



**WHARTON COUNTY JUNIOR  
COLLEGE DISTRICT**

**ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended**

**August 31, 2016**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT  
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**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Organizational Data**  
**Year Ended August 31, 2016**

Board of Trustees

Officers

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

		Term Expires
<u>Members</u>		<u>May</u>
Mr. P.D. (Danny) Gertson, III	East Bernard, Texas	2018
Mr. Scott Glass	Wharton, Texas	2022
Mrs. Merle Hudgins	Hungerford, Texas	2018
Ms. Ann Hundl	El Campo, Texas	2020
Mr. Oliver Kunkel	Needville, Texas	2020
Mr. Monty Merecka	Boling, Texas	2018
Mr. Jack C. Moses	Wharton, Texas	2022
Ms. Amy Rod	El Campo, Texas	2020
Mr. Larry Sitka	Wharton, Texas	2022

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. Megan Costanza, Dean of Vocational Instruction

Dr. Dan Jones, Dean of Planning and Institutional Effectiveness



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*Member of  
American Institute & Texas Society of  
Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of Wharton County Junior College District, (the College) as of and for the years ended August 31, 2016 and 2015, 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 (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, 2016 and 2015, 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 as listed in the table of contents and the Schedule of College's Share of Net Pension Liability and Schedule of College Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2016, 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, 2016

## 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 2016 and 2015 are presented in the audited financial statements. Since management's discussion and analysis is designed to focus on current activities, resulting change and currently known facts, please read in conjunction with the College's basic financial statements and additional information.

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

### Financial and Enrollment Highlights

There were a number of items that had a financial impact in the 2016 fiscal year.

- During fiscal 2016 the following grants were received.
  - The U.S. Department of Education awarded \$821,257 for Hispanic-Serving Institutions and articulation programs. This grant is designated for developing science, technology engineering, and math programs for all students.
  - Tenaris SA gifted \$128,000 for instructional equipment for the manufacturing curriculum.
  - The Texas A&M TEES program awarded \$ 40,000 for curriculum development.
- The property valuation in the taxing district decreased \$85,407,418 primarily due to a decrease in oil and gas valuation.
- General revenue appropriations remained the same compared to fiscal 2015. State appropriations accounted for 24% of the total operational budget of the College.
- Wharton and Richmond campus enrollment for Fall 2015 increased in excess of 2% compared to Fall 2014.

### Statement of Net Position

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



	FY 2016	FY 2015	FY 2014
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 16,464,831	\$ 21,031,781	\$ 15,298,595
Short-term investments	4,583,693	4,322,622	-
Accounts receivable, net	155,948	103,019	110,864
Property taxes receivable	349,322	320,601	488,452
Tuition and fees receivable	4,359,649	4,223,953	4,172,793
Federal and state receivables	380,986	356,924	401,478
Other assets	35,057	33,304	32,538
<b>Total Current Assets</b>	<b>26,329,486</b>	<b>30,392,204</b>	<b>20,504,720</b>
<b>Non-Current Assets:</b>			
Restricted cash and cash equivalents	1,326,958	1,598,446	1,065,436
Restricted endowment cash and cash equivalents	1,347,536	787,419	1,190,197
Restricted agency funds cash and cash equivalents	212,867	180,657	148,215
Endowment non-current investments	3,425,666	3,408,153	7,424,640
Other non-current investments	25,102,529	18,243,582	15,581,266
Investments in real estate	111,000	111,000	111,000
Capital assets, net	24,734,031	23,683,432	25,552,129
<b>Total Non-Current Assets</b>	<b>56,260,587</b>	<b>48,012,689</b>	<b>51,072,883</b>
<b>Total Assets</b>	<b>82,590,073</b>	<b>78,404,893</b>	<b>71,577,603</b>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows Related to Pensions	2,267,905	886,346	-
<b>Total Deferred Outflows of Resources</b>	<b>2,267,905</b>	<b>886,346</b>	<b>-</b>
<b>Current Liabilities:</b>			
Accounts payable	1,667,501	1,389,414	1,277,745
Accrued liabilities	-	-	-
Funds held for others - agency	212,847	176,973	146,740
Unearned revenues	10,468,800	10,258,931	9,969,873
Bonds payable - current portion	285,000	275,000	675,000
<b>Total Current Liabilities</b>	<b>12,634,148</b>	<b>12,100,318</b>	<b>12,069,358</b>
<b>Non-Current Liabilities:</b>			
Bonds payable	2,009,087	2,304,670	2,590,254
Net Pension Liability	5,747,658	5,031,677	-
<b>Total Non-Current Liabilities</b>	<b>7,756,745</b>	<b>7,336,347</b>	<b>2,590,254</b>
<b>Total Liabilities</b>	<b>20,390,893</b>	<b>19,436,665</b>	<b>14,659,612</b>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Related to Pensions	2,169,564	1,539,205	-
<b>Total Deferred Inflows of Resources</b>	<b>2,169,564</b>	<b>1,539,205</b>	<b>-</b>
<b>Net Position:</b>			
Invested in capital assets, net of related debt	24,734,031	23,683,432	22,286,875
Restricted for:			
Nonexpendable - endowments	9,375,892	8,608,924	8,723,538
Expendable:			
Federal and State grants	613,539	786,659	330,867
Debt service	340,259	490,222	483,155
Student aid	516,496	452,865	435,998
Unrestricted - undesignated	26,717,304	24,293,267	24,657,558
<b>Total Net Position</b>	<b>\$ 62,297,521</b>	<b>\$ 58,315,369</b>	<b>\$ 56,917,991</b>

## Statement of Net Position (continued)

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

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

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

The deferred revenues primarily represent tuition and fee income for the next academic year paid to the College during the 2016 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 24% 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.

Operating Revenues:	FY 2016		FY 2015		FY 2014	
Student tuition and fees, net of discounts of \$2,368,680, \$2,946,971, and \$2,827,234 .	\$ 19,442,839	38.83%	\$ 18,985,613	36.04%	\$ 18,656,456	37.14%
Federal, state, and local grants and contracts	3,210,887	6.41%	3,252,976	6.18%	3,685,441	7.34%
Auxiliary enterprises, net of discounts of \$84,737, \$86,607, and \$43,873	808,629	1.61%	803,689	1.53%	840,603	1.67%
Other operating revenues	317,837	0.63%	350,733	0.67%	340,444	0.68%
Total operating revenues	<u>23,780,192</u>	<u>47.48%</u>	<u>23,393,011</u>	<u>44.42%</u>	<u>23,522,944</u>	<u>46.83%</u>
Non-operating revenues:						
State appropriations	11,993,460	23.95%	11,860,568	22.52%	11,485,257	22.86%
Property taxes	5,354,611	10.69%	5,634,423	10.70%	5,364,132	10.68%
Federal Revenue, Non-Operating	6,385,455	12.75%	6,739,252	12.79%	7,696,448	15.32%
Investment Income	992,490	1.98%	231,109	0.44%	666,217	1.33%
Other non-operating revenue	1,566,114	3.15%	4,815,388	9.13%	1,497,666	2.98%
Total non-operating revenue	<u>26,292,130</u>	<u>52.52%</u>	<u>29,280,740</u>	<u>55.58%</u>	<u>26,709,720</u>	<u>53.17%</u>
Total Revenues	<u>\$ 50,072,322</u>	<u>100.00%</u>	<u>\$ 52,673,751</u>	<u>100.00%</u>	<u>\$ 50,232,664</u>	<u>100.00%</u>

**Expenses**

Operating Expenses:	FY 2016		FY 2015		FY 2014	
Instruction	\$ 18,139,138	39.36%	\$ 17,867,480	39.20%	\$ 16,948,486	37.59%
Public services and academic support	5,480,979	11.89%	5,644,340	12.38%	6,067,740	13.46%
Student services	2,929,826	6.36%	2,845,609	6.24%	2,861,224	6.35%
Institutional support	7,748,180	16.81%	7,288,319	15.99%	6,789,220	15.06%
Operations and maintenance of plant	4,828,264	10.48%	4,870,528	10.69%	4,809,462	10.67%
Scholarships and fellowships	4,758,279	10.32%	4,941,428	10.84%	5,538,087	12.28%
Auxiliary enterprises	834,762	1.81%	786,876	1.73%	781,482	1.73%
Depreciation	1,277,489	2.77%	1,228,573	2.70%	1,190,774	2.64%
<b>Total operating expenses</b>	<b>45,996,917</b>	<b>99.80%</b>	<b>45,473,153</b>	<b>99.77%</b>	<b>44,986,475</b>	<b>99.78%</b>
<b>Non-Operating Expenses:</b>						
Interest	69,878	0.15%	80,704	0.18%	94,004	0.21%
Other Non-Operating Expenses	23,375	0.05%	21,606	0.05%	3,356	0.01%
<b>Total Non-Operating Expenses</b>	<b>93,253</b>	<b>0.20%</b>	<b>102,310</b>	<b>0.23%</b>	<b>97,360</b>	<b>0.22%</b>
<b>Total Expenses</b>	<b>\$ 46,090,170</b>	<b>100.00%</b>	<b>\$ 45,575,463</b>	<b>100.00%</b>	<b>\$ 45,083,835</b>	<b>100.00%</b>

**Change in Net Position**

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

	FY 2016	FY 2015	FY 2014
Operating revenues	\$ 23,780,192	\$ 23,393,011	\$ 23,522,944
Non-operating revenues	26,292,130	29,280,740	26,709,720
<b>Total revenues</b>	<b>50,072,322</b>	<b>52,673,751</b>	<b>50,232,664</b>
Operating expenses	45,996,917	45,473,153	44,986,475
Non-operating expenses	93,253	102,310	97,360
<b>Total expenses</b>	<b>46,090,170</b>	<b>45,575,463</b>	<b>45,083,835</b>
<b>Increase to net position</b>	<b>\$ 3,982,152</b>	<b>\$ 7,098,288</b>	<b>\$ 5,148,829</b>

## 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 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Cash provided by (used in):			
Operating activities	\$ (17,728,898)	\$ (17,782,231)	\$ (18,405,698)
Non-capital and related financing activities	22,516,092	22,717,403	23,886,104
Capital and related financing activities	(2,846,319)	3,690,780	(1,821,333)
Investing activities	<u>(6,186,986)</u>	<u>(2,730,092)</u>	<u>(1,199,711)</u>
Net increase (decrease) in cash	(4,246,111)	5,895,860	2,459,362
Cash - beginning of year	23,598,303	17,702,443	15,243,081
Cash - end of year	<u>\$ 19,352,192</u>	<u>\$ 23,598,303</u>	<u>\$ 17,702,443</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 \$ 2,482,645 for fiscal year 2016 and \$ 1,020,500 for fiscal year 2015. Significant additions for fiscal year 2016 include a training skid for process technology for \$370,000, a chiller system for \$101,347 and college software for \$136,950.

