

Murals by Ben Sum in the Western Texas College Cafeteria

WESTERN
— TEXAS COLLEGE —

ANNUAL FINANCIAL REPORT
For the year ending August 31, 2018

WESTERN TEXAS COLLEGE
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December 7, 2018

**To the Board of Trustees
Western Texas College
Snyder, Texas**

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Western Texas College which includes the statement of net position as of August 31, 2018 and 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the years ended August 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Western Texas 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 audits 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 the business-type activities of Western Texas College, as of August 31,

2018 and 2017, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 2 and 14 to the financial statements, the College implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended August 31, 2018. This requires recognition of its net OPEB liability and a more comprehensive measure of OPEB expense. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the college's share of net pension liability, schedule of the college's contributions, schedule of the college's proportionate share of net OPEB liability, and schedule of the college's contribution for OPEB 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 supporting schedules (Schedules A-F), including the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The supporting schedules 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 supporting schedules, which includes the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 December 7, 2018, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Condley and Company, L.L.P.

Certified Public Accountants

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Management's Discussion and Analysis

This section of Western Texas College's Annual Financial Report presents management's discussion and analysis of the College's financial performance during the fiscal year ending August 31, 2018. Please read this in conjunction with the College's financial statements beginning on page 15. A comparative analysis of financial data is presented.

Financial Highlights

- The implementation of Governmental Accounting Standards Board (GASB) Statement 75, *Accounting for Other Post-Employment Benefit Plans, OPEB*, resulted in a prior period adjustment which decreased net position as of August 31, 2018, in the amount of \$11,936,499.
- Excluding prior period adjustment mentioned above, the College's net position resulted in an increase of \$3,155,058.
- An increase in tuition and fees of \$519,770, increase in State Appropriations of \$955,124, an increase of \$309,608 in investments, \$271,458 increase in earnings from the foundation donations and investments, debt service reserves had an increase of \$549,955, and \$923,906 in unexpended debt proceeds have helped with the increase in cash and cash equivalents. Expenditures remained comparable to previous years as a whole.

Using This Annual Report

This annual report consists of three parts -- *management's discussion and analysis (required supplementary information)*, the *basic financial statements, pension liability, OPEB liability (required supplementary information)*, and *other supplementary information*. The basic financial statements include the Statements of Net Position (Exhibit 1); Statements of Revenues, Expenses, and Changes in Net Position (Exhibit 2); Statements of Cash Flows (Exhibit 3); Notes to the Financial Statements and Required Supplementary Information.

One of the most important questions asked about the College's finances is "Is the College as a whole better off or worse off as a result of the year's activities?" The basic financial statements mentioned above report information about the College as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. Therefore, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statements of Net Position, and the Statements of Revenues, Expenses, and Changes in Net Position, report the College's net position and changes in them. You can think of the College's net position – the difference between assets and liabilities – as one way to measure the College's financial health. Over time, increases or decreases in the College's net position are one indicator of whether its financial health is improving or deteriorating.

You will need to consider other non-financial factors, however, such as changes in the College's property tax base, enrollment levels, state funding, and the condition of the College's facilities.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *other supplementary information* that further explains and supports the information in the financial statements.

Financial Analysis of the College as a Whole

The Statements of Net Position presents the financial position of the College at the end of the fiscal year and includes all asset and liabilities of the College. Assets and liabilities are generally measured using

current values, except for capital assets, which are stated at historical cost less accumulated depreciation.

Current assets consist primarily of cash, short-term investments and receivables. Non-current assets are composed mainly of cash, investments and capital assets. Current liabilities consist mainly of payables, accrued liabilities, unearned revenues and current portions of long-term debt. Non-current liabilities are composed of bonds payable, capital leases payable, net pension liability and net OPEB liability.

This schedule is prepared from the College's Statements of Net Position (page 15).

	August 31, 2018	August 31, 2017	August 31, 2016
Assets:			
Current Assets	\$15,671,778	\$13,298,486	\$11,800,729
Non-Current Assets			
Capital Assets, Net of Depreciation	32,061,508	33,092,121	31,333,265
Restricted Cash and Investments	12,784,559	11,394,921	14,314,947
Total Assets	\$60,517,845	\$57,785,528	\$57,448,941
Deferred Outflows Related to Pensions			
	\$585,547	\$793,493	\$924,470
Deferred Outflows Related to OPEB			
	\$949,465	-	-
Liabilities:			
Current Liabilities	\$5,847,788	\$ 5,678,897	\$ 6,427,342
Non-Current Liabilities	31,619,344	22,196,210	23,282,673
Total Liabilities	\$37,467,132	\$27,875,107	\$29,710,015
Deferred Inflows Related to Pensions			
	\$872,456	\$470,177	\$629,089
Deferred Inflows Related to OPEB			
	2,260,973	-	-
Net Position:			
Net Investment in Capital Assets	\$11,662,251	\$12,831,501	\$14,750,975
Restricted	12,781,978	11,009,232	10,480,413
Unrestricted	(2,991,933)	6,393,004	2,802,919
Total Net Position	\$21,452,296	\$30,233,737	\$28,034,307

The Statements of Revenues, Expenses and Changes in Net Position present the College's results of operations.

	FY 2018	FY 2017	FY 2016
Beginning Net Position	\$30,233,737	\$28,034,307	\$24,329,330
Prior Period Adjustment	(11,936,499)	-	-
Increase (Decrease) in Net Position	3,155,058	2,199,430	3,704,977
Ending Net Position	\$21,452,296	\$30,233,737	\$28,034,307

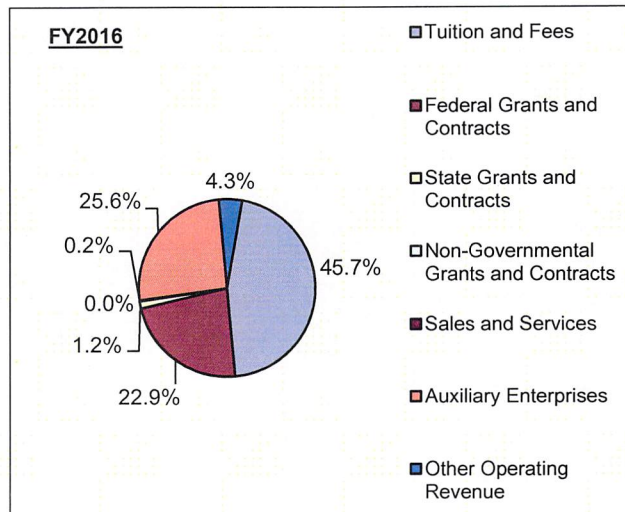
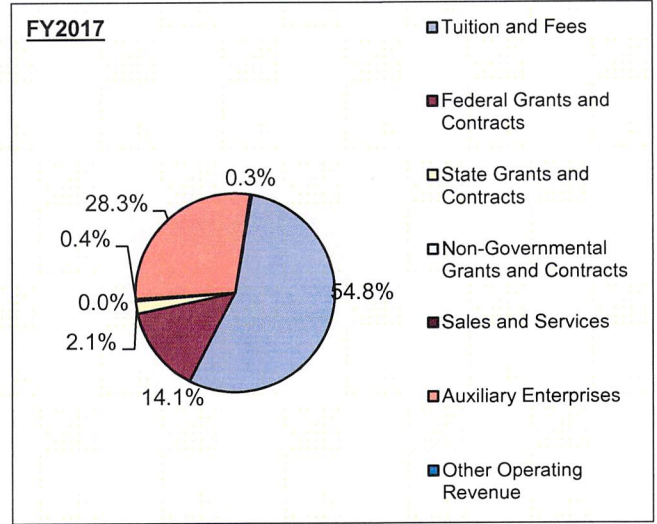
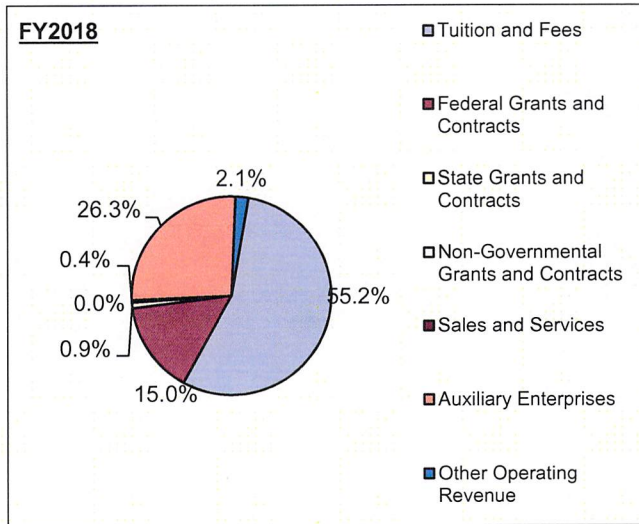
Revenues

Revenues are categorized as either operating or non-operating. The main sources of operating revenues for the College are federal grants and contracts, and tuition and fees and auxiliary enterprises. Ad valorem taxes, state appropriations and federal revenues are the main sources of non-operating revenues.

Operating Revenue	FY2018	FY2017	FY2016
Tuition and Fees (Net of Discounts)	\$4,192,686	\$3,672,916	\$3,474,216
Federal Grants and Contracts	1,141,431	945,432	1,739,723
State Grants and Contracts	69,754	138,717	94,629
Sales and Services of Educational Activities	30,989	25,253	16,081
Auxiliary Enterprises	1,997,663	1,899,859	1,948,008
Other Operating Revenue	158,206	20,908	324,831
Total Operating Revenue	\$7,590,729	\$6,703,085	\$7,597,488

The following is a graphic illustration of current year operating revenue by source with comparison to the previous two years:

Operating Revenue



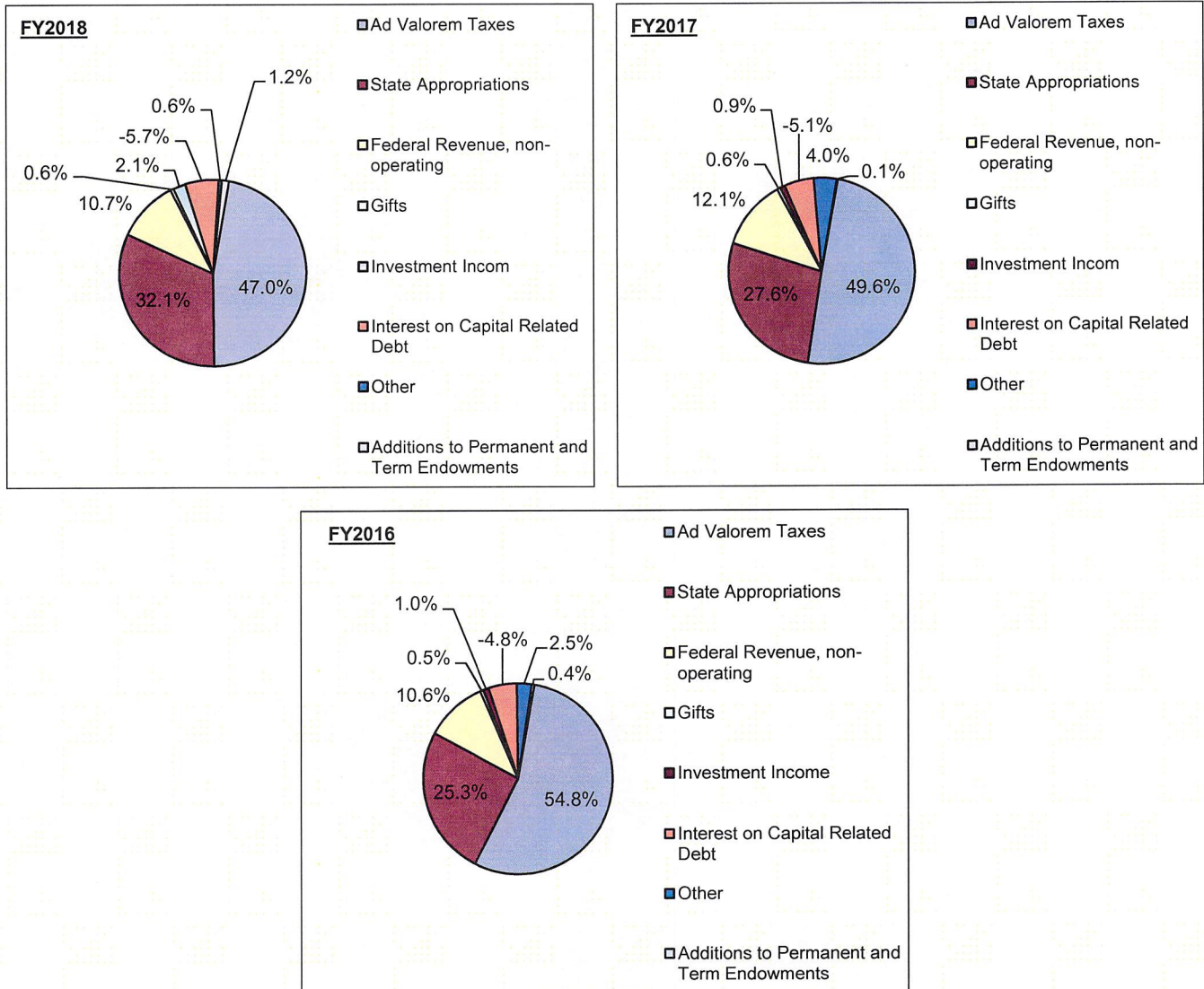
Non-Operating Revenues (Expenses)

Ad Valorem Taxes	
State Appropriations	
Federal Revenue, non-operating	
Gifts	
Investment Income	
Interest on Capital Related Debt	
Other	
Additions (deletions) to permanent and term endowments	

	FY2018	FY2017	FY2016
Ad Valorem Taxes	\$7,884,219	\$7,964,268	\$9,602,774
State Appropriations	5,375,699	4,420,575	4,443,471
Federal Revenue, non-operating	1,786,860	1,946,056	1,855,770
Gifts	94,506	92,027	96,410
Investment Income	358,676	141,038	172,441
Interest on Capital Related Debt	(960,848)	(820,589)	(843,811)
Other	205,610	640,865	439,888
	95,045	18,717	78,360
Total Non-Operating Revenues (Expenses)	\$14,839,767	\$14,402,957	\$15,845,303

The following is a graphic illustration of current year non-operating revenue by source with comparison to the previous two years:

Non-Operating Revenues (Expenses)



