



**WHARTON COUNTY JUNIOR  
COLLEGE DISTRICT**

**ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended**

**August 31, 2015**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**

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**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Organizational Data**  
**Year Ended August 31, 2015**

Board of Trustees

Officers

Mr. P.D. (Danny) Gertson, III, Chair  
Mr. Gary Trochta, Vice Chair  
Mr. Jack C. Moses, Secretary

	<u>Members</u>	Term Expires
Mrs. Merle Hudgins	Hungerford, Texas	<u>May</u> 2018
Mr. Monty Merecka	Boling, Texas	2018
Mr. P.D. (Danny) Gertson, III	East Bernard, Texas	2018
Ms. Ann Hundl	El Campo, Texas	2020
Mr. Oliver Kunkel	Needville, Texas	2020
Mr. Jack C. Moses	Wharton, Texas	2016
Mr. Lloyd Nelson	Louise, Texas	2016
Ms. Amy Rod	El Campo, Texas	2020
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. G.G. Hunt, Interim Dean of Academic Instruction

Dr. Amy LaPan, Dean of Vocational Instruction

Dr. Dan Jones, Dean of Planning and Institutional Effectiveness



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

CERTIFIED PUBLIC ACCOUNTANTS

20 SOUTH FOURTH STREET 254/778/ 4783  
POST OFFICE BOX 160 800/460 /4783  
TEMPLE, TEXAS 76503 FAX 254/778/4792

KILLEEN • COPPERAS COVE • TEMPLE

*Member of*  
*American Institute of Certified Public Accountants*

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

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of Wharton County Junior College District, (the College) as of and for the years ended August 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

## **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, 2015 and 2014, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 and the Schedule of College's Share of Net Pension Liability and Schedule of College Contributions on pages 33 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental schedules (schedules A through D) and statistical supplements, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (schedule E) and schedule of expenditures of state awards (schedule F) are presented for purposes of additional analysis as required by 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 basic financial statements.

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2015, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Temple, Texas  
November 3, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Introduction

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

The following analysis provides an overview of the College's financial activities. Both 2015 and 2014 are presented in the audited financial statements. Since management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read in conjunction with the College's basic financial statements and additional information.

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

### Financial and Enrollment Highlights

There were a number of items that had a positive financial impact in the 2015 fiscal year.

- During fiscal 2015 the following grants were received.
  - The U.S. Department of Education awarded \$829,274 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 \$867,076 for Hispanic-Serving Institutions and articulation programs. This grant is designated for developing science, technology, engineering, and math programs for all students.
  - The Johnson Foundation gifted \$700,000 for the Allied Health Division's expansion.
  - The Texas A&M TEES program awarded \$15,000 for curriculum development.
- The property valuation in the taxing district increased \$290,250,000 primarily due to an increase in real property values and oil and gas.
- General revenue appropriations remained the same compared to fiscal 2014. State appropriations accounted for 25% of the total operational budget of the College.
- Sugar Land campus enrollment for Fall of 2014 increased 3 % over Fall of 2013.
- The Julie Rivers campus was sold for a net gain of \$3,860,043.

### Statement of Net Position

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



## Statement of Net Position (continued):

	FY 2015	FY 2014	FY 2013
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 21,031,781	\$ 15,298,595	\$ 12,905,572
Short-term investments	4,322,622	-	-
Accounts receivable, net	103,019	110,864	47,882
Property taxes receivable	320,601	488,452	410,465
Tuition and fees receivable	4,223,953	4,172,793	4,727,812
Federal and state receivables	356,924	401,478	420,906
Other assets	33,304	32,538	32,538
Total Current Assets	<u>30,392,204</u>	<u>20,504,720</u>	<u>18,545,175</u>
<b>Non-Current Assets:</b>			
Restricted cash and cash equivalents	1,598,446	1,065,436	1,360,690
Restricted endowment cash and cash equivalents	787,419	1,190,197	825,416
Restricted agency funds cash and cash equivalents	180,657	148,215	151,403
Endowment non-current investments	3,408,153	7,424,640	7,325,305
Other non-current investments	18,243,582	15,581,266	13,846,353
Investments in real estate	111,000	111,000	111,000
Capital assets, net	23,683,432	25,552,129	25,691,528
Total Non-Current Assets	<u>48,012,689</u>	<u>51,072,883</u>	<u>49,311,695</u>
<b>Total Assets</b>	<u><u>78,404,893</u></u>	<u><u>71,577,603</u></u>	<u><u>67,856,870</u></u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Related to Pensions	886,346	-	-
Total Deferred Outflows of Resources	<u>886,346</u>	<u>-</u>	<u>-</u>
<b>Current Liabilities:</b>			
Accounts payable	1,389,414	1,277,745	1,586,426
Accrued liabilities	-	-	-
Funds held for others - agency	176,973	146,740	151,403
Deferred revenues	10,258,931	9,969,873	10,414,041
Bonds payable - current portion	275,000	675,000	660,000
Total Current Liabilities	<u>12,100,318</u>	<u>12,069,358</u>	<u>12,811,870</u>
<b>Non-Current Liabilities:</b>			
Bonds payable	2,304,670	2,590,254	3,275,838
Net Pension Liability	5,031,677	-	-
Total Non-Current Liabilities	<u>7,336,347</u>	<u>2,590,254</u>	<u>3,275,838</u>
<b>Total Liabilities</b>	<u><u>19,436,665</u></u>	<u><u>14,659,612</u></u>	<u><u>16,087,708</u></u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Related to Pensions	1,539,205	-	-
Total Deferred Inflows of Resources	<u>1,539,205</u>	<u>-</u>	<u>-</u>
<b>Net Position:</b>			
Invested in capital assets, net of related debt	23,683,432	22,286,875	21,755,664
Restricted for:			
Nonexpendable - endowments	8,608,924	8,723,538	8,261,766
Expendable:			
Federal and State grants	786,659	330,867	593,653
Debt service	490,222	483,155	476,131
Student aid	452,865	435,998	536,035
Unrestricted - undesignated	<u>24,293,267</u>	<u>24,657,558</u>	<u>20,145,913</u>
<b>Total Net Position</b>	<u><u>\$ 58,315,369</u></u>	<u><u>\$ 56,917,991</u></u>	<u><u>\$ 51,769,162</u></u>

## Statement of Net Position (continued):

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

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

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

The deferred revenues primarily represent tuition and fee income for the next academic year paid to the College during the 2015 fiscal year.

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

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

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

### Revenues

	FY 2015		FY 2014		FY 2013	
<b>Operating Revenues:</b>						
Student tuition and fees, net of discounts of \$2,946,971, \$2,827,234 and \$2,937,160	\$18,985,613	36.04%	\$ 18,656,456	37.14%	\$18,007,715	37.74%
Federal, state, and local grants and contracts	3,252,976	6.18%	3,685,441	7.34%	3,503,665	7.34%
Auxiliary enterprises, net of discounts of \$86,607, \$43,873 and \$144,996	803,689	1.53%	840,603	1.67%	883,391	1.85%
Other operating revenues	350,733	0.67%	340,444	0.68%	374,290	0.78%
Total operating revenues	<u>23,393,011</u>	<u>44.42%</u>	<u>23,522,944</u>	<u>46.83%</u>	<u>22,769,061</u>	<u>47.71%</u>
<b>Non-operating revenues:</b>						
State appropriations	11,860,568	22.52%	11,485,257	22.86%	10,745,011	22.52%
Property taxes	5,634,423	10.70%	5,364,132	10.68%	5,227,590	10.96%
Federal Revenue, Non-Operating	6,739,252	12.79%	7,696,448	15.32%	8,129,953	17.04%
Investment Income	231,109	0.43%	666,217	1.33%	352,766	0.75%
Other non-operating revenue	4,815,388	9.14%	1,497,666	2.98%	485,011	1.02%
Total non-operating revenue	<u>29,280,740</u>	<u>55.58%</u>	<u>26,709,720</u>	<u>53.17%</u>	<u>24,940,331</u>	<u>52.29%</u>
Total Revenues	<u>\$52,673,751</u>	<u>100.00%</u>	<u>\$ 50,232,664</u>	<u>100.00%</u>	<u>\$47,709,392</u>	<u>100.00%</u>

## **Expenses**

	FY 2015		FY 2014		FY 2013	
<b>Operating Expenses:</b>						
Instruction	\$ 17,867,480	39.20%	\$ 16,948,486	37.59%	\$ 16,763,453	37.05%
Public services and academic support	5,644,340	12.38%	6,067,740	13.46%	6,191,516	13.68%
Student services	2,845,609	6.24%	2,861,224	6.35%	2,740,223	6.06%
Institutional support	7,288,319	15.99%	6,789,220	15.06%	6,743,552	14.90%
Operations and maintenance of plant	4,870,528	10.69%	4,809,462	10.67%	4,904,723	10.84%
Scholarships and fellowships	4,941,428	10.84%	5,538,087	12.28%	5,845,448	12.92%
Auxiliary enterprises	786,876	1.73%	781,482	1.73%	733,717	1.62%
Depreciation	1,228,573	2.70%	1,190,774	2.64%	1,210,204	2.67%
	<u>45,473,153</u>	<u>99.77%</u>	<u>44,986,475</u>	<u>99.78%</u>	<u>45,132,836</u>	<u>99.74%</u>
<b>Non-Operating Expenses:</b>						
Interest	80,704	0.17%	94,004	0.21%	106,871	0.24%
Other Non-Operating Expenses	21,606	0.06%	3,356	0.01%	3,908	0.02%
Total Non-Operating Expenses	102,310	0.23%	97,360	0.22%	110,779	0.26%
	<u>102,310</u>	<u>0.23%</u>	<u>97,360</u>	<u>0.22%</u>	<u>110,779</u>	<u>0.26%</u>
Total Expenses	<u>\$ 45,575,463</u>	<u>100.00%</u>	<u>\$ 45,083,835</u>	<u>100.00%</u>	<u>\$ 45,243,615</u>	<u>100.00%</u>

## **Change in Net Position**

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

	FY 2015	FY 2014	FY 2013
Operating revenues	\$ 23,393,011	\$ 23,522,944	\$ 22,769,061
Non-operating revenues	29,280,740	26,709,720	24,940,331
	<u>52,673,751</u>	<u>50,232,664</u>	<u>47,709,392</u>
Total revenues			
Operating expenses	45,473,153	44,986,475	45,132,836
Non-operating expenses	102,310	97,360	110,779
	<u>45,575,463</u>	<u>45,083,835</u>	<u>45,243,615</u>
Total expenses			
Increase to net position	<u>\$ 7,098,288</u>	<u>\$ 5,148,829</u>	<u>\$ 2,465,777</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 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Cash provided by (used in):			
Operating activities	\$ (17,782,231)	\$ (18,405,698)	\$ (18,942,580)
Non-capital and related financing activities	22,717,403	23,886,104	22,440,683
Capital and related financing activities	3,690,780	(1,821,333)	(2,305,019)
Investing activities	<u>(2,730,092)</u>	<u>(1,199,711)</u>	<u>(1,788,286)</u>
Net increase (decrease) in cash	5,895,860	2,459,362	(595,202)
Cash - beginning of year	17,702,443	15,243,081	15,838,283
Cash - end of year	<u>\$ 23,598,303</u>	<u>\$ 17,702,443</u>	<u>\$ 15,243,081</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 \$ 1,020,500 for fiscal year 2015 and \$ 1,048,977 for fiscal year 2014. Significant additions for fiscal year 2015 include the horse barn for \$ 202,948, a reporting system for institutional research for \$203,249, a training skid for process technology for \$105,000, and application management software for \$94,250.