## 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-four per cent (24%) 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, 2016 and August 31, 2015**

	F/Y 2016	F/Y 2015
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 16,464,831	\$ 21,031,781
Short-term investments	4,583,693	4,322,622
Accounts receivable, net	5,245,905	5,004,497
Prepaid Expenses	35,057	33,304
<b>Total Current Assets</b>	<b>26,329,486</b>	<b>30,392,204</b>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	1,326,958	1,598,446
Restricted endowment cash and cash equivalents	1,347,536	787,419
Restricted agency funds cash and cash equivalents	212,867	180,657
Endowment non-current investments	3,425,666	3,408,153
Other non-current investments	25,102,529	18,243,582
Investments in real estate	111,000	111,000
Capital assets, net	24,734,031	23,683,432
<b>Total Noncurrent Assets</b>	<b>56,260,587</b>	<b>48,012,689</b>
<b>Total Assets</b>	<b>82,590,073</b>	<b>78,404,893</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Outflow Related to Pensions	2,267,905	886,346
<b>Total Deferred Outflows of Resources</b>	<b>2,267,905</b>	<b>886,346</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	1,667,501	1,389,414
Funds held for others - agency	212,847	176,973
Unearned revenues	10,468,800	10,258,931
Bonds payable-current portion	285,000	275,000
<b>Total Current Liabilities</b>	<b>12,634,148</b>	<b>12,100,318</b>
<b>Noncurrent Liabilities:</b>		
Bonds Payable-noncurrent portion	2,009,087	2,304,670
Net Pension Liability	5,747,658	5,031,677
<b>Total Noncurrent Liabilities</b>	<b>7,756,745</b>	<b>7,336,347</b>
<b>Total Liabilities</b>	<b>20,390,893</b>	<b>19,436,665</b>
<b>Deferred Inflows of Resources:</b>		
Deferred Inflows Related to Pensions	2,169,564	1,539,205
<b>Total Deferred Inflows of Resources</b>	<b>2,169,564</b>	<b>1,539,205</b>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	24,734,031	23,683,432
Restricted for:		
Nonexpendable		
Endowments	9,375,892	8,608,924
Expendable:		
Federal and State grants	613,539	786,659
Debt service	340,259	490,222
Student aid	516,496	452,865
Unrestricted	26,717,304	24,293,267
<b>Total Net Position (Schedule D)</b>	<b>\$ 62,297,521</b>	<b>\$ 58,315,369</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, 2016 and August 31, 2015**

<b>Operating Revenues</b>	<u>F/Y 2016</u>	<u>F/Y 2015</u>
Tuition and Fees (net of discounts of \$ 2,368,680 and \$2,496,971)	\$ 19,442,839	\$ 18,985,613
Federal Grants and Contracts	2,469,831	2,281,890
State Grants and Contracts	300,956	373,373
Non-Government Grants and Contracts	440,100	597,713
Sales and Services of Educational Activities	26,263	28,922
Auxiliary Enterprises (net of discounts of \$84,737 and \$86,607)	808,629	803,689
General Operating Revenues	291,574	321,811
Total Operating Revenues (Schedule A)	<u>23,780,192</u>	<u>23,393,011</u>
<b>Operating Expenses</b>		
Instruction	18,139,138	17,867,480
Public Service	1,592,177	1,409,209
Academic Support	3,888,802	4,235,131
Student Services	2,929,826	2,845,609
Institutional Support	7,748,180	7,288,319
Operation and Maintenance of plant	4,828,264	4,870,528
Scholarships and Fellowships	4,758,279	4,941,428
Auxiliary Enterprises	834,762	786,876
Depreciation	1,277,489	1,228,573
Total Operating Expenses (Schedule B)	<u>45,996,917</u>	<u>45,473,153</u>
<b>Operating Loss</b>	<b>(22,216,725)</b>	<b>(22,080,142)</b>
<b>Non-Operating Revenues (Expenses)</b>		
State Appropriations	11,993,460	11,860,568
Maintenance Ad Valorem Taxes	5,354,611	5,634,423
Federal Revenue, Non Operating	6,385,455	6,739,252
Gifts and Donations	1,656,758	845,217
Investment Income	992,490	231,109
Other Non-operating Revenues	(90,644)	3,970,171
Other Non-operating Expenses	(23,375)	(21,606)
Interest Expense	(69,878)	(80,704)
Net Non-Operating Revenues (Schedule C)	<u>26,198,877</u>	<u>29,178,430</u>
<b>Increase (Decrease) in Net Position</b>	<b>3,982,152</b>	<b>7,098,288</b>
<b>Net Position</b>		
Net Position, Beginning of Year		
As Previously Reported	58,315,369	56,917,991
Cumulative Effect of Change in Accounting Principle (Note 2)	-	(5,700,910)
Net Position, Beginning of Year, as restated	<u>58,315,369</u>	<u>51,217,081</u>
Net Position, End of Year	<u>\$ 62,297,521</u>	<u>\$ 58,315,369</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, 2016 and August 31, 2015**

	<u>FY2016</u>	<u>FY2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from students and other customers	\$ 20,444,552	\$ 20,026,260
Receipts of grants and contracts	3,427,018	3,807,858
Payments to or on behalf of employees	(27,032,209)	(26,272,588)
Payments to suppliers for goods and services	(9,873,611)	(10,419,203)
Payments for scholarships and fellowships	(4,694,648)	(4,924,558)
	<u>(17,728,898)</u>	<u>(17,782,231)</u>
Net cash provided by operating activities		
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipts from state appropriations	9,154,206	9,348,515
Receipts from ad valorem taxes	5,325,890	5,802,274
Receipts from Federal Revenue	6,385,455	6,739,252
Gifts and grants for other than capital purposes	1,642,136	717,394
Other Receipts/Disbursements	8,405	109,968
	<u>22,516,092</u>	<u>22,717,403</u>
Net cash provided by noncapital financing activities		
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
Purchases of capital assets	(2,465,645)	(1,020,500)
Proceeds from the sale of capital assets	-	5,503,686
Payments on capital debt-principal	(285,583)	(685,584)
Payment on capital debt-interest	(71,716)	(85,216)
Payment on capital property tax	(23,375)	(21,606)
	<u>(2,846,319)</u>	<u>3,690,780</u>
Net cash used by capital and related financing activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	16,125,625	19,005,868
Purchases of investments	(23,263,154)	(21,974,315)
Interest on Investments	950,543	238,355
	<u>(6,186,986)</u>	<u>(2,730,092)</u>
Net cash used by investing activities		
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(4,246,111)	5,895,860
<b>CASH AND CASH EQUIVALENTS-September 1</b>	<u>23,598,303</u>	<u>17,702,443</u>
<b>CASH AND CASH EQUIVALENTS-August 31</b>	<u>\$ 19,352,192</u>	<u>\$ 23,598,303</u>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (22,216,725)	\$ (22,080,142)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation expense	1,277,489	1,228,573
Bad debt expense		
Payments made directly by state for benefits	2,839,032	2,512,053
Changes in assets and liabilities:		
Accounts receivable, net:		
Student a/r	(136,351)	(47,938)
Other a/r	(8,574)	(2,623)
Grants a/r	(24,062)	44,554
Accounts payable:		
Vendors	216,297	99,308
Scholarships	63,631	16,870
Funds held for others agency	35,874	30,233
Deferred revenues:		
Deferred tuition	275,872	160,172
Deferred grant revenue	(51,381)	256,709
Net cash used by operating activities	<u>\$ (17,728,898)</u>	<u>\$ (17,782,231)</u>

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



# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### 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 Programs Funds*

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

##### *Other Tuition Discounts*

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

#### Basis of accounting

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

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### Summary of Significant Accounting Policies (continued)

#### Budgetary data

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

#### Cash and cash equivalents

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

#### Deferred Outflows

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

#### Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. [The governing board has designated public funds investment pools comprised of \$13,269,963 and \$12,547,799 at August 31, 2016 and August 31, 2015, 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, 2016

### Summary of Significant Accounting Policies (continued)

#### Pensions

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

#### Unearned Revenue

Tuition and fees of \$10,013,345 and \$9,737,472, deferred federal state and local grants of \$446,064 and \$497,446, and deferred other \$9,391 and \$24,013 have been reported as unearned revenue at August 31, 2016 and 2015 respectively.

#### Deferred Inflows

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

#### Estimates

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

#### Operating and Non-Operating Revenue and Expense Policy

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

#### Prior Year Restatement

In the year of implementation of GASB 68, as amended by GASB 71, a restatement to beginning net position was 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.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### Summary of Significant Accounting Policies (continued)

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.

