

PARIS JUNIOR COLLEGE
Paris, Texas

REPORT OF AUDIT
AUGUST 31, 2022 and 2021

Paris Junior College
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August 31, 2022 and 2021

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Paris Junior College
Organizational Data
August 31, 2022 and 2021

Board of Regents

		Term Expires <u>October 31,</u>
<u>Officers</u>		
Mr. Curtis Fendley	President	2024
Dr. Clifton Wilkerson	Vice President	2026
Ms. Berdie Gibson	Secretary	2022

<u>Members</u>		
Dr. Linda Kapp		2026
Ms. Ginna Bowman		2024
Mrs. Carolyn Lockett		2022
Mr. Charles Lynch		2026
Ms. Louise Taylor		2022
Mr. Mark Buster		2024

Principal Administrative Officers

Dr. Pamela Anglin	President
Mr. John Spradling	Vice President, Workforce Education
Dr. Bryan Renfro	Vice President, Academic Instruction
Ms. Debra Craig	Controller

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Regents
Paris Junior College
Paris, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Paris Junior College (the College) and Paris Junior College Memorial Foundation (the Foundation), a discretely presented component unit, as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of Paris Junior College as of August 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2022, the College adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Paris Junior College's basic financial statements. The accompanying supplementary schedules, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2022, 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.

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
December 28, 2022

Paris Junior College
Management's Discussion and Analysis
August 31, 2022 and 2021

Management of Paris Junior College provides this Management's Discussion and Analysis of Paris Junior College for readers of the College's financial statements. This narrative overview and analysis of the financial activities of the College is for the fiscal year ended August 31, 2022. We encourage readers to consider this information in conjunction with the College's financial statements and the notes to the financial statements which follow.

Financial Highlights

Net position increased by \$5,361,128 in 21/22. Net position increased by \$5,501,372 in 20/21.

In 17/18, the College implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. New categories were added to the College's Statement of Net Position related to the accounting for other postemployment benefit expenditures (OPEB). In addition, the implementation of GASB 75 resulted in a cumulative effect of change in accounting principle that is also reflected on the College's Statement of Net Position.

Net position at the end of 21/22 was \$40,817,765 and \$35,456,637 in 20/21, as restated.

Paris Junior College did not make changes to tuition and fees for the 2021-2022 academic year. In-district tuition remained steady at \$57 per semester credit hour; out-of-district was \$107 per semester credit hour (\$57 tuition plus an out-of-district fee of \$50), and non-resident tuition was unchanged at \$157 per semester credit hour. All students were charged a \$25 per semester credit hour general fee.

Net tuition and fee revenue increased 5.1% or \$434,193 from \$8,569,682 in 20/21 to \$9,003,875 in 21/22. The College received tuition replacement awards from HEERF in the current and previous fiscal years of \$2,238,203 and \$2,222,559, respectively.

Federal non-operating grant and contracts revenue increased 8.1% or \$976,567 from \$12,063,057 in 20/21 to \$13,039,624 in 21/22. Investment income increased 1.27% as interest rates began to return to rates more in line with recent history.

State appropriations decreased \$1,317,614 or 14.6% from \$9,004,659 in 20/21 to \$7,687,045 in 21/22. The majority of this decrease, 56%, was recognized in supplemental benefit (other post-employment benefit and pension) support provided by the State. These appropriations are driven by actuarial calculations that have increased in fluctuations in recent tumultuous times.

Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2022 and 2021

There are three primary revenue sources: tuition and fees, state appropriations, and local tax revenue. While there continues to be funding and enrollment challenges, Paris Junior College's goal is to make sure there are accessible and affordable educational opportunities available to the residents of our area by utilizing these resources effectively and efficiently. This goal includes academic preparation for those who seek to transfer to a university as well as providing certificates and associate degrees in workforce programs to better meet the needs of local business and industry.

Overview of the Financial Statements

The Annual Financial Report consists of a series of financial statements. The core statements are known as the *Statement of Net Position*, the *Statement of Revenues, Expenses, and Changes in Net Position*, and the *Statement of Cash Flows*. These statements comply with all the Statements issued by the Governmental Accounting Standards Board (GASB) that are currently in effect.

Statement of Net Position

The Statement of Net Position presents all of the College's assets and liabilities with the difference between the two reported as "net position". Over time, increases or decreases in the College's net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating. This statement combines and consolidates current financial resources (short-term spendable resources) with capital assets.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position focuses on both the gross costs and the net costs of the college activities which are supported mainly by state appropriations, federal revenue, ad valorem taxes, tuition, and fee revenues. This approach is intended to summarize and simplify the user's analysis of costs of various college services to students and the public. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The two statements above report the College's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the College's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the College.

Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2022 and 2021

Statement of Cash Flows

The Statement of Cash Flows is presented on the direct method to illustrate the sources and uses of cash for operating activities of the College. The primary purpose of cash flow analysis is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also may help users assess the College's ability to generate future net cash flows, to meet its obligations as they come due, and to determine its need for external financing.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to financial statements can be found immediately following the basic financial statements.

Affiliated Organization

The Paris Junior College Memorial Foundation is a component unit of Paris Junior College. The financial statements of the Foundation are presented with those of the College. The prescribed presentation is for the Foundation's statement to be presented separately in a format known as a discrete presentation. For fiscal year 2021-2022 the net assets of the Foundation increased \$1,856,670 from \$28,857,205 in 20/21 to \$30,713,875 in 21/22. This increase was due to market performance for the year.

Fiduciary Funds

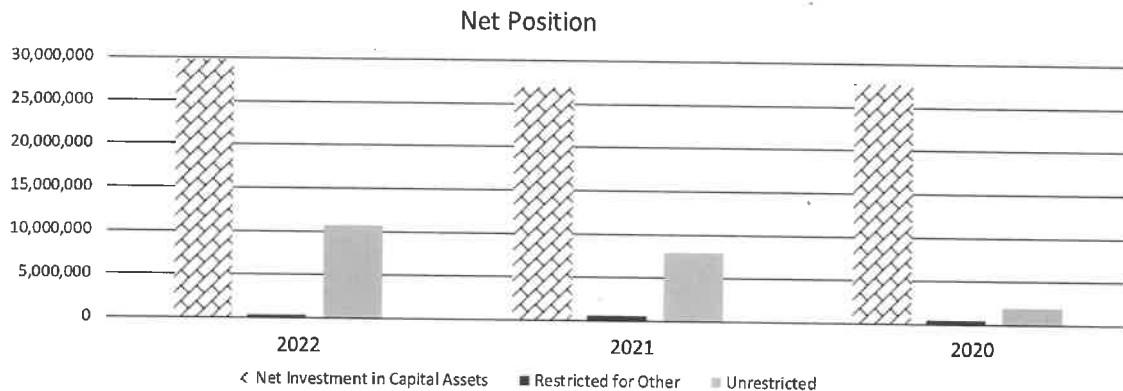
Fiduciary fund statements provide information about the financial relationships in which the College acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. All of the College's fiduciary activities are reported in statements. They are excluded from the College's government-wide financials because the College can not use the assets to finance its operations.

Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2022 and 2021

Net Assets

Condensed Statement of Net Assets
August 31, 2022, 2021, and 2020

	2022	2021	2020
Current Assets	\$ 40,725,213	\$ 38,387,367	\$ 32,596,376
Non-Current Assets	36,788,406	36,793,874	38,166,755
Total Assets	<u>77,513,619</u>	<u>75,181,241</u>	<u>70,763,131</u>
Deferred Outflows of Resources	<u>4,677,041</u>	<u>4,677,419</u>	<u>5,933,145</u>
Current Liabilities	3,096,207	3,057,252	2,947,006
Non-Current Liabilities	31,129,393	34,407,356	35,350,225
Total Liabilities	<u>34,225,600</u>	<u>37,464,608</u>	<u>38,297,231</u>
Deferred Inflows of Resources	<u>7,145,383</u>	<u>6,937,415</u>	<u>8,441,868</u>
Net Position			
Net Investment in Capital Assets	29,874,494	27,002,325	27,606,755
Restricted for Other	234,230	500,027	462,676
Unrestricted	10,709,041	7,954,285	1,887,746
Total Net Position	<u>\$ 40,817,765</u>	<u>\$ 35,456,637</u>	<u>\$ 29,957,177</u>



Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2022 and 2021

Condensed Statement of Revenues, Expenses, and Changes in Net Position
August 31, 2022, 2021, and 2020

	2022	2021	2020
Operating Revenues	\$ 13,618,490	\$ 13,325,059	\$ 11,083,524
Non-Operating Revenues	25,518,333	24,827,212	20,328,248
Total Revenues	<u>39,136,823</u>	<u>38,152,271</u>	<u>31,411,772</u>
Operating Expenses	33,437,345	32,200,045	28,201,640
Non-Operating Expenses	338,350	450,854	488,219
Total Expenses	<u>33,775,695</u>	<u>32,650,899</u>	<u>28,689,859</u>
Change in Net Position	<u>5,361,128</u>	<u>5,501,372</u>	<u>2,721,913</u>
Net Position - Beginning of Year	35,456,637	29,957,177	27,690,092
Prior Period Adjustment	-	-	(454,828)
Change in Account Policy	-	(1,912)	-
Balance at Beginning of Year, as Restated	<u>35,456,637</u>	<u>29,955,265</u>	<u>27,235,264</u>
Net Position - End of Year	<u>\$ 40,817,765</u>	<u>\$ 35,456,637</u>	<u>\$ 29,957,177</u>

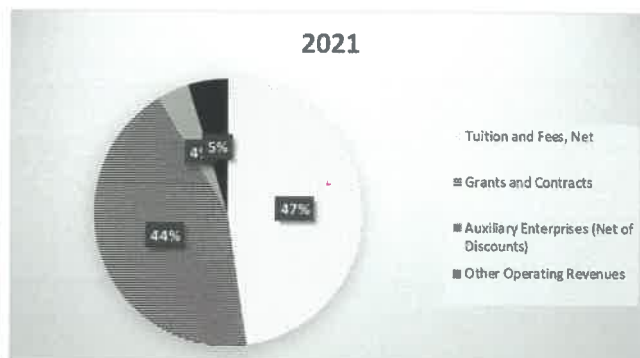
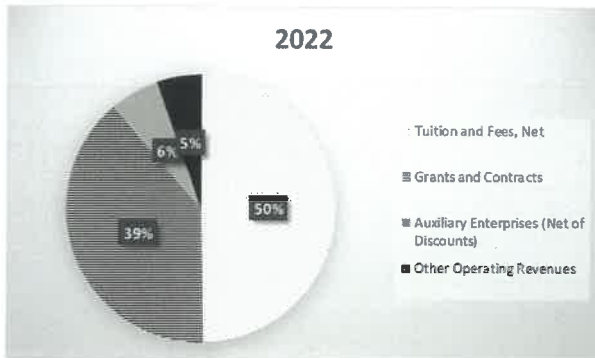
Discussion of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

The statement of net assets assesses the balance of the College's assets (the resources it can use to provide services and operate the entity) against its liabilities (its obligations to turn over resources to other organizations or individuals). The Total Assets plus Deferred Outflows of Resources minus Total Liabilities and Deferred Inflows of Resources equals Total Net Position. Paris Junior College adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for fiscal year 2017-2018. As part of that adoption, the College included a cumulative effect of change in accounting principle of (\$24,349,927) and the restatement was made directly to the beginning net position in 17/18.

Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2022 and 2021

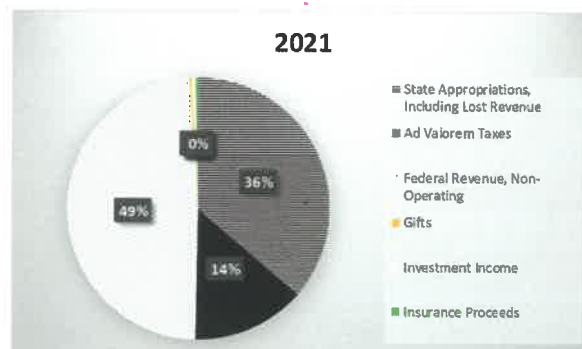
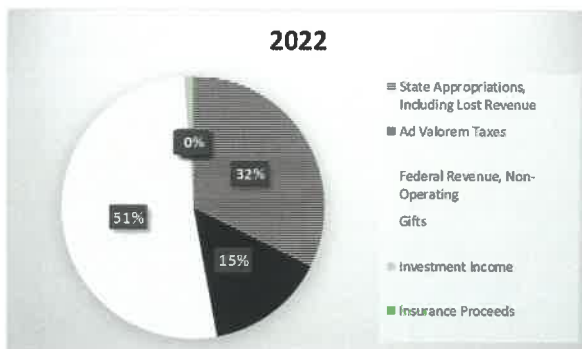
Operating Revenues
August 31, 2022, 2021, and 2020

	2022	2021	2020
Tuition and Fees, Net	\$ 6,765,672	\$ 6,347,123	\$ 6,975,054
Grants and Contracts	5,308,935	5,817,026	2,542,152
Auxiliary Enterprises (Net of Discounts)	815,632	513,944	706,000
Other Operating Revenues	728,251	646,966	860,318
Total Operating Revenues	\$ 13,618,490	\$ 13,325,059	\$ 11,083,524



Non-Operating Revenues
August 31, 2022, 2021, and 2020

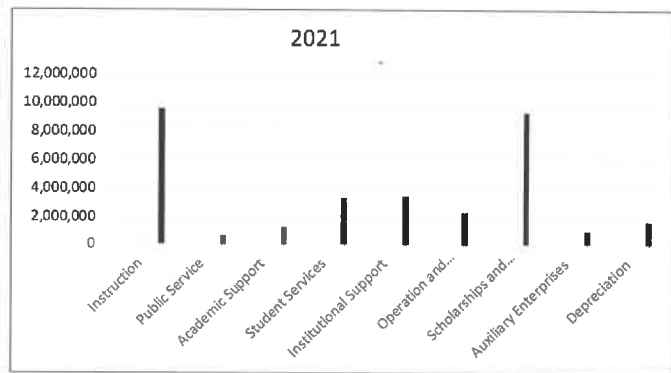
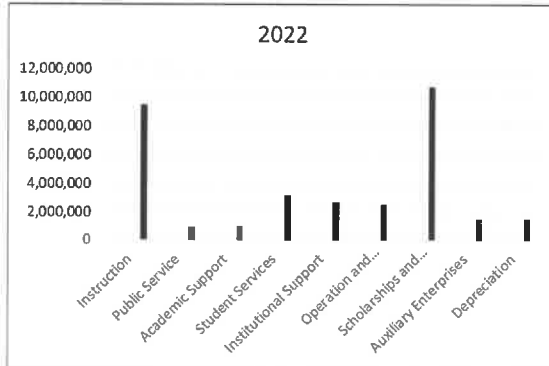
	2022	2021	2020
State Appropriations, Including Lost Revenue	\$ 8,255,774	\$ 9,004,659	\$ 8,622,302
Ad Valorem Taxes	3,769,632	3,482,769	3,000,997
Federal Revenue, Non-Operating	13,039,624	12,063,057	8,204,616
Gifts	128,121	60,331	56,789
Investment Income	260,508	114,513	419,986
Insurance Proceeds	64,674	101,883	-
Gain on Sale of Capital Assets	-	-	23,558
Total Non-Operating Revenues	\$ 25,518,333	\$ 24,827,212	\$ 20,328,248



Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2022 and 2021

Operating Expenses
August 31, 2022, 2021, and 2020

Operating Expenses	2022	2021	2020
Instruction	\$ 9,554,793	\$ 9,537,321	\$ 9,558,964
Public Service	896,078	658,744	384,972
Academic Support	971,970	1,278,410	1,482,605
Student Services	3,153,231	3,218,919	3,427,095
Institutional Support	2,653,168	3,397,946	4,026,536
Operation and Maintenance of Plant	2,492,978	2,228,370	2,073,543
Scholarships and Fellowships	10,801,054	9,296,775	5,026,162
Auxiliary Enterprises	1,481,718	969,777	655,033
Depreciation	1,432,355	1,613,783	1,566,730
Total Operating Expenses	\$ 33,437,345	\$ 32,200,045	\$ 28,201,640



Paris Junior College
Management's Discussion and Analysis (Continued)
August 31, 2022 and 2021

Capital Assets and Long-Term Debt Activity

Capital Assets

The College's investment in capital assets as of August 31, 2022 amounts to \$60,073,257, net of accumulated depreciation of \$23,360,052, leaving a net book value of \$36,713,205. This investment in capital assets includes: land, collections, construction in process, buildings and improvements, furniture and equipment, vehicles, and library books. Please refer to the notes to the financial statements for more detail on capital assets.

Long-Term Debt Activity

At the end of the fiscal year, the College had \$6,912,000, outstanding in bonds payable versus \$9,693,000, outstanding at the end of August 2021.

There are two revenue bonds outstanding at year end. The 2006 and 2007 revenue bonds' principal and interest outstanding at year end was \$8,560,647.

The College no longer carries an active bond rating; however, in the past the College's bond rating for debt was "A-" with a rating outlook for the intermediate to longer term of stable as rated by Standard & Poor's. The College's bond rating for debt was "A3" with a rating outlook for the intermediate to longer term of stable as rated by Moody's.