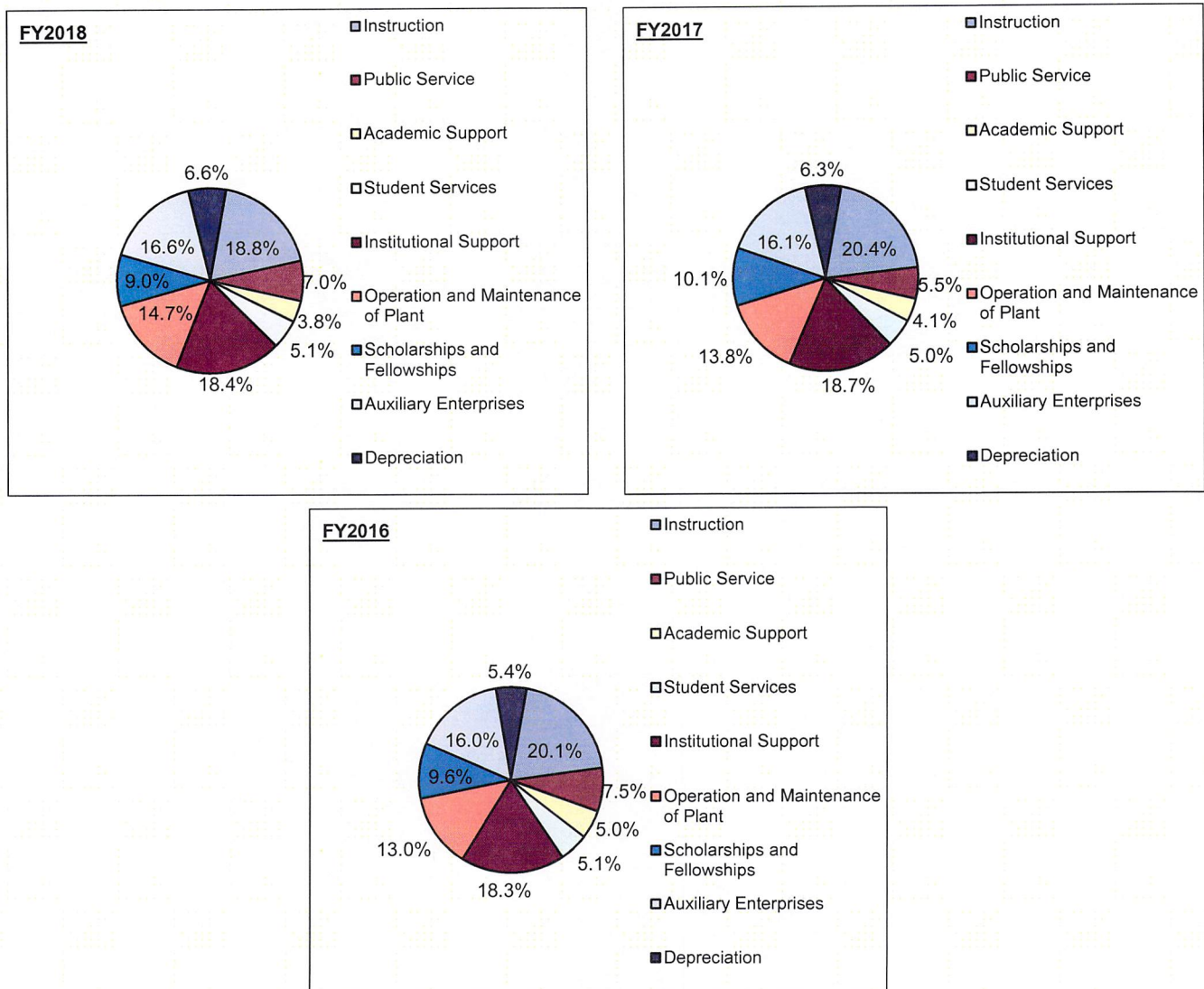
Expenses

Instruction is the largest percent of operating expenses for the College (18.8%) with Institutional Support (18.4%) being second. Auxiliary (16.6%), Operation and Maintenance of Plant (14.7%) and Scholarships and Fellowships (9.0%) make up other large portions of expenses.

Operating Expenses	FY2018	FY2017	FY2016
Instruction	\$3,617,763	\$3,854,632	\$3,968,299
Public Service	1,355,547	1,042,136	1,487,628
Academic Support	729,126	770,056	988,969
Student Services	987,215	937,233	999,597
Institutional Support	3,550,348	3,534,053	3,618,044
Operation and Maintenance of Plant	2,834,874	2,618,081	2,566,068
Scholarships and Fellowships	1,735,196	1,912,696	1,888,951
Auxiliary Enterprises	3,200,625	3,045,831	3,156,491
Depreciation	1,264,744	1,191,894	1,063,767
Total Operating Expenses	\$19,275,438	\$18,906,612	\$19,737,814

The following is a graphic illustration of current year expenses by function with comparisons to the previous two years:

Operating Expenses



The Statements of Cash Flows provides additional information about the College's financial results. This report states the major sources and uses of cash.

	FY2018	FY2017	FY2016
Cash provided (used) by:			
Operating Activities	(\$10,399,103)	(\$12,094,922)	(\$10,160,395)
Non-Capital Financing Activities	15,528,614	14,777,383	16,443,676
Capital and Related Financing Activities	(1,523,382)	(4,689,991)	(11,297,783)
Investing Activities	(175,702)	354,163	4,307
Net Increase (Decrease) in Cash and Cash Equivalents	\$3,430,427	(\$1,653,367)	(\$5,010,195)
	FY2018	FY2017	FY2016
Cash and Cash Equivalents Beginning of Year	\$16,460,377	\$18,113,744	\$23,123,939
Cash and Cash Equivalents End of Year	19,890,804	16,460,377	18,113,744
Net Increase (Decrease) in Cash and Cash Equivalents	\$3,430,427	(\$1,653,367)	(\$5,010,195)

Capital Asset and Debt Administration

Capital Assets

As of August 31, 2018 the College had \$47,761,199 invested in capital assets ranging from land, buildings, improvement to facilities, and equipment. The following is a breakdown of the capital assets less accumulated depreciation.

	FY2018	FY2017	FY2016
Land	\$813,261	\$813,261	\$800,162
Collections	105,290	95,290	-
Buildings	27,976,721	28,662,167	17,633,974
Improvements	1,789,136	1,913,473	2,053,450
Equipment	1,297,568	1,519,656	1,831,382
Library Books	73,212	77,554	85,496
Construction in Progress	6,320	10,720	8,928,801
Total	\$32,061,508	\$33,092,121	\$31,333,265

During fiscal year 2018, 2017 and 2016, the capital assets have remained consistent.

Debt

At year-end, the college had \$19,534,479 in outstanding bonds and maintenance tax notes. The Revenue Bonds, totaling \$7,974,479, were originally issued in 2005 and 2009, for the construction of two new residence halls, a student commons, and an on-campus health clinic. The 2005 Bond Series was refunded in 2012. During 2017, the 2009 Bond Series and 2012 Revenue Refunded Bond Series were consolidated and reissued at a lower variable interest rate of 2.0% to 4.0%. The consolidated bond is referred to as the 2017 Revenue Refunded Bond. Maintenance tax notes issued in 2014 carry a current balance of \$11,560,000 for use in repairing the aging infrastructure of the College, which was completed in 2017. In December of 2017, the College obtained a time warrant in the amount of \$931,189 for financing renovations to the Agriculture and Farm complex. The College was awarded a Department of Education Title V Grant that provides the funds to make yearly payments of the time warrant over 4 years. Also, at the end of the year, the College had outstanding capital leases for campus-wide boiler replacement and various grounds maintenance equipment in the amount of \$438,067.

Other Economic Factors

The College makes every effort to develop and expand programs and services in order to meet the needs of our service area. The College actively pursues federal and state grants as additional funding to help in the development of new programs and services, and/or the improvement of current programs and services to our community.

The College completed a major infrastructure project in 2017, which included: repairs to or replacement of primary electrical transformers, air handlers, sidewalks, central cooling plant, and the domestic water loop. The infrastructure project also included upgrades to the maintenance, fine arts, cafeteria, and health and physical education facilities.

Contacting the College's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the College's finances and to show the College's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer or Controller, Western Texas College, 6200 College Avenue, Snyder, Texas 79549.

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Western Texas College
Statements of Net Position
August 31, 2018 and 2017
Exhibit 1

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$11,639,284	\$9,361,492
Short-term investments	814,839	470,776
Accounts receivable, net	2,827,683	3,117,719
Inventories	49,569	52,088
Prepaid and deferred expenses	340,403	296,411
Total Current Assets	<u>15,671,778</u>	<u>13,298,486</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	8,251,520	7,098,885
Restricted long-term investments	4,533,039	4,296,036
Capital assets, net (Note 5)	32,061,508	33,092,121
Total Noncurrent Assets	<u>44,846,067</u>	<u>44,487,042</u>
TOTAL ASSETS	<u>60,517,845</u>	<u>57,785,528</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	585,547	793,493
Deferred outflows related to OPEB	949,465	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,535,012</u>	<u>793,493</u>
LIABILITIES		
Current Liabilities		
Accounts payable	296,892	288,455
Accrued liabilities	160,641	377,435
Funds held for others	652,733	629,556
Unearned revenues	2,988,125	3,018,725
Accrued compensated absences	177,281	174,110
Notes payable-current portion	226,462	-
Capital leases payable - current portion	93,025	65,845
Bonds payable - current portion	1,252,629	1,124,771
Total Current Liabilities	<u>5,847,788</u>	<u>5,678,897</u>
Noncurrent Liabilities:		
Deposits	203,830	195,745
Net pension liability	1,858,097	2,524,802
Net OPEB liability	10,225,798	-
Notes payable	704,727	-
Capital leases payable	345,042	386,775
Bonds payable	18,281,850	19,088,888
Total Noncurrent Liabilities	<u>31,619,344</u>	<u>22,196,210</u>
TOTAL LIABILITIES	<u>37,467,132</u>	<u>27,875,107</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	872,456	470,177
Deferred inflows related to OPEB	2,260,973	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,133,429</u>	<u>470,177</u>
NET POSITION		
Net Investment in Capital Assets	11,662,251	12,831,501
Restricted:		
Nonexpendable		
Scholarships and fellowships	4,811,126	4,539,668
Expendable		
Student aid	323,222	306,061
Instructional programs	5,005	5,005
Capital projects	89,564	85,350
Loans	376,799	370,747
Debt service	6,252,356	5,702,401
Unexpended debt proceeds	923,906	-
Unrestricted	<u>(2,991,933)</u>	<u>6,393,004</u>
TOTAL NET POSITION (Schedule D)	<u>\$21,452,296</u>	<u>\$30,233,737</u>

See accompanying notes to the financial statements

Western Texas College
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended August 31, 2018 and 2017
Exhibit 2

	<u>2018</u>	<u>2017</u>
REVENUES		
Operating Revenues:		
Tuition and fees (Net of discounts of \$1,911,239 in 2018 and \$1,783,238 in 2017)	\$4,192,686	\$3,672,916
Federal grants and contracts	1,141,431	945,432
State grants and contracts	69,754	138,717
Sales and services of educational activities	30,989	25,253
Auxiliary enterprises	1,997,663	1,899,859
Other operating revenues	158,206	20,908
Total Operating Revenues (Schedule A)	<u>7,590,729</u>	<u>6,703,085</u>
EXPENSES		
Operating Expenses:		
Instruction	3,617,763	3,854,632
Public service	1,355,547	1,042,136
Academic support	729,126	770,056
Student services	987,215	937,233
Institutional support	3,550,348	3,534,053
Operation and maintenance of plant	2,834,874	2,618,081
Scholarships and fellowships	1,735,196	1,912,696
Auxiliary enterprises	3,200,625	3,045,831
Depreciation	1,264,744	1,191,894
Total Operating Expenses (Schedule B)	<u>19,275,438</u>	<u>18,906,612</u>
Operating Income (Loss)	<u>(11,684,709)</u>	<u>(12,203,527)</u>
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	5,375,699	4,420,575
Ad-valorem taxes (Net)	7,884,219	7,964,268
Federal revenue, non-operating	1,786,860	1,946,056
Gifts	94,506	92,027
Investment income (net of investment expenses)	358,676	141,038
Gain (loss) on sale of investments, realized	79,156	36,500
Gain (loss) on investments, unrealized	46,018	153,428
Interest on capital related debt	(960,848)	(820,589)
Gain (loss) on insurance claims	-	91,320
Gain (loss) on disposal of capital assets	878	6,574
Additions (deletions) to permanent and term endowments	95,045	18,717
Debt issuance cost	(227,623)	-
Other non-operating revenues (expenses)	307,181	353,043
Net Non-Operating Revenues (Schedule C)	<u>14,839,767</u>	<u>14,402,957</u>
Increase (Decrease) in Net Position	3,155,058	2,199,430
NET POSITION		
Net Position - beginning of year (as originally stated)	30,233,737	28,034,307
Prior Year Adjustment (Note 2)	(11,936,499)	-
Net Position - beginning of year (as restated)	<u>18,297,238</u>	<u>-</u>
Net Position - end of year	<u>\$21,452,296</u>	<u>\$30,233,737</u>

See accompanying notes to the financial statements

Western Texas College
Statements of Cash Flows
For the Years Ended August 31, 2018 and 2017
Exhibit 3

	2018	2017
Cash Flows from Operating Activities		
Receipts from students and other customers	\$6,419,750	\$5,273,990
Receipts from grants and contracts	1,438,497	1,281,570
Payments to or on behalf of employees	(9,320,478)	(9,600,958)
Payments to suppliers for goods and services	(7,160,203)	(7,114,423)
Payments for scholarships	(1,735,196)	(1,912,696)
Other receipts (payments)	(41,473)	(22,405)
Net cash provided (used) by operating activities	(10,399,103)	(12,094,922)
Cash Flows from Noncapital Financing Activities		
Receipts from state appropriations	5,375,699	4,420,575
Receipts from ad valorem taxes	7,884,219	7,964,268
Receipts from non-operating federal revenue	1,786,860	1,946,056
Receipts from gifts and grants (other than capital)	474,533	462,358
Student organization and other agency transactions	7,303	(15,874)
Net cash provided (used) by noncapital financing activities	15,528,614	14,777,383
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	878	97,894
Purchases of capital assets	(580,147)	(2,802,891)
Proceeds from debt	8,733,788	-
Debt issuance cost	(227,983)	-
Payments on capital debt and leases-principal	(8,489,070)	(1,164,405)
Payments on capital debt and leases-interest	(960,848)	(820,589)
Net cash provided (used) by capital and related financing activities	(1,523,382)	(4,689,991)
Cash Flows from Investing Activities		
Proceeds from sale and maturity of investments	11,188,274	1,007,560
Receipts from earnings on investments	358,676	141,038
Purchases of investments	(11,722,652)	(794,435)
Net cash provided (used) by investing activities	(175,702)	354,163
Increase (decrease) in cash and cash equivalents	3,430,427	(1,653,367)
Cash and cash equivalents - beginning of year	16,460,377	18,113,744
Cash and cash equivalents - end of year	\$19,890,804	\$16,460,377
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(\$11,684,709)	(\$12,203,527)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	1,264,744	1,191,894
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Receivables, net	290,036	(307,703)
Inventories	2,519	12,615
Deferred outflows of resources	(741,519)	130,977
Other assets	(43,992)	(35,020)
Accounts payable	8,437	(878,656)
Accrued expenses	(216,794)	9,205
Unearned revenues	(30,600)	154,728
Deposits held for others	8,085	5,450
Compensated absences	3,171	(43,908)
Net pension liability	(610,225)	27,935
Net OPEB liability	(1,311,508)	-
Deferred inflows of resources	2,663,252	(158,912)
Net cash provided (used) by operating activities	(\$10,399,103)	(\$12,094,922)

See accompanying notes to the financial statements

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Western Texas College
Notes to the Basic Financial Statements
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1. Reporting Entity

Western Texas College was established in 1970, in accordance with the laws of the State of Texas, to serve the educational needs of Snyder and the surrounding communities. Western Texas College (WTC) is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 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

Report Guidelines

The significant accounting policies followed by Western Texas 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

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

Title IV, Higher Education Act Program Funds

Certain Title IV HEA Program funds are received by the College to pass through to students. 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 Western Texas College have been prepared on the accrual basis, whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Budgetary Data

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

Cash and Cash Equivalents

The College'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. Restricted

Western Texas College
Notes to the Basic Financial Statements
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cash and cash equivalents are held for federal programs, debt payments and debt reserves, and funds held for others.