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 FY2014	477,577
Recognition of Additional Contribution Adjustment	<u>(800)</u>
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.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

**4. Deposits and Investments**

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

**Cash and Deposits**

	<u>2016</u>	<u>2015</u>
Bank Deposits		
Demand Deposits	<u>\$6,076,529</u>	<u>\$11,044,804</u>
	<u>\$6,076,529</u>	<u>\$11,044,804</u>
Cash and Cash Equivalents		
Petty Cash on Hand	\$5,700	\$5,700
Investment pool-TexPool	<u>13,269,963</u>	<u>12,547,799</u>
	<u>13,275,663</u>	<u>12,553,499</u>
 Total Cash and Deposits	 <u>\$19,352,192</u>	 <u>\$23,598,303</u>

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

Type of Security	Market Value August 31, 2016	Market Value August 31, 2015
U. S. Government Securities	<u>\$28,274,559</u>	<u>\$21,406,753</u>
Certificates of Deposit	-	242,500
Stocks	253,636	244,983
Mutual Fund Investments	4,583,693	4,080,121
Real Estate Investments	<u>111,000</u>	<u>111,000</u>
Totals	<u>\$33,222,888</u>	<u>\$26,085,357</u>
 Total Cash and Deposits	 19,352,192	 23,598,303
Total Investments	<u>33,222,888</u>	<u>26,085,357</u>
Total Deposits and Investments	<u>\$52,575,080</u>	<u>\$49,683,660</u>
 Cash and Short-term Investments (Exhibit 1)	 19,352,192	 23,598,303
Investments (Exhibit 1)	<u>33,222,888</u>	<u>26,085,357</u>
Total Deposits and Investments	<u>\$52,575,080</u>	<u>\$49,683,660</u>

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### Deposits and Investments (continued)

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) as of August 31, 2016			
		Less than 1	1 to 2	2 to 3	More than 3
U.S. Government Securities	\$ 28,274,559	\$ -	\$ 7,256,036	\$ 5,008,317	\$ 16,010,206
<b>Total Fair Value</b>	<b>\$ 28,274,559</b>	<b>\$ -</b>	<b>\$ 7,256,036</b>	<b>\$ 5,008,317</b>	<b>\$ 16,010,206</b>

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	-	-	-
<b>Total Fair Value</b>	<b>\$ 21,649,253</b>	<b>\$ 242,500</b>	<b>\$ -</b>	<b>\$ 11,231,394</b>	<b>\$ 10,175,359</b>

### 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 FFCB (34.1%), FHLB (21.48%), FHLMC (12.2%), FNMA (18.28%), and Dreyfus (6.01%).

## 5. Fair Value of Financial Instruments

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

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

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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

**Fair Value of Financial Instruments (continued)**

The fair value hierarchy of investments at August 31, 2016 follows:

	FY 2016				FY 2015
	Level 1	Level 2	Level 3	Total	Total
Certificate of Deposit	\$ -	\$ -	\$ -	\$ -	\$ 242,500
Mutual funds	4,583,693	-	-	4,583,693	4,080,121
Marketable securities	253,636	-	-	253,636	244,983
U.S. government securities	28,274,559	-	-	28,274,559	21,406,753
Real Estate Investments	-	-	111,000	111,000	111,000
<b>Total</b>	<b>\$ 33,111,888</b>	<b>\$ -</b>	<b>\$ 111,000</b>	<b>\$ 33,222,888</b>	<b>\$ 26,085,357</b>

**6. Derivatives**

The College did not invest in any derivative investment products or repurchase agreements during the year ended August 31, 2016 or August 31, 2015.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

7. Capital Assets

Capital assets activity for the year ended August 31, 2016 was as follows:

	Balance September 1, 2015	Increases	Decreases	Balance August 31, 2016
<u>Not Depreciated:</u>				
Land	\$ 2,501,709	\$ -	\$ -	\$ 2,501,709
Construction in Progress	-	186,361	-	186,361
Subtotal	2,501,709	186,361	-	2,688,070
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	27,979,378	909,359	(109,854)	28,778,883
Other Real Estate Improvements	1,153,039	37,113	-	1,190,152
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	29,493,553	946,472	(109,854)	30,330,171
Library books	3,293,901	16,139	(5,670)	3,304,370
Furniture, Machinery, and Equipment	9,357,925	1,333,672	(127,565)	10,564,032
Total Buildings and Other Capital Assets	42,145,379	2,296,283	(243,089)	44,198,573
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	10,303,932	538,429	(24,717)	10,817,644
Other Real Estate Improvements	910,101	7,450	-	917,551
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	11,539,056	545,879	(24,717)	12,060,218
Library books	3,176,983	43,623	(5,670)	3,214,936
Furniture, Machinery, and Equipment	6,247,617	687,987	(58,146)	6,877,458
Total Accumulated Depreciation	20,963,656	1,277,489	(88,533)	22,152,612
Net Capital Assets	<u>\$ 23,683,432</u>	<u>\$ 1,205,155</u>	<u>\$ (154,556)</u>	<u>\$ 24,734,031</u>



WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

**Capital Assets (Continued)**

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

	Balance September 1, 2014	Increases	Decreases	Balance August 31, 2015
<u>Not Depreciated:</u>				
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	<u>\$ 25,552,129</u>	<u>\$ (183,910)</u>	<u>\$ (1,684,787)</u>	<u>\$ 23,683,432</u>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

**8. Non-Current Liabilities**

Non-current liability activity for the year ended August 31, 2016 was as follows:

	Balance September 1, 2015	Additions	Reductions	Balance August 31, 2016	Current Portion
Bonds					
Revenue bonds	\$ 2,495,000	\$ -	\$ 275,000	\$ 2,220,000	\$ 285,000
Unamortized bond premium	84,670	-	10,583	74,087	10,584
Subtotal	<u>2,579,670</u>	<u>-</u>	<u>285,583</u>	<u>2,294,087</u>	<u>295,584</u>
Net pension liability	5,031,677	715,981	-	5,747,658	N/A
Total non-current liabilities	<u>\$ 7,611,347</u>	<u>\$ 715,981</u>	<u>\$ 285,583</u>	<u>\$ 8,041,745</u>	<u>\$ 295,584</u>

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

	Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015	Current Portion
Bonds					
Revenue bonds	\$ 3,170,000	\$ -	\$ 675,000	\$ 2,495,000	\$ 275,000
Unamortized bond premium	95,254	-	10,584	84,670	10,583
Subtotal	<u>3,265,254</u>	<u>-</u>	<u>685,584</u>	<u>2,579,670</u>	<u>285,583</u>
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>	<u>\$ 7,611,347</u>	<u>\$ 285,583</u>

There were no obligations under capital leases at August 31, 2016.

**9. Debt Obligations**

Debt service requirements at August 31, 2016 were as follows:

For the Year Ended August 31, 2016	Revenue Bonds		
	Principal	Interest	Total
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	325,000	40,800	365,800
2022-2023	695,000	42,000	737,000
Total	<u>\$ 2,220,000</u>	<u>\$ 337,500</u>	<u>\$ 2,557,500</u>

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### 10. Bonds Payable

General information related to bonds payable is summarized below:

#### Revenue Refunding Bonds, Series 2010

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

Under each bond issue, the College is to maintain a reserve account equal to the lesser of (a) 10% of the principal amount of outstanding bonds or (b) the average annual requirements, on a fiscal year basis, for the payment of the principal and interest on the bonds. The College has 60 months to establish this reserve fund. The reserve account balance at August 31, 2016 is \$365,929 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.

### 11. Advance Refunding Bonds

WCJC has no advance refunding bonds.

### 12. Defeased Bonds Outstanding

WCJC has no defeased bonds outstanding.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### 13. Short-Term Debt

WCJC has no short-term debt for the fiscal years ended August 31, 2016 and August 31, 2015.

### 14. Employees' Retirement Plan

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

#### Defined Benefit Pension Plan

##### A. Plan Description

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

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

##### B. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.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, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

Employees' Retirement Plan (continued)

D. Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. 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 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

Contribution Rates

	2015	2016
Member	6.70%	7.20%
Non-Employer Contribution Entity (State)	6.80%	6.80%
Employers	6.80%	6.80%

FY2015 College Contributions	\$ 481,464
FY2015 State of Texas On-behalf Contributions	\$ 332,887
FY2015 Member Contributions	\$ 794,821

The College's contributions to the TRS pension plan in 2016 were \$515,658 as reported in the Schedule of College Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2016 were \$332,887.

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

Public junior colleges or junior college districts are required to pay the employer contribution in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### Employees' Retirement Plan (continued)

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

### E. Actuarial Assumptions

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

• Valuation Date	August 31, 2015
• Actuarial Cost Method	Individual Entry Age Normal
• Asset Valuation Method	Market Value
• Single Discount Rate	8.00%
• Long-term expected Investment Rate of Return*	8.00%
• Inflation	2.5%
• Salary Increases including inflation	3.5% to 9.5%
• Payroll Growth Rate	2.50%
• Benefit changes during the year	None
• Ad hoc post-employment benefit changes	None

\*Includes inflation rate of 2.5%

Actuarial methods and assumptions were updated based on a study of actual experience for the four-year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. The most significant changes were related to the update of the post-retirement mortality rates based on the most recent TRS member experience and the decrease in the assumption for general wage inflation from 3.0% to 2.5%. Other changes to overall assumptions and methods had a minor impact on the results of the actuarial valuation and the related pension liability. There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

### 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.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

Employees' Retirement Plan (continued)

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, 2015 are summarized below:

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%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	<u>100.0%</u>		<u>8.7%</u>

\*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 2015 Comprehensive Annual Financial Report

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

**Employees' Retirement Plan (continued)**

**G. Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate was used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 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	\$ 9,005,497	\$ 5,747,658	\$ 3,034,081

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

At August 31, 2016, Wharton County Junior College reported a liability of \$ 5,747,658 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	\$ 5,747,658
State's proportionate share that is associated with Wharton County Junior College	\$ 3,972,796
Total	\$ 9,720,454

The net pension liability was measured as of August 31, 2015 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, 2014 through August 31, 2015.

At the measurement date of August 31, 2015, the employer's proportion of the collective net pension liability was 0.0162599%, which was a decrease of 0.000025773% from its proportion measured as of August 31, 2014.

For the year ended August 31, 2016, Wharton County Junior College recognized pension expense of \$566,060 and revenue of \$566,060 for support provided by the State.



WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

**Employees' Retirement Plan (continued)**

At August 31, 2016, Wharton County Junior College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 64,718	\$ 220,888
Changes in actuarial assumptions	272,008	205,052
Difference between projected and actual investment earnings	1,415,521	1,153,414
Changes in proportions and difference between the employer's contributions and the proportionate share of contributions	-	590,210
Contributions paid to TRS subsequent to the measurement date	515,658	-
<b>Total</b>	<b>\$ 2,267,905</b>	<b>\$ 2,169,564</b>

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

Year ended August 31:	Pension Expense Amount
2017	\$ (134,616)
2018	\$ (134,616)
2019	\$ (134,618)
2020	\$ 249,855
2021	\$ (108,061)
Thereafter	\$ (155,263)

**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 3.23% and 6.65%, respectively. The college contributes an additional 1.9% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### Employees' Retirement Plan (continued)

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 \$580,755 and \$576,819 for the fiscal years ended August 31, 2016 and 2015 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 \$22,113,009 and \$21,669,406 for fiscal years 2016 and 2015 respectively. The total payroll of employees covered by the Teacher Retirement System was \$12,703,829 and \$11,862,997 and the total payroll of employees covered by the Optional Retirement System was \$7,166,179 and \$7,610,086 for the fiscal years 2016 and 2015, respectively.

### 15. Deferred Compensation Program

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

As of August 31, 2016, the College does not have any employees participating in this program.

### 16. Compensable Absences

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

#### Sick leave

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

#### Vacation

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

#### Personal leave

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

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2016

### 17. Health Care and Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was \$577 to \$1,128 per month, depending on the coverage elected for the year ended August 31, 2016 (\$538 to \$1,052 per month, depending on the coverage elected for 2015). The cost of providing those benefits for 142 retirees in the year ended 2016 was \$1,101,358 (retiree benefits for 122 retirees cost \$929,033 in 2015). For 355 active employees, the cost of providing benefits was \$2,453,343 for the year ended 2016 (active employee benefits for 355 employees cost \$2,364,964 for the year ended 2015). S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

### 18. 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, 2016, 2015, and 2014 were \$16,143, \$17,205 and \$18,113, respectively, which equaled the required contributions each year.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

**19. Pending Lawsuits and Claims**

As of August 31, 2016, the College is not involved in any litigation.

**20. Disaggregation of Receivable and Payables Balances**

**Receivables**

Receivables at August 31, 2016 and 2015 were as follows:

	FY2016	FY2015
Student Receivables	\$ 4,708,422	\$ 4,563,773
Property Taxes Receivable	389,767	358,067
State Receivables	380,986	356,924
Interest Receivables	105,343	61,643
Subtotal	5,584,518	5,340,407
Allowance for Doubtful Accounts:	(338,613)	(333,910)
<b>TOTAL RECEIVABLES</b>	<b>\$ 5,245,905</b>	<b>\$ 5,004,497</b>

**Payables**

Payables at August 31, 2016 and 2015 were as follows:

	FY2016	FY2015
Vendors Payable	\$ 1,125,333	\$ 909,039
Accrued Interest Payable	25,670	27,508
Scholarships Payable	516,498	452,867
<b>TOTAL PAYABLES</b>	<b>\$ 1,667,501</b>	<b>\$ 1,389,414</b>

**21. Contract and Grant Awards**

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants. 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 2016 and 2015 for which monies have not been received nor funds expended totaled \$2,498,223 and \$2,663,578. Federal Contract and Grant Awards comprised all of these amounts.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

22. Ad Valorem Tax

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

At August 31:

	2016	2015
Assessed Valuation of the College	\$ 5,813,804,380	\$ 5,878,933,851
Less Exemptions	(1,757,067,175)	(1,736,789,228)
Net Assessed Valuation of the College	<u>\$ 4,056,737,205</u>	<u>\$ 4,142,144,623</u>

	2016			2015		
	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	\$ 0.13028	-	0.13028	\$ 0.12656	-	\$0.12656

Taxes levied for the year ended August 31, 2016 and 2015 amounted to \$5,285,237 and \$5,239,536 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.

	2016			2015		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 5,186,755	\$ -	\$ 5,186,755	\$ 4,964,773	\$ -	\$ 4,964,773
Delinquent Taxes Collected	96,106	-	96,106	587,240	-	587,240
Penalties & Interest Collected	71,750	-	71,750	82,410	-	82,410
Total Collections	<u>\$ 5,354,611</u>	<u>\$ -</u>	<u>\$ 5,354,611</u>	<u>\$ 5,634,423</u>	<u>\$ -</u>	<u>\$ 5,634,423</u>

Tax collections for the year ended August 31, 2016 and 2015 were 98% and 95% 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.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2016

**23. Income Taxes**

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations. The College had no unrelated business income tax liability for the year ended August 31, 2016 and 2015.

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

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

Fiscal year ending August 31*	2016	2015
College's proportionate share of collective net pension liability (%)	0.0162599%	0.0188372%
College's proportionate share of collective net pension liability (\$)	\$ 5,747,658	\$ 5,031,677
Portion of NECE's total proportionate share of NPL associated with College	3,972,796	3,243,545
Total	<u>\$ 9,720,454</u>	<u>\$ 8,275,222</u>
College's covered payroll amount	\$ 12,703,829	\$ 11,862,997
Ratio of: ER proportionate share of collective NPL / ER's covered payroll amount	45.24%	42.41%

\* 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**  
**Last Two Fiscal Years\*\***

Fiscal year ending August 31*	2016	2015
Legally required contributions	515,658	481,464
Actual contributions	515,658	481,464
Contributions deficiency (excess)	-	-
College's covered employee payroll amount	\$ 12,703,829	\$ 11,862,997
Ratio of: Actual contributions / ER covered payroll amount	4.06%	4.06%

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

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

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, 2016

#### 1. Changes of Benefit Terms:

The college implemented a salary and wage increase effective September 1, 2015 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 2.36% respectively.

#### 2. Changes of Assumptions

There were no changes of assumptions for the year ended August 31, 2016.

**SUPPLEMENTARY SCHEDULES**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Operating Revenues**  
**For the Year Ended August 31, 2016 (With Memorandum Totals for the Year Ended August 31, 2015)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	F/Y 2016 Total	F/Y 2015 Total
<b>Tuition:</b>						
State funded credit courses:						
In-district resident tuition	\$ 763,544	\$ -	\$ 763,544	\$ -	\$ 763,544	\$ 750,268
Out-of-district resident tuition	3,473,282	-	3,473,282	-	3,473,282	3,462,889
Non-resident tuition	261,254	-	261,254	-	261,254	285,779
TPEG (set aside)*	278,752	-	278,752	-	278,752	275,092
State funded continuing education	258,378	-	258,378	-	258,378	234,473
Non-state funded continuing education	671,368	-	671,368	-	671,368	627,931
<b>Total Tuition</b>	<b>5,706,578</b>	<b>-</b>	<b>5,706,578</b>	<b>-</b>	<b>5,706,578</b>	<b>5,636,432</b>
<b>Fees:</b>						
Distance learning fee	-	-	-	-	-	-
Installment plan fees	258,440	-	258,440	-	258,440	256,340
General service fees	8,170,771	-	8,170,771	-	8,170,771	8,125,378
Building use	-	-	-	-	-	-
Other fees	7,675,730	-	7,675,730	-	7,675,730	7,464,434
<b>Total fees</b>	<b>16,104,941</b>	<b>-</b>	<b>16,104,941</b>	<b>-</b>	<b>16,104,941</b>	<b>15,846,152</b>
<b>Scholarship allowances and discounts:</b>						
TPEG awards	(278,752)	-	(278,752)	-	(278,752)	(275,092)
Scholarship allowances	(286,822)	-	(286,822)	-	(286,822)	(283,965)
Federal grants to students	(1,486,026)	-	(1,486,026)	-	(1,486,026)	(1,588,670)
Exemptions	(317,080)	-	(317,080)	-	(317,080)	(349,244)
<b>Total scholarship allowances</b>	<b>(2,368,680)</b>	<b>-</b>	<b>(2,368,680)</b>	<b>-</b>	<b>(2,368,680)</b>	<b>(2,496,971)</b>
<b>Total Net Tuition and Fees</b>	<b>19,442,839</b>	<b>-</b>	<b>19,442,839</b>	<b>-</b>	<b>19,442,839</b>	<b>18,985,613</b>
<b>Additional operating revenues:</b>						
Federal grants and contracts	-	2,469,831	2,469,831	-	2,469,831	2,281,890
State grants and contracts	-	300,956	300,956	-	300,956	373,373
Local grants and contracts	-	440,100	440,100	-	440,100	597,713
Sales and services of educational activities	26,263	-	26,263	-	26,263	28,922
Other operating revenues	291,574	-	291,574	-	291,574	321,811
<b>Total Additional Operating Revenues</b>	<b>317,837</b>	<b>3,210,887</b>	<b>3,528,724</b>	<b>-</b>	<b>3,528,724</b>	<b>3,603,709</b>
<b>Auxiliary enterprises:</b>						
Residential life	-	-	-	581,427	581,427	539,646
Scholarship allowances and discounts	-	-	-	(84,737)	(84,737)	(86,607)
<b>Net resident life</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496,690</b>	<b>496,690</b>	<b>453,039</b>
Bookstore commission	-	-	-	303,719	303,719	323,320
Other auxiliary revenue	-	-	-	8,220	8,220	27,330
<b>Total Net Auxiliary Enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>808,629</b>	<b>808,629</b>	<b>803,689</b>
<b>Total Operating Revenues</b>	<b>\$ 19,760,676</b>	<b>\$ 3,210,887</b>	<b>\$ 22,971,563</b>	<b>\$ 808,629</b>	<b>\$ 23,780,192</b>	<b>\$ 23,393,011</b>
					(Exhibit 2)	(Exhibit 2)

