Rating: S&P "A+" / "AA"
(See "OTHER INFORMATION - Rating" and
"BOND INSURANCE" herein)

OFFICIAL STATEMENT
Dated: April 28, 2022

NEW ISSUE – BOOK-ENTRY-ONLY

In the opinion of Bond Counsel, interest on the Bonds (as defined herein) will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX EXEMPTION."

$16,295,000
PARKER COUNTY JUNIOR COLLEGE DISTRICT
(A Political Subdivision of the State of Texas located in Hood, Jack, Palo Pinto, Parker and Wise Counties, Texas)
CONSOLIDATED FUND REVENUE BONDS, SERIES 2022

Dated Date: May 1, 2022 **Due: August 1, as shown on page ii hereof**

(Interest to accrue from the Delivery Date)

Interest on the Parker County Junior College District (the "District") $16,295,000 Consolidated Fund Revenue Bonds, Series 2022 (the "Bonds") will accrue from the Delivery Date (as defined herein), will be payable February 1 and August 1 of each year, commencing February 1, 2023, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued as fully registered obligations in denominations of $5,000 of principal amount or any integral multiple thereof for any one stated maturity. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or any integral multiple thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (the "Paying Agent/Registrar"), initially. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "BOOK-ENTRY-ONLY SYSTEM" and "REGISTRATION, TRANSFER AND EXCHANGE – Paying Agent/Registrar").

The Bonds are being issued in accordance with the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 130, Texas Education Code, as amended, and an order adopted by the Board of Trustees of the District (the "Board") on April 25, 2022, authorizing the issuance of the Bonds (the "Bond Order"). In the Bond Order, the Board delegated to each of the President and the Executive Vice President of Financial & Administrative Services of the District (each, an "Authorized Officer") the authority to effect the sale of the Bonds by the execution of a pricing certificate for the Bonds evidencing the final terms of the Bonds (the "Pricing Certificate"). The Bond Order and the Pricing Certificate are collectively referred to herein as the "Order". The Bonds, together with any additional bonds that may be issued on parity with the Bonds, are special obligations of the District, payable solely from and secured by a consolidated pledge of certain revenues of the District, as described herein. The payment of the Bonds is additionally secured by a debt service reserve fund for the Bonds (see "THE BONDS – Security and Source of Payment"). **THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE DISTRICT, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. NEITHER THE TAXING POWER OF THE DISTRICT, THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED AS SECURITY FOR THE BONDS.**

Proceeds from the sale of the Bonds will be used for the purpose of (i) acquiring, purchasing, constructing, improving, enlarging and equipping certain property, buildings, structures, activities, operations and facilities for and on behalf of the District, including new student housing facilities (the "Project"); (ii) funding a debt service reserve fund for the Bonds, which may be funded with a reserve fund surety policy; and (iii) paying the costs of issuance related to the Bonds (see "PLAN OF FINANCE – Purpose").

The Bonds maturing on and after August 1, 2033, are subject to optional redemption prior to maturity, at the option of the District, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2032, or on any date thereafter at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption (see "THE BONDS – Optional Redemption").

ASSURED GUARANTY® MUNICIPAL

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP. (see "BOND INSURANCE," "BOND INSURANCE RISK FACTORS," and "APPENDIX F - SPECIMEN MUNICIPAL BOND INSURANCE POLICY").

SEE INSIDE COVER PAGE FOR MATURITY SCHEDULE

The Bonds are offered for delivery when, as and if issued and received by the underwriter named below (the "Underwriter") and subject to the approving opinions of the Attorney General of the State of Texas and of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel. Certain matters will be passed upon for the Underwriter by its counsel Orrick, Herrington & Sutcliffe LLP, Austin. It is expected that the Bonds will be available for delivery through the facilities of DTC on May 24, 2022 (the "Delivery Date").

SAMCO CAPITAL

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CUSIP Prefix 70107R [(A)]

MATURITY SCHEDULE

$16,295,000
PARKER COUNTY JUNIOR COLLEGE DISTRICT
CONSOLIDATED FUND REVENUE BONDS, SERIES 2022

Maturity Date (8/1)	Principal Amount	Interest Rate	Initial Yield[(B)]	CUSIP Suffix[(A)]	Maturity Date (8/1)	Principal Amount	Interest Rate	Initial Yield[(B)]	CUSIP Suffix[(A)]
2023	$375,000	5.000%	2.390%	BV6	2032	$785,000	5.000%	3.240%	CE3
2024	530,000	5.000%	2.630%	BW4	2033[(C)]	825,000	5.000%	3.290%	CF0
2025	560,000	5.000%	2.790%	BX2	2034[(C)]	865,000	5.000%	3.310%	CG8
2026	585,000	5.000%	2.820%	BY0	2035[(C)]	910,000	4.000%	3.590%	CH6
2027	615,000	5.000%	2.900%	BZ7	2036[(C)]	945,000	4.000%	3.650%	CJ2
2028	645,000	5.000%	2.980%	CA1	2037[(C)]	985,000	4.000%	3.720%	CK9
2029	680,000	5.000%	3.050%	CB9	2038[(C)]	1,020,000	4.000%	3.790%	CL7
2030	710,000	5.000%	3.100%	CC7	2039[(C)]	1,065,000	4.000%	3.860%	CM5
2031	745,000	5.000%	3.200%	CD5					

$3,450,000 4.000% Term Bonds due August 1, 2042, Priced to Yield 3.900% 70107RCQ6[(A)(B)(C)]

(Interest to accrue from Delivery Date)

Optional Redemption…The Bonds maturing on and after August 1, 2033 are subject to optional redemption prior to maturity, at the option of the District, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2032 or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption (see "THE BONDS – Redemption Provisions").

Mandatory Redemption…The Bonds maturing on August 15, 2042 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to their stated maturity and shall be redeemed in part at the principal amount thereof plus accrued interest to the date of redemption in the principal amounts on August 15 in each of the years as set forth herein (see "THE BONDS – Redemption Provisions").

(A) CUSIP numbers have been assigned to the Bonds by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds. None of the University System, the Financial Advisor or the Underwriters are responsible for the selection or the correctness of the CUSIP numbers set forth herein. CUSIP is a registered trademark of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancements by investors that is applicable to all or a portion of certain maturities of the Bonds.

(B) Initial reoffering yield represents the initial offering yield to the public which has been established by the Underwriter for offers to the public and which may be subsequently changed by the Underwriter and is the sole responsibility of the Underwriter.

(C) The initial yields represent the lesser of yield to maturity or the first optional redemption date.

PARKER COUNTY JUNIOR COLLEGE DISTRICT

ELECTED OFFICIALS

BOARD OF TRUSTEES

Name	Position	Term Expires	Occupation
Mac Smith	Chair	May 2025	Attorney
Dan Carney	Vice President	May 2027	Attorney
Lela Morris	Secretary/Treasurer	May 2023	Retired
Sue Coody*	Member	May 2023	Retired
Dr. Trev Dixon	Member	May 2027	Chiropractor
Mr. Doug Dowd	Member	May 2023	Banker
Judy McAnally	Member	May 2025	Manager, Community and Physician Relations
Dr. Robert Marlett	Member	December 2023	Retired

*Trustee Sue Coody tendered her resignation to the Board in April of 2022. The Board anticipates filling Trustee Coody's position by an appointment of the Board pursuant to Chapter 130 of the Education Code.

CERTAIN APPOINTED OFFICIALS

Name	Position	Length of Service
Dr. Tod Allen Farmer	President	4 Years
Dr. Andra Cantrell	Executive Vice President of Financial & Administrative Services	42 Years
Brent Baker	Vice President of Institutional Advancement	25 Years
Michael Endy	Vice President of Instruction & Student Services	25 Years

CONSULTANTS AND ADVISORS

Certified Public Accountants....................Snow Garrett Williams

Bond Counsel....................McCall, Parkhurst & Horton L.L.P.

Financial Advisor....................RBC Capital Markets, LLC

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Andra Cantrell
Executive Vice President of
Financial & Administrative Services
Weatherford College
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Weatherford, Texas 76086
Phone: (817) 598-6260

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Managing Director
RBC Capital Markets, LLC
200 Crescent Court, Suite 1500
Dallas, Texas 75201
Phone: (214) 989-1660

USE OF INFORMATION IN OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriter.

This Official Statement, which includes the cover page, Appendices and Schedule hereto, is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein has been obtained from the District and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriter. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

None of the District, the Financial Advisor or the Underwriter make any representation regarding the information contained in this Official Statement regarding The Depository Trust Company or its Book-Entry-Only System. CUSIP numbers have been assigned to the Bonds by FactSet Research Systems Inc. on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds. None of the University System, the Financial Advisor or the Underwriters are responsible for the selection or the correctness of the CUSIP numbers set forth herein. CUSIP is a registered trademark of the American Bankers Association.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in the Official Statement pursuant to its responsibility to investors under the federal securities, but the Underwriter does not guarantee the accuracy or completeness of such information.

The agreements of the District and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with any purchasers of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES AND SCHEDULE ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented in "BOND INSURANCE" and "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

TABLE OF CONTENTS

The cover page hereof, the section entitled "Selected Data from the Official Statement," this Table of Contents, and the Appendices attached hereto are part of this Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is a summary of certain information contained herein and is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement (which includes the Appendices and Schedule attached hereto). No person is authorized to detach these pages from this Official Statement or to otherwise use it without the entire Official Statement (which includes the Appendices attached hereto).

The District Parker County Junior College District (the "District") is a political subdivision of the State of Texas located in Hood, Jack, Palo Pinto, Parker and Wise Counties, Texas. The District is governed by an eight-member Board of Trustees (the "Board"). Seven Board members are elected by the public and one is appointed by Wise County. Currently, the District employs approximately 530 full-time and part-time personnel and has an enrollment of approximately 5,000 credit students each semester (see "PARKER COUNTY JUNIOR COLLEGE DISTRICT").

The Bonds The District's $16,295,000 Consolidated Fund Revenue Bonds, Series 2022 (the "Bonds") are being issued in accordance with the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 130, Texas Education Code, as amended, and an order adopted by the Board of Trustees of the District (the "Board") on April 25, 2022, authorizing the issuance of the Bonds (the "Bond Order"). In the Bond Order, the Board delegated to each of the President and the Executive Vice President of Financial & Administrative Services of the District (each, an "Authorized Officer") the authority to effect the sale of the Bonds by the execution of a pricing certificate for the Bonds evidencing the final terms of the Bonds (the "Pricing Certificate"). The Bond Order and the Pricing Certificate are collectively referred to herein as the "Order". The Bonds, together with any additional bonds that may be issued on parity with the Bonds, are special obligations of the District, payable solely from and secured by a consolidated pledge of certain revenues of the District, as described herein. In addition, the payment of the Bonds is additionally secured by a debt service reserve fund (see "THE BONDS – Security and Source of Payment"). **The Bonds do not constitute general obligations of the District, the State or any political subdivision of the State. Neither the taxing power of the District, the State or any political subdivision of the State is pledged as security for the Bonds.**

Purpose Proceeds from the sale of the Bonds will be used for the purpose of (i) acquiring, purchasing, constructing, improving, enlarging and equipping certain property, buildings, structures, activities, operations and facilities for and on behalf of the District, including new student housing facilities (the "Project"); (ii) funding a debt service reserve fund for the Bonds, which may be funded with a reserve fund surety policy; and (iii) paying the costs of issuance related to the Bonds (see "PLAN OF FINANCE – Purpose").

Payment of Interest The Bonds will bear interest from the Delivery Date and be payable semiannually on each February 1 and August 1, commencing February 1, 2023 until maturity or prior redemption (see "THE BONDS – General Description").

Security The Bonds are special obligations of the District, payable on a parity basis with all other Parity Obligations, secured by, and payable from a first lien on and pledge of the Pledged Revenues (as defined herein) of the District (see "THE BONDS – Security and Source of Payment" and "APPENDIX E – SELECTED PROVISIONS OF THE ORDER").

Redemption Provisions *Optional Redemption.* The Bonds, maturing on and after August 1, 2033, are subject to optional redemption prior to maturity, at the option of the District, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2032, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption (see "THE BONDS –Redemption Provisions").

Mandatory Redemption. The Bonds maturing on August 15, 2042 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to their stated maturity and shall be redeemed in part at the principal amount thereof plus accrued interest to the date of redemption in the principal amounts on August 15 in each of the years as set forth herein (see "THE BONDS – Redemption Provisions").

Tax Exemption	In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income of the owners of the Bonds for purposes of federal income taxation under existing statutes, regulations, published rulings and court decisions, subject to the matters described under "TAX EXEMPTION" herein (see "APPENDIX C – FORM OF BOND COUNSEL'S OPINION").
Ratings	S&P is expected to assign a rating of "AA" to the Bonds by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds guaranteeing the payment of principal and interest on the Bonds (see "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS"). The District's underlying rating for its revenue bonds is "A+" by S&P.
Bond Insurance	The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. ("AGM") (see "BOND INSURANCE," "BOND INSURANCE RISK FACTORS," and "APPENDIX F - SPECIMEN MUNICIPAL BOND INSURANCE POLICY").
Reserve Fund Policy	Proceeds from the sale of the Bonds will be used to fund a debt service reserve fund for the Bonds, which will be funded with a reserve fund surety policy from AGM.
Paying Agent/ Registrar	The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.
Book-Entry-Only System	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. The Bonds will be issued in principal denominations of $5,000 of principal amount or any integral multiple thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "BOOK-ENTRY-ONLY SYSTEM").
Payment Record	The District has never defaulted in the payment of its bonded indebtedness.
Legal Opinion	McCall, Parkhurst & Horton L.L.P., Austin, Texas.
Delivery Date	The Bonds are expected to be available for delivery through DTC on or about May 24, 2022.

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OFFICIAL STATEMENT
relating to

PARKER COUNTY JUNIOR COLLEGE DISTRICT
(A Political Subdivision of the State of Texas located in Hood, Jack, Palo Pinto, Parker and Wise Counties, Texas)

$16,295,000
CONSOLIDATED FUND REVENUE BONDS, SERIES 2022

INTRODUCTORY STATEMENT

This Official Statement, including Appendices A and B, has been prepared by the Parker County Junior College District (the "District") with the assistance of RBC Capital Markets, LLC, Financial Advisor to the District, in connection with the offering by the District of its Consolidated Fund Revenue Bonds, Series 2022 (the "Bonds"). Capitalized terms used herein have the same meanings as assigned to such terms in the Order (as defined herein), except as otherwise indicated (see "APPENDIX E – SELECTED PROVISIONS OF THE ORDER").

All financial and other information presented in this Official Statement have been provided by the District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from revenues and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of the final Official Statement will be submitted to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

PLAN OF FINANCE

Purpose

Proceeds from the sale of the Bonds will be used for the purpose of (i) acquiring, purchasing, constructing, improving, enlarging and equipping certain property, buildings, structures, activities, operations and facilities for and on behalf of the District, including new student housing facilities (the "Project"); (ii) funding a debt service reserve fund for the Bonds, which may be funded with a reserve fund surety policy; and (iii) paying the costs of issuance related to the Bonds (see "PLAN OF FINANCE – Purpose").

Sources and Uses of Proceeds

The proceeds from the sale of the Bonds will be applied approximately as follows:

Sources:	
Principal Amount of the Bonds	$16,295,000.00
Original Issue Premium on the Bonds	1,055,107.50
Total Sources	**$17,350,107.50**
Uses:	
Deposit to Project Fund	$17,000,000.00
Costs of Issuance (including Bond Insurance Premium and Surety Policy Premium)	211,129.03
Underwriter's Discount	105,338.47
Total Uses	**$17,350,107.50**

THE BONDS

General Description

The Bonds shall be dated May 1, 2022 (the "Dated Date") and will be issued as fully registered obligations in principal denominations of $5,000 or any integral multiple thereof within a maturity. Interest on the Bonds will accrue from the Delivery Date to the Underwriter at the interest rates shown on page ii hereof and such interest shall be payable to the registered owners thereof on February 1, 2023, and semiannually thereafter on each August 1 and February 1, until maturity or prior redemption. Interest accruing on the Bonds will be calculated on the basis of 360-day year of twelve 30-day months. The paying agent/registrar (the "Paying Agent/Registrar") for the Bonds is initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas.

Initially, the Bonds will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described below. No physical delivery of the Bonds will be made to the beneficial owners. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will distribute the amounts paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" below for a more complete description of such system.

In the event the Book-Entry-Only System is discontinued, printed certificates will be issued to the owners of the Bonds and thereafter interest on the Bonds shall be payable to the registered owner whose name appears on the bond registration books of the Paying Agent/Registrar at the close of business on the "Record Date" (hereinafter defined) and such accrued interest will be paid by (i) check sent United States mail, first class, postage prepaid, to the address of the registered owner appearing on such registration books of the Paying Agent/Registrar or (ii) such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The record date (the "Record Date") for the interest payable on any interest payment date is the fifteenth business day of the month next preceding each such interest payment date (see "REGISTRATION, TRANSFER AND EXCHANGE – Record Date for Interest Payment"). The principal of the Bonds redeemed prior to maturity will be payable only upon presentation of such Bonds at the designated office of the Paying Agent/Registrar upon maturity or redemption, as applicable.

Authority for Issuance

The Bonds are being issued in accordance with the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 130, Texas Education Code, as amended, and an order to be adopted by the Board of Trustees of the District (the "Board") on April 25, 2022, authorizing the issuance of the Bonds (the "Bond Order"). In the Bond Order, the Board delegated to each of the President and the Executive Vice President of Financial & Administrative Services of the District (each, an "Authorized Officer") the authority to effect the sale of the Bonds by the execution of a pricing certificate for the Bonds evidencing the final terms of the Bonds (the "Pricing Certificate"). The Bond Order and the Pricing Certificate are collectively referred to herein as the "Order". The Order authorizing the issuance of the Bonds will approve the form and content of this Official Statement, and any addenda, supplements or amendments thereto, and will authorize its further use in the reoffering of the Bonds by the Underwriter.

Redemption Provisions

Optional Redemption. The Bonds maturing on and after August 1, 2033 are subject to optional redemption prior to maturity, at the option of the District, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on August 1, 2032, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. If less than all of the Bonds within a stated maturity are to be redeemed, the District shall determine the principal amount and maturities to be redeemed and shall direct the Paying Agent/Registrar to select by lot or other customary method that results in a random selection, the Bonds or portions thereof, to be redeemed.

Mandatory Redemption. The Bonds maturing on August 1, 2042 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to their stated maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date:

Term Bond due August 1, 2042

Mandatory Redemption Date	Principal Amount
8/1/2040	$1,105,000
8/1/2041	1,150,000
8/1/2042*	1,195,000

* Stated Maturity.

The Paying Agent/Registrar shall select by lot or other customary method that results in a random selection the Term Bonds within the applicable stated maturity to be redeemed from moneys set aside for that purpose in the interest and sinking fund maintained for the payment of the Bonds. Any Term Bond not selected for prior mandatory sinking fund redemption shall be paid on the date of its stated maturity or upon optional redemption.

The principal amount of Term Bonds of a stated maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the District, by the principal amount of any Term Bond of like stated maturity which, at least 50 days prior to a mandatory redemption date: (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation; (2) shall have been purchased and canceled by the Paying Agent/Registrar, at the request of the District, with monies in the interest and sinking fund for the Bonds at a price not exceeding the principal amount of such Term Bond plus accrued interest to the date of purchase; or (3) shall have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory redemption requirement.

Notice of Redemption

The District shall cause a written notice of such redemption to be deposited in the United States mail, first class, postage prepaid, addressed to each registered owner at the address shown on the registration books of the Paying Agent/Registrar at least 30 days prior to the date fixed for such redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bonds. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Order have been met and money sufficient to pay the principal of, premium if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds have not been redeemed.

ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN WHETHER OR NOT THE REGISTERED OWNER OF SUCH BOND RECEIVES SUCH NOTICE. UPON THE GIVING OF THE NOTICE OF REDEMPTION, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND INTEREST ON SUCH BOND OR PORTIONS THEREOF SHALL CEASE TO ACCRUE, IRRESPECTIVE OF WHETHER SUCH BONDS ARE SURRENDERED FOR PAYMENT, PROVIDED THAT MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE AND THE INTEREST ACCRUED ON THE PRINCIPAL AMOUNT TO BE REDEEMED TO THE DATE OF REDEMPTION ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR.

Security and Source of Payment

The Bonds are special obligations of the District, payable on a parity basis with all other Parity Obligations, secured by, and payable from a first lien on and pledge of the Pledged Revenues of the District. "Pledged Revenues" means and includes (a) the Pledged Tuition Fee; (b) the Laboratory Fee; (c) the Other Fees; (d) the Gross Revenues of the Auxiliary Enterprise Fund System; (e) the earnings of the District on all investments of the District lawfully available for such purpose; (f) all money deposited in or credited to the Revenue Fund and the Debt Service Fund, and all interest and investment income therefrom whether or not on deposit therein; (g) with respect to a series or issue of Parity Obligations with respect to which a Reserve Fund is established, all money or Reserve Fund Obligations deposited in or to the credit of such Reserve Fund, and all interest and investment income therefrom, whether or not on deposit therein; and (h) any additional revenues, income, receipts, or other resources, including without limitation, to the extent permitted by law and not required by the terms thereof to be designated to other purposes, any grants, donations, or income thereafter received from the United States of America or the State or from any other public or private source, whether pursuant to an agreement or otherwise, that hereafter may be pledged to the payment of the Bonds; provided, however, no funds appropriated by the State shall be pledged to the payment of Parity Obligations without the prior approval of the Coordinating Board and the College of the proposed Project to be financed with such Parity Obligations (see "APPENDIX E – SELECTED PROVISIONS OF THE ORDER").

THE BONDS DO NOT CONSTITUTE OR CREATE A DEBT OR LIABILITY OF THE STATE, AND NEITHER THE FAITH AND CREDIT OF THE STATE NOR THE TAXING POWER OF THE STATE OF TEXAS, THE DISTRICT, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS IN ANY MANNER PLEDGED, GIVEN, OR LOANED TO THE PAYMENT OF THE BONDS; AND THE REGISTERED OWNERS OF THE BONDS DO NOT HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS OUT OF ANY FUNDS OR SOURCES WHATSOEVER OTHER THAN THE PLEDGED REVENUES.

Parity Bonds

The Bonds will rank on a parity with the District's previously issued and now outstanding consolidated fund revenue bonds including the Consolidated Fund Revenue Bonds, Series 2012 (the "Series 2012 Bonds") and the Consolidated Fund Revenue Bonds, Series 2021 (the "Series 2021 Bonds").

Reserve Fund

In accordance with the Order, the District may establish and maintain a debt service reserve fund (the "Series 2022 Reserve Fund") for the purpose of securing a particular issue or series of Parity Obligations and the amounts once deposited in said funds shall no longer constitute Pledged Revenues but shall be held solely for the benefit of the Owners of the particular Parity Obligations for which such fund was established. The Order requires the Series 2022 Reserve Fund to be funded at an amount equal to the "Required Reserve Amount," which is the amount equal to the average Annual Debt Service Requirements for the Bonds, as determined on the date the Bonds are delivered.

The amounts on deposit in the Series 2022 Reserve Fund shall secure only the Bonds. If the Series 2022 Reserve Fund at any time contains money, securities or a Credit Facility having a value that is less than the Series 2022 Required Reserve Fund Amount, the District has agreed to cause pro rata monthly deposits to be made to the Series 2022 Reserve Fund on or before the 1st day of each month (beginning the month following the month the deficiency occurred), from Pledged Revenues in an amount equal to 1/12th of the required reserve until the total Required Reserve Amount has been fully restored.

The District may at any time substitute a qualifying Credit Facility for all or part of the cash or other Credit Facility on deposit in, or held for the benefit of, the Series 2022 Reserve Fund. During such time as the Series 2022 Reserve Fund contains the Required Reserve Amount, the District may, at its option, withdraw any amount in the Series 2022 Reserve Fund in excess of the Required Reserve Fund Amount and, to the extent it represents proceeds from the sale of the Bonds, deposit such surplus in the Debt Service Fund, and, to the extent any such excess is from a source other than proceeds of the Bonds, in the Debt Service Fund or the Revenue Fund.

After satisfying the requirements described above for deposits to the Debt Service Fund and the Series 2022 Reserve Fund which are required to be made in the then current fiscal year, the District may use the Pledged Revenues for any lawful purpose.

Rate and Tuition Covenants

In the Order, the District has agreed to make payments into the Debt Service Fund at such times and in such amounts as are necessary to provide for the full payment of the principal of and the interest on the Bonds and any Parity Obligations when due. The District has covenanted that it will establish, charge, and use its reasonable efforts to collect Pledged Revenues which, if collected, will be sufficient to produce Pledged Revenues for each Fiscal Year in an amount at least equal to 120% of the maximum Annual Debt Service Requirements of the then outstanding Parity Obligations in the fiscal year in which such aggregate requirements are the greatest and to fund and/or maintain all funds and accounts created for the benefit of each series of Parity Obligations.

The District has further covenanted to establish, maintain, enforce, charge and collect tuition from all students enrolled at all of the District's facilities (excepting any student in a category which is exempt by law or by the District from paying such tuition charges) in such amounts as shall be necessary, together with other legally available funds, including other Pledged Revenues, to satisfy the covenant set forth in the paragraph above; provided, however, the District may increase or decrease the tuition charged to such students, and increase or decrease the rentals, rates, charges, fees, tuition or other resources of the District which constitute Pledged Revenues; and provided, further, that no such adjustment shall occur if the result thereof is that the District shall violate its covenant set forth in the paragraph above.