## 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 per cent (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.

## Requests for Information

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

## **FINANCIAL STATEMENTS**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Statement of Net Position**  
**August 31, 2015 and August 31, 2014**

	F/Y 2015	<u>F/Y 2014</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 21,031,781	\$ 15,298,595
Short-term investments	4,322,622	-
Accounts receivable, net	5,004,497	5,173,587
Prepaid Expenses	33,304	32,538
<b>Total Current Assets</b>	<b>30,392,204</b>	<b><u>20,504,720</u></b>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	1,598,446	1,065,436
Restricted endowment cash and cash equivalents	787,419	1,190,197
Restricted agency funds cash and cash equivalents	180,657	148,215
Endowment non-current investments	3,408,153	7,424,640
Other non-current investments	18,243,582	15,581,266
Investments in real estate	111,000	111,000
Capital assets, net (note 6)	23,683,432	25,552,129
<b>Total Noncurrent Assets</b>	<b>48,012,689</b>	<b><u>51,072,883</u></b>
<b>Total Assets</b>	<b>78,404,893</b>	<b><u>71,577,603</u></b>
<b>Deferred Outflows of Resources:</b>		
Deferred Outflow Related to Pensions	886,346	-
<b>Total Deferred Outflows of Resources</b>	<b>886,346</b>	<b><u>-</u></b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	1,389,414	1,277,745
Funds held for others - agency	176,973	146,740
Deferred revenues	10,258,931	9,969,873
Bonds payable-current portion	275,000	675,000
<b>Total Current Liabilities</b>	<b>12,100,318</b>	<b><u>12,069,358</u></b>
<b>Noncurrent Liabilities:</b>		
Bonds Payable-noncurrent portion	2,304,670	2,590,254
Net Pension Liability	5,031,677	-
<b>Total Noncurrent Liabilities</b>	<b>7,336,347</b>	<b><u>2,590,254</u></b>
<b>Total Liabilities</b>	<b>19,436,665</b>	<b><u>14,659,612</u></b>
<b>Deferred Inflows of Resources:</b>		
Deferred Inflows Related to Pensions	1,539,205	-
<b>Total Deferred Inflows of Resources</b>	<b>1,539,205</b>	<b><u>-</u></b>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	23,683,432	22,286,875
Restricted for:		
Nonexpendable		
Endowments	8,608,924	8,723,538
Expendable:		
Federal and State grants	786,659	330,867
Debt service	490,222	483,155
Student aid	452,865	435,998
Unrestricted	24,293,267	24,657,558
<b>Total Net Position (Schedule D)</b>	<b><u>\$ 58,315,369</u></b>	<b><u>\$ 56,917,991</u></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 Position**  
**For the Year Ended August 31, 2015 and August 31, 2014**

<b>Operating Revenues</b>	<u><b>F/Y 2015</b></u>	<u><b>F/Y 2014</b></u>
Tuition and Fees (net of discounts of \$2,496,971 and \$2,827,234)	\$ 18,985,613	\$ 18,656,456
Federal Grants and Contracts	2,281,890	2,761,169
State Grants and Contracts	373,373	431,402
Non-Government Grants and Contracts	597,713	492,870
Sales and Services of Educational Activities	28,922	31,118
Auxiliary Enterprises (net of discounts of \$86,607 and \$43,873)	803,689	840,603
General Operating Revenues	<u>321,811</u>	<u>309,326</u>
Total Operating Revenues (Schedule A)	<u><b>23,393,011</b></u>	<u><b>23,522,944</b></u>
<b>Operating Expenses</b>		
Instruction	17,867,480	16,948,486
Public Service	1,409,209	1,657,662
Academic Support	4,235,131	4,410,078
Student Services	2,845,609	2,861,224
Institutional Support	7,288,319	6,789,220
Operation and Maintenance of plant	4,870,528	4,809,462
Scholarships and Fellowships	4,941,428	5,538,087
Auxiliary Enterprises	786,876	781,482
Depreciation	<u>1,228,573</u>	<u>1,190,774</u>
Total Operating Expenses (Schedule B)	<u><b>45,473,153</b></u>	<u><b>44,986,475</b></u>
<b>Operating Loss</b>	<b>(22,080,142)</b>	<b>(21,463,531)</b>
<b>Non-Operating Revenues (Expenses)</b>		
State Appropriations	11,860,568	11,485,257
Maintenance Ad Valorem Taxes	5,634,423	5,364,132
Federal Revenue, Non Operating	6,739,252	7,696,448
Gifts and Donations	845,217	1,405,219
Investment Income	231,109	666,217
Other Non-operating Revenues	3,970,171	92,447
Other Non-operating Expenses	(21,606)	(3,356)
Interest Expense	<u>(80,704)</u>	<u>(94,004)</u>
Net Non-Operating Revenues (Schedule C)	<u>29,178,430</u>	<u>26,612,360</u>
<b>Increase (Decrease) in Net Position</b>	<b>7,098,288</b>	<b>5,148,829</b>
<b>Net Position</b>		
Net Position, Beginning of Year		
As Previously Reported	56,917,991	51,769,162
Cumulative Effect of Change in Accounting Principle (Note 2)	<u>(5,700,910)</u>	<u>-</u>
Net Position, Beginning of Year, as restated	51,217,081	51,769,162
Net Position, End of Year	<u><b>\$58,315,369</b></u>	<u><b>\$56,917,991</b></u>

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

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Statement of Cash Flows**  
**Years Ended August 31, 2015 and August 31, 2014**

	<u>FY2015</u>	<u>FY2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from students and other customers	\$ 20,026,260	\$ 19,930,237
Receipts of grants and contracts	3,807,858	3,697,185
Payments to or on behalf of employees	(26,272,588)	(25,743,345)
Payments to suppliers for goods and services	(10,419,203)	(10,651,650)
Payments for scholarships and fellowships	<u>(4,924,558)</u>	<u>(5,638,125)</u>
Net cash provided by operating activities	<u>(17,782,231)</u>	<u>(18,405,698)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	9,348,515	9,418,408
Receipts from ad valorem taxes	5,802,274	5,286,145
Receipts from Federal Revenue	6,739,252	7,696,448
Gifts and grants for other than capital purposes	717,394	1,395,055
Other Receipts/Disbursements	<u>109,968</u>	<u>90,048</u>
Net cash provided by noncapital financing activities	<u>22,717,403</u>	<u>23,886,104</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Purchases of capital assets	(1,020,500)	(1,048,977)
Proceeds from the sale of capital assets	5,503,686	-
Payments on capital debt-principal	(685,584)	(670,584)
Payment on capital debt- interest	(85,216)	(98,416)
Payment on capital property tax	<u>(21,606)</u>	<u>(3,356)</u>
Net cash used by capital and related financing activities	<u>3,690,780</u>	<u>(1,821,333)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	19,005,868	8,103,326
Purchases of investments	(21,974,315)	(9,937,575)
Interest on Investments	<u>238,355</u>	<u>634,538</u>
Net cash used by investing activities	<u>(2,730,092)</u>	<u>(1,199,711)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	5,895,860	2,459,362
<b>CASH AND CASH EQUIVALENTS-September 1</b>	<u>17,702,443</u>	<u>15,243,081</u>
<b>CASH AND CASH EQUIVALENTS-August 31</b>	<u>\$ 23,598,303</u>	<u>\$ 17,702,443</u>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (22,080,142)	\$ (21,463,531)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation expense	1,228,573	1,190,774
Bad debt expense		
Payments made directly by state for benefits	2,512,053	2,066,849
Changes in assets and liabilities:		
Accounts receivable, net:		
Student a/r	(47,938)	552,068
Other a/r	(2,623)	(28,351)
Grants a/r	44,554	19,428
Accounts payable:		
Vendors	99,308	(204,230)
Scholarships	16,870	(100,038)
Funds held for others agency	30,233	(4,663)
Deferred revenues:		
Deferred tuition	160,172	(201,742)
Deferred grant revenue	<u>256,709</u>	<u>(232,262)</u>
Net cash used by operating activities	<u>\$ (17,782,231)</u>	<u>\$ (18,405,698)</u>

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



# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2015

### 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. 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 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 (TPEG)*

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

##### *Title IV, Higher Education Act Program Funds*

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

##### *Other Tuition Discounts*

The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the 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

## Notes to Financial Statements August 31, 2015

### **Summary of Significant Accounting Policies (continued)**

the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

#### Cash and cash equivalents

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

#### Deferred inflows

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

#### Deferred outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. A typical deferred outflow for community colleges is a deferred charge on a refunding debt.

#### Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. [The governing board has designated public funds investment pools comprised of \$12,547,799 and \$9,038,197 at August 31, 2015 and August 31, 2014, respectively to be short-term investments.] Long-term investments have an original maturity of greater than one year at the time of purchase.

#### Capital assets

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

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

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2015

### **Summary of Significant Accounting Policies (continued)**

#### Deferred revenue

Tuition and fees of \$9,737,472 and \$9,509,109, deferred federal state and local grants of \$497,446 and \$240,736, and deferred other \$24,013 and \$220,028 have been reported as deferred revenues at August 31, 2015 and 2014 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 services, administrative expenses, and depreciation on capital assets. The operation of the bookstore and college food service is not performed by the College.

#### Pensions

For the year ended August 31, 2015, the College implemented the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Prior Year Restatement

In the year of implementation of GASB 68, as amended by GASB 71, a restatement to beginning net position will be required for the recording of the beginning net pension liability and for the recording of deferred outflows of resources for contributions made after the measurement date of the beginning net pension liability and beginning of the reporting entity's fiscal year.

