



**WHARTON COUNTY JUNIOR  
COLLEGE DISTRICT**

**ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended**

**August 31, 2012**

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

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**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Organizational Data**  
**Year Ended August 31, 2012**

Board of Trustees

Officers

Mr. P.D. (Danny) Gertson, III, Chair  
Mr. Phyllip W. Stephenson, Vice Chair  
Mr. Jack C. Moses, Secretary

<u>Members</u>		<u>Term Expires</u>
		<u>May</u>
Mrs. Merle Hudgins	Hungerford, Texas	2018
Mr. Monty Merecka	Boling, Texas	2018
Mr. P.D. (Danny) Gertson, III	East Bernard, Texas	2018
Mrs. Georgia Kincer	Wharton, Texas	2014
Mr. Oliver Kunkel	Needville, Texas	2014
Mr. Jack C. Moses	Wharton, Texas	2016
Mr. Lloyd Nelson	Louise, Texas	2016
Mr. Phyllip W. Stephenson	Wharton, Texas	2014
Mr. Gary P. Trochta	El Campo, Texas	2016

Principal Administrative Officers

Ms. Betty McCrohan, President

Ms. Leigh Ann Collins, Vice President of Instruction

Mr. Bryce Kocian, Vice President of Administrative Services

Ms. Pamela J. Youngblood, Vice President of Technology and Institutional Research

Mr. David Leenhouts, Vice President of Student Services

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

Ms. Stephanie Dees, Dean of Vocational Instruction

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTAL INFORMATION**

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

We have audited the accompanying financial statements of Wharton County Junior College District, (the College) as of and for the years ended August 31, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Wharton County Junior College District as of August 31, 2012 and 2011, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2012, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTAL INFORMATION (CONTINUED)**

Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The supplemental schedules (schedules A through D) and statistical supplements, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards (schedule E) and schedule of expenditures of state awards (schedule F) are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas Single Audit Circular, and are also not a required part of the financial statements. The supplemental schedules, the schedule of expenditures of federal awards and the schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical supplements (marked "unaudited") have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

  
Temple, Texas  
November 2, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Accounting Standards

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

The following analysis provides an overview of the College's financial activities. Both 2012 and 2011 are presented in the audited financial statements. Since management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read in conjunction with the College's basic financial statements and additional information.

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

### Financial and Enrollment Highlights

There were a number of items that had a positive financial impact in the 2012 fiscal year.

- Enrollment for credit students increased by 1.1% for Fall 2011 when comparing unduplicated head count with the previous Fall term.
- During fiscal 2012 the following grants were received, the U.S. Department of Education awarded \$775,000 for a Title V grant for Hispanic-Serving Institutions Programs with emphasis on developing a virtual campus. The U.S. Department of Education also awarded \$868,293 for Hispanic-Serving Institutions and articulation programs. This grant is designated for developing science, technology, engineering, and math programs for all students. The Nuclear Regulatory Commission awarded \$199,280 for nuclear studies curriculum, and \$120,000 for nuclear program scholarships.
- The property valuation in the taxing district increased \$46,801,930 primarily due to an increase in real property values and oil and gas.
- General revenue appropriations decreased by \$165,600 compared to fiscal 2011 representing a decrease of 1%. State appropriations accounted for 25% of the total operational budget of the College.
- Distance Education enrollment for Fall 2011 increased 20% over Fall 2010.

## Statement of Net Assets

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

	FY 2012	FY 2011	FY 2010
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 13,977,627	\$ 15,816,538	\$ 11,907,935
Short-term investments	1,033,457	-	1,016,547
Accounts receivable, net	52,258	146,239	204,767
Property taxes receivable	360,961	390,765	422,146
Tuition and fees receivable	4,373,266	4,332,737	4,426,315
Federal and state receivables	723,568	918,717	494,765
Other assets	32,538	-	-
<b>Total Current Assets</b>	<u>20,553,675</u>	<u>21,604,996</u>	<u>18,472,475</u>
<b>Non-Current Assets:</b>			
Restricted cash and cash equivalents	961,055	832,503	994,459
Restricted endowment cash and cash equivalents	763,619	1,760,558	509,188
Restricted agency funds cash and cash equivalents	135,982	118,868	114,521
Endowment non-current investments	6,358,808	5,195,122	5,168,147
Other non-current investments	12,077,227	8,082,803	11,106,160
Investments in real estate	455,000	455,000	455,000
Capital assets, net	24,539,511	24,426,986	22,869,667
<b>Total Non-Current Assets</b>	<u>45,291,202</u>	<u>40,871,840</u>	<u>41,217,142</u>
<b>Total Assets</b>	<u><u>65,844,877</u></u>	<u><u>62,476,836</u></u>	<u><u>59,689,617</u></u>
<b>Current Liabilities:</b>			
Accounts payable	2,064,728	1,594,461	1,955,921
Accrued liabilities	-	-	90,824
Funds held for others - agency	135,982	118,868	114,521
Deferred revenues	9,759,359	9,167,842	8,313,293
Bonds payable - current portion	635,000	625,000	540,000
Unamortized bond premium - current portion	10,584	10,584	-
<b>Total Current Liabilities</b>	<u>12,605,653</u>	<u>11,516,755</u>	<u>11,014,559</u>
<b>Non-Current Liabilities:</b>			
Bonds payable	3,830,000	4,465,000	5,065,000
Unamortized bond premium	105,838	116,422	-
<b>Total Non-Current Liabilities</b>	<u>3,935,838</u>	<u>4,581,422</u>	<u>5,065,000</u>
<b>Total Liabilities</b>	<u>16,541,491</u>	<u>16,098,177</u>	<u>16,079,559</u>



<b>Net Assets:</b>			
Invested in capital assets, net of related debt as restated	19,958,089	19,209,980	17,264,667
Restricted for:			
Nonexpendable - endowments	7,580,822	7,416,805	7,138,571
Expendable:			
Federal and State grants	578,031	397,282	449,798
Debt service	472,483	514,890	594,539
Student aid	354,595	290,691	192,710
Unrestricted - undesignated	20,359,366	18,549,011	17,969,773
<b>Total Net Assets</b>	<u>49,303,386</u>	<u>46,378,659</u>	<u>43,610,058</u>
<b>Total Net Assets and Liabilities</b>	<u>\$ 65,844,877</u>	<u>\$ 62,476,836</u>	<u>\$ 59,689,617</u>

The short-term investments are funds invested at financial institutions with notes of one year or less. These typically consist of current net assets from prior year and tuition and fees collected during the fiscal year, which apply to the following year.

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

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

The deferred revenues primarily represent tuition and fee income for the next academic year paid to the College during the 2012 fiscal year.

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

## Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the College, as well as the non-operating revenues and expenses. The College's revenues are of two types: those from operations and those from all other sources. Operating revenues are primarily those that result directly from the conduct of instruction, the operation of college auxiliary services (e.g., the bookstore, food service, etc.), and Federal, State of Texas, and local grants. State appropriations were the most significant non-operating revenue, representing 23% total revenue. Property taxes, while budgeted for operations, are considered non-operating revenues according to accounting principles generally accepted in the United States of America and represented 11% of total revenues.

Operating Revenues:	FY 2012		FY 2011		FY 2010	
Student tuition and fees, net of discounts of \$3,138,416, \$3,002,822 and \$2,422,677	\$ 16,572,420	36%	\$ 14,973,643	33%	\$ 14,300,266	34%
Federal, state, and local grants and contracts	3,103,447	6%	3,654,038	8%	1,886,217	4%
Auxiliary enterprises, net of discounts of \$123,443, \$44,667 and \$40,871	806,650	2%	805,880	2%	654,172	2%
Other operating revenues	359,327	1%	400,869	1%	333,107	1%
<b>Total operating revenues</b>	<b>20,841,844</b>	<b>45%</b>	<b>19,834,430</b>	<b>44%</b>	<b>17,173,762</b>	<b>41%</b>
Non-operating revenues:						
State appropriations	10,530,162	23%	10,695,762	24%	11,036,693	26%
Property taxes	5,169,609	11%	5,171,594	11%	5,145,546	12%
Federal Revenue, Non-Operating	8,621,599	19%	8,436,572	19%	6,787,951	16%
Investment Income	368,923	1%	492,549	1%	522,686	1%
Other non-operating revenue	257,280	1%	362,559	1%	1,754,840	4%
<b>Total non-operating revenue</b>	<b>24,947,573</b>	<b>55%</b>	<b>25,159,036</b>	<b>56%</b>	<b>25,247,716</b>	<b>59%</b>
<b>Total revenues</b>	<b>\$ 45,789,417</b>	<b>100%</b>	<b>\$ 44,993,466</b>	<b>100%</b>	<b>\$ 42,421,478</b>	<b>100%</b>

## Expenses

Most of the College's expenses are classified as operating expenses. This includes depreciation of the College's physical plant and equipment, those expenses that result from instructional activities, and all college-incurred expenses associated with auxiliary enterprises. Expenses for instruction and institutional support continue to be the most significant operating expenses.

Operating Expenses:	FY 2012		FY 2011		FY 2010	
Instruction	\$ 15,399,197	36%	\$ 15,898,628	38%	\$ 15,004,603	39%
Public services and academic support	5,688,617	13%	4,740,632	11%	4,248,707	11%
Student services	2,406,908	6%	2,379,287	5%	2,265,773	6%
Institutional support	6,312,129	14%	6,140,521	14%	5,938,323	14%
Operations and maintenance of plant	4,834,059	11%	4,822,789	12%	4,576,457	12%
Scholarships and fellowships	6,200,701	15%	6,105,303	15%	5,018,343	13%
Auxiliary enterprises	705,242	2%	631,576	2%	659,363	2%
Depreciation	1,195,360	3%	1,101,811	3%	997,017	3%
<b>Total operating expenses</b>	<b>42,742,213</b>	<b>100%</b>	<b>41,820,547</b>	<b>100%</b>	<b>38,708,586</b>	<b>100%</b>

### Change in Net Assets

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

	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2010</u>
Operating revenues	\$ 20,841,844	\$ 19,834,430	\$ 17,173,762
Non-operating revenues	24,947,573	25,159,036	25,247,716
Total revenues	<u>45,789,417</u>	<u>44,993,466</u>	<u>42,421,478</u>
Operating expenses	42,742,213	41,820,547	38,708,586
Non-operating expenses	122,477	404,318	295,527
Total expenses	<u>42,864,690</u>	<u>42,224,865</u>	<u>39,004,113</u>
Increase to net assets	<u>\$ 2,924,727</u>	<u>\$ 2,768,601</u>	<u>\$ 3,417,365</u>

### Statement of Cash Flows

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

	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2010</u>
Cash provided by (used in):			
Operating activities	\$ (17,449,194)	\$(17,998,230)	\$(17,172,905)
Capital and related financing activities	(2,080,766)	(3,499,693)	(3,687,037)
Non-capital and related financing activities	22,649,695	21,961,906	21,527,199
Investing activities	(5,809,919)	4,538,381	4,460,820
Net increase (decrease) in cash	<u>(2,690,184)</u>	<u>5,002,364</u>	<u>5,128,077</u>
Cash - beginning of year	18,528,467	13,526,103	8,398,026
Cash - end of year	<u>\$ 15,838,283</u>	<u>\$ 18,528,467</u>	<u>\$ 13,526,103</u>

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

### **Capital Asset and Debt Administration**

The College had total capital asset additions of \$ 1,318,527 for fiscal year 2012.

