



**WHARTON COUNTY JUNIOR  
COLLEGE DISTRICT**

**ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended**

**August 31, 2023**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT  
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**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Organizational Data**  
**Year Ended August 31, 2023**

Board of Trustees

Officers

Ms. Amy Rod, Chair  
Ms. Ann Hundl, Vice Chair  
Ms. Mary Ellen Meyer, Secretary

		Term Expires
<u>Members</u>		<u>May</u>
Mr. P.D. (Danny) Gertson, III	East Bernard, Texas	2024
Ms. Ann Hundl	El Campo, Texas	2026
Dr. Bret Macha	Hungerford, Texas	2028
Dr. Priscilla Metcalf	Wharton, Texas	2028
Ms. Mary Ellen Meyer	El Campo, Texas	2024
Mr. J. Paul Pope	El Campo, Texas	2024
Ms. Amy Rod	El Campo, Texas	2026
Mr. Larry Sitka	Wharton, Texas	2028
Dr. Sue Zanne Williamson Urbis	El Campo, Texas	2026

Principal Administrative Officers

Ms. Betty McCrohan, President

Ms. Leigh Ann Collins, Vice President of Instruction

Mr. Bryce Kocian, Vice President of Administrative Services

Dr. Amanda Allen, Vice President of Strategy, Enrollment Management and Technology

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

Ms. Lindsey McPherson, Dean of Student Success

Ms. Rachel Bahnsen, Dean of Human Resources

Mr. Jerry Martinez, Dean of Enrollment Management and Registrar



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

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KILLEEN • COPPERAS COVE • TEMPLE

Member of  
American Institute & Texas Society of  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Wharton County Junior College District  
Wharton, Texas

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows of Wharton County Junior College District, as of and for the year ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Wharton County Junior College District's basic financial statements as listed in the table of contents.

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, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Wharton County Junior College District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principle***

As described in Note 9 to the financial statements, in fiscal year ending August 31, 2023, the College adopted new accounting guidance, GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wharton County Junior College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wharton County Junior College District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wharton County Junior College District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of College's Share of Net Pension Liability, the Schedule of College's Contributions for Pensions, the Schedule of College's Share of Net OPEB Liability, the Schedule of College's Contributions for OPEB, Notes to Required Supplementary Information (RSI) Schedules for Pensions, and Notes to Required Supplementary Information (RSI) Schedules for OPEB as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wharton County Junior College District's basic financial statements. The Supplementary Schedules (Schedules A-F), which include the Schedule of Expenditures of Federal Awards (Schedule E) and the Schedule of Expenditures of State Awards (Schedule F), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, Supplementary Schedules (Schedules A-F), which include the Schedule of Expenditures of Federal Awards (Schedule E) and the Schedule of Expenditures of State Awards (Schedule F) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Organizational Data and the Statistical Supplement (Unaudited) but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 6, 2023, on our consideration of the Wharton County Junior College District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wharton County Junior College District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wharton County Junior College District’s internal control over financial reporting and compliance.



Temple, Texas  
November 6, 2023

## 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 2023 and 2022 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 2023 fiscal year.

- During fiscal year 2023, the following grants were received:
  - The College expended \$270,613 of the TRIO-Student Support Services Grant. The grant is designated for developing science, technology, engineering, and math programs for all students.
  - The College expended \$1,829,741 from CARES Act funds to fund lost revenues and computer software.
  - The College will receive \$2,000,000 from the Texas Higher Education Coordinating Board special appropriations to fund a construction trade campus located in Bay City.
- The property valuation in the taxing district increased \$1,237,170,971 during fiscal year 2023 primarily due to an increase in industrial valuations as well as homeowners' value increases.
- The College added \$1,966,189 to capital assets during FY 2023 as compared to \$1,753,533 for FY 2022 and \$438,187 for FY 2021.
- Capital leases were recognized as per GASB 87 (FY 2022) totaling \$11,635,219. In FY 2023, an additional \$186,609 in equipment leases were added due to GASB 87. In FY 2023, subscription software leases were recognized as per GASB 96 totaling \$790,231.



## 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 2023	FY 2022	FY 2021
Cash and cash equivalents	\$ 11,833,703	\$ 10,600,337	\$ 19,810,646
Short-term investments	7,405,004	7,263,705	8,141,813
Accounts receivable, net	329,252	127,538	72,741
Property taxes receivable	430,243	430,243	483,192
Tuition and fees receivable	4,478,680	4,110,469	4,865,436
Federal and state receivables	1,420,596	1,420,596	1,067,965
Other assets	6,007	4,892	43,290
Total Current Assets	<u>25,903,485</u>	<u>23,957,780</u>	<u>34,485,083</u>
Non-Current Assets:			
Restricted cash and cash equivalents	2,195,249	2,027,574	1,725,166
Restricted endowment cash and cash equivalents	1,264,192	1,442,285	1,017,982
Restricted agency funds cash and cash equivalents	252,369	243,245	258,459
Endowment non-current investments	3,966,665	3,901,997	4,213,304
Other non-current investments	21,295,213	20,379,531	12,008,915
Investments in real estate	111,000	111,000	111,000
Capital assets, net	45,395,916	46,128,769	35,884,555
Total Non-Current Assets	<u>74,480,604</u>	<u>74,234,401</u>	<u>55,219,381</u>
Total Assets	<u>100,384,089</u>	<u>98,192,181</u>	<u>89,704,464</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	6,127,939	2,679,498	3,623,874
Deferred Outflows Related to OPEB	4,419,587	6,661,196	7,638,875
Total Deferred Outflows of Resources	<u>10,547,526</u>	<u>9,340,694</u>	<u>11,262,749</u>
Current Liabilities:			
Accounts payable	4,378,890	4,051,398	2,402,409
Funds held for others - agency	255,283	243,245	254,463
Unearned revenues	10,010,253	8,728,041	9,032,432
Bonds payable - current portion	-	365,584	350,584
OPEB liability current portion	671,157	669,319	988,840
Total Current Liabilities	<u>15,315,583</u>	<u>14,057,587</u>	<u>13,028,728</u>
Non-Current Liabilities:			
Bonds payable - noncurrent portion	-	-	365,583
Lease Right of Use Assets	7,798,441	8,988,334	365,583
Net Pension Liability	8,848,857	4,103,835	9,228,835
Net OPEB Liability	25,144,707	31,898,327	28,655,823
Total Non-Current Liabilities	<u>41,792,005</u>	<u>44,990,496</u>	<u>38,250,241</u>
Total Liabilities	<u>57,107,588</u>	<u>59,048,083</u>	<u>51,278,969</u>
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	3,979,965	5,123,924	1,599,070
Deferred Inflows Related to OPEB	9,111,772	4,586,744	7,771,446
Total Deferred Inflows of Resources	<u>13,091,737</u>	<u>9,710,668</u>	<u>9,370,516</u>
Net Position:			
Invested in capital assets, net of related debt	45,395,916	45,763,185	35,168,387
Restricted for:			
Nonexpendable - endowments	12,490,145	12,304,435	13,473,179
Expendable:			
Federal and State grants	642,143	963,291	1,142,330
Debt service	403,878	382,133	376,103
Student aid	1,182,576	916,394	838,095
Unrestricted - undesignated	<u>(19,382,368)</u>	<u>(21,555,314)</u>	<u>(10,680,366)</u>
Total Net Position	<u>\$ 40,732,290</u>	<u>\$ 38,774,124</u>	<u>\$ 40,317,728</u>

## 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 2023 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 18% of total revenues.

	FY 2023		FY 2022		FY 2021	
Student tuition and fees, net of discounts of \$2,662,134, \$2,470,853, and \$2,527,673.	\$14,682,298	29.12%	\$14,829,227	27.50%	\$15,592,458	28.54%
Federal, state, and local grants and contracts	4,375,900	8.68%	7,147,467	13.25%	5,436,939	9.95%
Auxiliary enterprises, net of discounts of \$131,190, \$95,803, and \$52,766.	764,771	1.52%	790,798	1.47%	485,401	0.89%
Other operating revenues	229,825	0.46%	125,934	0.23%	109,504	0.20%
Total operating revenues	<u>20,052,794</u>	<u>39.78%</u>	<u>22,893,426</u>	<u>42.45%</u>	<u>21,624,302</u>	<u>39.58%</u>
Non-operating revenues:						
State appropriations	11,915,807	23.63%	11,728,534	21.75%	12,924,599	23.66%
Property taxes	9,324,980	18.49%	7,805,479	14.47%	7,680,797	14.06%
Federal Revenue, Non-Operating	7,573,592	15.02%	13,432,473	24.91%	9,665,806	17.69%
Investment Income	1,194,068	2.37%	(2,257,371)	-4.19%	2,493,913	4.57%
Other non-operating revenue	366,894	0.71%	328,060	0.61%	236,561	0.44%
Total non-operating revenue	<u>30,375,341</u>	<u>60.22%</u>	<u>31,037,175</u>	<u>57.55%</u>	<u>33,001,676</u>	<u>60.42%</u>
Total Revenues	<u>\$ 50,428,135</u>	<u>100.00%</u>	<u>\$ 53,930,601</u>	<u>100.00%</u>	<u>\$ 54,625,978</u>	<u>100.00%</u>

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

### Expenses

	FY 2023		FY 2022		FY 2021	
Instruction	\$ 18,182,637	37.51%	\$ 19,149,506	34.52%	\$ 21,115,273	40.46%
Public services and academic support	4,478,557	9.24%	4,593,431	8.28%	4,269,512	8.18%
Student services	4,371,191	9.02%	4,738,995	8.54%	4,091,748	7.84%
Institutional support	7,596,191	15.67%	7,295,627	13.15%	7,284,662	13.96%
Operations and maintenance of plant	3,759,490	7.76%	3,823,321	6.89%	4,963,452	9.51%
Scholarships and fellowships	5,659,272	11.68%	11,646,173	20.99%	7,897,915	15.13%
Auxiliary enterprises	943,304	1.95%	887,745	1.60%	820,761	1.57%
Depreciation and Amortization	3,282,949	6.78%	3,144,538	5.68%	1,689,388	3.25%
Total operating expenses	48,273,591	99.61%	55,279,336	99.65%	52,132,711	99.90%
<b>Non-Operating Expenses:</b>						
Interest	26,349	0.05%	26,515	0.05%	25,871	0.05%
Other Non-Operating Expenses	170,029	0.34%	168,354	0.30%	27,012	0.05%
Total Non-Operating Expenses	196,378	0.39%	194,869	0.35%	52,883	0.10%
Total Expenses	\$ 48,469,969	100.00%	\$ 55,474,205	100.00%	\$ 52,185,594	100.00%

### Change in Net Position

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

	FY 2023	FY 2022	FY 2021
Operating revenues	\$ 20,052,794	\$ 22,893,426	\$ 21,624,302
Non-operating revenues	30,375,341	31,037,175	33,001,676
Total revenues	50,428,135	53,930,601	54,625,978
Operating expenses	48,273,591	55,279,336	52,132,711
Non-operating expenses	196,378	194,869	52,883
Total expenses	48,469,969	55,474,205	52,185,594
Increase to net position	\$ 1,958,166	\$ (1,543,604)	\$ 2,440,384

## 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 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>
Cash provided by (used in):			
Operating activities	\$ (22,843,882)	\$ (25,103,720)	\$ (25,565,167)
Non-capital and related financing activities	27,156,898	40,018,658	28,437,396
Capital and related financing activities	(3,130,133)	(13,928,703)	(825,499)
Investing activities	49,189	(9,485,047)	(5,187,452)
Net increase (decrease) in cash	<u>1,232,072</u>	<u>(8,498,812)</u>	<u>(3,140,722)</u>
Cash - beginning of year	14,313,441	22,812,253	25,952,975
Cash - end of year	<u>\$ 15,545,513</u>	<u>\$ 14,313,441</u>	<u>\$ 22,812,253</u>

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

### Capital Asset and Debt Administration

The College had total capital asset additions of \$1,966,189 for fiscal year 2023, \$1,753,533 in fiscal year 2022, \$438,187 in fiscal year 2021. GASB 96 was implemented in fiscal year 2023 and added \$790,231 to subscription leases for FY 2023. The College received special appropriations for construction trades located in Bay City of \$2,000,000 to be constructed in fiscal year 2024.