\*In accordance with Education Code 56.033, \$278,752 and \$275,092 for years August 31, 2016 and 2015, 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, 2016 (with Memorandum Totals for the Year Ended August 31, 2015)**

	Operating Expenses				2016 Total	2015 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
<b>Unrestricted-Educational activities</b>						
Instruction	\$ 12,143,784	\$ -	\$ 2,671,847	\$ 1,173,870	\$ 15,989,501	\$ 15,619,753
Public Service	348,669	-	76,757	144,685	570,111	464,940
Academic Support	1,623,879	-	357,211	610,844	2,591,934	2,624,116
Student services	1,918,521	-	422,381	303,289	2,644,191	2,517,706
Institutional support	3,557,688	-	782,371	2,892,675	7,232,734	6,838,415
Operating and maintenance of plant	1,114,552	-	245,225	3,468,487	4,828,264	4,870,528
Scholarships and Fellowships	-	-	-	742,848	742,848	699,243
<b>Total Unrestricted Educational Activities</b>	<b>20,707,093</b>	<b>-</b>	<b>4,555,792</b>	<b>9,336,698</b>	<b>34,599,583</b>	<b>33,634,701</b>
<b>Restricted-Educational activities</b>						
Instruction	142,458	1,759,783	32,768	214,628	2,149,637	2,247,727
Public Service	601,299	50,555	157,965	212,247	1,022,066	944,269
Academic Support	437,751	235,273	130,220	493,624	1,296,868	1,611,015
Student services	-	278,197	-	7,438	285,635	327,903
Institutional support	-	515,446	-	-	515,446	449,904
Operating and maintenance of plant	-	-	-	-	-	-
Scholarships and Fellowships	-	-	-	4,015,431	4,015,431	4,242,185
<b>Total Restricted Educational Activities</b>	<b>1,181,508</b>	<b>2,839,254</b>	<b>320,953</b>	<b>4,943,368</b>	<b>9,285,083</b>	<b>9,823,003</b>
<b>Total Educational Activities</b>	<b>21,888,601</b>	<b>2,839,254</b>	<b>4,876,745</b>	<b>14,280,066</b>	<b>43,884,666</b>	<b>43,457,704</b>
<b>Auxiliary enterprises</b>	<b>218,522</b>	<b>-</b>	<b>48,119</b>	<b>568,121</b>	<b>834,762</b>	<b>786,876</b>
<b>Depreciation Expense - Buildings and Other Real Estate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,788</b>	<b>500,788</b>	<b>535,079</b>
<b>Depreciation Expense-Equipment &amp; furniture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>776,701</b>	<b>776,701</b>	<b>693,494</b>
<b>Total Operating Expense:</b>	<b>\$ 22,107,123</b>	<b>\$ 2,839,254</b>	<b>\$ 4,924,864</b>	<b>\$ 16,125,676</b>	<b>\$ 45,996,917</b> (Exhibit 2)	<b>\$ 45,473,153</b> (Exhibit 2)

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2016 (with Memorandum Totals for the Year Ended August 31, 2015)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>NON-OPERATING REVENUES:</b>					
State Appropriations:					
Education and General State Support	\$ 9,154,206	\$ -	\$ -	\$ 9,154,206	\$ 9,348,515
State Group Insurance	-	2,258,498	-	2,258,498	1,935,235
State Retirement Matching	-	580,756	-	580,756	576,818
<b>Total State Appropriations</b>	<u>9,154,206</u>	<u>2,839,254</u>	<u>-</u>	<u>11,993,460</u>	<u>11,860,568</u>
Federal Revenue Non Operating	6,385,455	-	-	6,385,455	6,739,252
Maintenance Ad Valorem Taxes	5,354,611	-	-	5,354,611	5,634,423
Gifts and Donations	1,656,758	-	-	1,656,758	845,217
Investment Income	992,490	-	-	992,490	231,109
Other Non-Operating Revenues	(90,644)	-	-	(90,644)	3,970,171
<b>Total Non-Operating Revenues</b>	<u>23,452,876</u>	<u>2,839,254</u>	<u>-</u>	<u>26,292,130</u>	<u>29,280,740</u>
<b>NON-OPERATING EXPENSES:</b>					
Interest on Capital Related Debt	69,878	-	-	69,878	80,704
Other Non-Operating Expense	23,375	-	-	23,375	21,606
<b>Total Non-Operating Expenses</b>	<u>93,253</u>	<u>-</u>	<u>-</u>	<u>93,253</u>	<u>102,310</u>
<b>Net Non-Operating Revenues</b>	<u>\$ 23,359,623</u>	<u>\$ 2,839,254</u>	<u>\$ -</u>	<u>\$ 26,198,877</u> (Exhibit 2)	<u>\$ 29,178,430</u> (Exhibit 2)

WHARTON COUNTY JUNIOR COLLEGE DISTRICT  
 Schedule of Net Position by Source and Availability  
 Year Ended August 31, 2016 (with Memorandum Totals for the Year Ended August 31, 2015)

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 4,222,867	\$ -	\$ -	\$ -	\$ 4,222,867	\$ 4,222,869	\$ -
Board Designated	3,200,000	-	-	-	3,200,000	3,200,000	-
Restricted	-	1,130,035	-	-	1,130,035	1,130,033	-
Auxiliary enterprises	975,657	-	-	-	975,657	975,657	-
Endowment:							
True	-	-	9,375,892	-	9,375,892	-	9,375,892
Plant							
Unexpended	7,122,433	-	-	-	7,122,433	-	7,122,433
Renewals	11,196,347	-	-	-	11,196,347	-	11,196,347
Debt Service	-	340,259	-	-	340,259	-	340,259
Investment in Plant	-	-	-	24,734,031	24,734,031	-	24,734,031
<b>Total Net Position, August 31, 2016</b>	<b>26,717,304</b>	<b>1,470,294</b>	<b>9,375,892</b>	<b>24,734,031</b>	<b>62,297,521</b> (Exhibit 1)	<b>9,528,559</b>	<b>52,768,962</b>
<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> (Exhibit 1)	<b>9,267,368</b>	<b>49,048,001</b>
<b>Net Increase (Decrease) in Net Position</b>	<b>\$ 2,424,037</b>	<b>\$ (259,452)</b>	<b>\$ 766,968</b>	<b>\$ 1,050,599</b>	<b>\$ 3,982,152</b> (Exhibit 2)	<b>\$ 261,191</b>	<b>\$ 3,720,961</b>

## WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2016

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		\$ 156,195
College Work Study Program	84.033		73,425
Pell Grant Program	84.063		6,123,111
William D Ford Direct Loans	84.268		4,510,529
Higher Education Institutional Aid			
HSI STEM Success Project	84.031C	P031C110007	1,176,417
Developing a Virtual Campus through Technology-Assisted Distance Education Programs and Services	84.031S	P031S100074	96,486
Subtotal:			<u>1,272,903</u>
TRIO-Student Support Services	84.042A	P042A151264	219,269
Pass-Through From:			
Houston-Galveston Area Council			
Federal Adult Education Literacy	84.002A	217-14	52,003
Federal Adult Education Literacy	84.002A	217-16	393,921
Distance Learning Adult Education Literacy	84.002A	217-16	7,555
Career Pathways Adult Education Literacy	84.002A	217-16	8,283
EL CIVICS	84.002A	217-14	11,092
EL CIVICS	84.002A	217-16	71,717
Region 6 Education Service Center			
Professional Development Services	84.002A		863
Subtotal:			<u>545,434</u>
Texas Higher Education Coordinating Board			
Perkins Basic Grants	84.048	154274	300,469
<b>Total U.S. Department of Education</b>			<b><u>13,201,335</u></b>
<u>U.S. Nuclear Regulatory Commission</u>			
Nuclear Studies Curriculum Project	77.006	NRC-HQ-12-G-38-0049	12,314
<u>U.S. Department of Health and Human Services</u>			
Pass-Through From:			
Houston-Galveston Area Council			
Social Services Program	93.044		36,624
Nutrition Program	93.045		114,555
Temporary Assistance for Needy Families	93.558	217-14	987
<b>Total U.S. Department of Health and Human Services</b>			<b><u>152,166</u></b>
<b>Total Federal Financial Assistance</b>			<b><u>\$ 13,365,815</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, 2016**

**1. Federal Assistance Reconciliation**

Federal revenues:	
Federal grants and contracts - per Schedule A and C	\$ 8,855,286
Reconciling items:	
William D Ford Direct Loans	<u>4,510,529</u>
Total per Schedule of Expenditures of Federal Awards	<u>\$13,365,815</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, 2016

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
<u>Texas Department of Agriculture</u>		
Home-Delivered Meals Grant Program	HDM-16-1747	\$ 2,765
Home-Delivered Meals Grant Program	HDM-16-1775	3,881
Subtotal:		<u>6,646</u>
<u>Department of State Health Services</u>		
Emergency Medical Services - Local Projects	2015-047729	(1,307)
<u>Texas Higher Education Coordinating Board</u>		
Houston Community College System		
Accelerate Texas (ATX) Mentor College		3,755
<u>Texas Workforce Commission</u>		
Skills for Small Business Program	2814SSD001	2,700
WCJC In Partnership With Southwest Electronic Energy Corporation	2815SDF001	102,398
WCJC In Partnership With J-M Manufacturing Company, Inc.	2816SDF004	15,909
Houston-Galveston Area Council		
State Adult Education Literacy	217-14	19,030
State Adult Education Literacy	217-16	111,826
<u>Texas Engineering Experiment Station</u>		
Nuclear Curriculum Development Project		39,999
<b>Total State Financial Assistance</b>		<b><u>\$ 300,956</u></b>

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**

**Notes to Schedule of Expenditures of State Awards  
Year Ended August 31, 2016**

**1. State Assistance Reconciliation**

State revenues:	
State grants and contracts - per Schedule A	\$ 300,956
Indirect/administrative cost recoveries	<u>-</u>
Total per Schedule of Expenditures of State Awards	<u>\$ 300,956</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

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

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wharton County Junior College District (The "College"), as of and for the years ended August 31, 2016 and 2015, 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, 2016.