### **Future Financial Considerations**

The College has experienced a steady increase in enrollments over the past ten years. The growth has been, and will continue to be, from Fort Bend County. The funding formula used by the Texas Higher Education Coordinating Board to allocate state appropriated funds is based on the total amount appropriated to all community colleges multiplied by the community college's percentage of the state's total student contact hours. Twenty three percent (23%) of all College revenues are from state appropriated funds based on instructional activities. The State of Texas funding is based on legislatively established funding levels. The future level of state funding is dependent on the enrollment and legislative actions. The State of Texas did not fund the ORP and TRS matching contributions as required by the constitution for the active employees. Wharton County Junior College has disclosed the \$402,294 as a contingent liability.

### **Requests for Information**

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

## **FINANCIAL STATEMENTS**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Statement of Net Assets**  
**August 31, 2012 and August 31, 2011**

	<u>F/Y 2012</u>	<u>F/Y 2011</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 13,977,627	\$ 15,816,538
Short-term investments	1,033,457	-
Accounts receivable, net	5,510,053	5,788,458
Other assets	32,538	-
<b>Total Current Assets</b>	<b>20,553,675</b>	<b>21,604,996</b>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	961,055	832,503
Restricted endowment cash and cash equivalents	763,619	1,760,558
Restricted agency funds cash and cash equivalents	135,982	118,868
Endowment non-current investments	6,358,808	5,195,122
Other non-current investments	12,077,227	8,082,803
Investments in real estate	455,000	455,000
Capital assets, net (note 6)	24,539,511	24,426,986
<b>Total Noncurrent Assets</b>	<b>45,291,202</b>	<b>40,871,840</b>
<b>Total Assets</b>	<b>65,844,877</b>	<b>62,476,836</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	2,064,728	1,594,461
Funds held for others - agency	135,982	118,868
Deferred revenues	9,759,359	9,167,842
Bonds payable-current portion	635,000	625,000
Unamortized bond premium- current portion	10,584	10,584
<b>Total Current Liabilities</b>	<b>12,605,653</b>	<b>11,516,755</b>
<b>Noncurrent Liabilities:</b>		
Bonds payable-noncurrent portion	3,830,000	4,465,000
Unamortized bond premium- noncurrent portion	105,838	116,422
<b>Total Noncurrent Liabilities</b>	<b>3,935,838</b>	<b>4,581,422</b>
<b>Total Liabilities</b>	<b>16,541,491</b>	<b>16,098,177</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	19,958,089	19,209,980
Restricted for:		
Nonexpendable		
Endowments	7,580,822	7,416,805
Expendable:		
Federal and State grants	578,031	397,282
Debt service	472,483	514,890
Student aid	354,595	290,691
Unrestricted	20,359,366	18,549,013
<b>Total Net Assets (Schedule D)</b>	<b>49,303,386</b>	<b>46,378,659</b>
<b>Total liabilities and net assets</b>	<b>\$ 65,844,877</b>	<b>\$ 62,476,836</b>

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

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Year Ended August 31, 2012 and August 31, 2011**

<b>Operating Revenues</b>	<u>F/Y 2012</u>	<u>F/Y 2011</u>
Tuition and Fees (net of discounts of \$3,138,416 and \$3,002,822)	\$ 16,572,420	\$ 14,973,643
Federal Grants and Contracts	2,489,507	2,031,621
State Grants and Contracts	328,386	1,085,838
Non-Government Grants and Contracts	285,554	536,579
Sales and Services of Educational Activities	36,068	41,324
Auxiliary Enterprises (net of discounts of \$123,443 and \$44,667)	806,650	805,880
General Operating Revenues	<u>323,259</u>	<u>359,545</u>
<b>Total Operating Revenues (Schedule A)</b>	<b><u>20,841,844</u></b>	<b><u>19,834,430</u></b>
<b>Operating Expenses</b>		
Instruction	15,399,197	15,898,628
Public Service	1,711,445	1,774,376
Academic Support	3,977,172	2,966,256
Student Services	2,406,908	2,379,287
Institutional Support	6,312,129	6,140,521
Operation and Maintenance of Plant	4,834,059	4,822,789
Scholarships and Fellowships	6,200,701	6,105,303
Auxiliary Enterprises	705,242	631,576
Depreciation	<u>1,195,360</u>	<u>1,101,811</u>
<b>Total Operating Expenses (Schedule B)</b>	<b><u>42,742,213</u></b>	<b><u>41,820,547</u></b>
<b>Operating Loss</b>	<b>(21,900,369)</b>	<b>(21,986,117)</b>
<b>Non-Operating Revenues (Expenses)</b>		
State Appropriations	10,530,162	10,695,762
Maintenance Ad Valorem Taxes	5,169,609	5,171,594
Federal Revenue, Non Operating	8,621,599	8,436,572
Gifts and Donations	187,634	319,278
Investment Income	368,923	492,549
Other Non-operating Revenues	69,646	43,281
Other Non-operating Expenses	(3,039)	(252,254)
Interest Expense	<u>(119,438)</u>	<u>(152,064)</u>
<b>Net Nonoperating Revenues (Schedule C)</b>	<b><u>24,825,096</u></b>	<b><u>24,754,718</u></b>
<b>Increase (Decrease) in Net Assets</b>	<b>2,924,727</b>	<b>2,768,601</b>
<b>Net Assets</b>		
Net Assets, Beginning of Year	<u>46,378,659</u>	<u>43,610,058</u>
Net Assets, End of Year	<b><u>\$ 49,303,386</u></b>	<b><u>\$ 46,378,659</u></b>

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

## EXHIBIT 3

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Statement of Cash Flows**  
**Years Ended August 31, 2012 and August 31, 2011**

	<u>FY2012</u>	<u>FY2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 17,933,013	\$ 16,910,835
Receipts from grants and contracts	3,753,341	3,477,739
Payments to or on behalf of employees	(23,003,685)	(22,141,761)
Payments to suppliers for goods and services	(9,995,066)	(10,237,721)
Payments for scholarships and fellowships	<u>(6,136,797)</u>	<u>(6,007,322)</u>
Net cash used by operating activities	<u>(17,449,194)</u>	<u>(17,998,230)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	8,593,299	7,957,515
Receipts from ad valorem taxes	5,199,413	5,202,975
Receipts from Federal Revenue	8,621,599	8,436,572
Gifts and grants for other than capital purposes	187,634	319,278
Other Receipts	<u>47,750</u>	<u>45,565</u>
Net cash provided by noncapital financing activities	<u>22,649,695</u>	<u>21,961,905</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Purchases of capital assets	(1,318,527)	(2,661,417)
Proceeds from the sale of capital assets	-	-
Payments on capital debt-principal	(635,584)	(387,989)
Payment on capital debt- interest	(123,616)	(198,033)
Payment on capital property tax	(3,039)	(2,699)
Payment of bond issuance costs	<u>-</u>	<u>(249,555)</u>
Net cash used by capital and related financing activities	<u>(2,080,766)</u>	<u>(3,499,693)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	16,238,583	21,398,652
Purchases of investments	(22,430,147)	(17,385,724)
Interest on Investments	<u>381,645</u>	<u>525,454</u>
Net cash provided/(used) by investing activities	<u>(5,809,919)</u>	<u>4,538,382</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(2,690,184)</u>	<u>5,002,364</u>
<b>CASH AND CASH EQUIVALENTS-September 1</b>	<u>18,528,467</u>	<u>13,526,103</u>
<b>CASH AND CASH EQUIVALENTS-August 31</b>	<u>\$ 15,838,283</u>	<u>\$ 18,528,467</u>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating loss	\$(21,900,369)	\$(21,986,117)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation expense	1,195,360	1,101,811
Payments made directly by state for benefits	1,936,863	2,738,247
Changes in assets and liabilities:		
Accounts receivable, net:		
Student a/r	(25,280)	90,239
Other a/r	66,010	28,962
Grants a/r	195,149	(423,952)
Accounts payable:		
Vendors	410,539	(504,298)
Scholarships	63,904	97,981
Funds held for others agency	17,114	4,347
Deferred revenues:		
Deferred tuition	460,030	966,442
Deferred grant revenue	<u>131,486</u>	<u>(111,892)</u>
Net cash used by operating activities	<u>\$(17,449,194)</u>	<u>\$(17,998,230)</u>

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



WHARTON COUNTY JUNIOR COLLEGE DISTRICT  
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**1. Reporting Entity**

Wharton County Junior College District (the College) was established in 1946, in accordance with the laws of the State of Texas, to serve the educational needs of Wharton and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

**2. Summary of Significant Accounting Policies**

Reporting guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities.

Tuition discounting

*Texas Public Education Grants*

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

*Title IV, Higher Education Act Programs Funds*

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

*Other Tuition Discounts*

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

Basis of accounting

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

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT  
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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.

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 value of United States Treasury securities and United States agencies are based on quoted market value. 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 \$5,104,370 and \$7,114,860 at August 31, 2012 and August 31, 2011, respectively to be cash equivalents. Long-term investments have an original maturity of greater than one year at the time of purchase.

Capital assets

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

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

Deferred revenues

Tuition and fees of \$9,200,574 and \$8,741,011, deferred federal state and local grants of \$416,579 and \$285,092, and deferred other of \$142,206 and \$141,739 have been reported as deferred revenues at August 31, 2012 and 2011 respectively.

Estimates

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

Operating and non-operating revenue and expense policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Notes to Financial Statements**  
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services, administrative expenses, and depreciation on capital assets. The operation of the bookstore and college food service is not performed by the College.

**3. Authorized Investments**

The Board of Trustees of the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (Chapter 2256.001 Texas Government Code). The investments of the College are in compliance with the Board of Trustees' investment policy and the Public Funds Investment Act. The College is authorized to invest in obligations and instruments as follows: (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) repurchase agreements and revenue repurchase agreements as defined by the Public Funds Investment Act, (5) certificates of deposits and (6) other instruments and obligations authorized by statute.

**4. Deposits and Investments**

**Cash and Deposits**

	<u>2012</u>	<u>2011</u>
Bank Deposits		
Demand Deposits	\$10,728,122	\$11,407,816
	<u>\$10,728,122</u>	<u>\$11,407,816</u>
Cash and Cash Equivalents		
Petty Cash on Hand	\$5,791	\$5,791
Investment pool-TexPool	5,104,370	7,114,860
	<u>5,110,161</u>	<u>7,120,651</u>
 Total Cash and Deposits	<u>\$15,838,283</u>	<u>\$18,528,467</u>

**Reconciliation of Deposits and Investments to Exhibit 1**

Type of Security	Market Value <u>August 31, 2012</u>	Market Value <u>August 31, 2011</u>
U. S. Government Securities	\$18,191,645	\$12,046,959
Certificates of Deposits	1,033,457	1,016,568
Stocks	244,389	214,398
Real Estate Investments	455,000	455,000
Totals	<u>\$19,924,491</u>	<u>\$13,732,925</u>
Total Cash and Deposits	<u>15,838,283</u>	<u>18,528,467</u>
Total Investments	<u>19,924,491</u>	<u>13,732,925</u>
Total Deposits and Investments	<u>\$35,762,774</u>	<u>\$32,261,392</u>
Cash and Short-term Investments (Exhibit 1)	<u>15,838,283</u>	<u>18,528,467</u>
Investments (Exhibit 1)	<u>19,924,491</u>	<u>13,732,925</u>
Total Deposits and Investments	<u>\$35,762,774</u>	<u>\$32,261,392</u>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT  
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As of August 31, 2012, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 to 2	2 to 3	More than 3
U. S. Government Securities	\$ 18,191,645	\$ -	\$ 2,001,620	\$ 3,008,372	\$ 13,181,653
Certificates of Deposit	1,033,457	1,033,457	-	-	-
Total Fair Value	<u>\$ 19,225,102</u>	<u>\$ 1,033,457</u>	<u>\$ 2,001,620</u>	<u>\$ 3,008,372</u>	<u>\$ 13,181,653</u>

**Interest Rate Risk**-In accordance with state law and college policy, the college does not purchase any investments with maturities greater than 5 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.