Flow of Funds

Pursuant to the Order, the District covenants and agrees that Pledged Revenues shall be deposited upon receipt to the credit of the Revenue Fund, and that the Pledged Revenues on deposit in the Revenue Fund shall be applied to the extent required for the following uses in the order of priority shown:

FIRST: to the payment of the amounts required to be deposited and credited to the Debt Service Fund as the same become due and payable, as follows:

> (1) such amounts, deposited in approximately equal monthly installments, commencing during the month in which the Parity Obligations are delivered, or the month thereafter if delivery is made after the 15th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the interest scheduled to come due on the Parity Obligations on the next succeeding interest payment date; and
>
> (2) such amounts, deposited in approximately equal monthly installments, commencing during the month that shall be the later to occur of, (i) the twelfth month before the first maturity date of the Bonds, or (ii) the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 15th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the principal scheduled to mature on the Parity Obligations on the next succeeding principal payment date.
>
> Provided that if at any time all Parity Obligations of the District, including the Bonds, are payable solely on a semiannual basis with payments being made on March 15 and September 15 of each year, deposits to the Debt Service Fund for the Parity Obligations may be made on a semiannual basis on or before each March 15 and September 15, commencing on the March 15 and September 15 immediately following the date of delivery of any such Parity Obligations, which shall be sufficient, together with any other money then available in the Debt Service Fund for such purpose, to pay the principal of and interest on the Parity Obligations scheduled to come due on such interest or principal payment date.

SECOND: pro rata to the payment of the amounts required to be deposited and credited (i) to the Series 2022 Reserve Fund established in accordance with the provisions of the Order to maintain the Series 2022 Required Reserve Amount therein, including amounts owed with respect to any Reserve Fund Obligation to restore the Series 2022 Required Reserve Amount with respect to such reserve funds and (ii) to each other reserve fund created and established to maintain a reserve in accordance with the provisions of any order authorizing other Parity Obligations, including amounts owed with respect to any surety bond or insurance policy or similar instrument deposited in a debt service reserve fund established by any such order to restore the amount required to be on deposit therein with respect to such debt service reserve funds.

THIRD: to the payment of the amounts required to be deposited and credited to any debt service fund or debt service reserve fund created and established for the payment of any Subordinated Debt issued by the District as the same become due and payable.

Any Pledged Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other District purpose now or hereafter permitted by law.

With respect to the deposits to the Series 2022 Reserve Fund, the District shall fund the Series 2022 Required Reserve with the Series 2022 Reserve Fund Surety Agreement (as defined in the Order). When and so long as the Reserve Fund Obligations in the Series 2022 Reserve Fund are not less than the Series 2022 Required Reserve Fund Amount, no deposits need be made to the credit of the Series 2022 Reserve Fund. When and if the Series 2022 Reserve Fund at any time contains less than the Series 2022 Required Reserve Fund Amount due to any cause or condition, then, subject and subordinate to making the required deposits to the credit of the Debt Service Fund for the benefit of all outstanding Parity Obligations, commencing with the month during which such deficiency occurs, such deficiency shall be made up from the next available Pledged Revenues (with the Series 2021 Reserve Fund receiving a pro rata amount based on the total amount of debt service reserve funds that are being funded in any month) or from any other sources available for such purpose, in monthly installments of not less than 1/12 of the Series 2022 Required Reserve Fund Amount. Reimbursements to the "Series 2022 Surety Bond Provider" shall constitute the making up of a deficiency to the extent that such reimbursements result in the reinstatement, in whole or in part, as the case may be, of the amount of the "Series 2022 Reserve Fund Surety Agreement".

Additional Parity Obligations

In the Order, the District has reserved the right to issue additional Parity Obligations, which shall be payable from and secured by a first lien on and pledge of the Pledged Revenues, in the same manner and to the same extent as to the Bonds. The Order provides that the Debt Service Fund will equally and ratably secure all Parity Obligations. In addition, the Order provides that the District may create and establish a debt service reserve fund pursuant to the provisions of any order authorizing the issuance of Parity Obligations for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations. Amounts once deposited or credited to such debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Parity Obligations.

The Order provides that the District may issue additional Parity Obligations upon complying with the following conditions: (i) a Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the District possesses the financial capability to satisfy the Annual Debt Service Requirements of the Financing System after taking into account the then proposed Parity Obligations, (ii) a Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in any order adopted that authorizes the issuance of Parity Obligations and is not in default in the performance and observance of any of the terms, provisions, and conditions of any such order, and (iii) a Designated Financial Officer signs a written certificate to the effect that during either the next preceding Fiscal Year, or any twelve consecutive calendar month period ending not more than ninety days prior to the date of the then proposed Parity Obligations, the Pledged Revenues were at least equal to 1.25 times the average Annual Debt Service Requirements of all Parity Obligations to be outstanding after the issuance of the then proposed Parity Obligations in the Fiscal Year in which such aggregate requirements are the greatest.

Legality

The Bonds are offered for delivery when, as and if issued, subject to the approving opinions of the Attorney General of the State of Texas and of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel (see "LEGAL MATTERS" and "APPENDIX C - FORM OF BOND COUNSEL'S OPINION").

Payment Record

The District has never defaulted in the payment of its bonded indebtedness.

Ownership

The District, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of principal and interest, and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Paying Agent/Registrar will be bound by any notice or knowledge to the contrary.

All payments made to the person deemed to be the owner of any Bond in accordance with the Order and Pricing Certificate will be valid and effectual and will discharge the liability of the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

REGISTERED OWNERS' REMEDIES

The Order establishes specific events of default with respect to the Bonds. If the District defaults in the payment of the principal of or interest on the Bonds when due, the District defaults in the observance or performance of any of the covenants, conditions, or obligations of the District, the failure to perform which materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Order, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the District, or the District commences a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or any other case or proceeding to be adjudicated bankrupt or insolvent, the Order provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the District to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Order and the District's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the District to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia, 49* Tex. Sup. Ct. J. 819 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the District's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the District for breach of the Bond or Order covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Financial Advisor, and the Underwriter believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The District, the Financial Advisor and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of Bonds, as set forth on page ii hereof, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to collectively as the "Participants." DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of Bonds ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption, principal, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, security certificates for each maturity of the Bonds are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, security certificates for each maturity of the Bonds will be printed and delivered and the Bonds will be subject the transfer, exchange and registration provisions as set forth in the Order and summarized under "REGISTRATION, TRANSFER AND EXCHANGE".

The information in this section concerning DTC and DTC's Book-Entry-Only system has been obtained from sources that the District, the Financial Advisor, and the Underwriter believe to be reliable, but none of the District, the Financial Advisor, or the Underwriter take responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, payment or notices that are to be given to registered owners pursuant to the Order will be given only to DTC.

Effect of Termination of Book-Entry-Only System

In the event that the Book-Entry-Only System is discontinued by DTC or the District, the following provisions will be applicable to the Bonds. Bonds may be exchanged for an equal aggregate principal amount of Bonds in authorized denominations and of the same maturity upon surrender thereof at the principal office for payment of the Paying Agent/Registrar. The transfer of any Bond may be registered on the books maintained by the Paying Agent/Registrar for such purpose only upon the surrender of such Bond to the Paying Agent/Registrar with a duly executed assignment in form satisfactory to the Paying Agent/Registrar. For every exchange or transfer of registration of Bonds, the Paying Agent/Registrar and the District may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The District shall pay the fee, if any, charged by the Paying Agent/Registrar for the transfer or exchange. The Paying Agent/Registrar will not be required to transfer or exchange any Bond or portion thereof (i) during the period commencing with the close of business on any record date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. The District and the Paying Agent/Registrar may treat the person in whose name a Bond is registered as the absolute owner thereof for all purposes, whether such Bond is overdue or not, including for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond.

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. The Bonds are being issued in fully registered form in integral multiples of $5,000 of principal amount. Interest on the Bonds will be payable semiannually by the Paying Agent/Registrar by check mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books on the Record Date or by such other customary banking arrangement acceptable to the Paying Agent/Registrar requested by and at the risk and expense of the registered owner.

Successor Paying Agent/Registrar

Provision is made in the Order for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a legally qualified bank, trust company, financial institution or other agency duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds.

Future Registration

In the event the Book-Entry-Only System is discontinued, the Bonds may be transferred, registered and assigned on the registration books only upon presentation and surrender of the Bonds to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bond being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the Owner in not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be of like kind and in authorized denominations and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" for a description of the system to be utilized initially in the settlement and transfer of the Bonds.

Record Date for Interest Payment

The Record Date for the interest payable on any interest payment date means the fifteenth business day of the month next preceding such interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Limitation on Transfer of Bonds

Neither the District nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange, with respect to any Bond, during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

Replacement Bonds

If any Bond is mutilated, destroyed, stolen or lost, a new Bond of like kind and in the same principal amount as the Bond so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Bond, such new Bond will be delivered only upon surrender and cancellation of such mutilated Bond. In the case of any Bond issued in lieu of and substitution for a Bond which has been destroyed, stolen or lost, such new Bond will be delivered only (a) upon filing with the District and the Paying Agent/Registrar an application for the replacement of the damaged, mutilated, lost, stolen, or damaged Bond and proof of the ownership thereof, and (b) upon furnishing the District and the Paying Agent/Registrar with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

Defeasance

The Order provides that the District may discharge its obligations to the registered owners of any or all of the Bonds in any manner permitted by law. Under current Texas law, such discharge may be accomplished either: (i) by depositing with the Paying Agent/Registrar or other lawfully authorized entity a sum of money equal to the principal and all interest to accrue on the Bonds to maturity or redemption, and/or (ii) by depositing with the Paying Agent/Registrar or other lawfully authorized entity amounts sufficient, together with the investments earnings thereon, to provide for the payment and/or redemption of such Bonds; provided that such deposits may be invested and reinvested only in (a) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (c) noncallable obligations of a state or an agency or a district, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding obligations to refund the Bonds, as applicable, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iii) any combination of (i) and (ii) above. The foregoing obligations may be in book-entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds, as the case may be. If any of the Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for the payment to the registered owners of such Bonds at the date of maturity or prior redemption of the full amount to which such owner would be entitled and for giving notice of redemption as provided in the Order.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of Bonds have been made as described above, all rights of the District to initiate proceedings to call such Bonds for redemption or take any other action amending the terms of such Bonds are extinguished; provided, however, that the right to call such Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call such Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of such Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Order does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law.

Amendments

The District may from time to time, without the consent of any holder amend or supplement the Order in order to (i) add to the covenants and agreements of the Board contained in this Order, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Order, (ii) cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Order, upon receipt by the Board of an opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Order, (iii) supplement the security for the Bonds, replace or provide additional credit facilities, or change the form of the Bonds or make such other changes in the provisions hereof as the Board may deem necessary or desirable and that shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the outstanding Bonds, (iv) to make any changes or amendments requested by any rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Bonds, (v) make such changes, modifications or amendments as may be necessary or desirable that shall not adversely affect the interests of the owners of the Bonds, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Bonds; or (vi) make such other changes in the provisions hereof as the Board may deem necessary or desirable and that shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Bonds.

Except as provided above, the holders of Bonds aggregating in principal amount 51% of the aggregate principal amount of then Outstanding Bonds which are the subject of a proposed amendment shall have the right from time to time to approve any amendment to the Order which may be deemed necessary or desirable by the District; provided, however, without the consent of all registered owners of all outstanding Bonds, no such amendment shall: (i) make any change in the maturity of any of the Outstanding Bonds; (ii) reduce the rate of interest borne by any of the Outstanding Bonds; (iii) reduce the amount of the principal of, or redemption premium, if any, payable on any Outstanding Bonds; (iv) modify the terms of payment of principal or of interest or redemption premium on Outstanding Bonds or any of them or impose any condition with respect to such payment; (v) affect the rights of the owners of less than all Bonds then outstanding, or (vi) change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings… On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On October 20, 2021, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 8, 2021, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

*Capitalization of AGM…*At December 31, 2021:

- The policyholders' surplus of AGM was approximately $3,053 million.
- The contingency reserve of AGM was approximately $877 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,127 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

*Incorporation of Certain Documents by Reference…*Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed by AGL with the SEC on February 25, 2022).
All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters… AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

BOND INSURANCE RISK FACTORS

General

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the AGM at such time and in such amounts as would have been due absence such prepayment by the District unless the AGM chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the AGM without appropriate consent. The AGM may direct and must consent to any remedies and the AGM's consent may be required in connection with amendments to any applicable Bond documents.

In the event the AGM is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable Bond documents. In the event the AGM becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the AGM and its claims-paying ability. The AGM's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the AGM and of the ratings on the Bonds insured by the AGM will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds (see "OTHER INFORMATION – Rating").

The obligations of the AGM are general obligations of the AGM and in an event of default by the AGM, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District nor the Underwriter have made independent investigation into the claims-paying ability of the AGM and no assurance or representation regarding the financial strength or projected financial strength of the AGM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims-paying ability of the AGM, particularly over the life of the investment.

PARKER COUNTY JUNIOR COLLEGE DISTRICT

General Description

Created in 1949, by a county-wide election, the District's boundaries are coterminous with Parker County. Its service area includes the counties of Jack, Wise, Hood and Palo Pinto. The District operates for the benefit of Weatherford College (the "College"). The College is an accredited public junior college that operates as a two-year institution offering vocational, technical and academic courses for certification or associate degrees with select baccalaureate programs. The College offers courses that are transferable to universities. The College also offers occupational/technical training courses in one-year and two-year programs and remedial courses. The College also offers a four-year baccalaureate degree in nursing and a four-year baccalaureate degree in organizational leadership.

History

The official name of the college is Weatherford College of the Parker County Junior College District, the legal successor of the old Weatherford College. In 1869, the Phoenix Lodge of the Masonic Order in Weatherford applied for and received a charter to establish a Masonic institute. The cornerstone of the building was laid that year and first classes were held two to three years later. In the early 1880's the Weatherford district of the Methodist Church became interested in the school and took over its sponsorship. In 1889, a small college that had been in operation in Granbury was moved to Weatherford and was combined with a local institution. During the late 1880's and 1890's, the program of the school extended from the lower grades of the common school through the four years of senior college. From 1903 to 1921, the college operated intermittently. In 1921, the college was reorganized as a junior college and has operated as such without interruption since that time.

In 1944 Southwestern University in Georgetown, Texas, took over the operation of the college as a branch institution under an agreement with the Board of Trustees which provided that in the event Southwestern University should discontinue its operation, the facilities would be offered to the City of Weatherford or to Parker County for the operation of a public junior college. In 1949 such change was made. The Parker County Junior College District was organized and a tax was levied by a vote of the people. Weatherford College opened its first session as a public junior college in September 1949.

In 1966, Weatherford College purchased 90 acres as a site for a new campus. Construction began in 1967 and was completed in 1968. The first classes on the new campus were held in the fall of 1968. In 1975, Weatherford College received approximately 90 acres of land and 17 buildings and equipment from the General Services Administration of the federal government for the addition of the Education Center at Mineral Wells. These facilities were part of the former Army Primary Helicopter training Facility at Fort Wolters. The College was entrusted by the agreement to use these facilities for educational purposes for 30 years. Today the College continues to use the facilities at the Mineral Wells site for occupational instruction, however, the original agreement has expired and a portion of the land has reverted to the federal government.

In addition to the main campus of Weatherford College, the College offers classes at its Education Centers at Mineral Wells and Granbury, its 300-acre Agricultural Center and at various sites throughout the College's service area. Additionally, the College currently offers classes in Bridgeport though a cooperative lease with Wise County.

Accreditation and Affiliations

Weatherford College is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (1866 Southern Lane, Decatur, Georgia 30033-4097: Telephone number (404-697-4501)) to award associate degrees.

Governance

Policy-making and supervisory functions are the responsibility of and are vested in an eight-member Board of Trustees (the "Board"). Members of the Board serve six-year staggered terms with elections being held each even-numbered year on the first Saturday in May. The Board delegates administrative responsibilities to the President of the College and his staff. Various supporting services are provided by independent consultants and advisors (see "BOARD OF TRUSTEES" and "CERTAIN APPOINTED OFFICIALS").

Faculty

For fiscal year 2021/22, 134 full-time faculty members and approximately 112 part-time faculty members were employed by the College. The District's minimum requirement for a general academic faculty position is a master's degree or Board approved equivalent. Occupational faculty members are required to hold both a college degree and a minimum of 3 to 5 years full-time trade experience in their field of instruction. At present approximately 20% of the full-time faculty members hold doctorate degrees, and 66% hold masters degrees.

During the 2021/22 school year, the beginning salaries for faculty members with no prior teaching experience are as follows:

	Master's Degree	Doctorate Degree
Nine month position	$40,845	$48,197
Twelve month position	$54,460	$64,263

Formal collective bargaining agreements relating directly to wages and other conditions of employment are prohibited by State law, as are strikes by teachers. The Faculty Senate of Weatherford College exists to facilitate and improve the lines of communication between the faculty and administration with regard to academic and professional affairs. In addition, various local and state employee organizations engage in efforts to better the terms and conditions of employment of college employees.

Curriculum

The College has a comprehensive post-secondary curriculum for college freshman and sophomores, serving students who will continue their education at senior institutions or who are preparing for specific careers. Learning options include weekend colleges, evening classes, off-campus instruction, concurrent or early enrollment classes in high school, and online courses.

The District offers more than 24 associate degree programs, three baccalaureate degree programs, 24 certificate options, and 25 non-credit institutional awards. Students can earn an Associate in Arts, Associate in Science, Associate in Arts in Teaching, or an Associate in Applied Science. The following are just some of the areas of concentration in which a student may pursue an Associate's degree: Accounting, Architecture, Business Administration, Chemistry, Computer Science, Engineering, Mathematics, Music, Pre-Medicine, Nursing, Organizational Leadership, Sociology, and Teacher Education. The College's baccalaureate programs include nursing, and organizational leadership with a program in medical and health services management slated to begin in the fall of 2022.

The occupational/technical programs of the College include fields such as Fire Science Technology, Occupational Therapy Assistant, Radiologic Technology, Phlebotomy, Sonography, Occupational/Technical programs are developed with the assistance of individuals who represent business, industry, or professional groups. Each Occupational/Technical degree program must provide both academic and career-related courses. Occupational/Technical programs are reviewed annually by an advisory committee and College staff. When extensive revisions are suggested, a community needs study and/or program evaluation is conducted to determine revisions necessary for the local labor market.

Enrollment

The District has an open-door admissions policy, welcoming all adults who want to learn. The following tables set forth historical enrollment information.

Table 1 - Head Count Enrollment*

Academic Year	Fall	Spring	Summer Session First	Summer Session Second	Annual Total
2011/12	5,534	5,188	1,609	1,174	13,505
2012/13	5,600	5,281	1,836	1,071	13,788
2013/14	5,714	5,260	1,747	1,137	13,858
2014/15	5,635	5,234	1,640	1,051	13,560
2015/16	5,485	5,273	1,634	965	13,357
2016/17	5,623	5,595	1,911	988	14,117
2017/18	6,343	5,696	1,648	922	14,609
2018/19	6,422	5,787	1,678	949	14,836
2019/20	5,958	5,375	1,279	985	13,597
2020/21**	5,391	4,991	1,737		12,119
2021/22**	5,501	4,903	N/A		N/A

*Only includes credit fundable enrollment. Students counted once each semester/session.
**As of fiscal year 2021, enrollment in summer classes is counted as part of a single Summer Term.

Table 2 - Semester Hour Load*

	Fall 2021	Fall 2020	Fall 2019	Fall 2018	Fall 2017
18 or more semester hours	101	74	35	32	38
15-17 semester hours	401	408	511	475	389
12-14 semester hours	1,452	1,560	1,592	1,752	1,858
9-11 semester hours	1,190	1,133	1,092	1,142	1,171
6-8 semester hours	1,210	1,220	1,364	1,463	1,496
3-5 semester hours	1,098	1,001	1,290	1,414	1,286
2 or less semester hours	49	24	77	153	117
Cont. Education Students	1,769	3,500	3,447	4,100	3,951
Totals	**7,270**	**8,920**	**9,408**	**10,531**	**10,306**

*Includes non-credit equivalent hours.

Table 3 – Number of Semester Hours Registered – Credit Classes Only

Academic Year	Fall	Spring	Summer Session First	Summer Session Second	Annual Total
2011/12	52,982	48,885	7,422	5,083	114,372
2012/13	52,891	48,756	8,590	4,251	114,488
2013/14	54,010	49,375	8,055	5,109	116,549
2014/15	51,467	46,919	7,626	4,464	110,476
2015/16	48,854	46,848	7,546	4,130	107,378
2016/17	49,346	47,957	8,624	4,331	110,258
2017/18	54,497	49,223	8,292	3,633	115,645
2018/19	54,974	47,025	8,237	3,668	113,904
2019/20	51,832	44,354	4,992	3,897	105,075
2020/21*	49,890	41,766	10,963		102,619
2021/22*	49,139	42,709	N/A		N/A

*As of fiscal year 2021, enrollment in summer classes as part of a single Summer Term.

Table 4 – Annual Head Count Enrollment*

	2020/21	2019/20**	2018/19	2017/18	2016/17
General Academic	5,722	6,125	6,515	6,786	6,510
Vocational for Credit	1,763	1,302	2,149	2,018	1,839
Total for Credit	7,485	7,427	8,664	8,804	8,349
Vocational for Non-Credit Funded	842	857	1,106	1,086	1,221
Total	**8,327**	**8,284**	**9,770**	**9,890**	**9,570**

*Includes non-credit equivalent hours.
**Annual Head Count was down in 2019/20 largely due to the COVID-19 pandemic.

Table 5 – Annual Contact Hours Generated*

	2020/21	2019/20**	2018/19	2017/18	2016/17
General Academic	1,398,285	1,543,793	1,619,720	1,680,046	1,549,914
Vocational for Credit	823,888	809,984	839,644	830,488	807,715
Total for Credit	2,222,173	2,353,777	2,459,364	2,510,534	2,357,629
Vocational for Non-Credit Funded	76,569	98,574	133,008	129,995	75,868
Total	**2,298,742**	**2,452,351**	**2,592,372**	**2,640,529**	**2,433,497**

*Includes non-credit equivalent hours.
**Annual Count Hours was down in 2019/20 largely due to the COVID-19 pandemic.

Tuition and Fees

The following table provides information on the District's tuition and fee charges for each semester of the 2021/22 school year.

Table 6 – 2021/22 Tuition and Fee Breakdown

	Tuition Only					Fees Only	
Semester Hours	District Resident	Out of District Wise Co Residents	Out of District ECBG	Out of District	Out of State	Institutional Enrichment Fee	Parking Fee
1	$102	$129	$157	$170	240	$20	$30
2	204	258	314	340	480	40	30
3	306	387	471	510	720	60	30
4	408	516	628	380	960	80	30
5	510	645	785	850	1,200	100	30
6	612	774	942	1,020	1,440	120	30
7	714	903	1,099	1,190	1,680	140	30
8	816	1,032	1,256	1,360	1,920	160	30
9	918	1,161	1,413	1,530	2,160	180	30
10	1,020	1,290	1,570	1,700	2,400	200	30
11	1,122	1,419	1,727	1,870	2,640	220	30
12	1,224	1,548	1,887	2,040	2,880	240	30
13	1,362	1,677	2,051	2,210	3,120	260	30
14	1,428	1,806	2,198	2,380	3,360	280	30
15	1,530	1,935	2,355	2,550	3,600	300	30
16	1,632	2,064	2,512	2,720	3,840	320	30
17	1,734	2,193	2,669	2,890	4,080	340	30
18	1,836	2,322	2,826	3,060	4,320	360	30
19	1,938	2,451	2,983	3,230	4,560	380	30
20	2,040	2,580	3,140	3,400	4,800	400	30
21	2,142	2,709	3,297	3,570	5,040	420	30

Attendance Costs

The following represents the estimated annual cost for a District Resident student taking 15 semester credit hours in each semester for the 2020/21 and 2021/22 school year:

	2020/21		2021/22	
	Fall	Spring	Fall	Spring
Tuition and Fees	$1,425	$1,425	$1,530	$1,530
Institutional Enrichment Fee	225	225	300	300
Laboratory Fee	24	24	24	24
Books	900	900	900	900
Total for Commuter Student	$2,574	$2,574	$2,754	$2,754
Room and Board in Residence Halls	3,848	3,848	3,835	3,835
Total for Dorm Student	$6,422	$6,422	$6,589	$6,589
Total Est. Annual Cost (Commuter Student)		$5,148		$5,508
Total Est. Annual Cost (Dorm Student)		$12,844		$13,178

The District's Maintenance Tax

Chapter 130, Texas Education Code, as amended (the "Act"), authorizes a junior college district to levy an annual ad valorem tax at a combined rate (for payment of (i) maintenance and operations and (ii) debt service on voted bonds) of not to exceed $1.00 per $100 of taxable assessed valuation (of which the maximum amount for payment of debt service on voted bonds may not exceed $0.50), subject to the approval of voters in the district. Pursuant to an election held in the District on August 6, 1949 (the "Election"), the District is authorized to levy annual ad valorem taxes for maintenance and operations at a rate not to exceed $0.30 per $100 assessed valuation of taxable property in the District. **NO PROCEEDS OF THE DISTRICT'S MAINTENANCE TAX HAVE BEEN, OR MAY BE, PLEDGED TO SECURE THE DISTRICT'S REVENUE DEBT, INCLUDING THE BONDS.**

Sources of Funding for the District

The District has historically received its funding from three primary sources of revenue: appropriations from the State, ad valorem tax collections, and student tuition, fees and other charges.