Deferred Outflows

In addition to assets, Western Texas College is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by the GASB. A typical deferred outflow for community colleges is a deferred charge on 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 \$814,839 and \$470,776 at 2018 and 2017, respectively, to be short-term investments. Long-term investments have an original maturity of greater than one year at the time of purchase. Restricted long-term investments consist of funds held for endowment awards.

Receivables

Receivables consist of tuition and fees charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the Federal government, state and local governments. Receivables are recorded net of estimated uncollectible amounts.

Inventories

Inventories consist of consumable office supplies, pro shop merchandise and livestock. Inventories are reported at the lower of cost or market using first-in, first-out method and are charged to expense as consumed.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations of \$100,000 to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged to operating expenses 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 applying the half-year convention. The following lives are used:

Buildings	50 years
Facilities and Other Improvements	20 years
Library Books	15 years
Furniture, Machinery, Vehicles and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years

Noncurrent Long-Term Liabilities

Noncurrent long-term liabilities include bonds payable, capital lease and any premiums or discounts associated with these debts that will not be paid within the next fiscal year.

Western Texas College
Notes to the Basic Financial Statements
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Unearned Revenues

Tuition and fees of \$1,970,581 and \$1,991,028, room and board and other auxiliary charges of \$762,588 and \$782,430, and delinquent ad valorem taxes of \$254,956 and \$245,267 have been reported as deferred revenues at August 31, 2018 and 2017 respectively.

Deferred Inflows

In addition to liabilities, Western Texas College is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by the GASB.

Net Position

The College's Net Position includes the following:

Net Investment in Capital Assets - This represents the College's total investment in capital assets, net of outstanding debt obligations related to those assets.

Restricted - Nonexpendable - Nonexpendable restricted includes endowments and similar type assets whose use is limited by donors or other outside sources and as a condition of the gift, the principal is to be maintained in perpetuity.

Restricted - Expendable - Expendable restricted includes resources in which the College is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external parties.

Unrestricted - Unrestricted includes resources derived from student tuition and fees, sales and services, and interest income.

The College's policy is to apply restricted resources prior to any unrestricted resources when an expense is incurred for which both restricted and unrestricted net position are available.

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, 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 Business Type Activity and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of the bookstore, campus maintenance, food services and technology are outsourced and not performed by the College.

Other Post-Employment Benefits (OPEB)

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

Western Texas College
Notes to the Basic Financial Statements
August 31, 2018 and 2017

Pensions

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

Prior Year Restatement

Restatement to Beginning Net Position

Effective for fiscal year 2018, the College implemented GASB Statement No. 75, *Accounting for OPEB*. Accordingly, a restatement to beginning net position was required for the recording of the beginning OPEB liability and for the recording of deferred outflows of resources related to OPEB for contributions made to the ERS OPEB plan subsequent to the measurement date of the beginning net OPEB liability.

Because audited beginning balances could not be obtained for all the deferred outflows of resources and deferred inflows of resources related to OPEB, the College determined it was impractical to restate its fiscal year 2017 financial statements. As such, the College recorded a restatement to beginning net position in the fiscal year 2018 financial statements as a cumulative effect of a change in accounting principle.

Beginning net position as of September 1, 2017 has been restated as follows for the implementation of GASB Statement No. 75:

Beginning Net Position	\$30,233,737
Cumulative effect of change in accounting principle (GASB 75):	
Beginning Net OPEB liability (measurement date as of August 31, 2017)	(12,217,654)
Deferred outflow for College contribution to ERS plan during FY 2017	281,155
Beginning Net Position, as restated	\$18,297,238

Governmental Accounting Standards Board (GASB) Statement No. 75

Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions

The purpose of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). The Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. The Statement also establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, expense and creating additional transparency.

The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2017. The College has implemented the provisions of this Statement for the year ended August 31, 2018.

3. Authorized Investments

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

Western Texas College
Notes to the Basic Financial Statements
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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>2018</u>	<u>2017</u>
Bank Deposits		
Demand Deposits	\$19,887,474	\$16,457,047
Cash and Cash Equivalents		
Petty Cash on Hand	3,330	3,330
Total Cash and Deposits	<u>\$19,890,804</u>	<u>\$16,460,377</u>

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1:

	<u>2018</u>	<u>2017</u>
Per Note 4:		
Total Cash and Deposits	\$19,890,804	\$16,460,377
Total Investments	5,347,878	4,766,812
Total	<u>\$25,238,682</u>	<u>\$21,227,189</u>
Per Exhibit 1:		
Unrestricted:		
Cash and Cash Equivalents	\$11,639,284	\$9,361,492
Short-Term Investments	814,839	470,776
Restricted:		
Cash and Cash Equivalents	8,251,520	7,098,885
Long-Term Investments	4,533,039	4,296,036
Total	<u>\$25,238,682</u>	<u>\$21,227,189</u>

As of August 31, 2018, Western Texas College had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 2	2 to 3
Investment Pool	\$814,839	\$814,839	-	-
Mutual Funds	4,533,039	-	-	-
Total Fair Value	<u>\$5,347,878</u>	<u>\$814,839</u>	<u>-</u>	<u>-</u>

Interest Rate Risk - In accordance with state law and College policy, the College does not purchase any investment with maturities greater than 10 years.

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.

Investment Pool (TexPool) - Standard & Poor's rating as of August 31, 2018 equaled AAA
Mutual Funds – Not Rated

Western Texas College
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Concentration of Credit Risk - The College does not place a limit on the amount the College may invest in any one issuer. Investments in any one issuer (other than investments issued or guaranteed by the U.S. government, mutual funds, and external investment pools) that represent 5% or more of are as follows:

None

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of August 31, 2018, the carrying amount of the College's bank balances was \$19,887,474. Bank balances of \$250,000 were covered by Federal Depository Insurance. Bank balances in the amount of \$19,637,474 were covered by securities held by the bank but not in the Colleges' name.

Fair Value of Financial Instruments – The three levels of the fair value of 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, 2018 follows:

	2018				2017
	Level 1	Level 2	Level 3	Total	Total
Mutual Funds	\$4,533,039	-	-	\$4,533,039	\$4,296,036
Investment Pool	814,839	-	-	814,839	470,776
Total	\$5,347,878	-	-	\$5,347,878	\$4,766,812

5. Capital Assets

Capital assets activity for the year ended August 31, 2018 was as follows:

	Balance 9/1/2017	Increases	Decreases	Balance 8/31/2018
<u>Not Depreciated:</u>				
Land	\$813,261	-	-	\$813,261
Collections	95,290	\$10,000	-	105,290
Construction in Progress	10,720	6,320	\$10,720	6,320
Subtotal	919,271	16,320	10,720	924,871
<u>Other Capital Assets:</u>				
Buildings	38,080,311	-	-	38,080,311
Improvements	3,343,935	16,000	-	3,359,935
Library Books	1,117,723	7,283	1,723	1,123,283
Furniture, Machinery, Vehicles and Other Equipment	3,187,010	217,764	210,681	3,194,093
Telecommunications and Peripheral Equipment	2,141,140	31,948	169,511	2,003,577
Subtotal	47,870,119	272,995	381,915	47,761,199

Western Texas College
Notes to the Basic Financial Statements
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Accumulated Depreciation:

Buildings	9,418,144	685,446	-	10,103,590
Improvements	1,430,462	140,337	-	1,570,799
Library Books	1,040,169	11,625	1,723	1,050,071
Furniture, Machinery, Vehicles and Other Equipment	2,104,959	248,210	170,160	2,183,009
Telecommunications and Peripheral Equipment	1,703,535	179,126	165,568	1,717,093
Subtotal	15,697,269	1,264,744	337,451	16,624,562
Net Other Capital Assets	32,172,850	(991,749)	44,464	31,136,637
Net Capital Assets	\$33,092,121	\$(975,429)	\$55,184	\$32,061,508

Capital assets activity for the year ended August 31, 2017 was as follows:

	Balance 9/1/2016	Increases	Decreases	Balance 8/31/2017
<u>Not Depreciated:</u>				
Land	\$800,162	\$13,099	-	\$813,261
Collections	-	95,290	-	95,290
Construction in Progress	8,928,801	2,608,692	\$11,526,773	10,720
Subtotal	9,728,963	2,717,081	11,526,773	919,271
<u>Other Capital Assets:</u>				
Buildings	26,619,613	12,346,358	885,660	38,080,311
Improvements	3,343,935	-	-	3,343,935
Library Books	1,117,511	3,739	3,527	1,117,723
Furniture, Machinery, Vehicles and Other Equipment	3,325,907	60,825	199,722	3,187,010
Telecommunications and Peripheral Equipment	2,020,871	120,269	-	2,141,140
Subtotal	36,427,837	12,531,191	1,088,909	47,870,119
<u>Accumulated Depreciation:</u>				
Buildings	8,985,639	574,328	141,823	9,418,144
Improvements	1,290,485	139,977	-	1,430,462
Library Books	1,032,015	11,681	3,527	1,040,169
Furniture, Machinery, Vehicles and Other Equipment	2,009,360	268,409	172,810	2,104,959
Telecommunications and Peripheral Equipment	1,506,036	197,499	-	1,703,535
Subtotal	14,823,535	1,191,894	318,160	15,697,269
Net Other Capital Assets	21,604,302	11,339,297	770,749	32,172,850
Net Capital Assets	\$31,333,265	\$14,056,378	\$12,297,522	\$33,092,121

Western Texas College
Notes to the Basic Financial Statements
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6. Noncurrent Liabilities

Noncurrent liability activity for the year ended August 31, 2018 was as follows:

	Balance 9/1/2017	Additions	Reductions	Balance 8/31/2018	Current Portion
Capital Leases	\$452,620	\$101,517	\$116,070	\$438,067	\$93,025
Notes Payable	-	931,189	-	931,189	226,462
Bonds Payable	20,213,659	7,736,449	8,415,629	19,534,479	1,252,629
Net Pension Liability	2,524,802	368	667,073	1,858,097	N/A
Net OPEB Liability	-	13,329,041	3,103,243	10,225,798	N/A
Total Noncurrent Liabilities	\$23,191,081	\$22,098,564	\$12,302,015	\$32,987,630	\$1,572,116

Noncurrent liability activity for the year ended August 31, 2017 was as follows:

	Balance 9/1/2016	Additions	Reductions	Balance 8/31/2017	Current Portion
Capital Leases	\$551,025	-	\$98,405	\$452,620	\$65,845
Bonds Payable	21,314,430	-	1,100,771	20,213,659	1,124,771
Net Pension Liability	2,391,479	\$346,030	212,707	2,524,802	N/A
Total Noncurrent Liabilities	\$24,256,934	\$346,030	\$1,411,883	\$23,191,081	\$1,190,616

7. Debt and Lease Obligations

Debt service requirements for the 2014 Maintenance Tax Notes at August 31, 2018 are as follows:

For the Years Ended August 31,	Principal	Interest	Total
2019	\$ 875,000	\$ 395,606	\$1,270,606
2020	900,000	368,981	1,268,981
2021	930,000	336,881	1,266,881
2022	970,000	298,881	1,268,881
2023	1,010,000	259,281	1,269,281
2024-2028	5,630,000	715,969	6,345,969
2029	1,245,000	22,566	1,267,566
Total	\$11,560,000	\$2,398,165	\$13,958,165

Debt service requirements for the 2017 Revenue Refunding Bonds at August 31, 2018 are as follows:

For the Years Ended August 31,	Principal	Interest	Total
2019	\$ 250,000	\$ 222,669	472,669
2020	355,000	216,619	571,619
2021	360,000	209,469	569,469
2022	370,000	200,319	570,319
2023	385,000	188,994	573,994
2024-2028	2,095,000	762,719	2,857,719
2029-2033	2,440,000	419,434	2,859,434
2034-2035	1,100,000	44,400	1,144,400
Total	\$7,355,000	\$2,264,623	\$9,619,623

Western Texas College
Notes to the Basic Financial Statements
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Debt service requirements for the 2009 Revenue Bonds at August 31, 2018 are as follows:

For the Years Ended August 31,	Principal	Interest	Total
2019	\$ 115,000	\$ 2,875	\$ 117,875
Total	<u>\$ 115,000</u>	<u>\$ 2,875</u>	<u>\$ 117,875</u>

Capital leases relate to the purchase of copiers, a campus-wide boiler replacement project, a John Deere Gator, and grounds maintenance equipment with a combined depreciable value of \$771,505. Obligations under these leases at August 31, 2018 are as follows:

For the Year Ended August 31,	
2019	\$109,292
2020	107,382
2021	107,382
2022	79,681
2023	<u>79,512</u>
Total Minimum Lease Payments	483,249
Less: Amount representing interest costs	<u>(45,182)</u>
Present Value of Minimum Lease Payments	<u>\$438,067</u>

8. Bonds Payable

General Information related to bonds payable is summarized below:

- Scurry County Junior College District Maintenance Tax Notes, Series 2014
- Issued March 18, 2014
- To maintain, repair, rehabilitation or replacement of building systems on campus.
- \$14,815,000; all authorized debt has been issued.
- \$370,889 bond premium; being amortized over the life of the bond.
- Sources of revenue for debt service – ad valorem tax revenue.
- Principal payments ranging from \$785,000 to \$1,245,000; variable interest rate ranging from 2.00% to 4.00%.
- Outstanding balance at August 31, 2018 is \$11,560,000, with the final payment due 02/15/29.

