



**WHARTON COUNTY JUNIOR
COLLEGE DISTRICT**

**ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended

August 31, 2020

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

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WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Organizational Data
Year Ended August 31, 2020

Board of Trustees

Officers

Mr. P.D. (Danny) Gertson, III, Chair
Ms. Amy Rod, Vice Chair
Ms. Ann Hundl, Secretary

	<u>Members</u>	Term Expires
Mr. P.D. (Danny) Gertson, III	East Bernard, Texas	<u>May</u> 2024
Mr. Scott Glass	Wharton, Texas	2022
Ms. Ann Hundl	El Campo, Texas	2020*
Ms. Edee Sinclair	Needville, Texas	2020*
Mr. Jack C. Moses	Wharton, Texas	2022
Ms. Amy Rod	El Campo, Texas	2020*
Mr. Larry Sitka	Wharton, Texas	2022
Mr. J. Paul Pope	El Campo, Texas	2024
Ms. Mary Ellen Meyer	El Campo, Texas	2024

Principal Administrative Officers

Ms. Betty McCrohan, President

Ms. Leigh Ann Collins, Vice President of Instruction

Mr. Bryce Kocian, Vice President of Administrative Services

Ms. Pamela J. Youngblood, Vice President of Technology

Dr. Amanda Allen, Vice President of Planning and Institutional Effectiveness

Mr. Gus Wessels, Jr., CPA, Dean of Financial and Business Services

Ms. Lindsey McPherson, Dean of Student Success

*Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

A proclamation suspending Sections 41.0052(a) and (b) of the Texas Election Code and Section 49.103 of the Texas Water Code to the extent necessary to allow political subdivisions that would otherwise hold elections on May 2, 2020, to move their general and special elections for 2020 only to the next uniform election date, occurring on November 3, 2020, without otherwise adjusting the term of office, and suspending Sections 31.093 and 42.0621(c) of the Texas Election Code to the extent necessary to require all county election officers, if requested by an affected political subdivision, to enter into a contract to furnish election services with any political subdivision who postponed their election to November 3, 2020, under the authority of this proclamation.



LOTT, VERNON & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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KILLEEN • COPPERAS COVE • TEMPLE

Member of
American Institute & Texas Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Wharton County Junior College District
Wharton, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Wharton County Junior College District, (the College) as of and for the years ended August 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Wharton County Junior College District as of August 31, 2020 and 2019, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

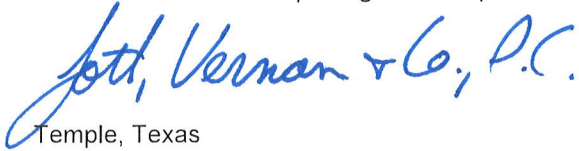
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental schedules (schedules A through D) and statistical supplements, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (schedule E) and schedule of expenditures of state awards (schedule F) are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The statistical supplements (marked "unaudited") have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2020, 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.

A handwritten signature in blue ink that reads "Jeth, Vernon & Co., P.C.".

Temple, Texas
November 10, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

In June 1999, the Governmental Accounting Standard's Board (GASB) released Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which established a new reporting format for annual financial statements. In November 1999, GASB released Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, which applies the new reporting standards to public colleges and universities. Wharton County Junior College District (the College) adopted these new standards in fiscal year 2002.

The following analysis provides an overview of the College's financial activities. Both 2020 and 2019 are presented in the audited financial statements. Since management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read in conjunction with the College's basic financial statements and additional information.

The annual report consists of three basic financial statements that provide information on the College as a whole: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. Each of these statements will be discussed.

Financial and Enrollment Highlights

There were a number of items that had a financial impact in the 2020 fiscal year.

- During fiscal year 2020, the following grants were received.
 - The U.S. Department of Education awarded \$252,191 for TRIO-Student Support Services. This grant is designated for developing science, technology engineering, and math programs for all students. The total expended during fiscal 2020 was \$244,946.
 - Tenaris SA gifted \$20,000 for instructional equipment for the manufacturing curriculum. These funds were not expended as of the end of the year.
 - The College was awarded \$115,000 from the Texas Workforce Skills Development Special Initiative Covid-19 Emergency Relief fund to assist students with expenses for training associated with enhancing the ability of eligible grantees to respond to industry and workforce training needs and to develop incentives for public community and technical colleges. The total expended during fiscal 2020 was \$7,140.
 - The CARES Act institutional and student aid grants were received in the amount of \$1,530,333 and \$1,530,333 respectively for equipment, training and student aid related to the corona virus pandemic. The total expended during fiscal 2020 was \$853,572 and \$ 1,152,000 respectively.
 - Wharton County Junior College was awarded \$214,986 as a minority serving institution by the Department of Education to be used for cost of attendance. The total expended during fiscal 2020 totaled \$77,050.
- The property valuation in the taxing district increased \$348,891,006 primarily due to an increase in industrial valuation and homeowner valuation.
- The College added \$1,609,959 to capital assets during FY 2020 as compared to \$5,624,249 for FY2019. Most large projects were put on hold because of the Covid-19 pandemic and only essential projects were completed during the current fiscal year.

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. Net position, the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources are one way to measure the financial health of the College.

	FY 2020	FY 2019	FY 2018
Current Assets:			
Cash and cash equivalents	\$ 21,587,929	\$ 9,587,785	\$ 11,130,640
Short-term investments	8,215,158	11,141,867	11,221,010
Accounts receivable, net	88,129	151,031	156,899
Property taxes receivable	442,330	427,846	406,238
Tuition and fees receivable	5,731,319	5,094,757	4,365,575
Federal and state receivables	-	350,226	239,125
Other assets	39,679	39,679	36,427
Total Current Assets	36,104,544	26,793,191	27,555,914
Non-Current Assets:			
Restricted cash and cash equivalents	1,541,149	1,833,766	1,610,310
Restricted endowment cash and cash equivalents	2,504,392	782,310	865,609
Restricted agency funds cash and cash equivalents	319,505	224,476	254,346
Endowment non-current investments	2,433,039	3,782,208	3,774,687
Other non-current investments	6,031,765	16,019,734	18,515,107
Investments in real estate	111,000	111,000	111,000
Capital assets, net	37,135,756	37,361,441	33,444,212
Total Non-Current Assets	50,076,606	60,114,935	58,575,271
Total Assets	86,181,150	86,908,126	86,131,185
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	4,401,207	4,754,097	1,630,072
Deferred Outflows Related to OPEB	5,798,698	4,544,889	696,255
Total Deferred Outflows of Resources	10,199,905	9,298,986	2,326,327
Current Liabilities:			
Accounts payable	1,960,890	2,311,555	3,842,702
Accrued liabilities	-	-	-
Funds held for others - agency	315,739	219,773	254,346
Unearned revenues	9,204,535	10,953,147	10,414,237
Bonds payable - current portion	335,584	325,584	315,584
OPEB liability current portion	877,110	351,930	119,687
Total Current Liabilities	12,693,858	14,161,989	14,946,556
Non-Current Liabilities:			
Bonds payable	716,167	1,051,751	1,377,335
Net Pension Liability	8,860,813	9,187,482	4,999,357
Net OPEB Liability	26,796,867	23,572,934	23,468,044
Total Non-Current Liabilities	36,373,847	33,812,167	29,844,736
Total Liabilities	49,067,705	47,974,156	44,791,292
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	2,242,762	1,484,673	2,185,721
Deferred Inflows Related to OPEB	7,193,246	9,260,456	5,215,361
Total Deferred Inflows of Resources	9,436,008	10,745,129	7,401,082
Net Position:			
Invested in capital assets, net of related debt	36,084,005	35,984,106	31,751,293
Restricted for:			
Nonexpendable - endowments	11,146,186	10,832,131	11,000,424
Expendable:			
Federal and State grants	658,828	517,871	556,940
Debt service	371,446	363,854	352,160
Student aid	768,290	757,812	470,588
Unrestricted - undesignated	(11,151,412)	(10,967,947)	(7,866,267)
Total Net Position	\$ 37,877,343	\$ 37,487,827	\$ 36,265,138

Statement of Net Position (continued)

The short-term investments are funds invested at financial institutions with maturities of one year or less.

The receivable figures consist primarily of final grant billings, Federal financial aid reimbursements, student loans, and returned checks.

The agency funds consist of money on deposit from various student association organizations.

The deferred revenues primarily represent tuition and fee income for the next academic year paid to the College during the 2020 fiscal year.

During 2005 the college changed its policy regarding compensated absences. Employees must take the vacation leave during the fiscal year it is earned or it is forfeited. Therefore, no compensated absences are accrued at year-end.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position present the operating results of the College, as well as the non-operating revenues and expenses. The College's revenues are of two types: those from operations and those from all other sources. Operating revenues are primarily those that result directly from the conduct of instruction, the operation of college auxiliary services (e.g., the bookstore, food service, etc.), and Federal, State of Texas, and local grants. State appropriations were the most significant non-operating revenue, representing 25% of total revenue. Property taxes, while budgeted for operations, are considered non-operating revenues according to accounting principles generally accepted in the United States of America and represented 14 % of total revenues.

Operating Revenues:	FY 2020		FY 2019		FY 2018	
Student tuition and fees, net of discounts of \$3,022,857, \$2,729,897, and \$2,543,734.	\$ 18,208,281	33.44%	\$ 19,100,874	36.51%	\$ 19,137,107	38.10%
Federal, state, and local grants and contracts	2,968,260	5.45%	1,956,946	3.74%	1,926,806	3.84%
Auxiliary enterprises, net of discounts of \$56,549, \$133,396, and \$121,833.	688,461	1.26%	830,695	1.59%	756,677	1.51%
Other operating revenues	171,668	0.32%	269,826	0.52%	223,508	0.44%
Total operating revenues	22,036,670	40.47%	22,158,341	42.36%	22,044,098	43.89%
Non-operating revenues:						
State appropriations	13,427,404	24.66%	12,720,005	24.31%	12,934,071	25.75%
Property taxes	7,532,901	13.83%	7,267,859	13.89%	6,420,784	12.78%
Federal Revenue, Non-Operating	9,962,104	18.30%	7,429,169	14.20%	6,890,185	13.72%
Investment Income	1,008,263	1.85%	1,063,337	2.03%	1,263,259	2.51%
Other non-operating revenue	482,804	0.89%	1,676,857	3.21%	676,638	1.35%
Total non-operating revenue	32,413,476	59.53%	30,157,229	57.64%	28,184,937	56.11%
Total Revenues	\$ 54,450,146	100.00%	\$ 52,315,570	100.00%	\$ 50,229,035	100.00%

Statement of Revenues, Expenses and Changes in Net Position (continued)

Expenses

	FY 2020		FY 2019		FY 2018	
Instruction	\$ 20,815,270	38.50%	\$ 20,186,462	39.51%	\$ 19,647,452	39.31%
Public services and academic support	5,111,644	9.46%	5,331,402	10.43%	5,428,104	10.86%
Student services	4,613,293	8.53%	3,492,858	6.84%	3,486,758	6.98%
Institutional support	8,116,422	15.01%	8,617,229	16.87%	8,015,816	16.04%
Operations and maintenance of plant	5,094,014	9.42%	5,191,337	10.16%	5,812,330	11.63%
Scholarships and fellowships	7,696,785	14.24%	5,543,999	10.85%	5,143,208	10.29%
Auxiliary enterprises	771,165	1.43%	949,256	1.86%	953,360	1.91%
Depreciation	1,776,852	3.29%	1,707,019	3.34%	1,413,883	2.83%
Total operating expenses	53,995,445	99.88%	51,019,562	99.86%	49,900,911	99.85%
Non-Operating Expenses:						
Interest	28,677	0.05%	45,758	0.09%	54,708	0.11%
Other Non-Operating Expenses	36,507	0.07%	27,559	0.05%	26,752	0.04%
Total Non-Operating Expenses	65,184	0.12%	73,317	0.14%	81,460	0.15%
Total Expenses	\$ 54,060,629	100.00%	\$ 51,092,879	100.00%	\$ 49,982,371	100.00%

Change in Net Position

When College expenses are subtracted from revenues from all sources, the difference is either negative, indicating a loss of net position, or positive, indicating an increase in net position. This year the College realized an increase in net position as revenues exceeded the expenses in production of that revenue.

	FY 2020	FY 2019	FY 2018
Operating revenues	\$ 22,036,670	\$ 22,158,341	\$ 22,044,098
Non-operating revenues	32,413,476	30,157,227	28,184,939
Total revenues	54,450,146	52,315,568	50,229,037
Operating expenses	53,995,445	51,019,562	49,900,911
Non-operating expenses	65,184	73,317	81,460
Total expenses	54,060,629	51,092,879	49,982,371
Increase to net position	\$ 389,517	\$ 1,222,689	\$ 246,666

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. The statement also helps users assess the College's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
Cash provided by (used in):			
Operating activities	\$ (28,748,584)	\$ (25,733,749)	\$ (22,195,027)
Non-capital and related financing activities	28,872,582	26,674,043	23,758,837
Capital and related financing activities	(1,945,095)	(6,016,208)	(8,123,353)
Investing activities	15,345,735	3,643,346	3,854,469
Net increase (decrease) in cash	<u>13,524,638</u>	<u>(1,432,568)</u>	<u>(2,705,074)</u>
Cash - beginning of year	12,428,337	13,860,905	16,565,979
Cash - end of year	<u>\$ 25,952,975</u>	<u>\$ 12,428,337</u>	<u>\$ 13,860,905</u>

The primary cash receipts from operating activities consist of student tuitions and fees, and grants. Cash outlay for operating activities includes payments of wages, benefits, supplies, utilities, and scholarships. Property tax and state appropriations are the primary source of non-capital financing.