**Concentration of Credit Risk**-The College does not place a limit on the amount the college may invest in any one issuer. More than 5% of the college's investments are in FNMA (44.52%), FHLMC (16.58%), FHLB (16.51%) and FFCB (11.30%) and FHLMA (11.09%).

**5. Derivatives**

The College did not invest in any derivative investment products or repurchase agreements during the year ended August 31, 2012.

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**6. Capital Assets (with Implementation of Library Book Depreciation)**

Capital assets activity for the year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Increases	Decreases	Balance August 31, 2012
<u>Not Depreciated:</u>				
Land	\$ 2,587,028	\$ -	\$ -	\$ 2,587,028
Subtotal	2,587,028	-	-	2,587,028
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	27,381,382	515,592	-	27,896,974
Other Real Estate Improvements	1,153,039	-	-	1,153,039
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	28,895,557	515,592	-	29,411,149
Library books	3,679,070	10,300	(15,560)	3,673,810
Furniture, Machinery, and Equipment	8,154,790	899,939	(432,280)	8,622,449
Total Buildings and Other Capital Assets	40,729,417	1,425,831	(447,840)	41,707,408
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	9,131,910	526,948	-	9,658,858
Other Real Estate Improvements	880,302	7,450	-	887,752
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	10,337,235	534,398	-	10,871,633
Library books	3,359,806	74,018	(15,560)	3,418,264
Furniture, Machinery, and Equipment	5,192,418	588,944	(316,334)	5,465,028
Total Accumulated Depreciation	18,889,459	1,197,360	(331,894)	19,754,925
Net Capital Assets	<u>\$ 24,426,986</u>	<u>\$ 228,471</u>	<u>\$ (115,946)</u>	<u>\$ 24,539,511</u>

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
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Capital assets for the year ended August 31, 2011 was as follows:

	Balance September 1, 2010	Increases	Decreases	Balance August 31, 2011
<b>Not Depreciated:</b>				
Land	\$ 2,587,028	\$ -	\$ -	\$ 2,587,028
Subtotal	2,587,028	-	-	2,587,028
<b>Buildings and Other Capital Assets:</b>				
Buildings and Building Improvements	26,029,288	1,352,094	-	27,381,382
Other Real Estate Improvements	1,153,039	-	-	1,153,039
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	27,543,463	1,352,094	-	28,895,557
Library books	3,673,070	11,130	(5,130)	3,679,070
Furniture, Machinery, and Equipment	7,028,143	1,298,190	(171,543)	8,154,790
Total Buildings and Other Capital Assets	38,244,676	2,661,414	(176,673)	40,729,417
<b>Accumulated Depreciation:</b>				
Buildings and Building Improvements	8,623,554	508,356	-	9,131,910
Other Real Estate Improvements	872,852	7,450	-	880,302
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	9,821,429	515,806	-	10,337,235
Library books	3,290,863	74,073	(5,130)	3,359,806
Furniture, Machinery, and Equipment	4,849,745	511,933	(169,260)	5,192,418
Total Accumulated Depreciation	17,962,037	1,101,812	(174,390)	18,889,459
Net Capital Assets	<u>\$ 22,869,667</u>	<u>\$ 1,559,602</u>	<u>\$ (2,283)</u>	<u>\$ 24,426,986</u>

**7. Long-Term Liabilities**

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

	Balance September 1, 2011	Additions	Reductions	Balance August 31, 2012	Current Portion
<b>Bonds</b>					
Revenue bonds	\$ 5,090,000	\$ -	\$ 625,000	\$ 4,465,000	\$635,000
Unamortized bond premium	127,006	-	10,584	116,422	10,584
Total long-term liabilities	<u>\$ 5,217,006</u>	<u>\$ -</u>	<u>\$ 635,584</u>	<u>\$ 4,581,422</u>	<u>\$645,584</u>

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Long-term liability activity for the year ended August 31, 2011 was as follows:

	Balance September 1, 2010	Additions	Reductions	Balance August 31, 2011	Current Portion
<b>Bonds</b>					
Revenue bonds	\$ 5,605,000	\$5,655,000	\$6,170,000	\$ 5,090,000	\$625,000
Unamortized bond premium	-	137,590	10,584	127,006	10,584
<b>Total long-term liabilities</b>	<u>\$ 5,605,000</u>	<u>\$5,792,590</u>	<u>\$6,180,584</u>	<u>\$ 5,217,006</u>	<u>\$635,584</u>

**8. Debt Obligations**

For the Year Ended August 31,	Revenue Bonds		
	Principal	Interest	Total
2013	\$ 635,000	\$ 121,700	\$ 756,700
2014	660,000	109,000	769,000
2015	675,000	95,800	770,800
2016	275,000	82,300	357,300
2017	285,000	76,800	361,800
2018-2022	1,580,000	246,500	1,826,500
2023	355,000	14,200	369,200
<b>Total</b>	<u>\$ 4,465,000</u>	<u>\$ 746,300</u>	<u>\$ 5,211,300</u>

There were no obligations under capital leases at August 31, 2012.

**9. Bond Payable**

General information related to bonds payable is summarized below:

**Revenue Refunding Bonds, Series 2010**

- The Board of Trustees of Wharton County Junior College District Combined Fee Revenue Refunding Bonds, Series 2010
- To refund \$3,835,000 of the Board of Trustees of Wharton County Junior College District Combined Fee Revenue Bonds, Series 2001 and \$1,770,000 of the Board of Trustees of Wharton County Junior College District Combined Fee Revenue Bonds, Series 1998
- Issued November 4, 2010
- \$5,655,000, all authorized bonds have been issued
- Interest rates range from 2% to 4%
- Source of revenue for debt service – tuition charges, building use fees, other fee charges and designated auxiliary revenues
- Bonds were issued with a net premium of \$137,589.50
- Net proceeds from the refunding series amount to \$5,706,387 after payment of \$249,555 in underwriting fees, insurance and other issuance costs

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- Proceeds of \$5,706,387 were used to purchase U.S. Government securities, which were deposited in an irrevocable trust with an escrow agent to provide for future payment of the Series 2001, and Series 1998 bonds at the first call dates.
- The 2001 Series bonds are considered fully defeased and the remaining liability for those bonds is zero.
- The 1998 Series bonds are considered fully defeased and the remaining liability for those bonds is zero.
- Advance refunding of the 2001 and 1998 Series bonds reduced the College debt service payment over the next 13 years by approximately \$547,862.

Under each bond issue, the College is to maintain a reserve account equal to the lesser of (a) 10% of the principal amount of outstanding bonds or (b) the average annual requirements, on a fiscal year basis, for the payment of the principal and interest on the bonds. The College has 60 months to establish this reserve fund. The reserve account balance at August 31, 2012 is \$513,159 which meets the full reserve requirement.

**10. Advance Refunding Bonds**

WCJC has no advance refunding bonds.

**11. Defeased Bonds Outstanding**

WCJC has no defeased bonds outstanding.

**12. Short-Term Debt**

WCJC has no short-term debt for the fiscal year ended August 31, 2012.

**13. Employees' Retirement Plan**

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

**Teacher Retirement System of Texas**

Plan Description: The Wharton County Junior College District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school system of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and the Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading.

Funding Policy: Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member compensation rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10% of the aggregate annual compensation of all members of the system; (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period



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that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4 percent for Fiscal Years 2012 and 2011 and a state contribution rate of 6.0 percent for Fiscal Year 2012 and 6.644 percent for Fiscal 2011. In certain instances the reporting district is required to make all or a portion of the state's 6.0 contribution for Fiscal Year 2012 and 6.644 percent for Fiscal Year 2011.

**Optional Retirement 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 6.00 and 6.40 percent, respectively. The college contributes 2.50% 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.

The retirement expense to the state for the college was \$913,840 and \$984,974 for the fiscal years ended August 31, 2012 and 2011 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 \$19,502,093 and \$19,397,137 for fiscal years 2012 and 2011 respectively. The total payroll of employees covered by the Teacher Retirement System was \$9,279,750 and \$9,013,971 and the total payroll of employees covered by the Optional Retirement System was \$7,878,556 and \$7,880,071 for the fiscal years 2012 and 2011, respectively.

**14. 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. This plan is essentially an unfunded promise to pay by the employer to each of the plan participants.

As of August 31, 2012, the College does not have any employees participating in this program.

**15. Compensable Absences**

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

Sick leave

All full-time employees earn sick leave at the rate of one and one-half day per month. Sick leave can accumulate to a maximum of 60 days for the purpose of carry-over from year to year. Unused accrued sick leave is forfeited upon termination of employment with the College. Therefore, no accrued liability has been recorded for sick leave.

Vacation

All full-time employees on twelve-month work schedules earn vacation leave at the rate of one day per full month of employment, up to a maximum of 12 days (96 hours) per year. Prior to FY 2005

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vacation days not taken in August could be carried forward until November 30 of the same year. However, beginning FY 2005, vacation dates not taken by August 31 are forfeited. Therefore, no accrued liability has been recorded for vacation.

Personal leave

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

**16. Pending Lawsuits and Claims**

As of August 31, 2012, the College is not involved in any litigation.

**17. Disaggregation of Receivables and Payables Balances**

**Receivables**

Receivables at August 31, 2012 and 2011 were as follows:

	FY2012	FY2011
Student Receivables	\$ 4,673,280	\$ 4,607,279
Property Taxes Receivable	392,758	421,338
State Receivables	723,568	918,717
Interest Receivables	52,143	64,865
Other Receivables	-	66,125
Subtotal	<u>5,841,749</u>	<u>6,078,324</u>
Allowance for Doubtful Accounts:	(331,696)	(289,866)
<b>TOTAL RECEIVABLES</b>	<u><u>\$ 5,510,053</u></u>	<u><u>\$ 5,788,458</u></u>

**Payables**

Payables at August 31, 2012 and 2011 were as follows:

	FY2012	FY2011
Vendors Payable	\$ 1,669,456	\$ 1,258,915
Accrued Interest Payable	40,677	44,855
Scholarships Payable	354,595	290,691
<b>TOTAL PAYABLES</b>	<u><u>\$ 2,064,728</u></u>	<u><u>\$ 1,594,461</u></u>

**18. Contract and Grant Awards**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as accounts receivable on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are also reported as accounts receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are

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not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2012 and 2011 for which monies have not been received nor funds expended totaled \$3,782,373 and \$3,714,973. Federal Contract and Grant Awards comprised all of these amounts.

**19. Post-Retirement Health Care, and Life Insurance Benefits**

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$438 to \$857 per month for the year ended August 31, 2012 (\$413 to \$808 per month, depending on the coverage elected for the year ended August 31, 2011) and totaled \$1,035,798 for the year ended August 31, 2012 (\$1,753,273 for the year ended August 31, 2011). The cost of providing those benefits for 114 retirees in the year ended August 31, 2012 was \$702,101 (retiree benefits for 114 retirees was \$663,296 for the year ended August 31, 2011). For 332 active employees, the cost of providing benefits was \$1,817,969 for the year ended August 31, 2012 (and for 326 active employees \$1,727,579 for the year ended August 31, 2011).