Paris Junior College
Exhibit 1
Statement of Net Position
August 31, 2022 and August 31, 2021

ASSETS	2022	2021
Current Assets		
Cash and Cash Equivalents	\$ 27,023,134	\$ 25,178,950
Short-Term Investments	12,000,000	12,000,000
Accounts Receivable, Net	1,327,967	1,082,584
Inventories	59,038	50,173
Other Assets	315,074	75,660
Total Current Assets	<u>40,725,213</u>	<u>38,387,367</u>
Noncurrent Assets		
Capital Assets, Net (See Note 5)	36,713,205	36,697,237
Right of Use Assets, Net (See Note 5)	75,201	96,637
Total Noncurrent Assets	<u>36,788,406</u>	<u>36,793,874</u>
 Total Assets	 <u>77,513,619</u>	 <u>75,181,241</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	1,303,320	1,784,999
Deferred Outflows Related to OPEB	3,373,721	2,892,420
Total Deferred Outflows of Resources	<u>4,677,041</u>	<u>4,677,419</u>
 LIABILITIES		
Current Liabilities		
Accounts Payable	1,099,614	662,486
Accrued Liabilities	-	39,047
Unearned Revenues	1,279,769	1,087,498
OPEB Liability - Current Portion	463,824	694,221
Bonds Payable - Current Portion	253,000	574,000
Total Current Liabilities	<u>3,096,207</u>	<u>3,057,252</u>
Noncurrent Liabilities		
Deposits	34,295	27,300
Right of Use Liabilities	65,394	98,549
Pension Liability	2,265,810	5,044,514
OPEB Liability	22,104,894	20,117,993
Bonds Payable	6,659,000	9,119,000
Total Noncurrent Liabilities	<u>31,129,393</u>	<u>34,407,356</u>
 Total Liabilities	 <u>34,225,600</u>	 <u>37,464,608</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pensions	3,000,807	1,161,525
Deferred Inflows Related to OPEB	4,144,576	5,775,890
Total Deferred Inflows of Resources	<u>7,145,383</u>	<u>6,937,415</u>
 NET POSITION		
Net Investment in Capital Assets	29,874,494	27,002,325
Restricted for:		
Other	234,230	500,027
Unrestricted	<u>10,709,041</u>	<u>7,954,285</u>
 Total Net Position (Schedule D)	 <u>\$ 40,817,765</u>	 <u>\$ 35,456,637</u>

The notes to financial statements are an integral part of this statement.

Paris Junior College
Affiliated Organization
Exhibit 1A
Statement of Financial Position
August 31, 2022 and August 31, 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 522,475	\$ 240,883
Total Current Assets	<u>522,475</u>	<u>240,883</u>
Investments		
Marketable Securities	29,356,838	27,780,890
Nonmarketable Securities	<u>780,000</u>	<u>780,000</u>
Total Investments	<u>30,136,838</u>	<u>28,560,890</u>
Fixed Assets		
Property and Equipment, Net	<u>2,062</u>	<u>2,932</u>
Total Fixed Assets	<u>2,062</u>	<u>2,932</u>
Other Assets		
Property Held for Investment	7,500	7,500
Royalty Interests	<u>45,000</u>	<u>45,000</u>
Total Other Assets	<u>52,500</u>	<u>52,500</u>
Total Assets	<u>\$ 30,713,875</u>	<u>\$ 28,857,205</u>
LIABILITIES		
Liabilities		
Accounts Payable	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
NET ASSETS		
Without Donor Restrictions	27,140	16,687
With Donor Restrictions	<u>30,686,735</u>	<u>28,840,518</u>
Total Net Assets	<u>\$ 30,713,875</u>	<u>\$ 28,857,205</u>

The notes to financial statements are an integral part of this statement.

Paris Junior College
Fiduciary Funds
Exhibit 1B
Statement of Fiduciary Net Position
August 31, 2022 and August 31, 2021

	2022	2021
	<u>Custodial Funds</u>	<u>Custodial Funds</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 230,908	\$ 234,840
Total Current Assets	<u>230,908</u>	<u>234,840</u>
Total Assets	<u>230,908</u>	<u>234,840</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	4,034	14,289
Due to Other Governments	10,086	3,689
Total Current Liabilities	<u>14,120</u>	<u>17,978</u>
Total Liabilities	<u>14,120</u>	<u>17,978</u>
NET POSITION		
Restricted for:		
Custodial Funds	<u>216,788</u>	<u>216,862</u>
Total Net Position	<u>\$ 216,788</u>	<u>\$ 216,862</u>

The notes to financial statements are an integral part of this statement.

Paris Junior College
Exhibit 2
Statement of Revenues, Expenses, and Changes in Net Position
Years Ended August 31, 2022 and August 31, 2021

OPERATING REVENUES	2022	2021
Tuition and Fees (Net of Discounts of \$4,752,133 and \$4,919,107, respectively)	\$ 6,765,672	\$ 6,347,123
Lost Revenue - Tuition	2,238,203	2,222,559
Federal Grants and Contracts	2,438,571	2,255,920
State Grants and Contracts	490,812	504,973
Non-Governmental Grants and Contracts	141,349	346,636
Sales and Enterprises of Educational Activities	188,909	125,101
Auxiliary Enterprises (Net of Discounts)	815,632	513,944
Lost Revenue - Auxiliary	-	486,938
Other Operating Revenues	539,342	521,865
Total Operating Revenues (Schedule A)	<u>13,618,490</u>	<u>13,325,059</u>
OPERATING EXPENSES		
Instruction	9,554,793	9,537,321
Public Service	896,078	658,744
Academic Support	971,970	1,278,410
Student Services	3,153,231	3,218,919
Institutional Support	2,653,168	3,397,946
Operation and Maintenance of Plant	2,492,978	2,228,370
Scholarships and Fellowships	10,801,054	9,296,775
Auxiliary Enterprises	1,481,718	969,777
Depreciation	1,432,355	1,613,783
Total Operating Expenses (Schedule B)	<u>33,437,345</u>	<u>32,200,045</u>
Operating Income (Loss)	<u>(19,818,855)</u>	<u>(18,874,986)</u>
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	7,687,045	9,004,659
Lost Revenue - State Appropriations	568,729	-
Maintenance Ad Valorem Taxes	3,769,632	3,482,769
Federal Revenue, Non Operating	13,039,624	12,063,057
Gifts	128,121	60,331
Investment Income	260,508	114,513
Insurance Proceeds	64,674	101,883
Interest on Capital Related Debt	(337,097)	(450,854)
Interest on Right of Use Assets	(1,253)	-
Net Non-Operating Revenues (Schedule C)	<u>25,179,983</u>	<u>24,376,358</u>
Increase in Net Position	<u>5,361,128</u>	<u>5,501,372</u>
NET POSITION		
Net Position - Beginning of Year	35,456,637	29,957,177
Change in Accounting Policy	-	(1,912)
Balance at Beginning of Year, as Restated	<u>35,456,637</u>	<u>29,955,265</u>
Net Position - End of Year	<u>\$ 40,817,765</u>	<u>\$ 35,456,637</u>

The notes to financial statements are an integral part of this statement.

Paris Junior College
Affiliated Organization
Exhibit 2A
Statement of Activities
Years Ended August 31, 2022 and 2021

	Year Ended August 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 13,850	\$ 396,561	\$ 410,411
Net Realized Gains/(Losses) on Investments, Net of Management Fees	-	502,114	502,114
Net Unrealized Gains/(Losses) on Investments	-	787,085	787,085
Interest	212	33,463	33,675
Dividends	-	734,450	734,450
Lease	-	-	-
Royalties	-	36,742	36,742
In-Kind Professional Services	59,640	-	59,640
Total Operating Revenues	73,702	2,490,415	2,564,117
Net Assets Released From Restrictions:			
Satisfaction of Program Restrictions	593,797	(593,797)	-
Total Operating Revenues, Gains and Other Support	667,499	1,896,618	2,564,117
OPERATING EXPENSES			
Programs:			
Contributions to PJC for Scholarships	554,197	-	554,197
Contributions to PJC for Nursing Program	39,600	50,400	90,000
Support Services:			
Accounting	1,540	-	1,540
Insurance	1,200	-	1,200
In-Kind Professional Expenses	59,640	-	59,640
Total Operating Expenses	656,177	50,400	706,577
Changes in Net Assets from Operations	11,322	1,846,218	1,857,540
OTHER CHANGES			
Non-Operating Income (Expense):			
Depreciation	870	-	870
Changes in Net Assets	10,452	1,846,218	1,856,670
NET ASSETS, Beginning of Year	16,688	28,840,517	28,857,205
NET ASSETS, End of Year	\$ 27,140	\$ 30,686,735	\$ 30,713,875

The notes to financial statements are an integral part of this statement.

Paris Junior College
Affiliated Organization
Exhibit 2A
Statement of Activities
Years Ended August 31, 2022 and 2021

	Year Ended August 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,776	\$ 258,102	\$ 259,878
Net Realized Gains/(Losses) on Investments, Net of Management Fees	-	1,579,692	1,579,692
Net Unrealized Gains/(Losses) on Investments	-	4,985,450	4,985,450
Interest	388	29,764	30,152
Dividends	11	647,244	647,255
Lease	-	50	50
Royalties	141	36,284	36,425
In-Kind Professional Services	57,040	-	57,040
Total Operating Revenues	59,356	7,536,586	7,595,942
Net Assets Released From Restrictions:			
Satisfaction of Program Restrictions	541,974	(541,974)	-
Total Operating Revenues, Gains and Other Support	601,330	6,994,612	7,595,942
OPERATING EXPENSES			
Programs:			
Contributions to PJC for Scholarships	541,974	-	541,974
Support Services:			
Accounting	1,400	-	1,400
Insurance	10,262	-	10,262
In-Kind Professional Expenses	57,040	-	57,040
Total Operating Expenses	610,676	-	610,676
Changes in Net Assets from Operations	(9,346)	6,994,612	6,985,266
OTHER CHANGES			
Non-Operating Income (Expense):			
Depreciation	870	-	870
Changes in Net Assets	(10,216)	6,994,612	6,984,396
NET ASSETS, Beginning of Year	26,904	21,845,905	21,872,809
NET ASSETS, End of Year	<u>\$ 16,688</u>	<u>\$ 28,840,517</u>	<u>\$ 28,857,205</u>

The notes to financial statements are an integral part of this statement.

Paris Junior College
Fiduciary Funds
Exhibit 2B
Statement of Changes in Fiduciary Net Position
Years Ended August 31, 2022 and August 31, 2021

	<u>2022</u>	<u>2021</u>
	<u>Custodial Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Contributions	\$ 83,510	\$ 93,658
Total Additions	<u>83,510</u>	<u>93,658</u>
DEDUCTIONS		
Payments for Supplies	<u>83,584</u>	<u>60,103</u>
Total Deductions	<u>83,584</u>	<u>60,103</u>
Change in Net Position	<u>(74)</u>	<u>33,555</u>
NET POSITION		
Net Position - Beginning of Year	216,862	183,307
Net Position - End of Year	<u>\$ 216,788</u>	<u>\$ 216,862</u>

The notes to financial statements are an integral part of this statement.

Paris Junior College
Exhibit 3
Statement of Cash Flows
Years Ended August 31, 2022 and August 31, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Students and Other Customers	\$ 8,006,387	\$ 4,317,968
Receipts from HEERF Funds for Lost Revenue	2,238,203	2,709,497
Receipts from Grants and Contracts	3,014,541	3,107,529
Payments to or for Employees	(14,014,419)	(12,174,673)
Payments to Suppliers for Goods or Services	(7,551,335)	(5,535,047)
Payments of Scholarships	(10,801,054)	(8,957,171)
Net Cash Provided (Used) by Operating Activities	(19,107,677)	(16,531,897)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	7,687,045	7,959,679
Receipts from HEERF Funds for Lost Revenue - State Appropriations	568,729	-
Receipts from Ad Valorem Taxes	3,770,057	3,443,546
Receipts from Non Operating Federal Revenue	13,039,624	12,063,057
Receipts from Insurance Proceeds	64,674	101,883
Receipts from Gifts	128,896	60,331
Net Cash Provided (Used) by Non-Capital Financing Activities	25,259,025	23,628,496
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	(1,448,322)	(144,265)
Principal Paid on Capital Debt	(2,781,000)	(867,000)
Interest Paid on Capital Debt	(337,097)	(450,854)
Change in Accounting Policy for Fiduciary Activities	(1,253)	(234,840)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,567,672)	(1,696,959)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from Interest on Investments	260,508	114,513
Proceeds from Sale of Investments	-	3,000,000
Net Cash Provided (Used) by Investing Activities	260,508	3,114,513
 Increase (Decrease) in Cash and Cash Equivalents	 1,844,184	 8,514,153
Cash and Cash Equivalents - Beginning of Year	25,178,950	16,664,797
Cash and Cash Equivalents - End of Year	\$ 27,023,134	\$ 25,178,950

The notes to financial statements are an integral part of this statement.

Paris Junior College
Exhibit 3
Statement of Cash Flows (Continued)
Years Ended August 31, 2022 and August 31, 2021

Reconciliation of Operating Income (Loss) to Net Cash Provided	2022	2021
(Used) by Operating Activities:		
Operating Income (Loss)	\$ (19,818,855)	\$ (18,874,986)
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided (Used) for Operating Activities:		
Depreciation expense	1,432,355	1,613,783
Payments Made Directly by State for Benefits	(265,966)	1,019,632
Lost Revenue - HEERF Funds	-	(2,709,497)
Changes in Assets, Deferred Outflows of Resources, Liabilities, and		
Deferred Inflows of Resources:		
Receivables, Net	(220,688)	(366,904)
Deferred Outflow Pension	481,679	507,907
Deferred Outflow OPEB	(481,301)	747,819
Inventories	(8,865)	9,655
Other Assets	(265,312)	80,411
Right of Use Assets	(75,201)	(4,174)
Accounts Payable	437,128	(5,595)
Accrued Liabilities	26,347	14,473
Pension Liability	2,022,473	44,790
OPEB Liability	(2,778,704)	(58,482)
Unearned Revenue	192,271	(2,500)
Deposits	6,995	(52,682)
Deferred Inflow Pension	1,839,282	356,410
Deferred Inflow OPEB	(1,631,315)	1,148,043
Net Cash Provided (Used) by Operating Activities	\$ (19,107,677)	\$ (16,531,897)

Paris Junior College
Affiliated Organization
Exhibit 3A
Statement of Cash Flows
Years Ended August 31, 2022 and August 31, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,856,670	\$ 6,984,396
Adjustments to Reconcile Changes in Net Assets to Net Cash Flow From Operating Activities:		
Depreciation	870	870
Net (Gains) Losses on Investments	(1,289,199)	(6,565,142)
Proceeds From Dividends, Royalties, Leases	804,867	713,682
Payments for Fees	(2,740)	(11,662)
Payments for Scholarships	(554,197)	(541,974)
Payments for Nursing Program	(90,000)	-
Contributions Received	410,411	259,877
Net Cash Provided (Used) by Operating Activities	<u>1,136,682</u>	<u>840,047</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(9,480,655)	(9,628,845)
Proceeds from Sale of Investments	8,655,565	8,642,655
Net Cash Provided (Used) by Investing Activities	<u>(825,090)</u>	<u>(986,190)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	311,592	(146,143)
Cash and Cash Equivalents - Beginning of Year	240,883	387,026
Cash and Cash Equivalents - End of Year	<u>\$ 552,475</u>	<u>\$ 240,883</u>

The notes to financial statements are an integral part of this statement.

Paris Junior College
Notes to Financial Statements
August 31, 2022 and 2021

1. Reporting Entity

Paris Junior College (PJC) was established in 1924, in accordance with the laws of the State of Texas, to serve the educational needs of Paris and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Government Accounting Standards Board (GASB) Statement No. 14. While the College receives funding from local, state and federal sources, and must comply with spending, reporting, and record-keeping requirements of these entities, it is not a component unit of any other governmental entity. One organization, the Paris Junior College Memorial Foundation, Inc. meets the Criteria of GASB pronouncements and has been presented as a discrete component unit of the College (see Note 20).

2. Summary of Significant Accounting Policies

Reporting Guidelines

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

The College presents its net position (or equity) into the following three components:

Net Investment in Capital Assets -This component consists of capital assets net of accumulated depreciation and reduced by the outstanding debt that is attributable to the acquisition, construction, or improvement of those assets.

Restricted -This component includes those assets upon which constraints have been placed on their utilization. Such constraints may be externally (by creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component represents the net position that is available for use to fulfill the educational purposes of the college. It includes all net position that is not classified as "net investment in capital assets" or "restricted."

Tuition Discounting

Texas Public Education Grants (TPEG)

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set-aside, called the (TPEG), is shown with tuition and fee revenue amounts as a separate set-aside amount (TEC section 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.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

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 amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

The financial statements of the College are reported using the economic resources measurement focus and the accrual basis whereby revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis whereby 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 district 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 Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

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

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Deferred Outflows

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period 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.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, Investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Inventories

Inventories consist of jewelry, horology, gemology, welding, and electronics tools, books, and materials for sale to students. Inventories are valued at cost using the first-in, first-out method.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair market 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. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are charged to operating expense in the year in which the expense is incurred.

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

Collections: in accordance with guidance issued by the Texas Comptroller of Public Accounts, collections are capitalized but not depreciated. Collections are valued at their historical cost or fair value at the date of donation. The College has statues and antique pianos and organs which it capitalizes as collections. These collections are not depreciated due to the inexhaustible nature of these assets.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Leases

Lessee: The College is a lessee for noncancelable leases of equipment. The College recognizes a lease liability and an intangible right to use lease asset in the government-wide financial statements.

At the commencement of a lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term included the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Prior Year Restatement

In the year of implementation of GASB Statement No. 87, a restatement to beginning net position was required for the recording of the beginning right of use assets and lease liabilities.

Beginning net position as of September 1, 2021 has been restated as follows for the implementation of GASB Statement No. 87, *Leases*.

Beginning net position	\$ 35,458,549
Prior period adjustment-implementation of GASB No. 87:	
Right of Use Liability	(98,549)
Right of Use Assets	96,637
Beginning net position, as restated	<u>\$ 35,456,637</u>

Restricted Resources

When the College incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.

