

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

**ANNUAL FINANCIAL AND COMPLIANCE REPORT
FOR THE YEAR ENDED AUGUST 31, 2024**

**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, 2024**

Board of Trustees

Officers

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

Members

		Term Expires <u>May 31,</u>
G.B. Bailey	Weatherford, Texas	2029
Lela Morris	Weatherford, Texas	2029
Dr. Trev Dixon	Weatherford, Texas	2027
Doug Dowd	Weatherford, Texas	2027
Dan Carney	Weatherford, Texas	2027
Judy McAnally	Weatherford, Texas	2025
Mary Beth Dennie	Weatherford, Texas	2025
		Term Expires <u>December 31,</u>
Dr. Robert Marlett	Wise County, Texas	2025 (2 year appointment)

Principal Administrative Officers

Dr. Tod Allen Farmer	President
Dr. Andra Cantrell	Executive Vice President of Financial & Administrative Services
Dr. Shannon Ydoyaga	Executive Vice President of Academic Services
Brent Baker	Vice President of 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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Weatherford College of the Parker County Junior College District (the College) as of and for the years ended August 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the College as of August 31, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit (Weatherford College Foundation, Inc.) were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the College's proportionate share of net pension liability, the schedule of the College's contributions for pensions, the schedule of the College's proportionate share of net OPEB liability, the schedule of the College's contributions for OPEB, and the related notes on pages 6 - 14 and 66 - 70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplemental schedules, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and schedule of expenditures of state awards as required by the Texas Grant Management Standards (Schedules A – F), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the organizational data but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Snow Garrett Williams
December 16, 2024

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

This section of the Weatherford College of the Parker County Junior College District's annual financial report presents management's discussion and analysis of the College's financial activity during the fiscal years ended August 31, 2024 and 2023. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

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

The statement of revenues, expenses, and changes in net position focuses on both the gross costs and the net costs of the College's activities which are supported mainly by ad valorem taxes and by federal, state, and other revenues. This approach is intended to summarize and simplify the user's analysis of the costs of various College services to students and the public.

The final required financial statement, the statement of cash flows, reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 23 of this report.

The Weatherford College Foundation, Inc. is a discretely presented component unit of the College and is reported as separate financial statements. Complete financial statements for the Foundation may be obtained from the Weatherford College Business Office.

Financial Highlights

The College's net position increased from August 31, 2023 to August 31, 2024 by \$22,634,417 and increased from August 31, 2022 to August 31, 2023 by \$13,038,102. As of August 31, 2024 and 2023, the College's net position was \$109,344,195 and \$86,709,778 which includes \$51,394,399 and \$36,936,337 in net investment in capital assets, \$5,895,522 and \$9,191,242 in restricted net position, and \$52,054,274 and \$40,582,199 in unrestricted net position, respectively.

Operating expenses for fiscal years 2024 and 2023 were \$58,111,487 and \$53,670,447 of which \$21,188,355 and \$19,728,559 were expended for instruction, \$8,901,950 and \$8,484,842 were expended for institutional support, and \$7,326,527 and \$4,315,589 were expended for auxiliary enterprises, respectively. In fiscal years 2024 and 2023, depreciation and amortization expense was \$5,738,389 and \$5,613,187 respectively.

Operating revenues for fiscal years 2024 and 2023 were \$24,884,798 and \$27,771,222 which includes \$14,373,068 and \$12,956,240 in tuition and fees (net of discounts), \$4,587,242 and \$4,228,022 in local grants and contracts, \$3,284,296 and \$5,036,977 in auxiliary enterprises (net of discounts), and \$1,197,666 and \$3,661,892 in federal grants and contracts, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

Net non-operating revenues for fiscal years 2024 and 2023 were \$45,800,246 and \$38,937,327 which includes \$12,794,559 and \$12,048,958 in state appropriations, \$26,095,321 and \$22,835,504 in total ad valorem taxes for maintenance and operations and debt service (net of allowances and collections fees), and \$7,977,797 and \$6,517,423 in federal grants, respectively.

For the years ended August 31, 2023 and 2022, the College implemented Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*. See Note 2 to the financial statements for more information regarding implementation.

Financial Analysis of the College as a Whole

Statement of Net Position

The statement of net position presents current assets (non-restricted assets expected to provide support within a year), non-current assets (restricted assets expected to provide long-term benefit), deferred outflows of resources, current liabilities (obligations which must be met within the current year), non-current liabilities (obligations which are not settled in the current year), and deferred inflows of resources. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are presented using the accrual basis of accounting, which is similar to the accounting by most private-sector institutions. Net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the financial position of the College. As of August 31, 2024, the net position was \$109,344,195. This was an increase of \$22,634,417 from the period ended August 31, 2023. As of August 31, 2023, the net position was \$86,709,778. This was an increase of \$13,038,102 from the period ended August 31, 2022. The College's financial position remains strong with adequate liquid assets at a reasonable level of unrestricted net position.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

**Net Position
As of August 31,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets	\$ 76,368,783	\$ 59,615,682	\$ 60,396,344
Non-current Assets			
Capital Assets, Net of Depreciation	126,894,177	104,649,394	89,062,377
Other	32,568,430	49,627,345	46,593,069
Total Assets	<u>235,831,390</u>	<u>213,892,421</u>	<u>196,051,790</u>
Deferred Outflows of Resources	<u>5,519,201</u>	<u>8,027,723</u>	<u>8,134,198</u>
Current Liabilities	26,363,499	22,999,689	17,826,980
Non-current Liabilities	93,707,218	97,855,723	99,908,801
Total Liabilities	<u>120,070,717</u>	<u>120,855,412</u>	<u>117,735,781</u>
Deferred Inflows of Resources	<u>11,935,679</u>	<u>14,354,954</u>	<u>12,778,531</u>
Net Position			
Net Investment in Capital Assets	51,394,399	36,936,337	31,915,310
Restricted for: Expendable	5,895,522	9,191,242	5,551,053
Unrestricted	<u>52,054,274</u>	<u>40,582,199</u>	<u>36,205,313</u>
Total Net Position	<u>\$ 109,344,195</u>	<u>\$ 86,709,778</u>	<u>\$ 73,671,676</u>

Investment in capital assets (e.g., land, collections, construction in process, buildings, land improvements, library books, furniture, machinery, vehicles and other equipment, and right-to-use assets) less any related debt used to acquire those assets that is still outstanding was \$51,394,399 and \$36,936,337 at August 31, 2024 and 2023, respectively. The College uses these assets to provide services to the students; consequently, they are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At August 31, 2024 and 2023, an additional \$5,895,522 and \$9,191,242, respectively, of the College's net position represents resources that are subject to external restrictions on how they may be used. All restricted net position of the College is being held for student aid, instructional programs, capital projects, and debt service. The remaining portion of the College's net position at August 31, 2024 and 2023, is \$52,054,274 and \$40,582,199, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

Statement of Revenues, Expenses, and Changes in Net Position

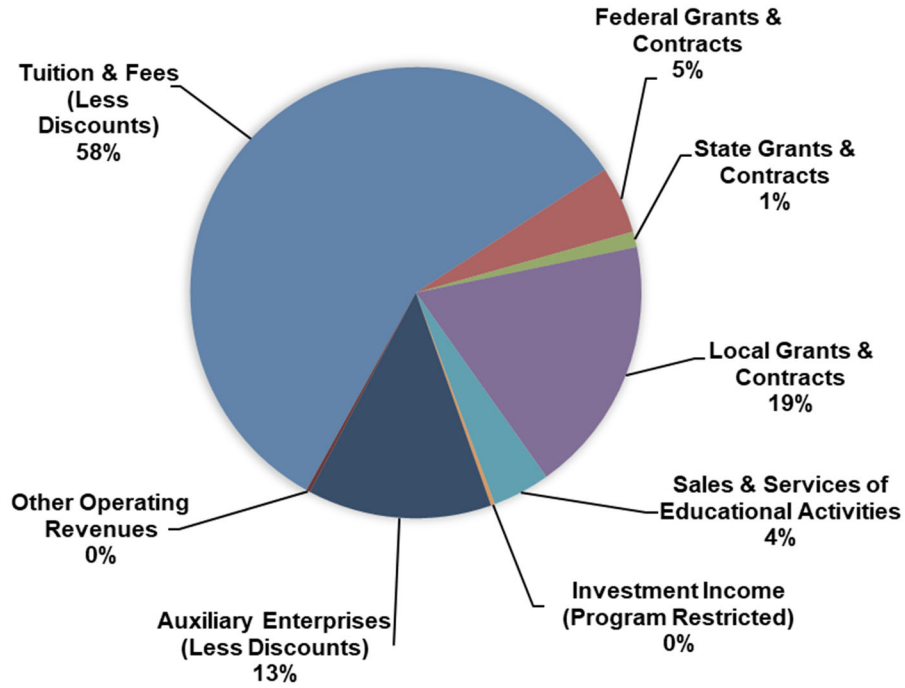
The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as the non-operating revenues and expenses. Operating revenues are primarily those that result directly from instruction, the operation of the College's auxiliary services (cafeteria,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

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

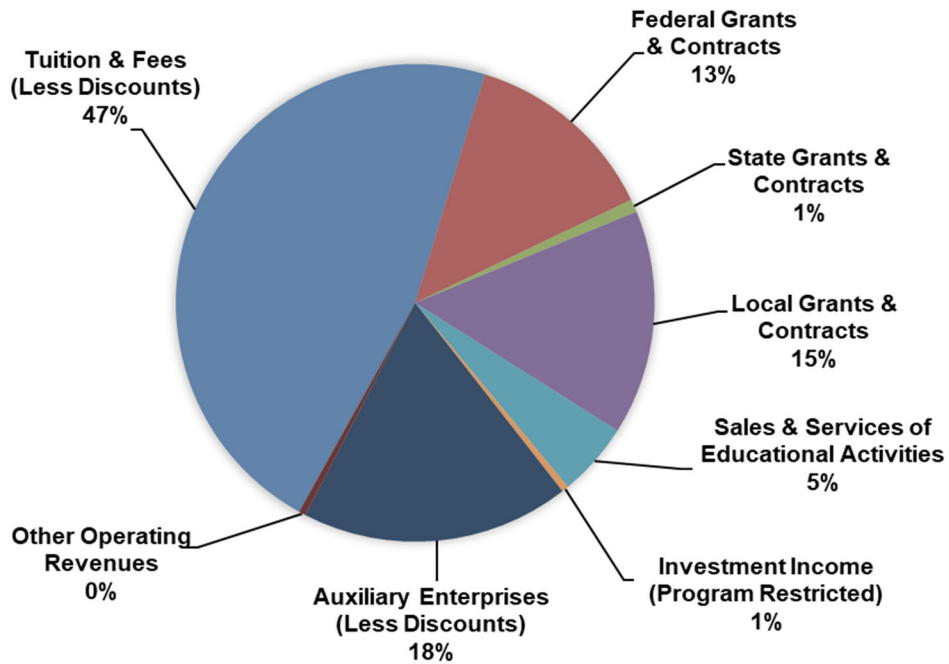
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues			
Tuition and Fees (Less Discounts)	\$ 14,373,068	\$ 12,956,240	\$ 10,382,227
Federal Grants and Contracts	1,197,666	3,661,892	6,300,477
State Grants and Contracts	279,181	241,340	413,895
Local Grants and Contracts	4,587,242	4,228,022	3,518,332
Sales and Services of Educational Activities	1,026,728	1,389,484	577,213
Investment Income (Program Restricted)	71,455	129,025	20,920
Auxiliary Enterprises (Less Discounts)	3,284,296	5,036,977	1,523,501
Other Operating Revenues	65,162	128,242	904,310
Total Operating Revenues	<u>24,884,798</u>	<u>27,771,222</u>	<u>23,640,875</u>
Less Operating Expenses	<u>58,111,487</u>	<u>53,670,447</u>	<u>56,146,803</u>
Net Operating Loss	<u>(33,226,689)</u>	<u>(25,899,225)</u>	<u>(32,505,928)</u>
Non-Operating Revenues (Expenses)			
State Appropriations	12,794,559	12,048,958	11,247,637
Ad Valorem Taxes, Net	26,095,321	22,835,504	21,033,086
Federal Revenue, Non-Operating	7,977,797	6,517,423	12,193,736
Gifts	50,475	50,904	2,059,181
Investment Income (Net of Investment Expense)	1,652,360	799,961	220,933
Gain/(Loss) on Disposal of Capital Assets	1,095	(335,745)	793,619
Interest on Capital Related Debt	(2,771,361)	(2,979,678)	(2,485,152)
Other Non-Operating Expenses	-	-	(347,657)
Total Non-Operating Revenues (Expenses)	<u>45,800,246</u>	<u>38,937,327</u>	<u>44,715,383</u>
Special Item - Capital Contribution	<u>10,060,860</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	22,634,417	13,038,102	12,209,455
Net Position, Beginning of Year	<u>86,709,778</u>	<u>73,671,676</u>	<u>61,462,221</u>
Net Position, End of Year	<u>\$ 109,344,195</u>	<u>\$ 86,709,778</u>	<u>\$ 73,671,676</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