Beginning net position as of September 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**Summary of Significant Accounting Policies (continued)**

Beginning Net Position	\$ 56,917,991
Prior Period Adjustment - Implementation of GASB 68:	
Net Pension Liability (Measurement Date as of August 31, 2014)	(6,177,687)
Deferred Outflows - College Contributions made during FY 2014	477,577
Recognition of Additional Contribution Adjustment	(800)
Beginning Net Position, as Restated	\$ 51,217,081

**3. Authorized Investments**

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

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

**4. Deposits and Investments**

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

	<u>2015</u>	<u>2014</u>
<b>Cash and Deposits</b>		
Bank Deposits		
Demand Deposits	\$11,044,804	\$8,658,546
	\$11,044,804	\$8,658,546
Cash and Cash Equivalents		
Petty Cash on Hand	\$5,700	\$5,700
Investment pool-TexPool	12,547,799	9,038,197
	12,553,499	9,043,897
 Total Cash and Deposits	 \$23,598,303	 \$17,702,443

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**Deposits and Investments (continued)**

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

Type of Security	Market Value August 31, 2015	Market Value August 31, 2014
U. S. Government Securities	\$21,406,753	\$22,709,798
Certificates of Deposit	242,500	-
Stocks	244,983	296,108
Mutual Fund Investments	4,080,121	-
Real Estate Investments	111,000	111,000
Totals	<u>\$26,085,357</u>	<u>\$23,116,906</u>
Total Cash and Deposits	23,598,303	17,702,443
Total Investments	<u>26,085,357</u>	<u>23,116,906</u>
Total Deposits and Investments	<u>\$49,683,660</u>	<u>\$40,819,349</u>
Cash and Short-term Investments (Exhibit 1)	23,598,303	17,702,443
Investments (Exhibit 1)	<u>26,085,357</u>	<u>23,116,906</u>
Total Deposits and Investments	<u>\$49,683,660</u>	<u>\$40,819,349</u>

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) as of August 31, 2015			
		Less than 1	1 to 2	2 to 3	More than 3
U.S. Government Securities	\$ 21,406,753	\$ -	\$ -	\$ 11,231,394	\$ 10,175,359
Certificates of Deposit	242,500	242,500	-	-	-
Total Fair Value	<u>\$ 21,649,253</u>	<u>\$ 242,500</u>	<u>\$ -</u>	<u>\$ 11,231,394</u>	<u>\$ 10,175,359</u>

Investment Type	Fair Value	Investment Maturities (in Years) as of August 31, 2014			
		Less than 1	1 to 2	2 to 3	More than 3
U.S. Government Securities	\$ 22,709,798	\$ -	\$ 1,999,389	\$ 2,995,410	\$ 17,714,999
Total Fair Value	<u>\$ 22,709,798</u>	<u>\$ -</u>	<u>\$ 1,999,389</u>	<u>\$ 2,995,410</u>	<u>\$ 17,714,999</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 as well. The college is required to disclose credit ratings for its investments in either narrative or table form.

**Concentration of Credit Risk**- The college does not place a limit on the amount the college may invest in any one issuer. More than 5% of the college's investments are in FNMA (27.88%), FFCB (24.08%), FHLMC (19.4%), FHLB (11.84%), and Dreyfus (6.86%).

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**5. Derivatives**

The College did not invest in any derivative investment products or repurchase agreements during the year ended August 31, 2015 or August 31, 2014.

**6. Capital Assets**

Capital assets activity for the year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Increases	Decreases	Balance August 31, 2015
Not Depreciated:				
Land	\$ 2,501,709	\$ -	\$ -	\$ 2,501,709
Subtotal	2,501,709	-	-	2,501,709
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	30,461,148	202,948	(2,684,718)	27,979,378
Other Real Estate Improvements	1,153,039	-	-	1,153,039
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	31,975,323	202,948	(2,684,718)	29,493,553
Library books	3,296,963	11,697	(14,759)	3,293,901
Furniture, Machinery, and Equipment	9,059,933	805,855	(507,863)	9,357,925
Total Buildings and Other Capital Assets	44,332,219	1,020,500	(3,207,340)	42,145,379
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	10,782,431	542,193	(1,020,692)	10,303,932
Other Real Estate Improvements	902,651	7,450	-	910,101
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	12,010,105	549,643	(1,020,692)	11,539,056
Library books	3,141,247	50,496	(14,760)	3,176,983
Furniture, Machinery, and Equipment	6,130,447	604,271	(487,101)	6,247,617
Total Accumulated Depreciation	21,281,799	1,204,410	(1,522,553)	20,963,656
Net Capital Assets	\$ 25,552,129	\$ (183,910)	\$ (1,684,787)	\$ 23,683,432

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**Capital Assets (continued)**

Capital assets activity for the year ended August 31, 2014 was as follows:

	Balance September 1, 2013	Increases	Decreases	Balance August 31, 2014
		.		
Not Depreciated:				
Land	\$ 2,501,709	\$ -	\$ -	\$ 2,501,709
Subtotal	2,501,709	-	-	2,501,709
<b>Buildings and Other Capital Assets:</b>				
Buildings and Building Improvements	29,783,031	678,117	-	30,461,148
Other Real Estate Improvements	1,153,039	-	-	1,153,039
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	31,297,206	678,117	-	31,975,323
Library books	3,430,552	12,226	(145,815)	3,296,963
Furniture, Machinery, and Equipment	9,148,015	361,031	(449,113)	9,059,933
Total Buildings and Other Capital Assets	43,875,773	1,051,374	(594,928)	44,332,219
Accumulated Depreciation:				
Buildings and Building Improvements	10,208,163	574,268	-	10,782,431
Other Real Estate Improvements	895,201	7,450	-	902,651
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	11,428,387	581,718	-	12,010,105
Library books	3,228,565	58,497	(145,815)	3,141,247
Furniture, Machinery, and Equipment	6,029,002	550,558	(449,113)	6,130,447
Total Accumulated Depreciation	20,685,954	1,190,773	(594,928)	21,281,799
<b>Net Capital Assets</b>	<b>\$ 25,691,528</b>	<b>\$ (139,399)</b>	<b>\$ -</b>	<b>\$ 25,552,129</b>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**7. Non-Current Liabilities**

Non-current liability activity for the year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Additions	Reductions	Balance September 1, 2015	Current Portion
Bonds					
Revenue Bonds	\$ 3,170,000	\$ -	\$ 675,000	\$ 2,495,000	\$ 275,000
Unamortized Premium on Bonds	95,254	-	10,584	84,670	10,584
Subtotal	<u>3,265,254</u>	<u>-</u>	<u>685,584</u>	2,579,670	285,584
Net Pension Liability	-	5,031,677	-	5,031,677	N/A
Total Non-Current Liabilities	<u>\$ 3,265,254</u>	<u>\$ 5,031,677</u>	<u>\$ 685,584</u>	\$ 7,611,347	<u>\$ 285,584</u>

Non-current liability activity for the year ended August 31, 2014 was as follows:

	Balance September 1, 2013	Additions	Reductions	Balance September 1, 2014	Current Portion
Bonds					
Revenue Bonds	\$ 3,830,000	\$ -	\$ 660,000	\$ 3,170,000	\$ 675,000
Unamortized Premium on Bonds	105,838	-	10,584	95,254	10,584
Total Non-Current Liabilities	<u>\$ 3,935,838</u>	<u>\$ -</u>	<u>\$ 670,584</u>	<u>\$ 3,265,254</u>	<u>\$ 685,584</u>

There were no obligations under capital leases at August 31, 2015.

**8. Debt Obligations**

Debt service requirements at August 31, 2015 were as follows:

For the Year Ended <u>August 31, 2015</u>	Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	275,000	82,300	357,300
2017	285,000	76,800	361,800
2018	295,000	68,250	363,250
2019	305,000	59,400	364,400
2020	315,000	50,250	365,250
2021-2023	<u>1,020,000</u>	<u>82,800</u>	<u>1,102,800</u>
Total	\$ 2,495,000	\$ 419,800	\$ 2,914,800



# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2015

### 9. Bonds Payable

General information related to bonds payable is summarized below:

#### Revenue Refunding Bonds, Series 2010

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

Under each bond issue, the College is to maintain a reserve account equal to the lesser of (a) 10% of the principal amount of outstanding bonds or (b) the average annual requirements, on a fiscal year basis, for the payment of the principal and interest on the bonds. The College has 60 months to establish this reserve fund. The reserve account balance at August 31, 2015 is \$517,730 which meets the full reserve requirement.

Bonds payable are due in annual installments varying from \$357,300 to \$369,200 with interest rates from 2% to 4% with the final installment due 2023.

### 10. Advance Refunding Bonds

WCJC has no advance refunding bonds.

### 11. Defeased Bonds Outstanding

WCJC has no defeased bonds outstanding.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2015

### 12. Short-Term Debt

WCJC has no short-term debt for the fiscal years ended August 31, 2015 and August 31, 2014.

### 13. Employees' Retirement Plan

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

#### **Optional Retirement Plan – Defined Contribution Plan**

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

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state and each participant are 3.3 and 6.65 percent, respectively. The college contributes an additional 1.9% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the state for the college was \$576,819 and \$548,575 for the fiscal years ended August 31, 2015 and 2014 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 \$21,669,406 and \$22,024,857 for fiscal years 2015 and 2014 respectively. The total payroll of employees covered by the Teacher Retirement System was \$11,862,997 and \$11,414,663 and the total payroll of employees covered by the Optional Retirement System was \$7,610,086 and \$7,596,652 for the fiscal years 2015 and 2014, respectively.

#### **Teacher Retirement System of Texas - Defined Benefit Pension Plan**

##### **A. Plan Description**

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

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**Teacher Retirement System of Texas - Defined Benefit Pension Plan (continued)**

**B. Pension Plan Fiduciary Net Position**

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

**C. Benefits Provided**

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

**D. Contributions**

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

**Contribution Rates**

	<u>2014</u>	<u>2015</u>
Member	6.40%	6.70%
Non-Employer Contribution Entity (State)	6.80%	6.80%
Employers	6.80%	6.80%
FY2014 College Contributions	\$ 477,577	
FY2014 State of Texas On-behalf Contributions	\$ 307,202	

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**Teacher Retirement System of Texas - Defined Benefit Pension Plan (continued)**

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution in the following instances:

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

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution rate and the state contribution as an employment after retirement surcharge.

**E. Actuarial Assumptions**

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

• Valuation Date	August 31, 2014
• Actuarial Cost Method	Individual Entry Age Normal
• Amortization Method Level	Level Percentage of Payroll, Open
• Remaining Amortization Period	30 years
• Asset Valuation Method	5 year Market Value
• Discount Rate	8.00%
• Long-term expected Investment Rate of Return*	8.00%
• Salary Increases *	4.25% to 7.25%
• Weighted-Average at Valuation Date	5.55%
• Payroll Growth Rate	3.50%

*\*Includes inflation of 3%*

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2015

### **Teacher Retirement System of Texas - Defined Benefit Pension Plan (continued)**

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement.

As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

#### **F. Discount Rate**

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to all future benefit payments of the current plan members. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best Estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014, as amended October 1, 2014, are summarized below:

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

Teacher Retirement System of Texas - Defined Benefit Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns*
<b>Global Equity</b>			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	70.0%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.0%	90.0%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	100.0%		8.7%

\*The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**Teacher Retirement System of Texas - Defined Benefit Pension Plan (continued)**

**G. Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Wharton County Junior College's proportionate share of the net pension liability	\$ 8,991,301	\$ 5,031,677	\$ 2,070,615

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

At August 31, 2015, Wharton County Junior College reported a liability of \$ 5,031,677 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Wharton County Junior College. The amount recognized by Wharton County Junior College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Wharton County Junior College were as follows:

Wharton County Junior College Proportionate share of the collective net pension liability	\$ 5,031,677
State's proportionate share that is associated with Wharton County Junior College	\$ 3,243,545
Total	\$ 8,275,222

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 through August 31, 2014.

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

There was a change in the employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 9/01/2014. The amount expected resultant change in the employer's proportion cannot be determined at this time.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**Teacher Retirement System of Texas - Defined Benefit Pension Plan (continued)**

For the year ended August 31, 2015, Wharton County Junior College recognized pension expense of \$299,860 and revenue of \$299,860 for support provided by the State.