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 postemployment 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 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 benefit terms. Investments are reported at fair value.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Unearned Revenues

Tuition, fees, and other revenues received and related to future periods have not been recognized in the current year and have been presented as a liability (unearned revenues) in these financial statements. Tuition and fees and housing charges of \$7,072 and \$4,884 and federal, state, and local grants of \$1,272,697 and \$1,082,614 have been reported as unearned revenues at August 31, 2022 and 2021, respectively.

Deferred Inflows

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period 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.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a business-type entity and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal on-going 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 operations of food services and the bookstore are not performed by the College but are contracted to independent vendors.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

2. Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy

During the year ended August 31, 2022, the College adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, Leases, which establishes criteria for identifying and reporting leases by governments. The implementation of this statement has resulted in changing the presentation of the financial statements by recognizing a lease liability and an intangible right-to-use lease asset. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset for a period of greater than one year. The leases have a noncancelable right to use the underlying asset.

3. Authorized Investments

Paris Junior College is authorized to invest in obligations and instruments as defined in the Public 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. At August 31, 2022, Paris Junior College's short-term investments consisted of certificates of deposit. Paris Junior College had no long-term investments at August 31, 2022.

In accordance with generally accepted accounting principles, investment in financial and nonfinancial assets are reported in a three-tiered hierarchy as follows:

Level I -Fair Values are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level II -Fair Values are based on generally indirect information such as quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active.

Level III -Fair values are based on inputs other than quoted prices included within Level I that are unobservable and include the College's own assumptions about pricing.

This fair value hierarchy gives the highest priority to Level I inputs and the lowest priority to Level III inputs. The College's certificates of deposit investments are classified in Level I of the hierarchy.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

4. Deposits and Investments

At August 31, 2022 and 2021, the total amount of Paris Junior College's deposits was \$17,646,780 and \$18,738,507, respectively. Bank balances of \$668,436 and \$757,339 were covered by federal depository insurance at August 31, 2022 and 2021, and \$16,978,344 and \$17,981,168 were covered by collateral pledged in PJC's name. No collateral was held by PJC or by its agent.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned or the College will not be able to recover collateral securities in the possession of an outside party. The College's policy requires deposits to be 100% secured by collateral valued at the market less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. At August 31, 2022 the College's deposits are not exposed to custodial risk.

The following schedules summarizes the College's investments on a recurring basis, as of August 31, 2022

Type of Security	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 2	More than 2
Certificates of Deposit	\$12,000,000	\$12,000,000	-	-
Total Investments	\$12,000,000	\$12,000,000	-	-

The following schedules summarizes the College's investments on a recurring basis, as of August 31, 2021

Type of Security	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 2	More than 2
Certificates of Deposit	\$12,000,000	\$12,000,000	-	-
Total Investments	\$12,000,000	\$12,000,000	-	-

The College is a participant in the State of Texas TexPool investment pool. TexPool operates in a manner consistent with the SEC's rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net position and share prices, since those approximate fair values and are not required to be reported by levels. Accordingly, the fair value of the position in TexPool is the same as the value of the TexPool shares. TexPool's audited financial statements can be obtained at the Texas Treasury Safekeeping Trust Company's website at www.ttstc.org. The College includes TexPool holdings as part of cash and cash equivalents.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

4. Deposits and Investments (Continued)

The following schedules summarizes the College's investment pool holdings on a recurring basis, as of August 31, 2022 and 2021.

Type of Security	Fair Value	Credit Rating	2022	2021
TexPool	\$22,155,237	AAA	\$22,155,237	\$19,022,866
Total InvestmentsPool	\$22,155,237		\$22,155,237	\$19,022,866

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. In accordance with State law and the College's investment policy, investments in mutual funds and external pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The College's policy provides that investments to be purchased must have final maturities of five years or less.

Concentration of credit risk is the risk of loss attributed to the magnitude of the College's investments in a single issuer. The College's policy does not place a limit on the amount that may be invested in any one issuer. This risk does not apply to U.S Government securities or investments in an external investment pool. At August 31, 2022 and 2021, the College did not have a concentration of credit risk in its investment portfolio.

The Public Funds Investment Act also requires the College to have independent auditors perform test procedures related to investment practices as prescribed by that legislation. The College is in substantial compliance with the requirements of the Public Funds Investment Act.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

4. Deposits and Investments (Continued)

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

<u>Bank Deposits</u>	<u>2022</u>	<u>2021</u>
Demand Deposits	\$ 27,019,659	\$ 25,175,475
Time Deposits	12,000,000	12,000,000
Total Deposits	<u>39,019,659</u>	<u>37,175,475</u>
<u>Cash and Cash Equivalents</u>		
Cash on Hand	3,475	3,475
Total Cash and Deposits	<u>\$ 39,023,134</u>	<u>\$ 37,178,950</u>

5. Capital and Right of Use Assets

Capital and Right of Use assets for the year ended August 31, 2022 were as follows:

	<u>Balance September 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance August 31, 2022</u>
<u>Not Depreciated</u>				
Land	\$ 4,059,393	\$ -	\$ -	\$ 4,059,393
Construction in Progress	-	920,428	-	920,428
Collections	90,750	-	-	90,750
Subtotal	<u>4,150,143</u>	<u>920,428</u>	<u>-</u>	<u>5,070,571</u>
<u>Buildings and Other Capital Assets</u>				
Buildings and Improvements	48,537,372	274,760	-	48,812,132
Furniture and Equipment	4,110,251	182,492	-	4,292,743
Vehicles	1,150,124	65,815	-	1,215,939
Library Books	721,542	4,828	44,496	681,874
Subtotal	<u>54,519,289</u>	<u>527,895</u>	<u>44,496</u>	<u>55,002,688</u>
<u>Accumulated Depreciation</u>				
Buildings and Improvements	17,075,376	1,086,071	-	18,161,447
Furniture and Equipment	3,180,921	318,750	-	3,499,671
Vehicles	1,005,273	11,789	-	1,017,062
Library Books	710,625	15,745	44,496	681,874
Subtotal	<u>21,972,195</u>	<u>1,432,355</u>	<u>44,496</u>	<u>23,360,054</u>
Net Other Capital Assets	<u>32,547,094</u>	<u>(904,460)</u>	<u>-</u>	<u>31,642,634</u>
Net Capital Assets	<u>\$ 36,697,237</u>	<u>\$ 15,968</u>	<u>\$ -</u>	<u>\$ 36,713,205</u>
<u>Right of Use Assets</u>				
Equipment	\$ 96,637	\$ -	\$ -	\$ 96,637
Subtotal	<u>96,637</u>	<u>-</u>	<u>-</u>	<u>96,637</u>
<u>Accumulated Amortization</u>				
Equipment	-	21,436	-	21,436
Subtotal	<u>-</u>	<u>21,436</u>	<u>-</u>	<u>21,436</u>
Net Right of Use Assets	<u>\$ 96,637</u>	<u>\$ 21,436</u>	<u>\$ -</u>	<u>\$ 75,201</u>

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

5. Capital and Right of Use Assets (Continued)

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

	Balance September 1, 2020	Additions	Retirements	Balance August 31, 2021
<u>Not Depreciated</u>				
Land	\$ 4,059,393	\$ -	\$ -	\$ 4,059,393
Construction in Progress	-	-	-	-
Collections	90,750	-	-	90,750
Subtotal	<u>4,150,143</u>	<u>-</u>	<u>-</u>	<u>4,150,143</u>
<u>Buildings and Other Capital Assets</u>				
Buildings and Improvements	48,472,383	64,989	-	48,537,372
Furniture and Equipment	4,042,548	73,203	5,500	4,110,251
Vehicles	1,150,124	-	-	1,150,124
Library Books	996,081	6,073	280,612	721,542
Subtotal	<u>54,661,136</u>	<u>144,265</u>	<u>286,112</u>	<u>54,519,289</u>
<u>Accumulated Depreciation</u>				
Buildings and Improvements	15,973,107	1,102,269	-	17,075,376
Furniture and Equipment	2,779,806	406,615	5,500	3,180,921
Vehicles	948,476	56,797	-	1,005,273
Library Books	943,135	48,102	280,612	710,625
Subtotal	<u>20,644,524</u>	<u>1,613,783</u>	<u>286,112</u>	<u>21,972,195</u>
Net Other Capital Assets	<u>34,016,612</u>	<u>(1,469,518)</u>	<u>-</u>	<u>32,547,094</u>
Net Capital Assets	<u>\$ 38,166,755</u>	<u>\$ (1,469,518)</u>	<u>\$ -</u>	<u>\$ 36,697,237</u>
<u>Right of Use Assets</u>				
Equipment	\$ -	\$ 96,637	\$ -	\$ 96,637
Subtotal	<u>-</u>	<u>96,637</u>	<u>-</u>	<u>96,637</u>
<u>Accumulated Amortization</u>				
Equipment	-	-*	-	-*
Subtotal	<u>-</u>	<u>-*</u>	<u>-</u>	<u>-*</u>
Net Right of Use Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,637</u>

* Note: Implementation of GASB Statement No. 87, *Leases* effective as of September 1, 2021

6. Construction Commitment

As of August 31, 2022, the College entered into a construction commitment to update the HVAC system in the Williams Administration Building. The contracted cost of the project is \$3,455,000. The College plans to primarily use funds from the Department of Education's HEERF grant to cover the expense of the project. At the close of the 2022 fiscal year, \$58,235 had been issued, leaving \$3,396,765.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

7. Noncurrent Liabilities

Noncurrent liability activity for the year ended August 31, 2022 was as follows:

	Balance September 1, 2021	Additions	Retirements	Balance August 31, 2022	Current Portion
Bonds					
Revenue Bonds	\$ 9,693,000	\$ -	\$ 2,781,000	\$ 6,912,000	\$ 253,000
Subtotal	<u>9,693,000</u>	<u>-</u>	<u>2,781,000</u>	<u>6,912,000</u>	<u>253,000</u>
Net Pension Liability	5,044,514	-	2,778,704	2,265,810	-
Net OPEB Liability	20,812,214	1,756,504	-	22,568,718	463,824
Right of Use Liabilities	98,549	-	33,155	65,394	-
Total Noncurrent Liabilities	<u>\$ 35,549,728</u>	<u>\$ 1,756,504</u>	<u>\$ 5,592,859</u>	<u>\$ 31,811,922</u>	<u>\$ 716,824</u>

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

	Balance September 1, 2020	Additions	Retirements	Balance August 31, 2021	Current Portion
Bonds					
Revenue Bonds	\$ 10,560,000	\$ -	\$ 867,000	\$ 9,693,000	\$ 574,000
Subtotal	<u>10,560,000</u>	<u>-</u>	<u>867,000</u>	<u>9,693,000</u>	<u>574,000</u>
Net Pension Liability	5,030,041	14,473	-	5,044,514	-
Net OPEB Liability	20,767,424	44,790	-	20,812,214	694,221
Right of Use Liabilities	-	98,549	-	98,549	-
Total Noncurrent Liabilities	<u>\$ 36,357,465</u>	<u>\$ 157,812</u>	<u>\$ 867,000</u>	<u>\$ 35,648,277</u>	<u>\$ 1,268,221</u>

PJC has two series of revenue bonds outstanding that bear interest from 4.45% to 4.50%. They are due serially in varying amounts aggregating from \$586,000 to \$876,000 through March 15, 2032. Revenues of PJC are pledged for the payment of principal and interest on these bonds. Interest of \$337,097 was paid for the year ended August 31, 2022 on revenue bonds.

Debt service requirements at August 31, 2022 were as follows:

Year Ending August 31,	Revenue Bonds		
	Principal	Interest	Total
2023	\$ 586,000	\$ 316,910	\$ 902,910
2024	616,000	290,330	906,330
2025	642,000	262,385	904,385
2026	674,000	233,253	907,253
2027	701,000	202,688	903,688
2028-2032	4,024,000	505,260	4,529,260
Totals	<u>7,243,000</u>	<u>1,810,826</u>	<u>9,053,826</u>
Less Payment prior to year end of September 15, 2022 requirements	331,000	162,179	493,179
	<u>\$ 6,912,000</u>	<u>\$ 1,648,647</u>	<u>\$ 8,560,647</u>

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

7. Noncurrent Liabilities (Continued)

General information related to bonds and notes payable is summarized below:

<u>Revenue Bonds:</u>	<u>August 31, 2022</u>
Tuition and General Fee Revenue Bonds, Series 2006	\$3,757,000
To acquire site, construct, and equip Greenville center	
Issued August 16, 2006	
\$7,500,000; all authorized bonds have been issued	
Source of revenue for debt service -tuition and other fee revenues	
 Tuition and General Fee Revenue Bonds, Series 2007	 \$3,155,000
To acquire site, construct, and equip Greenville center	
Issued August 16, 2007	
\$6,000,000; all authorized bonds have been issued	
Source of revenue for debt service - tuition and other fee revenues	

Right of Use Payable

The College adopted GASB Statement No. 87 during fiscal year 2022 for current lease liabilities. The College is currently entered into lease agreements as lessee for the use of copiers and a postage machine. As of August 31, 2022, the value of the lease liability for these leases was \$65,394. The College does not intend to purchase the lease equipment at the end of the lease term. The value of the right to use assets as of the end of the current fiscal year was \$75,201 and had accumulated amortization of \$21,436.

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 24,900	\$ 1,019	\$ 25,918
2024	19,374	577	19,951
2025	11,850	270	12,120
2026	7,333	71	7,404
Totals	<u>\$ 63,457</u>	<u>\$ 1,937</u>	<u>\$ 65,394</u>

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

8. Employees' Retirement Plans

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

Teacher Retirement System of Texas-Defined Benefit Plan

Plan Description. Paris Junior College participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) or 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 education institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

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 may be obtained on the Internet at <http://www.trs.texas.gov.pdf>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

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

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

8. Employees' Retirement Plans (Continued)

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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

	Contribution Rates	
	2022	2021
Member	8.00%	7.70%
Non-Employer Contributing Entity (State)	7.75%	7.50%
Employers	7.75%	7.50%
Paris Junior College Contributions		\$399,248
State of Texas On-behalf Contributions		\$259,948

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Public junior colleges or junior college districts are required to pay the employer contribution 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 of all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

8. Employees' Retirement Plans (Continued)

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

Actuarial Assumptions. The total pension liability in the August 31, 2020 actuarial valuation rolled forward to August 31, 2021 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return*	7.25%
Municipal Bond Rate*	1.95%
Last year ending August 31 in the Projection Period (100 years)	2120
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Payroll Growth Rate	2.50%
Benefit Changes during the year	None
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 assumptions employed in the August 31, 2021 are TRS annual pension actuarial valuation.

Discount Rate. A single discount rate of 7.25 was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

8. Employees' Retirement Plans (Continued)

The long-term rate of return on pension plan investments is 7.25 percent. 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 TRS' target asset allocation as of August 31, 2021 are summarized on the following table:

Asset Class*	Target Allocation **	Long-Term Expected Geometric Real Rate of Return ***	
Global Equity			
U.S.A.	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	(0.2)%	0.01%
Absolute Return (Including Credit Sensitive Investments)	-	1.1%	-
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy, Natural Resources, & Infrastructure	6.0%	4.7%	0.35%
Commodities	-	1.7%	-
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	(0.7)%	(0.01)%
Asset Allocation Leverage	(6.0)%	(0.5)%	0.03%
Inflation Expectation			2.20%
Volatility Drag****			(0.95)%
Total	100%		6.90%

* Absolute Return includes Credit Sensitive Investments

** Target allocations are based on the FY2021 policy model

*** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021).

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

Source: Teacher Retirement System of Texas 2021 Comprehensive Annual Financial Report

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

8. Employees' Retirement Plans (Continued)

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than or 1 percent greater than the discount rate that was used (7.25%) in measuring the 2022 Net Pension Liability.

	<u>1% Decrease in Discount Rate (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase in Discount Rate (8.25%)</u>
Paris Junior College's Proportionate Share of the Net Pension Liability	\$ 4,951,153	\$ 2,265,810	\$ 87,171

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2022, Paris Junior College reported a liability of \$2,265,810 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Paris Junior College. The amount recognized by Paris Junior College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Paris Junior College were as follows:

	<u>2022</u>	<u>2021</u>
Paris Junior College's Proportionate Share of the Collective Net Pension State's Proportionate Share that is Associated with Paris Junior College	\$ 2,265,810	\$ 5,044,514
	1,445,222	3,163,113
Total	\$ 3,711,032	\$ 8,207,627

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021, 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, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the employer's proportion of the collective net pension liability was 0.00889%, which was a decrease of 0.00052% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actual Valuation. There were no changes in assumptions since the prior measurement date.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

8. Employees' Retirement Plans (Continued)

For the year ended August 31, 2022, Paris Junior College recognized pension expense of \$5,778 and revenue of \$5,778 for support provided by the State. For the year ended August 31, 2021, Paris Junior College recognized pension expense of \$380,452 and revenue of \$380,452 for support provided by the state.

At August 31, 2022, Paris Junior 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:

	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 3,792	\$ 159,515
Changes in Actuarial Assumptions	800,919	349,132
Difference Between Projected and Actual Investment Earnings	140,736	2,040,588
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	37,876	451,572
Contributions Paid to TRS Subsequent to the Measurement Date	319,997	-
Total	\$ 1,303,320	\$ 3,000,807
	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 9,211	\$ 140,779
Changes in Actuarial Assumptions	1,170,507	497,691
Difference Between Projected and Actual Investment Earnings	224,720	122,598
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	59,525	400,457
Contributions Paid to TRS Subsequent to the Measurement Date	321,036	-
Total	\$ 1,784,999	\$ 1,161,525

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

Year ended August 31:	Pension Expense Amount
2023	\$ (396,754)
2024	(368,290)
2025	(539,812)
2026	(637,217)
2027	(59,148)
Thereafter	(16,263)

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

8. 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 Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state, the College and each participant are 3.3%, 3.3% and 6.65%, respectively. The College contributes 1.31 percent for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district. In certain instances, the College is required to make all or a portion of the State's contribution.