OPERATING REVENUES BY SOURCE 2024



OPERATING REVENUES BY SOURCE 2023



**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

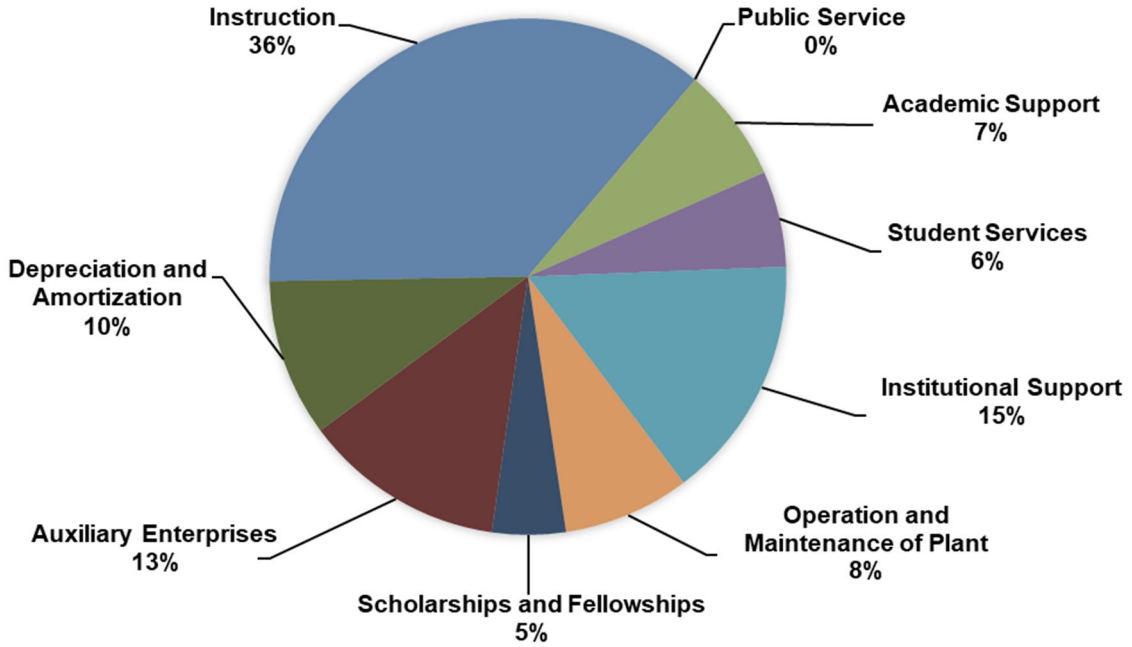
**Operating Expenses
For the Years Ended August 31,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Expenses			
Instruction	\$ 21,188,355	\$ 19,728,559	\$ 17,730,831
Public Service	13,807	25,234	20,072
Academic Support	4,168,108	3,732,872	4,211,540
Student Services	3,492,685	4,794,407	7,563,901
Institutional Support	8,901,950	8,484,842	8,577,311
Operation and Maintenance of Plant	4,607,788	4,448,190	4,840,607
Scholarships and Fellowships	2,673,878	2,527,567	5,813,265
Auxiliary Enterprises	7,326,527	4,315,589	3,477,821
Depreciation and Amortization	5,738,389	5,613,187	3,911,455
Total	<u>\$ 58,111,487</u>	<u>\$ 53,670,447</u>	<u>\$ 56,146,803</u>
Total Expenses (Including Interest Expense and Non-Operating Expenses)	<u>\$ 60,882,848</u>	<u>\$ 56,985,870</u>	<u>\$ 58,979,612</u>

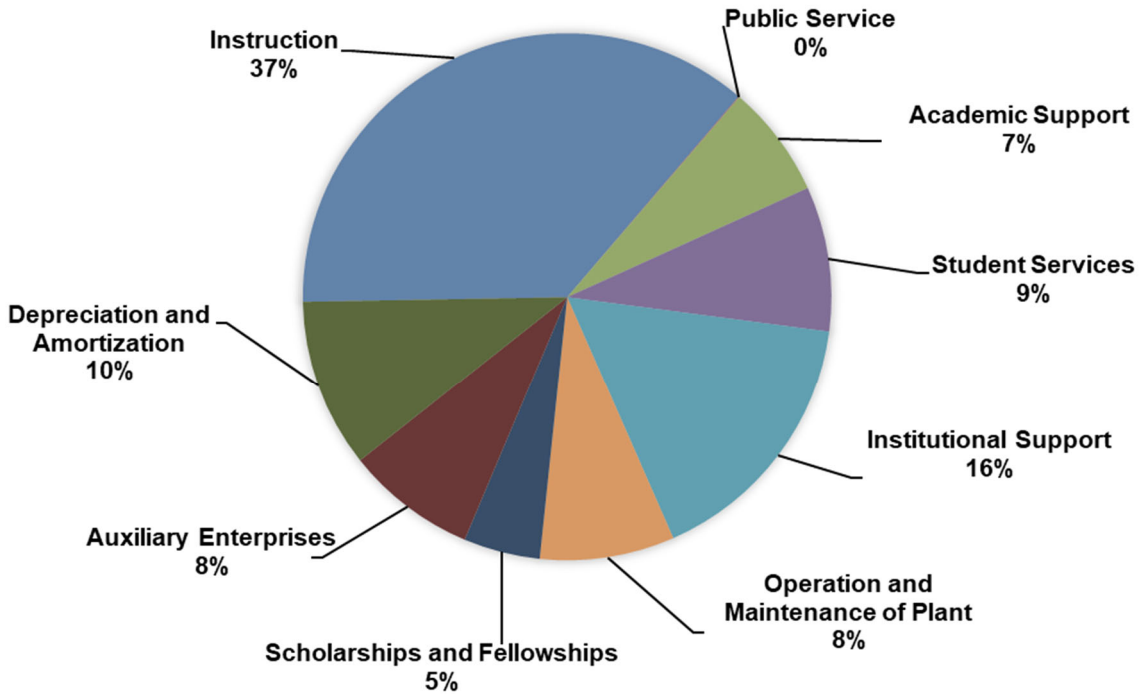


**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

OPERATING EXPENSES 2024



OPERATING EXPENSES 2023



**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The College's investment in total capital assets as of August 31, 2024 and 2023, amounts to \$126,894,177 and \$104,649,394, respectively, (net of accumulated depreciation). Investments in capital assets include land, collections, intangible assets, construction in process, buildings, land improvements, library books, furniture, machinery, vehicles and other equipment, and right-to-use assets.

	Capital Assets, Net August 31,		
Capital Assets	<u>2024</u>	<u>2023</u>	<u>2022</u>
Land	\$ 8,134,481	\$ 479,685	\$ 598,212
Collections	31,150	31,150	31,150
Intangible Assets	500,000	500,000	500,000
Construction in Process	30,373,587	16,938,735	4,958,673
Buildings	73,972,400	70,334,329	71,116,522
Land Improvements	12,827,485	11,250,043	11,297,894
Library Books	858,243	855,355	850,222
Furniture, Machinery, Vehicles, and Other Equipment	13,117,159	11,888,964	10,488,912
Right-to-Use Leased Equipment	22,935,153	22,904,706	22,904,706
Right-to-Use Subscription Asset	7,238,498	7,005,806	-
Total	<u>169,988,156</u>	<u>142,188,773</u>	<u>122,746,291</u>
Less Accumulated Depreciation/Amortization	<u>(43,093,979)</u>	<u>(37,539,379)</u>	<u>(33,683,914)</u>
Net Capital Assets	<u>\$ 126,894,177</u>	<u>\$ 104,649,394</u>	<u>\$ 89,062,377</u>

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

Long-term debt. At August 31, 2024 and 2023, the College had long-term debt outstanding, which represents bonds payable of \$48,692,730 and \$50,429,961, notes payable from direct borrowing of \$2,478,942 and \$2,941,836, leases of \$18,933,006 and \$20,242,084, and subscriptions of \$2,778,358 and \$3,272,144, respectively. The College's total debt decreased by a net amount of \$4,002,989 in fiscal year 2024 primarily due to regularly scheduled payments. The College's total debt increased by a net amount of \$38,566 in fiscal year 2023 primarily due to the increase of \$3,762,012 in subscription liability offset by regularly scheduled payments.

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2024 and 2023**

Economic Factors and Next Year's Budget and Rates

The Board of Trustees adopted the College's 2024-25 budget and tax rate on August 22, 2024. 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 2025, the Board of Trustees and management considered the following factors:

- Property valuations in Parker County increased by 7.57% resulting in an increased ad valorem tax levy.
- A 2.224% increase in the total ad valorem tax rate above the unadjusted no-new-revenue tax rate was necessary to fund the 2024-25 budget.
- Tuition rates increased approximately 8% overall.
- State instructional appropriations increased by approximately 1.8% over the 2023-24 fiscal year.
- A cost of living increase of 7% to all full-time and part-time employees.

Request for Information

This financial report is designed to provide a general overview of the Weatherford College of the Parker County Junior College District's finances and to show the College's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Executive Vice President of Financial and Administrative Services at 225 College Park Drive, Weatherford, Texas 76086.



