

**WEATHERFORD COLLEGE
FOUNDATION, INC.**
A Component Unit of Weatherford College

**Annual Financial Report For
The Years Ended August 31, 2018 and 2017**

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
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Financial Section



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Weatherford College Foundation, Inc.

We have audited the accompanying financial statements of Weatherford College Foundation, Inc. (a nonprofit organization and a component unit of Weatherford College), which comprise the statements of financial position as of August 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Weatherford College Foundation, Inc. as of August 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A of the notes to the financial statements, the Foundation adopted the Financial Accounting Standards Board's Accounting Standards update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended August 31, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Snow Garrett Williams".

Snow Garrett Williams
January 14, 2019

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Statements of Financial Position
August 31, 2018 and 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 182,261	\$ 84,222
Investments	240,666	188,851
Accounts receivable	-	1,500
Interest receivable	2,708	2,176
Note receivable, current portion	6,780	7,044
Unconditional promises to give		
Restricted for scholarships	2,140	10,405
Total Current Assets	434,555	294,198
Long-Term Unconditional Promises to Give		
Restricted for scholarships	830	3,570
Restricted Assets		
Financial assets restricted for:		
Scholarships	6,763,189	6,509,902
Other	1,595,805	1,664,476
Total Restricted Assets	8,358,994	8,174,378
Property and Equipment		
Personal property	77,958	77,958
Less accumulated depreciation	(77,958)	(77,958)
Total Property and Equipment (net)	-	-
Other Assets		
Mineral rights	1	1
Note receivable, net of current portion	190,768	198,150
Total Other Assets	190,769	198,151
Total Assets	<u>\$ 8,985,148</u>	<u>\$ 8,670,297</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 2,361	\$ 1,860
Total Current Liabilities	2,361	1,860
Net Assets:		
Without donor restrictions	420,567	271,214
With donor restrictions	8,562,220	8,397,223
Total Net Assets	8,982,787	8,668,437
Total Liabilities and Net Assets	<u>\$ 8,985,148</u>	<u>\$ 8,670,297</u>

See accompanying notes to financial statements.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Statements of Activities
For the Years Ended August 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support, Revenues, and Reclassifications						
Contributions	\$ 50,434	\$ 203,424	\$ 253,858	\$ 1,335	\$ 202,238	\$ 203,573
Interest and dividends	5,771	187,425	193,196	5,251	158,104	163,355
Net assets released from restrictions	509,516	(509,516)	-	292,852	(292,852)	-
Total public support, revenues, and reclassifications	565,721	(118,667)	447,054	299,438	67,490	366,928
Expenses						
Programs						
Contributions to Weatherford College	25,532		25,532	6,485		6,485
Scholarships	286,433		286,433	240,241		240,241
Total programs	311,965	-	311,965	246,726	-	246,726
Administration						
Awards	8,192		8,192	7,804		7,804
Bad debt	-		-	5,583		5,583
Bank fees and charges	8,750		8,750	10,441		10,441
Contract services	37,024		37,024	24,930		24,930
Legal and professional	17,270		17,270	14,950		14,950
Printing and postage	5,049		5,049	635		635
Receptions and entertainment	10,643		10,643	10,814		10,814
Supplies and other operating expenses	1,944		1,944	5,956		5,956
Total administration	88,872	-	88,872	81,113	-	81,113
Total expenses	400,837	-	400,837	327,839	-	327,839
Net revenues and (expenses) before other changes in net assets	164,884	(118,667)	46,217	(28,401)	67,490	39,089
Other Changes in Net Assets						
Investment return, net	(15,531)	283,664	268,133	(11,671)	257,901	246,230
Total other changes in net assets	(15,531)	283,664	268,133	(11,671)	257,901	246,230
Change in net assets	149,353	164,997	314,350	(40,072)	325,391	285,319
Net assets at beginning of year	271,214	8,397,223	8,668,437	311,286	8,071,832	8,383,118
Net assets at end of year	\$ 420,567	\$ 8,562,220	\$ 8,982,787	\$ 271,214	\$ 8,397,223	\$ 8,668,437

See accompanying notes to financial statements.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Statements of Cash Flows
For the Years Ended August 31, 2018 and 2017