The retirement expense to the state for the College was \$347,904 and \$477,943 for the fiscal years ended August 31, 2022 and 2021, 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 \$12,133,800 and \$12,259,287 for fiscal years 2022 and 2021, respectively. The total payroll of employees covered by the Teacher Retirement System was \$8,505,761 and \$8,089,031, and the total payroll of employees covered by the Optional Retirement Program was \$2,667,173 and \$2,954,271 for fiscal years 2022 and 2021, respectively.

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, 2022, and 2021, the College had 16 and 14 employees, respectively, participating in a deferred compensation program. A total of \$94,752 and \$81,234 in payroll deductions was invested in approved plans during the years ended August 31, 2022 and 2021, respectively.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

9. Compensated Absences

Sick leave, which can be accumulated up to 480 hours, is earned at the rate of 8 hours per month. It is paid to an employee who misses work because of illness. No accumulated sick leave is paid upon termination of employment. Vacation leave does not accumulate or carryover to subsequent years. Therefore, Paris Junior College does not accrue a liability related to compensated absences.

10. 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 \$625 per month for the year ended August 31, 2022, (\$625 per month for 2021) and totaled \$1,224,948 for 2022 (\$1,245,805 for the year ended 2021). The cost of providing those benefits for 148 retirees in the year ended 2022, was \$527,328 (retiree benefits for 149 retirees cost \$537,897 in 2021). For 199 active employees, the cost of providing benefits was \$697,620 for the year ended August 31, 2022 (active employee benefits for 195 employees cost \$707,908 for the year ended 2021). SB 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.

11. Other Post-Employment Benefits (OPEB)

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

OPEB Plan Fiduciary Net Position. Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report (ACFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <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.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

11. Other Post-Employment Benefits (OPEB) (Continued)

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 the 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.

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

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

Retiree Only	\$	624.82
Retiree & Spouse	\$	1,339.90
Retiree & Child	\$	1,103.58
Retiree & Family	\$	1,818.66

Contributions of premiums to the GBP plan are shown below

	2022
Paris Junior College (active and retired)	\$1,891,703
Nonemployer Contributing Entity (State of Texas)	\$1,245,805

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

11. Other Post-Employment Benefits (OPEB) (Continued)

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay, open
Remaining Amortization Period	30 years
Asset Valuation Method	N/A
Discount Rate	2.14%
Projected Annual Salary Increase	2.30% to 9.05%, including inflation
Annual Healthcare Trend Rate	<u>HealthSelect</u> 5.25% for FY2023, 5.15% for FY2024, 5.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points for year to an ultimate rate of 4.30% for FY2030 and later years <u>HealthSelect Medicare Advantage</u> 0% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points for year to an ultimate rate of 4.30% for FY2030 and later years <u>Pharmacy</u> 10.00% for FY2023 and FY2024, decreasing 100 basis points per year to 5.00% for FY2029 and 4.30% for FY2030 and later years
Inflation Assumption Rate	<u>2.30%</u>
Ad hoc Postemployment Benefit Changes	None
Mortality Rate	
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 District RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

11. Other Post-Employment Benefits (OPEB) (Continued)

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 State Retiree Health Plan does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bond rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%, which amounted to a decrease of 0.06%. The source of the municipal bond rate is 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" (PAYGO) 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 of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (2.14%) in measuring the Net OPEB Liability.

	<u>1% Decrease in Discount Rate (1.14%)</u>	<u>Discount Rate (2.14%)</u>	<u>1% Increase in Discount Rate (3.14%)</u>
Paris Junior College Proportionate Share of the Net OPEB Liability:	\$ 26,880,200	\$ 22,568,718	\$ 19,195,628

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 5.25% and the ultimate rate is 4.3%. The following schedule shows the impact on the College's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than or 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB liability.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

11. Other Post-Employment Benefits (OPEB) (Continued)

	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Costs Trend Rates	1% Increase in Healthcare Cost Trend Rate
Paris Junior College Proportionate Share of the Net OPEB Liability:	\$ 18,898,645	\$ 22,568,718	\$ 27,377,168

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2022, the College reported a liability of \$22,568,718 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the College. 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:

	2022	2021
Paris Junior College's Proportionate share of the collective net OPEB liability	\$ 22,568,718	\$ 20,812,214
State's proportionate share that is associated with Paris Junior College	14,870,719	13,694,238
Total	\$ 37,439,437	\$ 34,506,452

The net OPEB liability was measured as of August 31, 2021 and rolled forward to August 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2022, the College's proportionate of the collective net OPEB liability was 0.06290843 which was a decrease of 0.00007370 from its proportion measured as of August 31, 2021.

The amount of OPEB expense recognized by the College in the reporting period was \$181,436 and revenue of \$181,436 for support provided by the State.

Changes in Assumptions or other Inputs

a. The following assumptions or other inputs have been updated since the previous valuation.

i. Demographic Assumptions

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to be married and electing coverage for their spouse.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

11. Other Post-Employment Benefits (OPEB) (Continued)

- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.

ii. Economic Assumptions

- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

Minor benefit changes described below have been reflected in the FY2022 Assumed Per Capita Health Benefits Costs.

iii. Other Inputs

The discount rate was changed from 2.20% to 2.14% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

- b. Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

At August 31, 2022, the College reported its proportionate share of the ERS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

11. Other Post-Employment Benefits (OPEB) (Continued)

	2022 Deferred Outflows of Resources	2022 Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 553,585
Changes in Actuarial Assumptions	1,545,145	2,513,654
Difference Between Projected and Actual Investment Earnings	3,997	-
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	1,467,402	1,077,337
Contributions Paid to ERS Subsequent to the Measurement Date	357,177	-
Total	\$ 3,373,721	\$ 4,144,576
	2021 Deferred Outflows of Resources	2021 Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 813,976
Changes in Actuarial Assumptions	1,204,882	4,484,174
Difference Between Projected and Actual Investment Earnings	6,211	-
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	1,277,951	477,740
Contributions Paid to ERS Subsequent to the Measurement Date	403,376	-
Total	\$ 2,892,420	\$ 5,775,890

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

Year ended August 31:	OPEB Expense Amount
2023	\$ (865,102)
2024	(284,825)
2025	(91,242)
2026	36,878
2027	76,259
Thereafter	-

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

12. Disaggregation of Receivables and Payables Balances

Receivables at August 31, 2022 and 2021, were as follows:

	2022	2021
Student Receivables	\$ 2,171,617	\$ 2,195,716
Taxes Receivables	395,538	394,480
Federal Receivables	533,274	428,536
Other Receivables	25,121	93,774
Subtotal	3,125,550	3,112,506
Allowance for Doubtful Accounts	(1,797,583)	(2,029,922)
Total	\$ 1,327,967	\$ 1,082,584

Payables at August 31, 2022 and 2021, were as follows:

	2022	2021
Vender Payable	\$ 1,099,614	\$ 662,486
Accrued Liabilities	-	39,047
Other Payables	-	-
Total	\$ 1,099,614	\$ 701,533

13. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

14. Risk Management

The College is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Except for workers' compensation insurance, the College carries commercial insurance for all the risks of loss. The College accounts for risk management issues in accordance with GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues.

The College participates in the Workers' Compensation Fund of the Texas Educational Insurance Association (Fund) administered by Claims Administrative Services, Inc. The College is responsible for the payment of all claims until a certain threshold is reached. Whenever the claims exceed the threshold, a commercial insurance policy pays the excess claims. The Fund's specific retention of loss is \$1,000,000, with an aggregate limit of \$5,000,000; the College's maximum fund loss is \$152,704. Premiums of \$33,915 and \$33,278 for this insurance were allocated to the College for the years ended August 31, 2022 and 2021; respectively.

The following schedule summarizes the changes in claims liabilities for the years ended August 31, 2022 and 2021:

	2022	2021
Claims Liabilities – Beginning of the	\$ 127,613	\$ 100,460
Incurred Claims	47,145	46,693
Change in Prior Year Claims	(4,004)	(4,316)
Estimates	(37,442)	(15,224)
Payment on Claims	133,312	127,613
Claims Liabilities – End of Year	\$ 133,312	\$ 127,613

The claims liability is reported in accrued liabilities in the financial statements and includes \$45,997 and \$45,180 of estimated claims incurred but not reported, as determined actuarially by the administrator at August 31, 2022 and 2021, respectively.

15. Property Tax

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

	2022	2021
Assessed Valuation of the District	\$ 5,587,197,397	\$ 4,646,902,452
Less: Exemptions and Abatements	1,077,201,794	951,046,253
Net Assessed Valuation of the District	\$ 4,509,995,603	\$ 3,695,856,199

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

15. Property Tax (Continued)

	Current Operations	Debt Service	Total
<u>2022</u>			
Tax Rate per \$100 Valuation for Authorized	\$ 0.2700	\$ 0.5000	\$ 0.7700
Tax Rate per \$100 Valuation for Assessed	\$ 0.0815	\$ -	\$ 0.0815
<u>2021</u>			
Tax Rate per \$100 Valuation for Authorized	\$ 0.2700	\$ 0.5000	\$ 0.7700
Tax Rate per \$100 Valuation for Assessed	\$ 0.0890	\$ -	\$ 0.0890

Taxes levied for the years ended August 31, 2022 and 2021, are \$3,692,133 and \$3,423,197, respectively including penalty and interest assessed. 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.

Year	Taxes Collected	Current Operations	Debt Service	Total
2022	Current Taxes Collected	\$ 3,596,319	\$ -	\$ 3,596,319
	Delinquent Taxes Collected	95,991	-	95,991
	Penalties and Interest Collected	77,322	-	77,322
	Total Collected	\$ 3,769,632	\$ -	\$ 3,769,632
2021	Current Taxes Collected	\$ 3,334,154	\$ -	\$ 3,334,154
	Delinquent Taxes Collected	73,136	-	73,136
	Penalties and Interest Collected	75,479	-	75,479
	Total Collected	\$ 3,482,769	\$ -	\$ 3,482,769

Tax collections for the years ended August 31, 2022 and 2021, were 97.8% and 101.4%, 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 to either maintenance and operations or interest and sinking expenditures.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

16. Tax Abatements

Paris Junior College has entered into property tax abatement agreements with local businesses under the Property Redevelopment & Tax Abatement Act, Texas Tax Code Chapter 312. Under the Act, localities may grant property tax abatements from 0 to 100 percent of a business' property tax bill for attracting or retaining businesses within their taxing jurisdictions. The abatements were granted to businesses located within or promising to relocate to the taxing district of Paris Junior College for (i) jobs created, (ii) jobs retained in cases of existing employers within the taxing district, and (iii) broadening of the tax base, and expansion of economic base. Paris Junior College discontinued granting tax abatements in 2015.

For the fiscal year ended August 31, 2022, Paris Junior College had commitments outstanding for abated property taxes totaling \$51,857 under this program, including the following agreements that each exceeded 10 percent of the total amount abated:

- A 100 percent property tax abatement to Kimberly-Clark Corporation for expansion and addition of new equipment. The abatement amounted to \$29,955.
- A 100 percent property tax abatement to Essent PRMC LP for expansion. The abatement amounted to \$17,361.

17. 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, 2022 and 2021.

18. Related Party of the College

A Board Member of the College is a partial owner in a service provider that the College utilizes. A Board Member of the College is the owner of the insurance company that the College utilizes. Said members abstain from discussions and votes that relate to the corresponding companies selected and utilized by the College.

19. Subsequent Events

Subsequent events have been evaluated through December 28, 2022, which is the date the financial statements were available to be issued.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

20. Component Unit

The Paris Junior College Memorial Foundation, Inc. - Discrete Component Unit

The Paris Junior College Memorial Foundation, Inc. (the Foundation) was established as a separate nonprofit corporation in 1944 to raise funds to provide student scholarships and assistance in the development and growth of the College. Under Governmental Standards Board Statement No. 39, *Determining Whether Certain Organization are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

Accordingly, the Foundation's financial statements are included in the College's annual report as a discrete component unit (see table of contents). Selected disclosures are included in the College's financial statements.

General and Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Foundation maintains its accounts in accordance with the principles of fund accounting. Resources for various purposes are classified into funds that are in accordance with activities or objectives specified by donors. Separate accounts are maintained for each fund. For reporting purposes, however, the Foundation classifies net position and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net position of the Foundation and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grant) restrictions. The governing board may designate from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires. That is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

20. Component Unit (Continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, the Foundation considers all bank deposits and highly liquid financial instruments, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature or other long-term purposes are excluded from this definition.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. The carrying amounts of other investments are based on the historical cost of those investments. Realized and unrealized gains and losses are reported in the statement of activities.

In accordance with generally accepted accounting principles, investment in financial and nonfinancial assets are reported in a three-tiered hierarchy as follows:

Level I - Assets are based on quoted prices or unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the Foundation's year end.

Level II - Assets are based on other than quoted prices or adjusted quoted prices of similar assets or liabilities in markets that are not active.

Level III - Assets are based on unobservable inputs and shall reflect the Foundation's own assumptions about the assets or liabilities.

This fair value hierarchy gives the highest priority to Level I assets and the lowest priority to Level III assets.

Capital Assets and Depreciation

Capital assets are recorded at cost or at estimated fair market value at the date of the gift if donated. The Foundation'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. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Assets donated with specific restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

20. Component Unit (Continued)

Capital Assets and Depreciation (Continued)

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives range from 10 to 30 years.

Contributions

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributed Services

The services of the Foundation employees and certain operating costs have been donated by the College. The estimated value of these contributed services is \$59,640 and \$57,040 for the years ended August 31, 2022 and 2021, respectively, and has been included in revenues and expenses in the accompanying financial statements.

Concentration of Credit Risk

The Foundation maintains its cash and cash equivalents in bank and money market accounts which could possibly exceed federally insured limits. However, the Foundation does not believe that it is exposed to any significant credit risk in connection with these accounts.

Functional Allocation of Expenses

The costs of program and support services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of estimates of time and effort.

Federal Income Taxes

The income of the Foundation, except for unrelated business income, is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code. The Foundation had no unrelated business income during the years ended August 31, 2022 and 2021.

Use of Estimates

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

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

20. Component Unit (Continued)

Risks and Uncertainties

The Foundation invests in various investment securities which are inherently exposed to various risks such as interest rate fluctuations, and market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Investments

The following schedule summarizes the Foundation's Level I investments on a recurring basis as of August 31, 2022 and 2021:

Type of Security	Fair Value	
	2022	2021
Basic Materials	\$ 186,872	\$ 310,758
Consumer Cyclical	1,494,367	1,519,129
Consumer Non-Cyclical	2,555,559	2,731,441
Energy	5,122,592	3,151,882
Financial	8,803,992	9,449,522
Healthcare	4,481,462	3,868,104
Industrial	479,662	1,185,114
Technology	4,721,590	3,931,283
Preferred Stock	943,370	-
Closed End Funds (Precious Metals)	-	259,555
Corporate Bonds	340,729	477,281
Government Bonds	77	213
Municipal Bonds	-	185,219
Mutual Funds (Equity)	-	183,040
Unit Investment Trust	-	-
Exchange Trade Portfolios	-	265,540
Certificate of Deposit	226,566	262,809
Total Investments	<u>\$ 29,356,838</u>	<u>\$ 27,780,890</u>

The Foundation holds investment assets of common stock valued at \$780,000 that is a Level II investment. The remainder of the Foundation's investments are Level I investments.

Fees paid for by the Foundation investment management services amounted to \$81,763 and \$69,168 for the years ended August 31, 2022 and 2021.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

20. Component Unit (Continued)

Liquidity and Availability of Resources

Financial assets available for general expenditures, that is, without donor restrictions limiting their use or without requiring specific action of the Board, within one year of the date of the statements of financial position as of August 31, 2022 and 2021, are comprised of the following:

	2022	2021
Cash and Cash Equivalents	\$ 522,475	\$ 240,883
Investments	30,136,838	28,560,889
	30,659,313	28,801,772
Donor-Restricted Funds	(30,632,173)	(28,785,085)
Financial Assets Available to Meet General Expenditure Needs Within One Year	<u>\$ 27,140</u>	<u>\$ 16,687</u>

Capital Assets

The following schedule summarizes the Foundation's capital assets as of August 31, 2022 and 2021:

	2022	2021
Land	\$ 500	\$ 500
Building	170,273	170,273
Improvements	14,603	14,603
	185,376	185,376
Accumulated Depreciation	(183,314)	(182,444)
Total Property and Equipment	<u>\$ 2,062</u>	<u>\$ 2,932</u>

Endowment Funds

The Foundation has donor restricted endowments that are to be used only for identified scholarships and other identified purposes and that are maintained in accordance with explicit donor stipulations. The Board of Trustees of the Foundation has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of gifts to donor Restricted Endowments as of the date of the gift, absent explicit donor stipulations to the contrary. The Foundation interprets the definition of donor-restricted endowments to include the original value of gifts to an endowment and subsequent gifts donated to the fund, and any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

20. Component Unit (Continued)

Endowment Funds (Continued)

time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence described in TUPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Endowment funds are maintained in an investment account which is managed by an independent financial firm that follows guidelines provided in the investment policy approved by the Board of Directors.