Capital Asset and Debt Administration

The college had total capital asset additions of \$1,609,959 in fiscal 2020 compared to \$5,624,249 for 2019. Of this amount, construction in progress totaled \$0 in relation to the prior year amount of \$14,785.

Future Financial Considerations

The College has experienced a positive enrollment over the past ten years. The growth has been, and will continue to be, from Fort Bend County. The funding formula used by the Texas Higher Education Coordinating Board to allocate state appropriated funds is based on the total amount appropriated to all community colleges multiplied by the community college's percentage of the state's total student contact hours, success points, and base funding. Twenty-five per cent (25%) of all College revenues are from state appropriated funds based on instructional activities. The State of Texas funding is based on legislatively established funding levels. The future level of state funding is dependent on the enrollment and legislative actions.

Requests for Information

This financial report is designed to provide a general overview of Wharton County Junior College District's financial activities. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Dean of Financial and Business Services, 911 Boling Highway, Wharton, Texas 77488.

FINANCIAL STATEMENTS

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Statement of Net Position
August 31, 2020 and August 31, 2019

	<u>F/Y 2020</u>	<u>F/Y 2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,587,929	\$ 9,587,785
Short-term investments	8,215,158	11,141,867
Accounts receivable, net	6,261,778	6,023,860
Prepaid Expenses	39,679	39,679
Total Current Assets	<u>36,104,544</u>	<u>26,793,191</u>
Noncurrent assets:		
Restricted cash and cash equivalents	1,541,149	1,833,766
Restricted endowment cash and cash equivalents	2,504,392	782,310
Restricted agency funds cash and cash equivalents	319,505	224,476
Endowment non-current investments	2,433,039	3,782,208
Other non-current investments	6,031,765	16,019,734
Investments in real estate	111,000	111,000
Capital assets, net (note 7)	37,135,756	37,361,441
Total Noncurrent Assets	<u>50,076,606</u>	<u>60,114,935</u>
Total Assets	<u>86,181,150</u>	<u>86,908,126</u>
Deferred Outflows of Resources:		
Deferred Outflows Related to Pensions	4,401,207	4,754,097
Deferred Outflows Related to OPEB	5,798,698	4,544,889
Total Deferred Outflows of Resources	<u>10,199,905</u>	<u>9,298,986</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,960,888	2,311,555
Funds held for others - agency	315,739	219,773
Unearned revenue	9,204,535	10,953,147
Bonds payable-current portion	335,584	325,584
Net OPEB Liability - current portion	877,110	351,930
Total Current Liabilities	<u>12,693,856</u>	<u>14,161,989</u>
Noncurrent Liabilities:		
Bonds Payable-noncurrent portion	716,167	1,051,751
Net Pension Liability	8,860,813	9,187,482
Net OPEB Liability	26,796,867	23,572,934
Total Noncurrent Liabilities	<u>36,373,847</u>	<u>33,812,167</u>
Total Liabilities	<u>49,067,703</u>	<u>47,974,156</u>
Deferred Inflows of Resources:		
Deferred Inflows Related to Pensions	2,242,762	1,484,673
Deferred Inflows Related to OPEB	7,193,246	9,260,456
Total Deferred Inflows of Resources	<u>9,436,008</u>	<u>10,745,129</u>
NET POSITION		
Invested in capital assets, net of related debt	36,084,005	35,984,106
Restricted for:		
Nonexpendable		
Endowments	11,146,186	10,832,131
Expendable:		
Federal and State grants	658,828	517,871
Debt service	371,446	363,854
Student aid	768,291	757,812
Unrestricted	(11,151,412)	(10,967,947)
Total Net Position (Schedule D)	<u>37,877,344</u>	<u>37,487,827</u>

The accompanying notes are an integral part of the financial statements.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended August 31, 2020 and August 31, 2019

Operating Revenues	<u>F/Y 2020</u>	<u>F/Y 2019</u>
Tuition and Fees (net of discounts of \$3,022,587 and \$2,729,897)	\$ 18,208,281	\$ 19,100,874
Federal Grants and Contracts	2,280,682	1,296,431
State Grants and Contracts	348,638	321,665
Non-Government Grants and Contracts	338,940	338,850
Sales and Services of Educational Activities	13,077	27,106
Auxiliary Enterprises (net of discounts of \$56,549 and \$160,917)	688,461	830,695
General Operating Revenues	158,591	242,720
Total Operating Revenues (Schedule A)	<u>22,036,670</u>	<u>22,158,341</u>
Operating Expenses		
Instruction	20,815,270	20,186,462
Public Service	1,679,697	1,868,847
Academic Support	3,431,947	3,462,555
Student Services	4,613,293	3,492,858
Institutional Support	8,116,422	8,617,229
Operation and Maintenance of Plant	5,094,014	5,191,337
Scholarships and Fellowships	7,696,785	5,543,999
Auxiliary Enterprises	771,165	949,256
Depreciation	1,776,852	1,707,019
Total Operating Expenses (Schedule B)	<u>53,995,445</u>	<u>51,019,562</u>
Operating Loss	(31,958,775)	(28,861,221)
Non-Operating Revenues (Expenses)		
State Appropriations	13,427,404	12,720,005
Maintenance Ad Valorem Taxes	7,532,901	7,267,859
Federal Revenue, Non Operating	9,962,104	7,429,169
Gifts and Donations	474,756	1,646,896
Investment Income	1,008,263	1,063,337
Other Non-operating Revenues	8,048	29,961
Other Non-operating Expenses	(28,677)	(27,559)
Interest Expense	(36,507)	(45,758)
Net Non-Operating Revenues (Schedule C)	<u>32,348,292</u>	<u>30,083,910</u>
Increase (Decrease) in Net Position	389,517	1,222,689
Net Position		
Net Position, Beginning of Year	37,487,827	36,265,138
Cumulative Effect of Change in Accounting Principal		
Net Position, Beginning of Year, as Restated	<u>37,487,827</u>	<u>36,265,138</u>
Net Position, End of Year	<u>\$ 37,877,344</u>	<u>\$ 37,487,827</u>

The accompanying notes are an integral part of the financial statements.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Statement of Cash Flows
Years Ended August 31, 2020 and August 31, 2019

	FY2020	FY2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 17,338,447	\$ 19,727,572
Payments of grants and contracts	2,748,517	2,087,676
Payments to or on behalf of employees	(30,927,080)	(29,484,100)
Payments to suppliers for goods and services	(10,222,161)	(12,808,122)
Payments for scholarships and fellowships	(7,686,307)	(5,256,775)
Net cash provided/(used) by operating activities	<u>(28,748,584)</u>	<u>(25,733,749)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	9,696,853	9,425,120
Receipts from ad valorem taxes	7,518,417	7,246,251
Receipts from Federal Revenue	9,962,104	7,429,169
Gifts and grants for other than capital purposes	474,756	1,646,896
Other Receipts /Disbursements	1,220,452	926,607
Net cash provided/(used) by noncapital financing activities	<u>28,872,582</u>	<u>26,674,043</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets	(1,609,959)	(5,624,249)
Proceeds from the sale of capital assets	58,792	
Payments on capital debt-principal	(325,584)	(315,584)
Payment on capital debt- interest	(39,666)	(48,816)
Payment on non-operating supplies	(28,678)	(27,559)
Net cash provided/(used) by capital and related financing activities	<u>(1,945,095)</u>	<u>(6,016,208)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	25,045,045	11,945,634
Purchases of investments	(10,781,199)	(9,378,640)
Interest on Investments	1,081,889	1,076,352
Net cash provided/(used) by investing activities	<u>15,345,735</u>	<u>3,643,346</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,524,638	(1,432,568)
CASH AND CASH EQUIVALENTS-September 1	<u>12,428,337</u>	<u>13,860,905</u>
CASH AND CASH EQUIVALENTS-August 31	<u>\$ 25,952,975</u>	<u>\$ 12,428,337</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	\$ (31,958,775)	\$ (28,861,221)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation expense	1,776,852	1,707,019
Bad debt expense		
Payments made directly by state for benefits	3,730,551	3,294,885
Changes in assets and liabilities:		
Accounts receivable, net:		
Student a/r	150,891	(730,679)
Other a/r	(14,076)	(5,650)
Grants a/r	(433,875)	(111,101)
Accounts payable:		
Vendors	(357,984)	(1,815,311)
Scholarships	10,478	283,972
Funds held for others agency	95,966	(34,573)
Deferred revenues:		
Deferred tuition	(1,804,153)	539,799
Deferred grant revenue	55,541	(889)
Net cash used by operating activities	<u>\$ (28,748,584)</u>	<u>\$ (25,733,749)</u>

The accompanying notes are an integral part of the financial statements.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

1. Reporting Entity

Wharton County Junior College District (the College) was established in 1946, in accordance with the laws of the State of Texas, to serve the educational needs of Wharton and the surrounding communities. The College is considered a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14. 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.

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

Title IV, Higher Education Act Programs Funds

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

Other Tuition Discounts

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

Basis of accounting

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Summary of Significant Accounting Policies (continued)

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

Deferred Outflows

In addition to assets, 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 only permitted to report deferred outflows in circumstances specifically authorized by the GASB. A typical deferred outflow for community colleges is a deferred charge on a refunding debt.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. [The governing board has designated public funds investment pools comprised of \$18,373,448 and \$8,663,920 at August 31, 2020 and August 31, 2019, respectively to be short-term investments.] Long-term investments have an original maturity of greater than one year at the time of purchase.

Capital assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the District'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 renovation of \$100,000 to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Summary of Significant Accounting Policies (continued)

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 inflow of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined on 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 inflow of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenue

Tuition and fees of \$8,681,392 and \$10,135,545, deferred federal state and local grants of \$523,143 and \$467,602, and deferred other \$0.00 and \$350,000 have been reported as unearned revenue at August 31, 2020 and 2019 respectively.

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 will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB.

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Summary of Significant Accounting Policies (continued)

services, administrative expenses, and depreciation on capital assets. The operation of the bookstore and college food service is not performed by the College.

3. Authorized Investments

The Board of Trustees of the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). The investments of the College are in compliance with the Board of Trustees' investment policy and the Public Funds Investment Act. The College is authorized to invest in obligations and instruments as follows: (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.

During 2014, the Board of Trustees adopted a separate written investment policy regarding the investments of the Endowment Fund. The Endowment fund is comprised of funds donated for a specific purpose the majority of which being scholarship awards. The Endowment Fund investments are not subject to the Public Funds Investment Act. The College is authorized to invest the Endowment Funds as follows: (1) cash and cash equivalents, (2) equity investments both domestic and international generally restricted to high-quality corporate securities traded on the major stock exchanges, (3) fixed income investments, domestic and international, to include U.S. Treasury and government agency obligations, corporate debt, mortgages and asset-backed securities, (4) real estate investments, and (4) mutual or commingled funds.

4. Deposits and Investments

Cash and Deposits included on Exhibit 1, Statement of Net Position, consist of the items reported below:

Cash and Deposits

	<u>2020</u>	<u>2019</u>
Bank Deposits		
Demand Deposits	<u>\$7,573,777</u>	<u>\$3,758,667</u>
	<u>\$7,573,777</u>	<u>\$3,758,667</u>
Cash and Cash Equivalents		
Petty Cash on Hand	\$5,750	\$5,750
Investment pool-TexPool	<u>18,373,448</u>	<u>8,663,920</u>
	<u>18,379,198</u>	<u>8,669,670</u>
Total Cash and Deposits	<u><u>\$25,952,975</u></u>	<u><u>\$12,428,337</u></u>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Deposits and Investments (continued)

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2020	Market Value August 31, 2019
U. S. Government Securities	\$10,043,158	\$24,467,870
Stocks	436,058	296,535
Mutual Fund Investments	6,200,746	6,179,404
Real Estate Investments	111,000	111,000
Totals	\$16,790,962	\$31,054,809
Total Cash and Deposits	25,952,975	12,428,337
Total Investments	16,790,962	31,054,809
Total Deposits and Investments	\$42,743,937	\$43,483,146
Cash and Short-term Investments (Exhibit 1)	34,168,133	23,570,204
Investments (Exhibit 1)	8,575,804	19,912,942
Total Deposits and Investments	\$42,743,937	\$43,483,146

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) as of August 31, 2020			
		Less than 1	1 to 2	2 to 3	More than 3
U.S. Government Securities	\$ 10,043,158	2,014,412	\$ -	\$ 1,005,028	\$ 7,023,718
Total Fair Value	\$ 10,043,158	\$ 2,014,412	\$ -	\$ 1,005,028	\$ 7,023,718

Investment Type	Fair Value	Investment Maturities (in Years) as of August 31, 2019			
		Less than 1	1 to 2	2 to 3	More than 3
U.S. Government Securities	\$ 24,467,870	5,485,215	\$ 10,977,036	\$ 6,001,462	\$ 2,004,156
Total Fair Value	\$ 24,467,870	\$ 5,485,215	\$ 10,977,036	\$ 6,001,462	\$ 2,004,156

Interest Rate Risk

In accordance with state law and College policy, the college does not purchase any investments with maturities greater than 5 years.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Deposits and Investments (continued)

Credit Risk

In accordance with state law and the College's investment policy, investments in mutual funds, and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A as well. The college is required to disclose credit ratings for its investments in either narrative or table form.