### Future Financial Considerations

The College has experienced a positive enrollment over the past ten years. The funding formula used by the Texas Higher Education Coordinating Board to allocate state appropriated funds is based on the total amount appropriated to all community colleges multiplied by the community college's percentage of the state's total student contact hours, success points, and base funding. Twenty-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, 2023 and August 31, 2022**

	F/Y 2023	F/Y 2022
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 11,833,703	\$ 10,600,337
Short-term investments	7,405,004	7,263,705
Accounts receivable, net	6,658,771	6,088,846
Prepaid Expenses	6,007	4,892
<b>Total Current Assets</b>	<b>25,903,485</b>	<b>23,957,780</b>
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents	2,195,249	2,027,574
Restricted endowment cash and cash equivalents	1,264,192	1,442,285
Restricted agency funds cash and cash equivalents	252,369	243,245
Endowment non-current investments	3,966,665	3,901,997
Other non-current investments	21,295,213	20,379,531
Investments in real estate	111,000	111,000
Capital assets, net (note 7)	45,395,916	46,128,769
<b>Total Noncurrent Assets</b>	<b>74,480,604</b>	<b>74,234,401</b>
<b>Total Assets</b>	<b>100,384,089</b>	<b>98,192,181</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Outflows Related to Pensions	6,127,939	2,679,498
Deferred Outflows Related to OPEB	4,419,587	6,661,196
<b>Total Deferred Outflows of Resources</b>	<b>10,547,526</b>	<b>9,340,694</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	4,378,890	4,051,398
Funds held for others - agency	255,283	243,245
Unearned revenue	10,010,253	8,728,041
Bonds payable-current portion	-	365,584
Net OPEB Liability - current portion	671,157	669,319
<b>Total Current Liabilities</b>	<b>15,315,583</b>	<b>14,057,587</b>
<b>Noncurrent Liabilities:</b>		
Lease ROU Liability	7,798,441	8,988,334
Net Pension Liability	8,848,857	4,103,835
Net OPEB Liability	25,144,707	31,898,327
<b>Total Noncurrent Liabilities</b>	<b>41,792,005</b>	<b>44,990,496</b>
<b>Total Liabilities</b>	<b>57,107,588</b>	<b>59,048,083</b>
<b>Deferred Inflows of Resources:</b>		
Deferred Inflows Related to Pensions	3,979,965	5,123,924
Deferred Inflows Related to OPEB	9,111,772	4,586,744
<b>Total Deferred Inflows of Resources</b>	<b>13,091,737</b>	<b>9,710,668</b>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	45,395,916	45,763,185
Restricted for:		
Nonexpendable		
Endowments	12,490,145	12,304,435
Expendable:		
Federal and State grants	642,143	963,291
Debt service	403,878	382,133
Student aid	1,182,576	916,394
Unrestricted	(19,382,368)	(21,555,314)
<b>Total Net Position (Schedule D)</b>	<b>40,732,290</b>	<b>38,774,124</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, 2023 and August 31, 2022**

<b>Operating Revenues</b>	<b><u>F/Y 2023</u></b>	<b><u>F/Y 2022</u></b>
Tuition and Fees (net of discounts of \$2,662,134 and \$2,470,853 )	\$ 14,682,298	\$ 14,829,227
Federal Grants and Contracts	3,937,439	6,755,686
State Grants and Contracts	144,370	92,675
Non-Government Grants and Contracts	294,091	299,106
Sales and Services of Educational Activities	23,900	24,626
Auxiliary Enterprises (net of discounts of \$131,190 and \$95,803)	764,771	790,798
General Operating Revenues	<u>205,925</u>	<u>101,308</u>
Total Operating Revenues (Schedule A)	<b><u>20,052,794</u></b>	<b><u>22,893,426</u></b>
 <b>Operating Expenses</b>		
Instruction	18,182,637	19,149,506
Public Service	1,423,819	1,709,536
Academic Support	3,054,738	2,883,895
Student Services	4,371,191	4,738,995
Institutional Support	7,596,191	7,295,627
Operation and Maintenance of Plant	3,759,490	3,823,321
Scholarships and Fellowships	5,659,272	11,646,173
Auxiliary Enterprises	943,304	887,745
Depreciation and Amortization	<u>3,282,949</u>	<u>3,144,538</u>
Total Operating Expenses (Schedule B)	<b><u>48,273,591</u></b>	<b><u>55,279,336</u></b>
 <b>Operating Loss</b>	 <b>(28,220,797)</b>	 <b>(32,385,910)</b>
 <b>Non-Operating Revenues (Expenses)</b>		
State Appropriations	11,915,807	11,728,534
Maintenance Ad Valorem Taxes	9,324,980	7,805,479
Federal Revenue, Non Operating	7,573,592	13,432,473
Gifts and Donations	334,473	300,974
Investment Income	1,194,068	(2,257,371)
Other Non-operating Revenues	32,421	27,086
Other Non-operating Expenses	(26,349)	(26,515)
Interest Expense	<u>(170,029)</u>	<u>(168,354)</u>
Net Non-Operating Revenues (Schedule C)	<u>30,178,963</u>	<u>30,842,306</u>
 <b>Increase (Decrease) in Net Position</b>	 <b>1,958,166</b>	 <b>(1,543,604)</b>
 <b>Net Position</b>		
Net Position, Beginning of Year	<u>38,774,124</u>	<u>40,317,728</u>
Net Position, End of Year	<u>\$ <u>40,732,290</u></u>	<u>\$ <u>38,774,124</u></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, 2023 and August 31, 2022**

	<u>F/Y 2023</u>	<u>F/Y 2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 15,978,519	\$ 16,020,099
Payments of grants and contracts	4,874,328	6,951,735
Payments to or on behalf of employees	(27,294,923)	(27,809,790)
Payments to suppliers for goods and services	(11,008,715)	(8,697,889)
Payments for scholarships and fellowships	<u>(5,393,091)</u>	<u>(11,567,875)</u>
Net cash provided (used) by operating activities	<u>(22,843,882)</u>	<u>(25,103,720)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	9,342,853	9,349,089
Receipts from ad valorem taxes	9,272,478	7,858,428
Receipts from Federal Revenue	7,573,592	13,432,473
Gifts and grants for other than capital purposes	334,473	300,974
Other Receipts/Disbursements	<u>633,502</u>	<u>9,077,694</u>
Net cash provided (used) by noncapital financing activities	<u>27,156,898</u>	<u>40,018,658</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Purchases of capital assets	(2,550,093)	(13,388,755)
Proceeds from the sale of capital assets	(1,198)	(2,084)
Payments on capital debt-principal	(365,584)	(350,583)
Payment on capital debt- interest	(186,909)	(160,766)
Payment on non-operating supplies	<u>(26,349)</u>	<u>(26,515)</u>
Net cash provided (used) by capital and related financing activities	<u>(3,130,133)</u>	<u>(13,928,703)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	1,449,719	3,871,651
Purchases of investments	(2,571,370)	(11,052,851)
Interest on Investments	<u>1,170,840</u>	<u>(2,303,847)</u>
Net cash provided (used) by investing activities	<u>49,189</u>	<u>(9,485,047)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,232,072	(8,498,812)
<b>CASH AND CASH EQUIVALENTS-September 1</b>	<u>14,313,441</u>	<u>22,812,253</u>
<b>CASH AND CASH EQUIVALENTS-August 31</b>	<u>\$ 15,545,513</u>	<u>\$ 14,313,441</u>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (28,220,797)	\$ (32,385,910)
Adjustments to reconcile net loss to net cash provided (used) by operating activities		
Depreciation and Amortization expense	3,282,949	3,144,538
Bad debt expense		
Payments made directly by state for benefits	2,572,953	2,379,445
Changes in assets and liabilities:		
Accounts receivable, net:		
Student a/r	(655,793)	754,967
Other a/r	(323,778)	(8,321)
Grants a/r	485,376	(352,631)
Accounts payable:		
Vendors		1,563,103
Scholarships	(1,544,107)	116,697
Funds held for others agency	265,067	(11,218)
Deferred revenues:		
Deferred tuition	1,475,083	(359,980)
Deferred grant revenue	(192,873)	55,590
Net cash used by operating activities	<u>\$ (22,843,882)</u>	<u>\$ (25,103,720)</u>

The accompanying notes are an integral part of the financial statements



# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2023

### 1. Reporting Entity

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

### 2. Summary of Significant Accounting Policies

This section provides a summary of the College's significant accounting activities and other topics related to the College's financial reporting.

#### Reporting Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community Colleges*, with generally accepted accounting policies, and with all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities.

#### Tuition Discounting

##### *Texas Public Education Grants (TPEG)*

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

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

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

##### *Other Tuition Discounts*

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

#### Basis of accounting

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

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2023

### **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 \$11,305,788 and \$9,484,296 at August 31, 2023 and August 31, 2022, respectively to be short-term investments.] Long-term investments have an original maturity of greater than one year at the time of purchase.

#### Capital assets

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

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

Right to use assets resulting from public-private and/or public-public partnership (PPP) arrangements that qualify as leases are amortized over the shorter of the lease term or the useful life of the underlying asset.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2023

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

Right to use subscription assets resulting from qualifying subscription-based information technology arrangement (SBITAs) are amortized over the subscription term.

#### Other Post-Employment Benefits (OPEB)

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

#### Pensions

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

#### Unearned Revenue

Tuition and fees of \$9,020,953 and \$8,003,554, deferred federal state and local grants of \$531,616 and \$724,487, and deferred other \$457,684 and \$0.00 have been reported as unearned revenue at August 31, 2023 and 2022 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

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

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

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.

**3. Authorized Investments**

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

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

**4. Deposits and Investments**

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the College's deposits may not be returned. The College's investment policy requires deposits to be insured or collateralized in compliance with applicable state law. As of August 31, 2023 and 2022 the College's entire bank balances of \$5,064,965 and \$5,176,238 respectively, were insured, collateralized and not exposed to custodial credit risk.

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

**Cash and Deposits**

	<u>2023</u>	<u>2022</u>
Bank Deposits		
Demand Deposits	\$4,233,425	\$4,822,845
	<u>\$4,233,425</u>	<u>\$4,822,845</u>
Cash and Cash Equivalents		
Petty Cash on Hand	\$6,300	\$6,300
Investment pool-TexPool	11,305,788	9,484,296
	<u>11,312,088</u>	<u>9,490,596</u>
Total Cash and Deposits	<u>\$15,545,513</u>	<u>\$14,313,441</u>

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2023

### Deposits and Investments (continued)

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

Type of Security	Market Value August 31, 2023	Market Value August 31, 2022
U. S. Government Securities	\$20,378,533	\$19,451,122
U. S. Government Treasuries	2,715,781	2,715,782
Stocks	672,605	604,333
Mutual Fund Investments	7,405,004	7,263,705
Municipal Obligations	1,494,959	1,510,291
Real Estate Investments	111,000	111,000
<b>Totals</b>	<b>\$32,777,882</b>	<b>\$31,656,233</b>
Total Cash and Deposits	15,545,513	14,313,441
Total Investments	32,777,882	31,656,233
Total Deposits and Investments	<u>\$48,323,395</u>	<u>\$45,969,674</u>
Cash and Short-term Investments (Exhibit 1)	22,950,517	21,577,146
Investments (Exhibit 1)	25,372,878	24,392,528
Total Deposits and Investments	<u>\$48,323,395</u>	<u>\$45,969,674</u>

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) as of August 31, 2023			
		Less than 1	1 to 2	2 to 3	More than 3
U.S. Government Securities	20,378,533	956,278	4,670,757	7,261,463	7,490,035
U.S. Government Treasuries	2,715,781	-	918,828	1,796,953	-
Municipal Obligations	1,494,959	-	-	1,494,959	-
Total Fair Value	<u>\$ 24,589,273</u>	<u>\$ 956,278</u>	<u>\$ 5,589,585</u>	<u>\$ 10,553,375</u>	<u>\$ 7,490,035</u>

Investment Type	Fair Value	Investment Maturities (in Years) as of August 31, 2022			
		Less than 1	1 to 2	2 to 3	More than 3
U.S. Government Securities	19,451,122	-	940,716	4,632,265	13,878,141
U.S. Government Treasuries	2,715,782	-	-	914,258	1,801,524
Municipal Obligations	1,510,291	-	-	-	1,510,291
Total Fair Value	<u>\$ 23,677,195</u>	<u>\$ -</u>	<u>\$ 940,716</u>	<u>\$ 5,546,523</u>	<u>\$ 17,189,956</u>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**Deposits and Investments (continued)**

**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 FHLB (37.78%), FFCB (22.97%), U. S. Treasury (8.49%), Fidelity (8.38%), and Dreyfus (6.83%).