Maintenance Tax Notes payable are due in annual installment varying from \$1,266,406 to \$1,271,456 with a variable interest rate. The final installment is due February 15, 2029.

- Scurry County Junior College District Consolidated Fund Revenue Refunding Bonds, Series 2017
- To refunded Series 2009 and Series 2012 bonds

Western Texas College
Notes to the Basic Financial Statements
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- Issued September 12, 2017
- To construct new residence hall located on the campus.
- \$7,595,000; all authorized bonds have been issued.
- \$133,590 bond premium; being amortized over the life of the bond.
- Sources of revenue for debt service - general student fees, student tuition, and gross revenue of the housing system.
- Principal payments ranging from \$240,000 to \$560,000; variable interest rate ranging from 2.00% to 4.00%.
- Outstanding balance at August 31, 2018 is \$7,355,000, with the final payment due 02/15/35.

Bonds payable are due in annual installment varying from \$450,321 to \$574,106 with a variable interest rate. The final installment is due February 15, 2035.

- Scurry County Junior College District Consolidated Fund Revenue Bonds, Series 2009
- Issued November 1, 2009: Refunded September 12, 2017: 2018 and 2019 where not callable.
- Outstanding balance at August 31, 2018 is \$115,000, with the final payment due 02/15/19.

Bonds payable are due in annual installment varying from \$115,625 to \$117,875 with a fixed interest rate. The final installment is due February 15, 2019.

9. Notes Payable

The College obtained financing in December 2017 from Government Capital in the amount of \$931,189 for Ag/Farm Renovation. The term of the time warrant is 4 years. Funds received by a Department of Education Title V Grant will be used to make yearly payments in the amount of \$226,462.

Notes payable activity for fiscal year 2018 was as follows:

	<u>Balance</u> <u>09/01/2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>08/31/18</u>	<u>Current</u> <u>Portion</u>
Notes Payable (Gov. Cap.)	-	\$ 931,189	-	\$ 931,189	\$ 226,462
Total Notes Payable	-	\$ 931,189	-	\$ 931,189	\$ 226,462

10. Employee's Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees. TRS issues suggested footnote disclosures for pension plans resulting from the implementation of GASB Statement No. 68. The TRS sample footnotes are displayed below and can also be obtained from the TRS website. Certain

**Western Texas College
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revisions, including additions and deletions, have been made to the TRS suggested footnote disclosures below to achieve appropriate disclosure for community colleges.

Teacher Retirement System of Texas

Plan Description. Western Texas 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, Sec. 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.

Pension Plan Fiduciary Net Pension. Detailed information about the TRS'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 https://www.trs.texas.gov/TRS%20Documents/cafr_2017.pdf or by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

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

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 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% 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. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2017 and 2018.

	<u>Contribution Rates</u>	<u>2017</u>	<u>2018</u>
Member		7.7%	7.7%
Non-Employer Contributing Entity (State)		6.8%	6.8%
Employers		6.8%	6.8%

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FY2017 District or Member Contributions	\$341,614
FY2017 State of Texas On-Behalf Contributions	\$111,402
FY2017 District or College Contributions	\$190,421

Western Texas College contributions to the TRS pension plan in 2018 were \$187,969 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2018 were \$122,251.

- 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 colleges districts are required to pay the employer contributions rate in the following instances:

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

Actuarial Assumptions. The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return*	8.00%
Municipal Bond Rate*	N/A*
Last year ending August 31 in the 2016 to 2115	
Projection period (100 years)	2115
Inflation	2.5%
Salary Increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

**If a municipal bond rate was to be used, the rate would be 2.84 percent as of August 2016 (i.e., the weekly rate closest to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer Index of general obligation bonds with 20 years to maturity and an average AA credit rating.*

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Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who has sole authority to determine the actuarial assumptions used for the plan. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2017, is summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contributions to Long-Term Portfolio Returns*
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	<u>100%</u>		<u>8.7%</u>

*The expected contributions to returns incorporate the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

Source: Teacher Retirement System of Texas 2017 Comprehensive Annual Financial Report

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Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2017 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8%)	1% Increase in Discount Rate (9.0%)
College's proportionate share the net pension liability:	\$3,132,384	\$1,858,097	\$797,046

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2018, the College reported a liability of \$1,858,097 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's Proportionate share of the collective net pension liability	\$1,858,097
State's proportionate share that is associated with the College	<u>1,089,130</u>
Total	<u><u>\$2,947,227</u></u>

The net pension liability was measured as of August 31, 2017 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, 2016 thru August 31, 2017.

At the measurement date of August 31, 2017, the employer's proportion of the collective net pension liability was .000058111627%, which was a decrease of .00000087% from its proportion measured of as of August 31, 2016.

For the year ended August 31, 2018, the College recognized pension expense of \$83,074 and revenue of \$83,074 for support provided by the State.

At August 31, 2018, the College reported its proportion share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$27,185	\$100,205
Changes in actuarial assumptions	84,639	48,454
Difference between projected and actual investment earnings	285,754	421,167
Changes in proportion and difference between the employer's contribution and the proportionate share of contributions	-	302,630
Contributions paid to TRS subsequent to the measurement date	<u>187,969</u>	<u>-</u>
Total	<u><u>\$585,547</u></u>	<u><u>\$872,456</u></u>

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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:

Year ended August 31:	Pension Expense Amount
2018	(\$115,788)
2019	2,819
2020	(124,901)
2021	(152,546)
2022	(48,782)
Thereafter	(\$35,680)

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 6.60% and 6.60% for 2018 and 2017. The College contributes 7.31% 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 01, 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 \$250,286 and \$208,586 for the fiscal years ended August 31, 2018 and 2017, 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 \$7,124,362 and \$7,183,122 for fiscal years 2018 and 2017, respectively. The total payroll of employees covered by the Teacher Retirement System was \$4,562,057 and \$4,436,526, and the total payroll of employees covered by the Optional Retirement Program was \$1,944,373 and \$2,112,148 for fiscal years 2018 and 2017, respectively.

11. Deferred Compensation Program

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The College currently has no employees participating.

12. Compensated Absences

Full-time employees earn annual leave from eight to twelve hours per month depending on the number of years employed with the College. The College's policy is that an employee may carry their accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with 16 or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for the unpaid annual leave in the amounts of \$177,281 and \$174,110 for 2018 and 2017. Sick leave, which can accumulate up to 60 days, is earned at the rate of 8 hours per month per full time employee. The College's policy is to recognize the cost of sick leave when

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paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

13. Healthcare and Life Benefits for Active Employees and Retirees

Certain healthcare and life insurance benefits for active full-time 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 and retiree was \$621.90 per month for the year ended August 31, 2018 (\$617.30 per month for the year ended August 31, 2017) and totaled \$812,311 for 2018 (\$512,243 for active full-time employees and \$300,068 for retirees). The total state contribution for fiscal year 2017 was \$662,627 (\$388,928 for active full-time employees and \$273,699 for retirees). The College's cost of providing those benefits for 64 retirees in fiscal year 2018 was \$300,848 (benefits for 62 retirees cost \$281,452 for fiscal year 2017). For 135 active full-time employees, the cost of providing benefits was \$645,589 for fiscal year 2018 (active full-time employee benefits for 141 employees cost \$811,286 for fiscal year 2017). S.B 1812, effective September 01, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

14. Other Post-Employment Benefits (OPEB)

Plan Description. Western Texas 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 Employee 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 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>; or by writing to ERS at: 200 East 18th Street, Austin, Texas 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

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

Contributions. Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with

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benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. 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 2018

Retiree only	\$ 617.30
Retiree & Spouse	\$ 970.98
Retiree & Children	\$ 854.10
Retiree & Family	\$1,207.78

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, 2017 and 2016

	2017	2016
Employers	\$890,735,173	\$663,896,538
Members (Employees)	\$195,806,162	\$183,284,339
Nonemployer Contributing Entity (State of Texas)	\$44,433,743	N/A

Source: ERS 2017 Comprehensive Annual Financial Report

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2017 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, 2017
Actuarial cost method	Entry Age
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years
Asset valuation method	N/A
Discount rate	3.51%
Projected annual salary increase (includes inflation)	2.50% to 9.50%
Annual healthcare trend rate	8.50% for 2019, decreasing 0.5% per year to 4.50% for 2027 and later years

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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 full generational projection using Scale BB from Base Year 2014
Disability retirees	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014 using 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 full generational projection using Scale BB

Source: 2017 ERS CAFR except for mortality assumptions obtained from ERS 2017 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, 2014 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% see 2017 ERS CAFR, OPEB footnote.

Discount Rate. Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.84%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.51%, which amounted to an increase of 0.67%. 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 (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis. The following schedule shows the impact on Western Texas College's proportionate share of the collection net OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.51%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate 2.51%	Discount Rate 3.51%	1% Increase in Discount Rate 4.51%
College's proportionate Share of the net OPEB liability:	\$12,206,614	\$10,225,798	\$8,691,478

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 8.5% and the ultimate rate is 4.5%. The following schedule shows the impact of the college's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than 1 percent greater than the healthcare cost trend rate that was used (8.5%) in measuring the net OPEB liability.

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	1% Decrease in Healthcare Cost Trend Rates 7.5% decreasing to 3.5%	Current Healthcare Cost Trend Rates 8.5% decreasing to 4.5%	1% Increase in Healthcare Cost Trend Rates 9.5% decreasing to 5.5%
College's proportionate Share of the net OPEB liability:	\$8,596,520	\$10,225,798	\$12,339,878

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2018, the College reported a liability of \$10,225,798 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	\$10,225,798
State's proportionate share that is associated with the college	<u>\$9,956,497</u>
Total	<u>\$20,182,295</u>

The net OPEB liability was measured as of August 31, 2017, 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, 2016 thru August 31, 2017.

At the measurement date of August 31, 2017, the College's proportion of the collective net OPEB liability was .00030011430%. Since this is the first year of implementation, the College does not have a proportion measured as of August 31, 2016.

For the year ended August 31, 2017, the College recognized OPEB expense of \$532,833 and revenue of \$532,833 for the 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:

- Additional demographic assumptions (aggregate payroll increases and rate of general inflation) to reflect an experience study;
- The percentage of current and future retirees and retirees' spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan who will elect to participate at the earliest date at which coverage can commence has been updated to reflect recent plan experience and expected trends;
- Assumptions for administrative expenses, assumed per Capita Health Benefit Costs, Health Benefit Cost and Retiree Contribution trends to reflect recent health plan experience;
- Effects in short-term expectations and revised assumed rate of general inflation.

Changes of Benefit Terms Since Prior Measurement Date – The following benefit revisions have been adopted since the prior valuation:

- An increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- An elimination of the copayment for virtual visits;
- A copay reduction for Airrosti and for out-of-state participants;
- Elimination of the deductible for in-network services and application of a copayment rather than co-insurance to certain services like primary care and specialist visits.

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These minor benefit changes have been reflected in the fiscal year 2018 Assumed Per Capita Health Benefit Costs.

At August 31, 2018, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	-	\$ 122,881
Changes in actuarial assumptions	-	2,138,092
Difference between projected and actual investment earnings	\$ 3,028	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	-
Contributions paid to ERS subsequent to the measurement date August 31, 2017	<u>946,437</u>	<u>-</u>
Total	\$949,465	\$2,260,973

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

Year Ended August 31:	OPEB Expense Amount
2019	(\$508,471)
2020	(508,471)
2021	(508,471)
2022	(508,471)
2023	(224,061)
Thereafter	-

15. Pending Lawsuits and Claims

The College could be a party to litigation and claims in the ordinary course of its operations. Since it is not possible to predict the ultimate outcome of these matters, no provision for any liability has been made in the financial statements. College management is of the opinion that the liability, if any, for any of these matters will not have a material adverse effect on the financial position of the College.

16. Disaggregation of Receivables and Payables Balances

Receivables at August 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Accounts Receivable	\$1,547,667	\$1,769,863
Student Receivables	1,109,347	1,158,179
Allowance for Doubtful Accounts	(80,000)	(80,000)
Taxes Receivable	254,956	245,267

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Other Receivables	(4,287)	24,410	
Total	\$2,827,683	\$3,117,719	

Payables at August 31, 2018 and 2017 are as follows:

	2018	2017	
Vendor Payables	\$296,892	\$288,455	
Accrued Payroll	111,156	323,822	
Accrued Other	49,485	53,613	
Total	\$457,533	\$665,890	

17. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the AICPA. Revenues are recognized on Exhibit 2, Schedule A, and Schedule C. 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 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 year 2018 and 2017 for which monies have not been received nor funds expended totaled \$4,635,709 and \$3,202,092. Of these amounts, \$4,594,831 and \$3,145,460 were from Federal Contract and Grant Awards in 2018 and 2017 respectively; \$40,878 and \$56,632 was from State Contract and Grant Awards in 2018 and 2017 respectively.

18. Risk Management

The College is exposed to various risks of loss related to liability, property, and errors and omissions. These exposures to loss are handled by commercial insurance. The College has self-insured arrangements for coverage in the areas of unemployment compensation and workers' compensation. Unemployment compensation is on a pay-as-you-go basis and workers' compensation is handled by a risk management fund which specializes in handling colleges and school district workers' compensation claims. Accrued liabilities are generally based on actuarial valuation and represent the present value of unpaid expected claims. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage.

19. Ad Valorem Tax

The District'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 District.