Concentration of Credit Risk

The College does not place a limit on the amount the College may invest in any one issuer. More than 5% of the college's investments are in FHLMC (30.88%), FHLB (18.55%), Dreyfus (14.14%), Fidelity (13.58%), and FNMA (12.40%).

5. Fair Value of Financial Instruments

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to their fair value measurement of the instrument.

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value hierarchy of investments at August 31, 2020 follows:

	FY 2020				FY 2019
	Level 1	Level 2	Level 3	Total	Total
Certificate of Deposit	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual funds	6,200,746	-	-	6,200,746	6,179,404
Marketable securities	436,058	-	-	436,058	296,535
U.S. government securities	10,043,158	-	-	10,043,158	24,467,870
Real Estate Investments	-	-	111,000	111,000	111,000
Total	\$ 16,679,962	\$ -	\$ 111,000	\$ 16,790,962	\$ 31,054,809

6. Derivatives

The College did not invest in any derivative investment products or repurchase agreements during the year ended August 31, 2020 or August 31, 2019.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

7. Capital Assets

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

	Balance September 1, 2019	Increases	Decreases	Balance August 31, 2020
<u>Not Depreciated:</u>				
Land	\$2,501,709	\$ -	\$ -	\$2,501,709
Construction in Progress	14,785	-	-	14,785
Subtotal	2,516,494	-	-	2,516,494
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	39,590,217	223,855	(39,959)	39,774,113
Other Real Estate Improvements	3,305,411	298,645	-	3,604,056
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	43,256,764	522,500	(39,959)	43,739,305
Library books	3,283,267	7,972	(4,185)	3,287,054
Furniture, Machinery, and Equipment	14,450,875	1,079,487	(949,409)	14,580,953
Total Buildings and Other Capital Assets	60,990,906	1,609,959	(993,553)	61,607,312
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	12,688,014	824,081	(10,429)	13,501,666
Other Real Estate Improvements	939,881	-	-	939,881
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	13,952,918	824,081	(10,429)	14,766,570
Library books	3,245,436	17,836	(4,185)	3,259,087
Furniture, Machinery, and Equipment	8,947,605	934,935	(920,147)	8,962,393
Total Accumulated Depreciation	26,145,959	1,776,852	(934,761)	26,988,050
Net Capital Assets	\$37,361,441	\$(166,893)	\$(58,792)	\$37,135,756

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Capital Assets (continued)

Capital assets activity for the year ended August 31, 2019 was as follows:

	Balance September 1, 2018	Increases	Decreases	Balance August 31, 2019
<u>Not Depreciated:</u>				
Land	\$2,501,709	\$ -	\$ -	\$2,501,709
Construction in Progress	236,000	14,785	(236,000)	14,785
Subtotal	2,737,709	14,785	(236,000)	2,516,494
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	36,786,296	2,803,921	-	39,590,217
Other Real Estate Improvements	1,680,302	1,625,109	-	3,305,411
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	38,827,734	4,429,030	-	43,256,764
Library books	3,278,530	10,677	(5,940)	3,283,267
Furniture, Machinery, and Equipment	13,045,119	1,405,756	-	14,450,875
Total Buildings and Other Capital Assets	55,151,383	5,845,463	(5,940)	60,990,906
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	11,919,874	768,140	-	12,688,014
Other Real Estate Improvements	932,451	7,430	-	939,881
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	13,177,348	775,570	-	13,952,918
Library books	3,228,696	22,680	(5,940)	3,245,436
Furniture, Machinery, and Equipment	8,038,836	908,769	-	8,947,605
Total Accumulated Depreciation	24,444,880	1,707,019	(5,940)	26,145,959
Net Capital Assets	<u>\$33,444,212</u>	<u>\$4,153,229</u>	<u>\$(236,000)</u>	<u>\$37,361,441</u>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

8. Non-Current Liabilities

Non-current liability activity for the year ended August 31, 2020 was as follows:

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
Bonds					
Revenue bonds	\$ 1,335,000	\$ -	\$ 315,000	\$ 1,020,000	\$ 325,000
Unamortized bond premium	42,335	-	10,584	31,751	10,584
Subtotal	1,377,335	-	325,584	1,051,751	335,584
Net pension liability	9,187,482		326,669	8,860,813	N/A
Net OPEB liability	23,924,864	3,749,113		27,673,977	877,110
Total non-current liabilities	\$ 34,489,681	\$ 3,749,113	\$ 652,253	\$37,586,541	\$ 1,212,694

The college had no line of credit as of August 31, 2020.

Non-current liability activity for the year ended August 31, 2019 was as follows:

	Balance September 1, 2018	Additions	Reductions	Balance August 31, 2019	Current Portion
Bonds					
Revenue bonds	\$ 1,640,000	\$ -	\$ 305,000	\$ 1,335,000	\$315,000
Unamortized bond premium	52,919	-	10,584	42,335	10,584
Subtotal	1,692,919	-	315,584	1,377,335	325,584
Net pension liability	4,999,357	4,188,125		9,187,482	N/A
Net OPEB liability	23,587,731	337,133		23,924,864	351,930
Total non-current liabilities	\$ 30,280,007	\$ 4,525,258	\$ 315,584	\$34,489,681	\$677,514

The college had no line of credit as of August 31, 2019.

There were no obligations under capital leases at August 31, 2020.

9. Debt Obligations

Debt service requirements at August 31, 2020 were as follows:

For the Year Ended August 31,	Revenue Bonds		
	Principal	Interest	Total
2021	325,000	40,800	365,800
2022	340,000	27,800	367,800
2023	355,000	14,200	369,200
Total	\$ 1,020,000	\$ 82,800	\$ 1,102,800

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

10. Bonds Payable

General information related to bonds payable is summarized below:

Revenue Refunding Bonds, Series 2010

- The Board of Trustees of Wharton County Junior College District Combined Fee Revenue Refunding Bonds, Series 2010
- To refund \$3,835,000 of the Board of Trustees of Wharton County Junior College District Combined Fee Revenue Bonds, Series 2001 and \$1,770,000, the Board of Trustees of Wharton County Junior College District Combined Fee Revenue Bonds, Series 1998
- Issued November 4, 2010
- \$5,655,000, all authorized bonds have been issued
- Interest rates range from 2% to 4%
- Source of revenue for debt service – tuition charges, building use fees, other fee charges and designated auxiliary revenues
- Bonds were issued with a net premium of \$137,589.50
- Net proceeds from the refunding series amount to \$5,706,387 after payment of \$249,555 in underwriting fees, insurance and other issuance costs
- Proceeds of \$5,706,387 were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future payment of the Series 2001, and Series 1998 bonds at the first call dates.
- The 2001 Series bonds are considered fully defeased and the remaining liability for those bonds is zero.
- The 1998 Series bonds are considered fully defeased and the remaining liability for those bonds is zero.
- Advance refunding of the 2001 and 1998 Series bonds reduced the College debt service payment over the next 13 years by approximately \$547,862.

Under each bond issue, the College is to maintain a reserve account equal to the lesser of (a) 10% of the principal amount of outstanding bonds or (b) the average annual requirements, on a fiscal year basis, for the payment of the principal and interest on the bonds. The College has 60 months to establish this reserve fund. The reserve account balance at August 31, 2019 is \$385,084 which meets the full reserve requirement.

Bonds payable are due in annual installments varying from \$365,800 to \$369,200 with an interest rate of 4% with the final installment due 2023.

11. Advance Refunding Bonds

WCJC has no advance refunding bonds.

12. Defeased Bonds Outstanding

WCJC has no defeased bonds outstanding.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

13. Short-Term Debt

WCJC has no short-term debt for the fiscal years ended August 31, 2020 and August 31, 2019.

14. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees.

Defined Benefit Pension Plan

A. Plan Description

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

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

B. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/TRS%20Documents/cafr_2019.pdf by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

C. 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 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 (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Employees' Retirement Plan (continued)

D. 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. 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

Contribution Rates

	2020	2019
Member	7.70%	7.70%
Non-Employer Contribution Entity (State)	7.50%	6.80%
Employers	7.50%	6.80%

FY2019 College Contributions	\$ 595,839
FY2019 State of Texas On-behalf Contributions	\$ 423,996
FY2019 Member Contributions	\$ 1,150,882

The College's contributions to the TRS pension plan in 2020 were \$713,184 as reported in the Schedule of College Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2020 were \$515,822.

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.

Public junior colleges or junior college districts are required to pay the employer contribution 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.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Employees' Retirement Plan (continued)

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution rate and the state contribution as an employment after retirement surcharge.

E. Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return*	7.25%
Municipal Bond Rate*	2.63%*
Last year ending August 31 in Projection period (100 years)	2116
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

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

The actuarial methods and assumptions were selected by the Board of Trustees of the Teacher Retirement System of Texas based upon analysis and recommendations by the system's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted on July 27, 2018. The investment return assumption being decreased from 8.00% to 7.25% was the most significant change although other assumptions were changed as well. For more information on the assumption changes, please see the TRS Actuarial Experience Study as of August 31, 2017 dated July 27, 2018; https://www.trs.texas.gov/TRS%20Documents/actuarial_experience_study_2018.pdf.

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Employees' Retirement Plan (continued)

F. Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. 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 legislative session. It is assumed that future employer and state contributions will be 8.50 % of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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.

On September 19, 2019, the Teachers Retirement System Board of Trustees approved an amended Investment Policy Statement effective October 1, 2019. The amendments include revised asset class target weights, establishing a benchmark for Asset Allocation Leverage, and updating asset class ranges. The target asset allocation set forth in the Investment Policy Statement dated October 1, 2019 and the expected long-term portfolio returns resulting from the updated asset allocation set forth in the amended Investment Policy Statement is show for comparison and relevance.

Asset Class	FY 2019 Target Allocation* %	New Target Allocation ** %	Long-Term Expected Geometric Real Rate of Return***
Global Equity			
USA	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00	13.00	6.30
Emerging Markets	9.00	9.00	7.30
Directional Hedge Funds	4.00	0.00	0.00
Private Equity	13.00	14.00	8.40
Stable Value			
U.S. Treasuries****	11.00	16.00	3.10
Stable Value Hedge Funds	4.00	5.00	4.50
Absolute Return (Including Credit Sensitive Investments)	0.00	0.00	0.00
Real Return			
Global Inflation Linked Bonds****	3.00	0.00	0.00
Real Estate	14.00	15.00	8.50
Energy, Natural Resources, and Infrastructure	5.00	6.00	7.30

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Employees' Retirement Plan (continued)

Commodities	0.00	0.00	0.00
Risk Parity			
Risk Parity	5.00	8.00	5.8%/6.5%*****
Asset Allocation Leverage Cash	1.0	2.0	2.5
Asset Allocation Leverage	0.00	(6.0)	2.7
Total	<u>100.00%</u>		<u>7.23%</u>

*FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

**New target allocation based on the Strategic Asset Allocation dated 10/1/2019

***10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

****New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

*****5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

Source: Teacher Retirement System of Texas 2019 Comprehensive Annual Financial Report

G. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate was used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2019 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Wharton County Junior College's proportionate share of the net pension liability	\$ 13,620,357	\$ 8,860,813	\$ 5,004,664

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

At August 31, 2020, Wharton County Junior College reported a liability of \$ 8,860,813 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Wharton County Junior College. The amount recognized by Wharton

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Employees' Retirement Plan (continued)

County Junior 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 Wharton County Junior College were as follows:

Wharton County Junior College Proportionate share of the collective net pension liability	\$ 8,860,813
State's proportionate share that is associated with Wharton County Junior College	\$ 6,297,371
Total	<u>\$ 15,158,184</u>

The net pension liability was measured as of August 31, 2019 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, 2018 through August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net pension liability was 0.0170455559%, which was an increase of 0.0003539196% from its proportion measured as of August 31, 2018.

For the year ended August 31, 2020, Wharton County Junior College recognized pension expense of \$989,228 and revenue of \$989,228 for support provided by the State.