**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Net Position
August 31, 2024 and 2023**

EXHIBIT 1

	2024	2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 63,954,672	\$ 49,592,134
Accounts Receivable (net)	12,323,225	10,004,645
Inventories	29,767	-
Prepaid Expenses	61,119	18,903
Total Current Assets	76,368,783	59,615,682
Non-Current Assets		
Restricted Cash and Cash Equivalents	9,369,416	26,343,978
Endowment Investments	175,551	175,551
Lease Receivable	2,263,463	2,347,816
Investments in Real Estate	20,760,000	20,760,000
Capital Assets (net) (See Note 6)	126,894,177	104,649,394
Total Non-Current Assets	159,462,607	154,276,739
Total Assets	235,831,390	213,892,421
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	4,541,301	4,953,796
Deferred Outflows Related to OPEB	977,900	3,073,927
Total Deferred Outflows of Resources	\$ 5,519,201	\$ 8,027,723

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Net Position
August 31, 2024 and 2023**

EXHIBIT 1

	2024	2023
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 4,865,906	\$ 5,364,474
Funds Held for Others	783,595	643,489
Unearned Revenues	15,029,493	11,696,095
Accrued Compensated Absences - Current Portion	687,809	624,520
Notes Payable - Current Portion	487,922	462,895
Leases Payable - Current Portion	1,458,870	1,332,190
Subscription Liability - Current Portion	765,029	662,105
Bonds Payable - Current Portion	1,801,431	1,737,232
Net OPEB Liability - Current Portion	483,444	476,689
Total Current Liabilities	26,363,499	22,999,689
Non-Current Liabilities		
Notes Payable	1,991,020	2,478,941
Leases Payable	17,474,136	18,909,894
Subscription Liability	2,013,329	2,610,039
Bonds Payable	46,891,299	48,692,729
Net Pension Liability	8,537,375	7,305,123
Net OPEB Liability	16,800,059	17,858,997
Total Non-Current Liabilities	93,707,218	97,855,723
Total Liabilities	120,070,717	120,855,412
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Leases	2,149,712	2,273,714
Deferred Inflows Related to Pensions	2,278,461	3,371,213
Deferred Inflows Related to OPEB	7,507,506	8,710,027
Total Deferred Inflows of Resources	11,935,679	14,354,954
NET POSITION		
Net Investment in Capital Assets	51,394,399	36,936,337
Restricted for:		
Expendable		
Student Aid	3,445,082	2,987,789
Instructional Programs	49,934	78,977
Capital Projects	497,168	2,497,168
Debt Service	1,903,338	3,627,308
Unrestricted	52,054,274	40,582,199
Total Net Position (Schedule D)	\$ 109,344,195	\$ 86,709,778

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Component Unit
Statements of Financial Position
August 31, 2024 and 2023**

EXHIBIT 1

	Weatherford College Foundation, Inc.	
	2024	2023
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 299,644	\$ 268,044
Accounts Receivable	1,414	-
Note Receivable - Current Portion	9,776	9,329
Unconditional Promises to Give - Current Portion	45,395	98,702
Total Current Assets	356,229	376,075
Non-Current Assets		
Cash and Cash Equivalents	1,099,402	1,114,307
Endowment Investments	11,164,454	9,660,363
Unconditional Promises to Give	38,500	85,435
Note Receivable	137,627	148,200
Mineral Rights	1	1
Total Non-Current Assets	12,439,984	11,008,306
Total Assets	12,796,213	11,384,381
LIABILITIES		
Current Liabilities		
Accounts Payable	3,976	4,637
Total Liabilities	3,976	4,637
NET ASSETS		
Without Donor Restrictions	444,486	420,937
With Donor Restrictions	12,347,751	10,958,807
Total Net Assets	\$ 12,792,237	\$ 11,379,744

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT**
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2024 and 2023

EXHIBIT 2

	2024	2023
REVENUES		
Operating Revenues		
Tuition and Fees (Net of Discounts of \$7,649,335 and \$6,302,315, respectively)	\$ 14,373,068	\$ 12,956,240
Federal Grants and Contracts	1,197,666	3,661,892
State Grants and Contracts	279,181	241,340
Local Grants and Contracts	4,587,242	4,228,022
Sales and Services of Educational Activities	1,026,728	1,389,484
Investment Income (Program Restricted)	71,455	129,025
Auxiliary Enterprises (Net of Discounts of \$1,008,139 and \$892,538, respectively)	3,284,296	5,036,977
Other Operating Revenues	65,162	128,242
Total Operating Revenues (Schedule A)	24,884,798	27,771,222
EXPENSES		
Operating Expenses		
Instruction	21,188,355	19,728,559
Public Service	13,807	25,234
Academic Support	4,168,108	3,732,872
Student Services	3,492,685	4,794,407
Institutional Support	8,901,950	8,484,842
Operation and Maintenance of Plant	4,607,788	4,448,190
Scholarships and Fellowships	2,673,878	2,527,567
Auxiliary Enterprises	7,326,527	4,315,589
Depreciation and Amortization	5,738,389	5,613,187
Total Operating Expenses (Schedule B)	58,111,487	53,670,447
Operating Loss	(33,226,689)	(25,899,225)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	12,794,559	12,048,958
Ad Valorem Taxes (net)	26,095,321	22,835,504
Federal Revenue, Non-Operating	7,977,797	6,517,423
Gifts	50,475	50,904
Investment Income	1,652,360	799,961
Gain (Loss) on Disposal of Capital Assets	1,095	(335,745)
Interest on Capital Related Debt	(2,771,361)	(2,979,678)
Net Non-Operating Revenues (Schedule C)	45,800,246	38,937,327
SPECIAL ITEM - CAPITAL CONTRIBUTION	10,060,860	-
Increase in Net Position	22,634,417	13,038,102
NET POSITION		
Net Position - Beginning of Year	86,709,778	73,671,676
Net Position - End of Year	\$ 109,344,195	\$ 86,709,778

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Component Unit
Statements of Activities
For the Years Ended August 31, 2024 and 2023**

EXHIBIT 2

	Weatherford College Foundation, Inc.					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support, Revenues, and Reclassifications						
Contributions	\$ 73,517	\$ 431,732	\$ 505,249	\$ 97,837	\$ 560,258	\$ 658,095
Interest and dividends	13,229	369,696	382,925	9,834	246,339	256,173
Investment return (loss), net	2,440	997,522	999,962	(21,431)	248,378	226,947
Other revenues	-	-	-	136	-	136
Net assets released from restrictions due to satisfaction of purpose restrictions	410,006	(410,006)	-	736,541	(736,541)	-
Total public support, revenues, and reclassifications	<u>499,192</u>	<u>1,388,944</u>	<u>1,888,136</u>	<u>822,917</u>	<u>318,434</u>	<u>1,141,351</u>
Expenses						
Programs						
Contributions to Weatherford College	5,076	-	5,076	96,784	-	96,784
Scholarships	334,686	-	334,686	564,930	-	564,930
Other contributions	4,854	-	4,854	2,179	-	2,179
Total programs	<u>344,616</u>	<u>-</u>	<u>344,616</u>	<u>663,893</u>	<u>-</u>	<u>663,893</u>
Management and General						
Awards	3,194	-	3,194	1,665	-	1,665
Bad debt	300	-	300	-	-	-
Bank fees and charges	2,899	-	2,899	3,515	-	3,515
Contract services	2,134	-	2,134	585	-	585
Legal and professional	26,608	-	26,608	21,500	-	21,500
Printing and postage	4,196	-	4,196	4,216	-	4,216
Supplies	5,810	-	5,810	14,801	-	14,801
Other expenses	68,217	-	68,217	64,497	-	64,497
Total management and general	<u>113,358</u>	<u>-</u>	<u>113,358</u>	<u>110,779</u>	<u>-</u>	<u>110,779</u>
Fundraising						
Advertising	239	-	239	10,538	-	10,538
Receptions and entertainment	17,430	-	17,430	16,110	-	16,110
Total fundraising	<u>17,669</u>	<u>-</u>	<u>17,669</u>	<u>26,648</u>	<u>-</u>	<u>26,648</u>
Total expenses	<u>475,643</u>	<u>-</u>	<u>475,643</u>	<u>801,320</u>	<u>-</u>	<u>801,320</u>
Change in net assets	23,549	1,388,944	1,412,493	21,597	318,434	340,031
Net assets at beginning of year	<u>420,937</u>	<u>10,958,807</u>	<u>11,379,744</u>	<u>399,340</u>	<u>10,640,373</u>	<u>11,039,713</u>
Net assets at end of year	<u>\$ 444,486</u>	<u>\$ 12,347,751</u>	<u>\$ 12,792,237</u>	<u>\$ 420,937</u>	<u>\$ 10,958,807</u>	<u>\$ 11,379,744</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2024 and 2023**

EXHIBIT 3

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Students and Other Customers	\$ 19,176,634	\$ 16,008,682
Receipts from Grants and Contracts	6,208,593	8,204,992
Payments to Suppliers for Goods or Services	(16,093,924)	(11,234,547)
Payments to or On Behalf of Employees	(30,928,084)	(27,842,040)
Payments for Scholarships	(2,587,036)	(2,483,934)
Other Receipts	65,162	128,242
Net Cash Used by Operating Activities	(24,158,655)	(17,218,605)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	9,920,260	9,025,185
Receipts from Ad Valorem Taxes Levied for Maintenance and Operations	25,836,307	22,828,092
Receipts from Non-Operating Federal Revenue	8,567,014	6,804,782
Receipts from Non-Capital Gifts and Non-Exchange Grants	50,475	50,904
Receipts from Student Organizations and Other Agency Transactions	140,106	96,664
Net Cash Provided by Non-Capital Financing Activities	44,514,162	38,805,627
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from the Sale of Capital Assets	1,095	10,331
Receipts from Ad Valorem Taxes Levied for Debt Service	7,920	9,998
Purchases of Capital Assets	(17,659,173)	(17,784,268)
Payment on Capital Debt - Principal	(3,968,897)	(3,392,377)
Payment on Capital Debt - Interest	(3,072,291)	(3,314,273)
Net Cash Used by Capital and Related Financing Activities	(24,691,346)	(24,470,589)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of Interest and Dividends on Investments	1,723,815	868,736
Net Cash Provided by Investing Activities	1,723,815	868,736
Decrease in Cash and Cash Equivalents	(2,612,024)	(2,014,831)
Cash and Cash Equivalents - September 1	75,936,112	77,950,943
Cash and Cash Equivalents - August 31	\$ 73,324,088	\$ 75,936,112

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2024 and 2023**

EXHIBIT 3

	2024	2023
Reconciliation to Exhibit 1:		
Cash and Cash Equivalents	\$ 63,954,672	\$ 49,592,134
Restricted Cash and Cash Equivalents	9,369,416	26,343,978
Total Cash and Cash Equivalents	\$ 73,324,088	\$ 75,936,112
Non-Cash Investing, Capital, and Financing Activities:		
Net Increase in Fair Value of Investments	\$ -	\$ 3,110,000
Amortization of Premium on Bonds	\$ 297,231	\$ 331,069
Donated Capital Assets	\$ 10,060,860	\$ -
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	\$ (33,226,689)	\$ (25,899,225)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	5,738,389	5,613,187
Unrealized Gain on Fair Value of Investments	-	(3,110,000)
Bad Debt Expense (Recovery)	87,260	66,646
Payments Made Directly by State for Benefits	2,874,299	3,023,773
Investment Income (Program Restricted)	(71,455)	(129,025)
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources		
Receivables, Net	(2,743,963)	(1,516,532)
Prepaid Expenses	(42,216)	(18,903)
Inventory	(29,767)	
Lease Receivable	84,353	80,649
Deferred Outflows of Resources	2,508,522	106,475
Accounts Payable	(494,869)	2,788,557
Unearned Revenues	3,333,398	1,302,958
Compensated Absences	63,289	24,071
Net Pension Liability	1,232,252	4,052,989
Net OPEB Liability	(1,052,183)	(5,180,648)
Deferred Inflows of Resources	(2,419,275)	1,576,423
Net Cash Used By Operating Activities	\$ (24,158,655)	\$ (17,218,605)

**NOTES TO THE
FINANCIAL STATEMENTS**

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

1. REPORTING ENTITY

Weatherford College of the Parker County Junior College District (the College) was established in 1869, in accordance with the laws of the State of Texas, to serve the educational needs of Weatherford, Texas and the surrounding communities. The College is considered a special purpose, primary government, according to the definition in the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, state, and federal sources and must comply with the spending, reporting, and record-keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This section provides a summary of the College's significant accounting activities and other topics related to the College's financial reporting.

Reporting Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities (BTA).

