federal Direct Student Loans	<u>\$ 5,365,479</u>	<u>\$ -</u>	<u>\$ 5,365,479</u>

STATE AWARDS SECTION

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2013**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board Professional Nursing Shortage Reduction		99,862
Teacher Certification	04117	18,000
Texas College Work Study		18,953
Texas Workforce Commission Skills for Small Business Program	0411SSD000	8,648
Skills Development Fund Grant	0412SDF005	359,135
University of Texas Medical Branch - Galveston Area Health Education Center (AHEC)	23034	106,000
Trinity Valley Community College Nursing Innovation Grant Program: The Texas Concept-Based Nursing Curriculum		<u>6,996</u>
 Total State Financial Assistance		 <u>\$ 617,594</u>

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Revenues - per Schedule of Expenditures of State Awards	
State Financial Assistance - per Schedule of Expenditures of State Awards	\$ 617,594
Reconciling Items	
Professional Nursing Shortage Reduction reported on Schedule C	<u>(99,862)</u>
Total State Revenues per Exhibit 2 and Schedule A	<u>\$ 517,732</u>

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

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