At August 31, 2015, Wharton County Junior College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 77,817	
Changes in actuarial assumptions	\$ 327,065	
Difference between projected and actual investment earnings		\$ 1,537,886
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions		\$ 1,319
Contributions paid to TRS subsequent to the measurement date	\$ 481,464	
Total	\$ 886,346	\$ 1,539,205

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

<b>Year ended August 31:</b>	<b>Pension Expense Amount</b>
2016	\$ (316,391)
2017	\$ (316,391)
2018	\$ (316,391)
2019	\$ (316,391)
2020	\$ 68,081
Thereafter	\$ 63,160



# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2015

### 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, 2015, 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. The college's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

#### Vacation

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

#### Personal leave

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

### 16. Health Care and Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was \$538 to \$1,052 per month, depending on the coverage elected for the year ended August 31, 2015 (\$503 to \$984 per month, depending on the coverage elected for 2014). The cost of providing those benefits for 122 retirees in the year ended 2015 was \$929,033 (retiree benefits for 119 retirees cost \$857,938 in 2014). For 355 active employees, the cost of providing benefits was \$2,364,964 for the year ended 2015 (active employee benefits for 346 employees cost \$2,129,341 for the year ended 2014). S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2015

### 17. Postemployment Benefits Other than Pensions

(In accordance with GASB Statement 45)

*Plan Description.* 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. 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 sets 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.

Beginning September 1, 2013, SB 1812 limited the state's contributions to 50% of eligible employees for community colleges.

The college's contributions to SRHP for the years ending August 31, 2015, 2014, and 2013 were \$17,205, \$18,113 and \$16,934, respectively, which equaled the required contributions each year.

### 18. Pending Lawsuits and Claims

As of August 31, 2015, the College is not involved in any litigation.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

19. Disaggregation of Receivable and Payables Balances

**Receivables**

Receivables at August 31, 2015 and 2014 were as follows:

	FY2015	FY2014
Student Receivables	\$ 4,563,773	\$ 4,510,149
Property Taxes Receivable	358,067	526,763
State Receivables	356,924	401,478
Interest Receivables	61,643	68,888
Subtotal	5,340,407	5,507,278
Allowance for Doubtful Accounts:	(335,910)	(333,691)
<b>TOTAL RECEIVABLES</b>	<b>\$ 5,004,497</b>	<b>\$ 5,173,587</b>

**Payables**

Payables at August 31, 2015 and 2014 were as follows:

	FY2015	FY2014
Vendors Payable	\$ 909,039	\$ 809,728
Accrued Interest Payable	27,508	32,020
Scholarships Payable	452,867	435,997
<b>TOTAL PAYABLES</b>	<b>\$ 1,389,414</b>	<b>\$ 1,277,745</b>

20. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are also reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2015 and 2014 for which monies have not been received nor funds expended totaled \$2,663,578 and \$2,974,381. Federal Contract and Grant Awards comprised all of these amounts.

21. 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:

	2015	2014
Assessed Valuation of the College	\$ 5,878,933,851	\$ 5,588,935,382
Less Exemptions	(1,736,789,228)	(1,737,040,668)
Net Assessed Valuation of the College	<b>\$ 4,142,144,623</b>	<b>\$ 3,851,894,714</b>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2015

**Ad Valorem Tax (continued)**

	2015			2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 valuation	\$ 0.30000	-	\$0.30000	\$ 0.30000	-	\$0.30000
Assessed Tax Rate per \$100 valuation	\$ 0.12656	-	\$0.12656	\$ 0.13419	-	\$0.13419

Taxes levied for the year ended August 31, 2015 and 2014 amounted to \$5,239,536 and \$5,168,700 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.

	2015			2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 4,964,773	\$ -	\$ 4,964,773	\$ 5,139,345	\$ -	\$ 5,139,345
Delinquent Taxes Collected	\$587,240	-	\$587,240	\$127,307	-	127,307
Penalties & Interest Collected	\$82,410	-	\$82,410	\$97,480	-	97,480
Total Collections	\$ 5,634,423	\$ -	\$ 5,634,423	\$ 5,364,132	\$ -	\$ 5,364,132

Tax collections for the year ended August 31, 2015 and 2014 were 95% and 99% 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.

**22. Income Taxes**

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities*, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The College had no unrelated business income tax liability for the year ended August 31, 2015 and 2014.

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Wharton County Junior College's Share of Net Pension Liability**  
**For the Year Ended August 31, 2015**

Fiscal year ending August 31*	2015**
Total TRS' pension liability	159,496,075,886
TRS' net position	<u>132,779,243,085</u>
TRS' net pension liability	26,716,832,801
TRS net pension as percentage of total pension liability	83.25%
College's proportionate share of collective net pension liability (%)	0.0188372%
College's proportionate share of collective net pension liability (\$)	\$ 5,031,677
Portion of NECE's total proportionate share of NPL associated with College	<u>3,243,545</u>
Total	\$ 8,275,222
College's covered payroll amount	\$ 11,414,663
Ratio of: ER proportionate share of collective NPL / ER's covered payroll amount	44.08%

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

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

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

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Wharton County Junior College's Contributions**  
**For the Year Ended August 31, 2015**

Fiscal year ending August 31*	2015**
Legally required contributions	481,464
Actual contributions	481,464
Contributions deficiency (excess)	-
 College's covered employee payroll amount	\$ 11,862,997
Ratio of: Actual contributions / ER covered payroll amount	4.06%

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

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

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

## WHARTON COUNTY JUNIOR COLLEGE DISTRICT

### Notes to Required Supplementary Information Year Ended August 31, 2015

#### 1. **Changes of Benefit Terms:**

The college implemented a salary and wage increase effective September 1, 2014 for full time faculty/administrators and staff. Full time employees were given the equivalent of a two-step increase consisting of one longevity increase and one increase in the base. The average increase for a faculty/administrator and staff position was 1.99% and 2.3% respectively.

#### 2. **Changes of Assumptions**

There were no changes of assumptions for the year ended August 31, 2015.



## **SUPPLEMENTARY SCHEDULES**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Operating Revenues**  
**For the Year Ended August 31, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	F/Y 2015 Total	F/Y 2014 Total
<b>Tuition:</b>						
State funded credit courses:						
In-district resident tuition	\$ 750,268	\$ -	\$ 750,268	\$ -	\$ 750,268	\$ 894,364
Out-of-district resident tuition	3,462,889	-	3,462,889	-	3,462,889	3,442,260
Non-resident tuition	285,779	-	285,779	-	285,779	284,176
TPEG (set aside)*	275,092	-	275,092	-	275,092	282,628
State funded continuing education	234,473	-	234,473	-	234,473	179,721
Non-state funded continuing education	627,931	-	627,931	-	627,931	548,604
<b>Total Tuition</b>	<b>5,636,432</b>	<b>-</b>	<b>5,636,432</b>	<b>-</b>	<b>5,636,432</b>	<b>5,631,753</b>
<b>Fees:</b>						
Distance learning fee	-	-	-	-	-	-
Installation plan fees	256,340	-	256,340	-	256,340	224,770
General service fees	8,125,378	-	8,125,378	-	8,125,378	8,215,948
Building use	-	-	-	-	-	-
Other fees	7,464,434	-	7,464,434	-	7,464,434	7,411,219
<b>Total fees</b>	<b>15,846,152</b>	<b>-</b>	<b>15,846,152</b>	<b>-</b>	<b>15,846,152</b>	<b>15,851,937</b>
<b>Scholarship allowances and discounts:</b>						
TPEG awards	(275,092)	-	(275,092)	-	(275,092)	(282,628)
Scholarship allowances	(283,965)	-	(283,965)	-	(283,965)	(284,752)
Federal grants to students	(1,588,670)	-	(1,588,670)	-	(1,588,670)	(1,942,444)
Exemptions	(349,244)	-	(349,244)	-	(349,244)	(317,410)
<b>Total scholarship allowances</b>	<b>(2,496,971)</b>	<b>-</b>	<b>(2,496,971)</b>	<b>-</b>	<b>(2,496,971)</b>	<b>(2,827,234)</b>
<b>Total Net Tuition and Fees</b>	<b>18,985,613</b>	<b>-</b>	<b>18,985,613</b>	<b>-</b>	<b>18,985,613</b>	<b>18,656,456</b>
<b>Additional operating revenues:</b>						
Federal grants and contracts	-	2,281,890	2,281,890	-	2,281,890	2,761,169
State grants and contracts	-	373,373	373,373	-	373,373	431,402
Local grants and contracts	-	597,713	597,713	-	597,713	492,870
Sales and services of educational activities	28,922	-	28,922	-	28,922	31,118
Other operating revenues	321,811	-	321,811	-	321,811	309,326
<b>Total Additional Operating Revenues</b>	<b>350,733</b>	<b>3,252,976</b>	<b>3,603,709</b>	<b>-</b>	<b>3,603,709</b>	<b>4,025,885</b>
<b>Auxiliary enterprises:</b>						
Residential life	-	-	-	539,646	539,646	503,679
Scholarship allowances and discounts	-	-	-	(86,607)	(86,607)	(43,873)
<b>Net resident life</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>453,039</b>	<b>453,039</b>	<b>459,806</b>
Bookstore commission	-	-	-	323,320	323,320	347,818
Other auxiliary revenue	-	-	-	27,330	27,330	32,979
<b>Total Net Auxiliary Enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>803,689</b>	<b>803,689</b>	<b>840,603</b>
<b>Total Operating Revenues</b>	<b>\$ 19,336,346</b>	<b>\$ 3,252,976</b>	<b>\$ 22,589,322</b>	<b>\$ 803,689</b>	<b>\$ 23,393,011</b>	<b>\$ 23,522,944</b>
					(Exhibit 2)	(Exhibit 2)

\*In accordance with Education Code 56.033, \$275,092 and \$282,628 for years August 31, 2015 and 2014, 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, 2015 (with Memorandum Totals for the Year Ended August 31, 2014)**