As of August 31, 2022, and 2021, Donor Restricted Endowment Funds were as follows:

<u>Donor-Restricted Endowment Fund</u>	<u>2022</u>	<u>2021</u>
Original Donor-Restricted Gift Amounts and Accounts Required to be Maintained in Perpetuity by Donor	\$ 10,374,504	\$ 10,061,773
Accumulated Investment Gains	<u>18,982,334</u>	<u>17,719,116</u>
Total	<u>\$ 29,356,838</u>	<u>\$ 27,780,889</u>

Funds with Deficiencies

In accordance with accounting standards, the Foundation considers an endowment to be deficient (underwater funds) if its fair value is less than the sum of (a) the original value of initial and subsequent gifts donated to the endowment and (b) any donor-imposed accumulations to the endowment that must be maintained in perpetuity. The Foundation has interpreted TUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of August 31, 2022, and 2021, there were no endowment funds with deficiencies.

Paris Junior College
Notes to Financial Statements (Continued)
August 31, 2022 and 2021

20. Component Unit (Continued)

Investment and Spending Policies

The primary goals of the endowments are as follow: (1) Provide the highest sustainable, consistent flow of funds to support the activities of the Foundation or those designated by the donor, (2) Protect the future purchasing power of the principal of the endowed funds by reserving an appropriate portion of investment return to offset the cumulative effects of inflation and provide future real growth of the Foundation assets, and (3) Manage the spending distribution over time to reduce, as far as possible, annual variations in the level of support provided by the Foundation.

The Investment Committee of the Foundation outlines the asset allocations, permissible investments, and objectives of the portfolios in the Investment Policy.

Changes in Endowment net assets for the years ended August 31, 2022 and 2021 are as follows:

	2022	2021
Endowment Net Assets, Beginning of Year	\$ 28,857,205	\$ 21,872,810
Investment Income, Net	2,040,056	7,266,491
Contributions	410,411	259,878
Transfer and Reclassification	-	-
Net Assets Released from Restrictions	(593,797)	(541,974)
Endowment Net Assets, End of Year	<u>\$ 30,713,875</u>	<u>\$ 28,857,205</u>

Subsequent Events

Subsequent events have been evaluated through December 28, 2022, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Paris Junior College
Required Supplementary Information
August 31, 2022 and 2021

Schedule of Proportionate Share of Net Pension Liability

<u>Fiscal year ending August 31,*</u>	Paris Junior College's Proportionate Share of Collective Net Pension Liability (%)	Paris Junior College's Proportionate Share of Collective Net Pension Liability (\$)	State's Proportionate Share of Net Pension Liability Associated with Paris Junior College	Total
2022	0.000089%	\$ 2,265,810	\$ 1,445,222	\$ 3,711,032
2021	0.000094%	5,044,514	3,163,113	8,207,627
2020	0.000097%	5,030,041	3,134,279	8,164,320
2019	0.010150%	5,587,806	3,467,855	9,055,661
2018	0.013070%	3,316,430	1,951,953	5,268,383
2017	0.009950%	3,760,080	2,359,068	6,119,148
2016	0.010951%	3,871,174	2,508,903	6,380,077
2015**	0.012075%	3,225,507	2,233,999	5,459,506

<u>Fiscal year ending August 31,*</u>	Paris Junior College Covered Employee Payroll Amount	Paris Junior College Proportionate Share of Collective Net Pension Liability (%) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as Percentage of the Total Pension Liability
2022	\$ 8,505,761	26.64%	88.79%
2021	8,089,031	62.36%	73.74%
2020	8,242,718	61.04%	73.74%
2019	8,035,171	69.54%	73.74%
2018	7,903,988	41.96%	82.17%
2017	7,505,463	50.10%	78.00%
2016	7,392,598	52.37%	78.43%
2015**	7,722,452	41.77%	83.25%

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

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

Schedule of Pension Contributions

<u>Fiscal year ending August 31,*</u>	Legally Required Contributions	Actual Contributions	Contributions Deficiency (Excess)	Paris Junior College Covered Employee Payroll Amount	Ratio of Actual Contributions/ ER Covered Payroll Amount
2022	\$ 399,248	\$ 399,248	\$ -	\$ 8,505,761	4.69%
2021	364,152	364,152	-	8,089,031	4.50%
2020	372,839	372,839	-	8,242,718	4.52%
2019	328,112	328,112	-	8,035,171	4.08%
2018	321,268	321,268	-	7,903,988	4.06%
2017	310,910	310,910	-	7,505,463	4.14%
2016	307,172	307,172	-	7,392,598	4.16%
2015**	316,189	316,189	-	7,722,452	4.09%

*The amounts presented above are as of the measurement date of the most recent fiscal year-end.

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

Paris Junior College
Required Supplementary Information (Continued)
August 31, 2022 and 2021

Schedule of Proportionate Share of Net OPEB Liability

<u>Fiscal year ending August 31,*</u>	Paris Junior College's Proportionate Share of Collective Net OPEB Liability (%)	Paris Junior College's Proportionate Share of Collective Net OPEB Liability (\$)	State's Proportionate Share of Net OPEB Liability Associated with Paris Junior College	Total
2022	0.062908%	\$ 22,568,718	\$ 14,870,719	\$ 37,439,437
2021	0.065604%	20,812,214	13,694,238	34,506,452
2020	0.060086%	20,767,424	14,588,717	35,356,141
2019	0.065604%	19,443,602	10,864,513	30,308,115
2018**	0.061222%	20,860,173	15,386,001	36,246,174

<u>Fiscal year ending August 31,*</u>	Paris Junior College Covered Employee Payroll Amount	Paris Junior College Proportionate Share of Collective Net OPEB Liability (%) as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as Percentage of the Total OPEB Liability
2022	\$ 12,133,800	186.00%	1.73%
2021	12,259,287	169.77%	1.27%
2020	12,283,921	169.06%	1.27%
2019	11,991,712	162.14%	1.27%
2018**	11,048,585	188.80%	2.04%

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

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

Schedule of OPEB Contributions
Employee Retirement System of Texas

<u>Fiscal year ending August 31,*</u>	Legally Required Contribution (Active and Retired)	Actual Contribution	Contributions Deficiency (Excess)	Paris Junior College Covered Employee Payroll Amount	Ratio of Actual Contributions/ ER Covered Payroll Amount
2022	\$ 1,891,703	\$ 1,891,703	\$ -	\$ 12,133,800	15.59%
2021	1,890,104	1,890,104	-	12,259,287	15.42%
2020	1,893,348	1,893,348	-	12,283,921	15.41%
2019	1,780,496	1,780,496	-	11,991,712	14.85%
2018*	1,774,447	1,774,447	-	11,048,585	16.06%

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

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

Paris Junior College
Notes to Required Supplementary Information
August 31, 2022 and 2021

Defined Benefit Pension Plan

Changes of Assumptions Since the Prior Measurement Date

The following changes to actuarial assumptions and other inputs affected the measurement of the amounts reported in the RSI schedules related to pensions:

- The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020

Defined Benefit OPEB Plan

Changes in Assumptions Since the Prior Measurement Date

Demographic Assumptions

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

- Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumes rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

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

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.

Economic Assumptions

- Assumed per capita health benefit costs, and health benefit costs and retiree contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the Affordable Care Act 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.

Paris Junior College
Notes to Required Supplementary Information (Continued)
August 31, 2022 and 2021

Defined Benefit OPEB Plan (Continued)

- The discount rate was changed from 2.97 percent to 2.20 percent as a result of requirements by GASB Statement 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms Since Prior Measurement Date

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2021, are provided for in the FY2021.

Assumed Per Capita Health Benefit Costs. There were no benefit changes for HealthSelect retirees and the dependents for whom Medicare is primary.

Paris Junior College
Schedule A
Schedule of Operating Revenues
Year Ended August 31, 2022 (With Memorandum Totals for the Year Ended August 31, 2021)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2022 Total	2021 Total
Tuition and Fees						
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 1,203,738	\$ -	\$ 1,203,738	\$ -	\$ 1,203,738	\$ 1,290,039
Lost Revenue - Tuition	2,238,203	-	2,238,203	-	2,238,203	2,222,559
Out-of-District Resident Tuition	4,732,191	-	4,732,191	-	4,732,191	4,685,726
Non-Resident Tuition	350,422	-	350,422	-	350,422	238,122
TPEG Credit (Set-Aside)	445,631	-	445,631	-	445,631	303,737
State Funded Continuing Education	696,852	-	696,852	-	696,852	456,758
Non-State Funded Continuing Education	29,026	-	29,026	-	29,026	22,357
TPEG Non-Credit (Set-Aside)	42,238	-	42,238	-	42,238	28,420
Total Tuition	9,738,301	-	9,738,301	-	9,738,301	9,247,718
Fees						
General Fee	1,583,941	-	1,583,941	-	1,583,941	1,657,336
Laboratory Fee	179,490	-	179,490	-	179,490	185,357
Installment Handling Fee	8,455	-	8,455	-	8,455	6,000
Other Fees	2,245,821	-	2,245,821	-	2,245,821	2,392,378
Total Fees	4,017,707	-	4,017,707	-	4,017,707	4,241,071
Scholarship Allowances and Discounts						
Scholarship Allowances	(108,926)	-	(108,926)	-	(108,926)	(154,060)
Remissions and Exemptions	(1,639,457)	-	(1,639,457)	-	(1,639,457)	(1,455,336)
TPEG Allowances	(140,370)	-	(140,370)	-	(140,370)	(175,481)
Federal Grants to Students	(2,863,380)	-	(2,863,380)	-	(2,863,380)	(3,134,230)
Total Scholarship Allowances and Discounts	(4,752,133)	-	(4,752,133)	-	(4,752,133)	(4,919,107)
Total Net Tuition and Fees	9,003,875	-	9,003,875	-	9,003,875	8,569,682
Other Operating Revenues						
Federal Grants and Contracts	-	2,438,571	2,438,571	-	2,438,571	2,255,920
State Grants and Contracts	-	490,812	490,812	-	490,812	504,973
Non-Governmental Grants and Contracts	141,349	-	141,349	-	141,349	346,636
Sales and Service of Educational Activities	-	-	-	188,909	188,909	125,101
Other Operating Revenues	529,918	-	529,918	9,424	539,342	521,865
Total Other Operating Revenues	671,267	2,929,383	3,600,650	198,333	3,798,983	3,754,495
Auxiliary Enterprises						
Residential Life	-	-	-	1,005,319	1,005,319	675,180
Lost Revenue - Auxiliary	-	-	-	-	-	486,938
Scholarship Allowance and Discounts	-	-	-	(266,825)	(266,825)	(300,059)
Net Residential Life	-	-	-	738,494	738,494	862,059
Bookstore	-	-	-	68,116	68,116	128,723
Athletics	-	-	-	9,022	9,022	10,100
Total Net Auxiliary Enterprises	-	-	-	815,632	815,632	1,000,882
Total Operating Revenues (Exhibit 2)	\$ 9,675,142	\$ 2,929,383	\$ 12,604,525	\$ 1,013,965	\$ 13,618,490	\$ 13,325,059
					(Exhibit 2)	(Exhibit 2)

In accordance with Education Code 56.033, \$487,869 and \$332,157 for years ended August 31, 2022 and 2021, respectively, was set aside for Texas Public Education Grants (TPEG).

Paris Junior College
Schedule B
Schedule of Operating Expenses by Object
Year Ended August 31, 2022 (With Memorandum Totals for the Year Ended August 31, 2021)

	Operating Expenses				2022	2021
	Salaries and Wages	Benefits	Local	Other Expenses		
Unrestricted - Educational Activities		State				
Instruction	\$ 6,088,862	\$ -	\$ 1,610,328	\$ 748,102	\$ 8,447,292	\$ 8,165,727
Public Service	93,735	-	146,347	6,161	246,243	136,370
Academic Support	732,230	-	80,240	150,299	962,769	1,217,585
Student Services	1,293,080	34,683	302,473	126,588	1,756,824	1,832,503
Institutional Support	1,755,088	-	(166,213)	1,031,782	2,620,657	3,298,125
Operational and Maintenance of Plant	871,478	-	260,899	1,339,165	2,471,542	2,228,370
Scholarships and Fellowships	-	-	-	359,870	359,870	339,604
Total Unrestricted - Educational Activities	10,834,473	34,683	2,234,074	3,761,967	16,865,197	17,218,284
Restricted - Educational Activities						
Instruction	301,631	183,219	52,265	570,386	1,107,501	1,371,594
Public Service	197,668	15,557	55,230	381,382	649,837	522,374
Academic Support	-	9,201	-	-	9,201	60,825
Student Services	571,540	-	186,077	638,789	1,396,406	1,386,416
Institutional Support	-	32,511	-	-	32,511	99,821
Operational and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	304	-	24	10,440,856	10,441,184	8,957,171
Total Restricted - Educational Activities	1,071,143	240,488	293,596	12,031,413	13,636,640	12,398,201
Total Educational Activities	11,905,616	275,171	2,527,670	15,793,380	30,501,837	29,616,485
Auxiliary Enterprises	111,223	-	26,912	1,343,583	1,481,718	969,777
Depreciation Expense-Building and Other	-	-	-	978,347	978,347	1,102,269
Real Estate Improvement	-	-	-	-	-	-
Depreciation Expense-Equipment	-	-	-	454,008	454,008	511,514
Ammortization Expense - Equipment	-	-	-	21,436	21,436	-
Total	\$ 12,016,839	\$ 275,171	\$ 2,554,582	\$ 18,590,754	\$ 33,437,345	\$ 32,200,045

(Exhibit 2)

(Exhibit 2)

Paris Junior College
Schedule C
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2022 (With Memorandum Totals for the Year Ended August 31, 2021)

	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>2022</u>	<u>2021</u>
Non-Operating Revenues					
State Appropriations					
Education and General - State Support	\$ 7,383,978	\$ -	\$ -	\$ 7,383,978	\$ 7,959,679
State Group Insurance	-	-	182,432	182,432	162,689
State Retirement Matching	-	-	99,512	99,512	856,943
Professional Nursing Shortage Reduction	-	-	21,123	21,123	25,348
Total State Appropriations	<u>7,383,978</u>	<u>-</u>	<u>303,067</u>	<u>7,687,045</u>	<u>9,004,659</u>
Lost Revenue - State Appropriations	568,729	-	-	568,729	-
Ad Valorem Taxes	3,769,632	-	-	3,769,632	3,482,769
Federal Revenue, Non-Operating	13,039,624	-	-	13,039,624	12,063,057
Gifts	128,121	-	-	128,121	60,331
Insurance Proceeds	64,674	-	-	64,674	101,883
Investment Income	260,508	-	-	260,508	114,513
Total Non-Operating Revenues	<u>25,215,266</u>	<u>-</u>	<u>303,067</u>	<u>25,518,333</u>	<u>24,827,212</u>
Non-Operating Expenses					
Interest on Capital Related Debt	337,097	-	-	337,097	450,854
Interest on Right of Use Assets	1,253	-	-	1,253	-
Total Non-Operating Expenses	<u>338,350</u>	<u>-</u>	<u>-</u>	<u>338,350</u>	<u>450,854</u>
Net Non-Operating Revenues	<u>\$ 24,876,916</u>	<u>\$ -</u>	<u>\$ 303,067</u>	<u>\$ 25,179,983</u>	<u>\$ 24,376,358</u>
				(Exhibit 2)	(Exhibit 2)

Paris Junior College
Schedule D
Schedule of Net Position by Source and Availability
Year Ended August 31, 2022 (With Memorandum Totals for the Year Ended August 31, 2021)

	Detail by Source					Available for Current Operations	
	Restricted			Net Investment in Capital Assets	Total	Yes	No
	Unrestricted	Expendable	Non-Expendable				
Current							
Unrestricted	\$ 2,928,650	\$ -	\$ -	\$ -	\$ 2,928,650	\$ 2,928,650	\$ -
Board Designated	-	6,720,475	-	-	6,720,475	-	6,720,475
Restricted	-	3,111,611	-	-	3,111,611	-	3,111,611
Auxiliary Enterprises	749,148	-	-	-	749,148	749,148	-
Loan	-	-	-	-	-	-	-
Endowment							
Quasi							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	244,452	-	-	244,452	-	244,452
Endowment							
Term (per instructions at maturity)	-	-	-	-	-	-	-
True	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant	-	-	-	-	-	-	-
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt Service	-	(3,157,142)	-	-	(3,157,142)	-	(3,157,142)
Investment in Plant	-	-	-	30,220,571	30,220,571	-	30,220,571
Total Net Position, August 31, 2022	3,677,798	6,919,396	-	30,220,571	40,817,765	3,677,798	37,139,967
					(Exhibit 1)		
Total Net Position, August 31, 2021	1,038,651	7,413,749	-	27,004,237	35,456,637	1,040,563	34,417,986
					(Exhibit 1)		
Net Increase (Decrease) in Net Position	\$ 2,639,147	\$ (494,353)	\$ -	\$ 3,216,334	\$ 5,361,128	\$ 2,637,235	\$ 2,721,981
					(Exhibit 2)		

Paris Junior College
Schedule E
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2022