	2018	2017
Operating activities		
Change in net assets	\$ 314,350	\$ 285,319
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized (gain) loss on sale of investments	(382,007)	(19,570)
Net unrealized (gain) loss on investments	89,051	(249,903)
Net (increase) decrease in:		
Accounts and interest receivable	968	(1,778)
Unconditional promises to give	11,005	32,962
Net increase (decrease) in payables	501	102
Net cash provided by operating activities	33,868	47,132
Investing activities		
Proceeds from redemption of securities	3,495,277	2,134,895
Proceeds from redemption of certificates of deposits	1,703,696	498,603
Purchases of securities	(3,686,509)	(2,248,155)
Purchases of certificates of deposits	(1,455,939)	(501,223)
Collection of note receivable	7,646	6,722
Net cash provided by (used in) investing activities	64,171	(109,158)
Net increase (decrease) in cash and cash equivalents	98,039	(62,026)
Cash and cash equivalents at beginning of year	84,222	146,248
Cash and cash equivalents at end of year	\$ 182,261	\$ 84,222

See accompanying notes to financial statements.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Weatherford College Foundation, Inc. (the Foundation) is a component unit of Weatherford College (the College). The Foundation is designed for the support and development of the College and its programs, as well as for the support, assistance, and encouragement of students of the College. The Foundation solicits and acts as coordinator of gifts made by other parties. The College is not obligated to pay debt related to the Foundation. While the College is the beneficiary of the Foundation, the Foundation functions independently under its own Board of Directors and pursues its own investment policies in the management of its portfolios.

Income Tax

The Foundation is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been determined by the Internal Revenue Service to not be a "private foundation" within the meaning of Section 509(a) of the Code.

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination of taxing authorities. The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at August 31, 2018.

The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Foundation believes it is no longer subject to income tax examinations for years prior to August 31, 2014.

Adoption of New Accounting Pronouncement

The Foundation early adopted and implemented Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities*. The ASU has been applied retroactively to all periods presented. According to this standard, the Foundation is to report information regarding its financial position and activities according to two classifications of net assets – net assets with donor restrictions or net assets without donor restrictions. This standard also requires the Foundation to report expenses by both their natural classification and their functional classification either on the face of the statement of activities, as a separate statement, or in the notes to the financial statements. With this change, the Foundation's previously reported unrestricted net assets have been reclassified to net assets without donor restrictions and the previously reported temporarily restricted net assets and permanently restricted net assets have been reclassified to net assets with donor restrictions. This reclassification did not change the amount reported in total net assets.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for the purposes of the statement of cash flows exclude cash and cash equivalents with donor restrictions.

Investments

Investments are comprised of certificates of deposit and investments in mutual funds, government securities and corporate stock. The Foundation reports investments at market value as of the statement of financial position date. Investment income and realized and unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions absent any donor restriction.

Note Receivable

Note receivable is stated at its principal amount plus unpaid accrued interest, if any, which is recognized as it accrues. Management has analyzed the note receivable collectability for the borrower as of August 31, 2018 and 2017, based on collection experience with the borrower. Based on management's assessment, it has determined that realization losses on balances outstanding are immaterial. Therefore, there was no allowance for doubtful accounts at August 31, 2018 and 2017.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. 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.

Public Support and Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recorded as received and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Unconditional promises to give due within the next year are reflected as current promises to give, while promises to give due in subsequent years are reflected as long-term promises to give. The majority of the promises to give are received from contributors from Parker County.

Endowment contributions and investments are considered contributions and investments with donor restrictions.

Use of Estimates

The preparation of 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.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820-10, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement, and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels are defined as follows:

- | | |
|---------|---|
| Level 1 | Represented by quoted prices that are available in an active market. Level 1 securities include highly liquid government bonds, treasury securities, mortgage products, and exchange traded equities. |
| Level 2 | Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements. |
| Level 3 | Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement including the reporting entity's own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities. |

NOTE B: CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Foundation maintains its cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalents have been placed with high quality financial institutions. On August 31, 2018 and August 31, 2017, the Foundation's bank balances were not exposed to custodial credit risk. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE C: SECURITIES AND INVESTMENTS

Investments

The Foundation holds an investment account with First Financial Trust and Asset Management. The custodial risk categories for the Foundation's investments are as follows:

- Category 1 Investments that are insured, registered, or held by the Foundation or its agent in the Foundation's name.
- Category 2 Investments that are uninsured and unregistered held by the counterparty's trust department or agent in the Foundation's name.
- Category 3 Uninsured or unregistered investments that are held by the counterparty or the counterparty's trust department or agent, but not in the Foundation's name.