**5. Fair Value of Financial Instruments**

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

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

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

The fair value hierarchy of investments at August 31, 2023 follows:

	FY 2023				FY 2022
	Level 1	Level 2	Level 3	Total	Total
Mutual funds	7,405,004	-	-	7,405,004	7,263,705
Marketable Securities	672,605	-	-	672,605	604,333
U.S. Government Securities	20,378,533	-	-	20,378,533	19,451,122
U.S. Government Treasuries	2,715,781	-	-	2,715,781	2,715,782
Municipal Obligations	1,494,959	-	-	1,494,959	1,510,291
Real Estate Investments	-	-	111,000	111,000	111,000
<b>Total</b>	<b>\$ 32,666,882</b>	<b>\$ -</b>	<b>\$ 111,000</b>	<b>\$ 32,777,882</b>	<b>\$ 31,656,233</b>

**6. Derivatives**

The College did not invest in any derivative investment products or repurchase agreements during the year ended August 31, 2023 or August 31, 2022.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**7. Capital Assets**

Capital assets activity for the year ended August 31, 2023 was as follows:

	Balance September 1, 2022	Increases	Decreases	Balance August 31, 2023
<u>Not Depreciated:</u>				
Land	\$2,501,709	\$ -	\$ -	\$2,501,709
Construction in Progress	724,581	652,552	(14,785)	1,362,348
Subtotal	<u>3,226,290</u>	<u>652,552</u>	<u>(14,785)</u>	<u>3,864,057</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	40,462,341	577,162	-	41,039,503
Right-of-use Buildings	11,635,219	-	(378,148)	11,257,071
Other Real Estate Improvements	3,604,056	290,109	-	3,894,165
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	<u>56,062,752</u>	<u>867,271</u>	<u>(378,148)</u>	<u>56,551,875</u>
Library books	3,269,720	8,413	(13,046)	3,265,087
Furniture, Machinery, and Equipment	15,318,984	437,953	-	15,756,937
Right-of-use Leased Asset	-	186,609	-	186,609
Right-of-use Subscription Asset	-	790,231	-	790,231
Total Buildings and Other Capital Assets	<u>74,651,456</u>	<u>2,290,477</u>	<u>(391,194)</u>	<u>76,550,739</u>
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	15,143,174	820,295	-	15,963,469
Right-of-Use Buildings	1,517,637	1,460,915	-	2,978,552
Other Real Estate Improvements	939,881	7,574	-	947,455
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	<u>17,925,715</u>	<u>2,288,784</u>	<u>-</u>	<u>20,214,499</u>
Library books	3,241,402	13,566	(13,046)	3,241,922
Furniture, Machinery, and Equipment	10,581,860	778,793	-	11,360,653
Right-of-use Leased Asset	-	15,551	-	15,551
Right-of-use Subscription Asset	-	186,255	-	186,255
Total Accumulated Depreciation	<u>31,748,977</u>	<u>3,282,949</u>	<u>(13,046)</u>	<u>35,018,880</u>
Net Capital Assets	<u>\$46,128,769</u>	<u>\$(339,920)</u>	<u>\$ (392,933)</u>	<u>\$45,395,916</u>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**Capital Assets (continued)**

Capital assets activity for the year ended August 31, 2022 was as follows:

	Balance September 1, 2021	Increases	Decreases	Balance August 31, 2022
<u>Not Depreciated:</u>				
Land	\$2,501,709	\$ -	\$ -	\$2,501,709
Construction in Progress	14,785	709,796	-	724,581
Subtotal	<u>2,516,494</u>	<u>709,796</u>	<u>-</u>	<u>3,226,290</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	40,064,085	398,256	-	40,462,341
Right-of-Use Buildings		11,635,219	-	11,635,219
Other Real Estate Improvements	3,604,056	-	-	3,604,056
Infrastructure	361,136	-	-	361,136
Total Buildings and Other Real Estate Improvements	<u>44,029,277</u>	<u>12,033,475</u>	<u>-</u>	<u>56,062,752</u>
Library books	3,258,273	24,493	(13,046)	3,269,720
Furniture, Machinery, and Equipment	14,697,996	620,988	-	15,318,984
Total Buildings and Other Capital Assets	<u>61,985,546</u>	<u>12,678,956</u>	<u>(13,046)</u>	<u>74,651,456</u>
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	14,323,886	819,288	-	15,143,174
Right-of-Use Buildings		1,517,637	-	1,517,637
Other Real Estate Improvements	939,881	-	-	939,881
Infrastructure	325,023	-	-	325,023
Total Buildings and Other Real Estate Improvements	<u>15,588,790</u>	<u>2,336,925</u>	<u>-</u>	<u>17,925,715</u>
Library books	3,240,213	14,235	(13,046)	3,241,402
Furniture, Machinery, and Equipment	9,788,482	793,378	-	10,581,860
Total Accumulated Depreciation	<u>28,617,485</u>	<u>3,144,538</u>	<u>(13,046)</u>	<u>31,748,977</u>
Net Capital Assets	<u>\$35,884,555</u>	<u>\$10,244,214</u>	<u>\$ -</u>	<u>\$46,128,769</u>



WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**8. Non-Current Liabilities**

Non-current liability activity for the year ended August 31, 2023 was as follows:

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Current Portion
<b>Bonds</b>					
Revenue bonds	\$ 355,000	\$ -	\$ 355,000	\$ -	\$ -
Unamortized bond premium	10,584	-	10,584	-	-
Subtotal	<u>365,584</u>	<u>-</u>	<u>365,584</u>	<u>-</u>	<u>-</u>
Leases	10,327,846	750,000	1,657,106	9,420,740	1,622,299
Net pension liability	4,103,835	4,745,022		8,848,857	N/A
Net OPEB liability	32,567,646		6,751,782	25,815,864	671,157
Total non-current liabilities	<u>\$ 47,364,911</u>	<u>\$ 5,495,022</u>	<u>\$ 8,774,472</u>	<u>\$ 44,085,461</u>	<u>\$ 2,293,456</u>

The college had no line of credit as of August 31, 2023.

Non-current liability activity for the year ended August 31, 2022 was as follows:

	Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022	Current Portion
<b>Bonds</b>					
Revenue bonds	\$ 695,000	\$ -	\$ 340,000	\$ 355,000	\$ 355,000
Unamortized bond premium	21,167	-	10,583	10,584	10,584
Subtotal	<u>716,167</u>	<u>-</u>	<u>350,583</u>	<u>365,584</u>	<u>365,584</u>
Leases		11,635,219	1,307,373	10,327,846	1,339,512
Net pension liability	9,228,835		5,125,000	4,103,835	N/A
Net OPEB liability	29,644,663	2,922,983		32,567,646	669,319
Total non-current liabilities	<u>\$ 39,589,665</u>	<u>\$ 14,558,202</u>	<u>\$ 6,782,956</u>	<u>\$ 47,364,911</u>	<u>\$ 2,374,415</u>

The college had no line of credit as of August 31, 2022.

**9. Debt Obligations**

The college has no debt service requirements at August 31, 2023.

Wharton County Junior College District changed accounting policies related to leases and software subscriptions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*, in fiscal year ending August 31, 2022 and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year ending August 31, 2023.

The college recorded the following right of use leased assets that qualify as other than short term leases under GASB 87 or as a subscription based information technology arrangement under GASB 96, and therefore have been recorded at the present value of the future minimum lease payments for FY23. The assets are amortized on a straight-line basis over the lease term.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2023

### Debt Obligations (continued)

A campus building and library:

- The agreement was executed July 2008 with the following amendments:
  - First Amendment, November 2008 to extend the lease term commencement date, modify the square footage, initial rent, and deferred maintenance charges
  - Second Amendment, May 2011, to incorporate Lessee's obligations to pay for the costs of the construction and operations associated with the Fort Bend County University Branch Library
  - Third Amendment, June 2012, to modify the Lessee's rental rate for the period May 1, 2012 to April 30, 2015
  - Fourth Amendment, June 2016, to modify the Lessee's rental rate for May 1, 2015 through April 30, 2018
  - Fifth Amendment, approximately June 2021, to modify the Lessee's rental rate for May 1, 2018 through April 30, 2021
  - Sixth Amendment, June 2022, to modify the Lessee's rental rates for the periods May 1, 2022 through April 30, 2029
  - Seventh Amendment, August 2023, to reduce leased square footage to approximately 69,714 beginning September 1, 2022
- The lease requires 240 monthly rental payments ranging from \$78,605 to \$137,479 over the lease period based on 72,483 usable square feet through August 31, 2022 and on 69,714 usable square feet through April 30, 2029
- Monthly deferred maintenance charges commencing lease term year 7 ranging from \$6,040 to \$30,750
- Monthly lease payments for the library of \$5,016 with a final payment due at the end of the lease term of \$145,452
- Lessee is responsible for its proportionate share of utility costs
- The lease liability for the campus building and library are calculated using a discount rate of 1.27% and 5.00% respectively
- The college has recorded a right of use asset with a net book value of \$11,635,219 with a remeasurement effective September 1, 2022 to \$11,257,071.

An equipment lease agreement for multiple copiers:

- The agreement was executed January 2023 for the lease to begin April of 2023.
- The lease requires 60 monthly rental payments of \$3,639.10 for 43 Ricoh/Savin copiers with final payment on March 1, 2028
- The lease liability is calculated using a discount rate of 6.59%
- The college has recorded a right of use asset with a net book value of \$186,609

Subscription Information Technology Arrangements:

- Intelligent learning platform, 5 year subscription agreement beginning September 2022 with a 6.59% discount rate and a net book value of \$259,857
- Web-site platform, 3 year subscription agreement beginning September 2020 renewing an additional 12 months with a 6.29% discount rate and a net book value of \$52,001
- Lockdown browser, 1 year subscription agreement beginning August 2022 renewing an additional 12 months with a 6.29% discount rate and a net book value of \$57,801
- Human Resources performance evaluation system, commencing December 2022 and renewing an additional 12 months with a 6.29% discount rate and a net book value of \$77,496
- Payment gateway, 3 year agreement beginning March 2021 and renewing March 2024 for an additional 3 years with a 6.49% discount rate and a net book value of \$284,172
- Video streaming platform, 3 year agreement beginning August 2021 with a 6.29% discount rate and net book value of \$58,904

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**Debt Obligations (continued)**

Obligations under leases on August 31, 2023 were as follows:

Year Ending August 31,	Principal Payments	Interest Payments	Total
2024	\$1,622,299	\$151,032	\$1,773,331
2025	\$1,566,082	\$119,354	\$1,685,436
2026	\$1,645,050	\$ 88,419	\$1,733,469
2027	\$1,784,962	\$ 60,987	\$1,845,949
2028	\$1,529,847	\$ 31,068	\$1,560,915
2029	\$1,272,500	\$ 9,398	\$1,281,898
Total	\$9,420,740	\$460,258	\$9,880,998

**10. Bonds Payable**

WCJC has no bonds payable.

**11. Advance Refunding Bonds**

WCJC has no advance refunding bonds.

**12. Defeased Bonds Outstanding**

WCJC has no defeased bonds outstanding.

**13. Short-Term Debt**

WCJC has no short- term debt for the fiscal years ended August 31, 2023 and August 31, 2022.

**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). The TRS's defined benefit pension plan is established and administered in accordance 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

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2023

### **Employees' Retirement Plan (continued)**

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 [Annual Comprehensive Financial Report](#) that includes financial statements and required supplementary information. The report is available online or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

### **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.

Texas Government Code Section 821.006 prohibits benefit improvement 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.

### **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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**Employees' Retirement Plan (continued)**

**Contribution Rates**

	<u>2023</u>	<u>2022</u>
Member	8.00%	8.00%
Non-Employer Contribution Entity (State)	8.00%	7.75%
Employers	8.00%	7.75%

FY2022 College Contributions	\$	694,729
FY2022 State of Texas On-behalf Contributions	\$	500,663
FY2022 Member Contributions	\$	1,228,895

The College's contributions to the TRS pension plan in 2023 were \$729,270 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 2023 were \$519,450.

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.
- 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, 2022 actuarial valuation was determined using the following actuarial assumptions:

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**Employees' Retirement Plan (continued)**

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return*	7.00%
Municipal Bond Rate as of August 2022*	3.91%*
Last year ending August 31 in Projection period (100 years)	2121
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

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

The actuarial methods and assumptions were selected by the Board of Trustees of the Teacher Retirement System of Texas based upon analysis and recommendations by the system's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021.

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

**F. Discount Rate**

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 % of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2022, are summarized below:

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

Employees' Retirement Plan (continued)

Asset Class	Target Allocation** %	Long- Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long- Term Portfolio Returns
<b>Global Equity</b>			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00	4.90	0.90
Emerging Markets	9.00	5.40	0.75
Private Equity*	14.00	7.70	1.55
<b>Stable Value</b>			
Government Bonds	16.00	1.00	0.22
Absolute Return*	0.00	3.70	0.00
Stable Value Hedge Funds	5.00	3.40	0.18
<b>Real Return</b>			
Real Estate	15.00	4.10	0.94
Energy, Natural Resources, and Infrastructure	6.00	5.10	0.37
Commodities	0.00	3.60	0.00
<b>Risk Parity</b>	8.00	4.60	0.43
<b>Asset Allocation Leverage</b>			
Cash	2.00	3.00	0.01
Asset Allocation Leverage	(6.00)	3.60	(0.05)
Inflation Expectation			2.70
Volatility Drag****			(0.91)
<b>Expected Return</b>	100.00%		8.19%

\*Absolute Return includes Credit Sensitive Investments.

\*\*Target allocations are based on the FY2022 policy model.

\*\*\*Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022).

\*\*\*\*The volatility drag results from the conversion between arithmetic and geometric mean returns.

Source: Teacher Retirement System of Texas 2022 Annual Comprehensive Financial Report

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**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 (7.00%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Wharton County Junior College's proportionate share of the net pension liability	\$ 13,765,466	\$ 8,848,857	\$ 4,863,714

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

At August 31, 2023, Wharton County Junior College reported a liability of \$ 8,848,857 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	\$ 8,848,857
State's proportionate share that is associated with Wharton County Junior College	\$ 6,369,737
Total	\$ 15,218,594

The net pension liability was measured as of August 31, 2022 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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net pension liability was 0.0149052383%, which was a decrease of 0.0012094286% from its proportion measured as of August 31, 2021.

**I. Changes Since the Prior Actuarial Valuation**

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial



WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**Employees' Retirement Plan (continued)**

experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

For the year ended August 31, 2023, Wharton County Junior College recognized pension expense of \$608,875 and revenue of \$608,875 for support provided by the State.