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.

*Jett, Vernon & Co., P.C.*

Temple, Texas  
November 3, 2016



**LOTT, VERNON & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

Report on Compliance for Each Major Federal Program

We have audited Wharton County Junior College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Opinion on Each Major Federal Program

In our opinion, Wharton County Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2016.

Report on Internal Control Over Compliance

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

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

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

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

  
Temple, Texas  
November 3, 2016



WHARTON COUNTY JUNIOR COLLEGE  
 Schedule of Findings and Questioned Costs  
 August 31, 2016

I. Summary of Audit Results

Financial Statements

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

Federal Awards

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

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

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

7. Identification of major programs:

<u>Name of Federal Programs</u>	<u>Federal CFDA Number</u>	<u>Name of State Program</u>
U.S. Department of Education		N/A - State financial assistance was less than \$750,000 in fiscal year ending August 31, 2016.
<i>Student Financial Aid Cluster:</i>		
SEOG	84.007	
Federal College Work Study Program	84.033	
Federal Pell Grant Program	84.063	
William D Ford Direct Loans	84.268	
<i>Higher Education Institutional Aid</i>		
HSI STEM Success Project	84.031C	
Developing a Virtual Campus through Technology Assisted Distance Education Programs and Services	84.031S	
TRIO-Student Support Services	84.042A	

8. Dollar Threshold used to distinguish between type A and type B Programs: \$ 750,000

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 2007 to 2016  
 (unaudited)

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Invested in capital assets, net of related debt	\$24,734	\$23,683	\$22,287	\$21,756	\$19,958	\$19,210	\$17,265	\$14,512	\$14,060	\$13,805
Restricted - expendable	\$1,470	\$1,730	\$1,250	1,606	1,445	1,202	1,237	1,548	1,458	1,580
Restricted - nonexpendable	\$9,376	\$8,609	\$8,724	8,261	7,581	7,417	7,139	7,079	6,733	6,478
Unrestricted	26,717	24,293	24,657	20,146	20,319	18,594	17,970	17,053	18,236	17,433
<b>Total primary government net position</b>	<b>\$ 62,297</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>

Wharton County Junior College  
Statistical Supplement 2  
Revenues by Source  
Fiscal Years 2007 to 2016  
(unaudited)

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tuition and Fees (Net of Discounts)	\$19,443	\$18,986	\$18,656	\$18,007	\$16,572	\$14,974	\$14,300	\$11,945	\$11,120	\$10,962
Governmental Grants and Contracts										
Federal Grants and Contracts	2,475	2,282	2,761	2,749	2,489	2,032	1,115	675	961	924
State Grants and Contracts	298	373	431	396	328	1,086	504	270	181	169
Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	437	598	493	359	286	537	268	212	307	188
Sales and services of educational activities	26	29	31	31	36	41	47	47	37	41
Auxiliary enterprises	809	803	841	883	807	805	654	596	755	579
Other Operating Revenues	292	322	310	344	323	359	285	210	251	209
<b>Total Operating Revenues</b>	<b>23,780</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>
State Appropriations	11,993	11,861	11,485	10,745	10,530	10,696	11,037	11,125	11,112	10,589
Ad Valorem Taxes	5,355	5,634	5,364	5,228	5,170	5,172	5,146	4,750	4,246	4,140
Gifts	1,657	845	1,405	322	188	319	1,673	505	339	316
Investment income	992	231	666	353	368	493	523	885	1,327	1,481
Other non-operating revenues	6,295	10,710	7,790	8,292	8,691	8,479	6,870	4,187	3,354	3,365
<b>Total Non-Operating Revenues</b>	<b>26,292</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>Total Revenues</b>	<b>\$ 50,072</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>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Tuition and fees (net of discounts)	38.83%	36.04%	37.14%	37.74%	36.19%	33.28%	33.71%	33.74%	32.72%	33.26%
Governmental grants and contracts										
Federal grants and contracts	4.94%	4.33%	5.50%	5.76%	5.44%	4.52%	2.63%	1.91%	2.83%	2.80%
State grants and contracts	0.60%	0.71%	0.86%	0.83%	0.72%	2.41%	1.19%	0.76%	0.53%	0.51%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-governmental grants and contracts	0.87%	1.14%	0.98%	0.75%	0.62%	1.19%	0.63%	0.60%	0.90%	0.57%
Sales and services of educational activities	0.05%	0.06%	0.06%	0.06%	0.08%	0.09%	0.11%	0.13%	0.11%	0.12%
Auxiliary enterprises	1.62%	1.52%	1.67%	1.85%	1.76%	1.79%	1.54%	1.68%	2.22%	1.76%
Other operating revenues	0.58%	0.61%	0.62%	0.72%	0.71%	0.80%	0.67%	0.59%	0.74%	0.63%
<b>Total Operating Revenues</b>	<b>47.49%</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>
State appropriations	23.95%	22.52%	22.86%	22.52%	23.00%	23.77%	26.02%	31.42%	32.69%	32.12%
Ad valorem taxes	10.69%	10.70%	10.68%	10.96%	11.29%	11.50%	12.13%	13.42%	12.49%	12.56%
Gifts	3.31%	1.60%	2.80%	0.87%	0.41%	0.71%	3.94%	1.43%	1.00%	0.96%
Investment income	1.98%	0.44%	1.33%	0.74%	0.80%	1.10%	1.23%	2.50%	3.90%	4.49%
Other non-operating revenues	12.57%	20.33%	15.51%	17.38%	18.98%	18.85%	16.19%	11.83%	9.87%	10.21%
<b>Total Non-Operating Revenues</b>	<b>52.51%</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>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 2007 to 2016  
(unaudited)

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$18,139	\$17,868	\$16,949	\$16,763	\$15,399	\$15,899	\$15,005	\$13,481	\$12,521	\$11,671
Research						-				
Public service	1,592	1,409	1,658	1,878	1,711	1,774	1,580	1,585	1,607	1,611
Academic support	3,889	4,235	4,410	4,313	3,977	2,966	2,669	2,868	2,621	2,356
Student services	2,930	2,846	2,861	2,740	2,407	2,379	2,266	2,083	2,091	1,789
Institutional support	7,748	7,288	6,789	6,744	6,312	6,141	5,938	5,617	5,480	5,270
Operation and maintenance of plant	4,828	4,871	4,809	4,905	4,834	4,823	4,576	4,718	3,871	3,095
Scholarships and fellowships	4,758	4,941	5,539	5,845	6,201	6,105	5,018	3,275	2,515	2,361
Auxiliary enterprises	835	787	781	734	705	632	659	667	624	600
Depreciation	1,278	1,228	1,191	1,210	1,195	1,101	997	1,003	1,035	1,041
<b>Total Operating Expenses</b>	<b>45,997</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>
Interest on capital related debt	70	81	94	107	119	152	293	393	424	453
Other non-operating expenses	23	21	3	4	3	252	3	12	12	11
<b>Total Non-Operating Expenses</b>	<b>93</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>Total Expenses</b>	<b>\$ 46,090</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>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	39.36%	39.21%	37.59%	37.05%	35.93%	37.65%	38.47%	37.76%	38.17%	38.57%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	3.45%	3.09%	3.68%	4.15%	3.99%	4.20%	4.05%	4.44%	4.90%	5.32%
Academic support	8.44%	9.29%	9.78%	9.53%	9.28%	7.02%	6.84%	8.03%	7.99%	7.79%
Student services	6.36%	6.24%	6.35%	6.06%	5.62%	5.63%	5.81%	5.83%	6.37%	5.91%
Institutional support	16.81%	15.99%	15.06%	14.91%	14.73%	14.54%	15.22%	15.73%	16.71%	17.42%
Operation and maintenance of plant	10.48%	10.69%	10.67%	10.84%	11.28%	11.42%	11.73%	13.21%	11.80%	10.23%
Scholarships and fellowships	10.32%	10.84%	12.29%	12.92%	14.47%	14.46%	12.87%	9.17%	7.67%	7.80%
Auxiliary enterprises	1.81%	1.73%	1.73%	1.62%	1.64%	1.50%	1.69%	1.87%	1.90%	1.98%
Depreciation	2.77%	2.69%	2.64%	2.67%	2.79%	2.61%	2.56%	2.81%	3.16%	3.44%
<b>Total Operating Expenses</b>	<b>99.80%</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>
Interest on capital related debt	0.15%	0.18%	0.21%	0.24%	0.28%	0.36%	0.75%	1.10%	1.29%	1.50%
Other non-operating expenses	0.05%	0.05%	0.01%	0.01%	0.01%	0.60%	0.01%	0.03%	0.04%	0.04%
<b>Total Non-Operating Expenses</b>	<b>0.20%</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>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
2016	\$ -	\$ 32	\$ 32	\$ 56	\$ -	\$ 51	\$ 5	\$ 1,111	\$ 1,723	0.00%	0.00%
2015	-	32	32	56	-	51	5	1,111	1,723	0.00%	0.00%
2014	-	32	32	56	-	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%

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
2016	\$ -	\$ 64	\$ 64	\$ 56	\$ -	\$ 51	\$ 5	\$ 2,107	0.00%	0.00%
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%

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)
2015-16	\$ 5,813,804	\$ 1,757,067	\$ 4,056,737	69.78%	\$ 0.130280	-	\$ 0.130280
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

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
2015-16	\$ 9,154,206	4,768	\$ 1,920	2,077,568	769,930	2,847,498	\$ 3.21
2014-15	9,254,439	4,742	1,951	2,093,528	744,918	2,838,446	3.26
2013-14	9,307,591	4,847	1,920	2,162,856	709,157	2,872,013	3.24
2012-13	8,594,090	4,922	1,746	2,201,990	735,191	2,937,181	2.93
2011-12	8,505,372	4,847	1,755	2,149,656	796,819	2,946,475	2.89
2010-11	7,941,513	5,059	1,570	2,170,168	824,468	2,994,636	2.65
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