State Appropriations. Since 2013, general revenues of the State have been appropriated for the support of the junior community colleges using a performance based funding methodology and an Outcomes-Based Formula. This formula is divided into 3 funding strategies: Contact Hours, Core Operations, and Student Success Points Funding. In particular, for each State fiscal biennium, the amount appropriated by the Texas Legislature for each public junior and community college district is based on each district's proportionate share of the total number of contact hours generated statewide by students enrolled in state-approved courses offered during the previous summer, fall and spring semesters. A contact hour is an instructional hour in which a student has contact with an instructor, including both lecture and laboratory hours. The proportional share of state appropriations allocated to each public junior or community college district is determined using a funding formula consisting of the product of (1) the median cost of each particular course contact hour for all junior and community colleges in the State times (2) the total number of contact hours for the district. Contact hour funding continues to be the primary funding. During this last biennium, Core operations were also funded at $680,406 per year for each community college and are intended to help cover basic operating costs, regardless of size or geographic locations. The Student Success Points portion of the appropriations are based upon a metric system designed to reward achievement and progress for all students from the least prepared to the most college ready student.

Amounts received from state appropriations, generally, may not be used to pay debt service on bonds (including the Bonds) or any other indebtedness of a district.

The availability and levels of State and federal funding for government operations and programs have become increasingly uncertain as a result of financial pressures and revenue shortfalls affecting the State, federal and other levels of government. Such uncertainty did affect the availability and levels of State and federal funding for junior and community college districts for the 2022/23 State biennium and the District expects such uncertainty to continue to affect levels of State and federal funding for the 2024/25 State biennium and, possibly, subsequent biennia.

State appropriations for District operations and employee benefits comprised approximately 19% of the District's total revenues for the fiscal year ending August 31, 2021 (as reported in the District's annual financial statements). Appropriations for overall operations were essentially the same as compared to the fiscal year ending August 31, 2020. Over the District's next two academic years (2022/23 and 2023/24), the District expects enrollment and contact hours to increase with the expansion of emerging technology and workforce programs, the addition of a third baccalaureate degree in medical and health services management, along with additions to the athletic program, including volleyball, men's tennis, and women's golf. The District is also seeking approval for two additional baccalaureate degrees in robotics and automation engineering and in elementary teaching with English as a second certification. If approved, the District has slated these degree programs to be available in the fall of 2023. However, due to reductions in the aggregate amount of state appropriations available to support junior and community colleges, in general, state appropriations to the District for the 2022/23 biennium have declined by 4%. On a positive note, Student Success point funding increased for the 2022/23 biennium by $433,111, representing total student success point funding of $1,400,409 for the biennium. Reductions in overall state funding for junior and community colleges are expected to impose constraints on the District's general operating budget and increase the pressure to offset diminished state funding with other sources of revenues, including ad valorem tax receipts and student tuition and fees.

The District has proactively prepared for reductions in state appropriations for the 2022/23 biennium by increasing tuition and fee rates for the 2021/22 academic year and recommending additional increases in 2022/23, absorbing selected non-instructional staff positions, and reducing budget for travel, supplies, utilities and operating expenses. The District intends to continue to address reductions in state appropriations through consideration of different options, including the implementation of cost cutting measures, tuition and/or fee increases, and tax revenue increases based on a growing local economy. The District expects that its instructional sites will continue to operate at full capacity and that student services will not be affected by any reduction in state appropriations (see "Management's Discussion and Analysis" in "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021").

Ad Valorem Tax Collections…Pursuant to the Act and subject to the approval of voters in the District, the District is authorized to levy annual ad valorem taxes to support its operations and the maintenance of its facilities. In addition, the District is authorized to levy and pledge annual ad valorem taxes sufficient to pay the principal of and interest on voted ad valorem tax-secured bonds as the same come due; provided, that the annual debt service bond tax shall never exceed $0.50 on the $100 valuation of taxable property in the District, and the annual debt service bond tax, together with the annual maintenance and operations tax, shall never exceed $1.00 on the $100 valuation of taxable property in the District. The District is currently authorized to levy a maintenance and operations tax of not to exceed $0.30 per $100 assessed valuation. **No portion of the District's ad valorem taxes are pledges to the payment of debt service on the Bonds.**

Taxable values in the District increased by approximately 7.34% in fiscal year 2020/21 and increased by approximately 14.98% in fiscal year 2021/22. Recent sizable increases are largely attributable to a growing economy and growth in the area. Growth has helped the District maintain a fairly flat maintenance and operations tax rate, while its debt service tax rate has declined in recent years. The taxable values for fiscal year 2022/23 are projected to increase by approximately 5-6% due in large part to the economic growth.

*Student Tuition, Fees and Other Charges...*Tuition and fees are collected from all students (except certain small categories of students exempt by law) enrolled at the District. In addition, the District collects revenues from other sources, including book store revenues, vending concessions, testing fees, and other miscellaneous revenues. Also, federal funds are allocated for specific program support or specific student classification such as veterans or handicapped students (see "APPENDIX A - Table 7 - Statement of Revenues, Expenses and Changes in Net Assets" and "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021"). Revenues generated from the collection of tuition, fees and other charges are not pledged to secure the payment of debt service on the District's tax bonds.

Weatherford College Foundation

The Weatherford College Foundation Incorporated (the "College Foundation") was chartered in 1978 operating under the Texas Non-Profit Corporation Act. Its sole purpose is to provide educational support generate financial support and develop resources that will impact the educational experience of students, faculty and staff of Weatherford College. The College Foundation has more than $12.7 million in assets.

The College Foundation is governed by a 23-member Board of Directors, composed of business and civic leaders of Parker County who serve without compensation. The Board of Directors meets four times a year, while the Executive Committee and other standing committees meet as needed. The College Foundation is classified by the Internal Revenue Services as a 501(c)(3) organization and contributions to the College Foundation are tax-deductible.

Competing Educational Institutions

Nearby colleges include Tarrant County College ("TCC"), a two-year community college in neighboring Tarrant County. Like the District, TCC is part of the comprehensive community college system of the State and it offers degrees for students whose goal is to transfer to an upper level college or university to complete a baccalaureate as well as occupational/technical programs at its campuses throughout the cities of Fort Worth, Arlington, Hurst and online. Total undergraduate enrollment (unduplicated students) for fall 2020 was 46,561.

Other higher educational institutions in the area include Texas Christian University and Texas Wesleyan University both in Fort Worth. Texas Christian University is private Christian university with undergraduate, graduate and doctoral programs with a significant academic and research focus. Texas Wesleyan University is a private historically Methodist university with undergraduate, graduate and doctoral programs. The University of North Texas and Texas Woman's University are two public four-year comprehensive universities with main campuses in Denton, Texas.

FINANCIAL POLICIES AND ADMINISTRATION OF THE DISTRICT

Basis of Accounting

For financial statement purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the District are presented using the economic measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Encumbrance accounting, under which purchase order, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the financial statements. Under State law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding at year-end that were provided for in the subsequent year's budget are reported as reservations of net assets since they do not constitute expenditures or liabilities.

Net Assets

The District's net assets are classified as follows:

Investment in Capital Assets, Net of Related Debt. This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of investment in capital assets, net of related debt.

Restricted Net Assets – Expendable. Restricted expendable net assets include resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted Net Assets – Nonexpendable. Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted Net Assets. Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet the current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Investments. The District accounts for its investments at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Changes in unrealized gain (loss) on the carrying values of investments are reported as a component of investment income in the statements of revenue, expenses, and changes in net assets.

Classification of Revenues

The District has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.

Nonoperating Revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues under GASB No. 9, Reporting Cash Flows of Propriety and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, and GASB No. 34, such as state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenue from students, are reported as net scholarship discounts and allowances in the statements of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the District, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

EMPLOYEES RETIREMENT PLAN

Retirement Plans

The Teacher Retirement System of Texas ("TRS"), a Public Employee Retirement System ("PERS"), is a multiple-employer defined benefit pension plan. By statute, the State contributes to the retirement system an amount equal to the current authorized rate times the aggregate annual compensation of all members of the retirement system during that fiscal year. For members of the retirement system entitled to the minimum salary for certain school personnel under Section 16.056, Texas Education Code, the employing district shall pay the State's contribution on the portion of the member's salary that exceeds the statutory minimum. The contribution rates of members, the State and employers (like the District) for fiscal year 2020 was 7.7%, 6.8%, and 6.8%, respectively and for fiscal year 2021 was 7.7%, 7.5% and 7.5% respectively. For fiscal year 2020, the contributions totaled $1,017,969 for members, $444,613 for the State and $529,945 for the District (see "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021 – Note 10").

The State has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the TRS. The optional retirement program provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the State/District and each participant are 6.60% and 6.65%, respectively. The District contributes an additional 1.31 % for employees who were participating in the optional retirement program prior to September 1, 1995 and an additional 0.18% for all employees participating in the optional retirement plan. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the State has no additional or unfunded liability for this program. The retirement expense to the State for the College was $188, 192 and $183,375 for the fiscal years ended August 31, 2021 and 2020, respectively (see "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021 – Note 10").

TRS is charged with the responsibility of administering pension funds for all public educational institutions in Texas, including the District. For fiscal years that ended prior to June 15, 2014, the State carried the total net pension liability for government employers that participated in a cost-sharing, multiple-employer defined benefit pension plan. For fiscal years beginning after June 15, 2014, pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, the District is required to disclose the total net pension liability for its employees on its respective financial statement including supplemental disclosures within the notes to the financial statements that describe sources of changes in the net pension liability. For additional information regarding GASB Statement No. 68 and its impact to the District (see "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021 – Note 10)".

Postemployment Benefits Other than Pensions

The District participates in a cost-sharing, multiple-employer, defined-benefit other post-employment benefit ("OPEB") plan with a special funding situation. The Texas Employees Group Benefit Plan ("GBP") is administered by the Employees Retirement System of Texas ("ERS"). The GBP provides certain post-employment healthcare, life and dental insurance benefits to retired employees of participating universities, community colleges and State agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Legislature.

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report that includes financial statements, notes to financing statements and required supplemental information. The report may be obtained by visiting https://ers.texas.gov/About-ERS/Reports-and-Studies/Report-on-Overall-ERS-Operations-and-Financial-Management.

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 members contribution rates are determined annually by the ERS Board of Trustees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans ("GASB 75"). For fiscal years beginning after June 15, 2017, GASB 75 will require the District to report a liability on the face of its financial statement for the post-employment benefits other than pensions ("OPEB") it provides (which will include any retiree health insurance) (see "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021 – Note 14").

Formal Collective Bargaining Agreements

Formal collective bargaining agreements relating directly to wages and other conditions of employment are prohibited by State law, as are strikes by teachers. There are various local, state and national organized employee groups who engage in efforts to better terms and conditions of employment of school employees. Some colleges have adopted a policy to consult with employee groups with respect to certain terms and conditions of employment. The District does not recognize any organized, outside employee group for such purposes.

RISK FACTORS - SOURCES OF FUNDS FOR DISTRICT OPERATIONS

State Appropriations and Ad Valorem Taxes

A significant amount of the District's current fund revenues are derived from State appropriations and the collection of ad valorem taxes levied for maintenance and operation purposes. Neither State appropriations nor ad valorem taxes are pledged to the payment of the Bonds. State appropriations are determined at each session of the State legislature, which meets biennially, and are not part of the Pledged Revenues. The State is not obligated to provide a specific appropriation in any year. The result of the future legislative deliberations cannot be predicted. Among the factors driving the allocation of State spending are population trends, court resolutions and lawsuits, federal mandates, statutory formulas and dedicated funds. State funding on education cannot be predicted until available money and other demands can be more precisely predicted or identified.

Future Legislation

The Texas Legislature convenes in regular session every two years on odd years. In future sessions the Texas Legislature may consider bills that could have a direct impact on the District. The District can make no representations or predictions concerning the substance or the effect of any legislation that may be passed in the future or how such legislation could affect the District.

Other Factors Relating to Pledged Revenues

In addition, the revenues of the District which are pledged to secure the Bonds will be affected by any event which would either reduce the student enrollment at District facilities or otherwise diminish the amount of anticipated fees to be generated by student enrollment. The Pledged Revenues will be affected by future events and conditions including, among others: demand for the use of the District's facilities; demand for higher educational institutions responsive to regional and national employment needs; the ability of the Board of Trustees to attract qualified instructors who have confidence in the Board of Trustees, its facilities, administration and staff; economic developments in the area served by the District and, to some extent, nationally; competition from other universities and colleges or other institutions which might reflect changing attitudes toward traditional college education; tuition, fees and other costs of education and state and federal regulation, including possible legislation and court decisions affecting the District's fee structure.

Infectious Disease Outlook (COVID-19)

The outbreak of 2019 Novel Coronavirus Disease ("COVID-19"), a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally. On March 13, 2020, the President of the United States declared COVID-19 a national emergency and the Governor of the State of Texas (the "Governor") declared a state of disaster for all counties in the State. In response, the Governor has issued orders limiting the size of public gatherings, imposing occupancy limits for certain business establishments (but expressly excluding higher education) and emphasizing adherence to minimum standard health protocols, such as social distancing, hygiene and sanitation.

The District has coordinated its response with local public health agencies, as well as the Texas Department of Health, and is providing public information through https://www.wc.edu/covid-19, institutional websites, and direct communications to the District community and stakeholders. The information contained on (or accessed through) such website is not incorporated by reference, either expressly or by implication, into this Official Statement, nor are any materials on such website.

The information contained in this Official Statement is provided as of the respective dates and for the periods specified herein and does not under any circumstances imply that there has been no change in the affairs of the District since the specified date or dates as of which such information is provided. Accordingly, the historical information set forth herein may not be indicative of future results or performance due to these and other factors. At this time, the District cannot predict (i) the duration or extent of the COVID-19 pandemic; (ii) the duration or expansion of travel restrictions and restrictions on assemblies or gatherings; (iii) what effect any COVID-19 or any other outbreak/pandemic-related restrictions or warnings may have on demand for higher education; (iv) whether and to what extent the COVID-19 pandemic may disrupt the State, national or global economy, or whether any such disruptions may adversely impact the District's operations or revenues; or (v) whether any of the foregoing may have a material adverse effect on the financial condition or operations of the District or the ratings on the Bonds (see "RATINGS" herein). However, the District currently anticipates that the COVID-19 pandemic and the related responsive measures will not impair the District's ability to pay debt service on Parity Debt and to comply with the other terms thereof.

Cyber Security

Computer networks and data transmission and collection are vital to the operations of Weatherford College. Information technology and infrastructure of the College may be subject to attacks by outside or internal hackers and may be subject to breach by employee error, negligence or malfeasance. An attack or breach could compromise systems and the information stored thereon, result in the loss of confidential or proprietary data and disrupt the operations of the College. To mitigate these risks, Weatherford College continuously endeavors to improve the range of control for digital information operations, enhancements to the authentication process, and additional measures toward improving system protection/security posture. The College follows the security framework documented in Texas Administrative Code (TAC) 202 that establishes a baseline of security standards for institutions of higher education. The College is compliant with these standards and as of the distribution of this Official Statement, has not had experienced a cyber-attack that has disrupted operations or caused financial harm. The College has cyber security insurance.

LEGAL MATTERS

The District will furnish a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of the State of Texas as to the Bonds to the effect that the Bonds are valid and legally binding obligations of the District, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, with respect to the Bonds, issued in compliance with the provisions of the Order. A form of such opinion is attached hereto as "APPENDIX C – Form of Bond Counsel's Opinion".

Though it represents the Financial Advisor and the Underwriter from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel, has been engaged by and only represents the District in connection with the issuance of the Bonds. Except as noted below, Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein except that in its capacity as Bond Counsel, such firm has reviewed the information appearing under captions or subcaptions "PLAN OF FINANCE" (except under the subcaption "Sources and Uses of Proceeds"), "THE BONDS" (except under the subcaption "Payment Record"), "REGISTRATION, TRANSFER AND EXCHANGE," "LEGAL MATTERS (except for the last sentence thereof)," "TAX EXEMPTION," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance With Prior Undertakings"), and such firm is of the opinion that the information relating to the Bonds and legal matters contained under such captions and subcaptions is an accurate and fair description of the information purported to be shown therein and, with respect to the Bonds, such information conforms to the Order. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. The legal opinion will be printed on, or will accompany, the definitive Bonds. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provisions made for their payment or security, or in any manner questioning the validity of said Bonds will also be furnished to the Underwriter. Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas.

TAX EXEMPTION

On the Delivery Date of the Bonds, McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law") (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity Bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds (see "APPENDIX C – Form of Bond Counsel's Opinion").

In rendering its opinion, Bond Counsel will rely upon (a) certain information and representations of the District, including information and representations contained in the District's federal tax certificate and (b) covenants of the District contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for the interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included to gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the District with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the property financed or refinanced with the proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments.

Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions accumulated, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM LEGISLATION OR THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or State level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds.

Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency (see "OTHER INFORMATION – Rating"). In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

Further, Section 130.122, Texas Education Code, provides that the Bonds are legal and authorized investments for banks, trust companies, building and loan associations, savings and loan associations, small business investment corporations, insurance companies of all kinds and types, fiduciaries, trustees, and guardians, and for interest and sinking funds and other public funds of the State and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic. The Bonds are eligible to secure all deposits of public funds of the State and all agencies, subdivisions, and instrumentalities thereof, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the Bonds.

The District has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The District has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

INVESTMENT AUTHORITY AND INVESTMENT OBJECTIVES OF THE DISTRICT

District funds are invested as authorized by State law, particularly the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the "PFIA"), and in accordance with investment policies approved by the District. Both State law and the District's investment policies are subject to change.

Under State law, the District is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the District selects from a list the governing body or designated investment committee of the District adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the District selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the District's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the District appoints as the District's custodian of the banking deposits issued for the District's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3;(9) (i) certificates of deposit or share certificates that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for District deposits, or (ii) where (a) the funds are invested by the District through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the District as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the District, (b) the broker or the depository institution selected by the District arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the District appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the District with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that (i) have a defined termination date, (ii) are fully secured by a combination of cash and obligations described in clause (1) above or clause (12) below, (iii) require the securities being purchased by the District or cash held by the District to be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District, and (iv) are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the SEC that comply with Securities and Exchange Rule 2a-7; (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either have a duration of one year or more and invest exclusively in obligations described in clauses (1) through (13) above, or clauses (15) or (16) below, or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) and (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution.

The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Investment Objectives

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the District's investment officers must submit an investment report to the Board detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest District funds without express written authority from the Board.

Under State law, the District is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Board; (4) require the qualified representative of firms offering to engage in an investment transaction with the District to (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the District and the business organization that are not authorized by the District's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the District and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the District's investment policy; (6) provide specific investment training for the Treasurer, Chief Operating Officer and investment officers; (7) restrict reverse repurchase agreements to not more than ninety (90) days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

Current Investments

As of February 28, 2022, the District's investable funds were invested in the following investment instruments:

Investment Instrument	Book Value	Percentage
Money Market Accounts	$40,268,701.91	100.0%
Total	**$40,268,701.91**	**100.0%**

CONTINUING DISCLOSURE OF INFORMATION

In the Order, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds unless it amends or repeals the agreement as described below. Under the agreement, the District will be obligated to provide certain updated financial information and operating data relating to the District annually, and timely notice of certain specified events relating to the District to the MSRB. This information will be available via the MSRB's Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

Annual Reports

Under Texas law, including, but not limited to, Chapter 51, Texas Education Code, as amended, the District must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified or permitted public accountant and must file each audit report with the Texas Higher Education Coordinating Board within 120 days after the close of the District's fiscal year. Copies of each audit report must also be filed in the office of the District and with the Secretary of the Board. The District's fiscal records and audit reports are available for public inspection during the regular business hours of the President. Additionally, upon the filing of these financial statements and the annual audit, these documents are subject to the Texas Open Records Act, Texas Government Code, Chapter 552, as amended. Therefore, any person may obtain copies of these documents upon submission of a written request to the Executive Vice President of Financial & Administrative Affairs at Weatherford College Park Drive, 225 College Park Drive, Weatherford, Texas, 76086, and upon paying the reasonable copying, handling, and delivery charges for providing this information.

The District will provide certain updated financial information and operating data to the MSRB annually via the EMMA System. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under the captions "PARKER JUNIOR COLLEGE DISTRICT" (Tables 1-6) and "INVESTMENT AUTHORITY AND INVESTMENT OBJECTIVES OF THE DISTRICT – Current Investments" and in APPENDIX A – FINANCIAL INFORMATION REGARDING THE DISTRICT (Tables 1-7) and APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021. The District will update and provide this information within six months after the end of each fiscal year in and after 2022.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12 (the "Rule"), promulgated by the United States Securities and Exchange Commission. The updated information will include annual audited financial statements for the District, if the District commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited statements and audited financial statements when and if such audited financial statements become available. Any such financial statements of the District will be prepared in accordance with the accounting principles described in "APPENDIX D – EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021" hereof or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is August 31. Accordingly, it must provide updated information by the last day of February, in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB.

Event Notices

The District will file with the MSRB via the EMMA system notice of any of the following events with respect to the Bonds in a timely manner (but not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the federal income tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or obligated person, any of which reflect financial difficulties. The terms "financial obligation" and "material" when used in this paragraph shall have the meanings ascribed to them under federal securities laws. The District will provide each notice described in this paragraph to the MSRB as described herein. Neither the Bonds nor the Order make any provision for liquidity enhancement.

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports". The District will provide each notice described in this paragraph to the MSRB as described herein.

Availability of Information

The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of certain specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of the financial results of operations, condition, or prospects of the District, or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if the agreement, as amended, would have permitted an underwriter to purchase or sell the Bonds in the offering described herein in compliance with the Rule and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the District (such as nationally-recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. The District may also repeal or amend the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the District also may amend these provisions in its discretion in any other manner or circumstance, but in either case, only if and to the extent, that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the District amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

The District will provide the updated information for any filing required pursuant to this agreement to the MSRB.

Compliance with Prior Undertakings

During the last five years, the District has substantially complied in all material respects with its continuing disclosure undertakings entered into in accordance with the Rule, except as follows: the District, in February 2018, timely filed its annual financial information relating to the fiscal year ending in 2017 in accordance with its undertakings as related to its then outstanding obligations. As a result of an administrative oversight, the District did not link the timely filed information to the CUSIPs associated with the Wise County, Texas Lease Revenue Bonds, Series 2011 (Parker County Junior College District Project) (the "Series 2011 Bonds"). The District is an obligated party to the Series 2011 Bonds. In April 2018, the District linked its financial information to the omitted CUSIPs, upon learning of the administrative oversight.

OTHER INFORMATION

Rating

S&P Global Ratings, a division of S&P Global Inc. ("S&P"), has assigned a rating of "AA" to the Bonds by virtue of a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. at the time of delivery of the Bonds guaranteeing the payment of principal and interest on the Bonds (see "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS"). The District's underlying rating for its revenue bonds is "A+" by S&P.

The ratings reflect only the respective views of S&P and the District makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. A credit rating on a security is not a recommendation to buy, sell or hold such securities and may be subject to revision or withdrawal at any time.

Litigation

The financing system for public junior colleges, including the District, has not been challenged in court and is not the subject of any existing litigation.

Additionally, the District is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the District, would have a material adverse effect on the financial condition of the District or upon the Bonds or the District's ability to issue and secure the Bonds as described herein.

At the time of the initial delivery of the Bonds, the District will provide the Underwriter with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

Registration and Qualifications of Bond for Sale

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. The District's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Underwriting

The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the District, at an underwriting discount of $105,338.47. The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

FINANCIAL ADVISOR

RBC Capital Markets, LLC is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

CONCLUDING STATEMENT

The financial data and other information set forth herein has been obtained from the District's records, financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and the Order contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Order. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

The Order approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the reoffering of the Bonds by the Underwriter.

This Official Statement has been approved, and the execution and delivery of this Official Statement has been authorized by the Board.

By: /s/ Andra Cantrell
Authorized Officer
Parker County Junior College District

APPENDIX A

FINANCIAL INFORMATION REGARDING THE DISTRICT

Table 1
Selected Analytical Data

	Fiscal Years Ending August 31,					
	FY 2022	**FY 2021**	**FY 2020**	**FY2019**	**FY2018**	**FY2017**
Analytical Data						
Total Enrollment Contact Hours	N/A	2,298,742	2,452,324	2,452,351	2,592,372	2,640,529
District Population	142,878	142,878	142,878	148,222	133,463	130,150
Taxable Assessed Valuation	$17,905,586,807	$15,572,339,273	$14,725,826,274	$12,627,041,048	$11,830,457,065	$10,539,962,566
Percentage Change in TAV	14.98%	5.75%	16.62%	6.73%	12.24%	-1.44%
Unrestricted Fund Balance	N/A	$25,432,851	$17,230,649	$18,656,023	$20,257,005	$25,752,053
Unrestricted Fund Balance/ Total Operating Expenses	N/A	50.18%	34.33%	38.22%	46.57%	59.59%
Debt Service Coverage						
Total Pledged Revenues	N/A	$7,983,271	$6,099,049	$6,353,694	$12,747,621	$5,630,750
Annual Debt Service Requirements	$2,044,438 (B)	$548,350	$550,110	$547,550	$551,850	$552,950
Annual Debt Service Coverage(A)	3.90 x	14.56 x	11.09 x	11.60 x	23.10 x	10.18 x
Maximum Annual Debt Service Requirements	$3,289,231 (B)	$2,044,438	$553,300	$553,300	$553,300	$553,300
Max Annual Debt Service Coverage(A)	2.43 x	3.90 x	11.02 x	11.48 x	23.04 x	10.18 x

(A) Coverage calculated based on debt service requirement of fiscal year against pledged revenues of fiscal year. FY2022 coverage calculated based on FY2021 pledged revenues.
(B) FY2022 debt service figures includes the Bonds.