At August 31, 2019, Wharton County Junior College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 37,223	\$ 307,661
Changes in actuarial assumptions	2,749,059	1,136,041
Difference between projected and actual investment earnings	532,715	443,742
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	369,026	355,318
Contributions paid to TRS subsequent to the measurement date	713,184	-
Total	\$ 4,401,207	\$ 2,242,762

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Employees' Retirement Plan (continued)

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

<u>Year ended August 31:</u>	<u>Pension Expense Amount</u>
2021	\$ 192,008
2022	\$ 119,170
2023	\$ 501,275
2024	\$ 503,849
2025	\$ 202,933
Thereafter	\$ (73,974)

Optional Retirement Plan – Defined Contribution Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state and each participant are 3.3% and 6.65%, respectively. The college contributes an additional 1.9% for employees who were participating in the optional retirement program prior to September 1, 1995. 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. S.B. 1812, 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 \$706,381 and \$635,815 for the fiscal years ended August 31, 2020 and 2019 respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll for all college employees was \$24,002,283 and \$23,506,221 for fiscal years 2020 and 2019 respectively. The total payroll of employees covered by the Teacher Retirement System was \$15,945,410 and \$14,946,524 and the total payroll of employees covered by the Optional Retirement System was \$5,988,694 and \$6,135,237 for the fiscal years 2020 and 2019, respectively.

15. Deferred Compensation Program

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

As of August 31, 2020, the College does not have any employees participating in this program.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

16. Compensable Absences

The College has three ways in which compensated absences can be earned.

Sick leave

All full-time employees earn sick leave at the rate of one and one-half day per month. Sick leave can accumulate to a maximum of 60 days for the purpose of carry-over from year to year. Unused accrued sick leave is forfeited upon termination of employment with the College. The college's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

Vacation

All full-time employees on twelve-month work schedules earn vacation leave at the rate of one day per full month of employment, up to a maximum of 12 days (96 hours) per year. Prior to FY 2005 vacation days not taken in August could be carried forward until November 30 of the same year. However, beginning FY 2005, vacation dates not taken by August 31 are forfeited. Therefore, no accrued liability has been recorded for vacation.

Personal leave

Contractual employees are eligible for two days of personal leave per year. Non-contractual employees, after six months of employment, are eligible for two days of personal leave per year. Personal leave may not be accumulated for carry-over from year to year. Unused personal leave is forfeited upon termination of employment with the College. Therefore, no accrued liability has been recorded for personal leave.

17. 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 \$625 to \$1,223 per month, depending on the coverage elected for the year ended August 31, 2020 (\$625 to \$1,223 per month, depending on the coverage elected for 2019). The cost of providing those benefits for 166 retirees in the year ended 2020 was \$1,421,209 (retiree benefits for 160 retirees cost \$1,363,079 in 2019). For 376 active employees, the cost of providing benefits was \$3,795,606 for the year ended 2020 (active employee benefits for 388 employees cost \$3,354,930 for the year ended 2019). S.B. 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.

18. Other Post-Employment Benefits (OPEB)

(In accordance with GASB Statement 75)

Plan Description. The college participates in a cost-sharing, multiple-employer, 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 postemployment 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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Other Post-Employment Benefits (OPEB) – (continued)

if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position. Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/2019-CAFR.pdf>; 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 recommendation 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 cost 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.

Maximum Monthly Employer Contribution Retiree Health and Basic Life Premium Fiscal Year 2019

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Other Post-Employment Benefits (OPEB) – (continued)

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 Years Ended August 31, 2020 and 2019

	FY2019	FY 2018
Employers	\$ 401,284,833	\$ 307,028,461
Members (Employees)	209,836,664	203,123,120
Non-employer Contributing Entity (State of Texas)	20,182,872	16,585,270

Source: ERS FY2019 Comprehensive Annual Financial Report

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions ERS Group Benefits Program Plan

Valuation Date	August 31, 2019
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not applicable because the plan operates on a pay-as-you-go basis
Discount Rate	2.97%
Projected Annual Salary Increase (includes inflation)	2.50% to 9.50%
Annual Healthcare Trend rate	<u>Health Select</u> 7.30% for FY21, 7.40% for FY22, 7.00% for FY23, decreasing 0.50% per year to an ultimate rate of 4.50% for FY28 and later years
	<u>HealthSelect Medicare Advantage</u> 10.80% for FY21, 7.40% for FY22, 7.00% for FY23, decreasing 0.50% per year to an ultimate rate of 4.50% for FY28 and later years
Inflation Assumption Rate	2.50%
Ad hoc Postemployment Benefit Changes	None
Mortality assumptions	
Service Retirees, Survivors and Other Inactive Members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Other Post-Employment Benefits (OPEB) – (continued)

Disability Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Source: 2019 ERS CAFR except for mortality assumptions obtained from ERS 2019 GASB 74 Actuarial Valuation

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 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate. Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.96%. The discount rate used to measure the total OPEB liability as of the end of the measurement period was 2.97%, which amounted to a decrease of .99%. 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 the projected benefit payments to which the 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 OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.97%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.97%)	Discount Rate (2.97%)	1% Increase in Discount Rate (3.97%)
College's proportionate share of the net OPEB liability:	\$33,023,663	\$27,673,977	\$23,557,589

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 7.30% for HealthSelect and 10.8% for HealthSelect Medicare Advantage and the ultimate rate is 4.5% for both. The following schedule shows the impact on the College's proportionate share of the collective net

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Other Post-Employment Benefits (OPEB) – (continued)

OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (HealthSelect 7.30% and HealthSelect Medicare Advantage 10.80%) in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rates (HealthSelect 6.30% decreasing to 3.50%; HealthSelect Medicare Advantage: 9.80% to 3.50%)	Current Healthcare Cost Trend Rates (HealthSelect: 7.30% decreasing to 4.50%; HealthSelect Medicare Advantage: 10.80% to 4.50%)	1% Increase in Healthcare Cost Trend Rates (HealthSelect: 8.30% decreasing to 5.50%; HealthSelect Medicare Advantage: 11.80% to 5.50%)
College's proportionate share of the net OPEB liability:	\$23,237,594	\$27,673,977	\$33,471,315

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2020, the College reported a liability of \$27,673,977 for its proportionate share of the ERS's net OPEB liability. This 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	\$27,673,977
State's proportionate share that is associated with College	<u>\$24,760,363</u>
Total	\$52,434,340

The net OPEB liability was measured as of August 31, 2019, 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, 2018 thru August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net OPEB liability was .08006897% which was a decrease of 0.00065534% from its proportion measured as of August 31, 2018.

For the year ended August 31, 2019, the College recognized OPEB expense of \$28,051 and revenue of \$28,051 for support provided by the State.

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:

Demographic Assumptions

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Other Post-Employment Benefits (OPEB) – (continued)

- Percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Percentage of future male retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- Percentage of future retirees and future retiree spouses assumed to use tobacco.

Economic Assumptions

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

The discount rate was changed from 3.96% to 2.97% as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms Since Prior Measurement Date

Benefit revisions have been adopted since the prior valuation. The only benefit change for HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,650 to \$6,750 for individuals and from \$13,300 to \$13,500 for families in order to remain consistent with Internal Revenue Service Maximums. This minor benefit change is provided for in the FY2020 Assumed Per Capital Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for who Medicare is Primary.

At August 31, 2020, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	-	\$720,102
Changes in actuarial assumptions	1,969,408	\$6,184,087
Difference between projected and actual investment earnings	\$11,377	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	\$3,349,621	\$289,057
Contributions paid to ERS subsequent to the measurement date	\$468,292	-
Total	\$5,798,698	\$7,193,246

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Other Post-Employment Benefits (OPEB) – (continued)

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

<u>Year ended August 31:</u>	<u>OPEB Expense Amount</u>
2021	\$ (1,044,319)
2022	(1,044,319)
2023	(285,525)
2024	331,101
2025	180,227
Thereafter	-

19. Pending Lawsuits and Claims

As of August 31, 2020, the College is not involved in any litigation.

20. Disaggregation of Receivable and Payables Balances

Receivables

Receivables at August 31, 2020 and 2019 were as follows:

	<u>FY2020</u>	<u>FY2019</u>
Student Receivables	\$ 5,362,435	\$ 5,513,999
Property Taxes Receivable	491,473	475,383
State Receivables	784,101	350,226
Interest Receivables	34,208	107,834
Subtotal	6,672,217	6,447,442
Allowance for Doubtful Accounts:	(410,439)	(423,582)
TOTAL RECEIVABLES	<u><u>\$ 6,261,778</u></u>	<u><u>\$ 6,023,860</u></u>

Payables

Payables at August 31, 2020 and 2019 were as follows:

	<u>FY2020</u>	<u>FY2019</u>
Vendors Payable	\$ 1,109,123	\$ 1,462,959
Deposits Payable	69,838	73,988
Accrued Interest Payable	13,637	16,796
Scholarships Payable	768,290	757,812
TOTAL PAYABLES	<u><u>\$ 1,960,888</u></u>	<u><u>\$ 2,311,555</u></u>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

21. 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 Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are also reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution 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 2020 and 2019 for which monies have not been received nor funds expended totaled \$3,120,511 and \$3,764,114. Federal Contract and Grant Awards comprised all of these amounts.

22. Ad Valorem Tax

The College's ad valorem property 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 the tax area of the College.

At August 31:

	2020	2019
Assessed Valuation of the College	\$ 8,044,735,283	\$ 7,427,367,675
Less Exemptions	(2,685,910,286)	(2,417,433,684)
Net Assessed Valuation of the College	<u>\$ 5,358,824,997</u>	<u>\$ 5,009,933,991</u>

	2020			2019		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 valuation	\$ 0.30000	-	0.30000	\$ 0.30000	-	\$0.30000
Assessed Tax Rate per \$100 valuation	\$ 0.13934	-	0.13934	\$ 0.14346	-	\$0.14346

Taxes levied for the year ended August 31, 2020 and 2019 amounted to \$7,453,365 and \$7,185,677 respectively including any penalty and interest assessed. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements August 31, 2020

Ad Valorem Tax (continued)

	2020			2019		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 7,296,956	\$ -	\$ 7,296,956	\$ 7,029,623	\$ -	\$ 7,029,623
Delinquent Taxes Collected	138,004	-	138,004	143,330	-	143,330
Penalties & Interest Collected	97,940	-	97,940	94,906	-	94,906
Total Collections	\$ 7,532,900	\$ -	\$ 7,532,900	\$ 7,267,859	\$ -	\$ 7,267,859

Tax collections for the year ended August 31, 2020 and 2019 were 98% and 98% respectively of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

23. Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The College had no unrelated business income tax liability for the year ended August 31, 2020 and 2019.

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Wharton County Junior College's Share of Net Pension Liability
Last Six Fiscal Years**

Fiscal year ending August 31*	2020	2019	2018	2017	2016	2015
College's proportionate share of collective net pension liability (%)	0.0170456%	0.0166916%	0.0156354%	0.0162297%	0.0162599%	0.0188372%
College's proportionate share of collective net pension liability (\$)	\$ 8,860,813	\$ 9,187,482	\$ 4,999,357	\$ 6,132,954	\$ 5,747,658	\$ 5,031,677
State's proportionate share of net pension liability associated with College	6,297,371	6,702,043	3,771,314	4,269,070	3,972,796	3,243,545
Total	\$ 15,158,184	\$ 15,889,525	\$ 8,770,671	\$ 10,402,024	\$ 9,720,454	\$ 8,275,222
College's covered payroll amount	\$ 14,946,524	\$ 14,255,961	\$ 13,113,878	\$ 12,703,829	\$ 11,862,997	\$ 11,414,663
College's proportionate share of collective net pension liability as a percentage of covered payroll	59.28%	64.45%	38.12%	48.28%	48.45%	44.08%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

The accompanying notes are an integral part of the financial statements.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Wharton County Junior College's Contributions for Pensions
Last Six Fiscal Years**

Fiscal year ending August 31*	2020	2019	2018	2017	2016	2015
Legally required contributions	713,184	595,839	560,357	512,960	515,658	481,464
Actual contributions	713,184	595,839	560,357	512,960	515,658	481,464
Contributions deficiency (excess)	-	-	-	-	-	-
College's covered employee payroll amount	\$ 15,945,410	\$ 14,946,524	\$ 14,255,961	\$ 13,113,878	\$ 12,703,829	\$ 11,862,997
Contributions as a percentage of covered payroll	4.47%	3.99%	3.93%	3.91%	4.06%	4.06%

* 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.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Wharton County Junior College's Share of Net OPEB Liability
Last Three Fiscal Years**

Fiscal year ending August 31*	2020	2019	2018
College's proportionate share of collective net OPEB liability (%)	0.08006897%	0.08072431%	0.06922702%
College's proportionate share of collective net OPEB liability (\$)	\$ 27,673,977	\$ 23,924,864	\$ 23,587,731
State's proportionate share of net OPEB liability associated with College	24,760,363	20,819,845	20,517,090
Total	\$ 52,434,340	\$ 44,744,709	\$ 44,104,821
College's covered-employee payroll amount	\$ 14,946,524	\$ 14,255,961	\$ 13,113,878
College's proportionate share of collective net OPEB liability as a percentage of covered payroll	185.15%	167.82%	179.87%
Plan fiduciary net position as a percentage of the total OPEB liability	0.17%	1.27%	2.00%

* 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.

