



TYLER, TEXAS

For the fiscal years ended  
August 31, 2017 and August 31, 2016



# Comprehensive Annual Financial Report

*Celebrating*  
**1926**  
**2016**  
*Years*



**TYLER JUNIOR COLLEGE DISTRICT  
TYLER TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEARS ENDED  
AUGUST 31, 2017 AND 2016**

**Prepared By:  
DEPARTMENT OF BUSINESS SERVICES  
TYLER JUNIOR COLLEGE DISTRICT**



**TJC**<sup>TM</sup>

DISTRICT

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TYLER, TEXAS



INTRODUCTORY SECTION







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November 15, 2017

To the Board of Trustees and the President of the Tyler Junior College District:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended August 31, 2017.

The District's financial staff bears the responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Gollob Morgan Peddy PC have issued an unmodified ("clean") opinion on the Tyler Junior College financial statements for the year ended August 31, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## **TYLER JUNIOR COLLEGE PROFILE**

The Tyler Junior College District facilities are located in Tyler, Texas, a city of approximately 100,000 located in East Texas. The District was created in 1926 as part of the Tyler public school system to serve the higher education needs of area citizens. In 1945, Tyler voters established the Tyler Junior College District as an independent local governmental entity with a publicly elected board of trustees and the authority to levy taxes in support of the District. The District is currently comprised of some or all of six independent school districts including Chapel Hill, Grand Saline, Lindale, Tyler, Van, and Winona school districts located in Smith and Van Zandt counties. The District is considered a special-purpose government engaged in business-type activities for financial reporting purposes.

In 1995, the 74th Texas Legislature defined the District's service area by adding the Yantis, Alba-Golden, Arp, Bullard, Hawkins, Jacksonville, Mineola, New Summerfield, Quitman, Rusk, Troup, and Whitehouse independent school districts to the existing six districts mentioned above. While not adding to the tax base, defining the service area clarifies the geographic boundaries within which the District may offer its courses and programs.

Although the Tyler Junior College District is regional in concept, the District's 120 degree and certificate programs at relatively low cost attracts students from thirty-seven states and thirty

foreign countries. Annual fall unduplicated enrollment is approximately 11,500 academic and vocational students with an additional 2,800 unduplicated “non-credit” continuing education students. In addition to outstanding instructional programs, the District offers a broad array of campus activities, men’s and women’s intercollegiate athletic programs, marching band, Apache Belles precision dance team, and a strong performing arts program. Student and service clubs, campus housing, career guidance and counseling, endowed scholarships, federal financial aid, and a modern 137-acre campus round out the educational experience.

The Tyler Junior College District is committed to maintaining its strong “junior college” academic heritage of the first two years of a four-year baccalaureate degree education. The District is further committed to preserving a traditional campus experience for current and future students by maintaining campus housing for students, student life activities, and intercollegiate athletic programs. By maintaining the strength of its traditions while positioning itself to respond quickly and surely to rapid technological change, the District plans to continue its role as a vital educational resource in the 21st century.

## **COMPONENT UNIT REPORTING**

In accordance with the provisions of GASB 39, the financial statements for the Tyler Junior College Foundation, a separate 501(c) (3) corporation, are presented discretely in the accompanying financial statements. The Tyler Junior College Foundation is a nonprofit corporation organized under the Texas Corporation Act. Its mission is to enhance the overall reputation of Tyler Junior College, to provide external resources to fund College priorities, and to create opportunities for the College to build partnerships with alumni, friends, donors, corporations, and foundations.

## **BUDGETARY PROCESSES**

### **State Requirements**

The state annual budget requirements for community and/or junior colleges are contained within a rider in the general appropriations act for the State of Texas. This rider states that “each community/junior college must file by December 1 of each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board, a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board.

### **Tyler Junior College Process**

Budgeting is the process whereby the plans of the institution are translated into an itemized, authorized, and systematic plan of operation expressed in dollars for a given period. Development of the budget should also ensure that all institutional activities and programs are simultaneously examined to determine, in light of available resources, which should be supported and at what levels. The budget is prepared by fund, function (e.g. Instruction) and department (e.g. History). The result of this process is a document that is used to monitor and control the ongoing operations of the institution.

### **Budget Adoption**

An itemized budget covering the operation of the College must be approved on or before September 1 of each year for the fiscal year beginning on September 1 of each year. The adopted

budget provides the authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the College District's approved purchasing procedures. The expenditure of funds shall be under the direction of the College President or designee who shall ensure funds are expended in accordance with the adopted budget.

### **Monitoring of the Budget**

The budget and expenditures are monitored by the College President, the Vice President for Financial and Administrative Affairs/CFO, the Business Services staff and the Board. The Board may make adjustments to the operating budget at any time during the budget year upon recommendation by the College President.

### **Legal Level Budgetary Control**

Department heads may transfer resources within a department as they see fit. However, additions to the budget or unusual transactions require oversight and approval by the College President or his designee, or the Board.

## **ASSESSING THE ECONOMIC CONDITION**

Academic year 2016-2017 enrollment increased slightly as compared to 2015-2016. Enrollment and contact hours have declined somewhat for several years primarily due to the growth of the local economy and the recovery from the past recession, but this decline continues to stabilize. Contact hours for academic year 2016-2017 remained flat as compared to the 2015-2016 academic year. Modest enrollment growth is expected in the future as economic improvement continues and the College adds new programs and expands existing programs in response to workforce development and student needs.

State appropriations for fiscal year 2017 remained relatively flat as compared to the prior year. Future state funding for higher education continues to be an ongoing concern. The College reviews tuition and fee schedules annually and adjusts tuition and fee rates as necessary to mitigate the impact of reduced state funding from prior years and the uncertainty of future appropriations. The Board approved fee increases for the Fall 2016 semester and a slight tuition and fee increase for the Spring 2017 semester. The College strives to maintain a low cost tuition and fee structure to remain competitive and provide access to education for as many students as possible. Additional increases may be considered in the future in order to align tuition and fees with program costs.