At August 31, 2023, 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	\$ 128,308	\$ 192,922
Changes in actuarial assumptions	1,648,830	410,934
Difference between projected and actual investment earnings	3,438,136	2,563,897
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	183,395	812,212
Contributions paid to TRS subsequent to the measurement date	729,270	-
Total	\$ 6,127,939	\$ 3,979,965

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
2024	\$ 440,120
2025	\$ 177,545
2026	\$ (78,345)
2027	\$ 835,253
2028	\$ 44,131
Thereafter	\$ -

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2023

### 14. Optional Retirement Plan – Defined Contribution Plan

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

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

The retirement expense to the state for the college was \$656,949 and \$670,360 for the fiscal years ended August 31, 2023 and 2022 respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll for all college employees was \$21,752,404 and \$22,382,578 for fiscal years 2023 and 2022 respectively. The total payroll of employees covered by the Teacher Retirement System was \$15,393,093 and \$15,355,927 and the total payroll of employees covered by the Optional Retirement System was \$4,515,337 and \$5,103,579 for the fiscal years 2023 and 2022, 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, 2023, 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.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**Compensable Absences (continued)**

Personal leave

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

**17. Health Care and Life Insurance Benefits**

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was \$623 to \$1,220 per month, depending on the coverage elected for the year ended August 31, 2023 (\$625 to \$1,222 per month, depending on the coverage elected for 2022). The cost of providing those benefits for 199 retirees in the year ended 2023 was \$1,715,504 (retiree benefits for 183 retirees cost \$1,592,857 in 2022). For 314 active employees, the cost of providing benefits was \$3,599,005 for the year ended 2023 (active employee benefits for 357 employees cost \$3,682,036 for the year ended 2022). S.B. 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

**18. Other Post-Employment Benefits (OPEB)**

(In accordance with GASB Statement 75)

*Plan Description.* The college participates in a cost-sharing, multiple-employer, other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

*OPEB Plan Fiduciary Net Position.* Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report (ACFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18<sup>th</sup> Street, Austin, TX 78701; or by calling (877) 275-4377.

*Benefits Provided.* Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

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

eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

*Contributions.* Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendation of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative cost with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium, which is based on a blended rate. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

Maximum Monthly Employer Contribution  
Retiree Health and Basic Life Premium  
Fiscal Year 2022

Retiree only	\$ 624.82
Retiree & Spouse	1,339.90
Retiree & Children	1,103.58
Retiree & Family	1,818.66

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

Premium Contributions by Source  
Group Benefits Program Plan  
For the Years Ended August 31, 2022 and 2021

	FY2022	FY 2021
Employers	\$ 699,999,453	\$ 766,689,167
Members (Employees)	190,659,955	192,426,941
Non-employer Contributing Entity (State of Texas)	36,750,724	39,188,518

Source: ERS FY2022 Annual Comprehensive Financial Report

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

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

*Actuarial Assumptions.* The total OPEB liability was determined by an actuarial valuation as of August 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions  
ERS Group Benefits Program Plan

Valuation Date	August 31, 2022
Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not applicable because the plan operates on a pay-as-you-go basis
Discount Rate	3.59%
Projected Annual Salary Increase (includes inflation)	2.30% to 8.95%
Annual Healthcare Trend rate	<p><u>Health Select</u> 5.60% for FY2024, 5.30% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years</p> <p><u>HealthSelect Medicare Advantage</u> 66.67% for FY2024, 24.00% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years</p> <p><u>Pharmacy</u> 10.00% for FY2024 and FY2025, decreasing 100 basis points per year to 5.00% for FY2030 and 4.30% for FY2031 and later years</p>
Inflation Assumption Rate	2.30%
Ad hoc Postemployment Benefit Changes	None
Mortality Rate	<p><u>State Agency Members</u></p> <ol style="list-style-type: none"> <li>a. Service Retirees, Survivors and other Inactive Members (Regular, Elected, CPO/CO and JRS I and II Employee classes): 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale projected from the year 2020.</li> <li>b. Disability Retirees (Regular, Elected, CPO/CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females respectively.</li> <li>c. Active Members: Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members. Pub-2010 Public Safety Active Member Mortality table for CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale from the year 2010.</li> </ol>

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

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

Mortality Rate (continued)

Higher Education Members

- a. Service Retirees, Survivors and other Inactive Members: Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021.
- b. Disability Retirees: Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
- c. Active Members: Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.

*Source: 2022 ERS ACFR and ERS FY 22 GASB 75 Actuarial Valuation*

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuary as of August 31, 2019 and the TRS retirement plan actuary as of August 31, 2021.

*Investment Policy.* The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System’s Board of Trustees amended the investment policy statement in August 2022 to require that all funds in this plan be invested in cash and equivalent securities. The expected rate of return on these investments is currently 4.1%, in line with the prevailing returns on 90-day US treasury bills.

*Discount Rate.* Because the State Retiree Health Plan does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.14%. The discount rate used to measure the total OPEB liability as of the end of the measurement period was 3.59% which amounted to an increase of 1.45%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp’s AA rating.

*Discount Rate Sensitivity Analysis.* The following schedule shows the impact on the College’s proportionate share of the collective OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.59%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.59%)	Discount Rate (3.59%)	1% Increase in Discount Rate (4.59%)
College’s proportionate share of the net OPEB liability:	\$30,109,100	\$25,815,864	\$22,382,309

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

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

*Healthcare Trend Rate Sensitivity Analysis.* The initial healthcare trend rate is 5.60% for HealthSelect, 66.67% for HealthSelect Medicare Advantage, and 10.00% for Pharmacy. The following schedule shows the impact on the College’s proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (HealthSelect 5.60%, HealthSelect Medicare Advantage 66.67%, and Pharmacy 10.00%) in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rates (HealthSelect 4.60% decreasing to 3.30%; HealthSelect Medicare Advantage: 65.67% to 3.30%; Pharmacy: 9.00% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.60% decreasing to 4.30%; HealthSelect Medicare Advantage: 66.67% to 4.30%; Pharmacy: 10.00% decreasing to 4.30%)	1% Increase in Healthcare Cost Trend Rates (HealthSelect: 6.60% decreasing to 5.30%; HealthSelect Medicare Advantage: - 67.67% to 5.30%; Pharmacy: 11.00% decreasing to 5.30%)
College’s proportionate share of the net OPEB liability:	\$22,107,741	\$25,815,864	\$30,550,139

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At August 31, 2023, the College reported a liability of \$25,815,864 for its proportionate share of the ERS’s net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

College’s Proportionate share of the collective net OPEB liability	\$25,815,864
State’s proportionate share that is associated with College	\$19,137,293
Total	\$44,953,157

The net OPEB liability was measured as of August 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net OPEB liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 thru August 31, 2022.

At the measurement date of August 31, 2022, the employer’s proportion of the collective net OPEB liability was .09062343% which was a decrease of 0.00015618% from its proportion measured as of August 31, 2021.

For the year ended August 31, 2022, the College recognized OPEB expense of \$(697,074) and revenue of \$(697,074) for support provided by the State.

*Changes Since the Prior Actuarial Valuation* – Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Financial Statements August 31, 2023

### **Other Post-Employment Benefits (OPEB) (continued)**

#### *Demographic Assumptions*

Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the TRS Trustees. These new assumptions were adopted to reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary.

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

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.

#### *Economic Assumptions*

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

The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.

#### *Other Inputs*

The discount rate was changed from 2.14% to 3.59% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

#### *Changes of Benefit Terms Since Prior Measurement Date*

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2023, are provided for in the FY2023 Assumed Per Capita Health Benefit Costs.

At August 31, 2023, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:



WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	-	\$814,522
Changes in actuarial assumptions	1,516,785	7,979,928
Difference between projected and actual investment earnings	4,453	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,331,286	317,322
Contributions paid to ERS subsequent to the measurement date	567,063	-
<b>Total</b>	<b>\$4,419,587</b>	<b>\$9,111,772</b>

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

<b>Year ended August 31:</b>	<b>OPEB Expense Amount</b>
2024	\$ (861,294)
2025	(962,700)
2026	(1,236,666)
2027	(1,384,869)
2028	(813,714)
Thereafter	-

**19. Pending Lawsuits and Claims**

As of August 31, 2023, the College is not involved in any litigation.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

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

**Receivables**

Receivables at August 31, 2023 and 2022 were as follows:

	FY2023	FY2022
Student Receivables	\$ 5,474,088	\$ 4,418,230
Property Taxes Receivable	542,233	486,170
State Receivables	935,220	1,420,596
Interest Receivables	101,207	77,979
Subtotal	7,052,748	6,402,975
Allowance for Doubtful Accounts:	(393,977)	(314,129)
<b>TOTAL RECEIVABLES</b>	<b>\$ 6,658,771</b>	<b>\$ 6,088,846</b>

**Payables**

Payables at August 31, 2023 and 2022 were as follows:

	FY2023	FY2022
Vendors Payable	\$ 1,487,285	\$ 1,696,074
Lease Payable-current portion	1,622,299	1,339,512
Deposits Payable	86,730	82,538
Accrued Interest Payable	-	16,880
Scholarships Payable	1,182,576	916,394
<b>TOTAL PAYABLES</b>	<b>\$ 4,378,890</b>	<b>\$ 4,051,398</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 (AICPA) audit and accounting guide, *State and Local Governments*, 8.99. For Federal Contract and Grant Awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are also reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded, and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2023 and 2022 for which monies have not been received nor funds expended totaled \$3,769,377 and \$3,372,168. Federal Contract and Grant Awards comprised all of these amounts.

WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Notes to Financial Statements  
August 31, 2023

**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:

	2023	2022
Assessed Valuation of the College	\$ 10,304,505,609	\$ 8,801,357,065
Less Exemptions	(3,242,770,579)	(2,976,793,006)
Net Assessed Valuation of the College	\$ 7,061,735,030	\$ 5,824,564,059

	2023			2022		
	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	\$ 0.12985	-	0.12985	\$ 0.13177	-	\$0.13177

Taxes levied for the year ended August 31, 2023 and 2022 amounted to \$9,168,095 and \$7,668,390 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.

	2023			2022		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 9,027,953	\$ -	\$ 9,027,953	\$ 7,463,456	\$ -	\$ 7,463,456
Delinquent Taxes Collected	186,379	-	186,379	226,038	-	226,038
Penalties & Interest Collected	110,648	-	110,648	115,985	-	115,985
Total Collections	\$ 9,324,980	\$ -	\$ 9,324,980	\$ 7,805,479	\$ -	\$ 7,805,479

Tax collections for the year ended August 31, 2023 and 2022 were 99% and 97% respectively of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

**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, 2023 and 2022.

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

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

Fiscal year ending August 31*	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportionate share of collective net pension liability (%)	0.0149052%	0.0161147%	0.0172315%	0.0170456%	0.0166916%	0.0156354%	0.0162297%	0.0162599%	0.0188372%
College's proportionate share of collective net pension liability (\$)	\$ 8,848,857	\$ 4,103,835	\$ 9,228,835	\$ 8,860,813	\$ 9,187,482	\$ 4,999,357	\$ 6,132,954	\$ 5,747,658	\$ 5,031,677
State's proportionate share of net pension liability associated with College	6,369,737	3,047,604	6,692,402	6,297,371	6,702,043	3,771,314	4,269,070	3,972,796	3,243,545
Total	<u>\$ 15,218,594</u>	<u>\$ 7,151,439</u>	<u>\$ 15,921,237</u>	<u>\$ 15,158,184</u>	<u>\$ 15,889,525</u>	<u>\$ 8,770,671</u>	<u>\$ 10,402,024</u>	<u>\$ 9,720,454</u>	<u>\$ 8,275,222</u>
College's covered payroll amount	\$ 15,355,927	\$ 15,724,409	\$ 15,945,410	\$ 14,946,524	\$ 14,255,961	\$ 13,113,878	\$ 12,703,829	\$ 11,862,997	\$ 11,414,663
College's proportionate share of collective net pension liability as a percentage of covered payroll	57.63%	26.10%	57.88%	59.28%	64.45%	38.12%	48.28%	48.45%	44.08%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

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

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

Fiscal year ending August 31*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	729,270	694,729	693,131	713,184	595,839	560,357	512,960	515,658	481,464
Actual contributions	729,270	694,729	693,131	713,184	595,839	560,357	512,960	515,658	481,464
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-
College's covered employee payroll amount	\$ 15,393,093	\$ 15,355,927	\$ 15,724,409	\$ 15,945,410	\$ 14,946,524	\$ 14,255,961	\$ 13,113,878	\$ 12,703,829	\$ 11,862,997
Contributions as a percentage of covered payroll	4.74%	4.52%	4.41%	4.47%	3.99%	3.93%	3.91%	4.06%	4.06%

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

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

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

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

Fiscal year ending August 31*	2023	2022	2021	2020	2019	2018
College's proportionate share of collective net OPEB liability (%)	0.09062343%	0.09077961%	0.08971098%	0.08006897%	0.08072431%	0.06922702%
College's proportionate share of collective net OPEB liability (\$)	\$ 25,815,864	\$ 32,567,646	\$ 29,644,663	\$ 27,673,977	\$ 23,924,864	\$ 23,587,731
State's proportionate share of net OPEB liability associated with College	19,137,293	23,887,104	21,997,301	24,760,363	20,819,845	20,517,090
Total	\$ 44,953,157	\$ 56,454,750	\$ 51,641,964	\$ 52,434,340	\$ 44,744,709	\$ 44,104,821
College's covered-employee payroll amount	\$ 15,355,927	\$ 15,724,409	\$ 15,945,410	\$ 14,946,524	\$ 14,255,961	\$ 13,113,878
College's proportionate share of collective net OPEB liability as a percentage of covered payroll	168.12%	207.12%	185.91%	185.15%	167.82%	179.87%
Plan fiduciary net position as a percentage of the total OPEB liability	0.57%	0.38%	0.32%	0.17%	1.27%	2.00%

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

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

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

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

Fiscal year ending August 31*	2023	2022	2021	2020	2019	2018
Legally required contributions	567,063	457,723	481,700	468,292	253,488	689,272
Actual contributions	759,515	702,605	645,756	710,427	751,638	689,272
Contributions deficiency (excess)	(192,452)	(244,882)	(164,056)	(242,135)	(498,150)	-
College's covered-employee payroll amount	\$ 15,393,093	\$ 15,355,927	\$ 15,724,409	\$ 15,945,410	\$ 14,946,524	\$ 14,255,961
Contributions as a percentage of covered payroll	3.68%	2.98%	3.06%	2.94%	1.70%	4.83%

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

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

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



## WHARTON COUNTY JUNIOR COLLEGE DISTRICT

### Notes to Required Supplementary Information (RSI) Schedules for Pensions Year Ended August 31, 2023

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

The college implemented a salary and wage increase effective September 1, 2022 for full time faculty/administrators and staff. Full time employees were given the equivalent of a two-step increase consisting of one longevity increase and one increase in the base. The average increase for a faculty/administrator and staff position was 1.90% and 2.23% respectively.