Table 2
Operating Revenue by Source

Fiscal Year Ended 31-Aug	Tuition & Fees (net of discounts)	Federal Grants	State and Local Grants	Private Gifts and Grants	Miscellaneous Income*	Auxiliary Revenues (net of discounts)	Total Operating Income
2017	$8,189,674	$976,628	$3,241,025	$0	$906,344	$1,835,217	$15,148,888
2018	9,009,931	992,885	3,030,686	-	2,102,630	8,770,752	23,906,884
2019	8,803,947	1,064,100	3,322,978	-	886,449	1,867,267	15,944,741
2020	9,884,181	1,967,759	3,554,034	-	1,074,203	1,519,886	18,000,063
2021	11,352,956	1,948,358	3,553,446	-	2,124,057	3,537,365	22,516,182

*Miscellaneous income includes sales and services of educational activities, investment income (restricted), and other operating revenues.

Table 3
Non-Operating Revenue by Source

Fiscal Year Ended 31-Aug	State Appropriation	Ad Valorem Taxes	Investment Income	Other Income	Total Non-Operating Income
2017	$10,800,472	$12,525,575	$109,167	$6,333,163	$29,768,377
2018	11,370,716	13,939,517	114,612	6,563,596	31,988,441
2019	10,962,324	14,708,225	585,890	6,511,107	32,767,546
2020	11,603,770	16,267,076	454,560	7,070,340	35,395,746
2021	11,488,842	18,776,745	111,303	8,899,131	39,276,021

Table 4
Debt Service Requirements on the District's
Consolidated Fund Revenue Debt

Fiscal Year Ending 8/31	Outstanding Revenue Debt Principal	Outstanding Revenue Debt Interest	Plus: The Bonds Principal	Plus: The Bonds Interest	Total Revenue Bond Debt Service
2022	$ 495,000	$ 1,549,438			$ 2,044,438
2023	875,000	1,168,531	$ 375,000	$ 867,047	3,285,578
2024	910,000	1,128,381	530,000	712,250	3,280,631
2025	955,000	1,086,581	560,000	685,750	3,287,331
2026	995,000	1,042,681	585,000	657,750	3,280,431
2027	1,045,000	996,931	615,000	628,500	3,285,431
2028	1,090,000	948,881	645,000	597,750	3,281,631
2029	1,145,000	898,731	680,000	565,500	3,289,231
2030	1,195,000	846,031	710,000	531,500	3,282,531
2031	1,250,000	790,981	745,000	496,000	3,281,981
2032	1,310,000	733,381	785,000	458,750	3,287,131
2033	1,365,000	672,981	825,000	419,500	3,282,481
2034	870,000	618,381	865,000	378,250	2,731,631
2035	905,000	583,581	910,000	335,000	2,733,581
2036	945,000	547,381	945,000	298,600	2,735,981
2037	980,000	509,581	985,000	260,800	2,735,381
2038	1,010,000	480,181	1,020,000	221,400	2,731,581
2039	1,040,000	449,881	1,065,000	180,600	2,735,481
2040	1,070,000	418,681	1,105,000	138,000	2,731,681
2041	1,105,000	386,581	1,150,000	93,800	2,735,381
2042	1,135,000	353,431	1,195,000	47,800	2,731,231
2043	1,170,000	319,381	-	-	1,489,381
2044	1,205,000	284,281	-	-	1,489,281
2045	1,240,000	248,131	-	-	1,488,131
2046	1,280,000	210,931	-	-	1,490,931
2047	1,320,000	172,531	-	-	1,492,531
2048	1,360,000	131,006	-	-	1,491,006
2049	1,400,000	88,431	-	-	1,488,431
2050	1,445,000	44,806	-	-	1,489,806
TOTAL	**$ 32,110,000**	**$ 17,710,714**	**$ 16,295,000**	**$ 8,574,547**	**$ 74,690,261**

Average Annual Requirement (2022-2050)………………………………………………………… **$ 2,575,526**

Maximum Annual Requirement (2029)…………………………………………………………… **$ 3,289,231**

Table 5
Historical Debt Service Coverage

	Fiscal Years Ending August 31,				
Pledged Revenues	**2021**	**2020**	**2019**	**2018**	**2017**
Pledged Tuition and Fees (25%)	$3,749,304	$3,521,505	$3,172,165	$3,169,009	$2,992,833
Investment Income	111,303	454,560	585,890	114,612	109,167
Auxiliary Enterprise Revenues(A)	4,122,664	2,122,984	2,595,639	9,464,000	2,528,750
Total Pledged Revenues	**$7,983,271**	**$6,099,049**	**$6,353,694**	**$12,747,621**	**$5,630,750**
Annual Debt Service Requirements(B)	$548,350	$550,110	$547,550	$551,850	$552,950
Annual Debt Service Coverage(B)	14.56 x	11.09 x	11.60 x	23.10 x	10.18 x
Maximum Annual Debt Service Requirements(C)	$2,044,438	$553,300	$553,300	$553,300	$553,300
Max Annual Debt Service Coverage(C)	3.90 x	11.02 x	11.48 x	23.04 x	10.18 x

(A) Auxiliary Enterprise Revenues include gross revenues of the College bookstore, food service, intercollegiate athletic program, parking fees and Carter Agricultural Center and includes the revenues of the Weatherford Student Housing Foundation.
(B) Assumes coverage of fiscal year debt service requirement against fiscal year Pledged Revenues.
(C) Assumes maximum annual debt service requirement against most recent completed fiscal year Pledged Revenue.

Table 6
Statements of Net Position

	Fiscal Years Ending August 31,				
	2021	2020	2019	2018	2017
ASSETS					
Current Assets					
Cash and Cash Equivalents [(A)]	$ 39,076,180	$ 32,211,661	$ 30,843,066	$ 31,423,781	$ 27,700,146
Accounts Receivable (net)	7,829,456	6,694,391	2,386,458	2,151,898	2,527,477
Other Assets - current	63,375	-	3,510,201	3,696,173	3,374,123
Prepaid Expense	-	7,550	57,535	314,042	131,767
Total Current Assets	**$ 46,969,011**	**$ 38,913,602**	**$ 36,797,260**	**$ 37,585,894**	**$ 33,733,513**
Noncurrent Assets					
Restricted Cash and Equivalents	$ 22,582,805	$ 7,158,485	$ 6,112,725	$ 5,373,623	$ 5,581,031
Endowment Investments	38,961	33,600	50,140	45,801	12,300
Other Long-term Investments	-	-	-	127	173
Investments in Real Estate	17,650,000	15,620,000	15,620,000	15,620,000	8,754,480
Capital Assets (net)	58,764,139	41,893,318	39,822,452	40,261,958	40,920,035
Total Noncurrent Assets	**$ 99,035,905**	**$ 64,705,403**	**$ 61,605,317**	**$ 61,301,509**	**$ 55,268,019**
Total Assets	**$ 146,004,916**	**$ 103,619,005**	**$ 98,402,577**	**$ 98,887,403**	**$ 89,001,532**
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows - Pension	$ 2,585,516	$ 3,456,516	$ 4,056,980	$ 1,546,387	$ 1,857,310
Deferred Outflows - OPEB	8,521,105	11,658,556	12,336,755	2,160,393	-
Total Deferred Outflows of Resources	**$ 11,106,621**	**$ 15,115,072**	**$ 16,393,735**	**$ 3,706,780**	**$ 1,857,310**
LIABILITIES					
Current Liabilities					
Accounts Payable	$ 4,026,495	$ 1,921,940	$ 998,135	$ 1,831,900	$ 1,194,082
Accrued Compensable Absences	597,918	580,229	549,654	502,588	438,040
Funds Held for Others	466,038	435,237	317,380	333,073	316,034
Unearned Revenues	9,623,927	9,068,483	8,492,828	8,706,523	8,845,339
Overpayment of State Appropriations - Current Portion	28,733	229,892	287,370	287,370	287,370
Notes Payable - current portion	424,564	401,220	383,399	366,081	337,317
Capital Leases Payable - current portion	106,770	102,481	98,367	94,420	-
Bonds Payable - current portion	1,389,677	945,618	925,880	905,773	897,949
Net OPEB Liability - Current Portion	748,342	809,051	322,883	74,434	-
Total Current Liabilities	**$ 17,412,464**	**$ 14,494,151**	**$ 12,375,896**	**$ 13,102,162**	**$ 12,316,131**
Noncurrent Liabilities					
Overpayment of State Appropriations	$ -	$ -	$ 229,892	$ 517,262	$ 804,632
Notes Payable	3,385,286	3,809,851	4,211,071	4,594,470	4,960,551
Capital Leases Payable	-	106,770	209,251	307,619	-
Bonds Payable	34,660,925	5,978,563	6,924,181	7,850,060	8,755,833
Net Pension Liability	7,251,630	7,689,136	8,373,269	4,825,611	5,700,770
Net OPEB Liability	21,686,384	24,717,593	21,627,290	14,594,958	-
Total Noncurrent Liabilities	**$ 66,984,225**	**$ 42,301,913**	**$ 41,574,954**	**$ 32,689,980**	**$ 20,221,786**
Total Liabilities	**$ 84,396,689**	**$ 56,796,064**	**$ 53,950,850**	**$ 45,792,142**	**$ 32,537,917**
DEFERRED INFLOWS OF RESOURCES					
Deferred Outflows - Pension	$ 1,883,317	$ 2,161,295	$ 1,450,939	$ 2,204,937	$ 1,836,868
Deferred Outflows - OPEB	8,034,717	6,563,835	8,496,122	3,243,473	-
Total Deferred Inflows of Resources	**$ 9,918,034**	**$ 8,725,130**	**$ 9,947,061**	**$ 5,448,410**	**$ 1,836,868**
NET POSITION					
Invested in Capital Assets (Net)	$ 18,796,917	$ 30,548,815	$ 27,070,303	$ 26,143,535	$ 25,968,385
Restricted for Expendable:					
Student Aid	2,661,188	2,592,312	2,484,391	2,373,749	2,281,386
Instructional Programs	82,045	81,893	82,044	82,043	82,044
Loans	-	-	-	10,952	10,233
Capital Projects	360,578	353,888	325,958	326,776	333,424
Debt Service	15,463,235	2,405,326	2,279,682	2,159,571	2,056,532
Unrestricted	25,432,851	17,230,649	18,656,023	20,257,005	25,752,053
Total Net Position	**$ 62,796,814**	**$ 53,212,883**	**$ 50,898,401**	**$ 51,353,631**	**$ 56,484,057**

Source: District's Audited Financial Statements.

Table 7

Statement of Revenues, Expenses and Changes in Net Position

	Fiscal Years Ending August 31,				
	2021	**2020**	**2019**	**2018**	**2017**
Operating Revenues					
Tuition and Fees - net of discounts	$ 11,352,956	$ 9,884,181	$ 8,803,947	$ 9,009,931	$ 8,189,674
Federal Grants and Contracts	1,948,358	1,967,759	1,064,100	992,885	976,628
State Grants and Contracts	-	7,436	32,950	34,810	314,388
Local Grants and Contracts[(A)]	3,553,446	3,546,598	3,290,028	2,995,876	2,926,637
Non-Governmental Grants & Contracts	-	-	-	-	-
Sales and Services of Educ Activities	795,012	352,039	102,330	70,259	70,890
Investment Income - program restricted	22,798	93,704	101,630	24,024	25,806
Auxiliary Enterprises - net of discounts	3,537,365	1,519,886	1,867,267	8,770,752	1,835,217
Other Operating Revenues	1,306,247	628,460	682,489	2,008,347	809,648
Total Operating Revenues	**$ 22,516,182**	**$ 18,000,063**	**$ 15,944,741**	**$ 23,906,884**	**$ 15,148,888**
Operating Expenses					
Instruction	$ 17,651,475	$ 18,287,233	$ 20,223,901	$ 17,816,081	$ 17,883,454
Public Service	14,275	40,439	40,007	39,281	46,372
Academic Support	4,004,918	4,367,828	1,914,495	1,546,393	1,767,123
Student Services	4,175,119	4,095,474	2,828,439	2,378,017	2,552,882
Institutional Support	8,522,601	8,370,633	8,095,022	6,765,029	7,039,973
Operation and Maintenance of Plant	6,510,646	6,395,963	7,155,459	6,745,925	5,616,754
Scholarships and Fellowships	5,143,125	4,102,369	3,611,211	3,865,161	3,567,672
Auxiliary Enterprises	2,786,710	2,679,729	3,116,597	2,335,948	2,539,614
Depreciation	1,879,281	1,844,621	1,823,272	2,006,038	2,200,050
Total Operating Expenses	**$ 50,688,150**	**$ 50,184,289**	**$ 48,808,403**	**$ 43,497,873**	**$ 43,213,894**
Operating Income (Loss)	**$ (28,171,968)**	**$ (32,184,226)**	**$ (32,863,662)**	**$ (19,590,989)**	**$ (28,065,006)**
Non-Operating Revenues (Expenses)					
State Appropriations	$ 11,488,842	$ 11,603,770	$ 10,962,324	$ 11,370,716	$ 10,800,472
Property Taxes for Maintenance & Ops	18,089,381	15,598,077	14,032,739	13,258,104	11,853,117
Property Taxes for Debt Service	687,364	668,999	675,486	681,413	672,458
Federal Revenue, Non-Operating	8,835,262	7,010,350	6,432,156	6,511,577	6,288,816
Gifts	63,869	59,990	78,951	52,019	44,347
Investment Income	111,303	454,560	585,890	114,612	109,167
Other Non-Operating Revenue	(561,068)	-	-	-	264
Interest on Capital Related Debt	(452,957)	(366,870)	(401,597)	(410,783)	(423,735)
Gain/(Loss) on Sale of Capital Assets	(506,097)	(530,168)	42,483	6,380	455
Net Non-Operating Rev/(Exp)	**$ 37,755,899**	**$ 34,498,708**	**$ 32,408,432**	**$ 31,584,038**	**$ 29,345,361**
Increase in Net Position	**$ 9,583,931**	**$ 2,314,482**	**$ (455,230)**	**$ 11,993,049**	**$ 1,280,355**
Net Position	-	-			
Net Position - Beginning of Year	$ 53,212,883	$ 50,898,401	$ 51,353,631	$ 56,484,057	$ 55,203,702
Prior Period Adjustment	-	-	-	(17,123,475) [B)]	-
Net Position - End of Year	**$ 62,796,814**	**$ 53,212,883**	**$ 50,898,401**	**$ 51,353,631**	**$ 56,484,057**

Source: District's Audit Financial Statements

[(A)] Local Grants and Contracts include the revenue paid to the District from Wise County for the operations of the Wise County Campus.

[(B)] See Note 2 (Prior Year Restatement) of the audited financial statements for the fiscal year ended August 31, 2018 for an explanation of the prior period adjustment.

APPENDIX B

GENERAL INFORMATION REGARDING THE DISTRICT

GENERAL INFORMATION REGARDING THE DISTRICT AND ITS ECONOMY

The Parker County Junior College District (the "District") is a political subdivision of the State of Texas, serving the people of Parker County and surrounding areas. The District operates for the benefit of Weatherford College (the "College"). The College is a primarily two-year institution serving its local taxing district and service area and offering vocational, technical and academic courses for certification or associate degrees with a few four-year degrees. The District's taxing boundaries are coterminous with Parker County (the "County") and its service area includes the counties of Hood, Jack, Palo Pinto, Parker and Wise. The County's economy has historically been based in manufacturing and agriculture but is now well balanced between manufacturing, agriculture, commercial, retail, services, and government sectors. The equine industry, long a historical industry, is now a leading business sector of major proportions in Parker County. The 2020 census population was 148,222 a 26.8% increase over 2000. The 2021 estimated population for the County is 156,764.

The main campus of the College is located in the City of Weatherford (the "City" or "Weatherford"), which is the county seat and principal commercial center of Parker County located on Interstate Highway 20, U.S. Highways 80, 180, 51, and 171, approximately 26 miles west of Fort Worth.. The City and its immediate vicinity is home to many diversified businesses including silicon rubber products, chemical milling, aircraft parts, plastic pipes, oil tools, and livestock nutritional feed. The City is also a regional retail shopping destination. The 2020 census population for the City was 30,854, an increase of 20.9% over 2000.

POPULATION TRENDS

Year	City of Weatherford	Parker County
2020	30,854	148,222
2010	25,250	116,927
2000	19,000	88,495
1990	14,804	64,785

Source: The U.S. Census Bureau.

LEADING EMPLOYERS IN PARKER COUNTY

Employer	Principal Line of Business
Albertsons	Grocery
Aledo ISD	Public Education
C.D. Hartnett Co.	Wholesale Grocer
City of Weatherford	City Government
Hobson A/C	Home Comfort/Call Center
Home Depot	Retail Home Improvement
JAMAK Inc.	Silicone Rubber Manufacturing
Kohl's	Retail Clothing and Home Goods
Lowe's	Retail Home Improvement
Medical City Weatherford	Health Care
Parker County	County Government
Springtown ISD	Public Education
Walmart Super Centers	Retail/Grocery
Weatherford Aerospace	Aircraft Parts
Weatherford College	Higher Education
Weatherford ISD	Public Education

Source: Parker County and the City of Weatherford.

EMPLOYMENT STATISTICS

	2022 (as of February, 2022)		
	City of Weatherford	Parker County	State of Texas
Civilian Labor Force	15,979	73,400	14,540,775
Total Employed	15,380	70,661	13,855,155,
Total Unemployed	599	2,739	685,620
Unemployment Rate	3.7%	3.7%	4.7%

	2021 Annual		
	City of Weatherford	Parker County	State of Texas
Civilian Labor Force	15,566	71,585	14,220,446
Total Employed	14,891	68,413	13,413,036
Total Unemployed	675	3,172	807,410
Unemployment Rate	4.3%	4.4%	5.7%

	2020 Annual		
	City of Weatherford	Parker County	State of Texas
Civilian Labor Force	15,102	69,069	13,870,874
Total Employed	14,160	65,054	12,808,616
Total Unemployed	942	4,015	1,062,258
Unemployment Rate	6.2%	5.8%	7.7%

Source: Texas Labor Market Information.

TRANSPORTATION

Weatherford has easy access to Fort Worth and the DFW Metroplex. I-20 passes through the heart of Parker County. The City is served by numerous motor freight lines offering daily pickup and delivery and has rail and air transportation accessibility through major carriers in the DFW Metroplex. The DFW International Airport is located approximately 44 miles away from Weatherford and Dallas Love field is approximately 60 miles away. Access to industrial rail is less than an hour away through the Alliance Global Logistics Hub.

MEDICAL

Weatherford is home to numerous general practitioners as well as medical specialists in cardiology, obstetrics, orthopedics, dentistry, neurology, dermatology, etc. Medical City Weatherford is a 103-bed medical facility with a staff that represents 31 medical specialties. The hospital's comprehensive health care services encompass inpatient and outpatient care, and medical, surgical and emergency care, to name a few. The City is also served by a number of urgent care facilities and specialized surgical centers.

EDUCATION

In addition to the higher education opportunities at the College, residents of the County can access a number of colleges and universities in the DFW Metroplex including: Texas Christian University, Tarrant County College, Texas Wesleyan University, the University of Arlington, and the University of North Texas, among others.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

[An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.]

**PARKER COUNTY JUNIOR COLLEGE DISTRICT
CONSOLIDATED FUND REVENUE BONDS, SERIES 2022
IN THE AGGREGATE PRINCIPAL AMOUNT OF $16,295,000**

AS BOND COUNSEL for the Parker County Junior College District (the "Issuer"), the issuer of the Bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which bear interest from the dates specified in the text of the Bonds, at the rates and payable on the dates as stated in the text of the Bonds being redeemable prior to the scheduled maturities all in accordance with the terms and conditions stated in the text of the Bonds, all in accordance with the order of the Board of Trustees of the Issuer adopted on April 25, 2022, authorizing the issuance of the Bonds and the pricing certificate executed by the pricing officer as designated in the order (collectively, the "Order"). Terms used herein and not otherwise defined shall have the meaning given in the Order.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Issuer and other pertinent instruments authorizing and relating to the issuance of the Bonds, including one of the executed Bonds (Bond T-1).

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been authorized and issued and the Bonds, delivered concurrently with this opinion, have been duly delivered and that, assuming due authentication, Bonds issued in exchange therefore will have been duly delivered, in accordance with law, and that the Bonds, except as may be limited by laws applicable to the Issuer relating to bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws, now or hereafter enacted, affecting creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion, constitute valid and legally binding obligations of the Issuer, and that the Bonds are secured by and payable from a pledge of the Pledged Revenues of the Issuer as provided in the Order adopted by the Board of Trustees of the Issuer, pursuant to which the Bonds have been issued.

THE ISSUER HAS RESERVED THE RIGHT, subject to the restrictions stated in the Order, to issue additional Parity Obligations which also may be made payable from, and secured by, a lien on and pledge of the Pledged Revenues on a parity with the lien that secures the Bonds and any other Parity Obligations.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto.

WE EXPRESS NO OPINION and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and the sufficiency of the Pledged Revenues of the Issuer. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

APPENDIX D

EXCERPTS FROM THE DISTRICT'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2021

SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Weatherford College of the
Parker County Junior College District

Report on the Financial Statements

We have audited the accompanying financial statements of the Weatherford College of the Parker County Junior College District (the College) as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental information and schedule of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 College'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 the College's internal control over financial reporting and compliance.

Snow Garrett Williams

Snow Garrett Williams
December 2, 2021

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020

This section of the Weatherford College of the Parker County Junior College District's annual financial report presents management's discussion and analysis of the College's financial activity during the fiscal years ended August 31, 2021 and 2020. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

Using This Annual Report

The financial statements focus on the College as a whole. The statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the statement of net position is designed to be similar to bottom line results for the College.

The statement of revenues, expenses, and changes in net position focuses on both the gross costs and the net costs of the College's activities which are supported mainly by ad valorem taxes and by federal, state, and other revenues. This approach is intended to summarize and simplify the user's analysis of the costs of various College services to students and the public.

The final required financial statement, the statement of cash flows, reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 21 of this report.

The Weatherford College Foundation, Inc. is a discretely presented component unit of the College and is reported as separate financial statements. Complete financial statements for the Foundation may be obtained from the Weatherford College Business Office.

Financial Highlights

The College's net position increased from August 31, 2020 to August 31, 2021 by $9,583,931 and increased from August 31, 2019 to August 31, 2020 by $2,314,482. As of August 31, 2021 and 2020, the College's net position was $62,796,814 and $53,212,883 which includes $18,796,917 and $30,548,815 in net investment in capital assets, $18,567,046 and $5,433,419 in restricted net position, and $25,432,851 and $17,230,649 in unrestricted net position, respectively.

Operating expenses for fiscal years 2021 and 2020 were $50,688,150 and $50,184,289 of which $17,651,475 and $18,287,233 were expended for instruction, $8,522,601 and $8,370,633 were expended for institutional support, and $2,786,710 and $2,679,729 were expended for auxiliary enterprises, respectively. In fiscal years 2021 and 2020, depreciation expense was $1,879,281 and $1,844,621 respectively.

Operating revenues for fiscal years 2021 and 2020 were $22,516,182 and $18,000,063 which includes $11,352,956 and $9,884,181 in tuition and fees (net of discounts), $3,553,446 and $3,546,598 in local grants and contracts, $3,537,365 and $1,519,886 in auxiliary enterprises (net of discounts), and $1,948,358 and $1,967,759 in federal grants and contracts, respectively.

Net non-operating revenues for fiscal years 2021 and 2020 were $37,755,899 and $34,498,708 which includes $11,488,842 and $11,603,770 in state appropriations, $18,776,745 and $16,267,076 in total ad valorem taxes for maintenance and operations and debt service (net of allowances), and $8,835,262 and $7,010,350 in federal grants, respectively.

Financial Analysis of the College as a Whole

Statement of Net Position

The statement of net position presents current assets (non-restricted assets expected to provide support within a year), non-current assets (restricted assets expected to provide long-term benefit), deferred outflows of resources, current liabilities (obligations which must be met within the current year), non-current liabilities (obligations which are not settled in the current year), and deferred inflows of resources. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are presented using the accrual basis of accounting, which is similar to the accounting by most private-sector institutions. Net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the financial position of the College. As of August 31, 2021, the net position was $62,796,814. This was an increase of $9,583,931 from the period ended August 31, 2020. As of August 31, 2020, the net position was $53,212,883. This was an increase of $2,314,482 from the period ended August 31, 2019. The College's financial position remains strong with adequate liquid assets at a reasonable level of unrestricted net position.