The College also relies on local tax revenues to support the ongoing maintenance of existing facilities and grounds plus any additional capital growth as a result of increased capacity needs due to limited state funding. Tax revenues continue to increase slightly over the past several years due to an expanded tax base and increased property valuations. Property valuations of the District increased slightly this past year with a corresponding increase in property tax exemptions. The College increased the maintenance and operation tax rate for 2016-2017 to \$.149298 per \$100 valuation. Additionally, the District decreased the associated debt tax rate slightly to \$.050628 per

\$100 valuation. The total tax rate for 2016-2017 for the College remained at \$.199926 per \$100 valuation. The College issued \$10,000,000 in additional maintenance tax notes in September 2016 to complete several maintenance projects over the next two years. The Tyler area economy is expected to continue to grow and property valuations to increase resulting in increased tax revenues. The College is mindful of the relationship with the taxing district and strives to keep the tax rates at reasonable levels while still providing funds for the College to preserve existing infrastructure and provide for future capital growth.

## **TRENDS**

Tyler is located in Smith County in northeastern Texas approximately 100 miles east of Dallas and 100 miles west of Shreveport, Louisiana. Tyler is considered the advanced manufacturing, health care, educational, and retail center of East Texas. The Texas Workforce Commission indicates occupations expected to add the most jobs between 2014-2024 in the East Texas area are in the fields of health related services, construction, manufacturing, retail and leisure and hospitality. According to The Perryman Group short-term economic forecast report, the number of jobs in the Tyler Metropolitan Statistical Area (MSA) is expected to increase 11.30% over the next five years. Unemployment in the East Texas area has been declining during 2017 and is currently at a rate of 3.9% which is comparable to both state and national unemployment levels. The economy in Tyler, the East Texas area and the state of Texas continues to grow at a healthy rate as compared to the national economy.

Tyler Junior College is sensitive to the needs of employers in the local area and the state. New programs and courses are continuously developed to uniquely situate the College to provide the needed skilled and educated workforce. The College collaborates with area businesses and organizations to determine the workforce needs. With the expansion of existing programs and the addition of new programs in nursing and health sciences, workforce and technical programs, the College is able to provide local area employers with well-educated and trained employees.

Partnerships with community members and stakeholders continue to be an important strategy for the College. The College is continuing its partnership with the University of Texas Health Northeast to offer free and reduced cost dental services to qualifying members of the rural community with the assistance of grant funds obtained by UT Health Northeast. During FY17, the College completed development of space at The Cannery in Lindale to relocate existing instructional programs to a new, built-to-suit facility in downtown Lindale. The new location was ready for occupancy in March 2017 and offers additional instructional space including space dedicated to the new Veterinary Technician program which is offered only in Lindale beginning Fall 2016. The College is currently working with multiple organizations in and around the Lindale area to establish and develop a diverse clinical experience for the Veterinary Technician program. The program will be the only one of its kind in the East Texas area and should attract new students from the area and state.

The 85<sup>th</sup> Texas Legislature approved Senate Bill 2118 which permanently authorized Tyler Junior College to award a baccalaureate degree for Dental Hygiene and includes the District with the original three colleges authorized to grant baccalaureate degrees in prior legislative sessions. The Commission on Colleges of the Southern Association of Schools (SACS/COC) approved the College for a level change from an associate degree granting institution to a baccalaureate degree granting institution allowing the District to pursue additional baccalaureate degree opportunities with the appropriate approval of the Texas Higher Education Coordinating Board. The College is currently reviewing baccalaureate program offerings and it is anticipated the next baccalaureate degree will be ready for a fiscal year 2018 launch.

As a proud member of the East Texas community, Tyler Junior College has committed to provide additional educational opportunities to all students in our taxing district who are willing to commit to

currently reviewing baccalaureate program offerings and it is anticipated the next baccalaureate degree will be ready for a fiscal year 2018 launch.

As a proud member of the East Texas community, Tyler Junior College has committed to provide additional educational opportunities to all students in our taxing district who are willing to commit to their educational goals. The TJC Promise program was launched during fiscal year 2016-2017, the 90<sup>th</sup> anniversary of the College. The Tyler Junior College Foundation has established a goal to raise \$20 million in donations to fully fund the TJC Promise. The program will provide scholarships to students who sign contracts as freshmen in high school and meet defined academic and community service requirements. These students will receive a scholarship from the TJC Promise program which will cover tuition and fees for two years as long as the student maintains minimum academic requirements. The College is excited to offer this program to students and believes the program will offer students who are underserved the opportunity to obtain a higher education credential that may have been unattainable otherwise.

## AWARDS AND ACKNOWLEDGMENTS

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tyler Junior College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2016. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for preparation of a state and local government financial report.

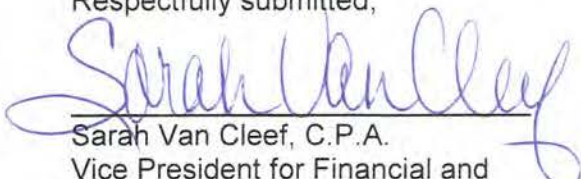
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. The 2016 report was the twenty-first submission for the District, having earned its first Certificate of Achievement in 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgments

The preparation of the District's financial statements and reports requires the ongoing efforts and diligence of many persons and offices. We would like to express our appreciation to the individuals who work throughout the year to maintain the accuracy and integrity of the District's financial information. We would also like to thank the President of the College and the Board of Trustees for their progressive leadership and support of the financial operations of the District.