The accompanying notes are an integral part of the financial statements.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Wharton County Junior College's Contributions for OPEB
Employee Retirement System of Texas
State Retiree Health Plan
Last Three Fiscal Years**

Fiscal year ending August 31*	2020	2019	2018
Legally required contributions	468,292	253,488	689,272
Actual contributions	710,427	751,638	689,272
Contributions deficiency (excess)	(242,135)	(498,150)	-
College's covered-employee payroll amount	\$ 15,945,410	\$ 14,946,524	\$ 14,255,961
Contributions as a percentage of covered payroll	2.94%	1.70%	4.83%

* 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

The accompanying notes are an integral part of the financial statements.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Required Supplementary Information (RSI) Schedules for Pensions Year Ended August 31, 2020

1. Changes of Benefit Terms:

The college implemented a salary and wage increase effective September 1, 2019 for full time faculty/administrators and staff. Full time employees were given the equivalent of a two-step increase consisting of one longevity increase and one increase in the base. The average increase for a faculty/administrator and staff position was 1.90% and 2.23% respectively.

2. Changes of Assumptions

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability decreased slightly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2019 was developed using a roll-forward method from the August 31, 2018 valuation.
- The investment return assumption decreased from 8.00% to 7.25%.
- The discount rate changed from 6.907% as of August 31, 2018 to 7.25% as of August 31, 2019.
- The Municipal Bond Rate decreased from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Required Supplementary Information (RSI) Schedules for OPEB Year Ended August 31, 2020

1. Changes of Benefit Terms:

Benefit revisions have been adopted since the prior valuation. The only benefit change for HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,650 to \$6,750 for individuals and from \$13,300 to \$13,500 for families in order to remain consistent with Internal Revenue Service Maximums. This minor benefit change is provided for in the FY2020 Assumed Per Capital Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for who Medicare is Primary

2. Changes of Assumptions

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

Demographic Assumptions

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Percentage of future male retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- Percentage of future retirees and future retiree spouses assumed to use tobacco.

Economic Assumptions

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

The discount rate was changed from 3.96% to 2.97% as a result of requirements by GASB No. 75 to reflect the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

SUPPLEMENTARY SCHEDULES

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Operating Revenues
For the Year Ended August 31, 2020 (With Memorandum Totals for the Year Ended August 31, 2019)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	F/Y 2020 Total	F/Y 2019 Total
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 608,950	\$ -	\$ 608,950	\$ -	\$ 608,950	\$ 643,320
Out-of-district resident tuition	3,427,955	-	3,427,955	-	3,427,955	3,371,131
Non-resident tuition	241,793	-	241,793	-	241,793	245,228
TPEG (set aside)*	280,283	-	280,283	-	280,283	280,154
State funded continuing education	187,322	-	187,322	-	187,322	278,088
Non-state funded continuing education	2,612	-	2,612	-	2,612	725,739
Total Tuition	4,748,915	-	4,748,915	-	4,748,915	5,543,660
Fees:						
Installment plan fees	251,300	-	251,300	-	251,300	289,800
General service fees	8,953,744	-	8,953,744	-	8,953,744	8,735,529
Other fees	7,276,909	-	7,276,909	-	7,276,909	7,261,782
Total fees	16,481,953	-	16,481,953	-	16,481,953	16,287,111
Scholarship allowances and discounts:						
TPEG awards	(280,283)	-	(280,283)	-	(280,283)	(280,154)
Scholarship allowances	(279,496)	-	(279,496)	-	(279,496)	(347,166)
Federal grants to students	(2,044,803)	-	(2,044,803)	-	(2,044,803)	(1,677,731)
Exemptions	(418,005)	-	(418,005)	-	(418,005)	(424,846)
Total scholarship allowances and discounts	(3,022,587)	-	(3,022,587)	-	(3,022,587)	(2,729,897)
Total Net Tuition and Fees	18,208,281	-	18,208,281	-	18,208,281	19,100,874
Additional operating revenues:						
Federal grants and contracts	-	2,280,682	2,280,682	-	2,280,682	1,296,431
State grants and contracts	-	348,638	348,638	-	348,638	321,665
Local grants and contracts	-	338,940	338,940	-	338,940	338,850
Sales and services of educational activities	13,077	-	13,077	-	13,077	27,106
Other operating revenues	158,591	-	158,591	-	158,591	242,720
Total Additional Operating Revenues	171,668	2,968,260	3,139,928	-	3,139,928	2,226,772
Auxiliary enterprises:						
Residential life	-	-	-	512,482	512,482	712,968
Scholarship allowances and discounts	-	-	-	(56,549)	(56,549)	(160,917)
Net resident life	-	-	-	455,933	455,933	552,051
Bookstore commission	-	-	-	188,305	188,305	210,930
Other auxiliary revenue	-	-	-	44,223	44,223	67,714
Total Net Auxiliary Enterprises	-	-	-	688,461	688,461	830,695
Total Operating Revenues	\$ 18,379,949	\$ 2,968,260	\$ 21,348,209	\$ 688,461	\$ 22,036,670	\$ 22,158,341
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$280,283 and \$280,154 for years August 31, 2020 and 2019, respectively, of tuition was set aside for Texas Public Education Grants (TPEG)

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Operating Expenses by Object
Year Ended August 31, 2020 (with Memorandum Totals for the Year Ended August 31, 2019)

	Operating Expenses					
	Salaries and Wages	Benefits		Other Expenses	2020 Total	2019 Total
		State	Local			
Unrestricted-Educational activities						
Instruction	\$ 13,548,119	\$ -	\$ 3,750,626	\$ 925,718	\$ 18,224,463	\$ 17,709,958
Public Service	47,680	-	198,134	66,730	312,544	697,335
Academic Support	1,716,369	-	526,309	569,672	2,812,350	2,839,369
Student services	2,112,506	-	720,996	276,426	3,109,928	2,994,471
Institutional support	3,761,309	-	1,033,171	2,703,199	7,497,679	8,028,383
Operating and maintenance of plant	1,131,509	-	310,790	3,651,715	5,094,014	5,191,337
Scholarships and Fellowships	-	-	-	757,268	757,268	844,727
Total Unrestricted Educational Activities	22,317,492	-	6,540,026	8,950,728	37,808,246	38,305,580
Restricted-Educational activities						
Instruction	\$ 100,048	\$ 2,246,166	\$ 14,798	\$ 229,795	\$ 2,590,807	\$ 2,476,504
Public Service	673,029	118,658	173,763	401,703	1,367,153	1,171,512
Academic Support	200,169	315,195	65,926	38,307	619,597	623,186
Student services	454,842	431,789	88,195	528,539	1,503,365	498,387
Institutional support	-	618,743	-	-	618,743	588,846
Operating and maintenance of plant	-	-	-	-	-	-
Scholarships and Fellowships	-	-	-	6,939,517	6,939,517	4,699,272
Total Restricted Educational Activities	1,428,088	3,730,551	342,682	8,137,861	13,639,182	10,057,707
Total Educational Activities	23,745,580	3,730,551	6,882,708	17,088,589	51,447,428	48,363,287
Auxiliary enterprises	232,284	-	66,508	472,373	771,165	949,256
Depreciation Expense-Buildings and Other Real Estate	-	-	-	894,694	894,694	761,979
Depreciation Expense-Equipment & Furniture	-	-	-	882,158	882,158	945,040
Total Operating Expenses	\$ 23,977,864	\$ 3,730,551	\$ 6,949,216	\$ 19,337,814	\$ 53,995,445	\$ 51,019,562
					(Exhibit 2)	(Exhibit 2)

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2020 (with Memorandum Totals for the Year Ended August 31, 2019)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2020 Total</u>	<u>2019 Total</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General state support	\$ 9,695,668	\$ -	\$ -	\$ 9,695,668	\$ 9,423,975
State group insurance	-	3,025,355	-	3,025,355	2,660,215
State retirement matching	-	706,381	-	706,381	635,815
Total state appropriations	<u>9,695,668</u>	<u>3,731,736</u>	<u>-</u>	<u>13,427,404</u>	<u>12,720,005</u>
Federal Revenue Non Operating	9,962,104	-	-	9,962,104	7,429,169
Maintenance ad valorem taxes	7,532,901	-	-	7,532,901	7,267,859
Gifts and donations	474,756	-	-	474,756	1,646,896
Investment Income	1,008,263	-	-	1,008,263	1,063,337
Other non-operating revenues	<u>8,048</u>	<u>-</u>	<u>-</u>	<u>8,048</u>	<u>29,961</u>
Total non-operating revenues	28,681,740	3,731,736	-	32,413,476	30,157,227
NON-OPERATING EXPENSES:					
Interest on capital related debt	36,507	-	-	36,507	45,758
Other non-operating expense	<u>28,677</u>	<u>-</u>	<u>-</u>	<u>28,677</u>	<u>27,559</u>
Total non-operating expenses	65,184	-	-	65,184	73,317
Net non-operating revenues	<u>\$ 28,616,556</u>	<u>\$ 3,731,736</u>	<u>\$ -</u>	<u>\$ 32,348,292</u> (Exhibit 2)	<u>\$ 30,083,910</u> (Exhibit 2)

WHARTON COUNTY JUNIOR COLLEGE DISTRICT
Schedule of Net Position by Source and Availability
Year Ended August 31, 2020 (with Memorandum Totals for the Year Ended August 31, 2019)

	Detail by Source					Available for Current Operations	
	Restricted		Non-Expendable	Capital Assets Net of Depreciation & Related Debt		Yes	No
	Unrestricted	Expendable			Total		
Current:							
Unrestricted	\$ (22,621,742)	\$ -	\$ -	\$ -	\$ (22,621,742)	\$ (22,621,742)	\$ -
Board Designated	3,200,000	-	-	-	3,200,000	3,200,000	-
Restricted	-	1,427,118	-	-	1,427,118	1,427,118	-
Auxiliary enterprises	479,565	-	-	-	479,565	479,565	-
Endowment:					-		
True	-	-	11,146,186	-	11,146,186	-	11,146,186
Plant					-		
Unexpended	639,104	-	-	-	639,104	-	639,104
Renewals	7,151,661	-	-	-	7,151,661	-	7,151,661
Debt Service	-	371,447	-	-	371,447	-	371,447
Investment in Plant	-	-	-	36,084,005	36,084,005	-	36,084,005
Total Net Position, August 31, 2020	\$ (11,151,412)	\$ 1,798,565	\$ 11,146,186	\$ 36,084,005	\$ 37,877,344	\$ (17,515,059)	\$ 55,392,403
					(Exhibit 1)		
Total Net Position August 31, 2019	\$ (10,967,947)	\$ 1,639,537	\$ 10,832,131	\$ 35,984,106	\$ 37,487,827	\$ (17,580,010)	\$ 55,067,837
					(Exhibit 2)		
Net Increase (Decrease) in Net Position	\$ (183,465)	\$ 159,028	\$ 314,055	\$ 99,899	\$ 389,517	\$ 64,951	\$ 324,566
					(Exhibit 2)		

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Schedule of Expenditures of Federal Awards
As of August 31, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Student Financial Aid Cluster			
Supplemental Education Opportunity Grant	84.007		\$ 209,052
College Work Study Program	84.033		81,342
Pell Grant Program	84.063		8,067,916
William D Ford Direct Loans	84.268		3,559,755
Total Student Financial Assistance Cluster			<u>11,918,065</u>
Higher Education Institutional Aid			
TRIO-Student Support Services	84.042A	P042A151264	244,946
Wharton Co. Jr. College (CARES Act) Emergency Aid to Students	84.425E	P425E201184	1,152,000
Wharton Co. Jr. College (CARES Act) Institutional Portion HEERF	84.425F	P425F200664	853,572
Wharton Co. Jr. College (CARES Act) Minority Serving Institution	84.425L	P425L200082	77,050
Defraying Costs of Enrolling Displaced Students Program	84.938S	P938S180012	30,027
Emergency Assistance to Institutions of Higher Education Program	84.938T	P938T180001	282,036
Pass-Through From:			
Houston-Galveston Area Council			
Federal Adult Education Literacy	84.002A	217-20	660,434
Federal Adult Education Literacy	84.002A	217-21	94,840
EL Civics	84.002A	217-20	99,490
EL Civics	84.002A	217-21	9,356
Subtotal:			<u>864,120</u>
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants	84.048	204202067120001	240,238
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>15,662,054</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through From:			
Houston-Galveston Area Council			
Social Services Program	93.044		31,300
Nutrition Program	93.045		109,187
Total Aging Cluster			<u>140,487</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>140,487</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 15,802,541</u>

Notes to schedule on following page

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Schedule of Expenditures of Federal Awards Year Ended August 31, 2020

Federal revenues:	
Federal grants and contracts - per Schedule A and C	\$ 12,242,786
Reconciling items:	
William D Ford Direct Loans	<u>3,559,755</u>
Total per Schedule of Expenditures of Federal Awards	<u>\$ 15,802,541</u>

1. Significant Accounting Policies Used in Preparing the Schedule

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

**Schedule of Expenditures of State Awards
As of August 31, 2020**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Department of Agriculture		
Home-Delivered Meals Grant Program	HDM-19-4186	3,596
Home-Delivered Meals Grant Program	HDM-19-4187	1,185
Subtotal:		<u>4,781</u>
<u>Texas Workforce Commission</u>		
WCJC in Partnership with Environmental Development Partners	2818SDF001	97,829
Jobs and Education for Texans Grant Program	2819JET003	235,300
Skills Development Fund Covid-19 Special Initiative	2820COS005	7,140
<u>Texas Engineering Experiment Station</u>		
Nuclear Power Institute Equipment Grant		3,588
Total State Financial Assistance		<u>\$ 348,638</u>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Schedule of Expenditures of State Awards Year Ended August 31, 2020