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)									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Ailagro Exploration Company	Oil and Gas	-	-	-	-	-	-	-	-	31,637	-
Apache Corporation	Oil and Gas	25,544	34,825	90,111	76,617	59,329	18,782	39,818	38,613	67,454	53,648
Armour Lacy W Etal Est	Oil and Gas	-	-	-	34,037	-	-	32,239	-	-	-
CenterPoint Energy	Utility	34,083	33,404	34,740	31,420	30,818	-	31,086	30,648	31,265	22,961
Coastal Oil and Gas Corp	Oil and Gas	-	-	-	-	-	41,385	-	-	-	-
Colorado Bend I Power, LLC	Utility	150,754	165,430	136,049	204,504	-	-	-	-	-	-
Colorado Bend II Power, LLC	Utility	71,500	-	-	-	-	-	-	-	-	-
Cypress E & P Corp	Oil and Gas	-	-	-	-	-	-	59,282	34,493	-	-
Enterprise Texas PIP	Manufacturing	41,090	40,384	27,310	26,243	-	-	-	-	-	-
ETC NGL Transport LLC	Oil and Gas	25,361	27,338	29,359	-	-	-	-	-	-	-
Forest Oil Company	Oil and Gas	-	-	-	-	-	-	-	23,791	30,275	22,768
GCR Onshore	Oil and Gas	-	-	-	-	30,155	-	-	-	-	-
Hunt Oil Company	Oil and Gas	-	-	-	-	-	-	-	-	-	20,585
ILI Caverens	Natural Gas	-	-	-	-	-	20,066	-	-	-	-
JM Eagle	Manufacturing	40,231	45,109	47,691	44,390	26,039	19,533	34,120	26,746	34,293	30,623
Kaiser-Francis Oil	Oil and Gas	-	-	-	-	-	26,457	-	-	-	35,969
Maxim Production Company	Agribusiness	-	-	-	-	25,308	-	38,196	22,282	-	-
Milagro Exploration LLC	Oil and Gas	-	40,091	73,455	39,055	28,423	-	-	-	-	-
Nan Ya Plastics Corp	Manufacturing	33,216	33,464	33,657	34,379	23,955	63,451	31,137	29,578	35,047	46,963
National Offshore LP	Oil and Gas	-	-	-	-	-	-	-	-	-	32,880
Navasota Energy	Utility	-	-	-	-	132,377	-	280,484	178,570	121,381	-
Newfield Exploration	Oil and Gas	-	-	-	-	-	-	-	24,253	55,268	96,856
Pure Resources LP	Oil and Gas	-	-	-	-	-	19,983	-	-	-	-
Reliant Energy Houston	Utility	-	-	-	-	-	17,769	-	-	-	-
Sandridge Offshore LLC	Oil and Gas	-	-	-	-	21,638	-	25,314	-	49,262	-
Southwestern Bell Telephone	Utility	-	-	-	-	-	19,592	-	-	-	-
Trans Texas Gas Corporation	Natural Gas	-	-	-	-	-	25,126	-	-	-	-
Transco Gas Pipeline	Oil and Gas	-	-	-	-	-	-	-	-	-	27,990
Transcontinental Gas Pipeline	Oil and Gas	24,575	25,398	24,331	29,357	23,564	-	29,498	24,045	28,921	-
Tres Palacios Gas Storage Inc	Oil and Gas	-	-	25,367	-	-	-	-	-	-	-
Wharton County Foods	Agribusiness	28,096	26,917	-	29,641	-	-	-	-	-	-
<b>Totals</b>		<b>474,450</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>Total Taxable Assessed Value</b>		<b>4,056,737</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>

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									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Allagro Exploration Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.61%	0.00%
Apache Corporation	Oil and Gas	0.63%	0.84%	2.34%	2.08%	1.68%	0.54%	1.19%	1.65%	3.44%	3.04%
Armour Lacy W Etal Est	Oil and Gas	0.00%	0.00%	0.00%	0.92%	0.00%	0.00%	0.96%	0.00%	0.00%	0.00%
CenterPoint Energy	Utility	0.84%	0.81%	0.90%	0.85%	0.87%	0.00%	0.93%	1.31%	1.59%	1.30%
Coastal Oil and Gas Corp	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	1.19%	0.00%	0.00%	0.00%	0.00%
Colorado Bend I Power, LLC	Utility	3.72%	3.99%	3.53%	5.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Colorado Bend II Power, LLC	Utility	1.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cypress E & P Corp	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.77%	1.48%	0.00%	0.00%
Enterprise Texas PIP	Manufacturing	1.01%	0.97%	0.71%	0.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ETC NGL Transport LLC	Oil and Gas	0.63%	0.66%	0.76%	0.00%	0.00%	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%	0.00%	1.02%	1.54%	1.29%
GCR Onshore	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.86%	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%	0.00%	1.17%
ILI Caverens	Natural Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%	0.00%	0.00%	0.00%	0.00%
JM Eagle	Manufacturing	0.99%	1.09%	1.24%	1.21%	0.74%	0.56%	1.02%	1.14%	1.75%	1.74%
Kaiser-Francis Oil	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	0.00%	0.00%	0.00%	2.04%
Maxim Production Company	Agribusiness	0.00%	0.00%	0.00%	0.00%	0.72%	0.00%	1.14%	0.95%	0.00%	0.00%
Milagro Exploration LLC	Oil and Gas	0.00%	0.97%	1.91%	1.06%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%
Nan Ya Plastics Corp	Manufacturing	0.82%	0.81%	0.87%	0.93%	0.68%	1.82%	0.93%	1.27%	1.79%	2.66%
National Offshore LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.86%
Navasota Energy	Utility	0.00%	0.00%	0.00%	0.00%	3.76%	0.00%	8.37%	7.64%	6.18%	0.00%
Newfield Exploration	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.04%	2.82%	5.49%
Pure Resources LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%	0.00%	0.00%	0.00%	0.00%
Reliant Energy Houston	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.00%	0.00%	0.00%	0.00%
Sandridge Offshore LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.61%	0.00%	0.76%	0.00%	2.51%	0.00%
Southwestern Bell Telephone	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.56%	0.00%	0.00%	0.00%	0.00%
Trans Texas Gas Corporation	Natural Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%	0.00%	0.00%	0.00%	0.00%
Transco Gas Pipeline	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.59%
Transcontinental Gas Pipeline	Oil and Gas	0.61%	0.61%	0.63%	0.80%	0.67%	0.00%	0.88%	1.03%	1.47%	0.00%
Tres Palacios Gas Storage Inc	Oil and Gas	0.00%	0.00%	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wharton County Foods	Agribusiness	0.69%	0.65%	0.00%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
		<u>11.70%</u>	<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>

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	(amounts expressed in thousands)				Current		Percentage of Current Levy
	Total Tax Levy (a)	Collections - Current Levy	Percentage	Collections of Prior Levies	Total Collections (b)		
2016	\$5,285	\$ 5,186	98.13%	\$ 168	\$ 5,354	101.31%	
2015	5,240	4,965	94.75%	669	5,634	107.52%	
2014	5,169	5,139	99.42%	225	5,364	103.77%	
2013	5,090	5,023	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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Bonded Debt</b>										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Debt</b>										
Revenue bonds	\$ 2,220,000	\$ 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
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 2,220,000	\$ 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
<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	54	61	77	93	109	124	133	179	194	213
Per Student	450	506	654	809	943	1,075	1,183	1,824	2,037	2,153
As a percentage of Taxable Assessed Value	0.55%	0.60%	0.82%	1.04%	1.27%	1.46%	1.63%	1.70%	2.45%	2.91%

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)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Taxable Assessed Value</b>	<b>\$ 4,056,737</b>	<b>\$ 4,142,145</b>	<b>\$ 3,851,894</b>	<b>\$ 3,681,134</b>	<b>\$ 3,525,157</b>	<b>\$ 3,478,355</b>	<b>\$ 5,003,191</b>	<b>\$ 3,804,635</b>	<b>\$ 3,350,557</b>	<b>\$ 3,028,141</b>
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	20,284	20,711	19,259	18,406	17,626	17,392	25,016	19,023	16,753	15,141
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	20,284	20,711	19,259	18,406	17,626	17,392	25,016	19,023	16,753	15,141
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 20,284	\$ 20,711	\$ 19,259	\$ 18,406	\$ 17,626	\$ 17,392	\$ 25,016	\$ 19,023	\$ 16,753	\$ 15,141
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 Auxiliary Enterprises Revenue	Total	Principal	Interest	Total	Coverage Ratio
2016	1,426	-	8,171	-	-	993	7,934	8	18,532	275	70	345	53.72
2015	1,409	-	8,125	-	-	231	7,721	8	17,494	675	81	756	23.14
2014	1,408	-	8,216	-	-	666	7,636	59	17,985	660	94	754	23.85
2013	1,521	-	6,955	-	1,633	(101)	6,514	883	17,405	635	107	742	23.46
2012	1,400	-	6,821	-	1,609	369	5,676	807	16,682	625	134	759	21.98
2011	1,392	-	5,399	-	1,623	596	4,850	740	14,600	565	73	638	22.88
2010	242	-	4,556	-	1,519	523	4,845	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

**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
2015	41,486	a.	a.	4.4%
2014	41,168	1,682,513	40,869	4.7%
2013	41,216	1,671,687	40,559	6.0%
2012	41,150	1,558,501	37,874	6.8%
2011	41,314	1,468,965	35,556	8.2%
2010	41,364	1,362,722	32,945	8.5%
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%

**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)**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
El Campo ISD	505	2.39%
Wharton County Junior College	362	1.72%
Leedo Manufacturing Company, Inc	353	1.67%
Wharton County Foods	350	1.66%
Wharton Independent School District	327	1.55%
Greenleaf Nursery Company, Inc.	326	1.55%
Wharton County	234	1.11%
Nan Ya Plastics Corporation USA	230	1.09%
El Campo Memorial Group	209	0.99%
Wal-Mart Associates, Inc.	200	0.95%
<b>Total</b>	<b>21,089</b>	<b>14.68%</b>