Respectfully submitted,

  
Sarah Van Cleef, C.P.A.  
Vice President for Financial and  
Administrative Affairs/CFO

  
Carol Hutson, C.P.A.  
Executive Director, Business Services



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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Tyler Junior College District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

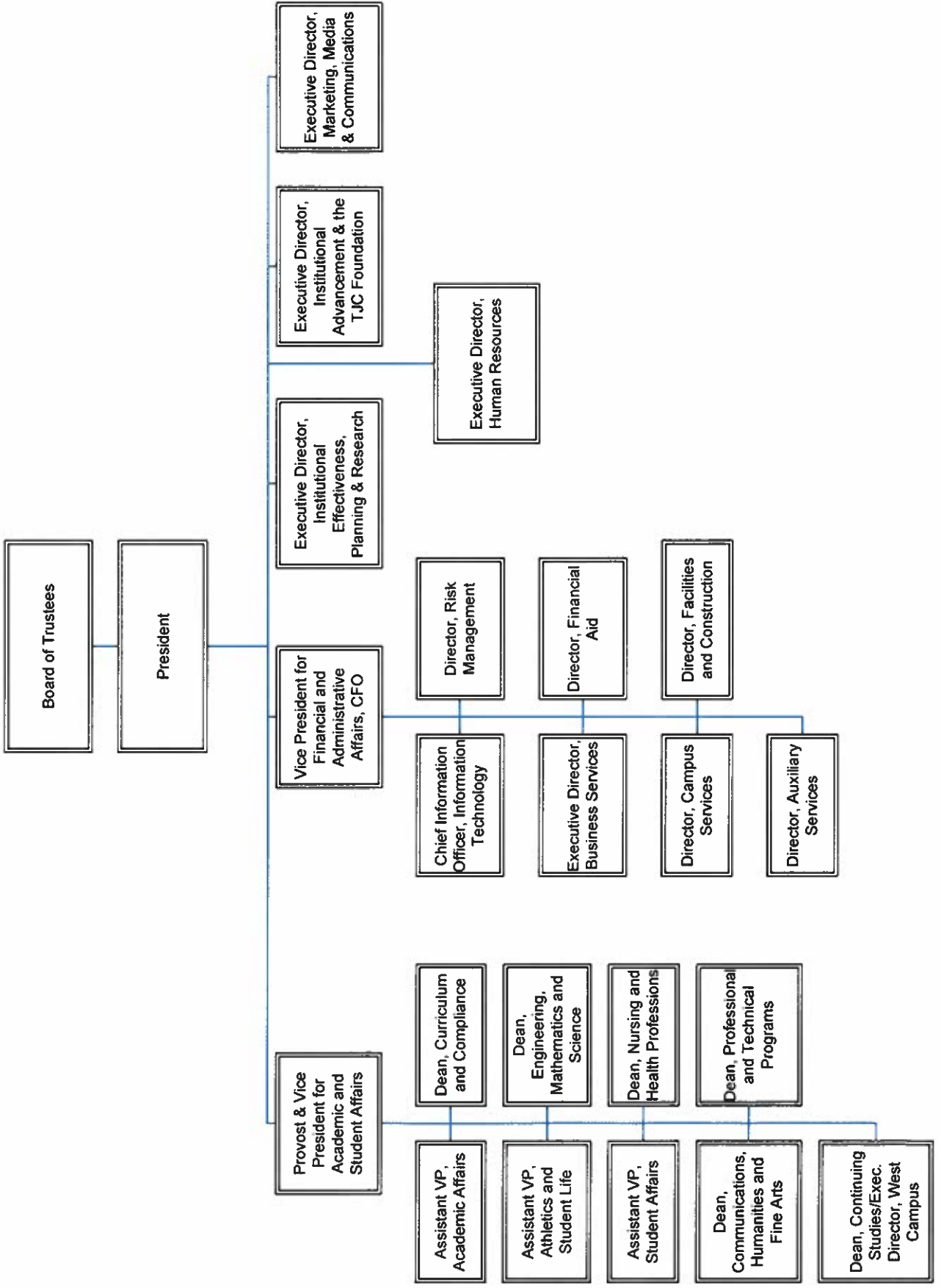
**August 31, 2016**

*Christopher P. Morill*

Executive Director/CEO



# TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE





**ORGANIZATIONAL DATA  
For the Fiscal Year 2017-2018**

**Board of Trustees**

**Officers**

<b>Ann Brookshire</b>	<b>President</b>
<b>Mike Coker</b>	<b>First Vice President</b>
<b>Rohn Boone</b>	<b>Second Vice President</b>

**Members**

		<b><u>Term Expires</u></b>
<b>John Hills</b>	<b>Tyler, Texas</b>	<b>May, 2018</b>
<b>David Hudson</b>	<b>Tyler, Texas</b>	<b>May, 2020</b>
<b>Joe Prud'homme</b>	<b>Tyler, Texas</b>	<b>May, 2022</b>
<b>Clint Roxburgh</b>	<b>Tyler, Texas</b>	<b>May, 2022</b>
<b>Peggy Smith</b>	<b>Tyler, Texas</b>	<b>May, 2022</b>
<b>Lonny Uzzell</b>	<b>Tyler, Texas</b>	<b>May, 2018</b>

**Principal Administrative Officers**

<b>L. Michael Metke</b>	<b>President</b>
<b>Juan Mejia</b>	<b>Provost and VP, Academic and Student Affairs</b>
<b>Sarah Van Cleef</b>	<b>VP, Financial and Administrative Affairs, CFO</b>
<b>Lisa M. Harper</b>	<b>Dean, Curriculum and Compliance</b>
<b>Paul R. Monagan</b>	<b>Dean, Nursing &amp; Health Sciences</b>
<b>Kenneth Murphy</b>	<b>Dean, Engineering, Mathematics and Sciences</b>
<b>Linda Gary</b>	<b>Dean, Humanities, Communication and Fine Arts</b>
<b>Bryan Renfro</b>	<b>Dean, Professional and Technology Programs</b>
<b>Aubrey D. Sharpe</b>	<b>Dean, Continuing Studies/Exec. Admin., West Campus</b>



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TYLER, TEXAS



FINANCIAL SECTION





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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Tyler Junior College District  
Tyler, Texas

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the Tyler Junior College District as of and for the years ended August 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Tyler Junior College District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of Tyler Junior College Foundation, a component unit of the District, which statements reflect total assets of \$50,693,767 and \$47,396,419 as of August 31, 2017 and 2016 and total revenues of \$7,345,340 and \$5,262,606 for the years then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit in Exhibits 1-1 and 2-1, is based on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Tyler Junior College District as of August 31, 2017 and 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 3 – 16 and the information contained in Schedules 1 and 2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tyler Junior College District's basic financial statements. The introductory section, statistical section, and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information contained in Schedules A - D and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information contained in Schedules A - D 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2017, on our consideration of the Tyler Junior College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tyler Junior College District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Gollob Morgan Peddy PC".