**20. Ad Valorem Tax**

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

At August 31:

	2012	2011
Assessed Valuation of the College	\$5,155,971,539	\$ 5,179,901,000
Less Exemptions	(1,630,814,609)	(1,701,546,000)
Net Assessed Valuation of the College	\$3,525,156,930	\$ 3,478,355,000

	Current Operations	2012 Debt Service	Total	Current Operations	2011 Debt Service	Total
Authorized Tax Rate per \$100 valuation	\$0.30000	\$ -	\$0.30000	\$0.30000	\$ -	\$0.30000
Assessed Tax Rate per \$100 valuation	\$0.14414	\$ -	\$0.14414	\$0.14448	\$ -	\$0.14448

Tax levied for the year ended August 31, 2012 and 2011 amounted to \$5,082,329 and \$5,090,933 respectively including any penalty and interest assessed. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Notes to Financial Statements**  
**August 31, 2012**

	<u>2012</u>			<u>2011</u>		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 4,935,314	\$ -	\$ 4,935,314	\$ 4,922,473	\$ -	\$ 4,922,473
Delinquent Taxes Collected	144,057	-	144,057	150,113	-	150,113
Penalties & Interest Collected	90,238	-	90,238	99,008	-	99,008
<b>Total Collections</b>	<b>\$ 5,169,609</b>	<b>\$ -</b>	<b>\$ 5,169,609</b>	<b>\$ 5,171,594</b>	<b>\$ -</b>	<b>\$ 5,171,594</b>

Tax collections for the year ended August 31, 2012 and 2011 were 97% and 97% respectively of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

**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 year ended August 31, 2012 and 2011.

**22. Postemployment Benefits Other than Pensions**

(In accordance with GASB Statement 45)

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

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

*Funding Policy* Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees set the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT  
Notes to Financial Statements  
August 31, 2012

The college's contributions to SRHP for the years ending August 31, 2012, 2011, and 2010 were \$13,587, \$9,918 and \$9,249 respectively, which equaled the required contributions each year.

**23. Contingencies**

Texas Constitution article 16, section 67(b)(3) provides that the State of Texas must contribute "not less than six percent nor more than ten percent of the aggregate compensation paid to individuals participating in the system," referring to the State's Teacher Retirement System (TRS) including the related faculty Optional Retirement Program (ORP). During the 2011 legislative session, the Texas Legislature appropriated retirement funds for various types of educational institutions other than community and junior colleges in satisfaction of this requirement, but the community college appropriations restricted the State's contribution to TRS/ORP on behalf of community colleges to only six percent of each district's unrestricted general revenue appropriation for each year of the biennium state budget. There is no pending litigation concerning this issue to construe the constitutional funding requirements; or to hold that the State biennium appropriation satisfy those requirements; or to attempt to collect any shortfall contributions from any community college district.

The TRS System of Texas has expectations that the College will provide the difference between the formula required contribution and the amount provided by the State, which is less than the amount believed to be required by the constitution. The College estimates the contribution shortage to be \$402,294. It is the College's contention that the State is the employer government legally responsible for the required contributions under GASB No. 27. It is conceivable that at some future point, the College may be required to pay from local funds the disputed TRS/ORP contributions. Should that occur, the College will record a current period expenditure in the year in which the payment is made.

**SUPPLEMENTARY SCHEDULES**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Operating Revenues**  
**For the Year Ended August 31, 2012 (With Memorandum Totals for the Year Ended August 31, 2011)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	F/Y 2012 Total	F/Y 2011 Total
<b>Tuition:</b>						
<b>State funded credit courses:</b>						
In-district resident tuition	\$ 1,052,765	\$ -	\$ 1,052,765	\$ -	\$ 1,052,765	\$ 1,125,245
Out-of-district resident tuition	3,290,323	-	3,290,323	-	3,290,323	3,270,799
Non-resident tuition	247,568	-	247,568	-	247,568	235,739
TPEG (set aside)*	280,027	-	280,027	-	280,027	287,618
State funded continuing education	229,010	-	229,010	-	229,010	178,360
Non-state funded continuing education	503,516	-	503,516	-	503,516	473,180
<b>Total Tuition</b>	<b>5,603,209</b>	<b>-</b>	<b>5,603,209</b>	<b>-</b>	<b>5,603,209</b>	<b>5,570,941</b>
<b>Fees:</b>						
Distance learning fee	378,605	-	378,605	-	378,605	342,247
Installment plan fees	201,075	-	201,075	-	201,075	191,100
General service fees	6,821,230	-	6,821,230	-	6,821,230	5,399,649
Building use	1,609,477	-	1,609,477	-	1,609,477	1,622,544
Other fees	5,097,240	-	5,097,240	-	5,097,240	4,849,984
<b>Total fees</b>	<b>14,107,627</b>	<b>-</b>	<b>14,107,627</b>	<b>-</b>	<b>14,107,627</b>	<b>12,405,524</b>
<b>Scholarship allowances and discounts:</b>						
TPEG awards	(261,036)	-	(261,036)	-	(261,036)	(287,618)
Scholarship allowances	(290,710)	-	(290,710)	-	(290,710)	(281,633)
Federal grants to students	(2,586,670)	-	(2,586,670)	-	(2,586,670)	(2,433,571)
<b>Total scholarship allowances</b>	<b>(3,138,416)</b>	<b>-</b>	<b>(3,138,416)</b>	<b>-</b>	<b>(3,138,416)</b>	<b>(3,002,822)</b>
<b>Total Net Tuition and Fees</b>	<b>16,572,420</b>	<b>-</b>	<b>16,572,420</b>	<b>-</b>	<b>16,572,420</b>	<b>14,973,643</b>
<b>Additional operating revenues:</b>						
Federal grants and contracts	-	2,489,507	2,489,507	-	2,489,507	2,031,621
State grants and contracts	-	328,386	328,386	-	328,386	1,085,838
Local grants and contracts	-	285,554	285,554	-	285,554	536,579
Sales and services of educational activities	36,068	-	36,068	-	36,068	41,324
Other operating revenues	323,259	-	323,259	-	323,259	359,545
<b>Total Additional Operating Revenues</b>	<b>359,327</b>	<b>3,103,447</b>	<b>3,462,774</b>	<b>-</b>	<b>3,462,774</b>	<b>4,054,907</b>
<b>Auxiliary enterprises:</b>						
Residential life	-	-	-	611,295	611,295	459,849
Scholarship allowances and discounts	-	-	-	(123,443)	(123,443)	(44,667)
<b>Net resident life</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>487,852</b>	<b>487,852</b>	<b>415,182</b>
Bookstore commission	-	-	-	247,446	247,446	324,243
Other auxiliary revenue	-	-	-	71,352	71,352	66,455
<b>Total Net Auxiliary Enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>806,650</b>	<b>806,650</b>	<b>805,880</b>
<b>Total Operating Revenues</b>	<b>\$16,931,747</b>	<b>\$3,103,447</b>	<b>\$20,035,194</b>	<b>\$ 806,650</b>	<b>\$ 20,841,844</b>	<b>\$ 19,834,430</b>
					(Exhibit 2)	(Exhibit 2)

\*In accordance with Education Code 56.033, \$261,036 and \$287,618 for years August 31, 2012 and 2011, respectively, of tuition was set aside for Texas Public Education Grants (TPEG)

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Operating Expenses by Object**  
**Year Ended August 31, 2012 (with Memorandum Totals for the Year Ended August 31, 2011)**

	Operating Expenses				2012 Total	2011 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
<b>Unrestricted-Educational Activities</b>						
Instruction	\$ 10,869,465	\$ -	\$ 1,924,382	\$ 1,037,857	\$ 13,831,704	\$ 13,233,605
Public Service	280,615	-	49,727	149,945	480,287	498,762
Academic Support	1,523,213	-	269,737	590,223	2,383,173	2,316,164
Student Services	1,611,179	-	284,708	203,502	2,099,389	2,050,963
Institutional Support	2,906,815	-	481,961	2,597,092	5,985,868	5,704,661
Operating and Maintenance of Plant	1,024,855	-	181,102	3,628,102	4,834,059	4,669,072
Scholarships and Fellowships	-	-	-	717,518	717,518	671,553
<b>Total Unrestricted Educational Activities</b>	<b>18,216,142</b>	<b>-</b>	<b>3,191,617</b>	<b>8,924,239</b>	<b>30,331,998</b>	<b>29,144,780</b>
<b>Restricted-Educational Activities</b>						
Instruction	115,613	1,225,765	33,255	192,860	1,567,493	2,665,023
Public Service	668,782	31,674	131,457	399,245	1,231,158	1,275,614
Academic Support	284,086	171,814	75,363	1,062,736	1,593,999	650,092
Student Services	76,262	181,349	8,538	41,370	307,519	328,324
Institutional Support	-	326,261	-	-	326,261	435,860
Operating and Maintenance of Plant	-	-	-	-	-	153,717
Scholarships and Fellowships	-	-	-	5,483,183	5,483,183	5,433,750
<b>Total Restricted Educational Activities</b>	<b>1,144,743</b>	<b>1,936,863</b>	<b>248,613</b>	<b>7,179,394</b>	<b>10,509,613</b>	<b>10,942,380</b>
<b>Total Educational Activities</b>	<b>19,360,885</b>	<b>1,936,863</b>	<b>3,440,230</b>	<b>16,103,633</b>	<b>40,841,611</b>	<b>40,087,160</b>
<b>Auxiliary Enterprises</b>	<b>172,319</b>	<b>-</b>	<b>30,250</b>	<b>502,673</b>	<b>705,242</b>	<b>631,576</b>
<b>Depreciation Expense - Buildings and Other Real Estate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>514,441</b>	<b>514,441</b>	<b>495,812</b>
<b>Depreciation Expense - Equipment &amp; Furniture as Restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680,919</b>	<b>680,919</b>	<b>605,999</b>
<b>Total Operating Expenses</b>	<b>\$ 19,533,204</b>	<b>\$ 1,936,863</b>	<b>\$ 3,470,480</b>	<b>\$ 17,801,666</b>	<b>\$ 42,742,213</b>	<b>\$ 41,820,547</b>
					(Exhibit 2)	(Exhibit 2)



**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2012 (with Memorandum Totals for the Year Ended August 31, 2011)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2012 Total</u>	<u>2011 Total</u>
<b>NON-OPERATING REVENUES:</b>					
State Appropriations:					
Education and General State Support	\$ 8,593,299	\$ -	\$ -	\$ 8,593,299	\$ 7,957,515
State Group Insurance	-	1,753,273	-	1,753,273	1,753,273
State Retirement Matching	-	183,590	-	183,590	984,974
<b>Total State Appropriations</b>	<u>8,593,299</u>	<u>1,936,863</u>	<u>-</u>	<u>10,530,162</u>	<u>10,695,762</u>
Federal Revenue Non Operating	8,621,599	-	-	8,621,599	8,436,572
Maintenance Ad Valorem Taxes	5,169,609	-	-	5,169,609	5,171,594
Gifts and Donations	187,634	-	-	187,634	319,278
Investment Income	368,923	-	-	368,923	492,549
Other Non-Operating Revenues	69,646	-	-	69,646	43,281
<b>Total Non-Operating Revenues</b>	<b>23,010,710</b>	<b>1,936,863</b>	<b>-</b>	<b>24,947,573</b>	<b>25,159,036</b>
<b>NON-OPERATING EXPENSES:</b>					
Interest on Capital Related Debt	119,438	-	-	119,438	152,064
Other Non-Operating Expense	3,039	-	-	3,039	252,254
<b>Total Non-Operating Expenses</b>	<b>122,477</b>	<b>-</b>	<b>-</b>	<b>122,477</b>	<b>404,318</b>
<b>Net Non-Operating Revenues</b>	<u><b>\$ 22,888,233</b></u>	<u><b>\$ 1,936,863</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 24,825,096</b></u> (Exhibit 2)	<u><b>\$ 24,754,718</b></u> (Exhibit 2)

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Net Assets by Source and Availability**  
**Year Ended August 31, 2012 (with Memorandum Totals for the Year Ended August 31, 2011)**