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

The actuarial valuation was performed as of August 31, 2021. The actuarial methods and assumptions were primarily based on a study of actual experience for the four year period ending August 31, 2021 and were adopted July 2022.

- The total pension liability as of August 31, 2022 was developed using a roll-forward method from the August 31, 2021 valuation.
- The single discount rate used was 7.0%, lowered from the August 2021 rate of 7.25%.

# WHARTON COUNTY JUNIOR COLLEGE DISTRICT

## Notes to Required Supplementary Information (RSI) Schedules for OPEB Year Ended August 31, 2023

### 1. Changes of Benefit Terms:

Minor benefit revisions became effective September 1, 2022. These changes, which are not expected to have a significant impact on plan costs for FY2023, are provided for in the FY2023 Assumed Per Capita Health Benefit Costs.

### 2. Changes of Assumptions

Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the TRS Trustees. These new assumptions were adopted to reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary.

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

- Percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.
- The discount rate was changed from 2.14% to 3.59% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

## **SUPPLEMENTARY SCHEDULES**

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Operating Revenues**  
**For the Year Ended August 31, 2023 (With Memorandum Totals for the Year Ended August 31, 2022)**

	Total		F/Y 2023 Total	F/Y 2022 Total
	Unrestricted	Restricted		
<b>Tuition:</b>				
State funded credit courses:				
In-district resident tuition	\$ 558,222	\$ -	\$ 558,222	\$ 572,614
Out-of-district resident tuition	2,456,625	-	2,456,625	2,677,775
Non-resident tuition	204,641	-	204,641	193,645
TPEG (set aside)*	215,953	-	215,953	195,258
State funded continuing education	485,009	-	485,009	348,274
Non-state funded continuing education	74,479	-	74,479	424,990
<b>Total Tuition</b>	<b>3,994,929</b>	<b>-</b>	<b>3,994,929</b>	<b>4,412,556</b>
<b>Fees:</b>				
Installment plan fees	196,945	-	196,945	184,555
General service fees	7,635,656	-	7,635,656	7,197,926
Other fees	5,516,902	-	5,516,902	5,505,043
<b>Total fees</b>	<b>13,349,503</b>	<b>-</b>	<b>13,349,503</b>	<b>12,887,524</b>
<b>Scholarship allowances and discounts:</b>				
TPEG awards	(215,953)	-	(215,953)	(195,258)
Scholarship allowances	(275,832)	-	(275,832)	(263,205)
Federal grants to students	(1,826,957)	-	(1,826,957)	(1,662,265)
Exemptions	(343,392)	-	(343,392)	(350,125)
Total scholarship allowances and discounts	(2,662,134)	-	(2,662,134)	(2,470,853)
<b>Total Net Tuition and Fees</b>	<b>14,682,298</b>	<b>-</b>	<b>14,682,298</b>	<b>14,829,227</b>
<b>Additional operating revenues:</b>				
Federal grants and contracts	-	3,937,439	3,937,439	6,755,686
State grants and contracts	-	144,370	144,370	92,675
Local grants and contracts	-	294,091	294,091	299,106
Sales and services of educational activities	23,900	-	23,900	24,626
Other operating revenues	205,925	-	205,925	101,308
<b>Total Additional Operating Revenues</b>	<b>229,825</b>	<b>4,375,900</b>	<b>4,605,725</b>	<b>7,273,401</b>
<b>Auxiliary enterprises:</b>				
Residential life	-	-	696,007	614,402
Scholarship allowances and discounts	-	-	(131,190)	(95,803)
Net resident life	-	-	564,817	518,599
Bookstore commission	-	-	145,477	208,476
Other auxiliary revenue	-	-	54,477	63,723
<b>Total Net Auxiliary Enterprises</b>	<b>-</b>	<b>-</b>	<b>764,771</b>	<b>790,798</b>
<b>Total Operating Revenues</b>	<b>\$ 14,912,123</b>	<b>\$ 4,375,900</b>	<b>\$ 19,288,023</b>	<b>\$ 22,893,426</b>
			(Exhibit 2)	(Exhibit 2)

\*In accordance with Education Code 56.033, \$215,953 and \$195,258 for years August 31, 2023 and 2022, 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, 2023 (with Memorandum Totals for the Year Ended August 31, 2022)**

	Operating Expenses					2023	2022
	Salaries and Wages	Benefits		Other Expenses	2023 Total	2022 Total	
		State	Local				
<b>Unrestricted-Educational activities</b>							
Instruction	\$ 12,115,046	\$ -	\$ 3,020,008	\$ 1,169,957	\$ 16,305,011	\$ 16,441,628	
Public Service	24,486	-	6,110	144,205	174,801	508,384	
Academic Support	1,635,789	-	407,231	504,920	2,547,940	2,576,484	
Student services	2,221,205	-	553,783	278,863	3,053,851	2,735,401	
Institutional support	3,418,935	-	852,315	2,871,797	7,143,047	7,295,627	
Operating and maintenance of plant	966,445	-	240,975	2,552,070	3,759,490	3,823,321	
Scholarships and Fellowships	-	-	-	747,814	747,814	684,553	
<b>Total Unrestricted Educational Activities</b>	<b>20,381,906</b>	<b>-</b>	<b>5,080,422</b>	<b>8,269,626</b>	<b>33,731,954</b>	<b>34,065,398</b>	
<b>Restricted-Educational activities</b>							
Instruction	\$ 46,945	\$ 1,605,624	\$ 14,245	\$ 210,812	\$ 1,877,626	\$ 2,707,878	
Public Service	625,800	3,249	177,494	442,475	1,249,018	1,201,152	
Academic Support	174,157	216,510	63,313	52,818	506,798	307,411	
Student services	327,692	294,426	117,680	577,542	1,317,340	2,003,594	
Institutional support	-	453,144	-	-	453,144	-	
Operating and maintenance of plant	-	-	-	-	-	-	
Scholarships and Fellowships	-	-	-	4,911,458	4,911,458	10,961,620	
<b>Total Restricted Educational Activities</b>	<b>1,174,594</b>	<b>2,572,953</b>	<b>372,732</b>	<b>6,195,105</b>	<b>10,315,384</b>	<b>17,181,655</b>	
<b>Total Educational Activities</b>	<b>21,556,500</b>	<b>2,572,953</b>	<b>5,453,154</b>	<b>14,464,731</b>	<b>44,047,338</b>	<b>51,247,053</b>	
<b>Auxiliary enterprises</b>	<b>228,299</b>	<b>-</b>	<b>56,970</b>	<b>658,035</b>	<b>943,304</b>	<b>887,745</b>	
<b>Depreciation &amp; Amortization Expense-Buildings and Other Real Estate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,109,366</b>	<b>2,109,366</b>	<b>2,259,622</b>	
<b>Depreciation &amp; Amortization Expense-Equipment &amp; Furniture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,173,583</b>	<b>1,173,583</b>	<b>884,916</b>	
<b>Total Operating Expenses</b>	<b>\$ 21,784,799</b>	<b>\$ 2,572,953</b>	<b>\$ 5,510,124</b>	<b>\$ 18,405,715</b>	<b>\$ 48,273,591</b>	<b>\$ 55,279,336</b>	

(Exhibit 2)

(Exhibit 2)

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2023 (with Memorandum Totals for the Year Ended August 31, 2022)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2023 Total</u>	<u>2022 Total</u>
<b>NON-OPERATING REVENUES:</b>					
State Appropriations:					
Education and General state support	\$ 9,341,414	\$ -	\$ -	\$ 9,341,414	\$ 9,347,651
State group insurance	-	1,917,443	-	1,917,443	1,693,071
State retirement matching	-	656,950	-	656,950	687,812
<b>Total state appropriations</b>	<u>9,341,414</u>	<u>2,574,393</u>	<u>-</u>	<u>11,915,807</u>	<u>11,728,534</u>
Federal Revenue Non Operating	7,573,592	-	-	7,573,592	13,432,473
Maintenance ad valorem taxes	9,324,980	-	-	9,324,980	7,805,479
Gifts and donations	334,473	-	-	334,473	300,974
Investment Income	1,194,068	-	-	1,194,068	(2,257,371)
Other non-operating revenues	<u>32,421</u>	<u>-</u>	<u>-</u>	<u>32,421</u>	<u>27,086</u>
Total non-operating revenues	27,800,948	2,574,393	-	30,375,341	31,037,175
<b>NON-OPERATING EXPENSES:</b>					
Interest on capital related debt	170,434	-	-	170,029	168,354
Other non-operating expense	<u>26,349</u>	<u>-</u>	<u>-</u>	<u>26,349</u>	<u>26,515</u>
Total non-operating expenses	196,783	-	-	196,378	194,869
<b>Net non-operating revenues</b>	<u>\$ 27,604,165</u>	<u>\$ 2,574,393</u>	<u>\$ -</u>	<u>\$ 30,178,963</u> (Exhibit 2)	<u>\$ 30,842,306</u> (Exhibit 2)

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**  
**Schedule of Net Position by Source and Availability**  
**Year Ended August 31, 2023 (with Memorandum Totals for the Year Ended August 31, 2022)**

	Detail by Source					Available for Current Operations	
	Restricted			Net Investment in Capital Assets		Yes	No
	Unrestricted	Expendable	Non-Expendable		Total		
Current:							
Unrestricted	\$ (22,582,368)	\$ -	\$ -	\$ -	\$ (22,582,368)	(22,582,368)	\$ -
Board Designated	3,200,000	-	-	-	3,200,000	3,200,000	-
Restricted	-	1,824,719	-	-	1,824,719	1,824,719	-
Auxiliary enterprises	763,223	-	-	-	763,223	763,223	-
Endowment:							
True	-	-	12,490,145	-	12,490,145	-	12,490,145
Plant							
Unexpended	1,239,743	-	-	-	1,239,743	-	1,239,743
Renewals	(2,002,966)	-	-	-	(2,002,966)	-	(2,002,966)
Debt Service	-	403,878	-	-	403,878	-	403,878
Investment in Plant	-	-	-	45,395,916	45,395,916	-	45,395,916
<b>Total Net Position, August 31, 2023</b>	<b>\$ (19,382,368)</b>	<b>\$ 2,228,597</b>	<b>\$ 12,490,145</b>	<b>\$ 45,395,916</b>	<b>\$ 40,732,290</b>	<b>(16,794,426)</b>	<b>\$ 57,526,716</b>
					(Exhibit 1)		
<b>Total Net Position August 31, 2022</b>	<b>\$ (21,555,314)</b>	<b>\$ 2,261,818</b>	<b>\$ 12,304,435</b>	<b>\$ 45,763,185</b>	<b>\$ 38,774,124</b>	<b>(18,203,251)</b>	<b>\$ 56,977,375</b>
					(Exhibit 2)		
<b>Net Increase (Decrease) in Net Position</b>	<b>\$ 2,172,946</b>	<b>\$ (33,221)</b>	<b>\$ 185,710</b>	<b>\$ (367,269)</b>	<b>\$ 1,958,166</b>	<b>1,408,825</b>	<b>\$ 549,341</b>
					(Exhibit 2)		

## WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Schedule of Expenditures of Federal Awards  
As of August 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Direct Programs:			
Student Financial Aid Cluster			
Supplemental Education Opportunity Grant	84.007		\$ 230,826
College Work Study Program	84.033		66,819
Pell Grant Program	84.063		7,014,391
William D Ford Direct Loans	84.268		2,522,851
Total Student Financial Assistance Cluster			<u>9,834,887</u>
Higher Education Institutional Aid			
Wharton Co. Jr. College Title V DHSI Career & Transfer Center Project	84.031S	P031S200051	590,511
TRIO-Student Support Services	84.042A	P042A200668	270,613
Wharton Co. Jr. College (CARES Act) Institutional Portion HEERF	84.425F	P425F200664	1,819,600
Wharton Co. Jr. College (CARES Act) Minority Serving Institution	84.425L	P425L200082	10,141
Total Direct Programs CARES Act - 84.425			<u>1,829,741</u>
Pass-Through From:			
Houston-Galveston Area Council			
Federal Adult Education Literacy	84.002A	217-23	824,405
Federal Adult Education Literacy	84.002A	217-24	108,168
EL Civics	84.002A	217-24	9,314
Subtotal:			<u>941,887</u>
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants	84.048	2342020271	190,808
Accelerating Student Success Planning Grant Program	84.425	2020-GE-84425C	43,867
Texas Reskilling Support Fund Grant Program	84.425	2020-GE-84425C	36,275
Texas Completion Repayment Grant Program	84.425C	2020-GE-84425C	12,631
Texas Reskilling and Upskilling for Education	84.425C	2020-GE-84425C	92,265
Total Pass-Through CARES Act - 84.425			<u>185,038</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b><u>13,843,485</u></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Pass-Through From:			
Houston-Galveston Area Council			
Social Services Program	93.044		49,965
Nutrition Program	93.045		140,432
Total Aging Cluster			<u>190,397</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b><u>190,397</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 14,033,882</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, 2023**

Federal revenues:	
Federal grants and contracts - per Schedule A and C	\$ 11,511,031
Reconciling items:	
William D Ford Direct Loans	<u>2,522,851</u>
Total per Schedule of Expenditures of Federal Awards	<u>\$ 14,033,882</u>

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

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

## WHARTON COUNTY JUNIOR COLLEGE DISTRICT

Schedule of Expenditures of State Awards  
As of August 31, 2023

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board Nursing & Allied Health-Supporting Clinical Learning to Mitigate Impediments due to Covid-19	23800	5,829
<u>Texas Workforce Commission</u> Partnership with NRG, Energy Inc	2822SDF003	132,504
<u>Texas Engineering Experiment Station</u> Nuclear Power Institute Stem		6,037
<b>Total State Financial Assistance</b>		<b><u>\$ 144,370</u></b>

Notes to schedule on following page

**WHARTON COUNTY JUNIOR COLLEGE DISTRICT**

**Notes to Schedule of Expenditures of State Awards  
Year Ended August 31, 2023**

State revenues:	
State grants and contracts - per Schedule A	\$ 144,370
Indirect/administrative cost recoveries	<u>-</u>
Total per Schedule of Expenditures of State Awards	<u>\$ 144,370</u>

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

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

**AUDITORS' REPORT ON CONTROLS AND COMPLIANCE**



**LOTT, VERNON & COMPANY, P.C.**  
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, as listed in table of contents, of Wharton County Junior College District (The "College"), as of and for the years ended August 31, 2023 and 2022, 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 6, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not 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)**

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Public Funds Investment Act (Chapter 2256, Texas Government Code).