Federal Grantor/Cluster/Program Title	Federal Assistance Listing	Direct Awards	Pass-Through Awards	Total	Subrecipients Expenditures
U.S. Department of Education					
Direct Programs					
TRIO Cluster					
Talent Search	84.044	\$ 367,583	\$ -	\$ 367,583	\$ -
Upward Bound	84.047	403,861	-	403,861	-
Educational Opportunity Center	84.066	303,435	-	303,435	-
Total TRIO Cluster		<u>1,074,879</u>	<u>-</u>	<u>1,074,879</u>	<u>-</u>
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	147,175	-	147,175	-
Federal Work-Study Programs	84.033	67,348	-	67,348	-
Federal Pell Grant Programs	84.063	5,593,263	-	5,593,263	-
Federal Direct Student Loan	84.268	402,732	-	402,732	-
Total Student Financial Assistance Cluster		<u>6,210,518</u>	<u>-</u>	<u>6,210,518</u>	<u>-</u>
COVID-19 Federal Education Stabilization Fund					
Direct Programs					
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425E	2,865,751	-	2,865,751	-
COVID-19 Higher Education Emergency Relief Fund - Student Aid Portion	84.425F	3,258,345	-	3,258,345	-
COVID-19 Higher Education Emergency Relief Fund - Strengthening Institutional	84.425M	567,923	-	567,923	-
Pass-Through from					
Texas Higher Education Coordinating Board					
COVID-19 Education Stabilization Fund - Governor's Reporting Modernization Grant I & II					
2020-GE-84425C	84.425C	9,895	-	9,895	-
COVID-19 Education Stabilization Fund - Governor's True Grant					
2020-GE-84425C	84.425C	246,993	-	246,993	-
Total COVID-19 Federal Education Stabilization Fund		<u>6,948,907</u>	<u>-</u>	<u>6,948,907</u>	<u>-</u>
Pass-Through from					
Texas Workforce Commission					
Adult Education - Basic Grant to States					
0418ALAC02	84.002	70,788	-	70,788	-
Adult Education - Basic Grant to States					
0418ALAD02	84.002	63,425	-	63,425	-
Adult Education - Basic Grant to States					
North Texas Community College					
0718ALC00	84.002	-	40,029	40,029	6,255
Adult Education - Basic Grant to States					
North Texas Community College					
0718ALAD00	84.002	-	446,949	446,949	237,054
Total Texas Workforce Commission		<u>134,213</u>	<u>486,978</u>	<u>621,191</u>	<u>243,309</u>
Pass-Through from					
Texas Higher Education Coordinating Board					
Career and Technical Education - Basic 2142020271	84.048	212,198	-	212,198	-
Total Career and Technical Education		<u>212,198</u>	<u>-</u>	<u>212,198</u>	<u>-</u>
Total U.S. Department of Education		<u>14,580,715</u>	<u>486,978</u>	<u>15,067,693</u>	<u>243,309</u>

Paris Junior College
Schedule E (Continued)
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2022

Federal Grantor/Cluster/Program Title	Federal Assistance Listing	Direct Awards	Pass-Through Awards	Total	Subrecipients Expenditures
<u>U.S. Department of Veterans Affairs</u>					
Veterans Benefits Administration	64.028	137,087	-	137,087	-
Total U.S. Department of Veterans Affairs		137,087	-	137,087	-
<u>U.S. Small Business Administration</u>					
Pass-Through from					
Dallas County Community College District					
Small Business Development Centers					
SBAHQ-20-B-0014	59.037	10,943	-	10,943	-
Small Business Development Centers					
SBAHQ-22-B-0006	59.037	100,432	-	100,432	-
Small Business Development Centers					
Cares Grant SBAHQ-20-C-0059	59.037	73,178	-	73,178	-
Total U.S. Small Business Administration		184,553	-	184,553	-
<u>U.S. Department of Health and Human Services</u>					
Pass-Through from					
Texas Workforce Commission					
Temporary Assistance for Needy Families					
041BALAC02	93.558	7,856	-	7,856	-
Temporary Assistance for Needy Families					
041BALAD02	93.558	946	-	946	-
Temporary Assistance for Needy Families					
North Texas Community College					
0718ALAC00	93.558	3,897	-	3,897	-
Temporary Assistance for Needy Families					
North Texas Community College					
0718ALAD00	93.558	6,271	-	6,271	-
Total U.S. Department of Health and Human Services		18,970	-	18,970	-
<u>Corporation for National and Community Services</u>					
Pass-Through from					
State Comptroller					
Retired Senior Volunteer Program	94.002	55,154	-	55,154	-
20SRWTX025					
Total Corporation for National and Community Services		55,154	-	55,154	-
Total Federal Financial Assistance		\$ 14,976,479	\$ 486,978	\$ 15,463,457	\$ 243,309

Notes

Note 1 - Federal Financial Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$ 2,438,571
Add: Non-operating Federal Revenue	13,039,624
Add/Subtract: Reconciling Items	(14,738)
Total: Federal Financial Assistance	<u>\$ 15,463,457</u>

Paris Junior College
Schedule E (Continued)
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2022

Notes (Continued)

Note 2 – Significant Accounting Policies Used in Preparing the Schedule

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

Note 3 – Indirect Cost Rate

Paris Junior College has elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

Paris Junior College
Schedule F
Schedule of Expenditures of State of Texas Awards
Year Ended August 31, 2022

<u>Grantor/Pass-Through Grantor/Program/Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
<u>Texas Workforce Commission</u>		
Adult Basic Education	0418ALAC02	\$ 12,879
Adult Basic Education	0418ALAD02	2,533
Adult Basic Education	0718ALAC00	6,389
Adult Basic Education	0718ALAD00	4,264
Skills Development		
Fund COVID-19 Special Initiative	0720COS002	14,736
Paris Junior College in Partnership with a Food Consortium	0720SDF001	2,444
Skills Development Fund Metro Gate	0721SDF001	103,125
TANF Camp Code	2922TAN002	50,184
Total Texas Workforce Commission		<u>196,554</u>
<u>Texas Comptroller of Public Accounts</u>		
Texas Workstudy	N/A	<u>7,918</u>
Total Texas Comptroller of Public Accounts		<u>7,918</u>
<u>Texas Health and Human Service Commission</u>		
Pass through		
Retired Senior Volunteer Program	HHS000871100017	<u>21,738</u>
Total Texas Health and Human Service Commission		<u>21,738</u>
<u>Texas Higher Education Coordinating Board</u>		
Educational Aide Exemption	N/A	1,000
Nursing Innovation Grant Program	N/A	62,161
TEOG Grant Program	N/A	201,406
Total Texas Higher Education Coordinating Board		<u>264,567</u>
<u>Dallas County Community College District</u>		
Small Business Development Center	SBAHQ-20-B-0014	3,341
Small Business Development Center	SBAHQ-22-B-0006	19,347
Total Dallas County Community College District		<u>22,688</u>
Total State Financial Assistance		<u>513,465</u>

Notes

Note 1 - State Financial Assistance Reconciliation

State Grants and Contracts Revenue - per Schedule A	\$ 490,812
Add/Subtract: Reconciling items	22,653
Total: State Financial Assistance	<u>\$ 513,465</u>

Note 2 - Significant Accounting Policies Used in Preparing the Schedule

The expenditures included in the schedule are reported using accrual accounting. See Note 2 to the financial statements for Paris Junior College's significant accounting policies. These expenditures are reported on Paris Junior College's fiscal year. The expenditure reports to funding agencies are prepared on the award period basis.

Note 3 - Indirect Cost Rate

Paris Junior College has elected to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Board of Regents
Paris Junior College
Paris, Texas

Members of the Board of Regents:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Paris Junior College (the College) as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 28, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Texas Public Funds Investment Act

We have performed tests designed to verify the College's compliance with the requirements of the Public Funds Investment Act (the "Act"). However, providing an opinion on compliance with the Act was not an objective of our audit, and accordingly, we do not express an opinion. During the year ended August 31, 2022, no instances of non-compliance with the Act was found.

Purpose of this Report

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

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
December 28, 2022

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

Board of Regents
Paris Junior College
Paris, Texas

Members of the Board of Regents:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Paris Junior College's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2022. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Paris Junior College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Paris Junior College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion of the effectiveness of Paris Junior College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-01. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Paris Junior College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Paris Junior College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-01 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on Paris Junior College's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Paris Junior College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
December 28, 2022

Paris Junior College
Schedule of Findings and Questioned Costs
Year Ended August 31, 2022

A. Summary of Auditors' Results

1. Financial Statements

Type of Auditors' Report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ No

Non-compliance material to financial statements noted? ☐ Yes ☒ No

2. Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) ☒ Yes ☐ No

Major programs are as follows:

Federal

Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268
COVID-19 Federal Education Stabilization Fund	84.425E, 84.425F, 84.425M
COVID-19 Governor's Emergency Education Relief Fund	84.425C
Adult Education – Basic Grant to States	84.002

The threshold used to distinguish between Type A and Type B federal programs was \$750,000 and state programs was \$750,000.

Paris Junior College does qualify as a low-risk auditee in the context of OMB 2 CFR 200.516(a).

Paris Junior College
Schedule of Findings and Questioned Costs (continued.)
Year Ended August 31, 2022

B. Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

C. Findings and Questioned Costs for Federal Award

U.S. Department of Education

Program Name: COVID-19 Higher Education Emergency Relief Fund

CFDA #: 84.425E, 84.425F, and 84.425M

Significant Deficiency

Finding 2022-01 – Federal Reporting Compliance and Internal Control over Compliance Reporting

Condition: During the course of our audit, we noted that the College failed to timely submit one quarterly report and report accurate amount of student emergency awards disbursed as required by the Department of Education.

Criteria: Internal control and reporting procedures affect the College's ability to report accurate disbursements and submit reports in a timely manner. Management must establish and maintain effective internal controls to provide reasonable assurance that accurate reports are submitted timely.

Cause: As a result of this condition, quarterly reports were not accurately reporting student emergency awards disbursed and were not reviewed to ensure accuracy and timely reporting.

Effect: As a result of this condition, the College failed to submit a report in a timely manner and report accurate amount of student emergency awards disbursed to ensure compliance.

Recommendation: We recommend the College implement additional controls and procedures to ensure reports are accurate and submitted in a timely manner to ensure compliance requirements are met.

Views of Responsible Official and Planned Corrective Actions:

Paris Junior College management will ensure that a comprehensive procedure is established and implemented to ensure accurate and timely reporting.

Paris Junior College



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Paris Junior College Corrective Action Plan Year Ended August 31, 2022

Paris Junior College respectfully submits the following corrective action plan for the year ended August 31, 2022.

Name and address of independent public accounting firm:

McClanahan and Holmes, LLP
1400 West Russell
Bonham, TX 75418

Audit Period: Year ended August 31, 2022

The findings from the August 31, 2022, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in this schedule.

2022-01

Recommendations: Paris Junior College's management should implement additional controls and procedures to ensure reports are accurate and submitted in a timely manner to ensure compliance requirements are met.

Action Plan: Paris Junior College management will ensure that a comprehensive procedure is established and implemented to ensure accurate and timely reporting.

Contact Person: Debra Craig, Controller

Anticipated Completion Date: January 10, 2023

Paris Junior College
Summary Schedule of Prior Audit Findings
Year Ended August 31, 2022

Finding/Recommendation

None

Paris Junior College
Statistical Supplement 1
Net Position by Component
Fiscal Years 2013 to 2022
(Unaudited)

	Year Ended August 31,				
	2022	2021	2020	2019	2018
	(a) Restated				
Net Investment in Capital Assets	\$ 29,876,406	\$ 27,004,238	\$ 27,606,755	\$ 28,462,708	\$ 28,144,704
Restricted - Expendable	234,230	500,026	462,676	422,600	396,690
Restricted - Nonexpendable	-	-	-	-	-
Unrestricted	10,709,816	7,954,285	1,887,746	(1,195,216)	(3,838,789)
Total Primary Government Net Position	<u>\$ 40,820,452</u>	<u>\$ 35,458,549</u>	<u>\$ 29,957,177</u>	<u>\$ 27,690,092</u>	<u>\$ 24,702,605</u>

	Year Ended August 31,				
	2017	2016	2015	2014	2013
Net Investment in Capital Assets	\$ 28,603,386	\$ 28,755,015	\$ 26,226,034	\$ 25,140,579	\$ 23,539,988
Restricted - Expendable	313,868	360,405	331,723	275,417	247,179
Restricted - Nonexpendable	-	-	-	-	-
Unrestricted	16,629,528	13,500,216	13,116,816	15,221,839	15,903,612
Total Primary Government Net Position	<u>\$ 45,546,782</u>	<u>\$ 42,615,636</u>	<u>\$ 39,674,573</u>	<u>\$ 40,637,835</u>	<u>\$ 39,690,779</u>

(a) For fiscal year 2022, the financial statements for fiscal year 2021 have been retroactively restated to reflect changes in lease reporting per the adoption of GASB 87.

Decrease in net position per Exhibit 2	<u>\$ 1,912</u>
Total Change in Net Position	<u>\$ 1,912</u>

(amounts expressed in thousands)

Paris Junior College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2013 to 2022
(Unaudited)

	Year Ended August 31,				
	2022	2021	2020	2019	2018
Tuition and Fees (Net of Discounts)	\$ 9,003,875	\$ 8,569,682	\$ 6,975,054	\$ 7,131,226	\$ 6,852,335
Governmental Grants and Contracts					
Federal Grants and Contracts	2,438,571	2,255,920	1,948,844	2,043,999	1,894,407
State Grants and Contracts	490,812	504,973	475,575	543,217	1,098,163
Non-Governmental Grants and Contracts	141,349	346,636	117,733	164,219	236,021
Sales and Services of Educational Activities	188,909	125,101	52,451	241,673	307,230
Auxiliary Enterprises	815,632	1,000,882	706,000	810,405	729,132
Other Operating Revenues	539,342	521,865	807,867	923,834	839,630
Total Operating Revenues	13,618,490	13,325,059	11,083,524	11,858,573	11,956,918
State Appropriations	8,255,774	9,004,659	8,622,302	8,421,635	8,940,371
Ad Valorem Taxes	3,769,632	3,482,769	3,000,997	2,941,468	2,843,527
Federal Revenue, Non-Operating	13,039,624	12,063,057	8,204,616	8,280,684	7,941,395
Gifts	128,121	60,331	56,789	75,903	240,202
Investment Income	260,508	114,513	419,986	636,238	371,367
Insurance Proceeds	64,674	101,883	-	-	-
Gain on Sale of Fixed Assets	-	-	23,558	-	-
Total Non-Operating Revenues	25,518,333	24,827,212	20,328,248	20,355,928	20,336,862
Total Revenues	\$ 39,136,823	\$ 38,152,271	\$ 31,411,772	\$ 32,214,501	\$ 32,293,780

	Year Ended August 31,				
	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	\$ 6,854,000	\$ 6,612,041	\$ 6,355,929	\$ 5,899,150	\$ 5,375,845
Governmental Grants and Contracts					
Federal Grants and Contracts					
State Grants and Contracts	1,663,086	1,801,929	1,797,770	1,623,050	1,748,075
Non-Governmental Grants and Contracts	779,692	882,886	1,633,441	860,173	1,258,116
Sales and Services of Educational Activities	181,252	357,139	294,676	245,159	240,837
Auxiliary Enterprises	87,508	171,563	237,668	223,390	177,480
Other Operating Revenues	758,782	793,455	743,994	786,393	760,768
Total Operating Revenues	739,400	1,341,822	962,137	717,232	606,621
State Appropriations	11,063,720	11,960,835	12,025,615	10,354,547	10,167,742
Ad Valorem Taxes	10,128,799	10,187,172	10,033,579	9,910,893	10,299,398
Federal Revenue, Non-Operating	2,997,380	3,004,129	2,964,030	2,920,185	2,891,428
Gifts	7,314,114	8,196,873	9,648,664	10,920,270	12,075,279
Investment Income	185,048	91,182	123,606	55,551	64,632
Insurance Proceeds	142,713	90,335	108,118	119,236	74,012
Gain on Sale of Fixed Assets	-	-	-	-	-
Total Non-Operating Revenues	-	39,000	-	-	-
Total Revenues	20,768,054	21,608,691	22,877,997	23,926,135	25,404,749
\$ 31,831,774	\$ 33,569,526	\$ 34,903,612	\$ 34,280,682	\$ 35,572,491	

Paris Junior College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2013 to 2022
(Unaudited)

	Year Ended August 31,				
	2022	2021	2020	2019	2018
Instruction	\$ 9,554,793	\$ 9,537,321	\$ 9,558,964	\$ 9,954,268	\$ 9,798,444
Public Service	896,078	658,744	384,972	402,253	937,378
Academic Support	971,970	1,278,410	1,482,605	1,443,357	1,315,763
Student Services	3,153,231	3,218,919	3,427,095	3,742,808	3,295,470
Institutional Support	2,653,168	3,397,946	4,026,536	3,472,376	3,729,123
Operation and Maintenance of Plant	2,492,978	2,228,370	2,073,543	2,297,533	2,143,151
Scholarships and Fellowships	10,801,054	9,296,775	5,026,162	4,464,753	4,304,506
Auxiliary Enterprises	1,481,718	969,777	655,033	1,386,340	1,211,261
Depreciation	1,432,355	1,613,783	1,566,730	1,539,135	1,496,053
Total Operating Expenses	33,437,345	32,200,045	28,201,640	28,702,823	28,231,149
Interest on Capital Related Debt	337,097	450,854	488,219	524,191	556,881
Interest on Right of Use Asset	1,253	-	-	-	-
Total Non-Operating Expenses	338,350	450,854	488,219	524,191	556,881
Total Expenses	\$ 33,775,695	\$ 32,650,899	\$ 28,689,859	\$ 29,227,014	\$ 28,788,030

	Year Ended August 31,				
	2017	2016	2015	2014	2013
Instruction	\$ 10,238,951	\$ 10,599,106	\$ 11,600,874	\$ 11,429,490	\$ 11,032,784
Public Service	600,011	604,703	784,520	624,806	1,092,323
Academic Support	1,594,787	1,553,952	1,639,220	1,372,191	1,638,575
Student Services	3,178,497	3,286,505	3,323,382	3,324,474	3,565,273
Institutional Support	3,431,370	3,463,902	3,322,626	3,945,668	3,539,775
Operation and Maintenance of Plant	2,643,705	2,228,550	2,111,979	2,433,236	2,547,222
Scholarships and Fellowships	4,044,906	5,436,019	5,975,461	6,615,052	7,081,595
Auxiliary Enterprises	1,185,953	1,359,181	1,421,241	1,574,201	1,284,865
Depreciation	1,395,732	1,383,268	1,247,943	1,197,470	927,899
Total Operating Expenses	28,313,912	29,915,186	31,427,246	32,516,588	32,710,311
Interest on Capital Related Debt	586,716	713,280	785,115	817,038	837,095
Loss on Disposal of Fixed Assets	-	-	-	-	-
Total Non-Operating Expenses	586,716	713,280	785,115	817,038	837,095
Total Expenses	\$ 28,900,628	\$ 30,628,466	\$ 32,212,361	\$ 33,333,626	\$ 33,547,406