As of August 31, 2018 and 2017, all of the Foundation's investments were recorded at fair value and considered level 1 investments as defined in Note A. These investments as categorized by the custodial risk categories described above are as follows:

	August 31, 2018			Fair Value
	1	2	3	
First Financial Trust and Asset Management	\$6,293,669	\$ -	\$ -	\$6,293,669

	August 31, 2017			Fair Value
	1	2	3	
First Financial Trust and Asset Management	\$5,809,481	\$ -	\$ -	\$5,809,481

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE C: SECURITIES AND INVESTMENTS (Continued)

The following is a reconciliation of total cash and investments to the amounts reported on the Statements of Financial Position, including the increase or (decrease) in reported amounts from the prior year:

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Cash and Investments:			
Cash	\$ 182,261	\$ 84,222	\$ 98,039
Certificates of deposit	2,305,991	2,553,748	(247,757)
Securities	<u>6,293,669</u>	<u>5,809,481</u>	<u>484,188</u>
Total Cash and Investments	<u>\$ 8,781,921</u>	<u>\$ 8,447,451</u>	<u>\$ 334,470</u>
As reported in the Statements of Financial Position:			
Without Donor Restrictions:			
Cash and cash equivalents	\$ 182,261	\$ 84,222	\$ 98,039
Securities	<u>240,666</u>	<u>188,851</u>	<u>51,815</u>
Total Without Donor Restrictions	<u>422,927</u>	<u>273,073</u>	<u>149,854</u>
With Donor Restrictions**:			
Certificates of deposit	2,305,991	2,553,748	(247,757)
Securities	<u>6,053,003</u>	<u>5,620,630</u>	<u>432,373</u>
Total With Donor Restrictions	<u>8,358,994</u>	<u>8,174,378</u>	<u>184,616</u>
Total Cash and Investments	<u>\$ 8,781,921</u>	<u>\$ 8,447,451</u>	<u>\$ 334,470</u>

**Note: Assets that are designated or donor-restricted for long-term purposes are required to be segregated from other cash and investments and shown as noncurrent assets on the Statement of Financial Position by accounting principles generally accepted in the United States of America.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE C: SECURITIES AND INVESTMENTS (Continued)

Investments as of August 31, 2018 and 2017 are summarized as follows:

August 31, 2018		
	Cost	Market Value
Without Donor Restrictions:		
Securities		
Cash Equivalents	\$ 229,108	\$ 229,108
Government Securities	11,690	11,558
Total Without Donor Restrictions	240,798	240,666
With Donor Restrictions		
Certificates of Deposit	2,305,991	2,305,991
Securities		
Government Securities	2,328,912	2,302,583
Municipal Obligations	551,598	550,538
Corporate Obligations	632,102	622,986
Equities	1,602,418	2,390,748
Mutual Funds	112,118	186,148
Total Securities	5,227,148	6,053,003
Total With Donor Restrictions	7,533,139	8,358,994
Total Investments	\$ 7,773,937	\$ 8,599,660

August 31, 2017		
	Cost	Market Value
Without Donor Restrictions:		
Securities		
Cash Equivalents	\$ 83,047	\$ 83,047
Government Securities	104,647	105,804
Total Without Donor Restrictions	187,694	188,851
With Donor Restrictions		
Certificates of Deposit	2,553,748	2,553,748
Securities		
Government Securities	1,502,226	1,519,423
Municipal Obligations	553,421	564,546
Corporate Obligations	957,780	968,066
Equities	1,108,606	1,684,995
Mutual Funds	585,018	883,600
Total Securities	4,707,051	5,620,630
Total With Donor Restrictions	7,260,799	8,174,378
Total Investments	\$ 7,448,493	\$ 8,363,229

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE C: SECURITIES AND INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended August 31, 2018 and 2017.