State revenues:	
State grants and contracts - per Schedule A	\$ 348,638
Indirect/administrative cost recoveries	<u>-</u>
Total per Schedule of Expenditures of State Awards	<u>\$ 348,638</u>

1. Significant Accounting Policies Used in Preparing the Schedule

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

AUDITORS' REPORT ON CONTROLS AND COMPLIANCE



LOTT, VERNON & COMPANY, P.C.
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**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**

Board of Trustees
Wharton County Junior College District
Wharton, Texas

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 Wharton County Junior College District (The "College"), as of and for the years ended August 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 10, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

**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* (CONTINUED)**

Compliance and Other Matters

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

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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Temple, Texas
November 10, 2020



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

Board of Trustees
Wharton County Junior College District
Wharton, Texas

Report on Compliance for Each Major Federal Program

We have audited Wharton County Junior College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020. The College's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Wharton County Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

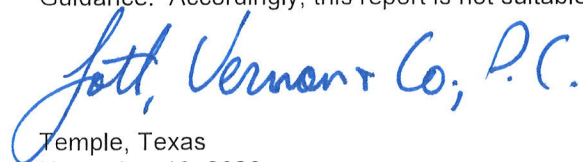
Report on Internal Control Over Compliance

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

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

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

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


Jett, Vernon & Co., P.C.
Temple, Texas
November 10, 2020

WHARTON COUNTY JUNIOR COLLEGE
Schedule of Findings and Questioned Costs
August 31, 2020

I. Summary of Audit Results

Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- | | | | | |
|--|-------|-----|----------|---------------|
| Material weakness(es) identified? | _____ | Yes | <u>X</u> | No |
| Significant deficiencies identified that are not considered to be material weakness(es)? | _____ | Yes | <u>X</u> | none reported |
3. Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

4. Internal control over major programs:
- | | | | | |
|--|-------|-----|----------|---------------|
| Material weakness(es) identified? | _____ | Yes | <u>X</u> | No |
| Significant deficiencies identified that are not considered to be material weakness(es)? | _____ | Yes | <u>X</u> | none reported |

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

6. Any audit findings disclosed that are required to be reported in accordance with section 200.516a of the Uniform Guidance? _____ Yes X No

7. Identification of major programs:

<u>Name of Federal Programs</u>	<u>Federal CFDA Number</u>	<u>Name of State Program</u>
U.S. Department of Education		N/A - State financial assistance was less than \$750,000 in fiscal year ending August 31, 2020.
<i>Student Financial Aid Cluster:</i>		
Supplemental Education Opportunity Grant	84.007	
Federal College Work Study Program	84.033	
Federal Pell Grant Program	84.063	
William D Ford Direct Loans	84.268	
<i>Higher Education Institutional Aid</i>		
Wharton Co. Jr. College (CARES Act) Emergency Aid to Students	84.425E	
Wharton Co. Jr. College (CARES Act) Institutional Portion HEERF	84.425F	
Wharton Co. Jr. College (CARES Act) Minority Serving Institution	84.425L	
Defraying Costs of Enrolling Displaced Students Program	84.938S	
Emergency Assistance to Institutions of Higher Education Program	84.938T	

8. Dollar Threshold used to distinguish between type A and type B Programs (Federal): \$ 750,000
Dollar Threshold used to distinguish between type A and type B Programs (State): \$ 300,000

9. Auditee qualify as low-risk auditee? X Yes _____ No

II. Financial Statement Findings

None

III. Federal Awards Findings and Questioned Costs

None

STATISTICAL SUPPLEMENT (UNAUDITED)

Wharton County Junior College
Statistical Supplement 1
Net Position by Component
Fiscal Years 2011 to 2020
(unaudited)

For the Fiscal Year Ended August 31,
(Amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Invested in capital assets, net of related debt	\$36,084	\$35,984	\$33,444	\$27,125	\$24,734	\$23,683	\$22,287	\$21,756	\$19,958	\$19,210
Restricted - expendable	\$1,798	\$1,639	\$1,380	\$1,819	\$1,470	\$1,730	\$1,250	1,606	1,445	1,202
Restricted - nonexpendable	\$11,146	\$10,832	\$11,000	\$10,047	\$9,376	\$8,609	\$8,724	8,261	7,581	7,417
Unrestricted	(11,151)	(10,967)	(9,559)	24,561	26,717	24,293	24,657	20,146	20,319	18,594
Total primary government net position	\$ 37,677	\$ 37,488	\$ 36,265	\$ 63,552	\$ 62,297	\$ 58,315	\$ 56,918	\$ 51,769	\$ 49,303	\$ 46,423

Wharton County Junior College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2011 to 2020
(unaudited)

For the Year Ended August 31,
(amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Tuition and Fees (Net of Discounts)	\$18,208	\$19,101	\$19,137	\$19,536	\$19,443	\$18,986	\$18,656	\$18,007	\$16,572	\$14,974
Governmental Grants and Contracts										
Federal Grants and Contracts	2,281	1,296	1,340	1,238	2,475	2,282	2,761	2,749	2,489	2,032
State Grants and Contracts	349	322	198	537	298	373	431	396	328	1,086
Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	339	339	389	322	437	598	493	359	286	537
Sales and services of educational activities	13	27	24	28	26	29	31	31	36	41
Auxiliary enterprises	688	831	757	753	809	803	841	883	807	805
Other Operating Revenues	159	242	199	237	292	322	310	344	323	359
Total Operating Revenues	22,037	22,158	22,044	22,651	23,780	23,393	23,523	22,769	20,841	19,834
State Appropriations	13,427	12,720	12,934	12,027	11,993	11,861	11,485	10,745	10,530	10,696
Ad Valorem Taxes	7,533	7,268	6,421	5,921	5,355	5,634	5,364	5,228	5,170	5,172
Gifts	475	1,647	626	142	1,657	845	1,405	322	188	319
Investment income	1,008	1,063	1,263	1,050	992	231	666	353	368	493
Other non-operating revenues	9,970	7,459	6,941	6,465	6,295	10,710	7,790	8,292	8,691	8,479
Total Non-Operating Revenues	32,413	30,157	28,185	25,605	26,292	29,281	26,710	24,940	24,947	25,159
Total Revenues	\$ 54,450	\$ 52,315	\$ 50,229	\$ 48,256	\$ 50,072	\$ 52,674	\$ 50,233	\$ 47,709	\$ 45,788	\$ 44,993

For the Year Ended August 31,
(amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Tuition and fees (net of discounts)	33.44%	36.51%	38.10%	40.48%	38.83%	36.04%	37.14%	37.74%	36.19%	33.28%
Governmental grants and contracts										
Federal grants and contracts	4.19%	2.48%	2.67%	2.57%	4.94%	4.33%	5.50%	5.76%	5.44%	4.52%
State grants and contracts	0.64%	0.62%	0.39%	1.11%	0.60%	0.71%	0.86%	0.83%	0.72%	2.41%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-governmental grants and contracts	0.62%	0.65%	0.77%	0.67%	0.87%	1.14%	0.98%	0.75%	0.62%	1.19%
Sales and services of educational activities	0.02%	0.05%	0.05%	0.06%	0.05%	0.06%	0.06%	0.06%	0.08%	0.09%
Auxiliary enterprises	1.26%	1.59%	1.51%	1.56%	1.62%	1.52%	1.67%	1.85%	1.76%	1.79%
Other operating revenues	0.29%	0.46%	0.40%	0.49%	0.58%	0.61%	0.62%	0.72%	0.71%	0.80%
Total Operating Revenues	40.47%	42.35%	43.89%	46.94%	47.49%	44.41%	46.83%	47.72%	45.52%	44.08%
State appropriations	24.66%	24.31%	25.75%	24.92%	23.95%	22.52%	22.86%	22.52%	23.00%	23.77%
Ad valorem taxes	13.83%	13.89%	12.78%	12.27%	10.69%	10.70%	10.68%	10.96%	11.29%	11.50%
Gifts	0.87%	3.15%	1.25%	0.29%	3.31%	1.60%	2.80%	0.67%	0.41%	0.71%
Investment income	1.85%	2.03%	2.51%	2.18%	1.98%	0.44%	1.33%	0.74%	0.80%	1.10%
Other non-operating revenues	18.31%	14.26%	13.82%	13.40%	12.57%	20.33%	15.51%	17.38%	18.98%	18.85%
Total Non-Operating Revenues	59.53%	57.65%	56.11%	53.06%	52.51%	55.59%	53.17%	52.28%	54.48%	55.92%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Wharton County Junior College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2011 to 2020
(unaudited)

For the Year Ended August 31,
(amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	\$20,815	\$20,186	\$19,647	\$19,077	\$18,139	\$17,868	\$16,949	\$16,763	\$15,399	\$15,899
Research										-
Public service	1,680	1,869	1,900	1,665	1,592	1,409	1,658	1,878	1,711	1,774
Academic support	3,432	3,463	3,528	3,271	3,889	4,235	4,410	4,313	3,977	2,966
Student services	4,613	3,493	3,487	3,083	2,930	2,846	2,861	2,740	2,407	2,379
Institutional support	8,116	8,617	8,016	7,916	7,748	7,288	6,789	6,744	6,312	6,141
Operation and maintenance of plant	5,094	5,191	5,812	4,815	4,828	4,871	4,809	4,905	4,834	4,823
Scholarships and fellowships	7,697	5,544	5,143	4,823	4,758	4,941	5,539	5,845	6,201	6,105
Auxiliary enterprises	771	949	953	842	835	787	781	734	705	632
Depreciation	1,776	1,707	1,414	1,271	1,278	1,228	1,191	1,210	1,195	1,101
Total Operating Expenses	53,994	51,019	49,900	46,763	45,997	45,473	44,987	45,132	42,741	41,820
Interest on capital related debt	29	28	27	176	70	81	94	107	119	152
Other non-operating expenses	37	46	55	63	23	21	3	4	3	252
Total Non-Operating Expenses	66	74	82	239	93	102	97	111	122	404
Total Expenses	\$ 54,060	\$ 51,093	\$ 49,982	\$ 47,002	\$ 46,090	\$ 45,575	\$ 45,084	\$ 45,243	\$ 42,863	\$ 42,224

For the Year Ended August 31,
(amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	38.50%	39.51%	39.31%	40.59%	39.36%	39.21%	37.59%	37.05%	35.93%	37.65%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	3.11%	3.66%	3.80%	3.54%	3.45%	3.09%	3.68%	4.15%	3.99%	4.20%
Academic support	6.35%	6.78%	7.06%	6.96%	8.44%	9.29%	9.78%	9.53%	9.28%	7.02%
Student services	8.53%	6.84%	6.98%	6.56%	6.36%	6.24%	6.35%	6.06%	5.62%	5.63%
Institutional support	15.01%	16.87%	16.04%	16.84%	16.81%	15.99%	15.06%	14.91%	14.73%	14.54%
Operation and maintenance of plant	9.42%	10.16%	11.63%	10.24%	10.48%	10.69%	10.67%	10.84%	11.28%	11.42%
Scholarships and fellowships	14.24%	10.85%	10.29%	10.26%	10.32%	10.84%	12.29%	12.92%	14.47%	14.46%
Auxiliary enterprises	1.43%	1.86%	1.91%	1.79%	1.81%	1.73%	1.73%	1.62%	1.64%	1.50%
Depreciation	3.29%	3.34%	2.83%	2.70%	2.77%	2.69%	2.64%	2.67%	2.79%	2.61%
Total Operating Expenses	99.88%	99.86%	99.84%	99.49%	99.80%	99.78%	99.78%	99.75%	99.72%	99.04%
Interest on capital related debt	0.05%	0.05%	0.05%	0.37%	0.15%	0.18%	0.21%	0.24%	0.28%	0.36%
Other non-operating expenses	0.07%	0.09%	0.11%	0.13%	0.05%	0.05%	0.01%	0.01%	0.01%	0.60%
Total Non-Operating Expenses	0.12%	0.14%	0.16%	0.51%	0.20%	0.22%	0.22%	0.25%	0.28%	0.96%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Wharton County Junior College
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(unaudited)

Resident Fees per Semester Credit Hour (SCH)																		
Academic Year (Fall)	Application Fee (per student)		In-District Tuition	Out-District Tuition	General Service Fee	Building Use Fee In-District	Student/ Out- District Fee	Technology Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of- District	Increase from Prior Year In-District	Increase from Prior Year Out-of- District						
2020	-	\$	32	\$	32	\$	63	\$	-	51	\$	8	\$	1,200	\$	1,812	2.04%	1.34%
2019	-		32		32		61		-	51		5		1,176		1,788	5.85%	3.47%
2018	-		32		32		56		-	51		5		1,111		1,728	0.00%	0.29%
2017			32		32		56			51		5		1,111		1,723	0.00%	0.00%
2016	-		32		32		56		-	51		5		1,111		1,723	0.00%	0.00%
2015	-		32		32		56		-	51		5		1,111		1,723	0.00%	0.00%
2014	-		32		32		56		0	51		5		1,111		1,723	7.66%	8.78%
2013	-		32		32		46		6	52		2		1,032		1,584	16.22%	10.00%
2012	-		32		32		36		6	52		-		888		1,440	0.00%	0.00%
2011	-		32		32		36		6	52		-		888		1,440	0.00%	0.00%

Non - Resident Fees per Semester Credit Hour (SCH)												
Academic Year (Fall)	Application Fee (per student)	Non- Resident Tuition Out of State	Non-Resident Tuition International	General Service Fee	Building Use Fee In-District	Student/ Out- District Fee	Technology Fee	Cost for 12 SCH Out of State/ International	Increase from Prior Year Out of State	Increase from Prior Year International		
2020	\$ -	\$ 84	\$ 84	\$ 63	\$ -	51	\$ 5	\$ 2,436	1.00%	1.00%		
2019	-	84	84	61	-	51	5	2,412	0.00%	0.00%		
2018	-	84	84	61	-	51	5	2,412	14.20%	14.20%		
2017	-	64	64	56	-	51	5	2,112	0.00%	0.00%		
2016	-	64	64	56	-	51	5	2,112	0.24%	0.24%		
2015	-	64	64	56	-	51	5	2,107	0.00%	0.00%		
2014	-	64	64	56	-	51	5	2,107	3.28%	3.28%		
2013	-	64	64	46	6	52	2	2,040	7.59%	7.59%		
2012	-	64	64	36	6	52	-	1,896	0.00%	0.00%		
2011	-	64	64	36	6	52	-	1,896	6.76%	6.76%		

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees. The technology fee is a fixed amount assessment per student, the listed \$5 per credit hour rate is based on 12 semester credit hours.