	Detail by Source				Total	Available for Current Operations	
	Restricted		Capital Assets Net of Depreciation & Related Debt			Yes	No
	Unrestricted	Expendable	Non-Expendable	Total			
Current:							
Unrestricted	\$ 5,787,790	\$ -	\$ -	\$ -	\$ 5,787,790	\$ 5,787,790	\$ -
Board Designated	3,200,000	-	-	-	3,200,000	3,200,000	-
Restricted	-	932,626	-	-	932,626	932,626	-
Auxiliary enterprises	772,279	-	-	-	772,279	772,279	-
Endowment:							
True Plant	-	-	7,580,822	-	7,580,822	-	7,580,822
Unexpended Renewals	3,892,416	-	-	-	3,892,416	-	3,892,416
Debt Service Investment in Plant	6,706,881	-	-	-	6,706,881	-	6,706,881
	-	472,483	-	-	472,483	-	472,483
	-	-	-	19,958,089	19,958,089	-	19,958,089
<b>Total Net Assets, August 31, 2012</b>	<b>\$ 20,359,366</b>	<b>\$ 1,405,109</b>	<b>\$ 7,580,822</b>	<b>\$ 19,958,089</b>	<b>\$ 49,303,386</b>	<b>\$ 10,692,695</b>	<b>\$ 38,610,691</b>
					(Exhibit 1)		
<b>Total Net Assets, August 31, 2011</b>	<b>\$ 18,549,011</b>	<b>\$ 1,202,863</b>	<b>\$ 7,416,805</b>	<b>\$ 19,209,980</b>	<b>\$ 46,378,659</b>	<b>\$ 9,771,893</b>	<b>\$ 36,606,766</b>
					(Exhibit 1)		
<b>Net Increase (Decrease) in Net Assets</b>	<b>\$ 1,810,355</b>	<b>\$ 202,246</b>	<b>\$ 164,017</b>	<b>\$ 748,109</b>	<b>\$ 2,924,727</b>	<b>\$ 920,802</b>	<b>\$ 2,003,925</b>
					(Exhibit 2)		

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2012**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<b><u>U.S. Department of Education</u></b>			
Direct Programs:			
Student Financial Aid Cluster			
Supplemental Education Opportunity Grant	84.007		\$ 86,623
College Work Study Program	84.033		108,580
Pell Grant Program	84.063		8,375,607
William D Ford Direct Loans	84.268		8,468,670
Higher Education-Institutional Aid			
HSI STEM Success Project	84.031C	P031C110007	648,027
Developing a Virtual Campus through Technology-Assisted Distance Education Programs and Services	84.031S	P031S100074	818,713
Pass-Through From:			
Texas Education Agency			
Adult Basic Education			
Contract 124100017110425	84.002A	124100017110425	515,668
Contract 134100017110467	84.002A	134100017110467	12,238
Subtotal:			527,906
Texas Higher Education Coordinating Board			
Perkins Basic Grants	84.048	124282	242,276
<b>Total U.S. Department of Education</b>			<b>19,276,402</b>
<b><u>U.S. Department of Labor</u></b>			
Pass-Through From:			
Brazosport College	17.269	CB-18197-09-60-A-48	70,320
<b><u>U.S. Department of Health and Human Services</u></b>			
Pass-Through From:			
Houston-Galveston Area Council			
Social Services Program	93.044		54,946
Nutrition Program	93.045		134,412
Texas Education Agency			
Temporary Assistance for Needy Families Contract	93.558	123625017110400	43,696
<b>Total U.S. Department of Health and Human Services</b>			<b>233,054</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 19,579,776</b>

Notes to Schedule on following page.



**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Expenditures of State Awards**  
**For The Year Ended August 31, 2012**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
<b><u>Texas Department of Agriculture</u></b>		
Home-Delivered Meals Grant Program	HDM-11-636	\$ 418
Home-Delivered Meals Grant Program	HDM-11-635	677
Home-Delivered Meals Grant Program	HDM-12-861	1,495
Home-Delivered Meals Grant Program	HDM-12-862	1,967
<b>Total Texas Department of Agriculture</b>		<b>4,558</b>
<b><u>Texas Workforce Commission</u></b>		
WCJC In Partnership With Fugro, Inc.	2810SDF008	34,502
<b><u>Texas Higher Education Coordinating Board</u></b>		
Adult Basic Education Innovation Grants	07052	141,035
<b><u>Texas Education Agency</u></b>		
State Adult Basic Education	110100017110371	41,644
State Adult Basic Education	120100017110425	106,648
<b>Total Texas Education Agency</b>		<b>148,292</b>
<b>Total State Financial Assistance</b>		<b>\$ 328,386</b>

Notes to Schedule on following page.

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Notes to Schedule of Expenditures of State Awards**  
**Year Ended August 31, 2012**

**1. State Assistance Reconciliation**

State revenues:	
State grants and contracts - per Schedule A	\$328,386
Indirect/administrative cost recoveries	<u>-</u>
Total per Schedule of Expenditures of State Awards	<u><u>\$328,386</u></u>

**2. Significant Accounting Policies Used in Preparing the Schedule**

The expenditures used in preparing the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds, which have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts recorded in the schedule may differ from the amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**AUDITORS' REPORT ON CONTROLS AND COMPLIANCE**

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

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

We have audited the financial statements of Wharton County Junior College District, as of and for the years ended August 31, 2012 and 2011, and have issued our report thereon dated November 2, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



**REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

Compliance and Other Matters

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

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



Temple, Texas  
November 2, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

Compliance

We have audited Wharton County Junior College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the State of Texas Single Audit Circular that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2012. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas Single Audit Circular. Those standards, OMB Circular A-133 and the State of Texas Single Audit Circular, 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 or state program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR (CONTINUED)**

In our opinion, Wharton County Junior College District complied, in all material respects, with the 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, 2012.

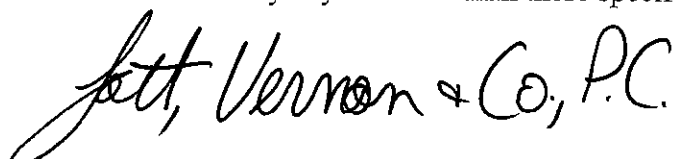
Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state 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 or state program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

  
Jett, Vernon & Co., P.C.

Temple, Texas  
November 2, 2012

**WHARTON COUNTY JUNIOR COLLEGE**  
**Schedule of Findings and Questioned Costs**  
**August 31, 2012**

I. Summary of Audit Results

Financial Statements

1. Type of auditor's report issued: *unqualified*
2. Internal control over financial reporting:  
 Material weakness(es) identified? \_\_\_\_\_ yes X no  
 Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes X none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes X no

Federal Awards

4. Internal control over major programs:  
 Material weakness(es) identified? \_\_\_\_\_ yes X no  
 Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes X none reported
5. Type of auditor's report issued on compliance for major programs: *unqualified*
6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes X no

7. Identification of major programs:

<u>Name of Federal Programs</u>	<u>Federal CFDA Number</u>	<u>Name of State Program</u>
U.S. Department of Education		
Student Financial Aid Cluster:		
SEOG	84.007	N/A – State financial assistance was less than \$500,000 in fiscal year ending August 31, 2012.
Federal College Work Study Program	84.033	
Federal Pell Grant Program	84.063	
William D Ford Direct Loans	84.268	
Adult Basic Education	84.002	
Higher Education Institutional Aid Cluster:		
HSI STEM project	84.031C	
Developing a Virtual Campus through Technology-Assisted Distance Education Programs and Services	84.031S	

**WHARTON COUNTY JUNIOR COLLEGE**  
**Schedule of Findings and Questioned Costs (Continued)**  
**August 31, 2012**

8. Dollar threshold used to distinguish between  
type A and type B programs: \$300,000

9. Auditee qualified as low-risk auditee?  X  yes   no

II. Financial Statement Findings  
- None.

III. Federal Awards Findings  
and Questioned Costs  
- None.

**STATISTICAL SUPPLEMENT (UNAUDITED)**

Wharton County Junior College  
 Statistical Supplement 1  
 Net Assets by Component  
 Fiscal Years 2003 to 2012  
 (Unaudited)

	For the Fiscal Year Ended August 31,									
	(amounts expressed in thousands)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$19,958	\$19,210	\$17,265	\$14,512	\$14,060	\$13,805	\$14,047	\$14,328	\$16,536	\$16,736
Restricted - expendable	1,405	1,203	1,237	1,548	1,458	1,580	1,542	1,538	1,491	1,448
Restricted - nonexpendable	7,581	7,417	7,139	7,079	6,733	6,478	6,036	5,755	5,503	5,388
Unrestricted	20,359	18,549	17,970	17,053	18,236	17,433	14,965	12,452	10,128	7,806
<b>Total primary government net assets</b>	<b>\$ 49,303</b>	<b>\$ 46,379</b>	<b>\$ 43,611</b>	<b>\$ 40,192</b>	<b>\$ 40,487</b>	<b>\$ 39,296</b>	<b>\$ 35,590</b>	<b>\$ 34,073</b>	<b>\$ 33,658</b>	<b>\$ 31,178</b>

Wharton County Junior College  
Statistical Supplement 2  
Revenues by Source  
Fiscal Years 2003 to 2012  
(Unaudited)

For the Year Ended August 31,										
(amounts expressed in thousands)										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and Fees (Net of Discounts)	\$16,572	\$14,974	\$14,300	\$11,945	\$11,120	\$10,962	\$10,485	\$10,416	\$9,641	\$7,751
Governmental Grants and Contracts										
Federal Grants and Contracts	2,489	2,032	1,115	675	961	924	1,102	1,316	948	835
State Grants and Contracts	328	1,086	504	270	181	169	112	109	148	120
Local Grants and Contracts	-	-	-	-	-	-	-	-	77	181
Non-Governmental Grants and Contracts	286	537	268	212	307	188	247	189	-	-
Sales and services of educational activities	36	41	47	47	37	41	43	48	52	65
Auxiliary enterprises	807	805	654	596	755	579	531	528	463	484
Other Operating Revenues	323	359	286	210	251	209	249	243	232	226
<b>Total Operating Revenues</b>	<b>20,841</b>	<b>19,834</b>	<b>17,174</b>	<b>13,955</b>	<b>13,612</b>	<b>13,072</b>	<b>12,769</b>	<b>12,849</b>	<b>11,761</b>	<b>9,662</b>
State Appropriations	10,530	10,696	11,037	11,125	11,112	10,589	10,448	9,886	9,835	10,462
Ad Valorem Taxes	5,170	5,172	5,146	4,750	4,246	4,140	4,005	3,964	3,665	3,423
Gifts	188	319	1,673	505	339	316	391	519	473	521
Investment income	368	493	523	885	1,327	1,481	939	537	395	459
Other non-operating revenues	8,691	8,479	6,870	4,187	3,354	3,365	2,840	3,045	2,674	2,551
<b>Total Non-Operating Revenues</b>	<b>24,947</b>	<b>25,159</b>	<b>25,249</b>	<b>21,452</b>	<b>20,378</b>	<b>19,891</b>	<b>18,622</b>	<b>17,953</b>	<b>17,042</b>	<b>17,416</b>
<b>Total Revenues</b>	<b>\$ 45,788</b>	<b>\$ 44,993</b>	<b>\$ 42,423</b>	<b>\$ 35,407</b>	<b>\$ 33,990</b>	<b>\$ 32,963</b>	<b>\$ 31,391</b>	<b>\$ 30,802</b>	<b>\$ 28,803</b>	<b>\$ 27,078</b>