	Operating Expenses				2015 Total	2014 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted-Educational activities						
Instruction	\$ 11,984,067	\$ -	\$ 2,477,947	\$ 1,157,739	\$ 15,619,753	\$ 15,166,738
Public Service	265,409	-	54,960	144,571	464,940	472,638
Academic Support	1,625,184	-	335,794	663,138	2,624,116	2,625,423
Student services	1,844,831	-	381,926	290,949	2,517,706	2,346,319
Institutional support	3,429,070	-	709,197	2,700,148	6,838,415	6,431,487
Operating and maintenance of plan	1,112,504	-	230,332	3,527,692	4,870,528	4,809,462
Scholarships and Fellowships	-	-	-	699,243	699,243	669,545
<b>Total Unrestricted Educational Activities</b>	<b>20,261,065</b>	<b>-</b>	<b>4,190,156</b>	<b>9,183,480</b>	<b>33,634,701</b>	<b>32,521,612</b>
Restricted-Educational activities						
Instruction	107,027	1,571,972	28,416	540,312	2,247,727	1,781,748
Public Service	551,533	34,866	141,284	216,586	944,269	1,185,024
Academic Support	549,474	213,023	157,714	690,804	1,611,015	1,784,655
Student services	30,176	242,288	4,674	50,765	327,903	514,905
Institutional support	-	449,904	-	-	449,904	357,733
Operating and maintenance of plan	-	-	-	-	-	-
Scholarships and Fellowships	-	-	-	4,242,185	4,242,185	4,868,542
<b>Total Restricted Educational Activities</b>	<b>1,238,210</b>	<b>2,512,053</b>	<b>332,088</b>	<b>5,740,652</b>	<b>9,823,003</b>	<b>10,492,607</b>
<b>Total Educational Activities</b>	<b>21,499,275</b>	<b>2,512,053</b>	<b>4,522,244</b>	<b>14,924,132</b>	<b>43,457,704</b>	<b>43,014,219</b>
<b>Auxiliary enterprises</b>	<b>205,475</b>	<b>-</b>	<b>45,594</b>	<b>535,807</b>	<b>786,876</b>	<b>781,482</b>
<b>Depreciation Expense - Buildings and Other Real Estate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>535,079</b>	<b>535,079</b>	<b>542,434</b>
<b>Depreciation Expense-Equipment &amp; furniture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>693,494</b>	<b>693,494</b>	<b>648,340</b>
<b>Total Operating Expense</b>	<b><u>\$ 21,704,750</u></b>	<b><u>\$ 2,512,053</u></b>	<b><u>\$ 4,567,838</u></b>	<b><u>\$ 16,688,512</u></b>	<b><u>\$ 45,473,153</u></b> (Exhibit 2)	<b><u>\$ 44,986,475</u></b> (Exhibit 2)

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2015 (with Memorandum Totals for the Year Ended August 31, 2014)**

	Unrestricted	Restricted	Auxiliary Enterprises	2015 Total	2014 Total
<b>NON-OPERATING REVENUES:</b>					
State Appropriations:					
Education and General State Support	\$ 9,348,515	\$ -	\$ -	\$ 9,348,515	\$ 9,418,408
State Group Insurance	-	1,935,235	-	1,935,235	1,523,688
State Retirement Matching	-	576,818	-	576,818	543,161
<b>Total State Appropriations</b>	<b>9,348,515</b>	<b>2,512,053</b>	<b>-</b>	<b>11,860,568</b>	<b>11,485,257</b>
Federal Revenue Non-Operating	6,730,253			6,730,253	7,696,448
Maintenance Ad Valorem Taxes	5,634,423	-	-	5,634,423	5,364,132
Gifts and Donations	845,217	-	-	845,217	1,405,219
Investment Income	231,109	-	-	231,109	666,217
Other Non-Operating Revenues	3,970,171	-	-	3,970,171	92,447
<b>Total Non-Operating Revenues</b>	<b>26,768,687</b>	<b>2,512,053</b>	<b>-</b>	<b>29,280,740</b>	<b>26,709,720</b>
<b>NON-OPERATING EXPENSES:</b>					
Interest on Capital Related Debt	80,704	-	-	80,704	94,004
Other Non-Operating Expense	21,606	-	-	21,606	3,356
<b>Total Non-Operating Expenses</b>	<b>102,310</b>	<b>-</b>	<b>-</b>	<b>102,310</b>	<b>97,360</b>
<b>Net Non-Operating Revenues</b>	<b>\$ 26,666,377</b>	<b>\$ 2,512,053</b>	<b>\$ -</b>	<b>\$ 29,178,430</b>	<b>\$ 26,612,360</b>
				(Exhibit 2)	(Exhibit 2)

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Net Position by Source and Availability**  
**Year Ended August 31, 2015 (with Memorandum Totals for the Year Ended August 31, 2014)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 3,829,039	\$ -	\$ -	\$ -	\$ 3,829,039	\$ 3,829,039	\$ -
Board Designated	3,200,000	-	-	-	3,200,000	3,200,000	-
Restricted	-	1,239,524	-	-	1,239,524	1,239,524	-
Auxiliary enterprises	998,805	-	-	-	998,805	998,805	-
Endowment:							
True	-	-	8,608,924	-	8,608,924	-	8,608,924
Plant							
Unexpended	5,726,066	-	-	-	5,726,066	-	5,726,066
Renewals	10,539,357	-	-	-	10,539,357	-	10,539,357
Debt Service	-	490,222	-	-	490,222	-	490,222
Investment in Plant	-	-	-	23,683,432	23,683,432	-	23,683,432
<b>Total Net Position, August 31, 2015</b>	<b>24,293,267</b>	<b>1,729,746</b>	<b>8,608,924</b>	<b>23,683,432</b>	<b>58,315,369</b>	<b>9,267,368</b>	<b>49,048,001</b>
					(Exhibit 1)		
<b>Total Net Position, August 31, 2014 (as restated, see note 2)</b>	<b>18,956,648</b>	<b>1,250,020</b>	<b>8,723,538</b>	<b>22,286,875</b>	<b>51,217,081</b>	<b>6,770,570</b>	<b>44,446,511</b>
					(Exhibit 1)		
<b>Net Increase (Decrease) in Net Position</b>	<b>\$ 5,336,619</b>	<b>\$ 479,726</b>	<b>\$ (114,614)</b>	<b>\$ 1,396,557</b>	<b>\$ 7,098,288</b>	<b>\$ 2,496,798</b>	<b>\$ 4,601,490</b>
					(Exhibit 2)		

## WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2015

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Aid Cluster			
Supplemental Education Opportunity Grant	84.007		\$ 114,228
College Work Study Program	84.033		101,174
Pell Grant Program	84.063		6,508,840
William D Ford Direct Loans	84.268		4,934,956
Higher Education Institutional Aid			
HSI STEM Success Project	84.031C	P031C110007	593,648
Developing a Virtual Campus through Technology-Assisted Distance Education Programs and Services	84.031S	P031S100074	789,248
Subtotal			<u>1,382,896</u>
Pass-Through From:			
Texas Workforce Commission			
Adult Education Literacy Contract 2814ABE008	84.002A	2814ABE008	27,560
Houston-Galveston Area Council			
Adult Education Literacy	84.002A		347,266
EL Civics Adult Education Literacy	84.002A		55,063
Region 6 Education Service Center			
Professional Development Services	84.002A		12,447
Subtotal			<u>442,336</u>
Texas Higher Education Coordinating Board			
Perkins Basic Grants	84.048	154274	273,882
<b>Total U.S. Department of Education</b>			<b><u>13,758,313</u></b>
<u>U.S. Nuclear Regulatory Commission</u>			
Nuclear Studies Curriculum Project	77.006	NRC-HQ-12-G-38-0049	<b>10,026</b>
<u>U.S. Department of Health and Human Services</u>			
Pass-Through From:			
Houston-Galveston Area Council			
Social Services Program	93.044		35,355
Nutrition Program	93.045		114,994
Temporary Assistance for Needy Families			
	93.558		35,912
Texas Workforce Commission			
Temporary Assistance for Needy Families Contract 2814ABE008	93.558	2814ABE008	1,499
Subtotal			<u>37,411</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>187,760</u></b>
<b>Total Federal Financial Assistance</b>			<b><u>\$ 13,956,098</u></b>

Notes to schedule on following page

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2015**

**1. Federal Assistance Reconciliation**

Federal revenues:		
Federal grants and contracts - per Schedule A and C	\$	9,021,142
Reconciling items:		
William D Ford Direct Loans		<u>4,934,956</u>
Total per Schedule of Expenditures of Federal Awards		<u><u>\$ 13,956,098</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.

## WHARTON COUNTY JUNIOR COLLEGE DISTRICT

**Schedule of Expenditures of State Awards  
For The Year Ended August 31, 2015**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
<u>Texas Department of Agriculture</u>		
Home-Delivered Meals Grant Program	HDM-14-1247	\$ 4,218
Home-Delivered Meals Grant Program	HDM-14-1248	1,025
Home-Delivered Meals Grant Program	HDM-15-1517	3,127
Home-Delivered Meals Grant Program	HDM-15-1518	1,766
Subtotal:		10,136
<u>Department of State Health Services</u>		
Emergency Medical Services - Local Projects	2015-047729	14,070
<u>Texas Workforce Commission</u>		
WCJC In Partnership With Frito-Lay, Inc.	2813SDF005	170,290
State Adult Basic Education	2814ABE008	160
Skills for Small Business Program	2814SSD001	2,572
WCJC In Partnership With Southwest Electronic Energy Corporation	2815SDF001	61,321
Houston-Galveston Area Council State Adult Education Literacy		99,824
<u>Texas Engineering Experiment Station</u>		
Nuclear Curriculum Development Project		15,000
 <b>Total State Financial Assistance</b>		<b>\$ 373,373</b>

Notes to schedule on following page



**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**

**Notes to Schedule of Expenditures of State Awards  
Year Ended August 31, 2015**

**1. State Assistance Reconciliation**

State revenues:	
State grants and contracts - per Schedule A	\$ 373,373
Indirect/administrative cost recoveries	<u>-</u>
Total per Schedule of Expenditures of State Awards	<u>\$ 373,373</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**



# LOTT, VERNON & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

20 SOUTH FOURTH STREET 254/778/4783  
POST OFFICE BOX 160 800/460/4783  
TEMPLE, TEXAS 76503 FAX 254/778/4792

KILLEEN • COPPERAS COVE • TEMPLE

Member of  
American Institute & Texas Society of  
Certified Public Accountants

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

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wharton County Junior College District (The "College"), as of and for the years ended August 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 3, 2015.

### Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

exa



November 3, 2015



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

CERTIFIED PUBLIC ACCOUNTANTS

20 SOUTH FOURTH STREET 254/778/4783  
POST OFFICE BOX 160 800/460/4783  
TEMPLE, TEXAS 76503 FAX 254/778/4792

KILLEEN • COPPERAS COVE • TEMPLE

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

Report on Compliance for Each Major Federal Program

We have audited Wharton County Junior College District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2015. The College's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 (CONTINUED)**

Opinion on Each Major Federal Program

In our opinion, Wharton County Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2015.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

ex

*C&P.*

November 3, 2015

**WHARTON COUNTY JUNIOR COLLEGE  
Schedule of Findings and Questioned Costs  
August 31, 2015**

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		
<i>Student Financial Aid Cluster:</i>		
SEOG	84.007	N/A - State financial assistance was less than \$500,000 in fiscal year ending August 31, 2015.
Federal College Work Study Program	84.033	
Federal Pell Grant Program	84.063	
William D Ford Direct Loans	84.268	
<i>Higher Education Institutional Aid</i>		
HSI STEM Success Project	84.031C	
Developing a Virtual Campus through Technology Assisted Distance Education Programs and Services	84.031S	

8. Dollar Threshold used to distinguish between type A and type B Programs: \$ 300,000
9. Auditee qualify as low-risk auditee?  X  Yes \_\_\_\_\_ No

II. Financial Statement Findings

None

III. Federal Awards Findings and Questioned Costs

None

**STATISTICAL SUPPLEMENT (UNAUDITED)**



Wharton County Junior College  
Statistical Supplement 1  
Net Position by Component  
Fiscal Years 2006 to 2015  
(unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Invested in capital assets, net of related debt	\$23,683	\$22,287	\$21,756	\$19,958	\$19,210	\$17,265	\$14,512	\$14,060	\$13,805	\$14,047
Restricted - expendable	\$1,730	\$1,250	1,606	1,445	1,202	1,237	1,548	1,458	1,580	1,542
Restricted - nonexpendable	\$8,609	\$8,724	8,261	7,581	7,417	7,139	7,079	6,733	6,478	6,036
Unrestricted	24,293	24,657	20,146	20,319	18,594	17,970	17,053	18,236	17,433	14,965
<b>Total primary government net position</b>	<b>\$ 58,315</b>	<b>\$ 56,918</b>	<b>\$ 51,769</b>	<b>\$ 49,303</b>	<b>\$ 46,423</b>	<b>\$ 43,611</b>	<b>\$ 40,192</b>	<b>\$ 40,487</b>	<b>\$ 39,296</b>	<b>\$ 36,590</b>

Wharton County Junior College  
Statistical Supplement 2  
Revenues by Source  
Fiscal Years 2006 to 2015  
(unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and Fees (Net of Discounts)	\$18,986	\$18,656	\$18,007	\$16,572	\$14,974	\$14,300	\$11,945	\$11,120	\$10,962	\$10,485
Governmental Grants and Contracts										
Federal Grants and Contracts	2,282	2,761	2,749	2,489	2,032	1,115	675	961	924	1,102
State Grants and Contracts	373	431	396	328	1,086	504	270	181	169	112
Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	598	493	359	286	537	268	212	307	188	247
Sales and services of educational activities	29	31	31	36	41	47	47	37	41	43
Auxiliary enterprises	803	841	883	807	805	654	596	755	579	531
Other Operating Revenues	322	310	344	323	359	286	210	251	209	249
<b>Total Operating Revenues</b>	<b>23,393</b>	<b>23,523</b>	<b>22,769</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>
State Appropriations	11,861	11,485	10,745	10,530	10,696	11,037	11,125	11,112	10,589	10,448
Ad Valorem Taxes	5,634	5,364	5,228	5,170	5,172	5,146	4,750	4,246	4,140	4,005
Gifts	845	1,405	322	188	319	1,673	505	339	316	391
Investment income	231	666	353	368	493	523	885	1,327	1,481	938
Other non-operating revenues	10,710	7,790	8,292	8,691	8,479	6,870	4,187	3,354	3,365	2,840
<b>Total Non-Operating Revenues</b>	<b>29,281</b>	<b>26,710</b>	<b>24,940</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>Total Revenues</b>	<b>\$ 52,674</b>	<b>\$ 50,233</b>	<b>\$ 47,709</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>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	36.04%	37.14%	37.74%	36.19%	33.28%	33.71%	33.74%	32.72%	33.26%	33.40%
Governmental grants and contracts										
Federal grants and contracts	4.33%	5.50%	5.76%	5.44%	4.52%	2.63%	1.91%	2.83%	2.80%	3.51%
State grants and contracts	0.71%	0.86%	0.83%	0.72%	2.41%	1.19%	0.76%	0.53%	0.51%	0.36%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-governmental grants and contracts	1.14%	0.98%	0.75%	0.62%	1.19%	0.63%	0.60%	0.90%	0.57%	0.79%
Sales and services of educational activities	0.06%	0.06%	0.06%	0.08%	0.09%	0.11%	0.13%	0.11%	0.12%	0.14%
Auxiliary enterprises	1.52%	1.67%	1.85%	1.76%	1.79%	1.54%	1.68%	2.22%	1.76%	1.69%
Other operating revenues	0.61%	0.62%	0.72%	0.71%	0.80%	0.67%	0.59%	0.74%	0.63%	0.79%
<b>Total Operating Revenues</b>	<b>44.41%</b>	<b>46.83%</b>	<b>47.72%</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>40.68%</b>
State appropriations	22.52%	22.86%	22.52%	23.00%	23.77%	26.02%	31.42%	32.69%	32.12%	33.28%
Ad valorem taxes	10.70%	10.68%	10.96%	11.29%	11.50%	12.13%	13.42%	12.49%	12.56%	12.76%
Gifts	1.60%	2.80%	0.67%	0.41%	0.71%	3.94%	1.43%	1.00%	0.96%	1.25%
Investment income	0.44%	1.33%	0.74%	0.80%	1.10%	1.23%	2.50%	3.90%	4.49%	2.99%
Other non-operating revenues	20.33%	15.51%	17.38%	18.98%	18.85%	16.19%	11.83%	9.87%	10.21%	9.05%
<b>Total Non-Operating Revenues</b>	<b>55.59%</b>	<b>53.17%</b>	<b>52.28%</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>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 2006 to 2015  
(unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	\$17,868	\$16,949	\$16,763	\$15,399	\$15,899	\$15,005	\$13,481	\$12,521	\$11,671	\$10,716
Research										
Public service	1,409	1,658	1,878	1,711	1,774	1,580	1,585	1,607	1,611	1,486
Academic support	4,235	4,410	4,313	3,977	2,966	2,669	2,868	2,621	2,356	2,241
Student services	2,846	2,861	2,740	2,407	2,379	2,266	2,083	2,091	1,789	1,698
Institutional support	7,288	6,789	6,744	6,312	6,141	5,938	5,617	5,480	5,270	4,947
Operation and maintenance of plant	4,871	4,809	4,905	4,834	4,823	4,576	4,718	3,871	3,095	3,140
Scholarships and fellowships	4,941	5,539	5,845	6,201	6,105	5,018	3,275	2,515	2,361	2,414
Auxiliary enterprises	787	781	734	705	632	659	667	624	600	541
Depreciation	1,228	1,191	1,210	1,195	1,101	997	1,003	1,035	1,041	1,143
<b>Total Operating Expenses</b>	<b>45,473</b>	<b>44,987</b>	<b>45,132</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>
Interest on capital related debt	81	94	107	119	152	293	393	424	453	482
Other non-operating expenses	21	3	4	3	252	3	12	12	11	63
<b>Total Non-Operating Expenses</b>	<b>102</b>	<b>97</b>	<b>111</b>	<b>122</b>	<b>404</b>	<b>296</b>	<b>405</b>	<b>436</b>	<b>464</b>	<b>545</b>
<b>Total Expenses</b>	<b>\$ 45,575</b>	<b>\$ 45,084</b>	<b>\$ 45,243</b>	<b>\$ 42,863</b>	<b>\$ 42,224</b>	<b>\$ 39,004</b>	<b>\$ 35,702</b>	<b>\$ 32,801</b>	<b>\$ 30,258</b>	<b>\$ 28,871</b>

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	39.21%	37.59%	37.05%	35.93%	37.65%	38.47%	37.76%	38.17%	38.57%	37.12%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	3.09%	3.68%	4.15%	3.99%	4.20%	4.05%	4.44%	4.90%	5.32%	5.15%
Academic support	9.29%	9.78%	9.53%	9.28%	7.02%	6.84%	8.03%	7.99%	7.79%	7.76%
Student services	6.24%	6.35%	6.06%	5.62%	5.63%	5.81%	5.83%	6.37%	5.91%	5.88%
Institutional support	15.99%	15.06%	14.91%	14.73%	14.54%	15.22%	15.73%	16.71%	17.42%	17.13%
Operation and maintenance of plant	10.69%	10.67%	10.84%	11.28%	11.42%	11.73%	13.21%	11.80%	10.23%	10.88%
Scholarships and fellowships	10.84%	12.29%	12.92%	14.47%	14.46%	12.87%	9.17%	7.67%	7.80%	8.36%
Auxiliary enterprises	1.73%	1.73%	1.62%	1.64%	1.50%	1.69%	1.87%	1.90%	1.98%	1.87%
Depreciation	2.69%	2.64%	2.67%	2.79%	2.61%	2.56%	2.81%	3.16%	3.44%	3.96%
<b>Total Operating Expenses</b>	<b>99.78%</b>	<b>99.78%</b>	<b>99.75%</b>	<b>99.72%</b>	<b>99.04%</b>	<b>99.24%</b>	<b>98.87%</b>	<b>98.67%</b>	<b>98.47%</b>	<b>98.11%</b>
Interest on capital related debt	0.18%	0.21%	0.24%	0.28%	0.36%	0.75%	1.10%	1.29%	1.50%	1.67%
Other non-operating expenses	0.05%	0.01%	0.01%	0.01%	0.60%	0.01%	0.03%	0.04%	0.04%	0.22%
<b>Total Non-Operating Expenses</b>	<b>0.22%</b>	<b>0.22%</b>	<b>0.25%</b>	<b>0.28%</b>	<b>0.96%</b>	<b>0.76%</b>	<b>1.13%</b>	<b>1.33%</b>	<b>1.53%</b>	<b>1.89%</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/ Out-District Fee	Technology Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2015	\$ -	\$ 32	\$ 32	\$ 56	-	\$ 51	\$ 5	\$ 1,111	\$ 1,723	0.00%	0.00%
2014	-	32	32	56	-	51	5	1,111	1,723	7.66%	8.78%
2013	-	32	32	46	6	52	2	1,032	1,584	16.22%	10.00%
2012	-	32	32	36	6	52	-	888	1,440	0.00%	0.00%
2011	-	32	32	36	6	52	-	888	1,440	15.63%	9.09%
2010	-	32	32	26	6	52	-	768	1,320	0.00%	0.00%
2009	-	32	32	26	6	52	-	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%

Non - Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Application Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	General Service Fee	Building Use Fee In-District	Student/ Out-District Fee	Technology Fee	Cost for 12 SCH Out of State/ International	Increase from Prior Year Out of State	Increase from Prior Year International
2015	\$ -	\$ 64	\$ 64	\$ 56	-	\$ 51	\$ 5	\$ 2,107	0.00%	0.00%
2014	-	64	64	56	-	51	5	2,107	3.28%	3.28%
2013	-	64	64	46	6	52	2	2,040	7.59%	7.59%
2012	-	64	64	36	6	52	-	1,896	0.00%	0.00%
2011	-	64	64	36	6	52	-	1,896	6.76%	6.76%
2010	-	64	64	26	6	52	-	1,776	0.00%	0.00%
2009	-	64	64	26	6	52	-	1,776	7.25%	7.25%
2008	-	64	64	16	6	52	-	1,656	7.81%	7.81%
2007	-	64	64	16	6	42	-	1,536	-7.25%	-7.25%
2006	10	64	64	16	6	42	-	1,656	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. The technology fee is a fixed amount assessment per student, the listed \$5 per credit hour rate is based on 12 semester credit hours.