Wharton County Junior College
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

(amounts expressed in thousands)				Direct Rate			
Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2019-20	8,044,735	2,685,910	5,358,825	66.61%	0.139340		\$ 0.139340
2018-19	7,427,368	2,417,434	5,009,934	67.45%	0.135500	-	\$ 0.135500
2017-18	6,463,129	2,195,537	4,267,592	66.03%	0.137060	-	\$ 0.137060
2016-17	5,813,804	1,757,067	4,056,737	69.78%	0.130280	-	0.130280
2015-16	5,878,934	1,736,789	4,142,145	70.46%	0.126560	-	0.126560
2014-15	5,588,935	1,737,041	3,851,894	68.92%	0.134190	-	0.134190
2013-14	5,345,379	1,664,245	3,681,134	68.87%	0.138210	-	0.138210
2012-13	5,155,971	1,630,814	3,525,157	68.37%	0.144414	-	0.144414
2011-12	5,179,901	1,701,546	3,478,355	67.15%	0.144448	-	0.144448
2010-11	4,990,731	1,553,569	3,437,162	68.87%	0.146660	-	0.146660

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Wharton County Junior College
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation ¹	FTSE ²	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2019-20	\$ 9,648,158	4,688	\$ 2,058	2,116,592	673,830	2,790,422	\$ 3.46
2018-19	9,376,010	4,663	\$ 2,011	2,083,424	734,331	2,817,755	\$ 3.33
2017-18	9,430,172	4,640	2,032	2,094,080	665,638	2,759,718	3.42
2016-17	9,159,618	4,709	1,945	2,071,280	743,937	2,815,217	3.25
2015-16	9,154,206	4,768	1,920	2,077,568	769,930	2,847,498	3.21
2014-15	9,254,439	4,742	1,951	2,093,528	744,918	2,838,446	3.26
2013-14	9,307,591	4,847	1,920	2,162,856	709,157	2,872,013	3.24
2012-13	8,594,090	4,922	1,746	2,201,990	735,191	2,937,181	2.93
2011-12	8,505,372	4,847	1,755	2,149,656	796,819	2,946,475	2.89
2010-11	7,941,513	5,059	1,570	2,170,168	824,468	2,994,636	2.65

Notes:

1-State Appropriations only. These figures do not include any appropriations for employee benefits, remedial education, dramatic growth, or special items (FBTC).

2.-FTSE is defined as the number of full time students plus total hours taken by part time students divided by 30 sch (for the CBM001) or 900 contact hours (for the CBM00A). A full time student is a student taking 30 sch (for the CBM001) or 900 contact hours (for the CBM00A) for the year.

(a) Source CBM001 Academic Contact Hours

(b) Source CBM001 and CBM00A Technical Contact Hours

Wharton County Junior College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Ailagro Exploration Company	Oil and Gas	-	-	-	-	-	-	-	-	-	-
American Electric Power	Utility	31,371	24,531	-	-	-	-	-	-	-	-
Apache Corporation	Oil and Gas	-	29,144	-	27,216	25,544	34,825	90,111	76,617	59,329	18,782
Armour Lacy W Etal Est	Oil and Gas	-	42,735	42,735	-	-	-	-	34,037	-	-
CenterPoint Energy	Utility	46,805	42,392	36,305	39,856	34,083	33,404	34,740	31,420	30,818	-
Coastal Oil and Gas Corp	Oil and Gas	-	-	-	-	-	-	-	-	-	41,385
Colorado Bend I Power, LLC	Utility	73,307	83,247	218,453	217,862	150,754	165,430	136,049	204,504	-	-
Colorado Bend II Power, LLC	Utility	375,996	-	155,231	131,893	71,500	-	-	-	-	-
Cypress E & P Corp	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Enterprise Texas PIP	Manufacturing	37,146	36,001	40,329	41,090	41,090	40,384	27,310	26,243	-	-
ETC NGL Transport LLC	Oil and Gas	-	-	-	-	25,361	27,338	29,359	-	-	-
Forest Oil Company	Oil and Gas	-	-	-	-	-	-	-	-	-	-
GCR Onshore	Oil and Gas	-	-	-	-	-	-	-	-	30,155	-
Gulf South Pipeline Co LP	Oil and Gas	108,525	108,676	57,737	57,560	-	-	-	-	-	-
ILI Caverens	Natural Gas	-	-	-	-	-	-	-	-	-	20,066
JM Eagle	Manufacturing	37,625	33,568	34,212	34,212	40,231	45,109	47,691	44,390	26,039	19,533
Kaiser-Francis Oil	Oil and Gas	-	-	-	-	-	-	-	-	-	26,457
Maxim Production Company	Agribusiness	-	-	-	-	-	-	-	-	25,308	-
Milagro Exploration LLC	Oil and Gas	-	-	-	-	-	40,091	73,455	39,055	28,423	-
Nan Ya Plastics Corp	Manufacturing	34,188	30,605	30,605	35,721	33,216	33,464	33,657	34,379	23,955	63,451
Navasota Energy	Utility	-	-	-	-	-	-	-	-	132,377	-
Newfield Exploration	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Pure Resources LP	Oil and Gas	-	-	-	-	-	-	-	-	-	19,983
Reliant Energy Houston	Utility	-	-	-	-	-	-	-	-	-	17,769
Sandridge Offshore LLC	Oil and Gas	-	-	-	-	-	-	-	-	21,638	-
Southwestern Bell Telephone	Utility	-	-	-	-	-	-	-	-	-	19,592
Trans Texas Gas Corporation	Natural Gas	-	-	-	-	-	-	-	-	-	25,126
TCV Pipeline LLC	Oil and Gas	-	-	35,560	35,560	-	-	-	-	-	-
Transcontinental Gas Pipeline	Oil and Gas	24,735	-	-	-	24,575	25,398	24,331	29,357	23,564	-
Tennessee Gas Pipeline	Oil and Gas	27,185	27,539	-	-	-	-	-	-	-	-
Tres Palacios Gas Storage Inc	Oil and Gas	-	-	-	-	-	-	25,367	-	-	-
Wharton County Foods	Agribusiness	-	-	32,871	27,403	28,096	26,917	-	29,641	-	-
Totals		796,883	458,438	684,038	648,373	474,450	472,360	522,070	549,643	401,606	272,144
Total Taxable Assessed Value		5,358,825	5,009,934	4,661,522	4,267,592	4,056,737	4,142,145	3,851,895	3,681,134	3,525,258	3,478,355

Wharton County Junior College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Ailagro Exploration Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
American Electric Power	Utility	0.59%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Apache Corporation	Oil and Gas	0.00%	0.58%	0.00%	0.64%	0.63%	0.84%	2.34%	2.08%	1.68%	0.54%
Armour Lacy W Etal Est	Oil and Gas	0.00%	0.85%	0.92%	0.00%	0.00%	0.00%	0.00%	0.92%	0.00%	0.00%
CenterPoint Energy	Utility	0.87%	0.85%	0.78%	0.93%	0.84%	0.81%	0.90%	0.85%	0.87%	0.00%
Coastal Oil and Gas Corp	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.19%
Colorado Bend I Power, LLC	Utility	1.37%	1.66%	4.69%	5.11%	3.72%	3.99%	3.53%	5.56%	0.00%	0.00%
Colorado Bend II Power, LLC	Utility	7.02%	0.00%	3.33%	3.09%	1.76%	0.00%	0.00%	0.00%	0.00%	0.00%
Cypress E & P Corp	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Enterprise Texas PIP	Manufacturing	0.69%	0.72%	0.87%	0.96%	1.01%	0.97%	0.71%	0.71%	0.00%	0.00%
ETC NGL Transport LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.63%	0.66%	0.76%	0.00%	0.00%	0.00%
Forest Oil Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
GCR Onshore	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.86%	0.00%
Gulf South Pipeline Co LP	Oil and Gas	2.03%	2.17%	1.24%	1.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ILI Caverens	Natural Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%
JM Eagle	Manufacturing	0.70%	0.67%	0.73%	0.80%	0.99%	1.09%	1.24%	1.21%	0.74%	0.56%
Kaiser-Francis Oil	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%
Maxim Production Company	Agribusiness	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%	0.00%
Milagro Exploration LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.97%	1.91%	1.06%	0.81%	0.00%
Nan Ya Plastics Corp	Manufacturing	0.64%	0.61%	0.66%	0.84%	0.82%	0.81%	0.87%	0.93%	0.68%	1.82%
Navasota Energy	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.76%	0.00%
Newfield Exploration	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pure Resources LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%
Reliant Energy Houston	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%
Sandridge Offshore LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.61%	0.00%
Southwestern Bell Telephone	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.56%
Trans Texas Gas Corporation	Natural Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%
TCV Pipeline LLC	Oil and Gas	0.00%	0.00%	0.76%	0.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Transcontinental Gas Pipeline	Oil and Gas	0.46%	0.00%	0.00%	0.00%	0.61%	0.61%	0.63%	0.80%	0.67%	0.00%
Tennessee Gas Pipeline	Oil and Gas	0.51%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tres Palacios Gas Storage Inc	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%	0.00%	0.00%	0.00%
Wharton County Foods	Agribusiness	0.00%	0.00%	0.71%	0.64%	0.69%	0.65%	0.00%	0.81%	0.00%	0.00%
		14.87%	9.15%	14.67%	15.19%	11.70%	11.40%	13.55%	14.93%	11.39%	7.82%

Source: Local County Appraisal District

Wharton County Junior College
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)

Fiscal Year Ended August 31	(amounts expressed in thousands)						
	Total Tax Levy (a)	Collections - Current Levy	Percentage	Current Collections of Prior Levies	Total Collections (b)	Percentage of Current Levy	
2020	\$7,453	\$ 7,297	97.91%	\$ 236	\$ 7,533	101.07%	
2019	7,186	7,030	97.83%	238	7,268	101.14%	
2018	6,317	6,183	97.88%	237	\$ 6,420	101.63%	
2017	5,849	5,731	97.98%	190	\$ 5,921	101.23%	
2016	5,285	5,186	98.13%	168	\$ 5,354	101.31%	
2015	5,240	4,965	94.75%	669	\$ 5,634	107.52%	
2014	5,169	5,139	99.42%	225	\$ 5,364	103.77%	
2013	5,090	5,023	98.68%	204	\$ 5,227	102.69%	
2012	5,082	4,935	97.11%	234	\$ 5,169	101.71%	
2011	5,091	4,922	96.68%	248	\$ 5,170	101.55%	

Source: Local Tax Assessor/Collector and District records.

(a) As of August 31st

(b) Ties to sum of M & O and Debt Service taxes on Exhibit 2

Wharton County Junior College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Debt										
Revenue bonds	\$ 1,020,000	\$ 1,335,000	\$ 1,640,000	\$ 1,935,000	\$ 2,220,000	\$ 2,495,000	\$ 3,170,000	\$ 3,830,000	\$ 4,465,000	\$ 5,090,000
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	<u><u>\$ 1,020,000</u></u>	<u><u>\$ 1,335,000</u></u>	<u><u>\$ 1,640,000</u></u>	<u><u>\$ 1,935,000</u></u>	<u><u>\$ 2,220,000</u></u>	<u><u>\$ 2,495,000</u></u>	<u><u>\$ 3,170,000</u></u>	<u><u>\$ 3,830,000</u></u>	<u><u>\$ 4,465,000</u></u>	<u><u>\$ 5,090,000</u></u>
General Bonded Debt Ratios										
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per Student	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios										
Per Capita	25	32	40	47	54	61	77	93	109	120
Per Student	218	283	333	393	450	515	669	809	943	1,075
As a percentage of Taxable Assessed Value	0.19%	0.27%	0.40%	0.47%	0.54%	0.65%	0.86%	1.09%	1.28%	1.48%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment.