**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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Faculty</b>										
Full-Time	171	166	162	163	162	162	155	150	144	134
Part-Time	134	133	141	139	140	161	155	143	148	163
<b>Total</b>	<b>305</b>	<b>299</b>	<b>303</b>	<b>302</b>	<b>302</b>	<b>323</b>	<b>310</b>	<b>293</b>	<b>292</b>	<b>297</b>
<b>Percent</b>										
Full-Time	56.1%	55.5%	53.5%	54.0%	53.6%	50.2%	50.0%	51.2%	49.3%	45.1%
Part-Time	43.9%	44.5%	46.5%	46.0%	46.4%	49.8%	50.0%	48.8%	50.7%	54.9%
<b>Staff and Administrators</b>										
Full-Time	193	189	186	178	170	172	170	172	162	161
Part-Time	88	80	87	75	50	63	73	76	71	80
<b>Total</b>	<b>281</b>	<b>269</b>	<b>273</b>	<b>253</b>	<b>220</b>	<b>235</b>	<b>243</b>	<b>248</b>	<b>233</b>	<b>241</b>
<b>Percent</b>										
Full-Time	68.7%	70.3%	68.1%	70.4%	77.3%	73.2%	70.0%	69.4%	69.5%	66.8%
Part-Time	31.3%	29.7%	31.9%	29.6%	22.7%	26.8%	30.0%	30.6%	30.5%	33.2%
FTSE per Full-time Faculty	27.9	28.6	29.9	30.2	29.9	31.2	30.6	27.7	28.0	30.6
FTSE per Full-Time Staff Member	24.7	25.1	26.1	27.7	28.5	29.4	27.9	24.2	24.9	25.5
Average Annual Faculty Salary	\$71,364*	\$70,932*	\$69,936*	\$67,512*	\$56,521	\$54,094	\$53,237	\$52,561	\$50,466	\$48,091

Notes:

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

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

Student Classification	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	5,037	66%	4,822	66%	4,953	65%	4,820	62%	4,505	63%
31-60 hours	1,788	24%	1,711	23%	1,818	24%	1,916	25%	1,820	25%
> 60 hours	591	8%	619	8%	615	8%	671	9%	673	9%
Continuing Ed only	153	2%	195	3%	194	3%	337	4%	182	3%
<b>Total</b>	<b>7,569</b>	<b>100%</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>

Semester Hour Load	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	11	0%	11	0%	18	0%	13	0%	13	0%
3-5 semester hours	1,689	22%	1,604	22%	1,774	23%	1,691	22%	1,476	21%
6-8 Semester hours	1,416	19%	1,385	19%	1,465	19%	1,447	19%	1,359	19%
9-11 semester hours	1,437	19%	1,376	19%	1,326	17%	1,338	17%	1,255	17%
12-14 semester hours	2,250	30%	2,057	28%	2,164	29%	2,238	29%	2,147	30%
15-17 semester hours	513	7%	648	9%	572	8%	590	8%	638	9%
18 & over	100	1%	71	1%	67	1%	90	1%	110	1%
Continuing Ed only	153	2%	195	2%	194	3%	337	4%	182	3%
<b>Total</b>	<b>7,569</b>	<b>100%</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>

Credit average course load      8.99                      9.06                      8.88                      9.06                      9.31

Tuition Status	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,269	17%	1,272	17%	1,313	17%	1,484	19%	1,561	22%
Texas Resident (out-of-District)	5,801	76%	5,558	76%	5,749	76%	5,617	73%	5,172	72%
Non-Resident Tuition	194	3%	211	3%	218	3%	210	3%	166	2%
Exempt	152	2%	111	1%	106	1%	96	1%	99	1%
Continuing Ed only	153	2%	195	3%	194	3%	337	4%	182	3%
<b>Total</b>	<b>7,569</b>	<b>100%</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>

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

Gender	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	4,157	55%	4,066	55%	4,320	57%	4,482	58%	4,079	57%
Male	3,412	45%	3,281	45%	3,260	43%	3,262	42%	3,101	43%
Total	7,569	100%	7,347	100%	7,580	100%	7,744	100%	7,180	100%

Ethnic Origin	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	2,778	37%	2,914	40%	3,190	43%	3,452	45%	3,533	49%
Hispanic	2,816	38%	2,627	36%	2,644	35%	2,458	32%	2,226	31%
African American	881	12%	853	12%	854	11%	1,001	13%	797	11%
Asian	940	12%	834	11%	787	10%	727	9%	545	8%
Foreign	4	0%	3	0%	6	0%	10	0%	3	0%
Native American	28	0%	18	0%	14	0%	53	1%	60	1%
Unknown	122	1%	98	1%	85	1%	43	1%	16	0%
Total	7,569	100%	7,347	100%	7,580	100%	7,744	100%	7,180	100%

Age	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,211	15%	1,118	15%	1,254	17%	1,142	15%	966	14%
18 -21	4,078	55%	3,840	52%	3,814	51%	3,758	49%	3,531	49%
22 - 24	885	12%	867	12%	878	11%	913	12%	881	12%
25 - 35	930	12%	992	14%	1,057	14%	1,151	15%	1,147	16%
36 - 50	372	5%	422	6%	467	6%	602	8%	533	7%
51 & over	93	1%	108	1%	110	1%	178	2%	122	2%
Total	7,569	100%	7,347	100%	7,580	100%	7,744	100%	7,180	100%

Average Age	21.9	22.0	22.4	23.3	23.2
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Source: CBM001 and CBM00A Fall reports.

Wharton County Junior College  
Statistical Supplement 17  
Transfers to Senior Institutions  
Academic Year 2014-15 Students as of Fall 2015  
(Includes only public senior colleges in Texas)  
(unaudited)

Institutions Attended, Fall 2015		Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1	University of Houston - Main Campus	504	44	16	564	25.98%
2	Texas A&M University - College Station	292	18	5	315	14.51%
3	University of Houston - Victoria	182	14	12	208	9.58%
4	Texas State University	143	19	5	167	7.69%
5	The University of Texas - Austin	138	3	3	144	6.63%
6	Sam Houston State University	109	7	2	118	5.44%
7	Texas Tech University	100	4	3	107	4.93%
8	The University of Texas - San Antonio	79	5	1	85	3.92%
9	University of Houston - Downtown	60	2	3	65	2.99%
10	Texas A&M University - Corpus Christi	46	0	0	46	2.12%
11	Stephen F. Austin State University	39	3	2	44	2.03%
12	The University of Texas - Arlington	19	3	12	34	1.57%
13	Prairie View A&M University	28	1	2	31	1.43%
14	The University of Texas Health Science Center at Houston	25	0	1	26	1.20%
15	University of North Texas	17	3	1	21	0.97%
16	Texas Woman's University	18	2	0	20	0.92%
17	Texas A&M University - Galveston	18	0	1	19	0.88%
18	The University of Texas - Dallas	16	2	0	18	0.83%
19	Texas A&M University - Kingsville	18	0	0	18	0.83%
20	University of Houston - Clear Lake	15	2	1	18	0.83%
21	Lamar University	15	2	0	17	0.78%
22	The University of Texas Medical Branch at Galveston	16	0	1	17	0.78%
23	Texas Southern University	13	0	0	13	0.60%
24	Tarleton State University	8	0	2	10	0.46%
25	The University of Texas - Tyler	8	0	1	9	0.41%
26	Texas A&M University - Commerce	4	2	0	6	0.28%
27	Texas Tech University Health Sciences Center	3	0	2	5	0.23%
28	Midwestern State University	3	2	0	5	0.23%
29	Angelo State University	4	0	0	4	0.18%
30	West Texas A&M University	3	0	1	4	0.18%
31	The University of Texas M.D. Anderson Cancer Center	2	0	1	3	0.14%
32	Texas A&M University System Health Science Center	2	0	0	2	0.09%
33	University of Texas of the Permian Basin	2	0	0	2	0.09%
34	Sul Ross State University	1	0	0	1	0.05%
35	The University of Texas - El Paso	1	0	0	1	0.05%
36	The University of Texas Health Science Center at San Antonio	0	1	0	1	0.05%
37	The University of Texas Southwestern Medical Center	1	0	0	1	0.05%
38	Texas A&M University - Texarkana	1	0	0	1	0.05%
39	The University of Texas - Rio Grande Valley	1	0	0	1	0.05%
<b>Totals</b>		<b>1,954</b>	<b>139</b>	<b>78</b>	<b>2,171</b>	<b>100.00%</b>

Wharton County Junior College  
 Statistical Supplement 18  
 Schedule of Capital Asset Information  
 Fiscal Years 2007 to 2016  
 (unaudited)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Academic buildings	11	11	12	12	12	12	12	12	12	12
Square footage (in thousands)	425	425	507	507	507	507	507	507	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	66,200
Administrative and support buildings	4	4	4	4	4	4	4	4	4	4
Square footage (in thousands)	64	64	64	64	64	64	64	64	64	64
Dormitories	3	3	3	3	3	3	3	3	3	3
Square footage (in thousands)	45	45	45	45	45	45	45	45	45	45
Number of Beds	158	158	158	158	158	158	158	158	158	158
Apartments	-	-	-	-	-	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-	-	-	-	-	-
Number of beds	-	-	-	-	-	-	-	-	-	-
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	69	69	69	69	69	69	69	69	69	69
Average daily customers	500	500	500	500	500	500	500	500	500	500
Athletic Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Stadiums	-	-	-	-	-	-	-	-	-	-
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	1	1	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	5	5	5	5	5	5	5	5	5	5
Transportation										
Cars	1	1	1	1	1	1	1	1	1	1
Light Trucks/Vans	16	16	14	14	14	14	14	14	14	14
Buses	1	1	1	1	1	1	1	-	-	1