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020

Net Position
As of August 31,

	2021	2020	2019
Current Assets	$ 46,969,011	$ 38,913,602	$ 36,797,260
Non-current Assets			
Capital Assets, Net of Depreciation	58,764,139	41,893,318	39,822,452
Other	40,271,766	22,812,085	21,782,865
Total Assets	146,004,916	103,619,005	98,402,577
Deferred Outflows of Resources	11,106,621	15,115,072	16,393,735
Current Liabilities	17,412,464	14,494,151	12,375,896
Non-current Liabilities	66,984,225	42,301,913	41,574,954
Total Liabilities	84,396,689	56,796,064	53,950,850
Deferred Inflows of Resources	9,918,034	8,725,130	9,947,061
Net Position			
Net Investment in Capital Assets	18,796,917	30,548,815	27,070,303
Restricted for: Expendable	18,567,046	5,433,419	5,172,075
Unrestricted	25,432,851	17,230,649	18,656,023
Total Net Position	$ 62,796,814	$ 53,212,883	$ 50,898,401

Investment in capital assets (e.g., land, collections, construction in process, buildings, land improvements, library books, and furniture, machinery, vehicles and other equipment) less any related debt used to acquire those assets that is still outstanding was $18,796,917 and $30,548,815 at August 31, 2021 and 2020, respectively. The College uses these assets to provide services to the students; consequently, they are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At August 31, 2021 and 2020, an additional $18,567,046 and $5,433,419 respectively, of the College's net position represents resources that are subject to external restrictions on how they may be used. All restricted net position of the College is being held for student aid, instructional programs, capital projects, and debt service. The remaining portion of the College's net position at August 31, 2021 and 2020, is $25,432,851 and $17,230,649 respectively.

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020

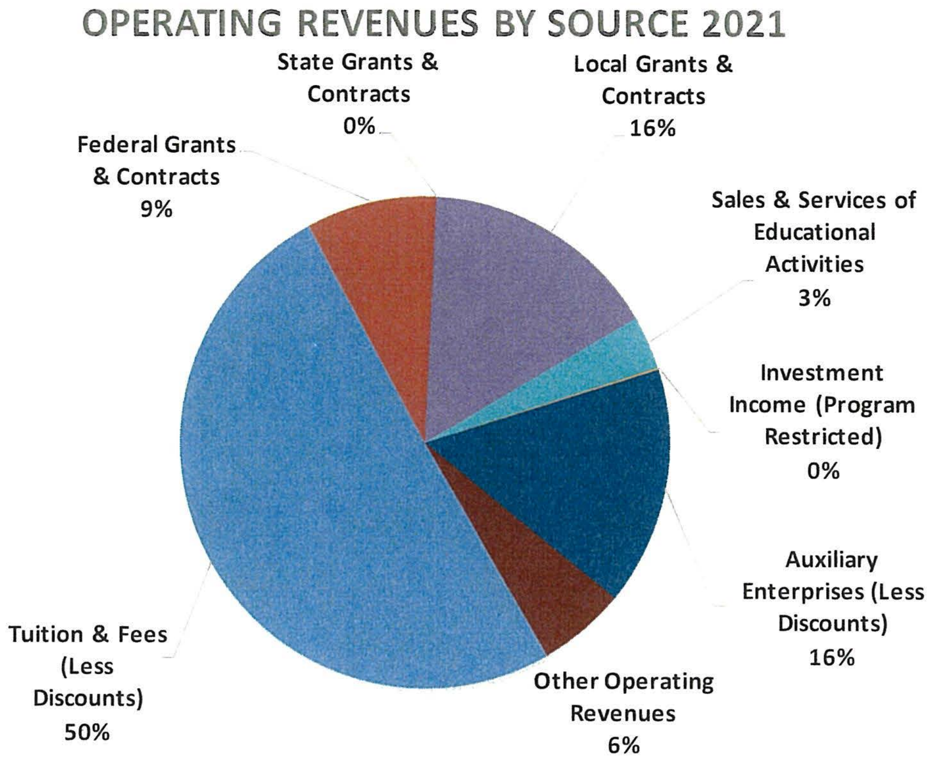
Statement of Revenues, Expenses, and Changes in Net Position

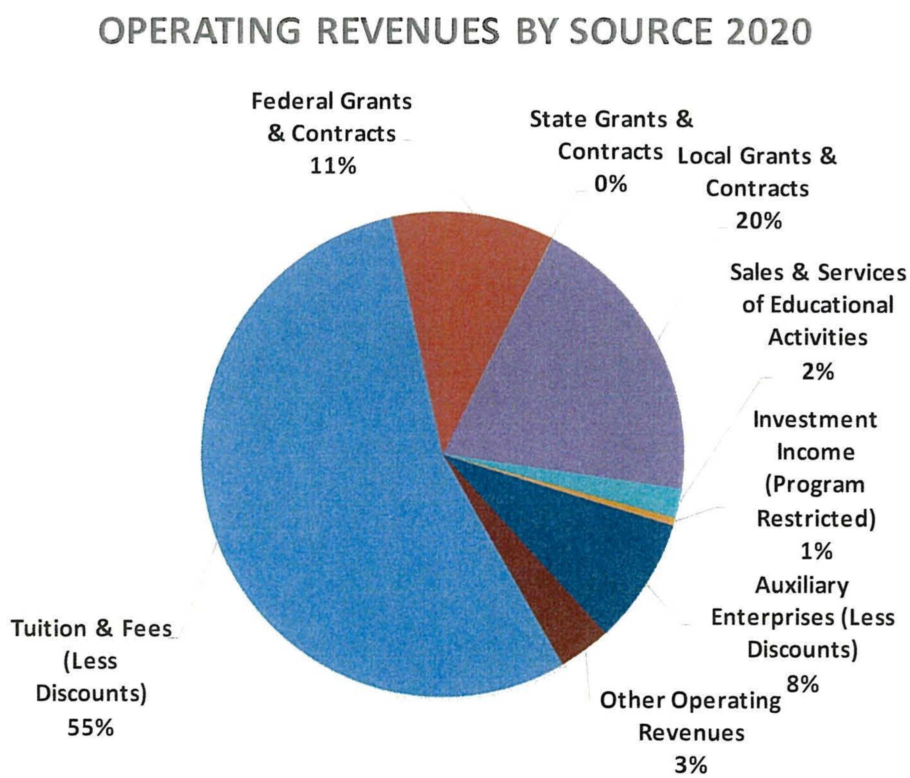
The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as the non-operating revenues and expenses. Operating revenues are primarily those that result directly from instruction, the operation of the College's auxiliary services (cafeteria, athletics, bookstore, etc.) and Federal, State, and local grants. State Allocations and property tax receipts, while budgeted for operations, are considered non-operating revenues, and depreciation is shown in operating expenses according to accounting principles generally accepted in the United States of America.

Operating Results for the Years Ended August 31,

	2021	2020	2019
Operating Revenues			
Tuition and Fees (Less Discounts)	$ 11,352,956	$ 9,884,181	$ 8,803,947
Federal Grants and Contracts	1,948,358	1,967,759	1,064,100
State Grants and Contracts	-	7,436	32,950
Local Grants and Contracts	3,553,446	3,546,598	3,290,028
Sales and Services of Educational Activities	795,012	352,039	102,330
Investment Income (Program Restricted)	22,798	93,704	101,630
Auxiliary Enterprises (Less Discounts)	3,537,365	1,519,886	1,867,267
Other Operating Revenues	1,306,247	628,460	682,489
Total Operating Revenues	22,516,182	18,000,063	15,944,741
Less Operating Expenses	50,688,150	50,184,289	48,808,403
Net Operating Loss	(28,171,968)	(32,184,226)	(32,863,662)
Non-Operating Revenues (Expenses)			
State Appropriations	11,488,842	11,603,770	10,962,324
Maintenance Ad Valorem Taxes	18,089,381	15,598,077	14,032,739
Debt Service Ad Valorem Taxes	687,364	668,999	675,486
Federal Revenue, Non-Operating	8,835,262	7,010,350	6,432,156
Gifts	63,869	59,990	78,951
Investment Income (Net of Investment Expense)	111,303	454,560	585,890
Gain/(Loss) on Disposal of Capital Assets	(506,097)	(530,168)	42,483
Interest on Capital Related Debt	(452,957)	(366,870)	(401,597)
Other Non-Operating Expenses	(561,068)	-	-
Total Non-Operating Revenues (Expenses)	37,755,899	34,498,708	32,408,432
Increase (Decrease) in Net Position	9,583,931	2,314,482	(455,230)
Net Position, Beginning of Year	53,212,883	50,898,401	51,353,631
Net Position, End of Year	$ 62,796,814	$ 53,212,883	$ 50,898,401
Total Revenues	$ 61,792,203	$ 53,395,809	$ 48,754,770

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020



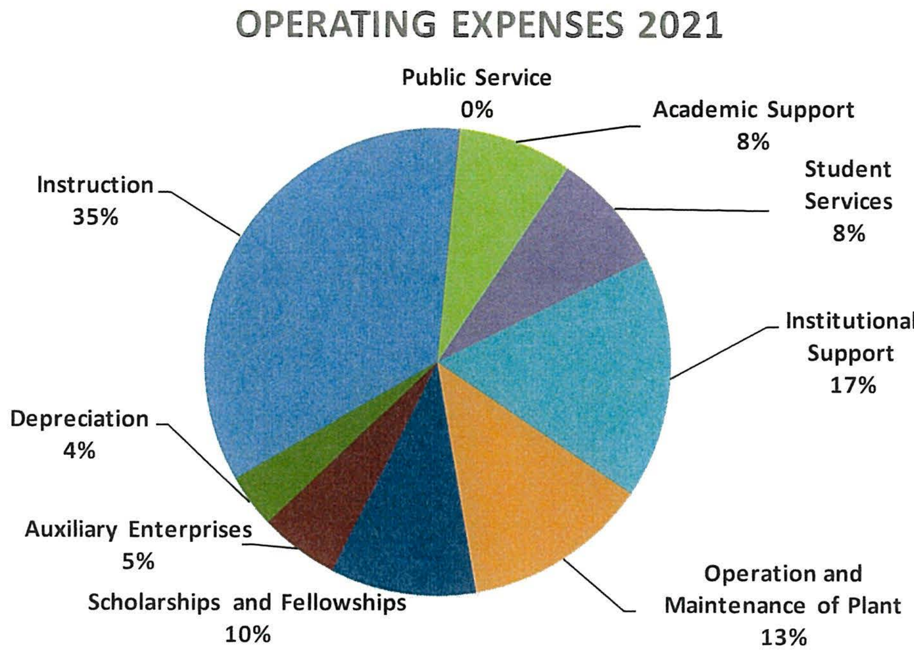


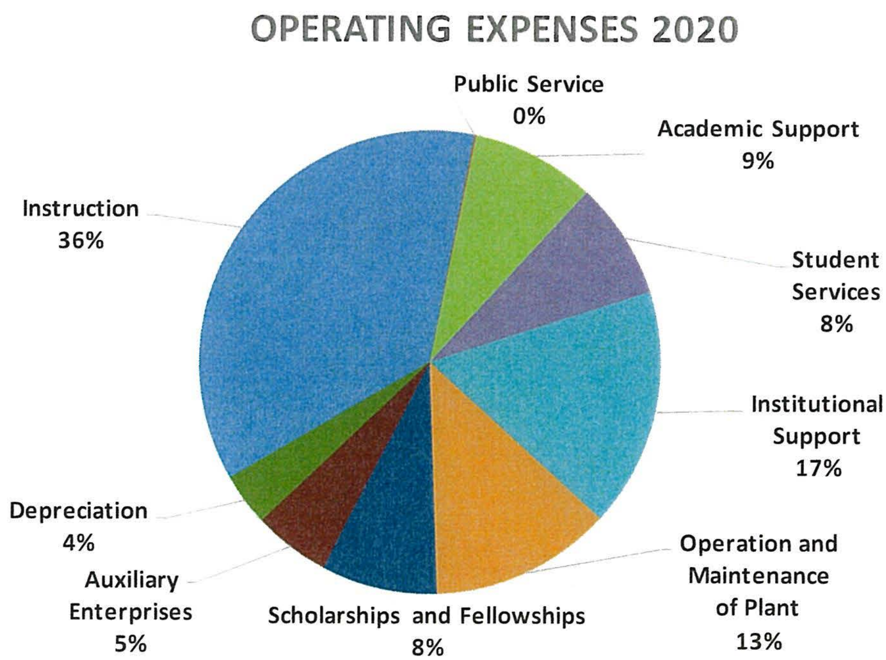
WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020

Operating Expenses
For the Years Ended August 31,

	2021	2020	2019
Operating Expenses			
Instruction	$ 17,651,475	$ 18,287,233	$ 20,223,901
Public Service	14,275	40,439	40,007
Academic Support	4,004,918	4,367,828	1,914,495
Student Services	4,175,119	4,095,474	2,828,439
Institutional Support	8,522,601	8,370,633	8,095,022
Operation and Maintenance of Plant	6,510,646	6,395,963	7,155,459
Scholarships and Fellowships	5,143,125	4,102,369	3,611,211
Auxiliary Enterprises	2,786,710	2,679,729	3,116,597
Depreciation	1,879,281	1,844,621	1,823,272
Total	$ 50,688,150	$ 50,184,289	$ 48,808,403
Total Expenses (Including Interest Expense and Non-Operating Expenses)	$ 52,208,272	$ 51,081,327	$ 49,210,000

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020





WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2021 and 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The College's investment in total capital assets as of August 31, 2021 and 2020, amounts to $58,764,139 and $41,893,318 respectively, (net of accumulated depreciation). Investments in capital assets includes land, collections, construction in process, buildings, land improvements, library books, and furniture, machinery, vehicles, and other equipment.

Capital Assets, Net
August 31,

	2021	2020	2019
Capital Assets			
Land	$ 1,261,796	$ 1,214,301	$ 1,214,301
Collections	31,150	31,150	12,150
Construction in Process	19,206,295	3,404,611	1,475,785
Buildings	46,094,084	44,805,940	45,704,237
Land Improvements	10,419,556	9,934,760	8,773,108
Library Books	858,576	878,090	900,335
Furniture, Machinery, Vehicles, and Other Equipment	9,386,627	8,878,647	7,929,398
Total	87,258,084	69,147,499	66,009,314
Less Accumulated Depreciation	(28,493,945)	(27,254,181)	(26,186,862)
Net Capital Assets	$ 58,764,139	$ 41,893,318	$ 39,822,452

Additional information on the College's capital assets can be found in Note 6 of this report.

Long-term debt. At August 31, 2021 and 2020, the College had long-term debt outstanding, which represents bonds payable of $32,690,000 and $6,645,000 respectively, and notes payable from direct borrowing of $3,809,850 and $4,211,071 respectively. The College's total debt increased (decreased) by a net amount of $26,045,000 and ($1,248,399) in fiscal years 2021 and 2020, respectively, due to issuing $26,940,000 in Series 2021 Revenue Bonds, offset by regularly scheduled payments.

Additional information on the College's long-term debt can be found in Notes 7, 8, and 9 of this report.

Economic Factors and Next Year's Budget and Rates

The Board of Trustees adopted the College's 2021-22 budget and tax rate on August 31, 2021. The annual budget is developed to provide efficient, effective, and economic uses of the College's resources, as well to accomplish the highest priority objectives. Through the budget, the Board of Trustees sets the direction of the College, allocates its resources, and establishes its priorities.

In considering the College budget for fiscal year 2022, the Board of Trustees and management considered the following factors:

- Property valuations in Parker County increased by 15.3% resulting in an increased ad valorem tax levy.
- A 7.47% increase in the total ad valorem tax rate was necessary to fund the proposed 2021-22 budget.
- Tuition rates increased approximately 8.5% overall.
- State instructional appropriations decreased by 1.5% from the prior biennium.
- A cost of living increase of 5% to all full-time employees.

Request for Information

This financial report is designed to provide a general overview of the Weatherford College of the Parker County Junior College District's finances and to show the College's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Executive Vice President of Financial and Administrative Services at 225 College Park Drive, Weatherford, Texas 76086.

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Statements of Net Position
August 31, 2021 and 2020

EXHIBIT 1

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 39,076,180	$ 32,211,661
Accounts Receivable (net)	7,829,456	6,694,391
Prepaid Expense	63,375	7,550
Total Current Assets	46,969,011	38,913,602
Non-Current Assets		
Restricted Cash and Cash Equivalents	22,582,805	7,158,485
Endowment Investments	38,961	33,600
Investments in Real Estate	17,650,000	15,620,000
Capital Assets (net) (See Note 6)	58,764,139	41,893,318
Total Non-Current Assets	99,035,905	64,705,403
Total Assets	146,004,916	103,619,005
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	2,585,516	3,456,516
Deferred Outflows Related to OPEB	8,521,105	11,658,556
Total Deferred Outflows of Resources	11,106,621	15,115,072

WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Net Position
August 31, 2021 and 2020

EXHIBIT 1

	2021	2020
LIABILITIES		
Current Liabilities		
Accounts Payable	$ 4,026,495	$ 1,921,940
Accrued Compensated Absences - Current Portion	597,918	580,229
Funds Held for Others	466,038	435,237
Unearned Revenues	9,623,927	9,068,483
Overpayment of State Appropriations - Current Portion	28,733	229,892
Notes Payable - Current Portion	424,564	401,220
Capital Leases Payable - Current Portion	106,770	102,481
Bonds Payable - Current Portion	1,389,677	945,618
Net OPEB Liability - Current Portion	748,342	809,051
Total Current Liabilities	17,412,464	14,494,151
Non-Current Liabilities		
Notes Payable	3,385,286	3,809,851
Capital Leases Payable	-	106,770
Bonds Payable	34,660,925	5,978,563
Net Pension Liability	7,251,630	7,689,136
Net OPEB Liability	21,686,384	24,717,593
Total Non-Current Liabilities	66,984,225	42,301,913
Total Liabilities	84,396,689	56,796,064
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	1,883,317	2,161,295
Deferred Inflows Related to OPEB	8,034,717	6,563,835
Total Deferred Inflows of Resources	9,918,034	8,725,130
NET POSITION		
Net Investment in Capital Assets	18,796,917	30,548,815
Restricted for:		
Expendable		
Student Aid	2,661,188	2,592,312
Instructional Programs	82,045	81,893
Capital Projects	360,578	353,888
Debt Service	15,463,235	2,405,326
Unrestricted	25,432,851	17,230,649
Total Net Position (Schedule D)	$ 62,796,814	$ 53,212,883

The accompanying Notes to the Financial Statements are an integral part of this statement.

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Component Unit
Statement of Financial Position
August 31, 2021

EXHIBIT 1

		Weatherford College Foundation, Inc.
ASSETS		
Current Assets		
Cash and Cash Equivalents	$	280,587
Accounts Receivable		250
Interest Receivable		6,236
Note Receivable, Current Portion		8,495
Unconditional Promises to Give, Current Portion		97,378
Total Current Assets		392,946
Non-Current Assets		
Cash and Cash Equivalents		2,524,541
Endowment Investments		9,474,203
Unconditional Promises to Give		176,315
Note Receivable, Net of Current Portion		166,431
Mineral Rights		1
Total Non-Current Assets		12,341,491
Total Assets		12,734,437
LIABILITIES		
Current Liabilities		
Accounts Payable		3,880
Total Liabilities		3,880
NET ASSETS		
Without Donor Restrictions		451,884
With Donor Restrictions		12,278,673
Total Net Assets	$	12,730,557

The accompanying Notes to the Financial Statements are an integral part of this statement.

WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2021 and 2020

EXHIBIT 2

	2021	2020
REVENUES		
Operating Revenues		
Tuition and Fees (Net of Discounts of $3,644,258 and $4,201,837, respectively)	$ 11,352,956	$ 9,884,181
Federal Grants and Contracts	1,948,358	1,967,759
State Grants and Contracts	-	7,436
Local Grants and Contracts	3,553,446	3,546,598
Sales and Services of Educational Activities	795,012	352,039
Investment Income (Program Restricted)	22,798	93,704
Auxiliary Enterprises (Net of Discounts of $585,299 and $603,098, respectively)	3,537,365	1,519,886
Other Operating Revenues	1,306,247	628,460
Total Operating Revenues (Schedule A)	22,516,182	18,000,063
EXPENSES		
Operating Expenses		
Instruction	17,651,475	18,287,233
Public Service	14,275	40,439
Academic Support	4,004,918	4,367,828
Student Services	4,175,119	4,095,474
Institutional Support	8,522,601	8,370,633
Operation and Maintenance of Plant	6,510,646	6,395,963
Scholarships and Fellowships	5,143,125	4,102,369
Auxiliary Enterprises	2,786,710	2,679,729
Depreciation	1,879,281	1,844,621
Total Operating Expenses (Schedule B)	50,688,150	50,184,289
Operating Loss	(28,171,968)	(32,184,226)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	11,488,842	11,603,770
Maintenance Ad Valorem Taxes	18,089,381	15,598,077
Debt Service Ad Valorem Taxes	687,364	668,999
Federal Revenue, Non-Operating	8,835,262	7,010,350
Gifts	63,869	59,990
Investment Income	111,303	454,560
Loss on Disposal of Capital Assets	(506,097)	(530,168)
Interest on Capital Related Debt	(452,957)	(366,870)
Other Non-Operating Expenses	(561,068)	-
Net Non-Operating Revenues (Schedule C)	37,755,899	34,498,708
Increase in Net Position	9,583,931	2,314,482
NET POSITION		
Net Position - Beginning of Year	53,212,883	50,898,401
Net Position - End of Year	$ 62,796,814	$ 53,212,883

The accompanying Notes to the Financial Statements are an integral part of this statement.

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Component Unit
Statement of Activities
For the Year Ended August 31, 2021

EXHIBIT 2

		Weatherford College Foundation, Inc.
REVENUE		
Contributions	$	2,203,540
Interest and Dividends		204,129
Investment Return, Net		842,101
Other Revenues		109
Total Revenue		3,249,879
EXPENSES		
Fundraising		16,487
Contributions		429,142
Legal and Professional		40,199
Other		46,797
Scholarships		371,664
Supplies		17,011
Total Expenses		921,300
Change in Net Assets		2,328,579
Net Assets - Beginning of Year		10,401,978
Net Assets - End of Year	$	12,730,557

WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2021 and 2020

EXHIBIT 3

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Students And Other Customers	$ 13,350,881	$ 8,170,421
Receipts From Grants And Contracts	5,230,272	5,442,120
Payments To Suppliers For Goods Or Services	(12,847,636)	(13,126,598)
Payments To Or On Behalf Of Employees	(25,837,014)	(24,961,145)
Payments For Scholarships	(5,075,467)	(515,903)
Other Receipts	1,306,247	628,460
Net Cash Used by Operating Activities	(23,872,717)	(24,362,645)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts From State Appropriations	9,350,912	9,297,542
Receipts From Ad Valorem Taxes Levied For Maintenance And Operation	18,055,508	15,610,952
Receipts From Non-Operating Federal Revenue	8,843,185	6,707,755
Receipts From Non-Capital Gifts And Non-Exchange Grants	63,869	40,990
Receipts From (Payments To) Student Organizations And Other Agency Transactions	30,801	178,457
Payments On Overpayment Of State Appropriations	(201,159)	(287,370)
Net Cash Provided by Non-Capital Financing Activities	36,143,116	31,548,326
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds From Issuance Of Capital Debt	3,132,038	-
Receipts From Ad Valorem Taxes For Debt Service	686,068	669,745
Purchases Of Capital Assets	(18,539,696)	(4,426,975)
Proceeds From The Issuance Of Debt	26,378,932	-
Payment On Capital Debt - Principal	(1,398,702)	(1,346,766)
Payment On Capital Debt - Interest	(367,611)	(309,211)
Net Cash Provided by (Used by) Capital and Related Financing Activities	9,891,029	(5,413,207)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts Of Interest And Dividends On Investments	127,411	675,481
Purchase Of Investments	-	(33,600)
Net Cash Provided by Investing Activities	127,411	641,881
Increase in Cash and Cash Equivalents	22,288,839	2,414,355
Cash and Cash Equivalents - September 1	39,370,146	36,955,791
Cash and Cash Equivalents - August 31	$ 61,658,985	$ 39,370,146

The accompanying Notes to the Financial Statements are an integral part of this statement.

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2021 and 2020

EXHIBIT 3

	2021	2020
Reconciliation to Exhibit 1:		
Cash and Cash Equivalents	$ 39,076,180	$ 32,211,661
Restricted Cash and Cash Equivalents	22,582,805	7,158,485
Total Cash and Cash Equivalents	$ 61,658,985	$ 39,370,146
Non-Cash Investing, Capital and Financing Activities:		
Gift Of Capital Assets	$ -	$ 19,000
Net Increase (Decrease) In Fair Value Of Investments	$ 2,035,361	$ (16,540)
Reconciliation of Operating Loss to Net Cash Used By Operating Activities		
Operating Loss	$ (28,171,968)	$ (32,184,226)
Adjustments To Reconcile Net Loss To Net Cash Used By Operating Activities:		
Depreciation Expense	1,879,281	1,844,621
Unrealized Gain On Fair Value Of Investments	(2,028,671)	(44,470)
Bad Debt Expense	24,938	22,437
Payments Made Directly By State For Benefits	2,137,930	2,306,228
Investment Income (Program Restricted)	(22,798)	(93,704)
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources		
Receivables, Net	(1,132,757)	(4,196,543)
Other Assets - Current	-	3,510,201
Prepaid Expenses	(55,825)	49,985
Deferred Outflows Of Resources	4,008,451	1,278,663
Accounts Payable	1,252,089	867,526
Unearned Revenues	555,444	575,655
Compensated Absences	17,689	30,575
Net Pension Liability	(437,506)	(684,133)
Net Opeb Liability	(3,091,918)	3,576,471
Deferred Inflows Of Resources	1,192,904	(1,221,931)
Net Cash Used By Operating Activities	$ (23,872,717)	$ (24,362,645)

NOTES TO THE FINANCIAL STATEMENTS

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020

1. REPORTING ENTITY

Weatherford College of the Parker County Junior College District (the College) was established in 1869, in accordance with the laws of the State of Texas, to serve the educational needs of Weatherford, Texas and the surrounding communities. The College is considered a special purpose, primary government, according to the definition in the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, state, and federal sources and must comply with the spending, reporting, and record-keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

<u>Reporting Guidelines</u>

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

<u>Tuition Discounting</u>

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 (Texas Education Code §56.033). When the award is used by the student 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.