For the Year Ended August 31,										
(amounts expressed in thousands)										
	2011	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	36.19%	33.28%	33.71%	33.74%	32.72%	33.26%	33.40%	33.82%	34.17%	28.62%
Governmental grants and contracts										
Federal grants and contracts	5.44%	4.52%	2.63%	1.91%	2.83%	2.80%	3.51%	4.27%	3.29%	3.08%
State grants and contracts	0.72%	2.41%	1.19%	0.76%	0.53%	0.51%	0.36%	0.35%	0.51%	0.44%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	0.67%
Non-governmental grants and contracts	0.62%	1.19%	0.63%	0.60%	0.90%	0.57%	0.79%	0.61%	0.00%	0.00%
Sales and services of educational activities	0.08%	0.09%	0.11%	0.13%	0.11%	0.12%	0.14%	0.16%	0.18%	0.24%
Auxiliary enterprises	1.76%	1.79%	1.54%	1.68%	2.22%	1.76%	1.69%	1.71%	1.61%	1.79%
Other operating revenues	0.71%	0.80%	0.67%	0.59%	0.74%	0.63%	0.79%	0.79%	0.81%	0.83%
<b>Total Operating Revenues</b>	<b>45.52%</b>	<b>44.08%</b>	<b>40.48%</b>	<b>39.41%</b>	<b>40.05%</b>	<b>39.66%</b>	<b>40.58%</b>	<b>41.71%</b>	<b>40.83%</b>	<b>35.68%</b>
State appropriations	23.00%	23.77%	26.02%	31.42%	32.69%	32.12%	33.28%	32.10%	34.15%	38.64%
Ad valorem taxes	11.29%	11.50%	12.13%	13.42%	12.49%	12.56%	12.76%	12.87%	12.72%	12.64%
Gifts	0.41%	0.71%	3.94%	1.43%	1.00%	0.96%	1.25%	1.68%	1.64%	1.92%
Investment income	0.80%	1.10%	1.23%	2.50%	3.90%	4.49%	2.99%	1.74%	1.37%	1.70%
Other non-operating revenues	18.98%	18.85%	16.19%	11.83%	9.87%	10.21%	9.05%	9.69%	9.28%	9.42%
<b>Total Non-Operating Revenues</b>	<b>54.48%</b>	<b>55.92%</b>	<b>59.52%</b>	<b>60.59%</b>	<b>59.95%</b>	<b>60.34%</b>	<b>59.32%</b>	<b>58.29%</b>	<b>59.17%</b>	<b>64.32%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



Wharton County Junior College  
Statistical Supplement 3  
Program Expenses by Function  
Fiscal Years 2003 to 2012  
(Unaudited)

For the Year Ended August 31,

(amounts expressed in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$15,399	\$15,899	\$15,005	\$13,481	\$12,521	\$11,671	\$10,716	\$10,184	\$9,717	\$9,873
Research	-	-	-	-	-	-	-	-	-	-
Public service	1,711	1,774	1,580	1,585	1,607	1,611	1,486	1,610	1,597	1,599
Academic support	3,977	2,966	2,669	2,868	2,621	2,356	2,241	2,165	2,044	2,094
Student services	2,407	2,379	2,266	2,093	2,091	1,789	1,698	1,466	1,478	1,406
Institutional support	6,312	6,141	5,938	5,817	5,480	5,270	4,947	4,901	5,002	4,034
Operation and maintenance of plant	4,834	4,823	4,576	4,718	3,871	3,095	3,140	2,861	2,236	2,661
Scholarships and fellowships	6,201	6,105	5,018	3,275	2,515	2,361	2,414	2,458	2,235	2,729
Auxiliary enterprises	705	632	659	667	624	600	541	522	502	497
Depreciation	1,195	1,101	997	1,003	1,035	1,041	1,143	1,127	958	975
<b>Total Operating Expenses</b>	<b>42,741</b>	<b>41,820</b>	<b>38,708</b>	<b>35,297</b>	<b>32,365</b>	<b>29,794</b>	<b>28,326</b>	<b>27,294</b>	<b>25,769</b>	<b>25,088</b>
Interest on capital related debt	3	152	293	393	424	453	482	512	546	565
Other non-operating expenses	119	252	3	12	10	11	63	10	9	-
<b>Total Non-Operating Expenses</b>	<b>122</b>	<b>404</b>	<b>296</b>	<b>405</b>	<b>434</b>	<b>464</b>	<b>545</b>	<b>522</b>	<b>555</b>	<b>565</b>
<b>Total Expenses</b>	<b>\$ 42,863</b>	<b>\$ 42,224</b>	<b>\$ 39,004</b>	<b>\$ 35,702</b>	<b>\$ 32,799</b>	<b>\$ 30,258</b>	<b>\$ 28,871</b>	<b>\$ 27,816</b>	<b>\$ 26,324</b>	<b>\$ 26,433</b>

For the Year Ended August 31,

(amounts expressed in thousands)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	35.92%	37.65%	38.47%	37.76%	38.17%	38.57%	37.12%	36.61%	36.91%	37.35%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	3.99%	4.20%	4.05%	4.44%	4.90%	5.32%	5.15%	5.79%	6.07%	6.05%
Academic support	9.28%	7.02%	6.84%	8.03%	7.99%	7.79%	7.76%	7.78%	7.76%	7.92%
Student services	5.62%	5.63%	5.81%	5.83%	6.38%	5.91%	5.86%	5.27%	5.61%	5.32%
Institutional support	14.73%	14.54%	15.22%	15.73%	16.71%	17.42%	17.13%	17.62%	19.00%	15.26%
Operation and maintenance of plant	11.28%	11.42%	11.73%	13.21%	11.80%	10.23%	10.88%	10.29%	8.49%	10.07%
Scholarships and fellowships	14.46%	14.46%	12.87%	9.17%	7.67%	7.80%	8.36%	8.84%	8.49%	10.32%
Auxiliary enterprises	1.64%	1.50%	1.69%	1.87%	1.90%	1.98%	1.87%	1.88%	1.91%	1.88%
Depreciation	2.79%	2.61%	2.56%	2.81%	3.16%	3.44%	3.96%	4.05%	3.64%	3.69%
<b>Total Operating Expenses</b>	<b>99.71%</b>	<b>99.04%</b>	<b>99.24%</b>	<b>98.87%</b>	<b>98.68%</b>	<b>98.47%</b>	<b>98.11%</b>	<b>98.12%</b>	<b>97.89%</b>	<b>97.86%</b>
Interest on capital related debt	0.01%	0.36%	0.75%	1.10%	1.29%	1.50%	1.67%	1.84%	2.08%	2.14%
Other non-operating expenses	0.28%	0.60%	0.01%	0.03%	0.03%	0.03%	0.22%	0.04%	0.03%	0.00%
<b>Total Non-Operating Expenses</b>	<b>0.29%</b>	<b>0.96%</b>	<b>0.76%</b>	<b>1.13%</b>	<b>1.32%</b>	<b>1.53%</b>	<b>1.88%</b>	<b>1.88%</b>	<b>2.11%</b>	<b>2.14%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

Resident Fees per Semester Credit Hour (SCH)												
Academic Year (Fall)	Application Fee (per student)	In-District Tuition	Out-District Tuition	General Service Fee	Building Use Fee In-District	Student/Building Use Fee Out-District	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	
2012	\$ -	\$ 32	\$ 32	\$ 36	\$ 6	\$ 12	\$ 2	\$ 1,032	\$ 1,584	16.22%	10.00%	
2011	-	32	32	36	6	12	-	888	1,440	0.00%	0.00%	
2010	-	32	32	36	6	12	-	888	1,440	15.63%	9.09%	
2009	-	32	32	26	6	12	-	768	1,320	18.52%	10.00%	
2008	-	32	32	16	6	52	-	648	1,200	0.00%	11.11%	
2007	-	32	32	16	6	42	-	648	1,080	0.00%	0.00%	
2006	10	32	32	16	6	42	-	648	1,080	0.00%	0.00%	
2005	10	32	32	16	6	42	-	648	1,080	0.00%	0.00%	
2004	10	32	32	16	6	42	-	648	1,080	12.50%	20.00%	
2003	10	26	26	16	6	33	-	576	900	0.00%	0.00%	

Non - Resident Fees per Semester Credit Hour (SCH)											
Academic Year (Fall)	Application Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	General Service Fee	Student/Building Use Fee Out of State	Cost for 12 SCH Out of State	Technology Fee	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International	
2012	\$ -	\$ 64	\$ 64	\$ 36	\$ 52	\$ 1,968	\$ 2	\$ 1,968	7.89%	7.89%	
2011	-	64	64	36	52	1,824	2	1,824	0.00%	0.00%	
2010	-	64	64	36	52	1,824	-	1,824	7.04%	7.04%	
2009	-	64	64	26	52	1,704	-	1,704	7.58%	7.58%	
2008	-	64	64	16	52	1,584	-	1,584	0.00%	0.00%	
2007	10	64	64	16	52	1,584	-	1,584	0.00%	0.00%	
2006	10	64	64	16	52	1,584	-	1,584	8.20%	8.20%	
2005	10	64	64	16	42	1,464	-	1,464	14.02%	14.02%	
2004	10	58	58	16	33	1,284	-	1,284	0.00%	0.00%	
2003	10	58	58	16	33	1,284	-	1,284	5.94%	5.94%	
2002	10	52	52	16	33	1,212	-	1,212	0.00%	0.00%	

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

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

Fiscal Year	(amounts expressed in thousands)			Direct Rate				
	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)	
2011-12	\$ 5,155,971	\$ 1,630,814	\$ 3,525,157	68.37%	\$ 0.144140	\$ -	\$ 0.144140	
2010-11	5,179,901	1,701,546	3,478,355	67.15%	0.144480	-	0.144480	
2009-10	4,990,731	1,553,569	3,437,162	68.87%	0.146660	-	0.146660	
2008-09	4,923,624	477,057	4,446,567	90.31%	0.137970	-	0.137970	
2007-08	5,158,991	1,808,434	3,350,557	64.95%	0.134850	-	0.134850	
2006-07	4,301,786	1,273,605	3,028,141	70.39%	0.134850	-	0.134850	
2005-06	4,149,164	1,217,204	2,931,959	70.66%	0.138520	-	0.138520	
2004-05	3,297,009	825,658	2,471,351	74.96%	0.168920	-	0.168920	
2003-04	2,871,143	809,339	2,061,805	71.81%	0.174010	-	0.174010	
2002-03	2,793,957	778,736	2,015,220	72.13%	0.167340	-	0.167340	

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

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

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation <sup>1</sup>	FTSE <sup>2</sup>	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2011-12	\$ 8,505,372	4,847	\$ 1,755	2,149,656	796,819	2,946,475	\$ 2.89
2010-11	7,941,513	5,059	1,570	2,170,168	824,468	2,994,636	2.65
2009-10	8,270,791	4,736	1,746	2,085,224	797,504	2,882,728	2.87
2008-09	8,416,004	4,160	2,023	1,859,376	637,026	2,496,402	3.37
2007-08	8,416,004	4,028	2,089	1,811,896	586,159	2,398,055	3.51
2006-07	8,105,812	4,099	1,977	1,875,320	588,106	2,463,426	3.29
2005-06	8,101,811	4,113	1,970	1,867,408	602,918	2,470,326	3.28
2004-05	7,865,598	4,183	1,880	1,876,680	655,094	2,531,774	3.11
2003-04	7,865,728	4,059	1,938	1,817,472	645,532	2,463,004	3.19
2002-03	8,164,270	4,106	1,988	1,813,600	704,701	2,518,301	3.24

Notes:

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

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

(a) Source CBM001 Academic Contact Hours

(b) Source CBM001 and CBM00A Technical Contact Hours

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Nan Ya Plastics Corp	Manufacturing	\$ 23,955	\$ 63,451	\$ 31,137	\$ 29,578	\$ 35,047	\$ 46,963	\$ 47,854	\$ 47,204	\$ 50,832	\$ 55,363
Newfield Exploration	Oil and Gas	-	-	-	24,253	55,268	96,856	57,335	35,508	-	-
Transco Gas Pipeline	Oil and Gas	-	-	-	-	-	27,990	23,410	23,428	-	-
Kaiser-Francis Oil	Oil and Gas	-	26,457	-	-	-	35,969	25,733	26,511	-	-
CenterPoint Energy	Utility	30,818	-	31,086	30,648	31,265	22,961	24,677	24,618	21,751	18,618
J-M Manufacturing	Manufacturing	26,039	19,533	34,120	26,746	34,293	30,623	17,879	18,131	16,551	16,695
Apache Corporation	Oil and Gas	59,329	18,782	39,818	38,613	67,454	53,648	32,709	16,856	22,401	18,736
Dominion Exploration	Oil and Gas	-	-	-	-	-	-	-	16,651	16,584	-
Southwestern Bell Telephone	Utility	-	19,592	-	-	-	-	15,502	15,232	17,617	21,160
Trans Texas Gas Corporation	Natural Gas	-	25,126	-	-	-	-	20,520	-	-	20,160
El Paso Production Oil & Gas	Oil and Gas	-	-	-	-	-	-	-	-	-	16,625
Cypress E & P Corp	Oil and Gas	-	-	59,282	34,493	-	-	-	-	-	-
El Paso Mercent Energy	Oil and Gas	-	-	-	-	-	-	-	-	-	12,948
Cox and Perkins Exploration, Inc.	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Houston Lighting and Power Co.	Utility	-	-	-	-	-	-	-	-	-	-
Amerada Hess	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Tennessee Gas Pipeline	Oil and Gas	-	-	-	-	-	-	-	-	12,237	-
Milagro Exploration LLC	Oil and Gas	28,423	-	-	-	-	-	-	-	-	-
North Central Oil Corp	Oil and Gas	-	-	-	-	-	-	-	-	-	-
PG&E Texas Pipeline	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Armour Lacy W Etal Est	Oil and Gas	-	-	32,239	-	-	-	-	-	-	-
ILI Caverens	Natural Gas	-	20,066	-	-	-	-	14,852	13,068	13,236	23,781
Walter Oil and Gas Corp.	Oil and Gas	-	-	-	-	-	-	-	-	-	-
GCR Onshore	Oil and Gas	30,155	-	-	-	-	-	-	-	-	-
NewGulf Power Venture Inc	Utility	-	-	-	-	-	-	-	-	-	-
Reliant Energy Houston	Utility	-	17,769	-	-	-	-	-	-	-	-
Coastal Oil and Gas Corp	Oil and Gas	-	41,385	-	-	-	-	-	-	-	-
Pure Resources LP	Oil and Gas	-	19,983	-	-	-	-	-	-	14,642	-
Forest Oil Company	Oil and Gas	-	-	-	23,791	30,275	22,768	-	-	-	16,304
AEP Texas Central Co.	Oil and Gas	-	-	-	-	-	-	-	-	11,531	-
Paladin -Hayes LLC	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Hunt Oil Company	Oil and Gas	-	-	-	-	-	20,585	-	-	-	-
National Offshore LP	Oil and Gas	-	-	-	-	-	32,880	-	-	-	-
Navasota Energy	Utility	132,377	-	280,484	178,570	121,381	-	-	-	-	-
Sandridge Offshore LLC	Oil and Gas	21,638	-	25,314	-	49,262	-	-	-	-	-
Ailagro Exploration Company	Oil and Gas	-	-	-	-	31,637	-	-	-	-	-
Transcontinental Gas Pipeline	Oil and Gas	23,564	-	29,498	24,045	28,921	-	-	-	-	-
Maxim Production Company	Agribusiness	25,308	-	38,196	22,282	-	-	-	-	-	-
<b>Totals</b>		<b>\$ 401,606</b>	<b>\$ 272,144</b>	<b>\$ 603,184</b>	<b>\$ 433,019</b>	<b>\$ 484,803</b>	<b>\$ 391,243</b>	<b>\$ 280,471</b>	<b>\$ 237,207</b>	<b>\$ 197,382</b>	<b>\$ 220,390</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 3,525,258</b>	<b>\$ 3,478,355</b>	<b>\$ 3,350,537</b>	<b>\$ 2,337,850</b>	<b>\$ 1,963,034</b>	<b>\$ 1,763,399</b>	<b>\$ 1,601,971</b>	<b>\$ 1,592,850</b>	<b>\$ 1,644,959</b>	<b>\$ 1,389,843</b>

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

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Nan Ya Plastics Corp	Manufacturing	0.68%	1.82%	0.93%	1.27%	1.79%	2.66%	2.99%	2.96%	3.09%	3.98%
Newfield Exploration	Oil and Gas	0.00%	0.00%	0.00%	1.04%	2.82%	5.49%	3.58%	2.23%	0.00%	0.00%
Transco Gas Pipeline	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	1.59%	1.46%	1.47%	0.00%	0.00%
Kaiser-Francis Oil	Oil and Gas	0.00%	0.76%	0.00%	0.00%	0.00%	2.04%	1.61%	1.66%	0.00%	0.00%
CenterPoint Energy	Utility	0.87%	0.00%	0.93%	1.31%	1.59%	1.30%	1.54%	1.55%	1.32%	1.34%
J-M Manufacturing	Manufacturing	0.74%	0.56%	1.02%	1.14%	1.75%	1.74%	1.12%	1.14%	1.01%	1.20%
Apache Corporation	Oil and Gas	1.68%	0.54%	1.19%	1.65%	3.44%	3.04%	2.04%	1.06%	1.36%	1.35%
Dominion Exploration	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.05%	1.01%	0.00%
Southwestern Bell Telephone	Utility	0.00%	0.56%	0.00%	0.00%	0.00%	0.00%	0.97%	0.96%	1.07%	1.52%
Trans Texas Gas Corporation	Natural Gas	0.00%	0.72%	0.00%	0.00%	0.00%	0.00%	1.28%	0.00%	0.00%	1.45%
El Paso Production Oil & Gas	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.20%
Cypress E & P Corp	Oil and Gas	0.00%	0.00%	1.77%	1.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
El Paso Mercant Energy	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.93%
Cox and Perkins Exploration, Inc.	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Houston Lighting and Power Co.	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Amerada Hess	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tennessee Gas Pipeline	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.74%	0.00%
Enserch Exploration	Oil and Gas	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
North Central Oil Corp	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PG&E Texas Pipeline	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Armour Lacy W Etal Est	Oil and Gas	0.00%	0.00%	0.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ILI Caverens	Natural Gas	0.00%	0.58%	0.00%	0.00%	0.00%	0.00%	0.93%	0.82%	0.80%	1.71%
Walter Oil and Gas Corp.	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CSW Energy Incorporated	Oil and Gas	0.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
NewGulf Power Venture Inc	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Reliant Energy Houston	Utility	0.00%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coastal Oil and Gas Corp	Oil and Gas	0.00%	1.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pure Resources LP	Oil and Gas	0.00%	0.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.89%	0.00%
Forest Oil Company	Oil and Gas	0.00%	0.00%	0.00%	1.02%	1.54%	1.29%	0.00%	0.00%	0.00%	1.17%
AEP Texas Central Co.	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	0.00%
Paladin -Hayes LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Hunt Oil Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	1.17%	0.00%	0.00%	0.00%	0.00%
National Offshore LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	1.86%	0.00%	0.00%	0.00%	0.00%
Navasota Energy	Utility	3.76%	0.00%	8.37%	7.64%	6.18%	0.00%	0.00%	0.00%	0.00%	0.00%
Sandridge Offshore LLC	Oil and Gas	0.61%	0.00%	0.76%	0.00%	2.51%	0.00%	0.00%	0.00%	0.00%	0.00%
Ailagro Exploration Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	1.61%	0.00%	0.00%	0.00%	0.00%	0.00%
Transcontinental Gas Pipeline	Oil and Gas	0.67%	0.00%	0.88%	1.03%	1.47%	0.00%	0.00%	0.00%	0.00%	0.00%
Maxim Production Company	Agribusiness	0.72%	0.00%	1.14%	0.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		<u>11.55%</u>	<u>7.82%</u>	<u>18.00%</u>	<u>18.52%</u>	<u>24.70%</u>	<u>22.19%</u>	<u>17.51%</u>	<u>14.89%</u>	<u>12.00%</u>	<u>15.86%</u>

Source: Local County Appraisal District

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

(amounts expressed in thousands)

Fiscal Year Ended August 31	Total Tax Levy (a)	Collections - Current Levy	Percentage	Current Collections of Prior Levies	Total Collections (b)	Percentage of Current Levy
2012	\$ 5,082	\$ 4,935	96.93%	\$ 234	\$ 5,169	97.11%
2011	5,091	4,922	96.93%	248	5,170	96.68%
2010	5,078	4,922	96.93%	223	5,145	96.93%
2009	4,685	4,499	95.73%	231	4,730	96.03%
2008	4,141	4,014	96.93%	232	4,246	96.93%
2007	4,141	3,929	97.04%	211	4,140	94.88%
2006	4,021	3,808	94.70%	197	4,005	94.70%
2005	4,004	3,736	93.31%	228	3,964	93.31%
2004	3,699	3,452	93.32%	213	3,665	93.32%
2003	3,414	3,254	95.30%	356	3,610	95.30%

Source: Local Tax Assessor/Collector and District records.

(a) As of August 31st

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

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Bonded Debt</b>										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Debt</b>										
Revenue bonds	\$ 4,465,000	\$ 5,090,000	\$ 5,605,000	\$ 7,555,000	\$ 8,205,000	\$ 8,825,000	\$ 9,420,000	\$ 9,990,000	\$ 10,525,000	\$ 11,040,000
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	-	-	21,902	63,520
Total Outstanding Debt	\$ 4,465,000	\$ 5,090,000	\$ 5,605,000	\$ 7,555,000	\$ 8,205,000	\$ 8,825,000	\$ 9,420,000	\$ 9,990,000	\$ 10,525,000	\$ 11,061,902

**General Bonded Debt Ratios**

Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per Student	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Total Outstanding Debt Ratios**

Per Capita	\$ 108,902	\$ 124,146	\$ 132,556	\$ 178,673	\$ 194,045	\$ 212,779	\$ 227,125	\$ 240,410	\$ 254,160	\$ 267,125
Per Student	943	1,075	1,183	1,824	2,037	2,153	2,290	2,388	2,593	2,694
As a percentage of Taxable Assessed Value	1.49%	1.70%	1.88%	2.53%	2.75%	2.95%	3.15%	4.04%	5.10%	5.49%

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



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

	For the Year Ended August 31 (Amounts expressed in thousands)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxable Assessed Value	\$ 3,525,157	\$ 3,478,355	\$ 5,003,191	\$ 3,804,635	\$ 3,350,557	\$ 3,028,141	\$ 2,931,959	\$ 2,471,351	\$ 2,061,805	\$ 2,015,220
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	\$ 17,626	\$ 17,392	\$ 25,016	\$ 19,023	\$ 16,753	\$ 15,141	\$ 14,660	\$ 12,357	\$ 10,309	\$ 10,076
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	17,626	17,392	25,016	19,023	16,753	15,141	14,660	12,357	10,309	10,076
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 17,626	\$ 17,392	\$ 25,016	\$ 19,023	\$ 16,753	\$ 15,141	\$ 14,660	\$ 12,357	\$ 10,309	\$ 10,076
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Wharton County Junior College  
 Statistical Supplement II  
 Pledged Revenue Coverage  
 Last Ten Fiscal Years  
 (Unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)										Debt Service Requirements (\$000 omitted)		
	Tuition	Technology Fee	General Service Fees	Laboratory Fees	Building Use Fees	Interest Income	Other Fees	Auxiliary Enterprises Revenue	Total	Principal	Interest	Total	Coverage Ratio
2012	\$ 1,400	\$ -	\$ 6,821	\$ -	\$ 1,609	\$ 369	\$ 5,676	\$ 807	\$ 16,682	\$ 625	\$ 134	\$ 759	21.98
2011	1,392	-	5,399	-	1,623	596	4,850	740	14,600	565	73	638	22.88
2010	242	-	4,556	-	1,519	523	4,645	625	12,110	510	296	806	15.02
2009	308	-	4,853	-	1,341	885	198	143	7,728	650	404	1,054	7.33
2008	207	-	5,707	-	1,306	1,327	438	160	9,145	620	424	1,044	8.76
2007	209	-	5,533	-	1,321	552	92	185	7,892	595	462	1,057	7.47
2006	202	-	5,262	-	1,311	452	-	33	7,260	570	492	1,062	6.84
2005	207	-	4,994	-	1,332	242	16	178	6,969	535	522	1,057	6.59
2004	206	-	4,409	-	1,210	120	3	130	6,078	515	552	1,067	5.70
2003	198	-	3,585	-	1,206	160	46	132	5,327	355	572	927	5.75