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

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2014-15	\$ 5,878,934	\$ 1,736,789	\$ 4,142,145	70.46%	\$ 0.126560	-	\$ 0.126560
2013-14	5,588,935	1,737,041	3,851,894	68.92%	0.134190	-	0.134190
2012-13	5,345,379	1,664,245	3,681,134	68.87%	0.138210	-	0.138210
2011-12	5,155,971	1,630,814	3,525,157	68.37%	0.144414	-	0.144414
2010-11	5,179,901	1,701,546	3,478,355	67.15%	0.144448	-	0.144448
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

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
2014-15	\$ 9,254,439	4,742	\$ 1,951	2,093,528	744,918	2,838,446	\$ 3.26
2013-14	9,307,591	4,847	1,920	2,162,856	665,120	2,827,976	3.29
2012-13	8,594,090	4,922	1,746	2,201,990	735,191	2,937,181	2.93
2011-12	8,505,372	4,847	1,755	2,149,656	796,819	2,946,475	2.89
2010-11	7,941,513	5,059	1,570	2,170,168	824,468	2,994,636	2.65
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

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)									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Nan Ya Plastics Corp	Manufacturing	33,464	33,657	34,379	23,955	63,451	31,137	29,578	35,047	46,963	47,854
Newfield Exploration	Oil and Gas	-	-	-	-	-	-	24,253	55,268	96,856	57,335
Transco Gas Pipeline	Oil and Gas	-	-	-	-	-	-	-	-	27,990	23,410
Kaiser-Francis Oil	Oil and Gas	-	-	-	-	26,457	-	-	-	35,969	25,733
CenterPoint Energy	Utility	33,404	34,740	31,420	30,818	-	31,086	30,648	31,265	22,961	24,677
J-M Manufacturing	Manufacturing	45,109	47,691	44,390	26,039	19,533	34,120	26,746	34,293	30,623	17,879
Apache Corporation	Oil and Gas	34,825	90,111	76,617	59,329	18,782	39,818	38,613	67,454	53,648	32,709
Southwestern Bell Telephone	Utility	-	-	-	-	19,592	-	-	-	-	15,502
Trans Texas Gas Corporation	Natural Gas	-	-	-	-	25,126	-	-	-	-	20,520
Cypress E & P Corp	Oil and Gas	-	-	-	-	-	59,282	34,493	-	-	-
ETC NGL Transport LLC	Oil and Gas	27,338	29,359	-	-	-	-	-	-	-	-
Milagro Exploration LLC	Oil and Gas	40,091	73,455	39,055	28,423	-	-	-	-	-	-
Armour Lacy W Etal Est	Oil and Gas	-	-	34,037	-	-	32,239	-	-	-	-
ILI Caverens	Natural Gas	-	-	-	-	20,066	-	-	-	-	14,852
GCR Onshore	Oil and Gas	-	-	-	30,155	-	-	-	-	-	-
Reliant Energy Houston	Utility	-	-	-	-	17,769	-	-	-	-	-
Coastal Oil and Gas Corp	Oil and Gas	-	-	-	-	41,385	-	-	-	-	-
Pure Resources LP	Oil and Gas	-	-	-	-	19,983	-	-	-	-	-
Forest Oil Company	Oil and Gas	-	-	-	-	-	-	23,791	30,275	22,768	-
Tres Palacios Gas Storage Inc	Oil and Gas	-	25,367	-	-	-	-	-	-	-	-
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	-	-
Colorado Bend Energy Partner	Utility	165,430	136,049	204,504	-	-	-	-	-	-	-
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	25,398	24,331	29,357	23,564	-	29,498	24,045	28,921	-	-
Maxim Production Company	Agribusiness	-	-	-	25,308	-	38,196	22,282	-	-	-
Wharton County Foods	Agribusiness	26,917	-	29,641	-	-	-	-	-	-	-
Enterprise Texas PIP	Manufacturing	40,384	27,310	26,243	-	-	-	-	-	-	-
<b>Totals</b>		<b>472,360</b>	<b>522,070</b>	<b>549,643</b>	<b>401,606</b>	<b>272,144</b>	<b>601,174</b>	<b>433,019</b>	<b>484,803</b>	<b>391,243</b>	<b>280,471</b>
<b>Total Taxable Assessed Value</b>		<b>4,142,145</b>	<b>3,851,895</b>	<b>3,681,134</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>

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									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Nan Ya Plastics Corp	Manufacturing	0.81%	0.87%	0.93%	0.68%	1.82%	0.93%	1.27%	1.79%	2.66%	2.99%
Newfield Exploration	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.04%	2.82%	5.49%	3.58%
Transco Gas Pipeline	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.59%	1.46%
Kaiser-Francis Oil	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.76%	0.00%	0.00%	0.00%	2.04%	1.61%
CenterPoint Energy	Utility	0.81%	0.90%	0.85%	0.87%	0.00%	0.93%	1.31%	1.59%	1.30%	1.54%
J-M Manufacturing	Manufacturing	1.09%	1.24%	1.21%	0.74%	0.56%	1.02%	1.14%	1.75%	1.74%	1.12%
Apache Corporation	Oil and Gas	0.84%	2.34%	2.08%	1.68%	0.54%	1.19%	1.65%	3.44%	3.04%	2.04%
Southwestern Bell Telephone	Utility	0.00%	0.00%	0.00%	0.00%	0.56%	0.00%	0.00%	0.00%	0.00%	0.97%
Trans Texas Gas Corporation	Natural Gas	0.00%	0.00%	0.00%	0.00%	0.72%	0.00%	0.00%	0.00%	0.00%	1.28%
Cypress E & P Corp	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	1.77%	1.48%	0.00%	0.00%	0.00%
ETC NGL Transport LLC	Oil and Gas	0.66%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Milagro Exploration LLC	Oil and Gas	0.97%	1.91%	1.06%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Armour Lacy W Etal Est	Oil and Gas	0.00%	0.00%	0.92%	0.00%	0.00%	0.96%	0.00%	0.00%	0.00%	0.00%
ILI Caverens	Natural Gas	0.00%	0.00%	0.00%	0.00%	0.58%	0.00%	0.00%	0.00%	0.00%	0.93%
GCR Onshore	Oil and Gas	0.00%	0.00%	0.00%	0.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Reliant Energy Houston	Utility	0.00%	0.00%	0.00%	0.00%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%
Coastal Oil and Gas Corp	Oil and Gas	0.00%	0.00%	0.00%	0.00%	1.19%	0.00%	0.00%	0.00%	0.00%	0.00%
Pure Resources LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.57%	0.00%	0.00%	0.00%	0.00%	0.00%
Forest Oil Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.02%	1.54%	1.29%	0.00%
Tres Palacios Gas Storage Inc	Oil and Gas	0.00%	0.66%	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%	0.00%	0.00%	0.00%	1.17%	0.00%
National Offshore LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.86%	0.00%
Navasota Energy	Utility	0.00%	0.00%	0.00%	3.76%	0.00%	8.37%	7.64%	6.18%	0.00%	0.00%
Colorado Bend Energy Partner	Utility	3.99%	3.53%	5.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sandridge Offshore LLC	Oil and Gas	0.00%	0.00%	0.00%	0.61%	0.00%	0.76%	0.00%	2.51%	0.00%	0.00%
Ailagro Exploration Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.61%	0.00%	0.00%
Transcontinental Gas Pipeline	Oil and Gas	0.61%	0.63%	0.80%	0.67%	0.00%	0.88%	1.03%	1.47%	0.00%	0.00%
Maxim Production Company	Agribusiness	0.00%	0.00%	0.00%	0.72%	0.00%	1.14%	0.95%	0.00%	0.00%	0.00%
Wharton County Foods	Agribusiness	0.65%	0.00%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Enterprise Texas PIP	Manufacturing	0.97%	0.71%	0.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		<u>11.40%</u>	<u>13.55%</u>	<u>14.93%</u>	<u>11.39%</u>	<u>7.82%</u>	<u>17.94%</u>	<u>18.52%</u>	<u>24.70%</u>	<u>22.19%</u>	<u>17.51%</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
2015	\$5,240	\$ 4,965	94.75%	\$ 669	\$ 5,634	107.52%
2014	5,169	5,139	99.42%	225	5,364	103.77%
2013	5,090	5,023	96.93%	204	5,227	102.69%
2012	5,082	4,935	96.93%	234	5,169	101.71%
2011	5,091	4,922	96.93%	248	5,170	101.55%
2010	5,078	4,922	96.93%	223	5,145	101.32%
2009	4,685	4,499	95.73%	231	4,730	100.96%
2008	4,141	4,014	96.93%	232	4,246	102.54%
2007	4,141	3,929	97.04%	211	4,140	99.98%
2006	4,021	3,808	94.70%	197	4,005	99.60%

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)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Bonded Debt</b>										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Other Debt</b>										
Revenue bonds	\$ 2,495,000	\$ 3,170,000	\$ 3,830,000	\$ 4,465,000	\$ 5,090,000	\$ 5,605,000	\$ 7,555,000	\$ 8,205,000	\$ 8,825,000	\$ 9,420,000
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	<u>\$ 2,495,000</u>	<u>\$ 3,170,000</u>	<u>\$ 3,830,000</u>	<u>\$ 4,465,000</u>	<u>\$ 5,090,000</u>	<u>\$ 5,605,000</u>	<u>\$ 7,555,000</u>	<u>\$ 8,205,000</u>	<u>\$ 8,825,000</u>	<u>\$ 9,420,000</u>
<b>General Bonded Debt Ratios</b>										
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%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	61	77	93	109	124	133	179	194	213	227
Per Student	506	654	809	943	1,075	1,183	1,824	2,037	2,153	2,290
As a percentage of Taxable Assessed Value	0.60%	0.82%	1.04%	1.27%	1.46%	1.63%	1.70%	2.45%	2.91%	3.21%

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

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

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Taxable Assessed Value	\$ 4,142,145	\$ 3,851,894	\$ 3,681,134	\$ 3,525,157	\$ 3,478,355	\$ 5,003,191	\$ 3,804,635	\$ 3,350,557	\$ 3,028,141	\$ 2,931,959
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	20,711	19,259	18,406	17,626	17,392	25,016	19,023	16,753	15,141	14,660
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	20,711	19,259	18,406	17,626	17,392	25,016	19,023	16,753	15,141	14,660
Current Year Debt Service Requirements								-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 20,711	\$ 19,259	\$ 18,406	\$ 17,626	\$ 17,392	\$ 25,016	\$ 19,023	\$ 16,753	\$ 15,141	\$ 14,660
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

**Revenue Bonds**

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)									Debt Service Requirements (\$000 omitted)			
	Tuition	Technology Fee	General Service Fees	Laboratory Fees	Building Use Fees	Interest Income	Other Fees	Net Auxillary Enterprises Revenue	Total	Principal	Interest	Total	Coverage Ratio
2015	1,409	-	8,125	-	-	231	7,721	8	17,494	675	81	756	23.14
2014	1,408	-	8,216	-	-	666	7,636	59	17,985	660	94	754	23.85
2013	1,521	-	6,955	-	1,633	(101)	6,514	883	17,405	635	107	742	23.46
2012	1,400	-	6,821	-	1,609	369	5,676	807	16,682	625	134	759	21.98
2011	1,392	-	5,399	-	1,623	596	4,850	740	14,600	565	73	638	22.88
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