Tuition Discounting

Texas Public Education Grants (TPEG)

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set-aside, called the TPEG, is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.033). When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act (HEA) Program Funds

Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts

The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The College considers cash and cash equivalents as cash on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Deferred Outflows

In addition to assets, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by the GASB. The College has deferred outflows related to its pension plan and for other post-employment benefits (OPEB). See additional information in Note 12 and Note 16, respectively.

Non-Current Cash and Investments

Non-current cash and investments are set aside and classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts and their use is limited to obligations such as, scholarships, revenue bonds, general obligation bonds, and endowments.

Investments

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The College records capital assets at cost at the date of acquisition or acquisition value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. The College capitalizes renovations of \$100,000 to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure. The College charges costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles, and other equipment, and 5 years for telecommunications and peripheral equipment. Right-to-use assets from arrangements that qualify as leases are amortized over the shorter of the lease term or the useful life of the underlying asset. Right-to-use subscription assets resulting from qualifying subscription-based information technology arrangements (SBITAs) are amortized over the subscription term.

During the year ended August 31, 2024, the College received a donation of the Canyon West Golf Course, valued at \$10,060,860 on the date of donation and recorded as Capital Assets in the Statements of Net Position and as Special Item – Capital Contribution in the Statements of Revenues, Expenses, and Changes in Net Position.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities, and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

Revenues, primarily consisting of grants, tuition, fees, and meal charges, related to academic terms in the next fiscal year are recorded on the Statement of Net Position as unearned revenue in the current fiscal year. Tuition and fees of \$14,791,715 and \$11,602,821 and federal, state, and local grants of \$237,778 and \$93,274 have been reported as unearned revenue at August 31, 2024 and 2023, respectively.

Bonds Payable

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

Deferred Inflows

In addition to liabilities, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by the GASB. The College has deferred inflows related to leases receivable, its pension plan, and for other post-employment benefits (OPEB). See additional information in Notes 25, 12, and 16, respectively.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. The operations of the bookstore and the golf course are not performed by the College.

Application of Restricted and Unrestricted Resources

The College's policy is to first apply an expense against restricted resources then towards unrestricted resources when both are available to pay an expense.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement

For the years ended August 31, 2024 and 2023, the College implemented Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assuming accountability. This statement: (1) defines accounting changes and describes the transactions or other events that constitute those changes, (2) addresses corrections of errors in previously issued financial statements, (3) prescribes the accounting and financial reporting for each type of accounting change and error correction, (4) requires note disclosures, and (5) addresses how accounting changes and error corrections should be presented in the required supplementary information and supplementary information. This statement was adopted by the College as of September 1, 2022 and it had no effect on fiscal year 2023 amounts as previously reported.

3. AUTHORIZED INVESTMENTS

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

4. DEPOSITS AND INVESTMENTS

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

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

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

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

4. DEPOSITS AND INVESTMENTS (Continued)

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

Cash and Deposits

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

	8/31/2024	8/31/2023
<u>Cash and Cash Equivalents</u>		
Bank Deposits - Time Deposits	\$ 73,319,143	\$ 75,932,367
Petty Cash	4,945	3,745
Total Cash and Cash Equivalents	\$ 73,324,088	\$ 75,936,112

Investments

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

Type of Investments	Maturity	Market Value 8/31/2024	Market Value 8/31/2023
Mineral Rights	N/A	\$ 175,551	\$ 175,551
Real Estate	N/A	20,760,000	20,760,000
Total Investments		\$ 20,935,551	\$ 20,935,551

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

4. DEPOSITS AND INVESTMENTS (Continued)

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

	<u>8/31/2024</u>	<u>8/31/2023</u>
Per Note 4:		
Cash and Cash Equivalents	\$ 73,324,088	\$ 75,936,112
Investments	<u>20,935,551</u>	<u>20,935,551</u>
Total Deposits and Investments	<u>\$ 94,259,639</u>	<u>\$ 96,871,663</u>
Per Exhibit 1:		
Cash and Cash Equivalents	\$ 63,954,672	\$ 49,592,134
Restricted Cash and Cash Equivalents	9,369,416	26,343,978
Endowment Investments	175,551	175,551
Investments in Real Estate	<u>20,760,000</u>	<u>20,760,000</u>
Total Deposits and Investments	<u>\$ 94,259,639</u>	<u>\$ 96,871,663</u>

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

5. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The fair value hierarchy of investments at August 31, 2024 follows:

	August 31, 2024				August 31, 2023
	Level 1	Level 2	Level 3	Total	Total
Mineral Rights	\$ -	\$ 175,551	\$ -	\$ 175,551	\$ 175,551
Real Estate	-	20,760,000	-	20,760,000	20,760,000
Total Investments	\$ -	\$ 20,935,551	\$ -	\$ 20,935,551	\$ 20,935,551

6. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2024 was as follows:

	Balance 9/1/2023	Increases	Decreases	Balance 8/31/2024
Not Depreciated:				
Land	\$ 479,685	\$ 7,654,796	\$ -	\$ 8,134,481
Collections	31,150	-	-	31,150
Intangible Assets	500,000	-	-	500,000
Construction in Process	16,938,735	15,865,806	2,430,954	30,373,587
Subtotal	17,949,570	23,520,602	2,430,954	39,039,218
Buildings and Other Capital Assets:				
Buildings	70,334,329	3,638,071	-	73,972,400
Land Improvements	11,250,043	1,577,442	-	12,827,485
Library Books	855,355	3,436	548	858,243
Furniture, Machinery, Vehicles, and Other Equipment	11,888,964	1,411,436	183,241	13,117,159
Right-to-Use Leased Equipment	22,904,706	30,447	-	22,935,153
Right-to-Use Subscription Asset	7,005,806	232,692	-	7,238,498
Subtotal	124,239,203	6,893,524	183,789	130,948,938
Accumulated Depreciation/Amortization:				
Buildings	17,796,556	1,272,323	-	19,068,879
Land Improvements	5,761,408	396,842	-	6,158,250
Library Books	294,274	39,862	548	333,588
Furniture, Machinery, Vehicles, and Other Equipment	7,203,783	850,796	183,241	7,871,338
Right-to-Use Leased Equipment	5,111,932	1,760,602	-	6,872,534
Right-to-Use Subscription Asset	1,371,426	1,417,964	-	2,789,390
Subtotal	37,539,379	5,738,389	183,789	43,093,979
Net Other Capital Assets	86,699,824	1,155,135	-	87,854,959
Net Capital Assets	\$ 104,649,394	\$ 24,675,737	\$ 2,430,954	\$ 126,894,177

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

6. CAPITAL ASSETS (Continued)

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

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

7. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2024 was as follows:

	Balance 9/1/2023	Additions	Reductions	Balance 8/31/2024	Current Portion
Bonds					
Revenue Bonds	\$ 46,660,000	\$ -	\$ 1,440,000	\$ 45,220,000	\$ 1,515,000
Bond Premium	3,769,961	-	297,231	3,472,730	286,431
Subtotal	50,429,961	-	1,737,231	48,692,730	1,801,431
Notes Payable -					
Direct Borrowings	2,941,836	-	462,894	2,478,942	487,922
Leases	20,242,084	30,447	1,339,525	18,933,006	1,458,870
Subscription Liability	3,272,144	232,692	726,478	2,778,358	765,029
Net Pension Liability	7,305,123	1,871,121	638,869	8,537,375	N/A
Net OPEB Liability	18,335,686	422,719	1,474,902	17,283,503	483,444
Compensated Absences	624,520	687,809	624,520	687,809	687,809
Total Noncurrent Liabilities	\$ 103,151,354	\$ 3,244,788	\$ 7,004,419	\$ 99,391,723	\$ 5,684,505

The College did not have any unused lines of credit or subjective acceleration clauses as of August 31, 2024 and 2023. The notes payable from direct borrowing for All American Investment Group, LLC, contains a term specified in the debt agreement that the equipment will be repossessed in the event of default. See Note 9 for more information. No other terms specified in debt agreements related to significant events of default or termination with finance-related consequences exist.

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

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

8. DEBT AND LEASE OBLIGATIONS

Debt service requirements on August 31, 2024, were as follows:

Year Ended August 31,	Revenue Bonds			Amortization of Bond Premium
	Bonds Principal	Interest	Total	
2025	\$ 1,515,000	\$ 1,772,332	\$ 3,287,332	\$ 286,431
2026	1,580,000	1,700,432	3,280,432	275,072
2027	1,660,000	1,625,432	3,285,432	263,217
2028	1,735,000	1,546,632	3,281,632	250,765
2029	1,825,000	1,464,232	3,289,232	237,741
2030 - 2034	9,920,000	5,945,760	15,865,760	972,154
2035 - 2039	9,805,000	3,867,010	13,672,010	649,541
2040 - 2044	9,135,000	2,041,960	11,176,960	363,723
2045 - 2049	6,600,000	851,034	7,451,034	160,511
2050 - 2054	1,445,000	44,806	1,489,806	13,575
Total	\$ 45,220,000	\$ 20,859,630	\$ 66,079,630	\$ 3,472,730

Year Ended August 31,	Notes Payable - Direct Borrowings		
	Notes Principal	Interest	Total
2025	\$ 487,922	\$ 78,559	\$ 566,481
2026	508,551	63,672	572,223
2027	534,802	48,208	583,010
2028	507,667	31,455	539,122
2029	215,000	18,260	233,260
2030 - 2034	225,000	9,337	234,337
Total	\$ 2,478,942	\$ 249,491	\$ 2,728,433

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

8. DEBT AND LEASE OBLIGATIONS (Continued)

Year Ended August 31,	Lease Liability		
	Lease Principal	Interest	Total
2025	\$ 1,458,870	\$ 940,080	\$ 2,398,950
2026	1,473,799	870,032	2,343,831
2027	1,541,492	798,345	2,339,837
2028	1,659,914	721,586	2,381,500
2029	1,791,288	638,712	2,430,000
2030 - 2034	11,007,643	1,715,607	12,723,250
Total	<u>\$ 18,933,006</u>	<u>\$ 5,684,362</u>	<u>\$ 24,617,368</u>

Year Ended August 31,	Subscription Liability		
	Subscription Principal	Interest	Total
2025	\$ 765,029	\$ 125,026	\$ 890,055
2026	840,402	90,600	931,002
2027	922,003	52,782	974,785
2028	250,924	11,292	262,216
Total	<u>\$ 2,778,358</u>	<u>\$ 279,700</u>	<u>\$ 3,058,058</u>

9. BONDS AND NOTES PAYABLE

General information related to bonds payable is summarized below:

- Consolidated Fund Revenue Bonds, Series 2012
 - To purchase student housing facilities.
 - Issued October 1, 2012.
 - Total authorized and issued \$7,980,000.
 - Source of revenue for debt service – tuition and fees.
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$4,090,000 and \$4,460,000, respectively.
 - Issued at a premium of \$558,377, of which \$131,377 and \$158,858 was unamortized at August 31, 2024 and 2023, respectively.

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

9. BONDS AND NOTES PAYABLE (Continued)

- Consolidated Fund Revenue Bonds, Series 2021
 - To build the Workforce and Emerging Technologies Building.
 - Issued March 1, 2021.
 - Total authorized and issued \$26,940,000.
 - Source of revenue for debt service – tuition and fees.
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$25,740,000 and \$26,280,000, respectively.
 - Issued at a premium of \$3,132,038, of which \$2,487,610 and \$2,669,990 was unamortized at August 31, 2024 and 2023, respectively.

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

- Consolidated Fund Revenue Bonds, Series 2022
 - To build Durant Hall Dormitory.
 - Issued May 24, 2022.
 - Total authorized and issued \$16,295,000.
 - Source of revenue for debt service – tuition and fees.
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$15,390,000 and \$15,920,000, respectively.
 - Issued at a premium of \$1,055,108, of which \$853,741 and \$941,113 was unamortized at August 31, 2024 and 2023, respectively.