Certified Public Accountants

Tyler, Texas  
November 15, 2017





**TJC**<sup>TM</sup>

DISTRICT

# **Tyler Junior College District**

## **Management's Discussion and Analysis**

Tyler Junior College District is a public, open door, comprehensive community college dedicated to meeting the changing needs of citizens in its seven county service area. By offering a broad spectrum of programs, the District provides students with opportunities for educational, personal and professional advancement. A wide range of academic courses prepares students to transfer to four-year institutions. Technical programs equip students to master certain skills as well as to utilize them through job entry.

Tyler Junior College District is proud to present its financial statements for fiscal year 2017. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

This discussion and analysis of the District's financial statements provides an overview of its financial activities for the year.

### **Statement of Net Position**

The Statement of Net Position presents the assets, liabilities, and net position of the District as of the end of the fiscal year. The Statement of Net Position is a 'point in time' financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of Tyler Junior College District. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (Assets and Deferred Outflows minus Liabilities and Deferred Inflows). The difference between current and noncurrent assets will be discussed in the financial statement disclosures.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the institution. They are also able to determine how much the institution owes vendors, investors and lending institutions.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is restricted net position, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted resources are available for expenditure by the institution, but must be spent for purposes as determined by donors and/or external entities

that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted net position is available to the institution for any appropriate purpose of the institution.

**Condensed Statement of Net Position**  
(thousands of dollars)

	<u>August 31</u>			<u>Change</u>	
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2016 to 2017</u>	<u>2015 to 2016</u>
<b>Assets</b>					
Current Assets	\$ 38,219	\$ 36,221	\$ 34,314	\$ 1,998	\$ 1,907
Capital Assets, Net	204,011	207,241	212,562	(3,230)	(5,321)
Other Assets	7,624	1,722	6,991	5,902	(5,269)
Total Assets	<u>249,854</u>	<u>245,184</u>	<u>253,867</u>	<u>4,670</u>	<u>(8,683)</u>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows Related to Pensions	3,095	3,893	1,411	(798)	2,482
<b>Liabilities</b>					
Current Liabilities	37,902	35,448	35,420	2,454	28
Noncurrent Liabilities	<u>123,446</u>	<u>120,984</u>	<u>128,971</u>	<u>2,462</u>	<u>(7,987)</u>
Total Liabilities	<u>161,348</u>	<u>156,432</u>	<u>164,391</u>	<u>4,916</u>	<u>(7,959)</u>
<b>Deferred Inflows of Resources</b>					
Deferred Inflows Related to Pensions	2,481	3,375	2,581	(894)	794
<b>Net Position</b>					
Net Investment in Capital Assets	84,186	88,796	85,846	(4,610)	2,950
Restricted: Expendable	791	748	721	43	27
Unrestricted	<u>4,143</u>	<u>(274)</u>	<u>1,739</u>	<u>4,417</u>	<u>(2,013)</u>
<b>Total Net Position</b>	<u>\$ 89,120</u>	<u>\$ 89,270</u>	<u>\$ 88,306</u>	<u>\$ (150)</u>	<u>\$ 964</u>

The \$249.9 million in assets includes cash and cash equivalents of \$26.1 million. This represents an \$8.3 million increase over the cash and cash equivalents of \$17.8 million in FY2016. The majority of the increase is a result of the proceeds from the issuance of \$9,830,000 of Maintenance Tax Notes, Series 2016, on September 22, 2016 for the repairs and renovations of existing campus projects. A review of the Statement of Net Position also reveals accounts receivable of \$19.7 million compared to \$20.1 million in FY2016 and just over \$18.6 million in FY2015. Approximately 100 percent of the accounts receivable are for student loans and fees.

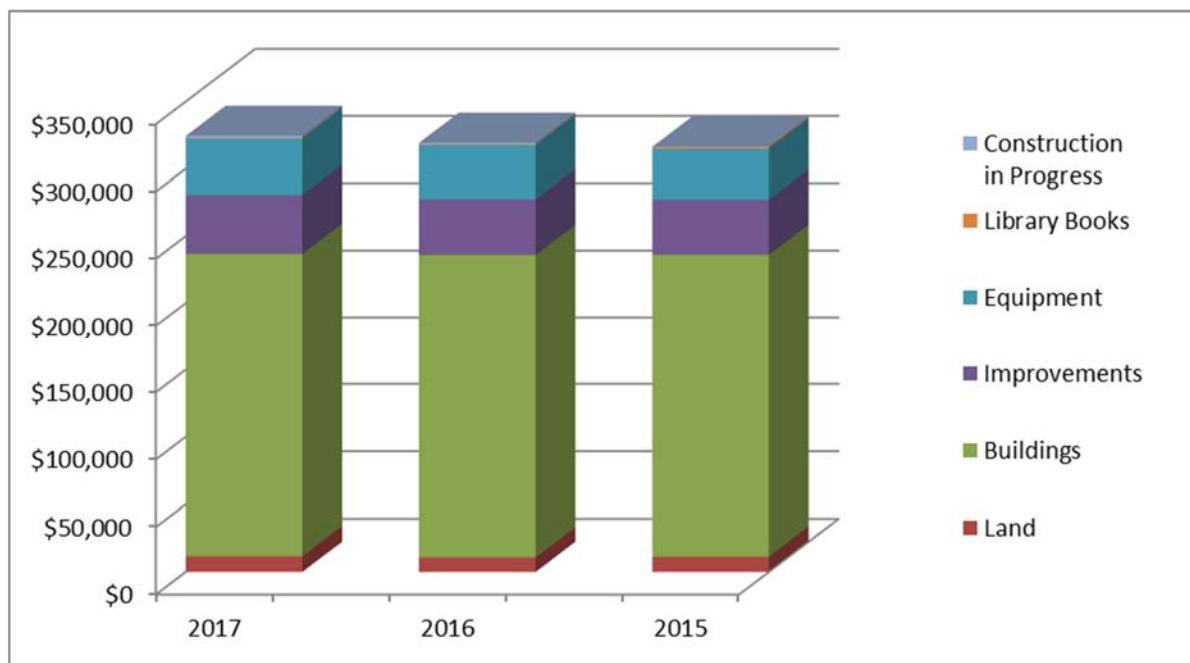
Capital assets display the result of the implementation of a policy to capitalize only those capital assets with an acquisition cost of \$5,000 or more. The consumption of assets follows the