Wharton County Junior College
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31 , (Amount expressed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Taxable Assessed Value	<u>\$ 5,358,825</u>	<u>\$ 5,009,934</u>	<u>\$ 4,661,522</u>	<u>\$ 4,267,592</u>	<u>\$ 4,056,737</u>	<u>\$ 4,142,145</u>	<u>\$ 3,851,894</u>	<u>\$ 3,681,134</u>	<u>\$ 3,525,157</u>	<u>\$ 3,478,355</u>
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	26,794	25,050	23,308	21,338	20,284	20,711	19,259	18,406	17,626	17,392
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	26,794	25,050	23,308	21,338	20,284	20,711	19,259	18,406	17,626	17,392
Current Year Debt Service Requirements										
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 26,794</u>	<u>\$ 25,050</u>	<u>\$ 23,308</u>	<u>\$ 21,338</u>	<u>\$ 20,284</u>	<u>\$ 20,711</u>	<u>\$ 19,259</u>	<u>\$ 18,406</u>	<u>\$ 17,626</u>	<u>\$ 17,392</u>
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

Wharton County Junior College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)									Debt Service Requirements (\$000 omitted)			
	Tuition	Technology Fee	General Service Fees	Laboratory Fees	Building Use Fees	Interest Income	Other Fees	Net Auxillary Enterprises Revenue	Total	Principal	Interest	Total	Coverage Ratio
2020	1,140	-	8,954	-	-	1,008	5,369	-	16,471	315	36	351	46.93
2019	1,281	-	8,735	-	-	1,063	7,972	-	19,051	305	46	351	54.28
2018	1,260	-	8,674	-	-	1,263	7,968	-	19,165	295	55	350	54.76
2017	1,385	-	8,805	-	-	1,050	7,586	-	18,826	285	63	348	54.10
2016	1,426	-	8,171	-	-	993	7,934	8	18,532	275	70	345	53.72
2015	1,409	-	8,125	-	-	231	7,721	8	17,494	675	81	756	23.14
2014	1,408	-	8,216	-	-	666	7,636	59	17,985	660	94	754	23.85
2013	1,521	-	6,955	-	1,633	(101)	6,514	883	17,405	635	107	742	23.46
2012	1,400	-	6,821	-	1,609	369	5,676	807	16,682	625	134	759	21.98
2011	1,392	-	5,399	-	1,623	596	4,850	740	14,600	565	73	638	22.88

Wharton County Junior College
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(unaudited)

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2019	41,322	a.	a.	3.40%
2018	41,619	1,726,056	49,619	3.7%
2017	41,735	1,701,191	40,535	4.5%
2016	41,634	1,651,547	39,668	5.0%
2015	41,486	1,720,001	41,460	4.4%
2014	41,168	1,682,513	40,869	4.7%
2013	41,216	1,671,687	40,559	6.0%
2012	41,150	1,558,501	37,874	6.8%
2011	41,314	1,468,965	35,556	8.2%
2010	41,364	1,362,722	32,945	8.5%

Sources:

Population & Income per capita from Texas Workforce Commission

Unemployment rate from Texas Workforce Commission and US Department of Labor

Notes:

a. Not yet available.

Used Wharton County data only

Wharton County Junior College
Statistical Supplement 13
Principal Employers
Current Fiscal Year
(unaudited)

Employer	Number of Employees	Percentage of Total Employment
El Campo ISD	530	2.53%
Wal-Mart Associates, Inc.	200	0.95%
Greenleaf Nursery Company, Inc.	381	1.82%
Leedo Manufacturing Company	0	0.00%
Wharton County Junior College	347	1.66%
Wharton ISD	400	1.91%
H.E.B.	300	1.43%
Nan Ya Plastics Corporation USA	205	0.98%
Wharton County Foods	235	1.12%
Wharton County	253	1.21%
El Campo Memorial Hospital	246	1.17%
Total	20,953	14.78%

Source:

Texas Workforce Commission
Texas Metropolitan Statistical Area Data

Wharton County Junior College
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Faculty										
Full-Time	183	177	174	173	171	166	162	163	162	162
Part-Time	115	108	127	124	134	133	141	139	140	161
Total	298	285	301	297	305	299	303	302	302	323
Percent										
Full-Time	61.4%	62.1%	57.8%	58.2%	56.1%	55.5%	53.5%	54.0%	53.6%	50.2%
Part-Time	38.6%	37.9%	42.2%	41.8%	43.9%	44.5%	46.5%	46.0%	46.4%	49.8%
Staff and Administrators										
Full-Time	195	192	187	191	193	189	186	178	170	172
Part-Time	96	93	96	84	88	80	87	75	50	63
Total	291	285	283	275	281	269	273	253	220	235
Percent										
Full-Time	67.0%	67.4%	66.1%	69.5%	68.7%	70.3%	68.1%	70.4%	77.3%	73.2%
Part-Time	33.0%	32.6%	33.9%	30.5%	31.3%	29.7%	31.9%	29.6%	22.7%	26.8%
FTSE per Full-time Faculty	25.6	26.2	26.7	27.2	27.9	28.6	29.9	30.2	29.9	31.2
FTSE per Full-Time	24.0	24.2	24.8	24.7	24.7	25.1	26.1	27.7	28.5	29.4
Average Annual Faculty	\$73,500 *	\$74,067	\$73,059*	\$74,076*	\$71,364*	\$70,932*	\$69,936*	\$67,512*	\$54,094	\$54,094

Notes:

Based on IPEDS information that is a Fall snapshot. Library staff /counselors are included in the Faculty category.

*Effective 2013 IPEDS now uses a weighted monthly average multiplied by 12 for salaries

Wharton County Junior College
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)

Student Classification	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	4,508	63%	4,338	62%	4,554	63%	4,562	63%	5,037	66%
31-60 hours	1,843	26%	1,872	27%	1,895	26%	1,885	26%	1,788	24%
> 60 hours	553	8%	558	8%	601	8%	625	8%	591	8%
Continuing Ed only	237	3%	204	3%	198	3%	192	3%	153	2%
Total	7,141	100%	6,972	100%	7,248	100%	7,264	100%	7,569	100%

Semester Hour Load	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	14	0%	10	0%	16	0%	19	0%	11	0%
3-5 semester hours	1,167	16%	1,101	16%	1,307	18%	1,321	18%	1,689	22%
6-8 Semester hours	1,289	18%	1,378	20%	1,351	19%	1,416	19%	1,416	19%
9-11 semester hours	1,388	20%	1,412	20%	1,454	20%	1,454	20%	1,437	19%
12-14 semester hours	2,086	30%	2,009	29%	2,036	28%	2,104	29%	2,250	30%
15-17 semester hours	802	11%	726	10%	776	11%	642	9%	513	7%
18 & over	158	2%	132	2%	110	1%	116	2%	100	1%
Continuing Ed only	237	3%	204	3%	198	3%	192	3%	153	2%
Total	7,141	100%	6,972	100%	7,248	100%	7,264	100%	7,569	100%

Tuition Status	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,320	18%	1,277	18%	1,231	17%	1,310	18%	1,269	17%
Texas Resident (out-of-District)	5,257	74%	5,173	74%	5,477	76%	5,455	75%	5,801	76%
Non-Resident Tuition	138	2%	128	2%	161	2%	162	2%	194	3%
Exempt	189	3%	190	3%	181	2%	145	2%	152	2%
Continuing Ed only	237	3%	204	3%	198	3%	192	3%	153	2%
Total	7,141	100%	6,972	100%	7,248	100%	7,264	100%	7,569	100%

Source: CBM001 and CBM00A Fall reports.

Wharton County Junior College
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

Gender	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	4,063	57%	3,946	57%	4,092	56%	4,002	55%	4,157	55%
Male	3,078	43%	3,026	43%	3,156	44%	3,262	45%	3,412	45%
Total	7,141	100%	6,972	100%	7,248	100%	7,264	100%	7,569	100%

Ethnic Origin	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,133	31%	2,205	32%	2,422	34%	2,585	36%	2,778	37%
Hispanic	3,143	45%	2,996	43%	2,933	41%	2,818	40%	2,816	39%
African American	843	12%	845	12%	945	13%	894	13%	881	12%
Asian	893	13%	837	12%	838	12%	831	11%	940	12%
Foreign	3	0%	1	0%	-	0%	1	0%	4	0%
Native American	8	0%	11	0%	-	0%	-	0%	28	0%
Unknown	118	2%	77	1%	110	2%	135	2%	122	1%
Total	7,141	100%	6,972	100%	7,248	100%	7,264	100%	7,569	100%

Age	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	727	10%	639	9%	844	12%	817	11%	1,211	15%
18 -21	4,218	60%	4,140	59%	4,127	58%	4,121	57%	4,078	55%
22 - 24	880	13%	861	12%	898	13%	921	13%	885	12%
25 - 35	857	12%	904	13%	926	13%	940	13%	930	12%
36 - 50	360	5%	351	5%	351	5%	369	5%	372	5%
51 & over	99	1%	77	1%	102	1%	96	1%	93	1%
Total	7,141	100%	6,972	100%	7,248	100%	7,264	100%	7,569	100%
Average Age	22.1		22.1		22.1		22.3		21.9	

Source: CBM001 and CBM00A Fall reports.

Wharton County Junior College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2019-20 Students as of Fall 2019
(Includes only public senior colleges in Texas)
(unaudited)

	Institutions Attended, Fall 2019	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1	University of Houston - Main Campus	536	22	3	561	33.08%
2	Texas A&M University - College Station	195	4	3	202	11.91%
3	Sam Houston State University	146	4	1	151	8.90%
4	Texas State University	125	5		130	7.67%
5	University of Houston - Victoria	110	9	6	125	7.37%
6	The University of Texas - Austin	90	1		91	5.37%
7	University of Houston - Downtown	61	2		63	3.71%
8	The University of Texas - San Antonio	58	3	1	62	3.66%
9	Texas Tech University	37			37	2.18%
10	Stephen F. Austin State University	34	3		37	2.18%
11	Texas A&M University - Corpus Christi	24	1		25	1.47%
12	The University of Texas Health Science Center at Houston	23		3	26	1.53%
13	University of Houston - Clear Lake	16			16	0.94%
14	The University of Texas - Dallas	15	1		16	0.94%
15	Prairie View A&M University	13			13	0.77%
16	Texas Southern University	13	1		14	0.83%
17	The University of Texas - Arlington	13	1	9	23	1.36%
18	University of North Texas	13	2		15	0.88%
19	Texas A&M University - Kingsville	10	1		11	0.65%
20	The University of Texas Medical Branch at Galveston	9		1	10	0.59%
21	Tarleton State University	8			8	0.47%
22	Texas A&M University - Galveston	7			7	0.41%
23	Texas Woman's University	7	1		8	0.47%
24	The University of Texas M.D. Anderson Cancer Center	7			7	0.41%
25	The University of Texas - Tyler	6			6	0.35%
26	The University of Texas - Rio Grande Valley	5			5	0.29%
27	Lamar University	4			4	0.24%
28	Texas A&M University - Commerce	4			4	0.24%
29	Midwestern State University	3			3	0.18%
30	Texas A&M University System Health Science Center	3			3	0.18%
31	Angelo State University	2			2	0.12%
32	Sul Ross	2			2	0.12%
33	Texas A&M University - San Antonio	2			2	0.12%
34	Texas Tech University Health Sciences Center	2		2	4	0.24%
35	West Texas A&M University	2			2	0.12%
36	The University of Texas Health Science Center at San Antonio	1			1	0.06%
Totals		1,606	61	29	1,696	100.00%

Source: THECB Automated Student and Adult Learner Follow-up Report

Wharton County Junior College
Statistical Supplement 18
Schedule of Capital Asset Information
Fiscal Years 2011 to 2020
(unaudited)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Academic buildings	11	11	11	11	12	12	12	12	12	12
Square footage (in thousands)	443	425	425	425	507	507	507	507	507	507
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	55	55	55	55	55	55	55	55	55	55
Number of Volumes (in thousands)	66,200	66,200	66,200	66,200	66,200	66,200	66,200	66,200	66,200	66,200
Administrative and support buildings	4	4	4	4	4	4	4	4	4	4
Square footage (in thousands)	64	64	64	64	64	64	64	64	64	64
Dormitories	3	3	3	3	3	3	3	3	3	3
Square footage (in thousands)	45	45	45	45	45	45	45	45	45	45
Number of Beds	158	158	158	158	158	158	158	158	158	158
Apartments	-	-	-	-	-	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-	-	-	-	-	-
Number of beds	-	-	-	-	-	-	-	-	-	-
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	69	69	69	69	69	69	69	69	69	69
Average daily customers	500	500	500	500	500	500	500	500	500	500
Athletic Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Stadiums	-	-	-	-	-	-	-	-	-	-
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	1	1	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	5	5	5	5	5	5	5	5	5	5
Transportation										
Cars	1	1	1	1	1	1	1	1	1	1
Light Trucks/Vans	16	16	16	16	14	14	14	14	14	14
Buses	1	1	1	1	1	1	1	1	1	1