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

Resident Fees per Semester Credit Hour (SCH)													
Academic Year (Fall)	Registration Fee	In-District Tuition	Out-of- District Tuition	Out-of- District Fee	Instructional Technology Fee	General Fee	PE Facility Fee	Activity Fee	Cost for 12 SCH In- District	Cost for 12 SCH Out-of- District	Increase from Prior Year In- District	Increase from Prior Year Out-of- District	
2021	\$	-	\$ 57	\$ 57	\$ 50	\$ -	\$ 300	\$ -	\$ -	\$ 984	\$ 1,584	0.00%	0.00%
2020		-	57	57	50	-	300	-	-	984	1,584	1.23%	0.76%
2019		-	56	56	50	-	300	-	-	972	1,572	1.25%	0.77%
2018		-	55	55	50	-	300	-	-	960	1,560	0.00%	0.00%
2017		-	55	55	50	-	300	-	-	960	1,560	4.58%	7.00%
2016		30	55	100	-	-	228	-	-	918	1,458	18.60%	20.90%
2015		30	50	86	-	-	144	-	-	774	1,206	0.00%	5.24%
2014		30	50	81	-	-	144	-	-	774	1,146	8.40%	5.52%
2013		30	50	81	-	-	84	-	-	714	1,086	5.31%	3.43%
2012		30	47	78	-	-	84	-	-	678	1,050	5.61%	3.55%

Non - Resident Fees per Semester Credit Hour (SCH)													
Academic Year (Fall)	Registration Fee	Non- Resident Tuition Out-of- State	Non-Resident Tuition Internation al	Out-of- District Fee	Instructional Technology Fee	General Fee	PE Facility Fee	Activity Fee	Cost for 12 SCH Out-of- State	Cost for 12 SCH Internation al	Increase from Prior Year Out-of- State	Increase from Prior Year Internation al	
2021	\$	-	\$ 157	\$ 157	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 2,184	\$ 2,184	0.00%	0.00%
2020		-	157	157	-	-	300	-	-	2,184	2,184	0.55%	0.55%
2019		-	156	156	-	-	300	-	-	2,172	2,172	0.56%	0.56%
2018		-	155	155	-	-	300	-	-	2,160	2,160	0.00%	0.00%
2017		-	155	155	-	-	300	-	-	2,160	2,160	4.96%	4.96%
2016		30	150	150	-	-	228	-	-	2,058	2,058	16.27%	16.27%
2015		30	133	133	-	-	144	-	-	1,770	1,770	3.51%	3.51%
2014		30	128	128	-	-	144	-	-	1,710	1,710	3.64%	3.64%
2013		30	128	128	-	-	84	-	-	1,650	1,650	2.23%	2.23%
2012		30	125	125	-	-	84	-	-	1,614	1,614	3.86%	3.86%

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

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

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2021-22	\$ 5,587,197,397	\$ 1,077,201,794	\$ 4,509,995,603	80.72%	0.0815	-	0.0815
2020-21	4,646,902,452	951,046,253	3,695,856,199	79.53%	0.0890	-	0.0890
2019-20	4,689,277,761	1,007,169,823	3,682,107,938	78.52%	0.0840	-	0.0840
2018-19	4,390,429,191	972,482,484	3,417,946,707	77.85%	0.0850	-	0.0850
2017-18	4,276,919,804	953,939,423	3,322,980,381	77.70%	0.0850	-	0.0850
2016-17	2,466,533,581	794,309,795	1,672,223,786	67.80%	0.1773	-	0.1773
2015-16	2,293,017,296	713,657,553	1,579,359,743	68.88%	0.1875	-	0.1875
2014-15	2,258,829,833	682,439,819	1,576,390,014	69.79%	0.1866	-	0.1866
2013-14	2,113,987,770	566,770,766	1,547,217,004	73.19%	0.1866	-	0.1866
2012-13	2,083,119,258	538,072,809	1,545,046,449	74.17%	0.1870	-	0.1870

Source: Lamar County Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Paris Junior College
Statistical Supplement 6a
General Appropriations Act Before Hour Adjustments (1)
(Unaudited)

Appropriate Funding Elements	Fiscal Year									
	2021-2022	2020-2021 *	2019-2020 *	2018-2019 *	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
State Appropriation Contact Hour Funding	\$ 5,460,509	\$ 6,330,319	\$ 6,354,882	\$ 6,318,811	\$ 6,317,118	\$ 7,166,787	\$ 7,160,355	\$ 7,234,741	\$ 7,253,069	\$ 8,924,665
State Appropriation Student Success Points	1,243,063	930,927	930,927	836,410	836,410	824,850	824,850	766,997	766,997	-
State Appropriation Core Operations (CO)	680,406	680,406	680,406	680,406	680,406	512,962	500,000	500,000	500,000	-
State Appropriation Bachelor of Applied Tech	-	-	-	-	-	-	-	-	-	-
State Appropriation Non-Formula Items	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 7,383,978	\$ 7,941,652	\$ 7,966,215	\$ 7,835,627	\$ 7,833,934	\$ 8,504,599	\$ 8,485,205	\$ 8,501,738	\$ 8,520,066	\$ 8,924,665

(1) General Appropriations Act, SB 1, 85th Texas Legislature, Section 1 (page III-209) - Informational Listing of Appropriated Funds.

* FY Year Formula Funding Changed Methodology

Source: THE CB - Ten Pay Schedule

Paris Junior College
Statistical Supplement 6b
State Appropriations per FTSE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	State Appropriation s (Unrestricted) From Sch C	FTSE (1)	State Appropriation s per FTSE
2021-22	\$ 7,383,978	6,960	\$ 1,061
2020-21 *	7,941,652	6,345	1,252
2019-20 *	7,966,215	7,535	1,057
2018-19 *	7,835,627	7,761	1,010
2017-18	7,833,934	7,031	1,114
2016-17	8,504,599	7,412	1,147
2015-16	8,485,205	7,924	1,071
2014-15	8,501,738	8,375	1,015
2013-14	8,520,066	8,849	963
2012-13	8,924,665	8,931	999

(1) Fiscal Year (FY) FTSE is equal to The sum of State Funded

(Fall SCH + Spring SCH + Summer SCH for the Current

FY/30SCH) plus State Funded Continuing Education

(Fall CH + Spring CH + Summer CH for the Current FY/300 CH).

* FY Year Formula Funding Changed Methodology

Source: CBM004 and CMB00C.

Paris Junior College
Statistical Supplement 6c
State Appropriations per Funded Contact Hour
Contact Hour (CH) portion only of State Appropriation
(Unaudited)

Fiscal Year	CH - State Appropriation (Unrestricted) (1)	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Funded Contact Hours	CH - State Appropriation s per Funded Contact Hour
2021-22	\$ 7,383,978	1,145,197	233,497	52,782	1,431,476	5.16
2020-21	7,941,652	1,578,500	615,389	90,471	2,284,360	3.48
2019-20 *	7,966,215	1,392,992	536,824	57,837	1,987,653	4.01
2018-19 *	7,835,627	1,591,708	637,969	71,028	2,300,705	3.41
2017-18	7,833,934	1,464,968	572,784	79,146	2,116,898	3.70
2016-17	8,504,599	1,549,776	640,948	97,657	2,288,381	3.72
2015-16	8,485,205	1,672,640	697,917	124,890	2,495,447	3.40
2014-15	8,501,738	1,743,692	788,415	108,966	2,641,073	3.22
2013-14	8,520,066	1,839,540	827,104	79,962	2,746,606	3.10
2012-13	8,924,665	1,849,280	784,626	94,755	2,728,661	3.27

CH = State funded Academic, Technical and Continuing Education Contact hours for Fall, Spring and

Summer of the Current FY - Source: CBM004 and CMB00C.

(1) State Funded Contact Hour Appropriations as it appears in schedule 6a.

* FY Year Formula Funding Changed Methodology

Paris Junior College

Statistical Supplement 6d

State Appropriation per Student Success Point - Annualized
(Unaudited)

Fiscal Year	SSP - State Appropriation (Unrestricted) (1)	year Average Student Success Points (2)	Appropriation per Success Point
2021-22 *	\$ 930,927	9,193	\$ 101.26
2020-21 *	930,927	9,193	101.26
2019-20 *	930,927	9,193	101.26
2018-19 *	836,410	9,751	85.78
2017-18	836,410	9,751	85.78
2016-17	824,850	9,559	86.29
2015-16	824,850	9,559	86.29
2014-15	766,997	8,286	92.57
2013-14	766,997	8,286	92.57

(1) State Funded Success Point Appropriations as it appears in schedule 6a.

(2) As Source from the Coordinating Board Biennium 10-Pay Schedule.

* FY Year Formula Funding Changed Methodology

Paris Junior College

Statistical Supplement 6e

Student Success Points (SSP)

Last Five Fiscal Years

(Unaudited)

Success Point Elements (1)	Fiscal Year				
	2021-2022 *	2020-2021 *	2019-2020 *	2018-2019 *	2017-2018
Math Readiness	428	428	428	422	428
Read Readiness	127	127	127	150	115
Write Readiness	99	99	99	80	107
Students Who Pass FCL Math Course	1,006	1,006	1,006	979	1,008
Students Who Pass FCL Read Course	756	756	756	818	736
Students Who Pass FCL Write Course	660	660	660	703	618
Student Who Complete 15 SCH	1,705	1,705	1,705	1,714	1,611
Students Who Complete 30 SCH	1,077	1,077	1,077	1,032	1,076
Student Transfers to a 4-Yr Inst	1,359	1,359	1,359	1,282	1,342
Degrees, CCCs, or Certs (Undup)	1,483	1,483	1,483	1,322	1,360
Degrees or Certs in Critical Fields	493	493	493	446	430
Annual Success Points - Total	9,193	9,193	9,193	8,948	8,831

(1) These are annual SSP, not 3 year rolling average.

* FY Year Formula Funding Changed Methodology

Source: THE CB - Accountability System

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

Taxpayer	Owner ID:	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
			2021	2020	2019	2018	2017
La Frontera Holdings, LLC*	106828377	Utility	\$ 416,275	\$ 360,309	\$ 360,309	\$ 336,669	\$ 328,212
Campbell Soup Company	106828326	Manufacturing	226,022	124,842	124,842	97,815	89,136
Kimberly-Clark Corporation	106828329	Manufacturing	235,776	145,733	145,733	96,931	88,428
Samson Solar Energy LLC	106847998	Utility	205,000	-	-	-	-
Impact Solar 1, LLC	106847997	Utility	175,762	-	-	-	-
American Spiral Weld III Inc	106850024	Manufacturing	120,004	-	-	-	-
Samson Solar Energy LLC	106850017	Utility	95,557	-	-	-	-
Transcanada Keystone Pipeline	106835028	Transportation/Pipeline	78,995	50,505	50,505	51,178	53,194
Oncor Electric Delivery Co.	106828342	Utility	76,136	65,893	65,893	46,016	45,330
Gulf Crossing Pipeline Co.	106830208	Transportation/Pipeline	73,187	62,322	62,322	69,181	67,359
Midcontinent Express	106830209	Transportation/Pipeline	-	57,126	57,126	66,046	81,070
Daisy Farms	106833318	Dairy	-	27,496	27,496	94,844	98,183
Essent PRMC LP	106828423	Medical	-	27,338	27,338	23,067	25,846
Load Trail LLC	106828414	Manufacturing	-	22,765	22,765	20,141	-
Essent PRMC LP	166229.00	Medical	-	-	-	-	-
Paris Generation LP	106804840.00	Utility	-	-	-	-	18,884
Huhtamaki	106828330.00	Manufacturing	-	-	-	-	-
Alpha Lake LTD	125029.00	Rental Facilities	-	-	-	-	-
Wal-Mart Property Tax Department	105237.00	Retail	-	-	-	-	-
Turner Industries Group LLC	106828325.00	Manufacturing	-	-	-	-	-
Campbell Soup	38122.00	Manufacturing	-	-	-	-	-
Campbell Soup Supply LLC	160217.00	Manufacturing	-	-	-	-	-
Silgan Can Co.	106828363.00	Manufacturing	-	-	-	-	-
Kimberly Clark Corp	70760.00	Manufacturing	-	-	-	-	-
Wal-Mart Stores #148-C	132609.00	Retail	-	-	-	-	-
Essent PRMC LP-North Campus PP	106833315.00	Medical	-	-	-	-	-
Paris Warehouse 107 Inc.	132812.00	Commercial	-	-	-	-	-
HD Development Prop LP	167508.00	Commercial	-	-	-	-	-
Kimberly Clark Global Sales	106833316.00	Manufacturing	-	-	-	-	-
First Federal Savings & Loan	15699.00	Commercial	-	-	-	-	-
Sara Lee Bakery Group	unavailable	Manufacturing	-	-	-	-	-
Totals			\$ 1,702,714	\$ 809,604	\$ 809,604	\$ 697,790	\$ 671,659
Total Taxable Assessed Value			\$ 3,940,569	\$ 3,695,856	\$ 3,682,107	\$ 3,417,946	\$ 3,322,980

Taxpayer	Owner ID:	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
			2016	2015	2014	2013	2012
La Frontera Holdings, LLC*	106828377	Utility	\$ 296,943	\$ 211,870	\$ 211,905	\$ 210,303	\$ 205,185
Campbell Soup Company	106828326	Manufacturing	88,017	47,182	47,098	47,163	53,439
Kimberly-Clark Corporation	106828329	Manufacturing	88,006	95,117	109,106	122,143	116,106
Samson Solar Energy LLC	106847998	Utility	-	-	-	-	-
Impact Solar 1, LLC	106847997	Utility	-	-	-	-	-
American Spiral Weld III Inc	106850024	Manufacturing	-	-	-	-	-
Samson Solar Energy LLC	106850017	Utility	-	-	-	-	-
Transcanada Keystone Pipeline	106835028	Transportation/Pipeline	-	-	-	-	-
Oncor Electric Delivery Co.	106828342	Utility	20,788	21,992	20,129	19,169	22,581
Gulf Crossing Pipeline Co.	106830208	Transportation/Pipeline	-	-	-	-	-
Midcontinent Express	106830209	Transportation/Pipeline	-	-	-	-	-
Daisy Farms	106833318	Dairy	-	-	-	-	-
Essent PRMC LP	106828423	Medical	-	-	-	-	10,402
Load Trail LLC	106828414	Manufacturing	-	-	-	-	-
Essent PRMC LP	166229.00	Medical	27,369	30,364	26,808	26,811	31,732
Paris Generation LP	106804840.00	Utility	21,979	20,551	21,980	21,511	27,965
Huhtamaki	106828330.00	Manufacturing	12,775	-	7,323	-	-
Alpha Lake LTD	125029.00	Rental Facilities	10,596	10,597	10,597	10,596	-
Wal-Mart Property Tax Department	105237.00	Retail	10,390	10,189	9,432	-	-
Turner Industries Group LLC	106828325.00	Manufacturing	10,390	-	7,442	-	-
Campbell Soup	38122.00	Manufacturing	-	29,404	30,879	32,912	34,669
Campbell Soup Supply LLC	160217.00	Manufacturing	-	10,857	9,700	-	-
Silgan Can Co.	106828363.00	Manufacturing	-	-	16,519	17,116	14,987
Kimberly Clark Corp	70760.00	Manufacturing	-	-	10,203	10,504	11,314
Wal-Mart Stores #148-C	132609.00	Retail	-	-	9,285	-	-
Essent PRMC LP-North Campus PP	106833315.00	Medical	-	-	8,733	-	-
Paris Warehouse 107 Inc.	132812.00	Commercial	-	-	8,312	-	-
HD Development Prop LP	167508.00	Commercial	-	-	6,965	-	-
Kimberly Clark Global Sales	106833316.00	Manufacturing	-	-	6,866	-	-
First Federal Savings & Loan	15699.00	Commercial	-	-	5,549	-	-
Sara Lee Bakery Group	unavailable	Manufacturing	-	-	-	-	-
Totals			\$ 587,253	\$ 488,123	\$ 584,831	\$ 518,228	\$ 528,380
Total Taxable Assessed Value			\$ 1,672,223	\$ 1,579,360	\$ 1,547,217	\$ 1,545,046	\$ 1,507,483

Source: Lamar County Appraisal District

*previously Lamar Power Partners LP

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

Fiscal Year Ended August		Collections - Year of Levy		Current Collections of Prior Levies	Penalty and Interest	Total	Percentage of Current
31	Levy	(a)	Percentage	(a)	Collections	Collections (a)	Levy
2022	\$ 3,670,000	\$ 3,595,261	97.96%	\$ 95,991	\$ 53,553	\$ 3,744,805	102.04%
2021	3,423,197	3,415,313	99.77%	55,732	31,897	3,471,045	101.40%
2020	3,061,458	2,942,362	96.11%	39,579	33,413	2,981,941	97.40%
2019	2,908,600	2,802,207	96.34%	88,932	50,329	2,891,139	99.40%
2018	2,829,210	2,765,627	97.75%	40,044	37,859	2,805,671	99.17%
2017	2,960,964	2,820,924	95.27%	71,262	105,194	2,892,186	97.68%
2016	2,952,918	2,844,818	96.34%	98,646	60,665	2,943,464	99.68%
2015	2,934,536	2,859,705	97.45%	53,970	50,355	2,913,675	99.29%
2014	2,889,546	2,819,644	97.58%	59,461	41,080	2,879,105	99.64%
2013	2,935,588	2,786,812	94.93%	60,522	44,094	2,847,334	96.99%

Source: Lamar County Appraisal District and District records.