institutional philosophy to use available resources to acquire and improve all areas of the institution to better serve the instruction and public service missions of the institution.

There was an increase in activity on campus during FY2017 regarding renovations and upgrades, as well as equipment purchases. Two residence halls, Sledge Hall and Claridge Hall, and a student support building, Wesley House, all underwent significant renovations. Upgrades to the Wi-Fi infrastructure for several academic buildings and all of the residence halls took place during FY2017. Also, equipment was purchased for the Veterinarian Technology program during the year. Other projects completed during the 2017 year included upgrades and replacements to the existing technology infrastructure and hardware, replacement of several roofs and air conditioning units. More detailed information of capital asset activity and long-term debt activity is presented in the note disclosures Number 6 that details the capital assets, Number 7 that discloses the details pertaining to long-term liabilities, and Number 8 that displays details of all outstanding bonds payable.

**Capital Assets at Year End**  
(in thousands)

	<b>August 31</b>			<b>Change</b>	
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2016 to 2017</b>	<b>2015 to 2016</b>
<b>Capital Assets:</b>					
Land	\$ 11,684	\$ 10,897	\$ 11,315	\$ 787	\$ (418)
Buildings	225,141	225,061	224,844	80	217
Improvements	43,794	41,431	40,995	2,363	436
Equipment	41,735	40,144	37,464	1,591	2,680
Library Books	527	578	1,316	(51)	(738)
Construction in Progress	1,534	1,068	326	466	742
Total Capital Assets	<u>\$ 324,415</u>	<u>\$ 319,179</u>	<u>\$ 316,260</u>	<u>\$ 5,236</u>	<u>\$ 2,919</u>



Based on the provisions of GASB Statement 68, the District must record Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions. Deferred Outflows of Resources totaling \$3,094,836 for FY2017 include the District's proportionate share of the differences between expected and actual economic experience, changes in actuarial assumptions, and contributions paid to TRS subsequent to the measurement date of August 31, 2016. Deferred Inflows of Resources totaling \$2,480,515 for FY2017 include differences between projected and actual investment earnings and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The FY2016 Deferred Outflows of Resources and Deferred Inflows of Resources were \$3,892,603 and \$3,374,782, respectively. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 9, Employees' Retirement Plan, in the note disclosures, and Schedules 1 and 2 of the Required Supplementary Information.

Liabilities of \$161 million include debt of \$120 million, compensated absences of \$986,213, and \$10.8 million for the District's net pension liability. This compares to the liabilities in FY2016 of \$157 million with \$118 million of debt, \$1 million in compensated absences, and \$10.1 million for the District's net pension liability, as a result of the implementation of GASB 68, as of the end of the 2016 fiscal year. Also included in the liabilities are student deposits and deferred revenue in excess of \$22 million. The approximate \$5 million increase in liabilities is a direct result of the District's issuance of Maintenance Tax Notes, Series 2016, issued on September 22, 2016 for the repairs and renovations of existing campus projects for \$9,830,000 and an increase in deferred revenues due to an increase in enrollment and an increase in tuition and fees.

The assets plus deferred outflows less liabilities and deferred inflows result in a net position of \$89.1 million compared to the \$89.3 million in FY2016 and the \$88.3 million in FY2015. The majority of the net position is the District's capital assets of \$84.2 million.

The District reports as an enterprise activity and as such does not have a debt limit that impacts the financing of any planned facilities or services. Additional information that pertains to the District's long-term debt liability can be found in the notes to the financial statements, Numbers 7 and 8.

### **Statement of Revenues, Expenses and Changes in Net Position**

Changes in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues received by the institution, both operating and nonoperating, and the expenses paid by the institution, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the institution.

Operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Nonoperating revenues are revenues received for which goods and services are not provided. For example, property taxes are nonoperating because the taxes are paid by citizens without the citizens receiving any commensurate goods or services. Additionally, state appropriations and Title IV financial aid revenue are considered to be nonoperating revenues based on the reporting requirements set forth by the Texas Higher Education Coordinating Board.