At August 31, 2018 and 2017:

	2018	2017	
Assessed Valuation of the District	\$2,494,687,351	\$2,512,857,666	
Less: Exemptions	82,132,751	86,683,398	
Net Assessed Valuation of the District	\$2,412,554,600	\$2,426,174,268	

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	2018			2017		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	\$0.3500	-	\$0.3500	\$0.3500	-	\$0.3500
Assessed Tax Rate per \$100 valuation	\$0.3300	-	\$0.3300	\$0.3300	-	\$0.3300

Taxes levied for the year ended August 31, 2018 and 2017 was \$7,958,846 and \$7,710,553 (which includes any penalty and interest assessed, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

	2018			2017		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$7,735,887	-	\$7,735,887	\$7,710,553	-	\$7,710,553
Delinquent Taxes Collected	83,201	-	83,201	181,193	-	181,193
Penalties and Interest Collected	65,131	-	65,131	72,522	-	72,522
Total Collections	\$7,884,219	-	\$7,884,219	\$7,964,268	-	\$7,964,268

Tax collections for the year ended August 31, 2018 and 2017 were 99.06% and 100.0% of the actual tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or general obligation debt service.

20. Tax Abatements

Western Texas College negotiates property tax abatement agreements with local businesses on an individual basis. All agreements are negotiated under state law (Chapter 312 of the Texas Tax Code, "Property Redevelopment and Tax Abatement Act"), which allows the College to abate property taxes to any business located inside or outside the City of Snyder or Scurry County to promote the development/redevelopment of certain contiguous geographic areas within its jurisdiction. Western Texas College may grant abatements of up to 100 percent of annual property tax values.

Western Texas College
Notes to the Basic Financial Statements
August 31, 2018 and 2017

Western Texas College has four maintenance and operation tax abatement agreements. They are as follows:

- Midwest Solar Power, LLC, 100% of taxes abated over 10 years, beginning January 1, 2017 and ending December 31, 2026. The abatement amounted to \$1,650 of reduced taxes for fiscal year 2017. Western Texas College did not receive any compensation for the tax abatement agreement. The purpose of the abatement is for the construction of a solar power project.
- Invenergy LLC, Scurry County Wind, LP, 100% of taxes abated over 10 years, beginning October 2008 and ending October 2017. The abatement amounted to \$168,296 of reduced taxes for fiscal year 2017. Western Texas College receives \$78,000 per year in consideration for the tax abatement agreement. The purpose of the abatement is for the construction and employment of a wind power project.
- Invenergy LLC, Scurry County Wind II, LLC, 100% of taxes abated over 10 years, beginning January 2009 and ending January 2018. The abatement amounted to \$174,259 of reduced taxes for fiscal year 2017. Western Texas College receives \$93,600 per year in consideration for the tax abatement agreement. The purpose of the abatement is for the construction and employment of a wind power project.
- Airtricity Pyron Wind Farm, LLC, 100% of taxes abated over 10 years, beginning October 2009 and ending October 2018. The abatement amounted to \$330,168 of reduced taxes for fiscal year 2017. Western Texas College receives \$95,937 per year in consideration for the tax abatement agreement. The purpose of the abatement is for the construction and employment of a wind power project.

21. Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the years ended August 31, 2018 and 2017.

22. Component Unit

Western Texas College Foundation was established as a separate nonprofit organization in 1977, to raise funds to provide student scholarships and assistance in the development and growth of the College. Under Governmental Standards Board, an organization should be reported as a blended component unit when the government unit appoints a majority of the board members and imposes its will on the activities of the organization.

Accordingly, the Foundation financial statements are included in the College's annual report as a blended component unit. Complete financial statements of Western Texas College Foundation can be obtained from the administrative office of Western Texas College.

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Western Texas College
Schedule of the College's Proportionate Share of Net Pension Liability
For the Year Ended August 31, 2018

Fiscal Year Ending August 31, *	2018**	2017**	2016**	2015**
College's proportionate share of collective net pension liability (%)	0.000058111627	0.000066814002	0.000067654	0.000068931
College's proportionate share of collective net pension liability (\$)	\$1,858,097	\$2,524,802	\$2,391,479	\$1,841,242
State's proportional share of net pension liability associated with College	\$1,089,130	\$1,420,365	\$1,468,133	\$1,221,088
Total	<u>\$2,947,227</u>	<u>\$3,945,167</u>	<u>\$3,859,612</u>	<u>\$3,062,330</u>
College's covered payroll	\$4,436,526	\$4,853,350	\$4,743,951	\$4,253,217
College's proportionate share of collective net pension liability as a percentage of covered payroll	41.88%	52.02%	50.41%	43.29%
Plan fiduciary net position as percentage of total pension liability	82.17%	78.00%	78.43%	83.25%

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

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

Western Texas College
Schedule of the College's Contributions for Pensions
Last Four Fiscal Years

Fiscal Year Ending August 31, *	2018**	2017**	2016**	2015**
Legally required contributions	\$187,969	\$190,421	\$212,285	\$200,325
Actual contributions	187,969	190,421	212,285	200,325
Contributions deficiency (excess)	-	-	-	-
College's covered payroll amount	\$4,562,057	\$4,436,526	\$4,853,350	\$4,743,951
Contributions as a percentage of covered payroll	4.12%	4.29%	4.37%	4.22%

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

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

Western Texas College
Schedule of the College's Proportionate Share of Net OPEB Liability
Employee Retirement System of Texas
State Retiree Health Plan
For the Year Ended August 31, 2018

Fiscal Year Ending August 31, *	2018**
College's proportionate share of collective net OPEB liability (%)	0.00030011430
College's proportionate share of collective net OPEB liability (\$)	\$10,225,798
State's proportional share of net OPEB liability associated with College	\$9,956,497
Total	\$20,182,295
College's covered payroll	\$5,786,069
College's proportionate share of collective net OPEB liability as a percentage of covered payroll	176.73%
Plan fiduciary net position as percentage of total OPEB liability	2.00%

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

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

Western Texas College
Schedule of the College's Contributions for OPEB
State Retiree Health Plan
For the Year Ended August 31, 2018

Fiscal Year Ending August 31, *	2018**
Legally required contributions	\$946,437
Actual contributions	<u>946,437</u>
Contributions deficiency (excess)	<u><u>-</u></u>
College's covered payroll amount	\$5,490,105
Contributions as a percentage of covered payroll	17.24%

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

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

Western Texas College
Schedule of Operating Revenues
For the Year Ended August 31, 2018
(With Memorandum Totals for the Year Ended August 31, 2017)
Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2018 Total	2017 Total
Tuition						
State funded credit courses:						
In-district resident tuition	\$1,077,698	-	\$1,077,698	-	\$1,077,698	\$1,004,512
Out-of-district resident tuition	2,228,889	-	2,228,889	-	2,228,889	1,859,716
TPEG - credit (set aside)*	143,991	-	143,991	-	143,991	128,100
Non-resident tuition	486,789	-	486,789	-	486,789	437,462
Non-state funded educational programs	44,215	-	44,215	-	44,215	44,213
Total Tuition	3,981,582	-	3,981,582	-	3,981,582	3,474,003
Fees						
Building use fee	75,698	-	75,698	-	75,698	70,745
Student service fee	42,174	-	42,174	206,810	248,984	246,503
Laboratory fee	148,085	-	148,085	-	148,085	135,024
VCT fee	56,600	-	56,600	-	56,600	66,600
Installment fee	-	-	-	-	-	-
General Use Fee	933,527	-	933,527	-	933,527	885,849
Adult vocational fee	25,715	-	25,715	-	25,715	3,754
Other fees	633,734	-	633,734	-	633,734	573,676
Total Fees	1,915,533	-	1,915,533	206,810	2,122,343	1,982,151
Allowances and Discounts						
Scholarship allowances	(608,096)	-	(608,096)	-	(608,096)	(532,271)
Remissions and exemptions	(505,385)	-	(505,385)	-	(505,385)	(453,477)
TPEG awards	(82,667)	-	(82,667)	-	(82,667)	(92,746)
Federal grants to students	(683,408)	-	(683,408)	-	(683,408)	(687,144)
State grants to students	(31,683)	-	(31,683)	-	(31,683)	(17,600)
Total Allowances and Discounts	(1,911,239)	-	(1,911,239)	-	(1,911,239)	(1,783,238)
Total Net Tuition and Fees	3,985,876	-	3,985,876	206,810	4,192,686	3,672,916
Additional Operating Revenues						
Federal grants and contracts	-	1,141,431	1,141,431	-	1,141,431	945,432
State grants and contracts	-	69,754	69,754	-	69,754	138,717
Sales and services of educational activities	30,989	-	30,989	-	30,989	25,253
Investment income (program restricted)	-	18,775	18,775	-	18,775	3,379
Other operating revenues	14,640	124,791	139,431	-	139,431	17,529
Total Additional Operating Revenues	45,629	1,354,751	1,400,380	-	1,400,380	1,130,310
Auxiliary Enterprises						
Residential life	-	-	-	860,309	860,309	840,772
Bookstore	-	-	-	36,087	36,087	29,341
Golf course	-	-	-	220,122	220,122	199,616
Food service	-	-	-	602,050	602,050	589,272
Athletics	-	-	-	21,644	21,644	18,564
Apartments	-	-	-	9,855	9,855	15,523
Coliseum	-	-	-	247,596	247,596	206,771
Total Net Auxiliary Enterprises	-	-	-	1,997,663	1,997,663	1,899,859
Total Operating Revenues	\$4,031,505	\$1,354,751	\$5,386,256	\$2,204,473	\$7,590,729	\$6,703,085
				(Exhibit 2)	(Exhibit 2)	

* In accordance with Education Code 56.033, \$143,991 and \$128,100 for years August 31, 2018 and 2017, respectively, of tuition was set aside for Texas Public Education Grants (TPEG)

See accompanying notes to the financial statements

Western Texas College
Schedule of Operating Expenses by Object
Year Ended August 31, 2018 (with Memorandum Totals for the Year Ended August 31, 2017)
Schedule B

	Operating Expenses			2018	2017	
	Salaries	Benefits				Other
	and Wages	State	Local			
				Total	Total	
<u>Unrestricted - Educational Activities</u>						
Instruction	\$2,762,858	-	\$82,970	\$210,522	\$3,056,350	\$3,253,057
Public Service	-	-	16,279	17,000	33,279	61,684
Academic Support	455,541	-	13,419	148,364	617,324	646,770
Student Services	702,134	-	23,166	68,689	793,989	912,332
Institutional Support	1,343,209	-	45,619	1,698,529	3,087,357	2,701,381
Operation and Maintenance of Plant	138,671	-	42,139	2,654,064	2,834,874	2,618,081
Scholarships and Fellowships	-	-	-	560,253	560,253	475,946
Total Unrestricted Educational Activities	5,402,413	-	223,592	5,357,421	10,983,426	10,669,251
<u>Restricted - Educational Activities</u>						
Instruction	11,711	549,702	-	-	561,413	601,575
Public Service	551,087	-	121,482	649,699	1,322,268	980,452
Academic Support	5,930	105,872	-	-	111,802	123,286
Student Services	2,046	191,180	-	-	193,226	24,901
Institutional Support	1,747	461,244	-	-	462,991	832,672
Scholarships and Fellowships	-	-	-	1,174,943	1,174,943	1,436,750
Total Restricted Educational Activities	572,521	1,307,998	121,482	1,824,642	3,826,643	3,999,636
Total Educational Activities	5,974,934	1,307,998	345,074	7,182,063	14,810,069	14,668,887
Auxiliary Enterprises	1,149,428	-	322,160	1,729,037	3,200,625	3,045,831
Depreciation Expense-Buildings and Improvements	-	-	-	825,783	825,783	714,305
Depreciation Expense-Equipment and Furniture	-	-	-	438,961	438,961	477,589
Total Operating Expenses	\$7,124,362	\$1,307,998	\$667,234	\$10,175,844	\$19,275,438	\$18,906,612
				(Exhibit 2)	(Exhibit 2)	

See accompanying notes to the financial statements

Western Texas College
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2018 (with Memorandum Totals for the Year Ended August 31, 2017)
Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	2018 Total	2017 Total
Non-Operating Revenues:					
State Appropriations:					
Education and general state support	\$3,886,164	-	-	\$3,886,164	\$3,549,362
State group insurance	-	\$1,344,144	-	1,344,144	662,627
State retirement matching	-	145,391	-	145,391	208,586
Total state appropriations	3,886,164	1,489,535	-	5,375,699	4,420,575
Other Non-Operating Revenues:					
Ad valorem taxes	7,884,219	-	-	7,884,219	7,964,268
Federal Revenue, Non-Operating	-	1,786,860	-	1,786,860	1,946,056
Gifts	94,506	-	-	94,506	92,027
Investment Income	246,847	111,829	-	358,676	141,038
Gain (loss) on sale of investments, realized	-	79,156	-	79,156	36,500
Gain (loss) on investments, unrealized	-	46,018	-	46,018	153,428
Gain (loss) on insurance claims	-	-	-	-	91,320
Gain (loss) on disposal of capital assets	878	-	-	878	6,574
Additions (deletions) to permanent and term endowment	-	95,045	-	95,045	18,717
Contributions in aid of construction	-	22,199	-	22,199	1,429
Other Non-Operating revenue	284,982	-	-	284,982	351,614
Total Other Non-Operating Revenues	8,511,432	2,141,107	-	10,652,539	10,802,971
Total Non-Operating Revenues	12,397,596	3,630,642	-	16,028,238	15,223,546
Non-Operating Expenses:					
Interest on capital related debt	(960,848)	-	-	(960,848)	(820,589)
Debt issuance cost	(227,623)	-	-	(227,623)	-
Gain (loss) on disposal of capital assets	-	-	-	-	-
Total Non-Operating Expenses	(1,188,471)	-	-	(1,188,471)	(820,589)
Net Non-Operating Revenues	\$11,209,125	\$3,630,642	-	\$14,839,767	\$14,402,957
				(Exhibit 2)	(Exhibit 2)

See accompanying notes to the financial statements

Western Texas College
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2018 (with Memorandum Totals for the Year Ended August 31, 2017)
Schedule D