Purpose of this Report

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

Temple, Texas  
November 6, 2023



**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**

#### **Opinion on Each Major Federal Program**

We have audited Wharton County Junior College District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Wharton County Junior College District's major federal programs for the year ended August 31, 2023. Wharton County Junior College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2023.

#### **Basis for Opinion on Each Major Federal Program**

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Wharton County Junior College District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Wharton County Junior College District's compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Wharton County Junior College District's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Wharton County Junior College District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Wharton County Junior College District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Wharton County Junior College District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Wharton County Junior College District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Wharton County Junior College District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

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

Temple, Texas  
November 6, 2023

**WHARTON COUNTY JUNIOR COLLEGE**  
**Schedule of Findings and Questioned Costs**  
**August 31, 2023**

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:

**Name of Federal Programs**

**Assistance Listing Number**

**Name of State Program**

U.S. Department of Education

*Student Financial Aid Cluster:*

Supplemental Education Opportunity Grant	84.007
Federal College Work Study Program	84.033
Federal Pell Grant Program	84.063
William D Ford Direct Loans	84.268

N/A - State financial assistance was less than \$750,000 in fiscal year ending August 31, 2023.

*Higher Education Institutional Aid*

Wharton Co. Jr. College (CARES Act) Institutional Portion HEERF	84.425F
Wharton Co. Jr. College (CARES Act) Minority Serving Institution	84.425L

*Pass-Through from THECB*

Texas Reskilling Support Fund Grant Program	84.425
Texas Reskilling and Upskilling for Education	84.425C
Texas Completion Repayment Grant Program	84.425C
Accelerating Student Success Planning Grant Program	84.425

*Higher Education Institutional Aid*

WCJC Title V DHSI Career and Transfer Center Project	84.031S
--	---------

8. Dollar Threshold used to distinguish between type A and type B Programs (Federal): \$ 750,000  
 Dollar Threshold used to distinguish between type A and type B Programs (State): \$ 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 2014 to 2023  
 (unaudited)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Invested in capital assets, net of related debt	\$45,395	\$45,763	\$35,168	\$36,084	\$35,984	\$33,444	\$27,125	\$24,734	\$23,683	\$22,287
Restricted - expendable	2,229	2,262	2,357	1,798	1,639	1,380	1,819	1,470	1,730	1,250
Restricted - nonexpendable	12,490	12,304	13,473	11,146	10,832	11,000	10,047	9,376	8,609	8,724
Unrestricted	(19,382)	(21,555)	(10,680)	(11,151)	(10,967)	(9,559)	24,561	26,717	24,293	24,657
<b>Total primary government net position</b>	<b>\$ 40,732</b>	<b>\$ 38,774</b>	<b>\$ 40,318</b>	<b>\$ 37,877</b>	<b>\$ 37,488</b>	<b>\$ 36,265</b>	<b>\$ 63,552</b>	<b>\$ 62,297</b>	<b>\$ 58,315</b>	<b>\$ 56,918</b>

Wharton County Junior College  
Statistical Supplement 2  
Revenues by Source  
Fiscal Years 2014 to 2023  
(unaudited)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	\$14,682	\$14,829	\$15,593	\$18,208	\$19,101	\$19,137	\$19,536	\$19,443	\$18,986	\$18,656
Governmental Grants and Contracts										
Federal Grants and Contracts	3,937	6,756	4,823	2,281	1,296	1,340	1,238	2,475	2,282	2,761
State Grants and Contracts	144	93	200	349	322	198	537	298	373	431
Local Grants and Contracts	-	-	-	-	-	-	-	-	-	-
Non-Governmental Grants and Contracts	294	298	414	339	339	389	322	437	598	493
Sales and services of educational activities	25	25	19	13	27	24	28	26	29	31
Auxiliary enterprises	765	791	485	688	831	757	753	809	803	841
Other Operating Revenues	206	101	90	159	242	199	237	292	322	310
<b>Total Operating Revenues</b>	<b>20,053</b>	<b>22,893</b>	<b>21,624</b>	<b>22,037</b>	<b>22,158</b>	<b>22,044</b>	<b>22,651</b>	<b>23,780</b>	<b>23,393</b>	<b>23,523</b>
State Appropriations	11,916	11,729	12,924	13,427	12,720	12,934	12,027	11,993	11,861	11,485
Ad Valorem Taxes	9,325	7,805	7,681	7,533	7,268	6,421	5,921	5,355	5,634	5,364
Gifts	334	301	201	475	1,647	626	142	1,657	845	1,405
Investment income	1,194	(2,257)	2,494	1,008	1,063	1,263	1,050	992	231	666
Other non-operating revenues	7,606	13,459	9,702	9,970	7,459	6,941	6,465	6,295	10,710	7,790
<b>Total Non-Operating Revenues</b>	<b>30,375</b>	<b>31,037</b>	<b>33,002</b>	<b>32,413</b>	<b>30,157</b>	<b>28,185</b>	<b>25,605</b>	<b>26,292</b>	<b>29,281</b>	<b>26,710</b>
<b>Total Revenues</b>	<b>\$ 50,428</b>	<b>\$ 53,930</b>	<b>\$ 54,626</b>	<b>\$ 54,450</b>	<b>\$ 52,315</b>	<b>\$ 50,229</b>	<b>\$ 48,256</b>	<b>\$ 50,072</b>	<b>\$ 52,674</b>	<b>\$ 50,233</b>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and fees (net of discounts)	29.12%	27.50%	28.55%	33.44%	36.51%	38.10%	40.48%	38.83%	36.04%	37.14%
Governmental grants and contracts										
Federal grants and contracts	7.81%	12.53%	8.83%	4.19%	2.48%	2.67%	2.57%	4.94%	4.33%	5.50%
State grants and contracts	0.29%	0.17%	0.37%	0.64%	0.62%	0.39%	1.11%	0.60%	0.71%	0.86%
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	0.58%	0.55%	0.76%	0.62%	0.65%	0.77%	0.67%	0.87%	1.14%	0.98%
Sales and services of educational activities	0.05%	0.05%	0.03%	0.02%	0.05%	0.05%	0.06%	0.05%	0.06%	0.06%
Auxiliary enterprises	1.52%	1.47%	0.89%	1.26%	1.59%	1.51%	1.56%	1.62%	1.52%	1.67%
Other operating revenues	0.41%	0.19%	0.16%	0.29%	0.46%	0.40%	0.49%	0.56%	0.61%	0.62%
<b>Total Operating Revenues</b>	<b>39.76%</b>	<b>42.45%</b>	<b>39.59%</b>	<b>40.47%</b>	<b>42.35%</b>	<b>43.89%</b>	<b>46.94%</b>	<b>47.49%</b>	<b>44.41%</b>	<b>46.83%</b>
State appropriations	23.63%	21.75%	23.66%	24.66%	24.31%	25.75%	24.92%	23.95%	22.52%	22.86%
Ad valorem taxes	18.49%	14.47%	14.06%	13.83%	13.89%	12.78%	12.27%	10.69%	10.70%	10.68%
Gifts	0.66%	0.56%	0.37%	0.87%	3.15%	1.25%	0.29%	3.31%	1.60%	2.80%
Investment income	2.37%	-4.19%	4.57%	1.85%	2.03%	2.51%	2.18%	1.98%	0.44%	1.33%
Other non-operating revenues	15.08%	24.96%	17.76%	18.31%	14.26%	13.82%	13.40%	12.57%	20.33%	15.51%
<b>Total Non-Operating Revenues</b>	<b>60.24%</b>	<b>57.55%</b>	<b>60.41%</b>	<b>59.53%</b>	<b>57.65%</b>	<b>56.11%</b>	<b>53.06%</b>	<b>52.51%</b>	<b>55.59%</b>	<b>53.17%</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 2014 to 2023  
(unaudited)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	\$18,183	\$19,150	\$21,115	\$20,815	\$20,186	\$19,647	\$19,077	\$18,139	\$17,868	\$16,949
Research										
Public service	1,424	1,710	1,396	1,680	1,869	1,900	1,665	1,592	1,409	1,658
Academic support	3,055	2,883	2,873	3,432	3,463	3,528	3,271	3,889	4,235	4,410
Student services	4,371	4,739	4,092	4,613	3,493	3,487	3,083	2,930	2,846	2,861
Institutional support	7,596	7,296	7,285	8,116	8,617	8,016	7,916	7,748	7,288	6,789
Operation and maintenance of plant	3,759	3,823	4,963	5,094	5,191	5,812	4,815	4,828	4,871	4,809
Scholarships and fellowships	5,659	11,646	7,898	7,697	5,544	5,143	4,823	4,758	4,941	5,539
Auxiliary enterprises	943	887	821	771	949	953	842	835	787	781
Depreciation	3,283	3,145	1,689	1,776	1,707	1,414	1,271	1,278	1,228	1,191
<b>Total Operating Expenses</b>	<b>48,273</b>	<b>55,279</b>	<b>52,132</b>	<b>53,994</b>	<b>51,019</b>	<b>49,900</b>	<b>46,763</b>	<b>45,997</b>	<b>45,473</b>	<b>44,987</b>
Interest on capital related debt	27	27	26	29	28	27	176	70	81	94
Other non-operating expenses	170	168	27	37	46	55	63	23	21	3
<b>Total Non-Operating Expenses</b>	<b>197</b>	<b>195</b>	<b>53</b>	<b>66</b>	<b>74</b>	<b>82</b>	<b>239</b>	<b>93</b>	<b>102</b>	<b>97</b>
<b>Total Expenses</b>	<b>\$ 48,470</b>	<b>\$ 55,474</b>	<b>\$ 52,185</b>	<b>\$ 54,060</b>	<b>\$ 51,093</b>	<b>\$ 49,982</b>	<b>\$ 47,002</b>	<b>\$ 46,090</b>	<b>\$ 45,575</b>	<b>\$ 45,084</b>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	37.51%	34.52%	40.46%	38.50%	39.51%	39.31%	40.59%	39.36%	39.21%	37.59%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	2.94%	3.08%	2.68%	3.11%	3.66%	3.80%	3.54%	3.45%	3.09%	3.68%
Academic support	6.30%	5.20%	5.51%	6.35%	6.78%	7.06%	6.96%	8.44%	9.29%	9.78%
Student services	9.02%	8.54%	7.84%	8.53%	6.84%	6.98%	6.56%	6.36%	6.24%	6.35%
Institutional support	15.67%	13.15%	13.96%	15.01%	16.87%	16.04%	16.84%	16.81%	15.99%	15.06%
Operation and maintenance of plant	7.76%	6.89%	9.51%	9.42%	10.16%	11.63%	10.24%	10.48%	10.69%	10.67%
Scholarships and fellowships	11.68%	20.99%	15.13%	14.24%	10.85%	10.29%	10.26%	10.32%	10.84%	12.29%
Auxiliary enterprises	1.95%	1.60%	1.57%	1.43%	1.86%	1.91%	1.79%	1.81%	1.73%	1.73%
Depreciation	6.77%	5.67%	3.24%	3.29%	3.34%	2.83%	2.70%	2.77%	2.69%	2.64%
<b>Total Operating Expenses</b>	<b>99.59%</b>	<b>99.65%</b>	<b>99.90%</b>	<b>99.88%</b>	<b>99.86%</b>	<b>99.84%</b>	<b>99.49%</b>	<b>99.80%</b>	<b>99.78%</b>	<b>99.78%</b>
Interest on capital related debt	0.06%	0.05%	0.05%	0.05%	0.05%	0.05%	0.37%	0.15%	0.18%	0.21%
Other non-operating expenses	0.35%	0.30%	0.05%	0.07%	0.09%	0.11%	0.13%	0.05%	0.05%	0.01%
<b>Total Non-Operating Expenses</b>	<b>0.41%</b>	<b>0.35%</b>	<b>0.10%</b>	<b>0.12%</b>	<b>0.14%</b>	<b>0.16%</b>	<b>0.51%</b>	<b>0.20%</b>	<b>0.22%</b>	<b>0.22%</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)