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

- Note Payable from Direct Borrowing– All American Investment Group, LLC
 - To upgrade facilities' energy management systems/equipment at the Main and Wise County Campuses.
 - Original loan date – January 15, 2013.
 - Total original balance of \$3,752,878.
 - Source of revenue for debt service – unrestricted revenue.
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$1,253,942 and \$1,541,837, respectively.
 - Contains a provision that the equipment will be repossessed in the event of default.

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
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9. BONDS AND NOTES PAYABLE (Continued)

- Note Payable from Direct Borrowing – Maintenance Tax Notes, Series 2011
 - To replace roofs and renovate classrooms and to pay related fees and the costs of issuance associated with the tax notes.
 - Original loan date – March 15, 2011.
 - Total original balance of \$3,045,000.
 - Source of revenue for debt service – unrestricted revenue.
 - Outstanding principal balance as of August 31, 2024 and 2023 is \$1,225,000 and \$1,400,000, respectively.

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

10. LEASES PAYABLE

General information related to leases payable is summarized below:

Asset	Term, Including Renewals	Interest Rate	Payment Amount	Lease Liability 8/31/2024
Copiers	60 months	4.5%	\$ 10,485	\$ 152,655
Antenna Space	120 months	4.5%	3,000	230,932
Postage Machines	48 months	4.5%	716	4,238
Computer Equipment	4 years	2.5%	6,060	5,915
Computer Equipment	4 years	2.5%	4,392	8,471
Computer Equipment	4 years	4.9%	12,650	12,061
Computer Equipment	4 years	3.9%	24,147	45,622
Computer Equipment	4 years	2.4%	8,087	23,112
Wise County Campus	14 years	2.0%	varies	18,450,000
				<u>\$ 18,933,006</u>

There were no variable payments, residual value guarantees, or penalties not included in the measurement of the leases. The College did not have any commitments under leases not yet commenced at year-end, components of losses associated with asset impairments, or sublease transactions for the years ended August 31, 2024 or 2023.

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Notes to the Financial Statements
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11. SUBSCRIPTION LIABILITIES

General information related to subscription liabilities is summarized below:

Software	Term, Including Renewals	Interest Rate	Payment Amount	Subscription Liability 8/31/2024
Enterprise Resource Planning	5 years	4.50%	varies	\$ 1,738,558
Learning Management System	5 years	4.50%	varies	150,833
Student Success & Engagement	6 years	4.50%	varies	720,648
Course & Event Scheduling	5 years	4.50%	varies	168,319
				<u>\$ 2,778,358</u>

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

12. EMPLOYEES' RETIREMENT PLANS

Teacher Retirement System of Texas - Defined Benefit Pension Plan

Plan Description

The College participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
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12. EMPLOYEES' RETIREMENT PLANS (Continued)

Benefits Provided

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

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

Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

12. EMPLOYEES' RETIREMENT PLANS (Continued)

	<u>Contribution Rates</u>	
	<u>Fiscal Years</u>	
	<u>2024</u>	<u>2023</u>
Member	8.00%	8.00%
Non-Employer Contributing Entity (NECE) - State	8.00%	7.75%
Employers	8.00%	7.75%

<u>Fiscal Year Contributions</u>	
2024 Member Contributions	\$ 1,286,503
2024 NECE On-behalf Contributions	\$ 568,460
2024 Employer Contributions	\$ 711,462

The College's contributions to the TRS pension plan in 2024 were \$711,462 as reported in the Schedule of College's Contributions for Pensions in the Required Supplementary Information section of these financial statements. Estimated state of Texas on-behalf contributions for 2024 were \$568,460.

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

Actuarial Assumptions

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.00%
Long-term Expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2023*	4.13%*
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

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

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 increasing to 9.56% in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
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12. EMPLOYEES' RETIREMENT PLANS (Continued)

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2023 are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.0%	1.00%
Non-U.S. Developed	13.0%	4.5%	0.90%
Emerging Markets	9.0%	4.8%	0.70%
Private Equity *	14.0%	7.0%	1.50%
Stable Value			
Government Bonds	16.0%	2.5%	0.50%
Absolute Return *	0.0%	3.6%	0.00%
Stable Value Hedge Funds	5.0%	4.1%	0.20%
Real Return			
Real Estate	15.0%	4.9%	1.10%
Energy, Natural Resources, and Infrastructure	6.0%	4.8%	0.40%
Commodities	0.0%	4.4%	0.00%
Risk Parity			
Risk Parity	8.0%	4.5%	0.40%
Asset Allocation Leverage			
Cash	2.0%	3.7%	0.00%
Asset Allocation Leverage	-6.0%	4.4%	-0.10%
Inflation Expectation			2.30%
Volatility Drag****			-0.90%
Expected Return	<u>100.00%</u>		<u>8.00%</u>

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY 2023 policy model.

*** Capital Market Assumptions come from AON Hewitt (as of 06/30/2023).

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

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12. EMPLOYEES' RETIREMENT PLANS (Continued)

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
College's proportionate share of the net pension liability:	\$ 12,763,846	\$ 8,537,375	\$ 5,023,059

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

At August 31, 2024, the College reported a liability of \$8,537,375 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$ 8,537,375
State's proportionate share that is associated with the College	<u>6,810,133</u>
Total	<u><u>\$ 15,347,508</u></u>

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At the measurement date of August 31, 2023, the College's proportion of the collective net pension liability was 0.01242878%, which was a decrease of 0.0001238% from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

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12. EMPLOYEES' RETIREMENT PLANS (Continued)

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

For the year ended August 31, 2024, the College recognized pension expense of \$1,028,271 and revenue of \$509,616 for support provided by the State.

At August 31, 2024, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 304,190	\$ 103,378
Changes in actuarial assumptions	807,468	197,606
Difference between projected and actual investment earnings	2,667,671	1,425,276
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	50,510	552,201
Contributions paid to TRS subsequent to the measurement date	711,462	-
 Total	 <u>\$ 4,541,301</u>	 <u>\$ 2,278,461</u>

Contributions made subsequent to the measurement date of \$711,462 are reported as deferred outflows of resources related to pensions and will be recognized as a change of the net pension liability for the fiscal year ending August 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

College's fiscal year ended August 31:	Pension Expense Amount
2025	\$ 238,266
2026	78,248
2027	923,897
2028	272,696
2029	38,271

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12. EMPLOYEES' RETIREMENT PLANS (Continued)

Optional Retirement Plan - Defined Contribution Plan

Plan Description

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

Funding Policy

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

The retirement expense to the State for the College was \$208,181 and \$196,600 for the fiscal years ended August 31, 2024 and 2023, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll for all College employees was \$27,267,357 and \$24,590,432 for fiscal years 2024 and 2023, respectively. The total payroll of employees covered by the TRS was \$15,593,977 and \$14,544,355, and the total payroll of employees covered by the Optional Retirement Program was \$6,601,049 and \$6,260,141 for fiscal years 2024 and 2023, respectively.

13. DEFERRED COMPENSATION PROGRAM

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

As of August 31, 2024 and 2023, the College had 64 and 66 employees, respectively, participating and vested in the program. A total of \$465,607 and \$398,523 in payroll deductions were invested in approved plans during the fiscal years ended August 31, 2024 and 2023, respectively.

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

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14. COMPENSATED ABSENCES

Full-time employees earn annual leave from .833 to 1.25 days per month depending on the number of years employed with the College. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum of fifteen days (120 hours). Employees with at least three months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for the unpaid annual leave in the amount of \$687,809 and \$624,520 for the fiscal years ended August 31, 2024 and 2023, respectively.

Sick leave is earned at the rate of one day per month per contract length and can be accumulated up to a maximum of 60 days (480 hours). The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since all accrued sick leave is forfeited by employees upon termination of employment.

15. HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2024, and totaled \$1,692,356 for the year. The cost of providing those benefits for 121 retirees in the year ended August 31, 2024, was \$531,155. For 291 active employees, the cost of providing benefits was \$1,745,712 for the year ended August 31, 2024. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2023, and totaled \$1,745,710 for the year. The cost of providing those benefits for 128 retirees in the year ended August 31, 2023 was \$543,078. For 293 active employees, the cost of providing benefits was \$1,202,632 for the year ended August 31, 2023. Senate Bill 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

16. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The College participates in a cost-sharing, multiple-employer, defined-benefit other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain post-employment health care, life, and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least ten years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

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

OPEB Plan Fiduciary Net Position

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report (ACFR) that includes financial statements, notes to the financial statements, and required supplementary information. That report may be obtained by visiting <https://ers.texas.gov>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided

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

Contributions

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

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

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

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Plan Fiscal Year 2023

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

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

Premium Contributions by Source
Group Benefits Program Plan
For the Plan's Years Ended August 31, 2023 and 2022

	2023	2022
Employers	\$ 801,018,586	\$ 699,999,453
Members (Employees)	181,951,869	190,659,955
Nonemployer Contributing Entity (State of Texas)	42,250,455	36,750,724

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

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2023
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll, open
Remaining Amortization Period	30 years
Asset Valuation Method	Not applicable because the plan operates on a pay-as-you-go basis.
Discount Rate	3.81%
Projected Annual Salary Increase	2.30% to 8.95%, including inflation
Annual Healthcare Trend Rate	<u>HealthSelect</u> – 5.60% for FY2024, 5.30% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years <u>HealthSelect Medicare Advantage</u> – 66.67% for FY2024, 24.00% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years <u>Pharmacy</u> – 10.00% for FY2024 and FY2025, decreasing 100 basis points per year to 5.00% for FY2030 and 4.30% for FY2031 and later years
Inflation Assumption Rate	2.30%
Ad Hoc Post-Employment Benefit Changes	None
Mortality Assumptions:	
Service Retirees, Survivors, and Other Inactive Members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021.
Disability Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active Members	Sex Distinct Pub-2010 Amount-Weighted-Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP Projection Scale from year 2010.

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

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2017 for higher education members.

Investment Policy

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

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the *beginning* of the measurement year was 3.59%. The discount rate used to measure the total OPEB liability as of the *end* of the measurement year was 3.81%, which amounted to a decrease of 0.22%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.81%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.81%)	Discount Rate (3.81%)	1% Increase in Discount Rate (4.81%)
College's proportionate share of the net OPEB liability:	\$ 20,055,022	\$ 17,283,503	\$ 15,054,299

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

Healthcare Trend Rate Sensitivity Analysis

The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1% less than and 1% greater than the healthcare cost trend rate that was used in measuring the net OPEB liability. See actuarial assumptions section above for specific rates.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
College's proportionate share of the net OPEB liability:	\$ 14,866,215	\$ 17,283,503	\$ 20,353,471

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

At August 31, 2024, the College reported a liability of \$17,283,503 for its proportionate share of the ERS's net OPEB liability. The liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

College's proportionate share of the collective net OPEB liability	\$ 17,283,503
State's proportionate share that is associated with the College	15,639,979
Total	\$ 32,923,482

The net OPEB liability was measured as of August 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At the measurement date of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.06468975%, which was an increase of 0.00032457% from its proportion measured as of August 31, 2022.

For the year ended August 31, 2024, the College recognized OPEB expense of \$464,146 and revenue of \$464,146 for support provided by the State.