Title IV, Higher Education Act (HEA) Program Funds

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of 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 considers cash and cash equivalents as 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 College is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by the GASB. The College has deferred outflows related to its pension plan and for other post-employment benefits (OPEB). See additional information in Note 10 and Note 14, respectively.

Non-Current Cash and Investments

Non-current cash and investments are set aside and classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts and their use is limited to obligations, such as, scholarships, revenue bonds, general obligation bonds, and endowments.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, the College reports investments 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. Long-term investments have an original maturity of greater than one year at the time of purchase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

The College records capital assets at cost at the date of acquisition or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life in excess of one year. The College capitalizes renovations of $100,000 to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure. The College charges costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives 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 five years for telecommunications and peripheral equipment.

Other Post-Employment Benefits (OPEB)

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

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 using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Unearned Revenue

Revenues, primarily consisting of grants, tuition, fees, and meal charges, related to academic terms in the next fiscal year are recorded on the Statement of Net Position as unearned revenue in the current fiscal year. Tuition and fees of $9,471,478 and $8,644,502 and federal, state, and local grants of $152,449 and $423,981 have been reported as unearned revenue at August 31, 2021 and 2020, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bonds Payable

Bonds payable are reported net of applicable bond premium, which is deferred and amortized using the effective interest method.

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 is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by the GASB. The College has deferred inflows related to its pension plan and for other post-employment benefits (OPEB). See additional information in Note 10 and Note 14, respectively.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

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

Application of Restricted and Unrestricted Resources

The College's policy is to first apply an expense against restricted resources then towards unrestricted resources when both are available to pay an expense.

New Accounting Pronouncement

During the year ended August 31, 2021, the College implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. There were no changes to the methods of recording or reporting College activities as a result of this implementation.

3. AUTHORIZED INVESTMENTS

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

4. DEPOSITS AND INVESTMENTS

The College's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by the College's Board of Trustees. The Investment Policy includes a list of authorized investment instruments and a maximum allowable maturity of any individual investment. In addition, it includes an Investment Strategy Statement that addresses the unique characteristics of the fund groups and describes the priorities of investment types, safety of principal, maximization of returns, and the assurance that anticipated cash flows are matched with adequate investment liquidity.

The College's Executive Vice President of Financial and Administrative Affairs submits an investment summary report quarterly to the Board of Trustees. The report details the investment position of the College and the compliance of the investment portfolio as it relates to both the adopted investment strategy statement and the investment policy.

The College is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Certificates of Deposits that are legally authorized and adequately secured, and
2. U.S. Treasury Bills with a maximum maturity of 12 months.

In addition, the investment of bond proceeds and pledged revenue is permitted to the extent allowed by law. No other investments shall be made without approval of a majority of the Board of Trustees.

Cash and Deposits

Cash and Cash Equivalents reported on Exhibit 1, Statements of Net Position, consist of the items reported below:

	8/31/2021	8/31/2020
Cash and Cash Equivalents		
Bank Deposits - Time Deposits	$ 61,654,940	$ 39,365,771
Petty Cash	4,045	4,375
Total Cash and Cash Equivalents	$ 61,658,985	$ 39,370,146

4. DEPOSITS AND INVESTMENTS (Continued)

Investments

Investments reported on Exhibit 1, Statements of Net Position, consist of the items reported below:

	Maturity	Market Value 8/31/2021	Market Value 8/31/2020
Types of Investments			
Mineral Rights	N/A	$ 38,961	$ 33,600
Real Estate	N/A	17,650,000	15,620,000
Total Investments		$ 17,688,961	$ 15,653,600

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1 for Primary Government:

	8/31/2021	8/31/2020
Per Note 4:		
Cash and Cash Equivalents	$ 61,658,985	$ 39,370,146
Mineral Right Investment	38,961	33,600
Real Estate Investments	17,650,000	15,620,000
Total Deposits and Investments	$ 79,347,946	$ 55,023,746
Per Exhibit 1:		
Cash and Cash Equivalents	$ 39,076,180	$ 32,211,661
Restricted Cash and Cash Equivalents	22,582,805	7,158,485
Endowment Investments	38,961	33,600
Investments in Real Estate	17,650,000	15,620,000
Total Deposits and Investments	$ 79,347,946	$ 55,023,746

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The College's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets for identical assets or liabilities that the government can access at the measurement date.

Level 2 – Investments reflect prices that are based on a similar observable asset or liability either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources for the asset or liability.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The fair value hierarchy of investments at August 31, 2021 follows:

	August 31, 2021				August 31, 2020
	Level 1	Level 2	Level 3	Total	Total
Mineral Rights	$ -	$ 38,961	$ -	$ 38,961	$ 33,600
Real Estate	-	17,650,000	-	17,650,000	15,620,000
Total Investments	$ -	$ 17,688,961	$ -	$ 17,688,961	$ 15,653,600

6. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2021 was as follows:

	Balance 9/1/2020	Increases	Decreases	Balance 8/31/2021
Not Depreciated:				
Land	$ 1,214,301	$ 47,495	$ -	$ 1,261,796
Collections	31,150	-	-	31,150
Construction in Process	3,404,611	15,801,684	-	19,206,295
Subtotal	4,650,062	15,849,179	-	20,499,241
Other Capital Assets:				
Buildings	44,805,940	1,358,085	69,941	46,094,084
Land Improvements	9,934,760	1,240,994	756,198	10,419,556
Library Books	878,090	7,693	27,207	858,576
Furniture, Machinery, Vehicles, and Other Equipment	8,878,647	800,248	292,268	9,386,627
Subtotal	64,497,437	3,407,020	1,145,614	66,758,843
Accumulated Depreciation:				
Buildings	16,073,884	800,843	26,977	16,847,750
Land Improvements	4,884,265	403,083	324,756	4,962,592
Library Books	207,891	52,193	27,209	232,875
Furniture, Machinery, Vehicles, and Other Equipment	6,088,141	623,162	260,575	6,450,728
Subtotal	27,254,181	1,879,281	639,517	28,493,945
Net Other Capital Assets	37,243,256	1,527,739	506,097	38,264,898
Net Capital Assets	$ 41,893,318	$ 17,376,918	$ 506,097	$ 58,764,139

6. CAPITAL ASSETS (Continued)

Capital assets activity for the year ended August 31, 2020 was as follows:

	Balance 9/1/2019	Increases	Decreases	Balance 8/31/2020
Not Depreciated:				
Land	$ 1,214,301	$ -	$ -	$ 1,214,301
Collections	12,150	19,000	-	31,150
Construction in Process	1,475,785	1,948,415	19,589	3,404,611
Subtotal	2,702,236	1,967,415	19,589	4,650,062
Other Capital Assets:				
Buildings	45,704,237	279,333	1,177,630	44,805,940
Land Improvements	8,773,108	1,161,652	-	9,934,760
Library Books	900,335	5,840	28,085	878,090
Furniture, Machinery, Vehicles, and Other Equipment	7,929,398	1,051,324	102,075	8,878,647
Subtotal	63,307,078	2,498,149	1,307,790	64,497,437
Accumulated Depreciation:				
Buildings	15,902,612	818,734	647,462	16,073,884
Land Improvements	4,519,067	365,198	-	4,884,265
Library Books	177,530	58,126	27,765	207,891
Furniture, Machinery, Vehicles, and Other Equipment	5,587,653	602,563	102,075	6,088,141
Subtotal	26,186,862	1,844,621	777,302	27,254,181
Net Other Capital Assets	37,120,216	653,528	530,488	37,243,256
Net Capital Assets	$ 39,822,452	$ 2,620,943	$ 550,077	$ 41,893,318

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2021 and 2020

7. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2021 was as follows:

	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021	Current Portion
Limited Tax Refunding Bonds	$ 1,140,000	$ -	$ 560,000	$ 580,000	$ 580,000
Revenue Bonds	5,505,000	26,940,000	335,000	32,110,000	495,000
Bond Premium	279,181	3,132,038	50,617	3,360,602	314,677
Notes Payable - direct borrowings	4,211,071	-	401,221	3,809,850	424,564
Leases Payable	209,251	-	102,481	106,770	106,770
Overpayment of State Appropriations	229,892	-	201,159	28,733	28,733
Net Pension Liability	7,689,136	670,503	1,108,009	7,251,630	N/A
Net OPEB Liability	25,526,644	143,009	3,234,927	22,434,726	748,342
Compensated Absences	580,229	597,918	580,229	597,918	597,918
Total Noncurrent Liabilities	$ 45,370,404	$ 31,483,468	$ 6,573,643	$ 70,280,229	$ 3,296,004

The College did not have any unused lines of credit or subjective acceleration clauses as of August 31, 2021 and 2020. The notes payable from direct borrowing for All American Investment Group, LLC, contains a term specified in the debt agreement that the equipment will be repossessed in the event of default. See Note 9 for more information. No other terms specified in debt agreements related to significant events of default or termination with finance-related consequences exist.

Noncurrent liability activity for the year ended August 31, 2020 was as follows:

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
Limited Tax Refunding Bonds	$ 1,680,000	$ -	$ 540,000	$ 1,140,000	$ 560,000
Revenue Bonds	5,830,000	-	325,000	5,505,000	335,000
Bond Premium	340,061	-	60,880	279,181	50,618
Notes Payable - direct borrowings	4,594,470	-	383,399	4,211,071	401,220
Leases Payable	307,618	-	98,367	209,251	102,481
Overpayment of State Appropriations	517,262	-	287,370	229,892	229,892
Net Pension Liability	8,373,269	1,076,942	1,761,075	7,689,136	N/A
Net OPEB Liability	21,950,173	3,949,735	373,264	25,526,644	809,051
Compensated Absences	549,654	580,229	549,654	580,229	580,229
Total Noncurrent Liabilities	$ 44,142,507	$ 5,606,906	$ 4,379,009	$ 45,370,404	$ 3,068,491

8. DEBT AND LEASE OBLIGATIONS

Debt service requirements on August 31, 2021, were as follows:

Year Ended August 31,	Limited Tax Refunding Bond: Bond Principal	Interest	Total	Revenue Bonds: Bonds Principal	Interest	Total	Amortization of Bond Premium
2022	$ 580,000	$ 17,400	$ 597,400	$ 495,000	$ 1,549,439	$ 2,044,439	$ 314,677
2023	-	-	-	875,000	1,168,532	2,043,532	217,075
2024	-	-	-	910,000	1,128,382	2,038,382	209,860
2025	-	-	-	955,000	1,086,582	2,041,582	202,336
2026	-	-	-	995,000	1,042,682	2,037,682	194,436
2027 - 2031	-	-	-	5,725,000	4,481,560	10,206,560	840,322
2032 - 2036	-	-	-	5,395,000	3,155,710	8,550,710	601,488
2037 - 2041	-	-	-	5,205,000	2,244,910	7,449,910	423,830
2042 - 2046	-	-	-	6,030,000	1,416,160	7,446,160	269,621
2047 - 2051	-	-	-	5,525,000	436,776	5,961,776	86,957
Total	$ 580,000	$ 17,400	$ 597,400	$ 32,110,000	$ 17,710,733	$ 49,820,733	$ 3,360,602

Year Ended August 31,	Notes Payable - Direct Borrowings: Notes Principal	Interest	Total	Overpayment of State Appropriations
2022	$ 424,564	$ 119,267	$ 543,831	$ 28,733
2023	443,450	106,240	549,690	-
2024	462,895	92,676	555,571	-
2025	487,922	78,559	566,481	-
2026	508,551	63,672	572,223	-
2027 - 2031	1,482,468	107,260	1,589,728	-
Total	$ 3,809,850	$ 567,674	$ 4,377,524	$ 28,733

The College has entered into certain capital lease agreements under which the related equipment will become the property of the College when all terms of the lease agreements are met. Obligations under capital leases at August 31, 2021, were as follows:

Year Ended	Total
2022	$ 111,240
Total Minimum Lease Payments	111,240
Less: Interest	(4,470)
Present Value of Minimum Lease Payments	$ 106,770

8. DEBT AND LEASE OBLIGATIONS (Continued)

The following is an analysis of equipment leased under capital leases as of August 31:

	8/31/2021	8/31/2020
Equipment	$ 507,322	$ 507,322
Less accumulated depreciation	(355,125)	(253,661)
Total	$ 152,197	$ 253,661

9. BONDS AND NOTES PAYABLE

General information related to bonds payable is summarized below:

- Limited Tax Refunding Bonds, General Obligation Bonds, Series 2016
  - To refund the Limited Tax Refunding Bonds, Series 2007.
  - Issued June 1, 2016.
  - Total authorized and issued $3,260,000.
  - Source of revenue for debt service – ad valorem taxes.
  - Outstanding principal balance as of August 31, 2021 and 2020 is $580,000 and $1,140,000, respectively.
  - Issued at a premium of $183,642, of which $8,585 and $26,239 was unamortized at August 31, 2021 and 2020, respectively.

  Bonds payable are due in annual installments varying from $55,000 to $580,000, with interest rates from 2.00% to 3.00%, and with final installment due in 2022.

- Consolidated Fund Revenue Bonds, Series 2021
  - To build the Workforce and Emerging Technologies Building.
  - Issued March 1, 2021.
  - Total authorized and issued $26,940,000.
  - Source of revenue for debt service – tuition and fees.
  - Outstanding principal balance as of August 31, 2021 and 2020 is $26,940,000 and $0, respectively.
  - Issued at a premium of $3,132,038, of which $3,132,038 and $0 was unamortized at August 31, 2021 and 2020, respectively.

  Bonds payable are due in annual installments varying from $145,000 to $1,445,000, with interest rates from 2.625% to 5.00%, and with final installment due in 2050.

9. BONDS AND NOTES PAYABLE (Continued)

- Consolidated Fund Revenue Bonds, Series 2012
  - To purchase student housing facilities.
  - Issued October 1, 2012.
  - Total authorized and issued $7,980,000.
  - Source of revenue for debt service – tuition and fees.
  - Outstanding principal balance as of August 31, 2021 and 2020 is $5,170,000 and $5,505,000, respectively.
  - Issued at a premium of $558,377, of which $219,976 and $252,940 was unamortized at August 31, 2021 and 2020, respectively.

  Bonds payable are due in annual installments varying from $290,000 to $525,000, with interest rates from 2.00% to 4.00%, and with final installment due in 2033.

- Note Payable from Direct Borrowing– All American Investment Group, LLC
  - To upgrade facilities' energy management systems/equipment at the Main and Wise County Campuses.
  - Original loan date – January 15, 2013.
  - Total original balance of $3,752,878.
  - Source of revenue for debt service – unrestricted revenue.
  - Outstanding note payable principal balance from direct borrowing as of August 31, 2021 and 2020 is $2,074,850 and $2,321,071, respectively.
  - Contains a provision that the equipment will be repossessed in the event of default.

  The note payable is due in semi-annual installments varying from $116,822 to $267,695, with an interest rate of 2.35%, and with final installment due in 2028. The note is secured by equipment.

- Note Payable from Direct Borrowing – Maintenance Tax Notes, Series 2011
  - To replace roofs and renovate classrooms and to pay related fees and the costs of issuance associated with the tax notes.
  - Original loan date – March 15, 2011.
  - Total original balance of $3,045,000.
  - Source of revenue for debt service – unrestricted revenue.
  - Outstanding principal balance as of August 31, 2021 and 2020 is $1,735,000 and $1,890,000, respectively.

  The note payable is due in annual installments varying from $100,000 to $225,000, with an interest rate of 4.15%, and with the final installment due in 2030. The note is secured by building renovations.

9. BONDS AND NOTES PAYABLE (Continued)

- Overpayment of State Appropriations
  - The College was overpaid state appropriations from the Texas Higher Education Coordinating Board (THECB) during the fiscal years ending August 31, 2017 and 2016 of $718,423 each fiscal year totaling $1,436,846 related to a contact hour adjustment on the formula funding for the 2016-2017 biennium.
  - Repayment will be recouped by the THECB withholding $28,737 of each future state appropriation payment scheduled to be transferred to the College over 50 payments.
  - Source of revenue for debt service – unrestricted revenue.
  - Outstanding balance as of August 31, 2021 and 2020 is $28,733 and $229,892, respectively.

10. EMPLOYEES' RETIREMENT PLANS

Teacher Retirement System of Texas - Defined Benefit Pension Plan

Plan Description

The 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 with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

Pension Plan Fiduciary Net 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. That report is available at https://www.trs.texas.gov/Pages/aboutpublications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

10. EMPLOYEES' RETIREMENT PLANS (Continued)

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using a 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, 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 (COLAs). 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 improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or $2,000, whichever was less.

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.

10. EMPLOYEES' RETIREMENT PLANS (Continued)

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 established employee and employer contribution rates for fiscal years 2020 through 2025.

Contribution Rates

	Fiscal Years	
	2021	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE) - State	7.5%	6.8%
Employers	7.5%	6.8%

Fiscal Year Contributions

2020 Member Contributions	$	1,017,969
2020 NECE On-behalf Contributions	$	444,613
2020 Employer Contributions	$	529,945

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools, and State agencies including TRS. In each respective role, the State contributes to the plan in accordance with State statutes and the General Appropriations Act (GAA).

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

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

10. EMPLOYEES' RETIREMENT PLANS (Continued)

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020*	2.33%
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
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 reported in Fidelity Index's "20-Year Municipal GO AA Index."*

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. For a full description of these assumptions please see the actuarial valuation report dated November 14, 2019.

10. EMPLOYEES' RETIREMENT PLANS (Continued)

Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. 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 session. It is assumed that future employer and state contributions will be 8.50 percent 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 those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

10. EMPLOYEES' RETIREMENT PLANS (Continued)

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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, 2020 are summarized below:

Asset Class	Target Allocation %*	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.9%	0.99%
Non-U.S. Developed	13.0%	5.1%	0.92%
Emerging Markets	9.0%	5.6%	0.83%
Private Equity	14.0%	6.7%	1.41%
Stable Value			
Government Bonds	16.0%	-0.7%	-0.05%
Absolute Return (including Credit Sensitive Investments	0.0%	1.8%	0.00%
Stable Value Hedge Funds	5.0%	1.9%	0.11%
Real Return			
Real Estate	15.0%	4.6%	1.02%
Energy, Natural Resources, and Infrastructure	6.0%	6.0%	0.42%
Commodities	0.0%	0.8%	0.00%
Risk Parity			
Risk Parity	8.0%	3.0%	0.30%
Asset Allocation Leverage			
Cash	2.0%	-1.5%	-0.03%
Asset Allocation Leverage	-6.0%	-1.3%	0.08%
Inflation Expectation			2.00%
Volatility Drag***			-0.67%
Expected Return	100.00%		7.33%

* Target allocations are based on the FY 2020 policy model.

** Capital Market Assumptions come from AON Hewitt (as of 08/31/2020).

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

10. EMPLOYEES' RETIREMENT PLANS (Continued)

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's proportionate share of the net pension liability:	$ 11,181,883	$ 7,251,630	$ 4,058,385

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

At the fiscal year ended August 31, 2021, the College reported a liability of $7,251,630 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	$ 7,251,630
State's proportionate share that is associated with the College	5,771,312
Total	$ 13,022,942

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the College's proportion of the collective net pension liability was 0.01353978 percent, which was a decrease of 0.0012518 percent from its proportion measured as of August 31, 2019.

10. EMPLOYEES' RETIREMENT PLANS (Continued)

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2021, the College recognized pension expense of $694,161 and revenue of $444,613 for support provided by the State.

At August 31, 2021, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 13,241	$ 202,374
Changes in actuarial assumptions	1,682,636	715,445
Difference between projected and actual investment earnings	323,042	176,239
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	21,571	789,259
Contributions paid to TRS subsequent to the measurement date	545,026	-
Total	$ 2,585,516	$ 1,883,317

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

College's fiscal year ended August 31:	Pension Expense Amount
2022	$ (119,274)
2023	206,733
2024	253,886
2025	9,328
2026	(166,075)
Thereafter	(27,425)

10. EMPLOYEES' RETIREMENT PLANS (Continued)

Optional Retirement Plan - Defined Contribution Plan

Plan Description

Participation in the Optional Retirement Program is in lieu of participation in the TRS. 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/College and each participant are 6.60% and 6.65%, respectively. The College contributes an additional 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995 and an additional 0.18% for all employees participating in the optional retirement plan. 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. Senate Bill 1812, 83rd 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.

The retirement expense to the State for the College was $188,192 and $183,375 for the fiscal years ended August 31, 2021 and 2020, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll for all College employees was $22,464,556 and $21,878,534 for fiscal years 2021 and 2020, respectively. The total payroll of employees covered by the TRS was $13,220,381 and $13,041,317, and the total payroll of employees covered by the Optional Retirement Program was $5,973,922 and $5,877,938 for fiscal years 2021 and 2020, respectively.

11. DEFERRED COMPENSATION PROGRAM

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

As of August 31, 2021 and 2020, the College had 61 and 48 employees, respectively, participating in the program. A total of $402,277 and $341,356 in payroll deductions had been invested in approved plans during the fiscal years ended August 31, 2021 and 2020, respectively.

12. COMPENSATED ABSENCES

Full-time employees earn annual leave from .833 to 1.25 days per month depending on the number of years employed with the College. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum of fifteen days (120 hours). Employees with at least three months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for the unpaid annual leave in the amount of $597,918 and $580,229 for the fiscal years ended August 31, 2021 and 2020, respectively.

Sick leave is earned at the rate of one day per month per contract length and can be accumulated up to a maximum of 60 days (480 hours). The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since all accrued sick leave is forfeited by employees upon termination of employment.

13. 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 $624.82 per month for the year ended August 31, 2021, and totaled $1,729,422 for the year. The cost of providing those benefits for 124 retirees in the year ended August 31, 2021, was $462,225. For 278 active employees, the cost of providing benefits was $1,267,197 for the year ended August 31, 2021. The State's contribution per full-time employee was $624.82 per month for the year ended August 31, 2020, and totaled $1,729,422 for the year. The cost of providing those benefits for 101 retirees in the year ended August 31, 2020 was $412,187. For 299 active employees, the cost of providing benefits was $1,317,235 for the year ended August 31, 2020. Senate Bill 1812, 83rd 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.

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The College participates in a cost-sharing, multiple-employer, defined-benefit 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 post-employment 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 by visiting https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management; or by writing to ERS at: 200 East 18th Street, Austin, 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 eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions

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

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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
Plan Fiscal Year 2020

Retiree only	$ 624.82
Retiree & Spouse	1,340.82
Retiree & Children	1,104.22
Retiree & Family	1,820.22

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 Plan's Years Ended August 31, 2020 and 2019

	2020	2019
Employers	$ 748,369,212	$ 401,284,833
Members (Employees)	230,151,101	209,836,664
Nonemployer Contributing Entity (State of Texas)	37,736,903	20,182,872

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2020, 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, 2020
Actuarial Cost Method	Entry age
Amortization Method	Level percent 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	2.20%
Projected Annual Salary Increase (Includes Inflation)	2.30% to 9.05%
Annual Healthcare Trend Rate	HealthSelect – 8.80% for FY2022, 5.25% for FY2023, 5.00% for FY2024, 4.75% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years
	HealthSelect Medicare Advantage – (53.30)% for FY2022, 0.00% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years
	Pharmacy – 10.00% for FY2022 and FY2023, decreasing 100 basis points per year to 5.00% for FY2028 and 4.30% for FY2029 and later years
Inflation Assumption Rate	2.30%
Ad Hoc Post-Employment Benefit Changes	None
Mortality Assumptions:	
Service Retirees, Survivors, and Other Inactive Members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018.
Disability Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active Members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014.

Source: FY 2020 ERS CAFR

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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, 2017.

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the *beginning* of the measurement year was 2.97%. The discount rate used to measure the total OPEB liability as of the *end* of the measurement year was 2.20%, which amounted to a decrease of 0.77%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.20%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.20%)	Discount Rate (2.20%)	1% Increase in Discount Rate (3.20%)
College's proportionate share of the net OPEB liability:	$ 26,665,261	$ 22,434,726	$ 19,120,492

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Healthcare Trend Rate Sensitivity Analysis

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% less than and 1% greater than the healthcare cost trend rate that was used in measuring the net OPEB liability. See actuarial assumptions section above for specific rates.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
College's proportionate share of the net OPEB liability:	$ 18,776,395	$ 22,434,726	$ 27,230,430

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At August 31, 2021, the College reported a liability of $22,434,732 for its proportionate share of the ERS's net OPEB liability. The 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	$ 22,434,726
State's proportionate share that is associated with the College	19,010,291
Total	$ 41,445,017

The net OPEB liability was measured as of August 31, 2020, 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, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.06789221%, which was a decrease of 0.00596389% from its proportion measured as of August 31, 2019.

For the year ended August 31, 2021, the College recognized OPEB expense of $224,297 and revenue of $224,297 for support provided by the State.

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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:

- The 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.
- The proportion of future female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.
- 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 short-term expectation.
- The Patient-Centered Outcome Research Institute fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- The discount rate assumption was changed from 2.97%, as of August 31, 2019, to 2.20%, as of August 31, 2020, 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.

14. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

At August 31, 2021, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 877,434
Changes in actuarial assumptions	1,298,815	4,833,760
Differences between projected and actual investment earnings	6,709	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,878,377	2,323,523
Contributions paid to ERS subsequent to the measurement date	337,204	-
Total	$ 8,521,105	$ 8,034,717

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

Year Ended August 31:	OPEB Expense Amount
2022	$ 84,549
2023	727,947
2024	508,168
2025	(739,237)
2026	(432,243)

15. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables
Receivables at August 31, 2021 and 2020 were as follows:

	8/31/2021	8/31/2020
Student Receivables (Net of Allowances of $968,453 and $943,456 for 2021 and 2020, respectively)	$ 6,611,086	$ 5,602,409
Taxes Receivable (Net of Allowances of $201,880 and $201,880 for 2021 and 2020, respectively)	356,781	321,612
Federal and State Accounts Receivable	349,703	357,626
Other Accounts Receivable	511,886	412,744
	$ 7,829,456	$ 6,694,391

Payables
Payables at August 31, 2021 and 2020 were as follows:

	8/31/2021	8/31/2020
Vendor Payable	$ 3,347,838	$ 1,323,826
Salaries and Benefits Payable	510,841	566,261
Accrued Interest	167,816	31,853
	$ 4,026,495	$ 1,921,940

16. 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 Accounts Receivable (net) on Exhibit 1. Contract and grant awards that are not yet funded, and for which the College 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 2021 and 2020 for which monies have not been received nor funds expended totaled $16,172,239 and $1,630,734, respectively. Of these amounts, $16,150,301 and $1,629,715 were from federal contract and grant awards, and $21,938 and $1,019 were from state contract and grant awards for fiscal years ended 2021 and 2020, respectively.

17. SELF-INSURED PLANS

In 1995, the College began participating in the Texas Public Junior and Community College Employee Benefits Consortium (Consortium), which was established in 1991 by several Texas area community colleges as a means of reducing the costs of workers compensation insurance. The Consortium is a public entity risk pool currently operating as a common risk management and insurance program for the member colleges. The main purpose of the Consortium is to jointly self-insure certain workers compensation risks up to an agreed upon retention limit. For the year ended August 31, 2021, the College paid an annual premium of $52,371 plus $32,272 toward the loss fund. This $84,643 was the maximum cost for the self-insured plan. For the year ended August 31, 2020, the College paid an annual premium of $51,237 plus $34,685 toward the loss fund. This $85,922 was the maximum cost for the self-insured plan. All claims up to $225,000 are paid from the loss fund. Amounts over $225,000 are paid by the insurance company up to statutory limits.

18. AD VALOREM TAX

The College's ad valorem property taxes are 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 College District.

	8/31/2021	8/31/2020
Assessed Valuation of the College	$ 21,511,662,510	$ 20,982,873,185
Less: Exemptions	5,653,192,663	5,610,118,987
Less: Abatements	286,130,654	646,927,924
Net Assessed Valuation of the College	$ 15,572,339,193	$ 14,725,826,274

	Current Operations	Debt Service	Total
At August 31, 2021			
Tax Rate per $100 valuation of authorized	$ 0.50000	$ 0.50000	$ 1.00000
Tax Rate per $100 valuation of assessed	$ 0.12078	$ 0.00458	$ 0.12536
At August 31, 2020			
Tax Rate per $100 valuation of authorized	$ 0.50000	$ 0.50000	$ 1.00000
Tax Rate per $100 valuation of assessed	$ 0.11022	$ 0.00473	$ 0.11495

18. AD VALOREM TAX (Continued)

Taxes levied for the years ended August 31, 2021 and 2020 were $18,547,113 and $16,344,953, respectively. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

	August 31, 2021		
	Current Operations	Debt Service	Total
Current Taxes Collected	$ 17,714,657	$ 670,820	$ 18,385,477
Delinquent Taxes Collected	241,413	10,904	252,317
Penalties and Interest Collected	133,311	5,640	138,951
Total Gross Collections	18,089,381	687,364	18,776,745
Tax Appraisal & Collection Fees	(260,892)	(9,879)	(270,771)
Total Net Collections	$ 17,828,489	$ 677,485	$ 18,505,974

	August 31, 2020		
	Current Operations	Debt Service	Total
Current Taxes Collected	$ 15,400,515	$ 660,125	$ 16,060,640
Delinquent Taxes Collected	84,768	3,374	88,142
Penalties and Interest Collected	112,794	5,500	118,294
Total Gross Collections	15,598,077	668,999	16,267,076
Tax Appraisal & Collection Fees	(245,628)	(10,529)	(256,157)
Total Net Collections	$ 15,352,449	$ 658,470	$ 16,010,919

Tax collections for the years ended August 31, 2021 and 2020 were 99% and 98%, 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.

19. BRANCH CAMPUS MAINTENANCE TAX

A branch campus maintenance tax, which is established by election, is levied by Wise County. The 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 Wise County. Collections are transferred to the College to be used for operation of a branch campus in Wise County, Texas. This revenue is reported under Local Grants and Contracts.

County	Collections (including penalties and interest) August 31, 2021	Collections (including penalties and interest) August 31, 2020
Wise County	$ 3,528,475	$ 3,523,681

20. INCOME TAXES

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations.* The College had no unrelated business income tax liability for the years ended August 31, 2021 and 2020.

21. COMPONENT UNIT

Weatherford College Foundation, Inc. - Discrete Component Unit

The Weatherford College Foundation, Inc. (the Foundation) was established as a separate nonprofit organization with the sole purpose of supporting educational and other activities of the College, including raising funds to provide student scholarships and assistance in the development and growth of the College. The Foundation solicits donations and acts as coordinator of gifts made by other parties. It remitted $399,246 and $292,554 for designated scholarships, and $393,594 and $577,137 for other contributions to the College during the years ended August 31, 2021 and 2020, respectively. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Foundation is a component unit of the College because the economic resources received or held by the Foundation are entirely or almost entirely for the direct benefit of the College.

Accordingly, the Foundation's financial statements are included in the College's annual report as a discrete component unit (see table of contents). Complete financial statements of the Foundation can be obtained from the Weatherford College Business Office at 225 College Park Drive, Weatherford, Texas 76086.

22. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENT

Expenses included $175,885 and $105,936 for rent paid under operating leases during the fiscal years ended August 31, 2021 and 2020, respectively. Future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year as of August 31, 2021 are as follows:

Year Ended	Minimum Future Lease Payments
2022	$ 217,641
2023	185,701
2024	171,785
2025	161,820
2026	74,940
Total	$ 811,887

23. RISK MANAGEMENT

The College has the responsibility for making and carrying out decisions that will minimize the adverse effects of accidental losses that involve the College's assets. Accordingly, commercial insurance coverages are obtained to include general liability, property and casualty, employee and automobile liability, fidelity, public official's liability and certain other risks. The amounts of settlements during each of the past three fiscal years have not exceeded insurance coverage.

24. SUBSEQUENT EVENTS

The College has evaluated subsequent events through December 2, 2021, the date the financial statements were available to be issued and noted the following:

- On July 27, 2021, the College signed an asset purchase agreement to acquire all of the licenses, permits, and other authorizations, including the Federal Communications Commission (FCC) Authorizations and certain other equipment from a nonprofit educational broadcasting corporation for $500,000. The purchase is contingent upon final approval of the FCC.

- In October 2021, the Board of Trustees approved the sale of 34.774 acres of land in Aledo for approximately $1,300,000.

REQUIRED SUPPLEMENTARY INFORMATION

WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule of the College's Proportionate Share of Net Pension Liability
Last Ten Fiscal Years**

Fiscal Year Ending August 31*,	2021	2020	2019	2018	2017	2016	2015
College's proportion of collective net pension liability (NPL) (%)	0.0135398%	0.0147916%	0.0152120%	0.0150920%	0.0150860%	0.0164233%	0.0186811%
College's proportionate share of collective NPL ($)	$ 7,251,630	$ 7,689,136	$ 8,373,269	$ 4,825,611	$ 5,700,770	$ 5,805,419	$ 4,989,980
State's total proportionate share of NPL associated with the College	5,771,312	5,520,920	5,901,360	3,465,765	4,172,552	4,052,905	3,433,764
Total	$ 13,022,942	$ 13,210,056	$ 14,274,629	$ 8,291,376	$ 9,873,322	$ 9,858,324	$ 8,423,744
College's covered payroll	$ 13,041,317	$ 12,831,136	$ 12,543,569	$ 12,173,411	$ 11,831,988	$ 11,826,629	$ 11,425,794
College's proportionate share of collective NPL as a percentage of covered payroll	55.61%	59.93%	66.75%	39.64%	48.18%	49.09%	43.67%
Plan fiduciary net position as percentage of total pension liability	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.

WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule of the College's Contributions for Pensions
Last Ten Fiscal Years**

Fiscal Year Ending August 31*,	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	$ 545,026	$ 548,921	$ 517,293	$ 513,849	$ 495,628	$ 479,120	$ 486,301
Actual contributions	545,026	548,921	517,293	513,849	495,628	479,120	486,301
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll amount	$ 13,220,381	$ 13,041,317	$ 12,831,136	$ 12,543,569	$ 12,173,411	$ 11,831,988	$ 11,826,629
Contributions as a percentage of covered payroll	4.12%	4.21%	4.03%	4.10%	4.07%	4.05%	4.11%

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

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

WEATHERFORD COLLEGE OF THE PARKER
COUNTY JUNIOR COLLEGE DISTRICT
Schedule of the College's Proportionate Share of Net OPEB Liability
Employee Retirement System of Texas
State Retiree Health Plan
Last Ten Fiscal Years**

Fiscal Year Ending August 31*,	**2021**	**2020**	**2019**	**2018**
College's proportion of collective net OPEB liability (%)	0.0678922%	0.0738561%	0.0740616%	0.0430528%
College's proportionate share of collective net OPEB liability ($)	$ 22,434,726	$ 25,526,644	$ 21,950,173	$ 14,669,392
State's proportionate share of net OPEB liability associated with the College	19,010,291	19,165,968	16,058,736	347,488
Total	$ 41,445,017	$ 44,692,612	$ 38,008,909	$ 15,016,880
College's covered-employee payroll	$ 18,919,255	$ 18,969,196	$ 18,521,159	$ 18,065,262
College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	118.58%	134.57%	118.51%	81.20%
Plan fiduciary net position as percentage of the total net OPEB liability	0.32%	0.17%	1.27%	2.04%

*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.

WEATHERFORD COLLEGE OF THE PARKER COUNTY JUNIOR COLLEGE DISTRICT
Schedule of the College's Contributions for OPEB
Employee Retirement System of Texas
State Retiree Health Plan
Last Ten Fiscal Years**

Fiscal Year Ending August 31*,	2021	2020	2019	2018
Legally required contributions	$ 1,975,062	$ 2,039,998	$ 2,189,483	$ 2,156,052
Actual contributions	1,975,062	2,039,998	2,189,483	2,156,052
Contributions deficiency (excess)	$ -	$ -	$ -	$ -
College's covered-employee payroll amount	$ 19,194,303	$ 18,919,255	$ 18,969,196	$ 18,521,159
Contributions as a percentage of covered-employee payroll	10.29%	10.78%	11.54%	11.64%

* 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.

Defined Benefit Pension and OPEB Plans

Change of benefit terms

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

Change of benefit terms that affected the measurement of the total net OPEB liability during the measurement period are described in the notes to the financial statements (Note 14).

Changes of assumptions

Changes of assumptions that affected the measurement of the net pension liability during the measurement period are described in the notes to the financial statements (Note 10).

Changes of assumptions that affected the measurement of the net OPEB liability during the measurement period are described in the notes to the financial statements (Note 14).

APPENDIX E

SELECTED PROVISIONS OF THE ORDER

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SELECTED PROVISIONS OF THE ORDER

The following are certain provisions of the Order. These provisions are not to be considered a full statement of the terms of the Order. Accordingly, these selected provisions are qualified in their entirety by reference to the Order and are subject to the full text thereof.

Definitions

The term "*Account*" means any account created, established and maintained under the terms of this Order.

The term "*Annual Debt Service Requirements*" means, for any Fiscal Year, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Board on such Debt, or be payable in respect of any required purchase of such Debt by the Board) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Board:

(1) *Committed Take Out*. If the Board has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Debt is subject to required purchase, all under arrangements whereby the Board's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) *Balloon Debt*. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3) *Consent Sinking Fund*. In the case of Balloon Debt (as defined in clause (2) above), if a Designated Financial Officer shall deliver to the Board an Officer's Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such Officer's Certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Board has elected to apply the rule set forth in clause (2) above;

(4) *Prepaid Debt*. Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt;

(5) *Variable Rate*. As to any Parity Obligation that bears interest at a variable interest rate that cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Board, either (1) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations have not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (2) an interest rate equal to the 30-year Tax-Exempt Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of tax-exempt revenue bonds with maturities of at least 20 years that is published in a newspaper or journal with national circulation may be used for this purpose. If two series of Parity Obligations that bear interest at variable interest rates, or one or more maturities within a series, of equal par amounts, are issued simultaneously

with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations;

(6) Guarantee. In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of annual debt service requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) Credit Agreement Payments. If the Board has entered into a Credit Agreement in connection with an issue of Debt, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) that are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

The term "*Authorized Denomination*" shall have the meaning as ascribed to said term in Section 3(b) of this Order.

The term "*Authentication Certificate*" shall have the meaning as ascribed to said term in Section 5(e) of this Order.

The term "*Auxiliary Enterprise Fund System*" means the Bookstore System, the Dining System, the Housing System, and other auxiliary enterprises operated and maintained by the Issuer to the extent the income therefor is legally available for the payment of debt service on the Parity Obligations.

The term "*Board*" means the Board of Trustees of the Issuer.

The term "*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.

The term "*Bond Purchase Contract*" means the Bond Purchase Contract between the Parker County Junior College District and SAMCO Capital Markets, Inc.

The terms "*Bondholder*" or "*Owner*" "*Registered Owner*" means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

The term "*Bonds*" means the Parker County Junior College District Consolidated Fund Revenue Bonds, Series 2022, authorized by this Order and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Order; and the term "Bond" means any of the Bonds.

The term *"Bookstore System"* means the bookstore or bookstores now or hereafter owned and/or operated by the Issuer, together with all extensions and improvements thereto and replacements thereof.

The term "*Business Day*" means any day that is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term "*Chair*" means the Chair of the Board of Trustees of the Issuer.

The term "*Code*" means the Internal Revenue Code of 1986, as amended.

The term *"College"* means, collectively, Weatherford College and all junior college educational facilities and campuses owned and/or operated from time to time by the Issuer and located within its lawful service area, as set forth in applicable laws of the State, including, specifically, Section 130.209, Texas Education Code, as amended.

The term "*Construction Fund*" means the Construction Fund established pursuant to Section 11 of this Order.

The term "*Credit Agreement*" means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

The term "*Credit Facility*" means (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency having an outstanding rating on Parity Obligations would rate the Parity Obligations fully insured by a standard policy issued by the issuer in its three highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Obligations would rate the parity obligations in its three highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Parity Obligations and the interest thereon.

The term "*Credit Provider*" means any bank, financial institution, insurance company, surety bond provider, or other entity that provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

The term "*Dated Date*" means May 1, 2022.

The term "*Debt*" means all:

(1) indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

The term "*Debt Service Fund*" means the Debt Service Fund established by the Board pursuant to Section 9 of this Order.

The term "*Designated Financial Officer*" means the Chair or the Executive Vice President of Financial & Administrative Affairs (formerly the Vice President of Business Services) of the Issuer.

The term "*Designated Trust Office*" shall have the meaning ascribed to said term in Section 5(b) of this Order.

The term "*Dining System*" means any and all facilities of the Issuer provided for the purpose of feeding the students and the faculty of, and visitors to, the College, including all cafeterias, snack bars and vending machines for the sale of food and other products.

The term "*Eligible Investments*" means those investments authorized to be made by Section 16(h) of this Order.

The term "*Event of Default*" means each of the following occurrences or events for the purpose of this Order is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) the failure in the observance or performance of any of the covenants, conditions, or obligations of the Issuer, the failure to perform which materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the Issuer; or

(iii) the Issuer shall commence a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or any other case or proceeding to be adjudicated a bankrupt or insolvent.

The term "*Fiscal Year*" means any twelve-consecutive-month period established by the Issuer as its fiscal year.

The term "*Fund*" means any fund created, established, reaffirmed or maintained in accordance with the terms of this Order.

The term "*Funded Debt*" means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right of demand) or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

The term *"Gross Revenues"* when used with reference to the Auxiliary Enterprise Fund System, or any component facility or facilities thereof, means all of the revenues and income of every nature derived from the operation and ownership thereof.

The term "*Housing System*" means all present and future facilities owned and/or operated by the Issuer for the purpose of housing the married and/or unmarried students and/or faculty.

The term "*Issuance Date*" means the date of delivery the Bonds to the Purchaser against payment therefor.

The term "*Issuer*" means the Parker County Junior College District.

The term "*Laboratory Fee*" means any fee imposed by the Issuer for the purpose of supporting the cost of laboratory materials and supplies, laboratory support and special class requirements.

The term "*Maturity*" means the date on which the principal of a Parity Obligation becomes due and payable as therein and herein provided, whether at Stated Maturity, by redemption, declaration of acceleration, or otherwise.

The term "*Non-Recourse Debt*" means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Issuer attributable to the Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Issuer and being used in the operations of the Issuer.

The term "*Officer's Certificate*" means a certificate executed by a Designated Financial Officer.

The term "*Other Fees*" means any and all rentals, rates, charges, and/or fees that are additional to the Pledged Tuition Fee and the Laboratory Fee, and the Gross Revenues of the Auxiliary Enterprise Fund System, that may be collected from students and others for the occupancy, use, and/or availability of all or any part of the Issuer's property, buildings, structures, activities, operations, or facilities of any nature or kind, that are authorized by the Acts, and that have heretofore been levied or assessed or that are hereafter imposed pursuant to the requirements of Section 15.

The term "*Order*" means this order authorizing the Bonds.

The term "*outstanding*" when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under this Order, except:

(1) Parity Obligations theretofore canceled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;

(2) Parity Obligations deemed paid pursuant to the provisions of Section 31 of this Order or any comparable section of any order authorizing the issuance of Parity Obligations;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Order; and

(4) Parity Obligations under which the obligations of the Board have been released, discharged, or extinguished in accordance with the terms thereof;

provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be outstanding as though it was owned by any other owner.

The term "*Outstanding Principal Amount*" means, with respect to all Parity Obligations or to a series or issue of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only at maturity as of any Record Date established by a Registrar.

The term "*Parity Obligations*" means all Debt of the Board that may be issued or assumed in accordance with the terms of this Order that is secured by a pledge of the Pledged Revenues. The Series 2012 Bonds, Series 2021 Bonds and the Bonds (upon their issuance) will constitute all of the Issuer's currently outstanding Parity Obligations.

The terms "*Paying Agent/Registrar*," "*Paying Agent*" or "*Registrar*" means the agent appointed pursuant to Section 5 of this Order, or any successor to such agent.

The term "*Pledged Revenues*" means and includes (a) the Pledged Tuition Fee; (b) the Laboratory Fee; (c) the Other Fees; (d) the Gross Revenues of the Auxiliary Enterprise Fund System; (e) the earnings of the Issuer on all investments of the Issuer lawfully available for such purpose; (f) all money deposited in or credited to the Revenue Fund and the Debt Service Fund, and all interest and investment income therefrom whether or not on deposit therein; (g) with respect to a series or issue of Parity Obligations with respect to which a Reserve Fund is established, all money or Reserve Fund Obligations deposited in or to the credit of such Reserve Fund, and all interest and investment income therefrom, whether or not on deposit therein; and (h) any additional revenues, income, receipts, or other resources, including without limitation, to the extent permitted by law and not required by the terms thereof to be designated to other purposes, any grants, donations, or income thereafter received from the United States of America or the State of Texas or from any other public or private source, whether pursuant to an agreement or otherwise, that hereafter may be pledged to the payment of the Bonds; provided, however, no funds appropriated by the State of Texas shall be pledged to the payment of Parity Obligations without the prior approval of the Coordinating Board and the College of the proposed Project to be financed with such Parity Obligations.

The term "*Pledged Tuition Fee*" means an amount equal to 25 percent of the tuition charges collected from each enrolled student for each semester or term, said amount being allocated from the tuition charges charged students at the College, as permitted and established by law.

The term "*Purchaser*" that entity or, collectively, those entities, named in the Pricing Certificate as the purchaser or purchasers of the Bonds.

The term "*Pricing Certificate*" means the certificate executed by the Pricing Officer in accordance with the delegation made by the Board in Section 3 hereof, pursuant to which the terms and condition of the sale of the Bonds shall be established.

The term "*Pricing Officer*" means the officer(s) of the Issuer named in Section 3 hereof who are authorized to act on behalf of the Issuer to sell the Bonds and consummate the transactions contemplated hereby.

The term "*Rating Agency*" means any nationally recognized municipal securities rating agency that has assigned a rating to the Bonds.

The term "*Record Date*" means, with respect to the Bonds, the fifteenth business day of each month preceding an interest payment date.

The term "*Registration Books*" means the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 5(b) of this Order.

The term "*Required Reserve Amount*" means an amount determined by the Board to be the Series 2022 Required Reserve Fund Amount at the time of creation of a Reserve Fund with respect to a series or issue of Parity Obligations.

The term "*Reserve Fund Obligations*" means cash, Eligible Investments, and any Credit Facility, or any combination of the foregoing that are deposited to a debt service reserve fund for a series or issue of Parity Obligations.

The term "*Revenue Fund*" means the Revenue Fund established by the Board pursuant to Section 8 of this Order.

The terms "*Revenue Financing System*" or "*Financing System*" means the "Parker County Junior College District Revenue Financing System," created by the Board in this Order, for the benefit of the College that is owned and operated by the Issuer.

The term "*Series 2012 Bonds*" means the Parker County Junior College District Consolidated Fund Revenue Bonds, Series 2012, dated October 1, 2012.

The term "*Series 2012 Debt Service Reserve Fund*" means the debt service reserve fund created for the benefit of the Series 2012 Bonds pursuant to the Series 2012 Order.

The term "*Series 2012 Order*" means the order adopted by the Board on September 13, 2012 that authorized the issuance of the Series 2012 Bonds.

The term "*Series 2021 Bonds*" means the Parker County Junior College District Consolidated Fund Revenue Bonds, Series 2021, dated March 1, 2021.

The term "*Series 2021 Debt Service Reserve Fund*" means the debt service reserve fund created for the benefit of the Series 2021 Bonds pursuant to the Series 2021 Order.

The term "*Series 2021 Order*" means the order adopted by the Board on February 11, 2021 that authorized the issuance of the Series 2021 Bonds.

The term "*Series 2022 Required Reserve Fund Amount*" means an amount equal to the average Annual Debt Service Requirement on the Bonds described in the Pricing Certificate.

The term "*Stated Maturity*" when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

The term "*Subordinated Debt*" means any Debt that expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then outstanding or subsequently issued.

The term "*Term of Issue*" means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

The term "*Value of Investment Securities*" and words of like import means the amortized value thereof, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations that are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations made under this paragraph shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchase at par, means the purchase price of such security.

The term "*Vice Chair*" means the Vice Chair of the Board of Trustees of the Issuer.

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Excerpts from Order

Section 7. PLEDGE. (a) ***Pledge***. The Bonds are Parity Obligations in accordance with the Financing System and are secured on a parity with the pledge of the Pledged Revenues made in the Series 2012 Order and Series 2021 Order for the benefit of the Series 2012 Bonds and Series 2021 Bonds, respectively, and the Board hereby assigns and pledges the Pledged Revenues to the payment of the principal of, premium, if any, and interest on the Bonds, and the Pledged Revenues are further pledged to the establishment and maintenance of any funds that may be provided to secure the repayment of Parity Obligations in accordance with Series 2012 Order, Series 2021 Order and this Order. In addition, the Board may additionally secure Parity Obligations with one or more Credit Agreements, subject to satisfying any condition contained in the Acts relating to the Issuer executing and delivering Credit Agreements. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption.

(b) ***Restriction on Issuance of Additional Debt on a Prior Lien Basis***. While any Parity Obligations are Outstanding, no additional bonds, notes, or other obligations may be issued or incurred by the Board that are secured by a pledge of or lien on the Pledged Revenues that is senior in right to the lien that secures the Parity Obligations.

(c) ***Restriction on Use of Credit Agreements in Connection with the Bonds***. In connection with funding the Required Reserve Amount for the Bonds, the Board will provide a Credit Facility in the form of a surety bond, as further described in Section 10(h). Notwithstanding any other provision of this Order, if State law permits the Issuer to enter into a Credit Agreement or a Credit Facility for the Bonds after the Issuance Date, the Board must specifically approve any such Credit Agreement or Credit Facility and any such Credit Agreement or Credit Facility must be submitted to the Attorney General of Texas (if submission is then required by law) for approval.

Section 8. REVENUE FUND. The Board hereby confirms the creation and establishment on its books of a separate account known as the "Parker County Junior College District Parity Obligations Revenue Fund" (herein called the "Revenue Fund"), which Fund has been created pursuant to the Series 2012 Order. The Revenue Fund has been created for the benefit of the Parity Obligations. Pledged Revenues on deposit in the Revenue Fund shall be used to fund transfers to the funds and accounts established for the benefit of the holders of Parity Obligations.

Section 9. DEBT SERVICE FUND. For the sole purpose of paying the principal amount of, premium, if any, and interest on, and other payments (including, without limitation, payments to be made under or in respect to a Credit Agreement) incurred in connection with Parity Obligations, the Board hereby confirms creation and establishment on its books, and accounted for separate and apart from all other funds of the Issuer, a separate fund designated as the Debt Service Fund, which Fund has been created pursuant to the Series 2012 Order. Moneys in the Debt Service Fund shall be deposited and maintained in an official depository bank of the Issuer.