**Condensed Statement of Revenues, Expenses and Changes in Net Position**  
(thousands of dollars)

	<u>August 31</u>			<u>Change</u>	
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2016 to 2017</u>	<u>2015 to 2016</u>
<b>Operating Revenues</b>					
Tuition and Fees	\$ 20,240	\$ 16,754	\$ 14,978	\$ 3,486	\$ 1,776
Federal Grants and Contracts	3,036	4,270	3,843	(1,234)	427
State Grants and Contracts	1,572	1,654	1,767	(82)	(113)
Local Grants and Contract	475	460	433	15	27
Sales and Service of Educational Activities	110	106	114	4	(8)
Auxiliary Enterprises	5,147	5,103	3,665	44	1,438
Miscellaneous	3,357	3,485	5,611	(128)	(2,126)
Total Operating Revenues	<u>33,937</u>	<u>31,832</u>	<u>30,411</u>	<u>2,105</u>	<u>1,421</u>
<b>Operating Expenses</b>					
Instruction	32,715	31,740	31,823	975	(83)
Public Service	2,885	2,851	2,564	34	287
Academic Support	3,835	3,454	3,241	381	213
Student Service	8,511	7,878	8,368	633	(490)
Institutional Support	14,945	14,363	13,396	582	967
Operation and Maintenance of Plant	9,448	7,941	7,696	1,507	245
Scholarship and Fellowships	4,334	3,726	3,719	608	7
Auxiliary Enterprises	9,508	9,016	8,084	492	932
Depreciation	8,545	8,324	7,543	221	781
Total Operating Expenses	<u>94,726</u>	<u>89,293</u>	<u>86,434</u>	<u>5,433</u>	<u>2,859</u>
Operating Loss	(60,789)	(57,461)	(56,023)	(3,328)	(1,438)
Non-Operating Revenues (Expenses)	<u>60,639</u>	<u>58,425</u>	<u>58,536</u>	<u>2,214</u>	<u>(111)</u>
<b>Increase (Decrease) in Net Position</b>	<b>(150)</b>	<b>964</b>	<b>2,513</b>	<b>(1,114)</b>	<b>(1,549)</b>
<b>Net Position</b>					
Net Position, Beginning of Year	89,270	88,306	85,793	964	2,513
Prior Period Adjustment	-	-	-	0	0
Net Position, End of Year	<u>\$ 89,120</u>	<u>\$ 89,270</u>	<u>\$ 88,306</u>	<u>\$ (150)</u>	<u>\$ 964</u>

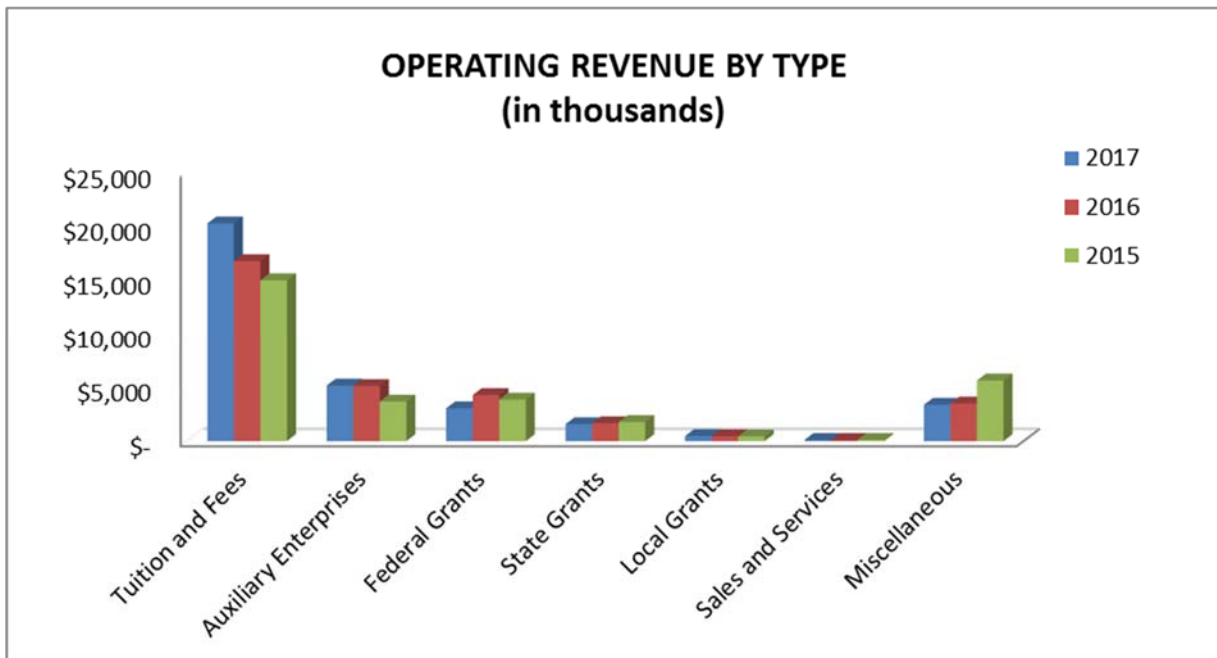
The nonoperating revenues (expenses) are comprised of \$21.4 million state educational contracts, \$23.6 million property taxes, \$19.3 million in Title IV financial assistance, investment income of \$147,732 and \$3.8 million interest paid on capital related debt. These numbers compare to FY2016 nonoperating revenues (expenses) of \$21.2 million state educational contracts, \$22.9 million property taxes, \$18.7 million in Title IV financial assistance, \$75,197 investment income and \$4.5 million interest paid on capital related debt. The total for nonoperating revenues (expenses) increased approximately 3.8% from FY2016. A significant contributor to the increase was the lesser amount of interest on capital related debt, \$740,647, that was paid by the District related to the limited debt issuances during FY2017. Property tax revenue and Title IV financial

assistance, both experienced increases during the year of \$599,265 and \$547,818, respectively. Additionally, there was an increase in investment income of \$72,535 over last year that contributed to the overall increase in the nonoperating revenues (expenses).

The Statement of Revenues, Expenses, and Changes in Net Position reflects a positive year with a slight decrease in the net position at the end of the year. Some highlights of the information presented on the Statement of Revenues, Expenses, and Changes in Net Position are discussed in the following section.