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2012	a.	a.	a.	6.8%
2011	42,543	\$1,684,405	\$ 39,953	7.4%
2010	41,364	1,380,429	33,373	8.6%
2009	41,000	1,369,401	33,400	7.0%
2008	40,791	1,317,795	32,249	4.5%
2007	40,897	1,216,262	29,861	4.3%
2006	41,475	1,154,152	28,152	4.9%
2005	41,554	1,080,308	26,093	5.1%
2004	41,411	1,061,253	25,627	5.8%
2003	41,331	1,000,082	24,197	6.2%

**Sources:**

Population & Income per capita from Texas Workforce Commission  
Unemployment rate from Texas Workforce Commission and US Department of Labor

**Notes:**

a. Not yet available.  
Used Wharton County data only

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

Employer	Number of Employees	Percentage of Total Employment
El Campo ISD	475	2.25%
Wharton Independent School District	326	1.55%
Leedo Manufacturing Inc	227	1.08%
Wal-Mart Associates, Inc.	205	0.97%
Wharton County Junior College	329	1.56%
Gulf Coast Medical Center LLC	181	0.86%
Greenleaf Nursery Company, Inc.	381	1.81%
Nan Ya Plastics	207	0.98%
South Texas Medical Clinics, P.A.	192	0.91%
Maxim Production Company	313	1.48%
<b>Total</b>	<b>21,100</b>	<b>13.44%</b>

**Source:**

Texas Workforce Commission  
 Texas Metropolitan Statistical Area Data

**Note:**

Percentages are calculated using the midpoints of the ranges.  
 This institution previously did not present this schedule and chose to implement prospectively.

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Faculty</b>										
Full-Time	162	162	155	150	144	134	130	157	152	142
Part-Time	140	161	155	143	148	163	179	205	216	208
Total	302	323	310	293	292	297	309	362	368	350
<b>Percent</b>										
Full-Time	53.6%	50.2%	50.0%	51.2%	49.3%	45.1%	42.1%	43.4%	41.3%	40.6%
Part-Time	46.4%	49.8%	50.0%	48.8%	50.7%	54.9%	57.9%	56.6%	58.7%	59.4%
<b>Staff and Administrators</b>										
Full-Time	170	172	170	172	162	161	161	129	133	164
Part-Time	50	63	73	76	71	80	65	72	72	56
Total	220	235	243	248	233	241	226	201	205	220
<b>Percent</b>										
Full-Time	77.3%	73.2%	70.0%	69.4%	69.5%	66.8%	71.2%	64.2%	64.9%	74.5%
Part-Time	22.7%	26.8%	30.0%	30.6%	30.5%	33.2%	28.8%	35.8%	35.1%	25.5%
<b>FTSE per Full-time Faculty</b>										
FTSE per Full-Time Staff Member	29.9	31.2	30.6	27.7	28.0	30.6	31.6	26.6	26.7	28.9
<b>Average Annual Faculty Salary</b>										
Average Annual Faculty Salary	\$56,521	\$54,094	\$53,237	\$52,561	\$50,466	\$48,091	\$46,190	\$44,394	\$43,224	\$43,160

Notes:

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

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

Student Classification	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	4,505	63%	4,593	62%	4,474	66%	4,222	67%	4,052	66%
31-60 hours	1,820	25%	1,721	24%	1,674	25%	1,484	23%	1,446	24%
> 60 hours	673	9%	608	8%	474	7%	409	6%	394	6%
Continuing Ed only	182	3%	445	6%	138	2%	205	3%	213	4%
<b>Total</b>	<b>7,180</b>	<b>100%</b>	<b>7,367</b>	<b>100%</b>	<b>6,760</b>	<b>100%</b>	<b>6,320</b>	<b>100%</b>	<b>6,105</b>	<b>100%</b>

Semester Hour Load	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	13	0%	14	0%	15	0%	16	0%	13	0%
3-5 semester hours	1,476	21%	1,416	19%	1,413	21%	1,425	23%	1,230	20%
6-8 Semester hours	1,359	19%	1,322	18%	1,249	19%	1,099	17%	1,142	19%
9-11 semester hours	1,255	17%	1,103	15%	985	15%	935	15%	932	15%
12-14 semester hours	2,147	30%	2,200	30%	2,172	32%	1,948	31%	1,942	32%
15-17 semester hours	638	9%	724	10%	642	9%	552	9%	516	8%
18 & over	110	1%	143	2%	146	2%	140	2%	117	2%
Continuing Ed only	182	3%	445	6%	138	2%	205	3%	213	4%
<b>Total</b>	<b>7,180</b>	<b>100%</b>	<b>7,367</b>	<b>100%</b>	<b>6,760</b>	<b>100%</b>	<b>6,320</b>	<b>100%</b>	<b>6,105</b>	<b>100%</b>

Credit average course load                      9.31                      9.52                      9.47                      9.31                      9.38

Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,561	22%	1,690	23%	1,658	24%	1,466	23%	1,308	21%
Texas Resident (out-of-District)	5,172	72%	5,002	68%	4,782	71%	4,483	71%	4,434	73%
Non-Resident Tuition	166	2%	164	2%	126	2%	121	2%	110	2%
Exempt	99	1%	66	1%	56	1%	45	1%	40	1%
Continuing Ed only	182	3%	445	6%	138	2%	205	3%	213	3%
<b>Total</b>	<b>7,180</b>	<b>100%</b>	<b>7,367</b>	<b>100%</b>	<b>6,760</b>	<b>100%</b>	<b>6,320</b>	<b>100%</b>	<b>6,105</b>	<b>100%</b>

Source: CBM001 and CBM00A Fall reports.

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

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	4,079	57%	4,183	57%	3,876	57%	3,685	58%	3,554	58%
Male	3,101	43%	3,184	43%	2,884	43%	2,635	42%	2,551	42%
Total	7,180	100%	7,367	100%	6,760	100%	6,320	100%	6,105	100%

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	3,533	49%	3,642	50%	3,567	53%	3,428	55%	3,405	56%
Hispanic	2,226	31%	2,237	30%	1,824	27%	1,632	26%	1,580	26%
African American	797	11%	900	12%	683	10%	575	9%	532	9%
Asian	545	8%	461	6%	398	6%	329	5%	291	5%
Foreign	3	0%	6	0%	207	3%	270	4%	208	3%
Native American	60	1%	36	1%	26	0%	17	0%	13	0%
Unknown	16	0%	85	1%	55	1%	69	1%	76	1%
Total	7,180	100%	7,367	100%	6,760	100%	6,320	100%	6,105	100%

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	966	14%	991	13%	824	12%	1,064	17%	654	11%
18 -21	3,531	49%	3,400	46%	3,397	50%	3,145	50%	3,199	52%
22 - 24	881	12%	868	12%	902	14%	704	11%	793	13%
25 - 35	1,147	16%	1,254	17%	1,088	16%	869	14%	921	15%
36 - 50	533	7%	645	9%	456	7%	420	6%	409	7%
51 & over	122	2%	209	3%	93	1%	118	2%	129	2%
Total	7,180	100%	7,367	100%	6,760	100%	6,320	100%	6,105	100%
Average Age	23.2		23.9		22.9		22.7		23.1	

Source: CBM001 and CBM00A Fall reports.

**Wharton County Junior College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2010-2011 Graduates, Completers and Non-Returners**  
**(Includes only public senior colleges in Texas)**  
**(Unaudited)**

Institutions Attended, Fall 2011		Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1	University of Houston - Main Campus	414	24	17	455	24.85%
2	Texas A&M University - College Station	255	17	3	275	15.02%
3	University of Houston - Victoria	188	18	6	212	11.58%
4	Texas State University	155	12	6	173	9.45%
5	The University of Texas - Austin	142	11	1	154	8.41%
6	Sam Houston State University	113	3	3	119	6.50%
7	The University of Texas - San Antonio	69	5	5	79	4.31%
8	Texas Tech University	61	5	2	68	3.71%
9	University of Houston - Downtown	46	4	4	54	2.95%
10	Stephen F. Austin State University	39	2	5	46	2.51%
11	Texas A&M University - Corpus Christi	23	1	1	25	1.37%
12	University of Houston - Clear Lake	18	3	-	21	1.15%
13	Prairie View A&M University	18	-	-	18	0.98%
14	Texas Woman's University	17	-	1	18	0.98%
15	University of North Texas	16	1	-	17	0.93%
16	Lamar University	12	1	2	15	0.82%
17	Texas A&M University - Kingsville	14	-	-	14	0.76%
18	Texas Southern University	12	-	-	12	0.66%
19	The University of Texas - Dallas	12	-	-	12	0.66%
20	Texas A&M University - Galveston	10	-	1	11	0.60%
21	Tarleton State University	7	1	-	8	0.44%
22	The University of Texas - Arlington	5	1	-	6	0.33%
23	Angelo State University	3	1	-	4	0.22%
24	West Texas A&M University	4	-	-	4	0.22%
25	Midwestern State University	2	1	-	3	0.16%
26	The University of Texas - Tyler	2	-	-	2	0.11%
27	Sul Ross State University	1	-	1	2	0.11%
28	The University of Texas - Pan American	2	-	-	2	0.11%
29	The University of Texas - El Paso	1	-	-	1	0.05%
30	University of Texas of the Permian Basin	1	-	-	1	0.05%
<b>Totals</b>		<b>1,662</b>	<b>111</b>	<b>58</b>	<b>1,831</b>	<b>100.00%</b>

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



Wharton County Junior College  
 Statistical Supplement 18  
 Schedule of Capital Asset Information  
 Fiscal Years 2003 to 2012  
 (Unaudited)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Academic buildings	12	12	12	12	12	12	12	12	13	13
Square footage (in thousands)	507	507	507	507	369	369	369	369	380	380
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	55	55	55	55	55	55	55	55	55	71
Number of Volumes (in thousands)	66,200	66,200	66,200	66,200	66,200	66,200	66,372	66,372	66,372	66,372
Administrative and support buildings	4	4	4	4	4	4	4	4	4	4
Square footage (in thousands)	64	64	64	64	64	64	64	64	64	64
Dormitories	3	3	3	3	3	3	3	3	14	14
Square footage (in thousands)	45	45	45	45	45	45	45	45	45	45
Number of Beds	158	158	158	158	158	158	158	158	158	158
Apartments	-	-	-	-	-	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-	-	-	-	-	-
Number of beds	-	-	-	-	-	-	-	-	-	-
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	69	69	69	69	69	69	69	69	69	69
Average daily customers	500	500	500	500	500	500	500	500	500	500
Athletic Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Stadiums	-	-	-	-	-	-	-	-	-	-
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	1	1	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	5	5	5	5	5	5	5	5	5	5
Transportation										
Cars	1	1	1	1	1	1	1	1	1	1
Light Trucks/Vans	14	14	14	14	14	14	14	14	14	14
Buses	1	1	1	-	-	1	1	2	2	2