Section 10. DEBT SERVICE RESERVE FUNDS; SERIES 2022 RESERVE FUND; BOND INSURANCE. (a) In accordance with the Series 2012 Order, Series 2021 Order and this Order, the Issuer has reserved the right, and may, create and establish a debt service reserve fund (each, a "Reserve Fund") pursuant to the provisions of any order authorizing the issuance of Parity Obligations for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established. Each Reserve Fund shall receive a pro rata amount of the Pledged Revenues after the requirements of the Debt Service Fund, which secures all Parity Obligations, have first been met. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Parity Obligations.

(b) For the benefit of the Bonds, there is hereby created and ordered held at depository bank of the Issuer a fund designated the "Parker County Junior College District Revenue and Improvement Bonds, Series 2022 Reserve Fund" (the "Series 2022 Reserve Fund"). From proceeds of the Bonds, the Issuer shall deposit the amount specified in the definition of "Series 2022 Required Reserve Fund Amount" to the Series 2022 Reserve Fund concurrently with the initial delivery of the Bonds. In addition, the Issuer shall deposit a pro rata amount of the Pledged Revenues to the Series 2022 Reserve Fund, from time to time if required by the terms hereof to replenish or maintain the Series 2022 Required Reserve Fund Amount in the Series 2022 Reserve Fund. The amounts on deposit in the Series 2022 Reserve Fund shall secure only the Bonds.

(c) Amounts on deposit in the Series 2022 Reserve Fund may applied only for purposes of (i) paying the principal of, premium, if any, and interest on the Bonds when and if amounts on deposit in the Debt Service Fund and available to pay such amounts as the same shall become due are insufficient and (ii) in addition, may be used to the extent not required to maintain the Series 2022 Required Reserve Fund Amount, to pay, or provide for the payment of, the final principal amount of the Bonds so that they are no longer deemed to be "Outstanding" as such term is defined herein. The Issuer shall maintain an amount equal to the Series 2022 Required Reserve Fund Amount at all times in or held for the benefit of the Series 2022 Reserve Fund. The Series 2022 Reserve Fund shall be maintained with the Pledged Revenues in accordance with Section 10(b) hereof. Subject to subsection (f) of this Section, the Issuer may at any time substitute a qualifying Credit Facility for all or part of the cash or other Credit Facility on deposit in, or held for the benefit of, the Series 2022 Reserve Fund.

(d) During such times as the Series 2022 Reserve Fund contains the Series 2022 Required Reserve Fund Amount, the Issuer may, at its option, withdraw any amount in the Series 2022 Reserve Fund in excess of the Series 2022 Required Reserve Fund Amount and, to the extent it represents proceeds from the sale of the Bonds, deposit such surplus in the Debt Service Fund, and, to the extent any such excess is from a source other than proceeds of the Bonds, in the Debt Service Fund or the Revenue Fund. When and so long as the cash and investment in the Series 2022 Reserve Fund and/or coverage afforded by a Credit Facility or insurance policy held for the account of the Series 2022 Reserve Fund total not less than the Series 2022 Required Reserve Fund Amount, no deposits need be made to the credit of the Series 2022 Reserve Fund; but, if and when the Series 2022 Reserve Fund at any time contains money, securities or a Credit Facility having a value that is less than the Series 2022 Required Reserve Fund Amount, the Issuer covenants and agrees to cause monthly deposits to be made to the Series 2022 Reserve Fund on or before the 1st day of each month (beginning the month next following the month the deficiency in the Series 2022 Reserve Fund occurred by reason of a draw on the Series 2022 Reserve Fund or the Credit Facility, if any, which funds all or part of the Series 2022 Reserve Fund, or as a result of a reduction in the market value of investments held for the account of the Series 2022 Reserve Fund), from Pledged Revenues in an amount specified in Section 10(b) hereof until the total Series 2022 Required Reserve Fund Amount then required to be maintained in the Series 2022 Reserve Fund has been fully restored.

(e) The Issuer further covenants and agrees that, subject only to the provisions of Section 12 hereof, the Pledged Revenues shall be applied and appropriated and used to maintain the Series 2022 Required Reserve Fund Amount and to cure any deficiency in such amounts as required by the terms of this Order.

(f) Notwithstanding any other provision of this Order, if a Credit Agreement or a Credit Facility is utilized in connection with the Bonds after the Issuance Date of the Bonds, the Board must specifically approve any such Credit Agreement or Credit Facility and any such Credit Agreement or Credit Facility must be submitted to the Attorney General of Texas (if submission is then required by law) for approval.

(g) In the event that the Issuer deposits a Credit Facility to the Series 2022 Reserve Fund and there is a draw upon the Credit Facility, the Issuer shall reimburse the issuer of such Credit Facility for such draw, in accordance with the terms of the Credit Facility and any agreement pursuant to which the Credit Facility is used, from Pledged Revenues, however, such reimbursement from Pledged Revenues shall be subject to the provisions of Section 10(d) and 12 hereof.

(h) In connection with the issuance of the Bonds, the Board has determined to fund the Series 2022 Reserve Fund by acquiring a Credit Facility in the form of a debt service reserve insurance policy from Assured Guaranty Municipal Corp. ("AGM") in the amount described in the Pricing Certificate. Therefore, the debt service reserve insurance policy from AGM with respect to the Bonds (the "Series 2022 Reserve Policy") shall constitute a Credit Facility in the Series 2022 Reserve Fund created for the Bonds. AGM is currently rated by S&P Global Ratings as "AA" which is within the three highest generic rating categories. The terms and provisions of the municipal bond debt service reserve insurance commitment are hereby approved and attached hereto as "Exhibit D" and the requirements set forth therein relating to the Series 2022 Reserve Policy and in respect to this Order shall govern, notwithstanding anything in this Order to the contrary. The Chair or the Vice Chair of the Board are authorized to sign the municipal bond debt service reserve insurance commitment and any other related insurance documents. The municipal bond debt service reserve insurance commitment and the obligations thereunder constitute an agreement authorized by Section 130.125 of the Education Code, as amended, and the Pledged Revenues shall secure payment of the obligations thereunder. The Designated Financial Officer has determined that there are sufficient Pledged Revenues to satisfy the rate covenant set forth in Section 15(c) of the Series 2012 Order and Series 2021 Order, respectively, after giving effect to the Series 2022 Reserve Policy and treatment of the municipal bond debt service reserve insurance commitment and the obligations thereunder as a Parity Obligation.

(i) In connection with the issuance of the Bonds, the Board has determined that it is financially desirable and advantageous to acquire a Credit Facility in the form of a municipal bond insurance policy from AGM for the benefit of the Bonds (the "Insurance Policy"). Therefore, the Bonds shall be insured by AGM, pursuant to the Insurance Policy. The terms and provisions of the municipal bond insurance commitment are hereby approved and attached hereto as "Exhibit E" and the requirements set forth therein relating to the Insurance Policy and in respect to this Order shall govern, notwithstanding anything in this Order to the contrary. The Chair or Vice Chair of the Board is authorized to sign the municipal bond insurance commitment and any other related insurance documents.

(j) The Bonds will not be secured by the Series 2012 Debt Service Reserve Fund, or the Series 2021 Debt Service Reserve Fund.

Section 11. CONSTRUCTION FUND. (a) The Board hereby confirms the creation and establishment on its books of a separate fund, which is designated as the Construction Fund and which has been created in accordance with the Series 2012 Order, such fund to be held at a depository of the Issuer.

(b) All proceeds of the Bonds (other than accrued interest which shall be deposited to the Debt Service Fund) shall be deposited into the Construction Fund and a separate account shall be established therein for the purpose of segregating the proceeds of the series of which the Bonds are issued, and ensuring the use of such proceeds by the Issuer for the payment of expenses of the Project for which each series is issued, and for payment by the Issuer of the costs incurred in connection with the purposes for which the respective series of Parity Obligations are issued, including any costs for engineering, financing, financial consultation, administrative, auditing, legal expenses and issuance of the Bonds.

(c) Any surplus proceeds, including the investment earnings derived from the investment of monies on deposit in the Construction Fund, remaining on deposit in the Construction Fund after completing the expenditure of funds for the purposes described in Section 2 of this Order, shall be transferred to the Debt Service Fund; provided, however, that any interest earnings on monies on deposit in the Construction Fund that are required to be rebated to the United States of America pursuant to Section 21 hereof in order to prevent the Bonds from being arbitrage bonds shall be transferred to the "Rebate Fund" hereinafter established and shall not be considered as interest earnings for purposes of this subsection.

(d) The moneys held in the Construction Fund shall be held by the Paying Agent/Registrar and disbursed from time to time to the Issuer upon request of the Designated Financial Officer, with such request to be in such form as shall be approved by the Paying Agent/Registrar.

Section 12. FLOW OF FUNDS. (a) All Pledged Revenues deposited and credited to the Revenue Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

FIRST: to the payment of the amounts required to be deposited and credited to the Debt Service Fund created and established for the Bonds and any additional Parity Obligations issued by the Issuer as the same become due and payable, as follows:

(1) such amounts, deposited in approximately equal monthly installments, commencing during the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 15th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the interest scheduled to come due on the Bonds on the next succeeding interest payment date; and

(2) such amounts, deposited in approximately equal monthly installments, commencing during the month that shall be the later to occur of, (i) the twelfth month before the first maturity date of the Bonds, or (ii) the month in which the Bonds are delivered, or the month thereafter if delivery is made after the 15th day thereof, as will be sufficient, together with other amounts, if any, in the Debt Service Fund available for such purpose, to pay the principal scheduled to mature on the Bonds on the next succeeding principal payment date.

The foregoing notwithstanding, if at any time the Parity Obligations of the Issuer are payable solely on a semi-annual basis, deposits to the Debt Service Fund may be made on a semiannual basis on or before each March 15 and September 15, commencing on the March 15 or September 15 immediately following the date of delivery of any such Parity Obligations, which shall be sufficient, together with any other money then available in the Debt Service Fund for such purpose, to pay the principal of and interest on the Parity Obligations scheduled to come due on such interest or principal payment date. Promptly after the delivery of the Bonds, the Issuer shall cause to be deposited to the credit of the Debt Service Fund any accrued interest received from the sale and delivery of the Bonds.

SECOND: pro rata to the payment of the amounts required to be deposited and credited (i) to the Series 2022 Reserve Fund established in accordance with the provisions of this Order to maintain the Series 2022 Required Reserve Fund Amount therein, including amounts owed with respect to any Reserve Fund Obligation (including the Series 2022 Reserve Policy) to restore the Series 2022 Required Reserve Fund Amount with respect to such reserve funds and (ii) to each other reserve fund created and established to maintain a reserve in accordance with the provisions of any order authorizing other Parity Obligations, including amounts owed with respect to any surety bond or insurance policy or similar instrument deposited in a debt service reserve fund established by any such order to restore the amount required to be on deposit therein with respect to such debt service reserve funds.

THIRD: to the payment of the amounts required to be deposited and credited to any debt service fund or debt service reserve fund created and established for the payment of any Subordinated Debt issued by the Issuer as the same become due and payable.

(b) Any Pledged Revenues remaining in the Revenue Fund after satisfying the foregoing payments or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other Issuer purpose now or hereafter permitted by law.

(c) With respect to the deposits to the Series 2022 Reserve Fund established hereby for the benefit of the Bonds, the Issuer shall fund the Series 2022 Required Reserve Fund Amount with the Series 2022 Reserve Policy. When and so long as the Reserve Fund Obligations in the Series 2022 Reserve Fund are not less than the Series 2022 Required Reserve Fund Amount, no deposits need be made to the credit of the Series 2022 Reserve Fund. When and if the Series 2022 Reserve Fund at any time contains less than the Series 2022 Required Reserve Fund Amount due to any cause or condition, then, subject and subordinate to making the required deposits to the credit of the Debt Service Fund for the benefit of all outstanding Parity Obligations, commencing with the month during which such deficiency occurs, such deficiency shall be made up from the next available Pledged Revenues (with the Series 2022 Reserve Fund receiving a pro rata amount based on the total amount of debt service reserve funds that are being funded in any month) or from any other sources available for such purpose, in monthly installments of not less than 1/12 of the Series 2022 Required Reserve Fund Amount. Reimbursements to AGM shall constitute the making up of a deficiency to the extent that such reimbursements result in the reinstatement, in whole or in part, as the case may be, of the amount of the Series 2022 Reserve Policy.

Section 13. PAYMENTS. On or before the first scheduled interest payment date, and on or before each interest payment date and principal payment date thereafter while any of Parity Obligations are outstanding and unpaid, the Issuer shall make available to the Paying Agent/Registrar, out of the Debt Service Fund (and any Reserve Fund, if necessary and available) monies sufficient to pay such interest on and such principal amount of the Parity Obligations, as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. The Paying Agent/Registrar shall destroy all paid Parity Obligations and, upon request from the Issuer, furnish the Issuer with an appropriate certificate of cancellation or destruction.

Section 14. INVESTMENTS. Money in any Fund or Account established or reaffirmed pursuant to this Order may, at the option of the Issuer, be placed or invested in Eligible Investments consistent with the provisions of Section 16(h) of this Order. The value of any such Fund or Account shall be established by adding any money therein to the Value of Investment Securities. The value of each such Fund or Account shall be established no less frequently than annually during the last month of each Fiscal Year. Earnings derived from the investment of moneys on deposit in the various Funds and Accounts shall be credited to the Fund or Account from which moneys used to acquire such investment shall have come. The Value of Investment Securities in any Reserve Fund, in addition to the annual determination described above, shall be established at the time or times withdrawals are made therefrom. Investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Section 15. STANDARDS OF OPERATION, RATE COVENANTS, PAYMENT OF MAINTENANCE COSTS. (a) The Board covenants and agrees that, while any of the Bonds are outstanding and unpaid, the Issuer will continue its existence as a lawfully created junior college district of the State of Texas.

(b) The Board covenants and agrees that the Issuer will maintain all of the facilities of the College in good and reasonable condition, working order, and state of repair for so long as any Bonds shall be outstanding and unpaid.

(c) The Board covenants, warrants, represents and agrees that, by appropriate official action of the Board, it will, from time to time, impose, fix and adjust such fees, rates and charges imposed upon students at and participating in, and upon other users of, the College, its facilities and programs, to the fullest extent permitted by the Acts or other applicable law, including, specifically, adjustments, if necessary, in the rate and Building Use Fee, the amounts constituting the Pledged Tuition Fees, the Lab Fee and the Other Fees (each if and to the extent permitted by law), and the charges for the use of the components of the Auxiliary Enterprise Fund System, at such levels as will produce, during each Fiscal Year of the Issuer, Pledged Revenues in an aggregate amount that is not less than 1.20 times the maximum Annual Debt Service Requirements of the outstanding Parity Obligations in the Fiscal Year in which such aggregate requirements are the greatest; provided that in the event that such coverage requirement is not sufficient in any Fiscal Year to meet current debt service requirements and to pay all obligations of the Issuer with respect to any Credit Facility that has been obtained for the benefit of any Reserve Fund, the Issuer shall, in addition, impose, fix and adjust such fees, rates and charges sufficient to meet its obligations with respect to such Credit Facility.

(d) To the extent that (i) the Pledged Revenues that remain after providing for the payment of the current debt service on the Parity Obligations that are outstanding from time to time, and (ii) such other funds, resources, and moneys that are available to the Issuer from time to time that do not constitute a part of Pledged Revenues, are not sufficient to operate and maintain the Issuer and the College to the standards required by subsections (a) and (b) of this Section, the Board, by appropriate official action, will cause the Issuer to levy for each year while any of the Bonds are outstanding and unpaid, an ad valorem maintenance tax, within the limits heretofore voted, or within such higher limits as may be hereafter established by a vote of the resident qualified voters of the Issuer in accordance with applicable law, at such rate or rates as will permit the maintenance and operation of the facilities of the Issuer that are located within the Issuer's taxing district, to the level and standards required by said subsections, with full allowance being made for delinquencies and costs of collection.

Section 16. GENERAL COVENANTS. The Board further represents, covenants, and agrees that while any Parity Obligations or interest thereon is outstanding:

(a) ***Payment of Parity Obligations***. On or before each payment date for Parity Obligations, the Issuer shall make available to the Paying Agent for such Parity Obligations or to such other party as required by this Order, money sufficient to pay the interest on, principal of, and premium, if any, on the Parity Obligations as will accrue or otherwise come due or mature, or be subject to mandatory redemption prior to maturity, on such date and the fees and expenses related to the Parity Obligations, including the fees and expenses of the Paying Agent and any Registrar, trustee, remarketing agent, tender agent, or Credit Provider.

(b) ***Performance***. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Order, in the order authorizing any other issue of Parity Obligations and in each and every Parity Obligation or evidence thereof. The Issuer will diligently pursue completion of the construction projects funded with the proceeds of the Bonds.

(c) ***Redemption***. It will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Obligations that by their terms are mandatorily required to be redeemed prior to maturity, when and as so required.

(d) ***Lawful Title***. The Issuer lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the Issuer, and the Board will defend said title and title to any lands, buildings, and facilities that may hereafter become part of the Financing System, for the benefit of the owners of Parity Obligations against the claims and demands of all persons whomsoever.

(e) ***Lawful Authority***. It is lawfully qualified to operate the Financing System and all services afforded by the same, and further to pledge the Pledged Revenues herein pledged in the manner prescribed herein and has lawfully exercised such right. It will operate and continuously maintain the Financing System and all services afforded thereby while any Parity Obligations are outstanding and unpaid.

(f) ***Preservation of Lien***. It will not do or suffer any act or thing whereby the Financing System might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Financing System and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep the facilities, buildings, structures, and equipment pertaining thereto in good condition, repair, and working order. The Board hereby covenants and agrees to levy and collect within the Issuer an ad valorem maintenance tax, within the limits heretofore voted, or within such higher limits as may be hereafter established by a vote of the qualified voters of the Issuer in accordance with applicable law (with full allowance being made for delinquencies and costs of collection), at such rate or rates as will permit the maintenance and operation of the Issuer and the Financing System to the level and standards required by this Section.

(g) ***No Additional Encumbrance***. It shall not incur additional Debt secured by the Pledged Revenues in any manner, except as permitted by this Order in connection with Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Order and any other order authorizing the issuance of Parity Obligations. Pledged Revenues not needed to pay the debt service on Parity Obligations, and Debt that is junior and subordinate thereto may be used by the Issuer for any lawful purpose.

(h) ***Investments and Security; Limitations on Derivatives***. It will invest and secure money in all Accounts and Funds established pursuant to this Order in investments prescribed by State law for such Accounts and Funds, including, but not by way of limitation, by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended, and that such investments are made in accordance with written policies adopted by the Board.

(i) ***Records***. It will keep proper books of record and account in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the Issuer. Each year while Parity Obligations are outstanding, the Board will cause to be prepared from such books of record and account an annual financial report of the Issuer and shall furnish such report to the principal municipal bond rating agencies and any owner of Parity Obligations who shall request same.

(j) ***Inspection of Books***. It will permit any owner or owners of twenty-five percent (25%) or more of the then Outstanding Principal Amount at all reasonable times to inspect all records, accounts, and data of the Board relating to the Pledged Revenues.

(k) ***Determination of Outstanding Parity Obligations***. For all purposes of this Order, the judgment of the Designated Financial Officer of the Issuer shall be deemed final in the determination of which obligations of the Board constitute Parity Obligations.

(l) ***Payment of Administrative Costs of Parity Obligations***. The Issuer shall timely make available to the paying agent for the outstanding Parity Obligations the fees and expenses of the paying agent or paying agents therefor.

Section 17. DISPOSITION OF ASSETS. The Board may convey, sell, or otherwise dispose of any properties of the Financing System provided:

(a) ***Ordinary Course***. Such conveyance, sale, or disposition shall be in the ordinary course of business of the Issuer.

(b) ***Disposition Upon Board Determination***. The Board shall determine that after the conveyance, sale, or other disposition of such properties, the Board shall have sufficient funds during each Fiscal Year during which Parity Obligations are to be outstanding to meet the financial obligations of the Financing System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System, including, without limitation, the payment of Parity Obligations.

(c) ***Compliance with Operative Federal Tax Covenants***. Any conveyance, sale, or other disposition of property financed with the proceeds of Parity Obligations shall conform to the federal income tax covenants set forth in the order pursuant to which the Parity Obligations were issued.

Section 18. ISSUANCE OF ADDITIONAL OBLIGATIONS. (a) ***Parity Obligations***. The Board reserves and shall have the right and power to issue or incur Parity Obligations for any purpose authorized by law pursuant to the provisions of this Order. The Board may incur, assume, guarantee, or otherwise become liable in respect of any Parity Obligations if the Board shall have determined that it will have sufficient funds to meet the financial obligations of the Financing System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System. In addition, the Board shall not issue or incur Parity Obligations unless (i) a Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the Issuer possesses the financial capability to satisfy the Annual Debt Service Requirements of the Financing System after taking into account the then proposed Parity Obligations, (ii) a Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in any order adopted that authorizes the issuance of Parity Obligations and is not in default in the performance and observance of any of the terms, provisions, and conditions of any such order, and (iii) a Designated Financial Officer signs a written certificate to the effect that during either the next preceding Fiscal Year, or any twelve consecutive calendar month period ending not more than ninety days prior to the date of the then proposed Parity Obligations, the Pledged Revenues were at least equal to 1.25 times the average Annual Debt Service Requirements of all Parity Obligations to be outstanding after the issuance of the then proposed Parity Obligations in the Fiscal Year in which such aggregate requirements are the greatest. For purposes of this Section, if Parity Obligations are issued to refund less than all of the Parity Obligations then outstanding, the certificate required by clause (iii) above shall give effect to the issuance of the proposed refunding Parity Obligations (and shall not give effect to the Parity Obligations being refunded following their cancellation or provision being made for their payment).

(b) ***Non-Recourse Debt and Subordinated Debt***. Non-Recourse Debt and Subordinated Debt may be incurred by the Board without limitation, except no Subordinated Debt may be incurred unless (i) a Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the Issuer possesses the financial capability to satisfy the Annual Debt Service Requirements of the Financing System and the Subordinated Debt after taking into account the then proposed Subordinated Debt.

(c) ***Credit Agreements***. Payments to be made under a Credit Agreement may be treated as Parity Obligations if the Board makes a finding in the order authorizing the treatment of the obligations of the Issuer incurred under a Credit Agreement as a Parity Obligation that, based upon the findings contained in a certificate executed and delivered by a Designated Financial Officer, the Issuer will have sufficient funds to meet the financial obligations of the Financing System, including sufficient Pledged Revenues to satisfy the rate covenant set forth in Section 15 of this Order, after giving effect to the treatment of the Credit Agreement as a Parity Obligation.

Section 20. AMENDMENT OF ORDER. (a) ***Amendments Without Consent***. This Order and the rights and obligations of the Board and of the owners of the Bonds may be modified or amended at any time without notice to or the consent of any owner of the Bonds or any other Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Order, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Order;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Order, upon receipt by the Board of an opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Order;

(iii) To supplement the security for the Bonds, replace or provide additional Credit Facilities, or change the form of the Bonds or make such other changes in the provisions hereof as the Board may deem necessary or desirable and that shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the outstanding Bonds;

(iv) To make any changes or amendments requested by any Rating Agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Bonds;

(v) To make such changes, modifications or amendments as may be necessary or desirable that shall not adversely affect the interests of the owners of the Bonds, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Bonds; or

(vi) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and that shall not, in the judgment of the Board, materially adversely affect the interests of the owners of the Bonds.

Notice of any such amendment may be, but is not required to be, published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory order and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory order.

(b) ***Amendments With Consent***. Subject to the other provisions of this Order, the owners of outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Order that may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the outstanding Bonds, the amendment of the terms and conditions in this Order or in the Bonds so as to:

(i) Make any change in the maturity of the outstanding Bonds;

(ii) Reduce the rate of interest borne by outstanding Bonds;

(iii) Reduce the amount of the principal payable on outstanding Bonds;

(iv) Modify the terms of payment of principal of or interest on the outstanding Bonds, or impose any conditions with respect to such payment;

(v) Affect the rights of the owners of less than all Bonds then outstanding; or

(vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(c) ***Notice***. If at any time the Board shall desire to amend this Order for the purposes described in subsection (b) above, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York or the State of Texas once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all owners of Bonds. Such publication is not required, however, if the Board gives or causes to be given such notice in writing to each owner of Bonds. Such publication is not required with respect to amendments to this Order effected pursuant to the provisions of subsection (a) of this Section.

(d) ***Receipt of Consents***. Whenever at any time not less than thirty days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least a majority in Outstanding Principal Amount of Bonds, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which instrument or instruments specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Board may adopt the amendatory order in substantially the same form.

(e) ***Effect of Amendments***. Upon the adoption by the Board of any order to amend this Order pursuant to the provisions of this Section, this Order shall be deemed to be amended in accordance with the amendatory order, and the respective rights, duties, and obligations of the Board and all the owners of then outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under the Order and this Order, as amended.

(f) ***Consent Irrevocable***. Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar and the Board, but such revocation shall not be effective if the owners of a majority in Outstanding Principal Amount of Bonds, prior to the attempted revocation, consented to and approved the amendment.

(g) ***Ownership***. For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the registration books kept by the Registrar therefor. The Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Registrar.

Section 28. REMEDIES. Upon the happening of any Event of Default, each registered owner may proceed against the Issuer for the purpose of protecting and enforcing the rights of the registered owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Order. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

SPECIMEN

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100