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

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

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to cover dependent children.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on short-term expectations.
- The discount rate was changed from 3.59%, as of August 31, 2022, to 3.81%, as of August 31, 2023, as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

At August 31, 2024, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 457,158
Changes in actuarial assumptions	576,559	5,397,868
Differences between projected and actual investment earnings	1,712	316
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	1,652,164
Contributions paid to ERS subsequent to the measurement date	399,629	-
Total	\$ 977,900	\$ 7,507,506

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

Contributions made subsequent to the measurement date of \$399,629 are reported as deferred outflows of resources related to OPEB and will be recognized as a change of the net OPEB liability for the fiscal year ending August 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

College's Fiscal Year Ended August 31:	OPEB Expense Amount
2025	\$ (2,286,402)
2026	(1,981,497)
2027	(1,541,194)
2028	(964,540)
2029	(155,602)

17. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

Receivables at August 31, 2024 and 2023 were as follows:

	8/31/2024	8/31/2023
Student Receivables (Net of Allowances of \$1,090,431 and \$1,003,171 for 2024 and 2023, respectively)	\$ 10,838,179	\$ 8,199,484
Taxes Receivable (Net of Allowances of \$192,044 and \$201,880 for 2024 and 2023, respectively)	567,590	316,496
Federal and State Accounts Receivable	42,665	631,882
Other Accounts Receivable	874,791	856,783
	\$ 12,323,225	\$ 10,004,645

Payables

Payables at August 31, 2024 and 2023 were as follows:

	8/31/2024	8/31/2023
Vendor Payable	\$ 3,774,437	\$ 4,443,384
Salaries and Benefits Payable	934,447	760,369
Accrued Interest	157,022	160,721
	\$ 4,865,906	\$ 5,364,474

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18. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA) audit and accounting guide, *State and Local Governments*, 8.99. For federal contract and grant awards, funds expended but not collected are reported as Accounts Receivable (net) on Exhibit 1. Contract and grant awards that are not yet funded, and for which the College has not yet performed services, are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards or funds awarded during fiscal years 2024 and 2023 for which monies have not been received nor funds expended totaled \$765,702 and \$953,329, respectively. Of these amounts, \$124,239 and \$562,919 were from federal contract and grant awards, and \$641,463 and \$390,410 were from state contract and grant awards for fiscal years ended 2024 and 2023, respectively.

19. SELF-INSURED PLANS

In 1995, the College began participating in the Texas Public Junior and Community College Employee Benefits Consortium (Consortium), which was established in 1991 by several Texas area community colleges as a means of reducing the costs of workers compensation insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. The main purpose of the Consortium is to jointly self-insure certain workers' compensation risks up to an agreed upon retention limit. For the year ended August 31, 2024, the College paid an annual premium of \$59,676 plus \$67,705 toward the loss fund. This \$127,381 was the maximum cost for the self-insured plan. For the year ended August 31, 2023, the College paid an annual premium of \$54,766 plus \$30,790 toward the loss fund. This \$85,556 was the maximum cost for the self-insured plan. 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.

20. AD VALOREM TAX

The College's ad valorem property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the College District.

	8/31/2024	8/31/2023
Assessed Valuation of the College	\$ 39,810,008,191	\$ 27,251,399,619
Less: Exemptions	9,825,256,333	6,907,861,561
Less: Abatements	4,148,586,762	426,977,136
Net Assessed Valuation of the College	\$ 25,836,165,096	\$ 19,916,560,922

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COUNTY JUNIOR COLLEGE DISTRICT
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20. AD VALOREM TAX (Continued)

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
At August 31, 2024			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.10609	\$ -	\$ 0.10609
At August 31, 2023			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.12248	\$ -	\$ 0.12248

Taxes levied for the years ended August 31, 2024 and 2023 were \$26,324,124 and \$23,086,014, 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.

	<u>August 31, 2024</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current Taxes Collected	\$ 25,718,639	\$ -	\$ 25,718,639
Delinquent Taxes Collected	284,271	3,546	287,817
Penalties and Interest Collected	206,917	1,306	208,223
Total Gross Collections	26,209,827	4,852	26,214,679
Tax Appraisal & Collection Fees	<u>(393,165)</u>	<u>-</u>	<u>(393,165)</u>
Total Net Collections	<u>\$ 25,816,662</u>	<u>\$ 4,852</u>	<u>\$ 25,821,514</u>
	<u>August 31, 2023</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current Taxes Collected	\$ 22,767,075	\$ -	\$ 22,767,075
Delinquent Taxes Collected	243,060	8,025	251,085
Penalties and Interest Collected	154,149	1,665	155,814
Total Gross Collections	23,164,284	9,690	23,173,974
Tax Appraisal & Collection Fees	<u>(338,470)</u>	<u>-</u>	<u>(338,470)</u>
Total Net Collections	<u>\$ 22,825,814</u>	<u>\$ 9,690</u>	<u>\$ 22,835,504</u>

Tax collections for the years ended August 31, 2024 and 2023 were 98% and 99% of the current tax levy, respectively. 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.

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COUNTY JUNIOR COLLEGE DISTRICT
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21. BRANCH CAMPUS MAINTENANCE TAX

A branch campus maintenance tax, which is established by election, is levied by Wise County. The tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in Wise County. Collections are transferred to the College to be used for operation of a branch campus in Wise County, Texas. This revenue is reported under Local Grants and Contracts.

County	Collections (including penalties and interest) August 31, 2024	Collections (including penalties and interest) August 31, 2023
Wise County	\$ 4,583,093	\$ 4,227,688

22. INCOME TAXES

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2024 and 2023.

23. RELATED PARTY TRANSACTIONS

Related party transactions for the years ended August 31, 2024 and 2023 are provided solely to comply with the *Financial Responsibility, Administrative Capability, Certification Procedures, Ability To Benefit* regulation promulgated by the U.S. Department of Education. The College paid \$3,274 and \$2,771 to a member of the Board of Trustees for services rendered to the College during the years ended August 31, 2024 and 2023, respectively. Additionally, the College paid travel reimbursements of \$474 and \$741 to a member of the Board of Trustees during the years ended August 31, 2024 and 2023, respectively.

24. COMPONENT UNIT

Weatherford College Foundation, Inc. - Discrete Component Unit

The Weatherford College Foundation, Inc. (the Foundation) was established as a separate nonprofit organization with the sole purpose of supporting educational and other activities of the College, including raising funds to provide student scholarships and assistance in the development and growth of the College. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted \$334,686 and \$564,930 for designated scholarships and \$5,076 and \$96,784 for other contributions to the College during the years ended August 31, 2024 and 2023, respectively. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Foundation is a component unit of the College because the economic resources received or held by the Foundation are entirely or almost entirely for the direct benefit of the College.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

24. COMPONENT UNIT (Continued)

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

Summary of Significant Accounting Policies

Organization

The Weatherford College Foundation, Inc. (the Foundation) is a component unit of Weatherford College (the College). The Foundation is designed for the support and development of the College and its programs, as well as for the support, assistance, and encouragement of students of the College. The Foundation solicits and acts as coordinator of gifts made by other parties. The College is not obligated to pay debt related to the Foundation. While the College is the beneficiary of the Foundation, the Foundation functions independently under its own Board of Directors and pursues its own investment policies in the management of its portfolios.

Income Tax

The Foundation is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined by the Internal Revenue Service to not be a "private foundation" within the meaning of Section 509(a) of the Code.

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination of taxing authorities. The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations, or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at August 31, 2024 and 2023.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

24. COMPONENT UNIT (Continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for the purposes of the statement of cash flows includes cash and cash equivalents with donor restrictions. Restricted cash and cash equivalents are classified as such based on donor-imposed restrictions.

Investments

The Foundation reports investments at fair value as of the statement of financial position date. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income and realized and unrealized capital gains and losses, less investment fees. Net investment return (loss) is reported as increases or decreases in net assets without donor restrictions absent any donor restriction.

Note Receivable

The note receivable is stated at its principal amount plus unpaid accrued interest, if any, which is recognized as it accrues. Management has analyzed the note receivable collectability from the borrower as of August 31, 2024 and 2023, based on collection experience with the borrower. Based on management's assessment, all amounts are considered collectible. Therefore, there was no allowance for credit loss at August 31, 2024 and 2023.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment recorded in the Foundation's statement of financial position was a previous donation and is fully depreciated. The property and equipment is not used in the Foundation's operations.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

24. COMPONENT UNIT (Continued)

Public Support and Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recorded as received and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Unconditional promises to give due within the next year are reflected as current promises to give, while promises to give due in subsequent years are reflected as long-term promises to give. The majority of the promises to give are received from contributors in Parker County.

Endowment contributions and investments are considered contributions and investments with donor restrictions. Assets of the Foundation's individual endowment funds are generally maintained in investment portfolios. Interest, dividends, and gains and losses on the investments are allocated on a monthly-average basis to the endowment funds in proportion to each endowment fund's relative share in the investment portfolios. The earnings on donor-restricted endowments are recorded as with donor restrictions, in accordance with donor stipulations. Accumulated unspent earnings are reinvested and retained in the endowment funds to protect them against inflation over the long-term.

Advertising

The Foundation uses advertising to promote its programs throughout the community it serves. The costs of advertising are expensed as incurred and presented in the Statements of Activities.

Use of Estimates

The preparation of 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, 2024 and 2023**

24. COMPONENT UNIT (Continued)

Securities and Investments

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement, and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels are defined as follows:

Level 1 Represented by quoted prices that are available in an active market.

Level 2 Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows.

Level 3 Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement including the reporting entity's own assumptions about the market risk.

The following table presents investments and certificates of deposit measured at fair value on a recurring basis as of August 31, 2024 and 2023:

	August 31, 2024			Fair Value
	Level 1	Level 2	Level 3	
Certificates of Deposit	\$ -	\$ 1,013,520	\$ -	\$ 1,013,520
Government Securities	-	2,684,467	-	2,684,467
Corporate Obligations	-	2,462,215	-	2,462,215
Equities	5,004,252	-	-	5,004,252
Total Investments and Certificates of Deposit	<u>\$ 5,004,252</u>	<u>\$ 6,160,202</u>	<u>\$ -</u>	<u>\$ 11,164,454</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

24. COMPONENT UNIT (Continued)

	August 31, 2023			
	Level 1	Level 2	Level 3	Fair Value
Certificates of Deposit	\$ -	\$ 1,253,876	\$ -	\$ 1,253,876
Government Securities	-	2,494,119	-	2,494,119
Municipal Obligations	-	184,230	-	184,230
Corporate Obligations	-	2,083,162	-	2,083,162
Equities	3,496,032	-	-	3,496,032
Mutual Funds	148,944	-	-	148,944
Total Investments and Certificates of Deposit	\$ 3,644,976	\$ 6,015,387	\$ -	\$ 9,660,363

Fair values for assets in Level 2 are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended August 31, 2024 and 2023.

	August 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 13,229	\$ 369,696	\$ 382,925
Investment return			
Realized loss	(1,451)	(38,452)	(39,903)
Unrealized gain	36,441	1,035,974	1,072,415
Investment fees	(32,550)	-	(32,550)
Total investment return/(loss), net	2,440	997,522	999,962
Net investment income (loss)	\$ 15,669	\$ 1,367,218	\$ 1,382,887

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

24. COMPONENT UNIT (Continued)

	August 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 9,834	\$ 246,339	\$ 256,173
Investment return			
Realized loss	(5,124)	(128,334)	(133,458)
Unrealized gain	14,343	376,712	391,055
Investment fees	(30,650)	-	(30,650)
Total investment return/(loss), net	(21,431)	248,378	226,947
Net investment income (loss)	\$ (11,597)	\$ 494,717	\$ 483,120

Endowment Funds

The Board of Directors interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. A donor or donors may establish a named endowment at a minimum funding level of \$10,000. The donor(s) may accumulate the endowment gift over a five-year period with earnings during the accumulation period to be used for scholarships. Earnings during the accumulation period may not be used to reduce the donors' commitment to fund the endowment at the minimum level. Once the endowment is established, the donor may expect that the Foundation will make every attempt to award the entire amount earned in interest each year under terms of the endowment fund's (the Fund) charter and that unused portions, if any, shall be awarded in subsequent years. Any non-endowed funds that do not reach a corpus of \$10,000 within five years of the initial gift may be transferred into funds without donor restrictions or redirected into other endowment funds.