<b>Resident</b>
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
2023	-	32 \$	32 \$	73 \$	- \$	56 \$	10 \$	\$1,260	\$ 1,932	5.00%	6.62%
2022	-	32	32	63	-	51	8	1,200	1,812	0.00%	0.00%
2021	-	32	32	63	-	51	8	1,200	1,812	0.00%	0.00%
2020	-	32	32	63	-	51	8	1,200	1,812	2.04%	1.34%
2019	-	32	32	61	-	51	5	1,176	1,788	5.85%	3.77%
2018	-	32	32	56	-	51	5	1,111	1,728	0.00%	0.29%
2017	-	32	32	56	-	51	5	1,111	1,723	0.00%	0.00%
2016	-	32	32	56	-	51	5	1,111	1,723	0.00%	0.00%
2015	-	32	32	56	-	51	5	1,111	1,723	0.00%	0.00%
2014	-	32	32	56	-	51	5	1,111	1,728	7.66%	8.78%

<b>Non - Resident</b>
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
2023	-	\$ 84	84	73		56	10	2,712	0.00%	11.33%
2022	-	84	84	63		51	8	2,436	0.00%	0.00%
2021	-	84	84	63		51	8	2,436	0.00%	0.00%
2020	-	84	84	63		51	8	2,436	1.00%	1.00%
2019	-	84	84	61	-	51	5	2,412	0.00%	0.00%
2018	-	84	84	61	-	51	5	2,412	14.20%	14.20%
2017	-	64	64	56	-	51	5	2,112	0.24%	0.00%
2016	-	64	64	56	-	51	5	2,112	0.00%	0.24%
2015	-	64	64	56	-	51	5	2,107	0.00%	0.00%
2014	-	64	64	56	-	51	5	2,107	3.28%	3.28%

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)
2022-23	10,304,506	3,242,771	7,061,735	68.53%	0.129850		\$ 0.129850
2021-22	8,801,357	2,976,793	5,824,564	66.18%	0.131770		0.131770
2020-21	8,156,378	2,665,681	5,490,697	67.32%	0.136840		0.136840
2019-20	8,044,735	2,685,910	5,358,825	66.61%	0.139340		0.139340
2018-19	7,427,368	2,417,434	5,009,934	67.45%	0.135500	-	0.135500
2017-18	6,463,129	2,195,537	4,267,592	66.03%	0.137060	-	0.137060
2016-17	5,813,804	1,757,067	4,056,737	69.78%	0.130280	-	0.130280
2015-16	5,878,934	1,736,789	4,142,145	70.46%	0.126560	-	0.126560
2014-15	5,588,935	1,737,041	3,851,894	68.92%	0.134190	-	0.134190
2013-14	5,345,379	1,664,245	3,681,134	68.87%	0.138210	-	0.138210

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 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	
2022-23	\$ 9,341,414	3,633	\$ 2,571	1,615,344	591,571	2,206,915	\$ 4.23
2021-22	9,305,255	3,715	2,505	1,614,416	640,169	2,254,585	4.13
2020-21	9,647,585	4,059	2,377	1,825,776	606,284	2,432,060	3.97
2019-20	9,648,158	4,688	2,058	2,116,592	673,830	2,790,422	3.46
2018-19	9,376,010	4,663	2,011	2,083,424	734,331	2,817,755	3.33
2017-18	9,430,172	4,640	2,032	2,094,080	665,638	2,759,718	3.42
2016-17	9,159,618	4,709	1,945	2,071,280	743,937	2,815,217	3.25
2015-16	9,154,206	4,768	1,920	2,077,568	769,930	2,847,498	3.21
2014-15	9,254,439	4,742	1,951	2,093,528	744,918	2,838,446	3.26
2013-14	9,307,591	4,847	1,920	2,162,856	709,157	2,872,013	3.24

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 Last 10 Years	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ailagro Exploration Company	Oil and Gas	-	-	-	-	-	-	-	-	-	-
American Electric Power	Utility	-	35,546	35,546	31,371	24,531	-	-	-	-	-
Apache Corporation	Oil and Gas	-	-	-	-	29,144	-	27,216	25,544	34,825	90,111
Armour Lacy W Etal Est	Oil and Gas	-	-	-	-	42,735	42,735	-	-	-	-
CenterPoint Energy	Utility	71,147	51,446	40,406	46,805	42,392	36,305	39,856	34,083	33,404	34,740
Coastal Oil and Gas Corp	Oil and Gas	-	68,495	-	-	-	-	-	-	-	-
Colorado Bend I Power, LLC	Utility	65,939	-	68,495	73,307	83,247	218,453	217,862	150,754	165,430	136,049
Colorado Bend II Power, LLC	Utility	249,124	-	298,347	375,996	-	155,231	131,893	71,500	-	-
DCP Sand Hills Pipeline LLC	Oil and Gas	38,617	27,850	27,850	-	-	-	-	-	-	-
Enterprise Texas PIP	Manufacturing	39,559	40,406	-	37,146	36,001	40,329	41,090	41,090	40,384	27,310
ETC NGL Transport LLC	Oil and Gas	-	-	-	-	-	-	-	25,361	27,338	29,359
Forest Oil Company	Oil and Gas	-	-	-	-	-	-	-	-	-	-
CG Wharton County , LLC	-	75,000	-	-	-	-	-	-	-	-	-
Grey Oak Pipeline	Oil and Gas	32,624	32,086	35,546	-	-	-	-	-	-	-
Gulf South Pipeline Co LP	Oil and Gas	117,179	114,125	-	108,525	108,676	57,737	57,560	-	-	-
Hecfate Energy Ramsey , LLC	-	236,223	-	-	-	-	-	-	-	-	-
JM Eagle	Manufacturing	-	30,199	30,385	37,625	33,568	34,212	34,212	40,231	45,109	47,691
Kaiser-Francis Oil	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Milagro Exploration LLC	Oil and Gas	-	-	-	-	-	-	-	-	40,091	73,455
Nan Ya Plastics Corp	Manufacturing	-	-	32,496	34,188	30,605	30,605	35,721	33,216	33,464	33,657
Navasota Energy	Utility	-	-	-	-	-	-	-	-	-	-
Newfield Exploration	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Pure Resources LP	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Red Tailed Hawk Solar, Inc	Utility	57,471	-	-	-	-	-	-	-	-	-
Sandridge Offshore LLC	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Southwestern Bell Telephone	Utility	-	-	-	-	-	-	-	-	-	-
Trans Texas Gas Corporation	Natural Gas	-	-	-	-	-	-	-	-	-	-
TCV Pipeline LLC	Oil and Gas	-	27,551	27,551	-	-	35,560	35,560	-	-	-
Transcontinental Gas Pipeline	Oil and Gas	-	-	27,126	24,735	-	-	-	24,575	25,398	24,331
Tennessee Gas Pipeline	Oil and Gas	-	32,731	-	27,185	27,539	-	-	-	-	-
Tres Palacios Gas Storage Inc	Oil and Gas	-	-	-	-	-	-	-	-	-	25,367
Wharton County Foods	Agribusiness	-	-	-	-	-	32,871	27,403	28,096	26,917	-
<b>Totals</b>		<b>982,883</b>	<b>460,435</b>	<b>623,748</b>	<b>796,883</b>	<b>458,438</b>	<b>684,038</b>	<b>648,373</b>	<b>474,450</b>	<b>472,360</b>	<b>522,070</b>
<b>Total Taxable Assessed Value</b>		<b>7,061,735</b>	<b>5,824,564</b>	<b>5,490,697</b>	<b>5,358,825</b>	<b>5,009,934</b>	<b>4,661,522</b>	<b>4,267,592</b>	<b>4,056,737</b>	<b>4,142,145</b>	<b>3,851,895</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									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ailagro Exploration Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
American Electric Power	Utility	0.00%	0.61%	0.65%	0.59%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%
Apache Corporation	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.58%	0.00%	0.64%	0.63%	0.84%	2.34%
Armour Lacy W Etal Est	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.85%	0.92%	0.00%	0.00%	0.00%	0.00%
CenterPoint Energy	Utility	1.01%	0.88%	0.74%	0.87%	0.85%	0.78%	0.93%	0.84%	0.81%	0.90%
Coastal Oil and Gas Corp	Oil and Gas	0.00%	1.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Colorado Bend I Power, LLC	Utility	0.93%	0.00%	1.25%	1.37%	1.66%	4.69%	5.11%	3.72%	3.99%	3.53%
Colorado Bend II Power, LLC	Utility	3.53%	0.00%	5.43%	7.02%	0.00%	3.33%	3.09%	1.76%	0.00%	0.00%
DCP Sand Hills Pipeline LLC	Oil and Gas	0.55%	0.48%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Enterprise Texas PIP	Manufacturing	0.56%	0.69%	0.00%	0.69%	0.72%	0.87%	0.96%	1.01%	0.97%	0.71%
ETC NGL Transport LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.63%	0.66%	0.76%
Forest Oil Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CG Wharton County, LLC	Oil and Gas	1.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Grey Oak Pipeline	Oil and Gas	0.46%	0.55%	0.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gulf South Pipeline Co LP	Oil and Gas	1.66%	1.96%	0.00%	2.03%	2.17%	1.24%	1.35%	0.00%	0.00%	0.00%
Hecate Energy Ramsey , LLC	Solar Farm	3.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
JM Eagle	Manufacturing	0.00%	0.52%	0.55%	0.70%	0.67%	0.73%	0.80%	0.99%	1.09%	1.24%
Kaiser-Francis Oil	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Milagro Exploration LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.97%	1.91%
Nan Ya Plastics Corp	Manufacturing	0.00%	0.00%	0.59%	0.64%	0.61%	0.66%	0.84%	0.82%	0.81%	0.87%
Navasota Energy	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Newfield Exploration	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pure Resources LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Reliant Energy Houston	Utility	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sandridge Offshore LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwestern Bell Telephone	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Trans Texas Gas Corporation	Natural Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TCV Pipeline LLC	Oil and Gas	0.00%	0.47%	0.50%	0.00%	0.00%	0.76%	0.83%	0.00%	0.00%	0.00%
Transcontinental Gas Pipeline	Oil and Gas	0.00%	0.00%	0.49%	0.46%	0.00%	0.00%	0.00%	0.61%	0.61%	0.63%
Tennessee Gas Pipeline	Oil and Gas	0.00%	0.56%	0.00%	0.51%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%
Tres Palacios Gas Storage Inc	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%
Wharton County Foods	Agribusiness	0.00%	0.00%	0.00%	0.00%	0.00%	0.71%	0.64%	0.69%	0.65%	0.00%
		<u>13.92%</u>	<u>7.91%</u>	<u>11.36%</u>	<u>14.87%</u>	<u>9.15%</u>	<u>14.67%</u>	<u>15.19%</u>	<u>11.70%</u>	<u>11.40%</u>	<u>13.55%</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				Current		Percentage of Current Levy
	Total Tax Levy (a)	Collections - Current Levy	Percentage	Collections of Prior Levies	Total Collections (b)	
2023	\$9,168	9,028	98.47%	326	\$ 9,354	102.03%
2022	7,668	7,463	97.33%	342	\$ 7,805	101.79%
2021	7,513	7,456	99.24%	226	\$ 7,682	102.25%
2020	7,453	7,297	97.91%	236	\$ 7,533	101.07%
2019	7,186	7,030	97.83%	238	\$ 7,268	101.14%
2018	6,317	6,183	97.88%	237	\$ 6,420	101.63%
2017	5,849	5,731	97.98%	190	\$ 5,921	101.23%
2016	5,285	5,186	98.13%	168	\$ 5,354	101.31%
2015	5,240	4,965	94.75%	669	\$ 5,634	107.52%
2014	5,169	5,139	99.42%	225	\$ 5,364	103.77%

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<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	\$ -	\$ 355,000	\$ 695,000	\$ 1,020,000	\$ 1,335,000	\$ 1,640,000	\$ 1,935,000	\$ 2,220,000	\$ 2,495,000	\$ 3,170,000
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ -	\$ 355,000	\$ 695,000	\$ 1,020,000	\$ 1,335,000	\$ 1,640,000	\$ 1,935,000	\$ 2,220,000	\$ 2,495,000	\$ 3,170,000
<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	0	9	17	25	32	40	47	54	61	77
Per Student	-	78	171	218	283	333	393	450	515	669
As a percentage of Taxable Assessed Value	0.00%	0.06%	0.13%	0.19%	0.27%	0.40%	0.47%	0.54%	0.65%	0.86%

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)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Taxable Assessed Value	<u>\$ 7,061,735</u>	<u>\$ 5,824,564</u>	<u>\$ 5,818,204</u>	<u>\$ 5,358,825</u>	<u>\$ 5,009,934</u>	<u>\$ 4,661,522</u>	<u>\$ 4,267,592</u>	<u>\$ 4,056,737</u>	<u>\$ 4,142,145</u>	<u>\$ 3,851,894</u>
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	-	29,123	29,091	26,794	25,050	23,308	21,338	20,284	20,711	19,259
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	-	29,123	29,091	26,794	25,050	23,308	21,338	20,284	20,711	19,259
Current Year Debt Service Requirements										
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ -</u>	<u>\$ 29,123</u>	<u>\$ 29,091</u>	<u>\$ 26,794</u>	<u>\$ 25,050</u>	<u>\$ 23,308</u>	<u>\$ 21,338</u>	<u>\$ 20,284</u>	<u>\$ 20,711</u>	<u>\$ 19,259</u>
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