**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
2014	41,168	a.	a.	4.7%
2013	41,216	1,671,687	40,559	6.0%
2012	41,150	1,558,501	37,874	6.8%
2011	41,314	1,468,965	35,556	8.2%
2010	41,364	1,362,722	32,945	8.5%
2009	40,998	1,299,574	31,698	6.9%
2008	40,893	1,372,583	33,565	4.5%
2007	40,801	1,262,409	30,941	4.2%
2006	41,009	1,212,834	29,575	4.8%
2005	40,923	1,138,312	27,816	5.1%

**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
Leedo Manufacturing Company, Inc	580	2.71%
El Campo ISD	505	2.36%
Wharton County Junior College	354	1.65%
Greenleaf Nursery Company, Inc.	349	1.63%
Wharton Independent School District	327	1.53%
Nan Ya Plastics Corporation USA	228	1.06%
Wharton County Foods	223	1.04%
Wharton County	222	1.04%
Wal-Mart Associates, Inc.	185	0.86%
Memorial Hermann Medical Group	176	0.82%
Total	<u>21,409</u>	<u>14.71%</u>

**Source:**

Texas Workforce Commission  
Texas Metropolitan Statistical Area Data

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Faculty</b>										
Full-Time	166	162	163	162	162	155	150	144	134	130
Part-Time	133	141	139	140	161	155	143	148	163	179
Total	299	303	302	302	323	310	293	292	297	309
<b>Percent</b>										
Full-Time	55.5%	53.5%	54.0%	53.6%	50.2%	50.0%	51.2%	49.3%	45.1%	42.1%
Part-Time	44.5%	46.5%	46.0%	46.4%	49.8%	50.0%	48.8%	50.7%	54.9%	57.9%
<b>Staff and Administrators</b>										
Full-Time	189	186	178	170	172	170	172	162	161	161
Part-Time	80	87	75	50	63	73	76	71	80	65
Total	269	273	253	220	235	243	248	233	241	226
<b>Percent</b>										
Full-Time	70.3%	68.1%	70.4%	77.3%	73.2%	70.0%	69.4%	69.5%	66.8%	71.2%
Part-Time	29.7%	31.9%	29.6%	22.7%	26.8%	30.0%	30.6%	30.5%	33.2%	28.8%
FTSE per Full-time Faculty	28.6	29.9	29.7	29.9	31.2	30.6	27.7	28.0	30.6	31.6
FTSE per Full-Time Staff Member	25.1	26.1	27.2	28.5	29.4	27.9	24.2	24.9	25.5	25.5
Average Annual Faculty Salary	\$70,932*	\$69,936*	\$67,512*	\$56,521	\$54,094	\$53,237	\$52,561	\$50,466	\$48,091	\$46,190

Notes:

Based on IPEDS information that is a Fall snapshot. Library staff /counselors are included in the Faculty category.  
\*Effective 2013 IPEDS now uses a weighted monthly average multiplied by 12 for salaries

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

<u>Student Classification</u>	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	4,822	66%	4,953	65%	4,820	62%	4,505	63%	4,593	62%
31-60 hours	1,711	23%	1,818	24%	1,916	25%	1,820	25%	1,721	24%
> 60 hours	619	8%	615	8%	671	9%	673	9%	608	8%
Continuing Ed only	195	3%	194	3%	337	4%	182	3%	445	6%
<b>Total</b>	<b>7,347</b>	<b>100%</b>	<b>7,580</b>	<b>100%</b>	<b>7,744</b>	<b>100%</b>	<b>7,180</b>	<b>100%</b>	<b>7,367</b>	<b>100%</b>

<u>Semester Hour Load</u>	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	11	0%	18	0%	13	0%	13	0%	14	0%
3-5 semester hours	1,604	22%	1,774	23%	1,691	22%	1,476	21%	1,416	19%
6-8 semester hours	1,385	19%	1,465	19%	1,447	19%	1,359	19%	1,322	18%
9-11 semester hours	1,376	19%	1,326	17%	1,338	17%	1,255	17%	1,103	15%
12-14 semester hours	2,057	28%	2,164	29%	2,238	29%	2,147	30%	2,200	30%
15-17 semester hours	648	9%	572	8%	590	8%	638	9%	724	10%
18 & over	71	1%	67	1%	90	1%	110	1%	143	2%
Continuing Ed only	195	2%	194	3%	337	4%	182	3%	445	6%
<b>Total</b>	<b>7,347</b>	<b>100%</b>	<b>7,580</b>	<b>100%</b>	<b>7,744</b>	<b>100%</b>	<b>7,180</b>	<b>100%</b>	<b>7,367</b>	<b>100%</b>

Credit average course load                      9.06                      8.88                      9.06                      9.31                      9.52

<u>Tuition Status</u>	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,272	17%	1,313	17%	1,484	19%	1,561	22%	1,690	23%
Texas Resident (out-of-District)	5,558	76%	5,749	76%	5,617	73%	5,172	72%	5,002	68%
Non-Resident Tuition	211	3%	218	3%	210	3%	166	2%	164	2%
Exempt	111	2%	106	1%	96	1%	99	1%	66	1%
Continuing Ed only	195	2%	194	3%	337	4%	182	3%	445	6%
<b>Total</b>	<b>7,347</b>	<b>99%</b>	<b>7,580</b>	<b>100%</b>	<b>7,744</b>	<b>100%</b>	<b>7,180</b>	<b>100%</b>	<b>7,367</b>	<b>100%</b>

Source: CBM001 and CBM00A Fall reports.



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

Gender	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Female
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
	4,066	55%	4,320	57%	4,482	58%	4,079	57%	4,183	57%	Male
	3,281	45%	3,260	43%	3,262	42%	3,101	43%	3,184	43%	Total
	<u>7,347</u>	<u>100%</u>	<u>7,580</u>	<u>100%</u>	<u>7,744</u>	<u>100%</u>	<u>7,180</u>	<u>100%</u>	<u>7,367</u>	<u>100%</u>	

Ethnic Origin	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,914	40%	3,190	42%	3,452	45%	3,533	49%	3,642	50%
Hispanic	2,627	36%	2,644	35%	2,458	32%	2,226	31%	2,237	30%
African American	853	12%	854	11%	1,001	13%	797	11%	900	12%
Asian	834	11%	787	11%	727	9%	545	8%	461	6%
Foreign	3	0%	6	0%	10	0%	3	0%	6	0%
Native American	18	0%	14	0%	53	1%	60	1%	36	1%
Unknown	98	1%	85	1%	43	1%	16	0%	85	1%
Total	<u>7,347</u>	<u>100%</u>	<u>7,580</u>	<u>100%</u>	<u>7,744</u>	<u>100%</u>	<u>7,180</u>	<u>100%</u>	<u>7,367</u>	<u>100%</u>

Age	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,118	15%	1,254	17%	1,142	15%	966	14%	991	13%
18 -21	3,840	52%	3,814	50%	3,758	49%	3,531	49%	3,400	46%
22 - 24	867	12%	878	12%	913	12%	881	12%	868	12%
25 - 35	992	14%	1,057	14%	1,151	15%	1,147	16%	1,254	17%
36 - 50	422	6%	467	6%	602	8%	533	7%	645	9%
51 & over	108	1%	110	1%	178	2%	122	2%	209	3%
Total	<u>7,347</u>	<u>100%</u>	<u>7,580</u>	<u>100%</u>	<u>7,744</u>	<u>100%</u>	<u>7,180</u>	<u>100%</u>	<u>7,367</u>	<u>100%</u>

Average Age	22.0	22.4	23.3	23.2	23.9
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Source: CBM001 and CBM00A Fall reports.

**Wharton County Junior College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**Academic Year 2013-14 Students as of Fall 2014**  
**(Includes only public senior colleges in Texas)**  
**(unaudited)**

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
<u>Institutions Attended, Fall 2014</u>	<u>Academic</u>	<u>Technical</u>	<u>Tech-Prep</u>		
1 University of Houston - Main Campus	481	25	14	520	24.74%
2 Texas A&M University - College Station	278	10	6	294	13.99%
3 University of Houston - Victoria	185	11	16	212	10.09%
4 Texas State University	153	7	5	165	7.85%
5 Sam Houston State University	144	8	1	153	7.28%
6 The University of Texas - Austin	148	6	2	156	7.42%
7 Texas Tech University	96	6		102	4.85%
8 The University of Texas - San Antonio	78	2	4	84	4.00%
9 University of Houston - Downtown	57	4	2	63	3.00%
10 Texas A&M University - Corpus Christi	41	3	1	45	2.14%
11 Stephen F. Austin State University	35	4	3	42	2.00%
12 Texas A&M University - Galveston	21		1	22	1.05%
13 The University of Texas - Dallas	21	1		22	1.05%
14 Texas Woman's University	20	3	1	24	1.14%
15 The University of Texas - Arlington	13		8	21	1.00%
16 University of North Texas	19	2	1	22	1.05%
17 Texas A&M University - Kingsville	15	1	1	17	0.81%
18 Texas Southern University	15	2	1	18	0.86%
19 University of Houston - Clear Lake	14	1		15	0.71%
20 Prairie View A&M University	11	3	3	17	0.81%
21 The University of Texas Health Science Center at Houston	10	1	5	16	0.76%
22 Lamar University	12	1	2	15	0.71%
23 Tarleton State University	11		1	12	0.57%
24 The University of Texas Medical Branch at Galveston	11		3	14	0.67%
25 The University of Texas - Tyler	8			8	0.38%
26 Texas Tech University Health Sciences Center	5			5	0.24%
27 Angelo State University	3			3	0.14%
28 The University of Texas - El Paso	3			3	0.14%
29 Midwestern State University	2			2	0.10%
30 Sul Ross State University	2			2	0.10%
31 University of Texas of the Permian Basin	2			2	0.10%
32 The University of Texas M.D. Anderson Cancer Center	2			2	0.10%
33 The University of Texas Health Science Center at San Antonio	1	1		2	0.10%
34 Texas A&M University - Commerce	1			1	0.05%
35 Texas A&M University System Health Science Center	1			1	0.05%
<b>Totals</b>	<b>1,919</b>	<b>102</b>	<b>81</b>	<b>2,102</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 2006 to 2015  
(unaudited)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Academic buildings	11	12	12	12	12	12	12	12	12	12
Square footage (in thousands)	425	507	507	507	507	507	507	369	369	369
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	55	55	55	55	55	55	55	55	55	55
Number of Volumes (in thousands)	66,200	66,200	66,200	66,200	66,200	66,200	66,200	66,200	66,200	66,372
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	3	3
Square footage (in thousands)	45	45	45	45	45	45	45	45	45	45
Number of Beds	158	158	158	158	158	158	158	158	158	158
Apartments	-	-	-	-	-	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-	-	-	-	-	-
Number of beds	-	-	-	-	-	-	-	-	-	-
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	69	69	69	69	69	69	69	69	69	69
Average daily customers	500	500	500	500	500	500	500	500	500	500
Athletic Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Stadiums	-	-	-	-	-	-	-	-	-	-
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	1	1	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	5	5	5	5	5	5	5	5	5	5
Transportation										
Cars	1	1	1	1	1	1	1	1	1	1
Light Trucks/Vans	16	14	14	14	14	14	14	14	14	14
Buses	1	1	1	1	1	1	-	-	1	1