Spending Policy

The Foundation believes that it is in the best interest of the charitable purposes of the Foundation to annually distribute as much from the Fund as possible while maintaining overall investment objectives as defined in the Investment Policy and ensuring the long-term health of the Fund. Distributions from the Fund shall be consistent with those goals and focus primarily on an annual target distribution to support scholarships and other activities. The target for annual distribution is 5% of the average fund balance (AFB). The AFB is calculated on the basis of market values of the Fund averaged over the preceding three fiscal years. The Foundation's policy allows for a lesser or greater total annual distribution than the target 5% distribution amount with the approval of the Board of Directors.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

24. COMPONENT UNIT (Continued)

Investment Policy

The overall objectives of the Foundation's investment policy are to 1) assure the safety of the Foundation's funds, 2) maintain liquidity and provide timely working funds, 3) attain a rate of return consistent with safety and liquidity considerations, 4) match maturity of the investment instruments to cash flow requirements, and 5) diversify investments as to maturity, instruments, and financial institutions. The investment policy defines the types of investments that are considered allowable for the Foundation unless otherwise prohibited as a restriction of the original gift.

The return objective for the Fund, measured over a full market cycle, is to maximize the benefit intended by the donor, to produce current income to support the programs of Weatherford College and donor objectives, and to achieve growth of both principal value and income over time sufficient to preserve or increase the purchasing power of the assets, thus protecting against inflation. The Foundation accomplishes this by continuous monitoring of investments by the Board of Director's investment committee and through approximated asset allocation guidelines.

Endowment Net Assets

The following represents the changes in endowment net assets for the years ended August 31, 2024 and 2023:

	August 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning	\$ -	\$ 10,285,118	\$ 10,285,118
Contributions	-	321,871	321,871
Interest and dividends	-	350,089	350,089
Investment gain, net	-	942,507	942,507
Appropriation of endowment assets for expenditure	-	(285,571)	(285,571)
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 11,614,014</u>	<u>\$ 11,614,014</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

24. COMPONENT UNIT (Continued)

	August 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - beginning	\$ -	\$ 9,897,890	\$ 9,897,890
Contributions	-	458,227	458,227
Interest and dividends	-	232,170	232,170
Investment return, net	-	232,845	232,845
Appropriation of endowment assets for expenditure	-	(536,014)	(536,014)
Endowment net assets - end of year	<u>\$ -</u>	<u>\$ 10,285,118</u>	<u>\$ 10,285,118</u>

Underwater Endowments

As of August 31, 2024, the Foundation did not have any underwater endowment funds.

As of August 31, 2023, funds with original gift values of \$139,980, fair values of \$136,977 and deficiencies of \$3,003 were reported in net assets with donor restrictions. During the year ended August 31, 2024, the Foundation appropriated \$1,000 from underwater endowments funds.

25. LESSOR AGREEMENTS

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

Rent is payable on the first day of each month in the amount of \$15,690 for the initial ten-year term. Lease revenue in the amount of \$124,002 and \$124,002 and interest income of \$103,927 and \$107,631 were recognized for the years ended August 31, 2024 and 2023, respectively.

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2024 and 2023**

25. LESSOR AGREEMENTS (Continued)

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

Year Ending August 31,	Principal	Interest
2025	\$ 88,229	\$ 100,051
2026	92,282	95,998
2027	96,521	91,758
2028	100,955	87,324
2029	105,593	82,686
2030-2034	605,344	336,053
2035-2039	757,767	183,630
2040-2044	416,772	23,069
Total	<u>\$ 2,263,463</u>	<u>\$ 1,000,569</u>

26. 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.

27. COMMITMENTS

The College has a contract with an outside party to provide facilities management services, which began on September 1, 2021 and expired on August 31, 2024, with two optional one year extension periods through August 31, 2026. The College exercised the first optional extension period in 2024. Future minimum payments under this contract are as follows:

Year Ending August 31,	Amount
2025	\$ 2,890,243
2026	3,034,755

28. PENDING LAWSUITS AND CLAIMS

On August 31, 2024, certain lawsuits and claims involving Weatherford College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

29. SUBSEQUENT EVENTS

The College has evaluated subsequent events through December 16, 2024, the date the financial statements were available to be issued, noting the College entered into contracts to purchase two parcels of land for a combined total of \$4,030,000.

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement Year Ending August 31*,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's proportion of collective net pension liability (NPL) (%)	0.0124288%	0.0123049%	0.0127703%	0.0135398%	0.0147916%	0.0152120%	0.0150920%	0.0150860%	0.0164233%	0.0186811%
College's proportionate share of collective NPL (\$)	\$ 8,537,375	\$ 7,305,123	\$ 3,252,134	\$ 7,251,630	\$ 7,689,136	\$ 8,373,269	\$ 4,825,611	\$ 5,700,770	\$ 5,805,419	\$ 4,989,980
State's total proportionate share of NPL associated with the College	<u>6,810,133</u>	<u>5,943,095</u>	<u>2,745,592</u>	<u>5,771,312</u>	<u>5,520,920</u>	<u>5,901,360</u>	<u>3,465,765</u>	<u>4,172,552</u>	<u>4,052,905</u>	<u>3,433,764</u>
Total	<u>\$ 15,347,508</u>	<u>\$ 13,248,218</u>	<u>\$ 5,997,726</u>	<u>\$ 13,022,942</u>	<u>\$ 13,210,056</u>	<u>\$ 14,274,629</u>	<u>\$ 8,291,376</u>	<u>\$ 9,873,322</u>	<u>\$ 9,858,324</u>	<u>\$ 8,423,744</u>
College's covered payroll	\$ 14,544,355	\$ 13,564,109	\$ 13,220,381	\$ 13,041,317	\$ 12,831,136	\$ 12,543,569	\$ 12,173,411	\$ 11,831,988	\$ 11,826,629	\$ 11,425,794
College's proportionate share of collective NPL as a percentage of covered payroll	58.70%	53.86%	24.60%	55.61%	59.93%	66.75%	39.64%	48.18%	49.09%	43.67%
Plan fiduciary net position as percentage of total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

Fiscal Year Ending August 31*,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	\$ 711,462	\$ 638,589	\$ 573,517	\$ 545,026	\$ 548,921	\$ 517,293	\$ 513,849	\$ 495,628	\$ 479,120	\$ 486,301
Actual contributions	711,462	638,589	573,517	545,026	548,921	517,293	513,849	495,628	479,120	486,301
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll amount	\$ 15,593,977	\$ 14,544,355	\$ 13,564,109	\$ 13,220,381	\$ 13,041,317	\$ 12,831,136	\$ 12,543,569	\$ 12,173,411	\$ 11,831,988	\$ 11,826,629
Contributions as a percentage of covered payroll	4.56%	4.39%	4.23%	4.12%	4.21%	4.03%	4.10%	4.07%	4.05%	4.11%

* The amounts presented above are as of the College's respective fiscal year-end.

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

<u>Measurement Year Ending August 31*,</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
College's proportion of collective net OPEB liability (%)	0.0646898%	0.0643652%	0.0655499%	0.0678922%	0.0738561%	0.0740616%	0.0430528%
College's proportionate share of collective net OPEB liability (\$)	\$ 17,283,503	\$ 18,335,686	\$ 23,516,334	\$ 22,434,726	\$ 25,526,644	\$ 21,950,173	\$ 14,669,392
State's proportionate share of net OPEB liability associated with the College	<u>15,639,979</u>	<u>16,865,776</u>	<u>20,643,478</u>	<u>19,010,291</u>	<u>19,165,968</u>	<u>16,058,736</u>	<u>347,488</u>
Total	<u>\$ 32,923,482</u>	<u>\$ 35,201,462</u>	<u>\$ 44,159,812</u>	<u>\$ 41,445,017</u>	<u>\$ 44,692,612</u>	<u>\$ 38,008,909</u>	<u>\$ 15,016,880</u>
College's covered-employee payroll	\$ 20,804,496	\$ 19,481,764	\$ 19,194,303	\$ 18,919,255	\$ 18,969,196	\$ 18,521,159	\$ 18,065,262
College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	83.08%	94.12%	122.52%	118.58%	134.57%	118.51%	81.20%
Plan fiduciary net position as percentage of the total net OPEB liability	0.63%	0.57%	0.38%	0.32%	0.17%	1.27%	2.04%

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

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

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

Fiscal Year Ending August 31*,	2024	2023	2022	2021	2020	2019	2018
Legally required contributions	\$ 1,692,360	\$ 1,897,857	\$ 1,895,196	\$ 1,975,062	\$ 2,039,998	\$ 2,189,483	\$ 2,156,052
Actual contributions	1,692,360	1,897,857	1,895,196	1,975,062	2,039,998	2,189,483	2,156,052
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll amount	\$ 22,195,026	\$ 20,804,496	\$ 19,481,764	\$ 19,194,303	\$ 18,919,255	\$ 18,969,196	\$ 18,521,159
Contributions as a percentage of covered-employee payroll	7.62%	9.12%	9.73%	10.29%	10.78%	11.54%	11.64%

* The amounts presented above are as of the College's most recent fiscal year-end.

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

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Notes to Required Supplementary Information
For the Year Ended August 31, 2024**

Defined Benefit Pension and OPEB Plans

Change of benefit terms

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

Change of benefit terms that affected the measurement of the net OPEB liability during the measurement period are described in the notes to the financial statements (Note 16).

Changes of assumptions

Changes of assumptions that affected the measurement of the net pension liability during the measurement period are described in the notes to the financial statements (Note 12).

Changes of assumptions that affected the measurement of the net OPEB liability during the measurement period are described in the notes to the financial statements (Note 16).