**Operating Revenue by Type**  
(thousands of dollars)

	August 31			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
<b>Operating Revenues</b>					
Tuition and Fees	\$ 20,240	\$ 16,754	\$ 14,978	\$ 3,486	\$ 1,776
Auxiliary Enterprises	5,147	5,103	3,665	44	1,438
Federal Grants and Contracts	3,036	4,270	3,843	(1,234)	427
State Grants and Contracts	1,572	1,654	1,767	(82)	(113)
Local Grants and Contract	475	460	433	15	27
Sales and Service of Educational Activities	110	106	114	4	(8)
Miscellaneous	3,357	3,485	5,611	(128)	(2,126)
Total Operating Revenues	\$ 33,937	\$ 31,832	\$ 30,411	\$ 2,105	\$ 1,421





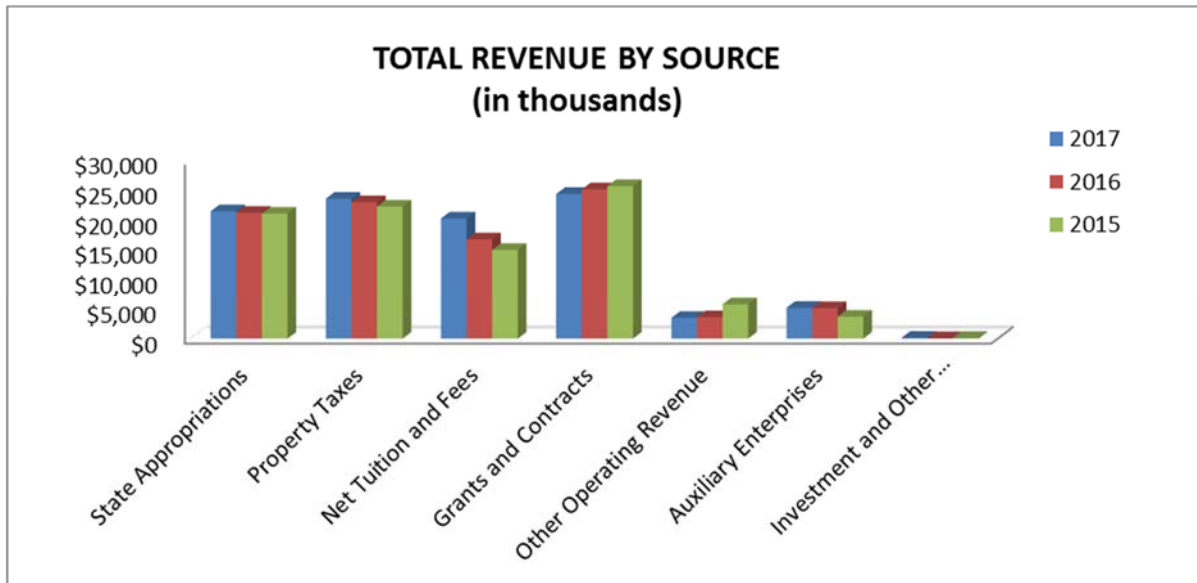
The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Student tuition and fees represent the largest type of operating revenue followed by auxiliary enterprises. All other types of revenue represent approximately 25% of the total operating revenue.

The auxiliary services, other than the residence halls, are not self-supporting activities. Two principal auxiliary services, athletics and the Center for Earth & Space Science Education, are programmed to be supported by the general operating resources.

The District relies equally on operating revenue as well as nonoperating revenue. When all of the revenues by source are combined, the District experienced a modest increase in total revenue from FY2016 to FY2017, approximately 3.8% from \$94.8 million in FY2016 to \$98.3 million in FY2017. The Grants and Contracts source is the largest contributor in FY2017 at 24.8% compared to 26.5% and 27.5% for FY2016 and FY2015, respectively. This source is restricted in nature and includes the federal Pell grant awards that pass through the District directly to the students. The State Appropriations contribution has remained relatively consistent over the last three years even though State Appropriations account for a significant portion of the District's revenue. For the year 2017, the State Appropriations were 21.8% of the total revenue for the District at \$21.4 million, compared to 22.4% in FY2016 at \$21.2 million and 22.5% in FY2015 at \$21.1 million. The property taxes source has historically been the third largest contributor to the total revenue received by the District. However, in the last several years the property taxes source has consistently been the second largest contributor to the total revenue. Continued increases in property valuations across the District and the increased amount of taxes collected as a result of the various maintenance tax notes that have been issued over the years as well as the voter approved general obligation bond issued in September, 2012, property taxes account for 23.9% of total revenue for FY2017, or \$23.6 million. Property taxes accounted for 24.2% and 23.8% of total revenue for FY2016 and FY2015, or \$23 million and \$22.2 million, respectively. Other Operating Revenue represents 3.5% of the total revenue for FY2017 compared to 3.8% and 6.1% of the total revenue for FY2016 and FY2015, respectively.

**Total Revenues by Source**  
(thousands of dollars)

	August 31			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
<b>Revenue Sources:</b>					
State Appropriations	\$ 21,442	\$ 21,197	\$ 21,051	\$ 245	\$ 146
Property Taxes	23,551	22,952	22,234	599	718
Net Tuition and Fees	20,240	16,754	14,978	3,486	1,776
Grants and Contracts	24,344	25,097	25,648	(753)	(551)
Other Operating Revenue	3,467	3,591	5,725	(124)	(2,134)
Auxiliary Enterprises	5,147	5,103	3,665	44	1,438
Investment and Other Income	148	75	103	73	(28)
<b>Total Revenue</b>	<b>\$ 98,339</b>	<b>\$ 94,769</b>	<b>\$ 93,404</b>	<b>\$ 3,570</b>	<b>\$ 1,365</b>