**Revenue Bonds**

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)									Debt Service Requirements (\$000 omitted)			
	Tuition	Technology Fee	General Service Fees	Laboratory Fees	Building Use Fees	Interest Income	Other Fees	Net Auxillary Enterprises Revenue	Total	Principal	Interest	Total	Coverage Ratio
2023	999	-	7,635	-	-	1,194	5,713	-	15,541	355	14	369	42.12
2022	1,103	-	7,198	-	-	(2,257)	5,938	-	11,982	340	28	368	32.56
2021	1,079	-	7,865	-	-	2,495	5,938	-	17,377	325	40	365	47.61
2020	1,140	-	8,954	-	-	1,008	5,369	-	16,471	315	50	365	45.13
2019	1,281	-	8,735	-	-	1,063	7,972	-	19,051	305	46	351	54.28
2018	1,260	-	8,674	-	-	1,263	7,968	-	19,165	295	55	350	54.76
2017	1,385	-	8,805	-	-	1,050	7,586	-	18,826	285	63	348	54.10
2016	1,426	-	8,171	-	-	993	7,934	8	18,532	275	70	345	53.72
2015	1,409	-	8,125	-	-	231	7,721	8	17,494	675	81	756	23.14
2014	1,408	-	8,216	-	-	666	7,636	59	17,985	660	94	754	23.85

**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
2023	41,657	a.	a.	4.0%
2022	41,721	2,209,032	52,948	3.8%
2021	41,590	2,016,899	48,384	3.6%
2020	41,670	1,934,672	51,770	6.7%
2019	41,322	1,879,217	45,221	3.4%
2018	41,619	1,726,056	49,619	3.7%
2017	41,735	1,701,191	40,535	4.5%
2016	41,634	1,651,547	39,668	5.0%
2015	41,486	1,720,001	41,460	4.4%
2014	41,168	1,682,513	40,869	4.7%

**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  
World Population Review



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

Employer	Number of Employees	Percentage of Total Employment
El Campo ISD	525	2.76%
Wharton County Junior College	362	1.90%
Wharton ISD	393	2.06%
Greenleaf Nursery Company, Inc.	450	2.36%
El Campo Memorial Hospital	452	2.37%
H.E.B.	363	1.91%
Oakbend Medical	830	4.36%
Buc-ees	205	1.08%
Wal-Mart Associates, Inc.	385	2.02%
Wharton County	223	1.17%
Total	<u>19,036</u>	<u>22.00%</u>

**Source:**

Texas Workforce Commission  
Texas Metropolitan Statistical Area Data  
City of Wharton & El Campo CAFR

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Faculty</b>										
Full-Time	161	176	185	183	177	174	173	171	166	162
Part-Time	120	116	109	115	108	127	124	134	133	141
Total	<u>281</u>	<u>292</u>	<u>294</u>	<u>298</u>	<u>285</u>	<u>301</u>	<u>297</u>	<u>305</u>	<u>299</u>	<u>303</u>
<b>Percent</b>										
Full-Time	57.3%	60.3%	62.9%	61.4%	62.1%	57.8%	58.2%	56.1%	55.5%	53.5%
Part-Time	42.7%	39.7%	37.1%	38.6%	37.9%	42.2%	41.8%	43.9%	44.5%	46.5%
<b>Staff and Administrators</b>										
Full-Time	172	179	187	195	192	187	191	193	189	186
Part-Time	93	73	79	96	93	96	84	88	80	87
Total	<u>265</u>	<u>252</u>	<u>266</u>	<u>291</u>	<u>285</u>	<u>283</u>	<u>275</u>	<u>281</u>	<u>269</u>	<u>273</u>
<b>Percent</b>										
Full-Time	64.9%	71.0%	70.3%	67.0%	67.4%	66.1%	69.5%	68.7%	70.3%	68.1%
Part-Time	35.1%	29.0%	29.7%	33.0%	32.6%	33.9%	30.5%	31.3%	29.7%	31.9%
FTSE per Full-time Faculty	22.6	21.1	21.9	25.6	26.2	26.7	27.2	27.9	28.6	29.9
FTSE per Full-Time Staff Member	21.1	20.8	21.7	24.0	24.2	24.8	24.7	24.7	25.1	26.1
Average Annual Faculty Salary	\$74,004	\$73,500	\$73,644	\$73,500 *	\$74,067	\$73,059*	\$74,076*	\$71,364*	\$70,932*	\$69,936*

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 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	3,561	64%	3,355	60%	3,775	61%	4,508	63%	4,338	62%
31-60 hours	1,518	27%	1,676	30%	1,787	29%	1,843	26%	1,872	27%
> 60 hours	416	8%	448	8%	537	9%	553	8%	558	8%
Continuing Ed only	56	1%	68	1%	92	1%	237	3%	204	3%
<b>Total</b>	<b>5,551</b>	<b>100%</b>	<b>5,547</b>	<b>100%</b>	<b>6,191</b>	<b>100%</b>	<b>7,141</b>	<b>100%</b>	<b>6,972</b>	<b>100%</b>

  

Semester Hour Load	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	12	0%	5	0%	17	0%	14	0%	10	0%
3-5 semester hours	967	17%	947	17%	1,050	17%	1,167	16%	1,101	16%
6-8 Semester hours	1,056	19%	1,061	19%	1,280	21%	1,289	18%	1,378	20%
9-11 semester hours	1,185	21%	1,158	21%	1,206	19%	1,388	20%	1,412	20%
12-14 semester hours	1,590	29%	1,557	28%	1,659	28%	2,086	30%	2,009	29%
15-17 semester hours	601	11%	679	12%	769	12%	802	11%	726	10%
18 & over	84	2%	72	1%	118	2%	158	2%	132	2%
Continuing Ed only	56	1%	68	1%	92	1%	237	3%	204	3%
<b>Total</b>	<b>5,551</b>	<b>100%</b>	<b>5,547</b>	<b>100%</b>	<b>6,191</b>	<b>100%</b>	<b>7,141</b>	<b>100%</b>	<b>6,972</b>	<b>100%</b>

  

Credit average course load	9.56	9.62	9.64	9.79	9.69
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Tuition Status	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,245	22%	1,126	20%	1,191	19%	1,320	18%	1,277	18%
Texas Resident (out-of-District)	4,031	73%	4,090	74%	4,643	75%	5,257	74%	5,173	74%
Non-Resident Tuition	121	2%	100	2%	102	2%	138	2%	128	2%
Exempt	98	2%	163	3%	163	3%	189	3%	190	3%
Continuing Ed only	56	1%	68	1%	92	1%	237	3%	204	3%
<b>Total</b>	<b>5,551</b>	<b>100%</b>	<b>5,547</b>	<b>100%</b>	<b>6,191</b>	<b>100%</b>	<b>7,141</b>	<b>100%</b>	<b>6,972</b>	<b>100%</b>

Source: CBM001 and CBM00A Fall reports.

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

	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Gender</u>										
Female	3,218	58%	3,254	59%	3,642	59%	4,063	57%	3,946	57%
Male	2,333	42%	2,293	41%	2,549	41%	3,078	43%	3,026	43%
Total	<u>5,551</u>	<u>100%</u>	<u>5,547</u>	<u>100%</u>	<u>6,191</u>	<u>100%</u>	<u>7,141</u>	<u>100%</u>	<u>6,972</u>	<u>100%</u>

	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Ethnic Origin</u>										
White	1,506	27%	1,560	28%	1,856	30%	2,133	34%	2,205	31%
Hispanic	2,557	46%	2,514	45%	2,662	43%	3,143	51%	2,996	42%
African American	604	11%	663	12%	708	11%	843	14%	845	12%
Asian	759	14%	711	13%	857	14%	893	14%	837	12%
Foreign	3	0%	2	0%	3	0%	3	0%	1	0%
Native American	9	0%	7	0%	5	0%	8	0%	11	0%
Unknown	113	2%	90	2%	100	2%	118	2%	77	1%
Total	<u>5,551</u>	<u>100%</u>	<u>5,547</u>	<u>100%</u>	<u>6,191</u>	<u>100%</u>	<u>7,141</u>	<u>100%</u>	<u>6,972</u>	<u>100%</u>

	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Age</u>										
Under 18	771	14%	609	11%	705	11%	727	10%	639	9%
18 -21	3,304	59%	3,264	59%	3,658	59%	4,218	59%	4,140	58%
22 - 24	649	12%	745	13%	777	13%	880	12%	861	12%
25 - 35	578	10%	643	12%	728	12%	857	12%	904	13%
36 - 50	209	4%	245	4%	272	4%	360	5%	351	5%
51 & over	40	1%	41	1%	51	1%	99	1%	77	1%
Total	<u>5,551</u>	<u>100%</u>	<u>5,547</u>	<u>100%</u>	<u>6,191</u>	<u>100%</u>	<u>7,141</u>	<u>100%</u>	<u>6,972</u>	<u>100%</u>

Average Age	21.3	21.7	22.1	22.1	22.1
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Source: CBM001 and CBM00A Fall reports.

**Wharton County Junior College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**Academic Year 2022-23 Students as of Fall 2022**  
**(Includes only public senior colleges in Texas)**  
**(unaudited)**

	Institutions Attended, Fall 2022	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	411	19	1	431	34.18%
2	Texas A&M University - College Station	172	6	2	180	14.27%
3	The University of Texas - Austin	89	1		90	7.14%
4	University of Houston - Victoria	69	11	7	87	6.90%
5	Texas State University	71	4		75	5.95%
6	Sam Houston State University	69	5		74	5.87%
7	University of Houston - Downtown	56	2		58	4.60%
8	The University of Texas - San Antonio	29	2		31	2.46%
9	Texas Tech University	20			20	1.59%
10	The University of Texas - Dallas	19			19	1.51%
11	Texas A&M University - Corpus Christi	18			18	1.43%
12	Texas Woman's University	16		1	17	1.35%
13	Stephen F. Austin State University	16			16	1.27%
14	University of Houston - Clear Lake	14	1		15	1.19%
15	The University of Texas - Arlington	10	1	2	13	1.03%
16	Lamar University	10	2		12	0.95%
17	Texas Southern University	9	1		10	0.79%
18	Texas A&M University - Kingsville	7	3		10	0.79%
19	The University of Texas Health Science Center at Houston	9			9	0.71%
20	The University of Texas - Tyler	8		1	9	0.71%
21	Tarleton State University	7		1	8	0.63%
22	Prairie View A&M University	8			8	0.63%
23	University of North Texas	8			8	0.63%
24	Texas A&M University - Galveston	6			6	0.48%
25	The University of Texas Medical Branch at Galveston	5			5	0.40%
26	The University of Texas M.D. Anderson Cancer Center	5			5	0.40%
27	Texas A&M University - Commerce	3	1		4	0.32%
28	Texas Tech University Health Sciences Center	2		2	4	0.32%
29	Midwestern State University	4			4	0.32%
30	Texas A&M University System Health Science Center	3		1	4	0.32%
31	West Texas A&M University	2	1		3	0.24%
36	The University of Texas - Rio Grande Valley	2			2	0.16%
37	University of North Texas - Health Science Center	1			1	0.08%
38	Texas A&M university - Central Texas	1			1	0.08%
39	Texas A&M University - San Antonio	1			1	0.08%
40	Texas A&M university - Texarkana	1			1	0.08%
41	University of North Texas at Dallas		1		1	0.08%
42	Sam Houston State University Medical School				1	0.08%
	<b>Totals</b>	<b>1,181</b>	<b>61</b>	<b>18</b>	<b>1,261</b>	<b>100.00%</b>

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

**Wharton County Junior College  
Statistical Supplement 18  
Schedule of Capital Asset Information  
Fiscal Years 2014 to 2023  
(unaudited)**

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Academic buildings	11	11	11	11	11	11	11	12	12	12
Square footage (in thousands)	443	443	443	425	425	425	425	507	507	507
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	55	55	55	55	55	55	55	55	55	55
Number of Volumes (in thousands)	63,431	66,200	66,200	66,200	66,200	66,200	66,200	66,200	66,200	66,200
Administrative and support buildings	4	4	4	4	4	4	4	4	4	4
Square footage (in thousands)	64	64	64	64	64	64	64	64	64	64
Dormitories	3	3	3	3	3	3	3	3	3	3
Square footage (in thousands)	45	45	45	45	45	45	45	45	45	45
Number of Beds	158	158	158	158	158	158	158	158	158	158
Apartments	-	-	-	-	-	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-	-	-	-	-	-
Number of beds	-	-	-	-	-	-	-	-	-	-
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	69	69	69	69	69	69	69	69	69	69
Average daily customers	500	500	500	500	500	500	500	500	500	500
Athletic Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Stadiums	-	-	-	-	-	-	-	-	-	-
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	1	1	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	5	5	5	5	5	5	5	5	5	5
Transportation										
Cars	1	1	1	1	1	1	1	1	1	1
Light Trucks/Vans	16	16	16	16	16	16	16	14	14	14
Buses	1	1	1	1	1	1	1	1	1	1