SUPPLEMENTAL INFORMATION

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Totals	
					8/31/2024	8/31/2023
Tuition						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 6,423,077	\$ -	\$ 6,423,077	\$ -	\$ 6,423,077	\$ 5,321,642
Out-of-District Resident Tuition	10,282,526	-	10,282,526	-	10,282,526	9,267,559
Non-Resident Tuition	1,742,856	-	1,742,856	-	1,742,856	1,469,748
TPEG - Credit (Set Aside)*	1,005,997	-	1,005,997	-	1,005,997	952,779
State Funded Continuing Education	863,584	-	863,584	-	863,584	715,860
TPEG - Non-Credit (Set Aside)*	51,703	-	51,703	-	51,703	42,858
Non-State Funded Educational Programs	15,050	-	15,050	-	15,050	56,860
Total Tuition	<u>20,384,793</u>	<u>-</u>	<u>20,384,793</u>	<u>-</u>	<u>20,384,793</u>	<u>17,827,306</u>
Fees						
General Fee	4,671,553	-	4,671,553	-	4,671,553	3,306,523
Laboratory Fee	365,091	-	365,091	-	365,091	341,456
Total Fees	<u>5,036,644</u>	<u>-</u>	<u>5,036,644</u>	<u>-</u>	<u>5,036,644</u>	<u>3,647,979</u>
Allowances and Discounts						
Bad Debt Allowance	(87,260)	-	(87,260)	-	(87,260)	(66,646)
Scholarship Allowance	(1,390,675)	-	(1,390,675)	-	(1,390,675)	(1,192,917)
Remissions and Exemptions - State	(1,534,948)	-	(1,534,948)	-	(1,534,948)	(1,174,952)
Remissions and Exemptions - Local	(1,776,826)	-	(1,776,826)	-	(1,776,826)	(975,132)
Title IV Federal Grants	(5,465,771)	-	(5,465,771)	-	(5,465,771)	(4,294,006)
Other Federal Grants	(11,188)	-	(11,188)	-	(11,188)	(14,273)
TPEG Awards	(756,453)	-	(756,453)	-	(756,453)	(583,319)
Other State Grants	(25,248)	-	(25,248)	-	(25,248)	(217,800)
Total Allowances and Discounts	<u>(11,048,369)</u>	<u>-</u>	<u>(11,048,369)</u>	<u>-</u>	<u>(11,048,369)</u>	<u>(8,519,045)</u>
Total Net Tuition and Fees	<u>14,373,068</u>	<u>-</u>	<u>14,373,068</u>	<u>-</u>	<u>14,373,068</u>	<u>12,956,240</u>
Additional Operating Revenues						
Federal Grants and Contracts	70,629	1,127,037	1,197,666	-	1,197,666	3,661,892
State Grants and Contracts	495	278,686	279,181	-	279,181	241,340
Local Grants and Contracts	4,587,242	-	4,587,242	-	4,587,242	4,228,022
Sales and Services of Educational Activities	1,026,728	-	1,026,728	-	1,026,728	1,389,484
Investment Income (Program Restricted)	-	71,455	71,455	-	71,455	129,025
Other Operating Revenues	65,162	-	65,162	-	65,162	128,242
Total Additional Operating Revenues	<u>5,750,256</u>	<u>1,477,178</u>	<u>7,227,434</u>	<u>-</u>	<u>7,227,434</u>	<u>9,778,005</u>
Auxiliary Enterprises						
Bookstore	-	-	-	118,033	118,033	139,999
Food Services	-	-	-	1,030,390	1,030,390	877,768
Less Discounts	-	-	-	(365,338)	(365,338)	(324,807)
Student Housing	-	-	-	1,311,938	1,311,938	1,193,267
Less Discounts	-	-	-	(604,668)	(604,668)	(532,376)
Student Services	-	-	-	191,615	191,615	186,480
Less Discounts	-	-	-	(38,133)	(38,133)	(35,355)
Carter Agriculture Center	-	-	-	47,417	47,417	3,390,950
Radio Station	-	-	-	186,250	186,250	141,051
Golf Course	-	-	-	1,406,792	1,406,792	-
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,284,296</u>	<u>3,284,296</u>	<u>5,036,977</u>
Total Operating Revenues	<u>\$ 20,123,324</u>	<u>\$ 1,477,178</u>	<u>\$ 21,600,502</u>	<u>\$ 3,284,296</u>	<u>\$ 24,884,798</u>	<u>\$ 27,771,222</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$1,057,700 and \$995,637 for years August 31, 2024 and 2023, 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, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)**

	Operating Expenses				Totals	
	Salaries and Wages	Benefits		Other Expenses	8/31/2024	8/31/2023
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 14,924,114	\$ -	\$ 2,194,986	\$ 2,027,025	\$ 19,146,125	\$ 17,691,769
Public Service	-	-	-	8,961	8,961	19,601
Academic Support	2,637,798	-	409,273	819,237	3,866,308	3,419,374
Student Services	1,709,113	-	315,848	309,007	2,333,968	2,328,578
Institutional Support	5,007,958	-	718,319	2,602,003	8,328,280	7,865,926
Operation and Maintenance of Plant	164,317	-	27,899	4,415,572	4,607,788	4,448,190
Total Unrestricted Educational Activities	24,443,300	-	3,666,325	10,181,805	38,291,430	35,773,438
Restricted - Educational Activities						
Instruction	3,267	1,733,308	142	305,513	2,042,230	2,036,790
Public Service	-	-	-	4,846	4,846	5,633
Academic Support	-	301,800	-	-	301,800	313,498
Student Services	518,422	267,205	129,662	243,428	1,158,717	2,465,829
Institutional Support	-	571,986	-	1,684	573,670	618,916
Scholarships and Fellowships	86,842	-	-	2,587,036	2,673,878	2,527,567
Total Restricted Educational Activities	608,531	2,874,299	129,804	3,142,507	6,755,141	7,968,233
Total Educational Activities	25,051,831	2,874,299	3,796,129	13,324,312	45,046,571	43,741,671
Auxiliary Enterprises	2,215,526	-	495,283	4,615,718	7,326,527	4,315,589
Depreciation Expense - Buildings and Land Improvements	-	-	-	1,669,165	1,669,165	1,673,296
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	890,658	890,658	815,471
Amortization Expense - Right-to-Use Assets	-	-	-	3,178,566	3,178,566	3,124,420
Total Operating Expenses	\$ 27,267,357	\$ 2,874,299	\$ 4,291,412	\$ 23,678,419	\$ 58,111,487	\$ 53,670,447
				(Exhibit 2)	(Exhibit 2)	

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)**

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				8/31/2024	8/31/2023
Non-Operating Revenues					
State Appropriations					
Education and General State Support	\$ 9,682,488	\$ -	\$ -	\$ 9,682,488	\$ 8,925,332
State Group Insurance	-	1,692,356	-	1,692,356	1,745,710
State OPEB	-	464,146	-	464,146	614,334
State Retirement Matching	-	717,797	-	717,797	663,729
Professional Nursing Shortage Reduction	-	-	-	-	69,507
Miscellaneous Revenues	-	237,772	-	237,772	30,346
Total State Appropriations	9,682,488	3,112,071	-	12,794,559	12,048,958
Ad Valorem Taxes (Net)	26,095,321	-	-	26,095,321	22,835,504
Federal Revenue, Non-Operating	-	7,977,797	-	7,977,797	6,517,423
Gifts	-	3,076	47,399	50,475	50,904
Investment Income	1,611,531	40,829	-	1,652,360	799,961
Gain (Loss) on Disposal of Capital Assets	1,095	-	-	1,095	(335,745)
Total Non-Operating Revenues	37,390,435	11,133,773	47,399	48,571,607	41,917,005
Non-Operating Expenses					
Interest on Capital Related Debt	-	2,771,361	-	2,771,361	2,979,678
Total Non-Operating Expenses	-	2,771,361	-	2,771,361	2,979,678
Net Non-Operating Revenues	\$ 37,390,435	\$ 8,362,412	\$ 47,399	\$ 45,800,246	\$ 38,937,327
				(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, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current							
Unrestricted	\$ 27,036,046	\$ -	\$ -	\$ -	\$ 27,036,046	\$ 27,036,046	\$ -
Restricted							
Student Aid	-	3,445,082	-	-	3,445,082	3,445,082	
Instructional Programs	-	49,934	-	-	49,934	49,934	
Auxiliary Enterprises	2,559,132	-	-	-	2,559,132		2,559,132
Endowment	22,459,096	-	-	-	22,459,096		22,459,096
Plant							
Capital Projects	-	497,168	-	-	497,168		497,168
Debt Service	-	1,903,338	-	-	1,903,338		1,903,338
Investment in Plant	-	-	-	51,394,399	51,394,399		51,394,399
Total Net Position, August 31, 2024	52,054,274	5,895,522	-	51,394,399	109,344,195 (Exhibit 1)	30,531,062	78,813,133
Total Net Position, August 31, 2023	40,582,199	9,191,242	-	36,936,337	86,709,778 (Exhibit 1)	18,350,064	68,359,714
Net Increase (Decrease) in Net Position	\$ 11,472,075	\$ (3,295,720)	\$ -	\$ 14,458,062	\$ 22,634,417 (Exhibit 2)	\$ 12,180,998	\$ 10,453,419

**OVERALL COMPLIANCE AND
INTERNAL CONTROLS SECTION**



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Weatherford College of the Parker County Junior College District (the College) as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 16, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the Public Funds Investment Act (Chapter 2256, Texas Government Code), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have performed tests designed to verify the College’s compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2024, no instances of noncompliance were noted.

Purpose of This Report

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



Snow Garrett Williams
December 16, 2024

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2024**

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, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

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

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

Any audit findings disclosed that are required to be Reported in accordance with section 2 CFR Section 200.516(a)? yes X no

Identification of Major Programs:

Federal Awards

U.S. Department of Education:

Student Financial Assistance Cluster of Programs:

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

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

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

Section II – Financial Statement Findings

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

Section III – Federal Award Findings and Questioned Costs

Findings/Noncompliance	Program	Questioned Costs
None Noted		

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Corrective Action Plan
August 31, 2024**

A corrective action plan is not needed.

FEDERAL AWARDS SECTION



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Weatherford College of the Parker County Junior College District's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2024. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provision of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Snow Garrett Williams

Snow Garrett Williams
December 16, 2024

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 161,250
Federal College Workstudy Program	84.033		86,842
Federal Pell Grant Program	84.063		7,729,705
Federal Direct Student Loans	84.268		<u>5,446,801</u>
Total Student Financial Aid Cluster			13,424,598
TRIO Cluster			
TRIO - Student Support Services Program	84.042A		318,722
TRIO - Talent Search Program	84.044A		328,393
TRIO - Upward Bound Program	84.047A		<u>306,295</u>
Total TRIO Cluster			953,410
Pass-Through From:			
Texas Higher Education Coordinating Board (THECB)			
Career and Technical Education Basic Grants to States	84.048A	29742	<u>233,861</u>
Total Pass-Through From THECB			<u>233,861</u>
Total U.S. Department of Education			<u>14,611,869</u>
U.S. Department of Health and Human Services			
Pass-Through From:			
Texas Workforce Commission			
Child Care and Development Fund			
Skills for Small Business Grant Program	93.575	0423SSD002	<u>10,395</u>
Total U.S. Department of Health and Human Services			<u>10,395</u>
Total Federal Financial Assistance			<u>\$ 14,622,264</u>

**WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2024**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$ 1,127,037
Add: Indirect/Administrative Cost Recoveries - per Schedule A	70,629
Add: Non-Operating Federal Revenue - per Schedule C	<u>7,977,797</u>
 Total Federal Revenues per Schedules A and C	 <u>9,175,463</u>
 Reconciling Items:	
Add: Federal Direct Student Loans	<u>5,446,801</u>
 Total Federal Expenditures per Schedule of Expenditures of Federal Awards	 <u><u>\$ 14,622,264</u></u>

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

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule. Since the College has an agency-approved Indirect Recovery Rate, it has elected not to use the 10% de minimis cost rate as permitted in the Uniform Guidance, Section 200.414.

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor ALN / Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed & Admin Cost Recovered
U.S. Department of Education 84.268 Federal Direct Student Loans	<u>\$ 5,446,801</u>	<u>\$ -</u>	<u>\$ 5,446,801</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, 2024**

Grantor Agency/Program Title	Grant Contract Number	<u>Expenditures</u>
Texas Comptroller of Public Accounts Law Enforcement Officer Standards and Education	17560028627-005	\$ 1,787
Texas Higher Education Coordinating Board Nursing Innovation Grant Program	30012	101,154
Texas Reskilling and Upskilling through Education Grant Pass-Through From: Grayson College	00316	94,981
Texas Reskilling and Upskilling through Education Grant	00289	<u>65,144</u>
Total Texas Higher Education Coordinating Board		261,279
Texas Workforce Commission Skills for Small Business Program	0423SSD002	<u>16,115</u>
Total State Financial Assistance		<u><u>\$ 279,181</u></u>

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Financial Assistance per Schedule of Expenditures of State Awards	<u>\$ 279,181</u>
Total State Grants and Contracts per Schedule A	<u><u>\$ 279,181</u></u>

Note 2: Significant Accounting Policies used in Preparing the Schedule

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