	August 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 5,771	\$ 187,425	\$ 193,196
Investment return			
Realized gain (loss)	11,997	370,010	382,007
Unrealized gain (loss)	(2,705)	(86,346)	(89,051)
Investment fees	(24,823)	-	(24,823)
Total investment return, net	(15,531)	283,664	268,133
Total investment return	<u>\$ (9,760)</u>	<u>\$ 471,089</u>	<u>\$ 461,329</u>

	August 31, 2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 5,251	\$ 158,104	\$ 163,355
Investment return			
Realized gain (loss)	618	18,952	19,570
Unrealized gain (loss)	10,954	238,949	249,903
Investment fees	(23,243)	-	(23,243)
Total investment return, net	(11,671)	257,901	246,230
Total investment return	<u>\$ (6,420)</u>	<u>\$ 416,005</u>	<u>\$ 409,585</u>

NOTE D: UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following as of August 31, 2018 and 2017:

	2018	2017
Receivable in less than one year	\$ 2,140	\$ 10,405
Receivable in one to five years	830	3,570
Total unconditional promises to give	<u>\$ 2,970</u>	<u>\$ 13,975</u>

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE D: UNCONDITIONAL PROMISES TO GIVE (Continued)

Unconditional promises to give with donor restrictions are as follows as of August 31, 2018 and 2017:

	2018	2017
Restricted for scholarships	\$ 2,970	\$ 13,975

NOTE E: NOTE RECEIVABLE

The Foundation sold land in April 2016 for \$265,382, net of settlement costs. The Foundation received \$51,294 as a down payment with the remainder of \$214,088 as a promissory note which will be paid over the next twenty years. The terms of the promissory note state that the Foundation will receive \$1,376 in monthly installments through April 2036. The stated interest rate for this receivable is 4.69%.

The note receivable has the following maturities at August 31:

2019	\$	6,780
2020		7,736
2021		8,106
2022		8,495
2023		8,899
Thereafter		157,532
		\$ 197,548

NOTE F: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes as of August 31, 2018 and 2017:

	2018	2017
Scholarships	\$6,966,415	\$6,732,747
Fine arts program	1,185,161	1,139,423
Other	410,644	525,053
Total net assets with donor restrictions	\$8,562,220	\$8,397,223

NOTE G: RELATED PARTY TRANSACTIONS

The Foundation remitted \$264,475 and \$234,414 in scholarships to Weatherford College in fiscal years 2018 and 2017, respectively, and \$25,532 and \$6,485 for other contributions to Weatherford College in fiscal years 2018 and 2017, respectively.

WEATHERFORD COLLEGE FOUNDATION, INC.
A Component Unit of Weatherford College
Notes to Financial Statements

NOTE H: AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at August 31, 2018 and 2017:

	2018	2017
Financial assets at year end:		
Cash and cash equivalents	\$ 182,261	\$ 84,222
Accounts receivable	-	1,500
Interest receivable	2,708	2,176
Note receivable, current portion	6,780	7,044
Certificates of deposit	2,305,991	2,553,748
Securities	6,293,669	5,809,481
Total financial assets	8,791,409	8,458,171
Less amounts not available to be used within one year:		
Net assets with donor restrictions	8,562,220	8,397,223
Less net assets with purpose restrictions to be met in less than one year	(2,140)	(10,405)
	8,560,080	8,386,818
Financial assets available to meet general expenditures over the next twelve months	\$ 231,329	\$ 71,353

The Foundation's goal is generally to maintain liquidity and provide timely working funds that are sufficient to cover anticipated expenses over the next twelve months.

NOTE I: SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through January 10, 2019, the date the financial statements were available to be issued, and nothing significant requiring disclosure was noted.



SNOW GARRETT WILLIAMS
CERTIFIED PUBLIC ACCOUNTANTS

January 14, 2019

To the Board of Directors of
Weatherford College
Foundation, Inc.

We have audited the financial statements of Weatherford College Foundation, Inc. for the year ended August 31, 2018, and have issued our report thereon dated January 14, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 7, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note A to the financial statements. As described in Note A of the financial statements, the Foundation changed accounting policies related to financial statement presentation by adopting FASB Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities* in fiscal year 2018. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We noted no misstatements related to the financial statements as a result of audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 14, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

This information is intended solely for the use of the Board of Directors and management of Weatherford College Foundation, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Snow Garrett Williams

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