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	(\$4,477,243)	-	-	-	(\$4,477,243)	(\$4,477,243)	-
Board Designated	-	-	-	-	-	-	-
Restricted	-	328,227	-	-	328,227	328,227	-
Auxiliary enterprises	1,485,310	-	-	-	1,485,310	1,485,310	-
Loan	-	376,799	-	-	376,799	-	376,799
Endowment:							
Quasi:							
Unrestricted	-	89,564	-	-	89,564	89,564	-
Restricted	-	-	4,811,126	-	4,811,126	-	4,811,126
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts							
Annuities	-	-	-	-	-	-	-
Plant:							
Unexpended	-	923,906	-	-	923,906	923,906	-
Renewals	-	-	-	-	-	-	-
Debt Service	-	6,252,356	-	-	6,252,356	-	6,252,356
Investment in Plant	-	-	-	11,662,251	11,662,251	-	11,662,251
Total Net Position, August 31, 2018	(2,991,933)	7,970,852	4,811,126	11,662,251	21,452,296	(1,650,236)	23,102,532
					(Exhibit 1)		
Total Net Position, August 31, 2017	6,393,004	6,469,564	4,539,668	12,831,501	30,233,737	6,789,420	23,444,317
					(Exhibit 1)		
Net Increase (Decrease) in Net Position	(\$9,384,937)	\$1,501,288	\$271,458	(\$1,169,250)	(\$8,781,441)	(\$8,439,656)	(\$341,785)
					(Exhibit 2)		

See accompanying notes to the financial statements

Western Texas College
 Schedule of Expenditures of Federal Awards
 For the Year Ended August 31, 2018
 Schedule E

Federal Grantor/Cluster/ Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipients Expenditures
		Direct Awards	Pass-Through Awards	Total	
<u>U.S. Department of Education</u>					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$17,522	-	\$17,522	-
Federal Work-Study Program	84.033	21,434	-	21,434	-
Federal Pell Grant Program	84.063	1,243,631	-	1,243,631	-
Federal Direct Student Loans	84.268	504,273	-	504,273	-
Total Student Financial Assistance Cluster		1,786,860	-	1,786,860	-
TRIO Cluster					
TRIO-Student Support Services	84.042	243,905	-	243,905	-
TRIO-Talent Search	84.044	276,623	-	276,623	-
TRIO-Upward Bound	84.047	263,872	-	263,872	-
Total TRIO Cluster		784,400	-	784,400	-
Higher Education Institutional Aid - STEM	84.031C	296,479	-	296,479	-
Pass-Through From:					
Texas Higher Education Coordinating Board					
Career and Technical Education - Basic Grants to States	84.048	-	49,923	49,923	-
184256					
Total U.S. Department of Education		2,867,739	49,923	2,917,662	-
<u>U.S. Department of Health and Human Services</u>					
Pass-Through From:					
Workforce Solutions of West Central Texas					
Child Care and Development Block Grant	93.575	-	10,629	10,629	-
Total U.S. Department of Health and Human Services		-	10,629	10,629	-
Total Expenditures of Federal Awards		\$2,867,739	\$60,552	\$2,928,291	-

Note 1: Federal Assistance Reconciliation

Other Operating Revenues - Federal Grants and Contracts - per Schedule A	\$1,141,431
Non-Operating Revenues - Federal Revenue, Non-Operating - per Schedule C	1,786,860
Total Federal Revenues per Schedule A and C	<u><u>\$2,928,291</u></u>

Note 2: Significant Accounting Policies used in Preparing Schedule

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

Note 3: Student Loans Processed and Administrative Cost Recovered

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed & Admin Cost Recovered
U.S. Department of Education 84.268 Federal Direct Student Loans	\$504,273	-	<u><u>\$504,273</u></u>

Western Texas College
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2018
Schedule F

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
<u>Texas Comptroller of Public Accounts</u>		
Direct Programs:		
Hazlewood Exemption Legacy - Military and Veterans Exemption 2017		\$6,599
Total Texas Comptroller of Public Accounts		6,599
<u>Texas Higher Education Coordinating Board</u>		
Direct Programs:		
Texas Grants		52,675
Texas-Science, Technology, Engineering and Math (T-STEM) Challenge Scholarship Program	16915	20,039
Total Texas Higher Education Coordinating Board		72,714
<u>Texas Workforce Commission</u>		
Pass Through From:		
Skills Development Fund 2017 Skills for Small Business	0917SSD000	10,480
Total Texas Workforce Commission		10,480
Total State Financial Assistance		\$89,793
<u>Note 1: State Assistance Reconciliation</u>		
State Revenues - per Schedule A		\$69,754
Reconciling Items:		
T-STEM		20,039
Total State Revenues per Schedule A		89,793

Note 2: Significant Accounting Policies used in Preparing Schedule

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

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December 7, 2018

To the Board of Trustees
Western Texas College
Snyder, Texas

INDEPENDENT AUDITORS' 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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Western Texas College, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Western Texas College's basic financial statements, and have issued our report thereon dated December 7, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Texas 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 Western Texas College's internal control. Accordingly, we do not express an opinion on the effectiveness of Western Texas College's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Condley and Company, L.L.P.

Certified Public Accountants

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December 7, 2018

To the Board of Trustees
Western Texas College
Snyder, Texas

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

Report on Compliance for Each Major Federal Program

We have audited Western Texas College'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 Western Texas College's major federal programs for the year ended August 31, 2018. Western Texas College's major federal programs are identified in the summary of auditors' 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 Western Texas 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 Western Texas 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 Western Texas College's compliance.

Opinion on Each Major Federal Program

In our opinion, Western Texas College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018.

Report on Internal Control Over Compliance

Management of Western Texas 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 Western Texas 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 Western Texas 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.

Condley and Company, L.L.P.

Certified Public Accountants

**WESTERN TEXAS COLLEGE
Snyder, Texas**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2018

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements?	No

Federal Awards

Internal controls over major program:	
• Material weakness identified?	No
• Significant deficiencies identified that not considered to be material weaknesses?	None reported

Type of auditor's report issued on compliance for major program:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
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Identification of major program:

<u>CFDA Number (s)</u>	<u>Name of Federal/State Program or Cluster</u>
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84.042, 84.044, 84.047	TRIO Cluster
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Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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SECTION II – FINANCIAL STATEMENT FINDINGS

The results of our audit procedures disclosed no findings to be reported for the year ended August 31, 2018.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2018.

WESTERN TEXAS COLLEGE
Snyder, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended August 31, 2018

There were no findings identified for the year ended August 31, 2017.

Western Texas College
 Statistical Supplement 1
 Net Position by Component
 Fiscal Years 2009 to 2018
 (unaudited)

	For the Fiscal Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Investment in Capital Assets	\$11,662,251	\$12,831,501	\$14,750,975	\$12,763,035	\$11,230,170	\$10,784,094	\$10,555,927	\$10,263,912	\$8,834,459	\$9,916,283
Restricted - expendable	7,970,852	6,469,564	6,462,424	5,294,599	4,286,927	2,286,539	2,116,665	1,864,173	3,045,612	3,442,910
Restricted - nonexpendable	4,811,126	4,539,668	4,017,989	4,058,944	4,132,074	3,748,870	3,095,828	2,832,664	2,556,196	-
Unrestricted	(2,991,933)	6,393,004	2,802,919	2,212,752	1,128,549	2,418,292	1,219,328	(261,116)	(875,981)	(584,615)
Total Primary Government Net Position	\$21,452,296	\$30,233,737	\$28,034,307	\$24,329,330	\$20,777,720	\$19,237,795	\$16,987,748	\$14,699,633	\$13,560,286	\$12,774,578

Western Texas College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2009 to 2018
(unaudited)

	For the Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	\$4,192,686	\$3,672,916	\$3,474,216	\$3,135,282	\$2,858,004	\$3,268,729	\$2,951,458	\$2,643,162	\$2,758,218	\$2,685,383
Governmental Grants and Contracts										
Federal Grants and Contracts	1,141,431	945,432	1,739,723	2,082,035	2,088,745	2,750,086	2,622,140	2,031,708	2,068,475	2,060,051
State Grants and Contracts	69,754	138,717	94,629	254,507	196,907	42,867	74,611	121,735	634,934	636,195
Non-Governmental Grants and Contracts	-	-	-	-	-	-	-	67,291	158,386	158,757
Sales and services of educational activities	30,989	25,253	16,081	21,908	18,265	11,018	18,025	19,409	26,074	17,463
Auxiliary enterprises	1,997,663	1,899,859	1,948,008	2,049,941	2,032,605	1,954,674	2,269,415	2,303,751	1,947,698	1,720,959
Other Operating Revenues	158,206	20,908	324,831	48,879	59,588	48,514	136,202	118,956	107,496	142,104
Total Operating Revenues	7,590,729	6,703,085	7,597,488	7,592,552	7,254,114	8,075,888	8,071,851	7,306,012	7,701,281	7,420,912
State Appropriations	5,375,699	4,420,575	4,443,471	4,753,461	4,725,902	4,219,625	4,412,712	4,847,314	4,910,633	4,074,218
Ad Valorem Taxes	7,884,219	7,964,268	9,602,774	8,973,730	8,452,066	6,194,971	5,686,282	4,066,974	3,792,196	3,515,940
Federal Revenues	1,786,860	1,946,056	1,855,770	2,196,668	2,406,214	2,751,122	3,084,048	2,884,637	2,596,141	1,430,656
Gifts	94,506	92,027	96,410	97,745	85,902	80,614	570,821	117,230	165,568	788,105
Investment income	437,832	177,538	208,847	361,244	119,108	88,488	49,273	40,384	32,474	23,592
Gain on insurance claims	-	91,320	-	-	-	-	-	-	-	-
Other non-operating revenues	449,122	525,188	491,660	46,689	781,239	1,110,159	294,242	1,396,648	859,868	242,286
Total Non-Operating Revenues	16,028,238	15,216,972	16,698,932	16,429,537	16,570,431	14,444,979	14,097,378	13,353,187	12,356,880	10,074,797
Total Revenues	\$23,618,967	\$21,920,057	\$24,296,420	\$24,022,089	\$23,824,545	\$22,520,867	\$22,169,229	\$20,659,199	\$20,058,161	\$17,495,709

	For the Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	17.75%	16.76%	14.30%	13.05%	12.00%	14.51%	13.31%	12.79%	13.75%	15.35%
Governmental Grants and Contracts										
Federal Grants and Contracts	4.83%	4.31%	7.16%	8.67%	8.77%	12.21%	11.83%	9.83%	10.31%	11.77%
State Grants and Contracts	0.30%	0.63%	0.39%	1.06%	0.83%	0.19%	0.34%	0.59%	3.17%	3.64%
Non-Governmental Grants and Contracts	-	-	-	-	-	-	-	0.33%	0.79%	0.91%
Sales and services of educational activities	0.13%	0.12%	0.07%	0.09%	0.08%	0.05%	0.08%	0.09%	0.13%	0.10%
Auxiliary enterprises	8.46%	8.67%	8.02%	8.53%	8.53%	8.68%	10.24%	11.15%	9.71%	9.84%
Other Operating Revenues	0.67%	0.10%	1.34%	0.20%	0.25%	0.22%	0.61%	0.58%	0.54%	0.81%
Total Operating Revenues	32.14%	30.58%	31.27%	31.61%	30.45%	35.86%	36.41%	35.36%	38.39%	42.42%
State Appropriations	22.76%	20.17%	18.29%	19.79%	19.84%	18.74%	19.90%	23.46%	24.48%	23.29%
Ad Valorem Taxes	33.38%	36.33%	39.52%	37.36%	35.48%	27.51%	25.65%	19.69%	18.91%	20.10%
Federal Revenues	7.57%	8.88%	7.64%	9.14%	10.10%	12.22%	13.91%	13.96%	12.94%	8.18%
Gifts	0.40%	0.42%	0.40%	0.41%	0.36%	0.36%	2.57%	0.57%	0.83%	4.50%
Investment income	1.85%	0.81%	0.86%	1.50%	0.50%	0.39%	0.22%	0.20%	0.16%	0.13%
Gain on insurance claims	-	0.42%	-	-	-	-	-	-	-	-
Other non-operating revenues	1.90%	2.40%	2.02%	0.19%	3.28%	4.93%	1.33%	6.76%	4.29%	1.38%
Total Non-Operating Revenues	67.86%	69.42%	68.73%	68.39%	69.55%	64.14%	63.59%	64.64%	61.61%	57.58%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Western Texas College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2009 to 2018
(unaudited)

	For the Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	\$3,617,763	\$3,854,632	\$3,968,299	\$3,770,475	\$3,755,390	\$3,765,744	\$3,658,884	\$3,659,404	\$3,758,781	\$3,433,714
Research	-	-	-	-	-	-	-	-	-	-
Public service	1,355,547	1,042,136	1,487,628	1,647,656	1,662,361	1,776,719	2,146,940	2,279,847	2,548,756	2,770,107
Academic support	729,126	770,056	988,969	799,436	596,851	706,820	682,048	702,446	715,344	772,199
Student services	987,215	937,233	999,597	868,638	789,165	805,075	717,843	652,898	582,080	493,645
Institutional support	3,550,348	3,534,053	3,618,044	3,555,518	5,653,592	3,238,108	3,174,204	2,987,584	2,911,828	2,656,495
Operation and maintenance of plant	2,834,874	2,618,081	2,566,068	2,701,334	2,640,521	3,147,185	2,849,410	2,586,507	2,568,276	2,132,428
Scholarships and fellowships	1,735,196	1,712,696	1,888,951	2,159,531	2,272,603	2,525,044	2,624,492	2,616,780	2,371,791	1,430,639
Auxiliary enterprises	3,200,625	3,045,831	3,156,491	3,064,637	2,870,236	2,646,286	2,624,959	2,759,735	2,794,255	2,649,700
Depreciation	1,264,744	1,191,894	1,063,767	1,022,802	984,486	919,984	852,729	736,083	498,254	709,162
Total Operating Expenses	19,275,438	18,706,612	19,737,814	19,590,027	21,225,205	19,530,965	19,331,509	18,981,284	18,749,365	17,048,089
Interest on capital related debt	960,848	820,589	843,811	888,678	635,574	451,198	518,876	538,568	508,447	240,462
Debt Issuance cost	227,623	-	-	-	335,684	-	-	-	-	-
Loss on disposal of fixed assets	(878)	(6,574)	9,818	-8,226	88,157	22,367	30,729	-	14,641	72657
Total Non-Operating Expenses	1,187,593	814,015	853,629	880,452	1,059,415	473,565	549,605	538,568	523,088	313,119
Total Expenses	\$20,463,031	\$19,520,627	\$20,591,443	\$20,470,479	\$22,284,620	\$20,004,530	\$19,881,114	\$19,519,852	\$19,272,453	\$17,361,208