(a) Ad valorem taxes only - does not include penalties and interest.

(amounts express in thousands)

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

	Year Ended August 31,				
	2022	2021	2020	2019	2018
General Bonded Debt					
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-
Less: Funds Restricted for Debt Service	-	-	-	-	-
Net General Bonded Debt	-	-	-	-	-
Other Debt					
Revenue Bonds	6,912,000	9,683,000	10,560,000	11,391,000	12,185,000
Notes	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-
Total Outstanding Debt	\$ 6,912,000	\$ 9,683,000	\$10,560,000	\$11,391,000	\$12,185,000
General Bonded Debt Ratios					
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -
Per FTSE	-	-	-	-	-
As a Percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios					
Per Capita	\$ 137.97	\$ 193.32	\$ 211.80	\$ 229.72	\$ 245.73
Per FTSE	0.936	1.219	1.330	1.468	1.733
As a Percentage of Taxable Assessed Value	0.73%	0.26%	0.29%	0.33%	0.37%

	Year Ended August 31,				
	2017	2016	2015	2014	2013
General Bonded Debt					
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-
Less: Funds Restricted for Debt Service	-	-	-	-	-
Net General Bonded Debt	-	-	-	-	-
Other Debt					
Revenue Bonds	12,945,000	13,571,000	16,909,000	17,624,000	18,310,000
Capital Lease Obligations	-	-	-	-	-
Total Outstanding Debt	\$12,945,000	\$13,571,000	\$16,909,000	\$17,624,000	\$18,310,000
General Bonded Debt Ratios					
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -
Per FTSE	-	-	-	-	-
As a Percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios					
Per Capita	\$ 259.99	\$ 274.49	\$ 341.44	\$ 356.57	\$ 367.59
Per FTSE	1.746	1.713	2.019	1.992	2.050
As a Percentage of Taxable Assessed Value	0.77%	0.86%	1.07%	1.11%	1.19%

Notes: Ratios calculated using population and taxable assessed value from current year. Debt per student calculated using full-time-equivalent enrollment.
(amount expressed in thousands)

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

Year Ended August 31,	Taxable Assessed Value	Statutory Tax Levy Limit for Debt Service	Less: Funds Restricted for Repayment	Total Net Debt	Current Year Debt Service Requirements	Excess of Statutory Limit for Debit Service over Current Requirements		Net Current Requirements as a % of Statutory Limit
2022	\$ 4,509,995,603	\$ 22,549,978	\$ -	\$ 22,549,978	\$ -	\$	22,549,978	0.00%
2021	3,695,856,199	18,479,281	-	18,479,281	-		18,479,281	0.00%
2020	3,682,107,938	18,410,540	-	18,410,540	-		18,410,540	0.00%
2019	3,417,946,707	17,089,734	-	17,089,734	-		17,089,734	0.00%
2018	3,322,980,381	16,614,902	-	16,614,902	-		16,614,902	0.00%
2017	1,672,223,786	8,361,119	-	8,361,119	-		8,361,119	0.00%
2016	1,579,359,743	7,896,799	-	7,896,799	-		7,896,799	0.00%
2015	1,576,390,014	7,881,950	-	7,881,950	-		7,881,950	0.00%
2014	1,547,217,004	7,736,085	-	7,736,085	-		7,736,085	0.00%
2013	1,545,046,449	7,725,232	-	7,725,232	-		7,725,232	0.00%

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

Paris Junior College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Revenue Bonds

Year Ended August 31,	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Tuition	General Fee	Total	Principal	Interest	Total	
2022	\$ 9,250,432	\$ 1,583,941	\$10,834,373	\$ 890,000	\$ 429,091	\$ 1,319,091	8.12%
2021	8,986,610	1,657,336	10,643,946	867,000	450,854	1,317,854	8.08%
2020	7,622,144	1,868,254	9,490,398	831,000	488,219	1,319,219	7.19%
2019	7,253,151	2,054,354	9,307,505	794,000	524,191	1,318,191	7.06%
2018	7,652,434	1,985,934	9,638,368	760,000	556,881	1,316,881	7.32%
2017	9,993,373	1,560,390	11,553,763	626,000	586,716	1,212,716	9.53%
2016	9,111,877	1,308,207	10,420,084	751,000	702,313	1,453,313	7.17%
2015	9,356,478	1,385,179	10,741,657	715,000	785,115	1,500,115	7.16%
2014	9,830,225	874,248	10,704,473	686,000	817,038	1,503,038	7.12%
2013	9,637,223	870,890	10,508,113	676,000	828,712	1,504,712	6.98%

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

Calendar Year	County Population	County Personal Income	County Personal Income Per Capita	County Unemployment Rate
2021	50,098	(a)	(a)	5.5%
2020	50,088	\$ 2,539,934,000	\$ 50,709	3.4%
2019	49,859	2,322,461,000	43,063	3.8%
2018	49,729	2,147,064,000	40,610	4.2%
2017	49,587	2,013,704,000	38,518	5.1%
2016	49,791	1,917,848,000	37,578	4.8%
2015	49,440	1,857,879,000	37,540	6.1%
2014	49,523	1,859,083,000	36,509	7.9%
2013	49,426	1,804,479,000	35,140	9.0%
2012	49,811	1,750,363,000	33,092	9.7%

Sources:

Population from U.S. Bureau of the Census.
All info. from www.tracer2.com
www.txcip.org (all info)

Notes:

Information provided is for Lamar County. District specific information not available.
(a) Not available

Paris Junior College
Statistical Supplement 13
Principal Employers
(Unaudited)

Current Fiscal Year

Employer	Number of Employees	% of Employment
Kimberly-Clark Corporation	765	17.86%
Paris Regional Medical Center	750	17.51%
Paris ISD	574	13.40%
Campbell Soup Company	507	11.83%
North Lamar ISD	417	9.73%
Turner Industries Group LLC	345	8.05%
City of Paris	300	7.00%
Paris Junior College	275	6.42%
We Pack Logistics, Inc	200	4.67%
J. Skinner Bakery	151	3.52%
Total	4,284	100.00%

Nine Years Prior

Employer	Number of Employees	% of Employment
Paris Regional Medical Center	1,000	17.68%
Campbell Soup Company	900	15.92%
Kimberly-Clark Corporation	800	14.15%
Turner Industries	700	12.38%
Paris ISD	640	11.32%
North Lamar ISD	500	8.84%
City of Paris	320	5.66%
We Pack Logistics, Inc	300	5.31%
RK Hall Construction	250	4.42%
Paris Junior College	245	4.33%
Total	5,655	100.00%

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

	FISCAL YEAR									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Faculty										
Full-Time	77	77	83	75	81	83	88	92	92	96
Part-Time	81	90	106	112	106	138	146	159	186	185
Total	158	167	189	187	187	221	234	251	278	281
Percent										
Full-Time	49%	46%	44%	40%	43%	38%	38%	37%	33%	34%
Part-Time	51%	54%	56%	60%	57%	62%	62%	63%	67%	66%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Staff and Administrators										
Full-Time	121	126	127	130	111	121	116	113	120	141
Part-Time	24	31	37	21	34	30	41	47	51	66
Total	145	157	164	151	145	151	157	160	171	207
Percent										
Full-Time	83.4%	80.3%	77.4%	86.1%	76.6%	80.1%	73.9%	70.6%	70.2%	68.1%
Part-Time	16.6%	19.7%	22.6%	13.9%	23.4%	19.9%	26.1%	29.4%	29.8%	31.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FTSE per Full-Time Faculty	23.00	21.00	23.00	24.00	24.00	22.00	22.00	22.00	22.17	22.46
FTSE per Full-Time Staff Member	17.00	17.00	22.00	25.00	23.00	22.00	23.00	25.00	24.92	21.77
Average Annual Faculty Salary	\$59,643	\$56,754	\$61,614	\$56,153	\$56,115	\$58,158	\$58,941	\$59,310	\$57,888	\$54,423

Paris Junior College
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(Unaudited)

Student Classification	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 Hours	3,284	75.23%	3,322	75.14%	3,585	73.80%	3,642	73.56%	3,800	78.45%
31-72 Hours	853	19.54%	851	19.25%	955	19.66%	804	16.24%	715	14.76%
> 72 Hours	228	5.22%	248	5.61%	318	6.55%	505	10.20%	329	6.79%
Total	4,365	100.00%	4,421	100.00%	4,858	100.00%	4,951	100.00%	4,844	100.00%

Semester Hour Load	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	7	0.16%	7	0.16%	7	0.14%	3	0.06%	10	0.21%
3-5 Semester Hours	1,154	26.44%	1,143	25.85%	1,263	26.00%	1,220	24.64%	1,224	25.27%
6-8 Semester Hours	1,129	25.86%	1,149	25.99%	1,176	24.21%	1,204	24.32%	1,157	23.89%
9-11 Semester Hours	609	13.95%	604	13.66%	745	15.34%	731	14.76%	624	12.88%
12-14 Semester Hours	963	22.06%	1,012	22.89%	1,093	22.50%	1,139	23.01%	1,187	24.50%
15-17 Semester Hours	413	9.46%	415	9.39%	472	9.72%	527	10.64%	546	11.27%
18 & Over	90	2.06%	91	2.06%	102	2.10%	127	2.57%	96	1.98%
Total	4,365	100.00%	4,421	100.00%	4,858	100.00%	4,951	100.00%	4,844	100.00%

Average Course Load (Hours)	8.50	8.50	8.60	8.8	8.82
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Tuition Status	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	1,219	27.93%	1,201	27.17%	1,257	25.87%	1,271	25.67%	1,251	25.83%
Texas Resident (Out-of-District)	3,024	69.28%	3,112	70.39%	3,353	69.02%	3,389	68.45%	3,312	68.37%
Non-Resident Tuition	77	1.76%	49	1.11%	64	1.32%	77	1.56%	76	1.57%
Tuition Exempt	45	1.03%	59	1.33%	184	3.79%	214	4.32%	205	4.23%
Total	4,365	100.00%	4,421	100.00%	4,858	100.00%	4,951	100.00%	4,844	100.00%

Paris Junior College
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(Unaudited)

Gender	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	2,735	62.66%	2,778	62.84%	2,962	60.97%	2,971	59.91%	2,879	59.43%
Male	1,630	37.34%	1,643	37.16%	1,896	39.03%	1,988	40.09%	1,965	40.57%
Total	4,365	100.00%	4,421	100.00%	4,858	100.00%	4,959	100.00%	4,844	100.00%

Ethnic Origin	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Caucasian	2,684	61.49%	2,800	63.33%	3,100	63.81%	3,185	64.23%	3,227	66.62%
Hispanic	961	22.02%	935	21.15%	927	19.08%	915	18.45%	836	17.26%
African American	430	9.85%	408	9.23%	474	10.56%	524	10.57%	555	11.46%
Asian	48	1.10%	47	1.06%	51	1.05%	49	0.99%	52	1.07%
Native American	57	1.31%	64	1.45%	63	1.30%	72	1.45%	69	1.42%
Other	185	4.24%	167	3.78%	243	5.00%	214	4.32%	105	2.17%
Total	4,365	100.00%	4,421	100.00%	4,858	100.00%	4,959	100.00%	4,844	100.00%

Age	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,737	39.79%	1,715	38.79%	1,809	37.24%	1,757	35.43%	1,583	32.68%
18 - 21	1,492	34.18%	1,498	33.88%	1,707	35.14%	1,855	37.41%	1,849	38.17%
22 - 24	308	7.06%	346	7.83%	391	8.05%	392	7.90%	381	7.87%
25 - 35	532	12.19%	585	13.23%	614	12.64%	622	12.54%	674	13.91%
36 - 50	232	5.32%	224	5.07%	273	5.62%	280	5.65%	289	5.97%
51 and over	64	1.47%	53	1.20%	64	1.32%	53	1.07%	68	1.40%
Total	4,365	100.00%	4,421	100.00%	4,858	100.00%	4,959	100.00%	4,844	100.00%

Average Age	21.6	21.7	21.0	21.0	22.0
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Paris Junior College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2020-2021 Fall Students as of Fall 2021
(Includes only public senior colleges in Texas)
(Unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all PJC Transfer Students	% of all PJC Transfer Students
Angelo State University	2			2	0.24%
Lamar University	1			1	0.12%
Midwestern State University	27			27	3.25%
Prairie View A&M University	5			5	0.60%
Sam Houston State University	15			15	1.81%
Stephen F. Austin State University	26		2	28	3.37%
Tarleton State University	21			21	2.53%
Texas A&M International University				-	0.00%
Texas A&M University	94	1		95	11.45%
Texas A&M University - Central Texas	1			1	0.12%
Texas A&M University - Commerce	360	2	4	366	44.10%
Texas A&M University - Corpus Christi	5			5	0.60%
Texas A&M University - Kingsville	1			1	0.12%
Texas A&M University - San Antonio	3		1	4	0.48%
Texas A&M University - Texarkana	8			8	0.96%
Texas A&M University at Galveston	2			2	0.24%
Texas Southern University	1			1	0.12%
Texas State University	17		1	18	2.17%
Texas Tech University	39	1		40	4.82%
Texas Woman's University	19			19	2.29%
University of Houston	5			5	0.60%
University of Houston - Clear Lake				-	0.00%
University of Houston - Downtown	1			1	0.12%
University of Houston - Victoria				-	0.00%
University of North Texas	52			52	6.27%
University of North Texas at Dallas				-	0.00%
University of Texas - Rio Grande Valley	1			1	0.12%
University of Texas at Arlington	22			22	2.65%
University of Texas at Austin	21			21	2.53%
University of Texas at Dallas	15		1	16	1.93%
University of Texas at El Paso				-	0.00%
University of Texas of the Permian Basin				-	0.00%
University of Texas at San Antonio	1			1	0.12%
University of Texas at Tyler	42		1	43	5.18%
West Texas A&M University	1			1	0.12%
HEALTH SCIENCE INSTITUTIONS					
Texas A&M University System Health Science Center				-	0.00%
Texas Tech University Health Science Center	6			6	0.72%
University of North Texas Health Science Center				-	0.00%
University of Texas Health Science Center-San Antonio	1			1	0.12%
University of Texas M.D. Anderson Cancer Center	1			1	0.12%
Totals	816	4	10	830	100.00%

Source:
<http://www.txhighereddata.org/reports/performance/ctcasalf/ctcadl/>

Paris Junior College
Statistical Supplement 18
Schedule of Capital Asset Information
Fiscal Years 2018 to 2022
(Unaudited)

	Fiscal Year 2022 Square Footage	Fiscal Year 2021 Square Footage	Fiscal Year 2020 Square Footage	Fiscal Year 2019 Square Footage	Fiscal Year 2018 Square Footage
<u>Academic Buildings</u>					
Agriculture Barn	4,800	4,800	4,800	4,800	4,800
Applied Sciences Center	45,000	45,000	45,000	45,000	45,000
Applied Technology	64,600	64,600	64,600	64,600	64,600
Annex 1 Sonography	5,000	5,000	5,000	5,000	5,000
Annex 3 Art	7,500	7,500	7,500	7,500	7,500
Greenville Technical Center (current)	39,000	39,000	39,000	39,000	39,000
Henry P. Mayer Center for the Musical Arts	10,000	10,000	10,000	10,000	10,000
A. Frank Grimes Natural Sciences	15,276	15,276	15,276	15,276	15,276
Math and Science Technology Building	42,000	42,000	42,000	42,000	42,000
PJC Recreational Center	-	-	-	18,321	18,321
Sulphur Springs, High School	-	-	-	-	-
Sulphur Springs, Loop 301	21,000	21,000	21,000	21,000	21,000
<u>Libraries</u>					
Mike Rheudasil Learning Center	54,000	54,000	54,000	54,000	54,000
<u>Administrative and Support Buildings</u>					
College Store	3,000	3,000	3,000	3,000	3,000
DeShong Chapel	1,668	1,668	1,668	1,668	1,668
Jess B. Alford Center	8,436	8,436	8,436	8,436	8,436
Louise B. Williams Administration	26,300	26,300	26,300	26,300	26,300
Mary Jo Gabbert	2,150	2,150	2,150	2,150	2,150
Willow Creek Office	3,196	3,196	3,196	3,196	3,196
<u>Dormitories</u>					
Clara Rice Thompson Hall	13,308	13,308	13,308	13,308	13,308
Dixon L. Hatcher Hall	13,308	13,308	13,308	13,308	13,308
South Campus	33,000	33,000	33,000	33,000	33,000
<u>Apartments</u>					
B.E. Masters Apartment Complex	48,848	48,848	48,848	48,848	48,848
<u>Dining Facilities</u>					
J.R. McLemore Student Center	24,960	24,960	24,960	24,960	24,960
<u>Athletic Facilities</u>					
Golf Storage	176	176	176	176	176
Harold E. Hunt Physical Education Center	17,815	17,815	17,815	17,815	17,815
H.L. Hollis Fieldhouse	1,901	1,901	1,901	1,901	1,901
Old Gymnasium	13,500	13,500	13,500	13,500	13,500
<u>Plant Facilities</u>					
Downtown Center	-	-	-	-	-
Mechanical Building #1	1,745	1,745	1,745	1,745	1,745
Mechanical Building #2	1,975	1,975	1,975	1,975	1,975
Physical Plant Operations	4,946	4,946	4,946	4,946	4,946
Vehicle Shop	2,880	2,880	2,880	2,880	2,880
Total Square Footage	531,288	531,288	531,288	549,609	549,609
<u>Transportation</u>					
Cars	15	15	15	15	14
Light Trucks/Vans	29	29	29	27	26
Bus	5	5	5	5	5
Total	49	49	49	47	45