	For the Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	17.68%	19.75%	19.27%	18.42%	16.85%	18.82%	18.40%	18.75%	19.50%	19.78%
Research	-	-	-	-	-	-	-	-	-	-
Public service	6.62%	5.34%	7.22%	8.05%	7.46%	8.88%	10.80%	11.68%	13.22%	15.96%
Academic support	3.56%	3.94%	4.80%	3.91%	2.68%	3.53%	3.43%	3.60%	3.71%	4.45%
Student services	4.82%	4.80%	4.85%	4.24%	3.54%	4.02%	3.61%	3.34%	3.02%	2.84%
Institutional support	17.35%	18.10%	17.57%	17.37%	25.37%	16.19%	15.97%	15.31%	15.11%	15.30%
Operation and maintenance of plant	13.85%	13.41%	12.46%	13.20%	11.85%	15.73%	14.33%	13.25%	13.33%	12.28%
Scholarships and fellowships	8.48%	8.77%	9.17%	10.55%	10.20%	12.62%	13.20%	13.41%	12.31%	8.24%
Auxiliary enterprises	15.64%	15.60%	15.33%	14.97%	12.88%	13.23%	13.20%	14.14%	14.50%	15.26%
Depreciation	6.18%	6.11%	5.17%	5.00%	4.42%	4.60%	4.29%	3.77%	2.59%	4.08%
Total Operating Expenses	94.20%	95.83%	95.85%	95.70%	95.25%	97.63%	97.24%	97.24%	97.29%	98.20%
Interest on capital related debt	4.70%	4.20%	4.10%	4.34%	2.85%	2.26%	2.61%	2.76%	2.64%	1.39%
Debt Issuance cost	1.11%	-	-	-	1.51%	-	-	-	-	-
Loss on disposal of fixed assets	0.00%	-0.03%	0.05%	-0.04%	0.40%	0.11%	0.15%	-	0.08%	0.42%
Total Non-Operating Expenses	5.80%	4.17%	4.15%	4.30%	4.75%	2.37%	2.76%	2.76%	2.71%	1.80%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Western Texas College
 Statistical Supplement 4
 Tuition and Fees
 Last Ten Academic Years
 (unaudited)

Resident Fees per Semester Credit Hour (SCH)
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Academic Year (Fall)	Registration Fee (per hour) In District	Registration Fee (per hour) out district	In-District Tuition	Out-of-District Tuition	Building Use Fee	Student Activity 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
2017	30	33	58	95	2	-	-	1,080	1,560	7.10%	6.70%
2016	30	33	52	87	2	-	-	1,008	1,464	6.30%	4.30%
2015	25	28	52	87	2	-	-	948	1,404	0.00%	8.30%
2014	25	25	52	81	2	-	-	948	1,296	0.00%	0.00%
2013	25	25	52	81	2	-	-	948	1,296	0.00%	3.80%
2012	25	25	52	77	2	-	-	948	1,248	0.00%	4.00%
2011	25	25	52	73	2	-	-	948	1,200	8.20%	11.11%
2010	20	20	51	68	2	-	-	876	1080	5.80%	8.73%
2009	20	20	47	61	2	-	-	828	996	4.55%	3.75%
2008	20	20	44	58	2	-	-	792	960	8.20%	17.65%

Non-Resident Fees per Semester Credit Hour (SCH)
--

Academic Year (Fall)	Registration Fee (per hour)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Building Use Fee	Student Activity Fee	Technology Fee	Cost for 12 SCH Out-of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2017	33	132	132	2	-	-	2,004	2,004	5.00%	5.00%
2016	33	124	124	2	-	-	1,908	1,908	3.20%	3.20%
2015	28	124	124	2	-	-	1,848	1,848	6.20%	6.20%
2014	25	118	118	2	-	-	1,740	1,740	0.00%	0.00%
2013	25	118	118	2	-	-	1,740	1,740	7.40%	7.40%
2012	25	108	108	2	-	-	1,620	1,620	8.00%	8.00%
2011	25	98	98	2	-	-	1,500	1,500	8.70%	8.70%
2010	20	93	93	2	-	-	1,380	1,380	6.48%	6.48%
2009	20	86	86	2	-	-	1,296	1,296	2.86%	2.86%
2008	20	83	83	2	-	-	1,260	1,260	29.63%	29.63%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

Western Texas College
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

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)
2017-18	\$2,494,687,351	\$82,132,751	\$2,412,554,600	96.71%	0.3300	0.0000	0.3300
2016-17	2,512,857,666	86,683,398	2,426,174,268	96.55%	0.3300	0.0000	0.3300
2015-16	3,087,266,764	68,273,245	3,018,993,519	97.79%	0.3275	0.0000	0.3275
2014-15	3,766,387,586	66,372,678	3,700,014,908	98.24%	0.2457	0.0000	0.2457
2013-14	3,518,250,453	39,996,633	3,478,253,820	98.87%	0.2500	0.0000	0.2500
2012-13	3,401,434,277	49,905,229	3,351,529,048	98.53%	0.1858	0.0000	0.1858
2011-12	2,742,070,859	22,352,585	2,719,718,274	99.18%	0.2114	0.0000	0.2114
2010-11	2,730,522,636	18,648,843	2,711,873,793	99.32%	0.1523	0.0000	0.1523
2009-10	2,732,633,981	18,692,444	2,713,941,537	99.32%	0.1520	0.0000	0.1520
2008-09	2,544,476,821	2,669,506	2,541,807,315	99.90%	0.1174	0.0000	0.1174

Source: Scurry County Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation.

Western Texas 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 per Contact Hour
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	
2017-18	\$3,886,164	1,456	\$2,669	880,688	232,933	1,113,621	\$3.49
2016-17	3,549,362	1,387	2,559	848,624	251,919	1,100,543	3.23
2015-16	3,544,863	1,391	2,548	824,896	271,809	1,096,705	3.23
2014-15	3,920,992	1,372	2,858	793,328	245,321	1,038,649	3.78
2013-14	3,938,521	1,381	2,852	740,592	311,801	1,052,393	3.74
2012-13	3,525,806	1,504	2,344	832,048	378,850	1,210,898	2.91
2011-12	3,619,276	1,630	2,220	857,872	358,342	1,216,214	2.98
2010-11	3,717,725	1,612	2,306	828,144	373,821	1,201,965	3.09
2009-10	3,763,217	1,604	2,346	845,184	395,672	1,240,856	3.03
2008-09	3,071,796	1,555	1,975	759,408	484,606	1,244,014	2.47

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

(a) Source CBM001

(b) Source CBM001 and CBM00A

Western Texas College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Kinder Morgan Production LP-Leases	Oil & Gas Producers	\$341,982,420	\$361,496,463	\$295,487,922	\$541,011,039	\$914,608,072	\$805,510,153	\$776,077,445	\$552,245,748	\$604,873,606	\$381,922,527
Patterson Drilling UTI Co	Oil Well Drilling	137,923,400	95,211,140	196,772,720	322,387,460	316,234,150	343,841,120	298,487,240	208,021,360	159,974,760	315,650,690
Oncor Electric Delivery	Utility	88,462,660	94,366,570	96,853,850	92,804,320	87,008,460	88,068,750	82,127,970	28,686,850	20,066,390	20,523,720
Occidental Permian, LTD	Oil & Gas Producers	79,904,938	73,207,527	145,730,945	128,756,938	201,284,564	208,318,773	182,040,671	152,927,315	151,608,948	127,658,511
Invenery - Camp Springs I & II	Industrial - Wind	74,669,320	-	-	-	-	-	-	-	-	-
Kinder Morgan Production	Oil & Gas Producers	61,630,790	62,964,300	65,475,100	77,092,020	86,106,650	89,604,990	94,349,990	77,822,040	68,724,550	70,684,670
Electric Transmission TX, LLC	Utility	34,195,710	36,448,780	37,750,940	36,498,800	-	-	-	-	-	-
Kinder Morgan Production Co. LP	Oil & Gas Producers	33,699,010	34,383,280	35,493,540	36,321,400	45,427,740	46,175,190	47,347,780	46,045,580	45,428,010	48,228,130
Bridgetex Pipeline	Industrial - Oil & Gas	33,221,120	33,845,590	-	-	-	-	-	-	-	-
Wind Energy Transmission Tx	Utility	32,857,690	32,185,810	31,948,650	38,393,310	46,368,000	-	-	-	-	-
Diamond WTG Engineering	Industrial - Wind	-	30,806,180	-	-	-	-	-	-	-	-
Burlington North / Santa Fe	Railroad	-	-	27,444,790	-	-	-	-	20,468,940	-	-
Kinder Morgan Production Co. LP	Oil & Gas Producers	-	-	24,323,413	-	-	-	27,505,277	-	-	-
Apache Corporation	Oil & Gas Producers	-	-	-	41,516,165	81,316,198	84,337,044	97,366,325	80,468,245	87,426,691	73,468,657
Baker Hughes-Pressure Pumping	Oil & Gas Producers	-	-	-	26,666,090	30,721,580	-	-	-	-	-
Parallel Petroleum LLC	Oil & Gas Producers	-	-	-	-	47,167,264	36,689,930	-	20,571,585	-	-
BJ Services Co. USA	Oil & Gas Producers	-	-	-	-	-	31,214,670	-	-	-	-
Fuller, Gillian Account	Mineral Interest Owner	-	-	-	-	-	28,556,682	25,893,499	-	20,555,498	20,479,273
Kinder Morgan Power Company	Oil & Gas Producers	-	-	-	-	-	-	30,512,590	30,552,120	31,154,450	38,090,970
Sharp Image Energy, Inc.	Oil & Gas Producers	-	-	-	-	-	-	-	-	24,066,721	24,135,507
French Capital Partners, LTD	Mineral Interest Owner	-	-	-	-	-	-	-	-	-	-

Totals		\$918,547,058	\$854,915,640	\$957,281,870	\$1,341,447,542	\$1,856,242,678	\$1,762,317,302	\$1,659,708,787	\$1,217,809,783	\$1,213,879,624	\$1,120,842,655
Total Taxable Assessed Value		\$2,412,554,600	\$2,426,174,268	\$3,018,993,519	\$3,700,014,908	\$3,478,253,820	\$3,351,529,048	\$2,719,718,274	\$2,711,873,793	\$2,713,941,537	\$2,541,807,315

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Kinder Morgan Production LP-Leases	Oil & Gas Producers	14.18%	14.90%	9.79%	14.62%	26.30%	24.03%	28.54%	20.36%	22.29%	15.03%
Patterson Drilling UTI Co	Oil Well Drilling	5.72%	3.92%	6.52%	8.71%	9.09%	10.26%	10.80%	7.67%	5.89%	12.42%
Oncor Electric Delivery	Utility	3.67%	3.99%	3.21%	2.51%	2.50%	2.63%	3.02%	1.06%	0.74%	0.81%
Occidental Permian, LTD	Oil & Gas Producers	3.31%	3.02%	4.83%	3.48%	5.79%	6.22%	6.69%	5.64%	5.59%	5.02%
Invenery - Camp Springs I & II	Industrial - Wind	3.10%	-	-	-	-	-	-	-	-	-
Kinder Morgan Production	Oil & Gas Producers	2.55%	2.60%	2.17%	2.08%	2.48%	2.67%	3.47%	2.87%	2.53%	2.78%
Electric Transmission TX, LLC	Utility	1.42%	1.50%	1.25%	0.99%	-	-	-	-	-	-
Kinder Morgan Production Co. LP	Oil & Gas Producers	1.40%	1.42%	1.18%	0.98%	1.31%	1.38%	1.74%	1.70%	1.67%	1.90%
Bridgetex Pipeline	Industrial - Oil & Gas	1.38%	1.40%	-	-	-	-	-	-	-	-
Wind Energy Transmission Tx	Utility	1.36%	1.33%	1.06%	1.04%	1.33%	-	-	-	-	-
Diamond WTG Engineering	Industrial - Wind	-	1.27%	-	-	-	-	-	-	-	-
Burlington North / Santa Fe	Railroad	-	-	0.91%	-	-	-	-	0.75%	-	-
Kinder Morgan Production Co. LP	Oil & Gas Producers	-	-	0.81%	-	-	-	1.01%	-	-	-
Apache Corporation	Oil & Gas Producers	-	-	-	1.12%	2.34%	2.52%	3.58%	2.97%	3.22%	2.89%
Baker Hughes-Pressure Pumping	Oil & Gas Producers	-	-	-	0.72%	0.88%	-	-	-	-	-
Parallel Petroleum	Oil & Gas Producers	-	-	-	-	1.36%	1.09%	-	0.76%	-	-
BJ Services Co. USA	Oil & Gas Producers	-	-	-	-	-	0.93%	-	-	-	-
Fuller, Gillian Account	Mineral Interest Owner	-	-	-	-	-	0.85%	0.95%	-	0.76%	0.81%
Kinder Morgan Power Company	Oil & Gas Producers	-	-	-	-	-	-	1.12%	1.13%	1.15%	1.50%
Sharp Image Energy, Inc.	Oil & Gas Producers	-	-	-	-	-	-	-	-	0.89%	0.95%
French Capital Partners, LTD	Mineral Interest Owner	-	-	-	-	-	-	-	-	-	-
Totals		38.07%	35.24%	31.71%	36.26%	53.37%	52.58%	61.03%	44.91%	44.73%	44.10%

Source: Scurry County Appraisal District

Western Texas College
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections -		Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
				Year of Levy (c)	Percentage				
2018	\$7,958,846	\$9,769	\$7,968,615	\$7,875,197	98.83%	-	\$83,201	\$7,958,398	99.87%
2017	7,710,553	65,058	7,775,611	7,655,457	98.45%	-	104,233	\$7,759,690	99.80%
2016	9,825,289	(10)	9,825,279	9,482,993	96.52%	-	58,629	\$9,541,622	97.11%
2015	9,118,036	1,062	9,119,098	8,858,827	97.15%	-	64,880	\$8,923,707	97.86%
2014	8,621,889	2,717	8,624,606	8,565,120	99.31%	-	51,342	\$8,616,462	99.91%
2013	6,261,521	3,757	6,265,278	5,714,890	91.22%	-	38,553	\$5,753,443	91.83%
2012	5,760,035	5,429	5,765,464	5,714,890	99.12%	-	38,553	\$5,753,443	99.79%
2011	4,133,783	101	4,133,884	4,096,420	99.09%	-	52,415	\$4,148,835	100.36%
2010	3,853,553	(13,852)	3,839,701	3,807,216	99.15%	-	31,502	\$3,838,718	99.97%
2009	3,565,554	(549)	3,565,005	3,534,506	99.14%	-	26,966	\$3,561,472	99.90%

Source: Local Tax Assessor/Collector and District records.

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31st of the current reporting year.

(c) Property tax only - does not include penalties and interest.

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

(e) Represents current year collections of prior years levies.

Total Collections = C + D + E

Western Texas College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bonds	\$19,534,479	\$20,213,659	\$21,314,430	\$22,382,201	\$23,424,972	\$8,309,000	\$8,470,000	\$8,595,000	\$8,815,000	\$3,005,000
Notes	931,190	-	-	630,877	1,149,792	1,653,847	506,852	599,086	670,765	813,840
Capital lease obligations	438,067	452,620	551,025	646,377	738,649	720,119	731,227	801,524	1,114,795	1,264,182
Less: Funds restricted for debt service	(6,252,356)	(5,702,401)	(5,392,670)	(4,539,950)	(3,556,071)	(1,582,790)	(1,347,067)	(1,084,234)	(1,220,757)	(436,042)
Total Outstanding Debt	\$14,651,380	\$14,963,878	\$16,472,785	\$19,119,505	\$21,757,342	\$9,100,176	\$8,361,012	\$8,911,376	\$9,379,803	\$4,646,980

Bonded Debt Ratios

Per Capita	\$1,146	\$1,166	\$1,230	\$1,271	\$1,352	\$480	\$495	\$508	\$521	\$185
Per FTSE	13,417	14,574	15,323	16,314	16,962	5,525	5,196	5,332	5,496	1,932
As a percentage of Taxable Assessed Value	0.81%	0.83%	0.71%	0.60%	0.67%	0.25%	0.31%	0.32%	0.32%	0.12%

Total Outstanding Debt Ratio

Per Capita	\$859	\$863	\$950	\$1,085	\$1,256	\$526	\$488	\$527	\$554	\$286
Per FTSE	10,063	10,789	11,842	13,935	15,755	6,051	5,129	5,528	5,848	2,988
As a percentage of Taxable Assessed Value	0.61%	0.62%	0.55%	0.52%	0.63%	0.27%	0.31%	0.33%	0.35%	0.18%

Western Texas College
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

NOT APPLICABLE

Western Texas College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Building Use Fee	Dormitory Income	Total	Principle	Interest	Total	
2018	\$75,698	\$860,309	\$936,007	\$355,000	\$213,196	\$568,196	1.65
2017	70,745	840,772	911,517	241,000	373,172	614,172	1.48
2016	66,865	870,468	937,333	233,000	382,550	615,550	1.52
2015	63,523	911,396	974,919	223,000	391,179	614,179	1.59
2014	60,119	886,359	946,478	209,000	569,416	778,416	1.22
2013	67,399	863,796	931,195	216,000	383,053	599,053	1.55
2012	68,611	886,561	955,172	125,000	454,579	579,579	1.65
2011	64,417	919,576	983,993	170,000	464,695	634,695	1.55
2010	66,314	662,482	728,796	80,000	150,140	230,140	3.17
2009	66,562	561,775	628,337	75,000	154,187	229,187	2.74

Western Texas College
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(unaudited)

Calendar Year	District Population	District Personal Income	District Personal Income Per Capita	District Unemployment Rate
2017	17,050	N/A	N/A	4.4%
2016	17,333	\$783,768,000	\$45,218	5.9%
2015	17,615	889,361,000	50,489	4.1%
2014	17,328	901,023,000	51,998	3.3%
2013	17,302	980,034,000	56,643	3.6%
2012	17,126	816,750,000	47,691	4.1%
2011	16,919	642,420,000	37,970	5.6%
2010	16,921	562,088,000	33,162	6.4%
2009	16,222	559,464,000	34,488	6.8%
2008	15,973	561,460,000	35,043	4.1%

Sources: Texas Workforce Commission
US Census Bureau

**Western Texas College
Statistical Supplement 13
Principle Employers
Current Fiscal Year
(unaudited)**

Current Year			Nine Years Prior
Employer	Number of Employees	Percentage of Total Employment	Employer
Snyder Independent School District	412	5.68%	Snyder Independent School District
Kinder Morgan	285	3.93%	Texas Department of Corrections
Texas Department of Corrections	245	3.38%	Kinder Morgan
Cogdell Memorial Hospital	219	3.02%	Patterson - UTI Energy
Walmart	188	2.59%	Cogdell Memorial Hospital
Scurry County	187	2.58%	United Supermarkets
Globe Energy	146	2.01%	Scurry County
Western Texas College	138	1.90%	BJ Services
United Supermarkets	130	1.79%	Western Texas College
Patterson - UTI Energy	120	1.65%	Walton Construction
Total	2,070	28.55%	Total

Source: Western Texas College Business Office
Texas Workforce Commission

Western Texas College
 Statistical Supplement 14
 Faculty, Staff and Administrators Statistics
 Last Ten Fiscal Years
 (unaudited)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Faculty										
Full-time	47	48	51	62	61	60	46	44	45	57
Part-time	46	49	49	43	48	51	66	59	62	56
Total	93	97	100	105	109	111	112	103	107	113
Percent										
Full-time	50.54%	49.48%	51.00%	59.05%	55.96%	54.05%	41.07%	42.72%	42.06%	50.44%
Part-time	49.46%	50.52%	49.00%	40.95%	44.04%	45.95%	58.93%	57.28%	57.94%	49.56%
Staff and Administrators										
Full-time	90	96	91	91	82	83	86	86	88	82
Part-time	59	58	39	36	22	15	27	14	10	8
Total	149	154	130	127	104	98	113	100	98	90
Percent										
Full-time	60.40%	62.34%	70.00%	71.65%	78.85%	84.69%	76.11%	86.00%	89.80%	91.11%
Part-time	39.60%	37.66%	30.00%	28.35%	21.15%	15.31%	23.89%	14.00%	10.20%	8.89%
Total										
Full-time	137	144	142	153	143	143	132	130	133	139
Part-time	105	107	88	79	70	66	93	73	72	64
Total	242	251	230	232	213	209	225	203	205	203
Percent										
Full-time	56.61%	57.37%	61.74%	65.95%	67.14%	68.42%	58.67%	64.04%	64.88%	68.47%
Part-time	43.39%	42.63%	38.26%	34.05%	32.86%	31.58%	41.33%	35.96%	35.12%	31.53%
FTSE per Full-time Faculty										
FTSE per Full-time Faculty	30.98	28.90	27.27	22.13	22.64	25.07	35.43	36.64	35.64	27.28
FTSE per Full-time Staff Member	16.18	14.45	15.29	15.08	16.84	18.12	18.95	18.74	18.23	18.96
Average Annual Faculty Salary										
Average Annual Faculty Salary	\$51,608	\$50,595	\$50,276	\$52,435	\$53,343	\$46,067	\$45,776	\$46,176	\$46,342	\$46,760

Western Texas College
 Statistical Supplement 15
 Enrollment Details
 Last Five Fiscal Years
 (unaudited)

Student Classification	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	1,592	73.06%	1,642	72.98%	1,734	79.61%	1,797	84.56%	1,755	84.74%
31-60 hours	395	18.13%	401	17.82%	299	13.73%	259	12.19%	266	12.84%
> 60 hours	192	8.81%	207	9.20%	145	6.66%	69	3.25%	50	2.41%
Total	2,179	100.00%	2,250	100.00%	2,178	100.00%	2,125	100.00%	2,071	100.00%

Semester Hour Load	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	3	0.14%	14	0.62%	35	1.61%	56	2.64%	32	1.55%
3-5 semester hours	1,071	49.15%	1,055	46.89%	900	41.32%	788	37.08%	702	33.90%
6-8 semester hours	390	17.90%	412	18.31%	475	21.81%	432	20.33%	473	22.84%
9-11 semester hours	170	7.80%	156	6.93%	277	12.72%	194	9.13%	182	8.79%
12-14 semester hours	254	11.66%	188	8.36%	143	6.57%	228	10.73%	295	14.24%
15-17 semester hours	281	12.90%	362	16.09%	322	14.78%	333	15.67%	357	17.24%
18 & over	10	0.46%	63	2.80%	26	1.19%	94	4.42%	30	1.45%
Total	2,179	100.00%	2,250	100.00%	2,178	100.00%	2,125	100.00%	2,071	100.00%

Average course load	7.7	7.5	7.6	7.9	8.3
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Tuition Status	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-district)	472	21.66%	476	21.16%	519	23.83%	565	26.59%	514	24.82%
Texas Resident (out-of-district)	1,587	72.83%	1,661	73.82%	1,523	69.93%	1,427	67.15%	1,426	68.86%
Non-Resident Tuition	120	5.51%	113	5.02%	136	6.24%	133	6.26%	131	6.33%
Total	2,179	100.00%	2,250	100.00%	2,178	100.00%	2,125	100.00%	2,071	100.00%

Western Texas College
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

Gender	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	1,105	50.71%	1,105	49.11%	1,018	46.74%	1,013	47.67%	1,041	50.27%
Male	1,074	49.29%	1,145	50.89%	1,160	53.26%	1,112	52.33%	1,030	49.73%
Total	2,179	100.00%	2,250	100.00%	2,178	100.00%	2,125	100.00%	2,071	100.00%

Ethnic Origin	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	1,198	54.98%	1,223	54.36%	1,248	57.30%	1,176	55.34%	1,138	54.95%
Hispanic	681	31.25%	708	31.47%	672	30.85%	664	31.25%	669	32.30%
African American	103	4.73%	116	5.16%	132	6.06%	161	7.58%	159	7.68%
Asian	84	3.85%	77	3.42%	42	1.93%	31	1.46%	19	0.92%
Foreign	59	2.71%	58	2.58%	44	2.02%	50	2.35%	44	2.12%
Native American	10	0.46%	14	0.62%	8	0.37%	8	0.38%	11	0.53%
Other	44	2.02%	54	2.40%	32	1.47%	35	1.65%	31	1.50%
Total	2,179	100.00%	2,250	100.00%	2,178	100.00%	2,125	100.00%	2,071	100.00%

Age	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	798	36.62%	770	34.22%	742	34.07%	778	36.61%	616	29.74%
18-21	1,020	46.81%	1,057	46.98%	975	44.77%	845	39.76%	853	41.19%
22-24	145	6.65%	155	6.89%	149	6.84%	167	7.86%	211	10.19%
25-35	137	6.29%	169	7.51%	180	8.26%	213	10.02%	265	12.80%
36-50	70	3.21%	46	2.04%	114	5.23%	107	5.04%	108	5.21%
51 & over	9	0.41%	53	2.36%	18	0.83%	15	0.71%	18	0.87%
Total	2,179	100.00%	2,250	100.00%	2,178	100.00%	2,125	100.00%	2,071	100.00%

Average Age	19.8	20.1	21.0	21.1	21.1
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Western Texas College
Statistical Supplement 17
Transfers to Senior Institutions
2017 Fall Students as of Fall 2018
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
Texas A&M University	1,593	41	-	1,634	71.17%
The University of Texas at Austin	205	6	-	211	9.19%
Texas Tech University	123	6	-	129	5.62%
Angelo State University	83	4	-	87	3.79%
Tarleton State University	28	1	-	29	1.26%
Texas State University - San Marcos	23	1	-	24	1.05%
The University of Texas of the Permian Basin	21	1	-	22	0.96%
West Texas A & M University	20	-	-	20	0.87%
Texas A & M University Health Science Center	17	-	-	17	0.74%
University of North Texas	14	2	-	16	0.70%
Midwestern State University	14	-	-	14	0.61%
The University of Texas at Arlington	9	-	-	9	0.39%
Texas A&M University - Corpus Christi	9	-	-	9	0.39%
Texas A&M University - Galveston	7	1	-	8	0.35%
Texas Woman's University	2	4	-	6	0.26%
The University of Texas at San Antonio	6	-	-	6	0.26%
Sam Houston State University	6	-	-	6	0.26%
Lamar University	6	-	-	6	0.26%
Texas A&M International University	6	-	-	6	0.26%
The University of Texas at Dallas	4	-	-	4	0.17%
The University of Texas Health Science Center at Houston	4	-	-	4	0.17%
Texas Tech University Health Sciences Center	4	-	-	4	0.17%
The University of Texas at El Paso	4	-	-	4	0.17%
Praire View A&M University	2	1	-	3	0.13%
The University of Texas Medical Branch Galveston	2	1	-	3	0.13%
Texas Southern University	3	-	-	3	0.13%
University of Houston	2	-	-	2	0.09%
Sul Ross State University	1	1	-	2	0.09%
Stephen F. Austin State University	1	1	-	2	0.09%
University of Houston - Victoria	2	-	-	2	0.09%
The University of Texas Health Science Center at San Antonio	2	-	-	2	0.09%
Texas A&M University - Commerce	1	-	-	1	0.04%
University of Houston - Clear Lake	1	-	-	1	0.04%
Totals	2,225	71	-	2,296	100.00%

Western Texas College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2014 to 2018
(unaudited)

	Fiscal Year				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Academic Buildings	11	11	11	11	11
Square footage	90,411	90,411	90,411	90,411	90,411
Libraries	1	1	1	1	1
Square footage	24,420	24,420	24,420	24,420	24,420
Number of volumes	35,012	35,012	35,012	32,323	32,323
Administrative and support buildings	9	9	9	9	9
Square footage	76,008	76,008	76,008	76,008	76,008
Dormitories	3	3	3	3	3
Square footage	117,755	117,755	117,755	117,755	117,755
Number of beds	496	496	496	496	496
Apartments	5	5	5	5	5
Square footage	11,792	11,792	11,792	11,792	11,792
Number of beds	44	44	44	44	44
Dining Facilities	1	1	1	1	1
Square footage	13,254	13,254	13,254	9,500	9,500
Average daily customers	292	283	277	285	242
Athletic Facilities	2	2	2	2	2
Square footage	40,056	40,056	40,056	40,056	40,056
Fields	3	3	3	3	3
Gymnasiums	1	1	1	1	1
Golf Course	1	1	1	1	1
Racquetball courts	3	3	4	4	4
Plant Facilities	3	3	3	3	3
Square footage	15,333	15,333	15,333	15,333	15,333
Coliseum	1	1	1	1	1
Square footage	111,644	111,644	111,644	111,644	111,644
Transportation					
Cars	12	10	13	13	13
Light Trucks/Vans	14	14	16	13	13
Buses	5	5	7	7	6