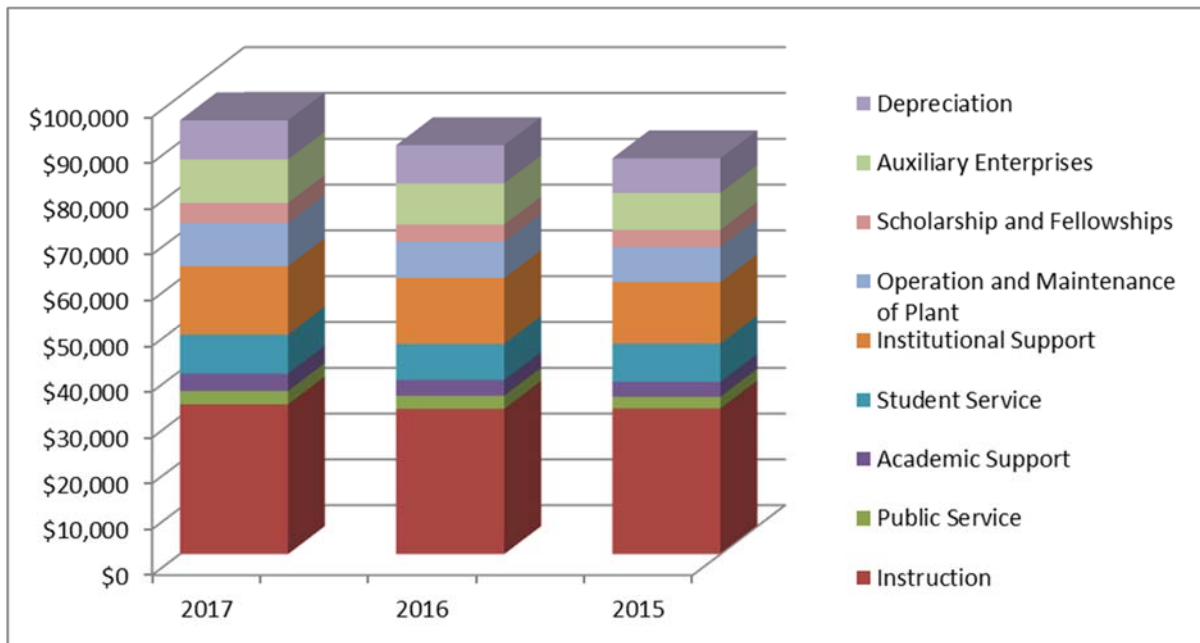


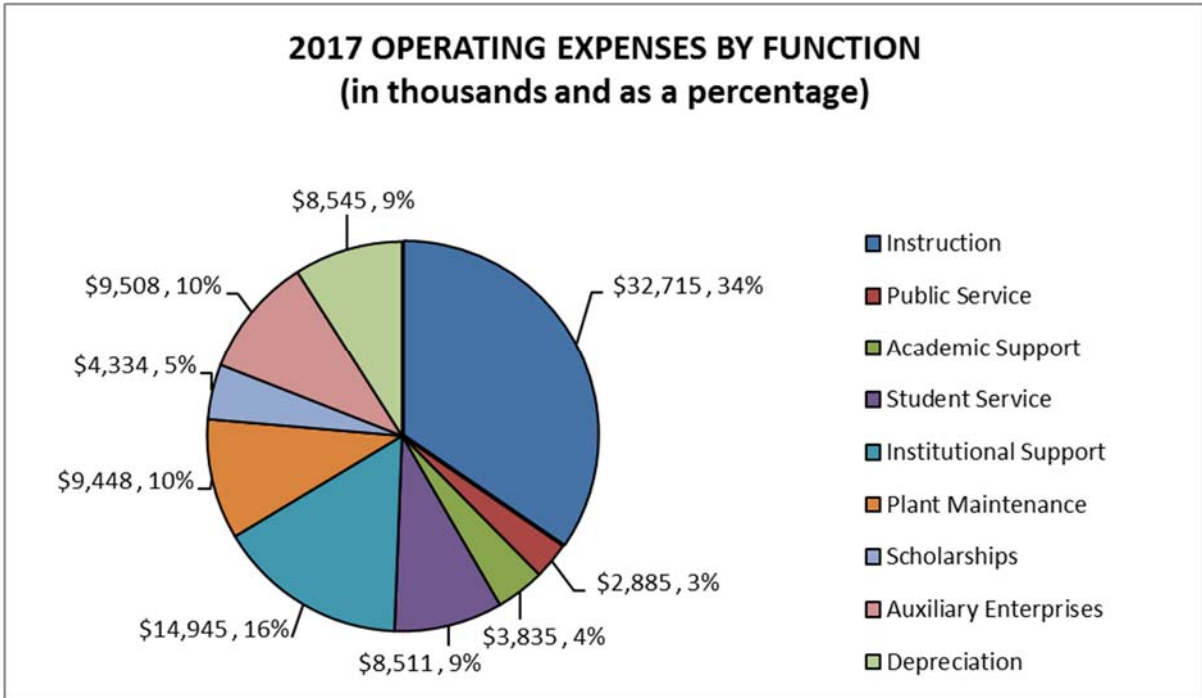
While the District experienced a modest increase in operating revenue for FY2017 of 6.6%, or approximately \$2.1 million, the operating expenses also increased for FY2017 by 6.1%, or approximately \$5.4 million. Costs to maintain enrollment at the District remained strong at over \$32 million for FY2017. There was a slight increase in Instruction cost of 3 percent or \$975,000 for FY2017 to total \$32.7 million as compared to \$31.7 million in FY2016 and \$31.8 million in FY2015. This slight increase is attributable to several new faculty hires in new or expanding programs. Academic Support expenses experienced an increase from FY2016 to FY2017 of \$381,000. Additionally, Student Service expenses increased from FY2016 to FY2017 by \$633,000. The expenses for Institutional Support experienced an increase of \$582,000 or 4% in FY2017 to total \$14.9 million compared to an increase of \$967,000 or 7% in FY2016 to total \$14.4 million; and flat expenditures between FY2015 and FY2014 of \$13.4 million. Scholarships and Fellowships increased by \$608,000 to \$4.3 million for FY2017 compared to \$3.7 million in FY2016

and FY2015. With the completion of significant capital construction projects and other projects funded by donations, general obligation bonds and maintenance tax notes and a couple of years of depreciation, the 3% increase in depreciation expense appears reasonable. The increase equates to a total depreciation expense of \$8.5 million for FY2017 as compared to \$8.3 million in FY2016 and \$7.5 million in FY2015.

**Operating Expenses by Function**  
(in thousands)

	August 31			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
<b>Operating Expenses:</b>					
Instruction	\$ 32,715	\$ 31,740	\$ 31,823	\$ 975	\$ (83)
Public Service	2,885	2,851	2,564	34	287
Academic Support	3,835	3,454	3,241	381	213
Student Service	8,511	7,878	8,369	633	(491)
Institutional Support	14,945	14,363	13,396	582	967
Operation and Maintenance of Plant	9,448	7,941	7,695	1,507	246
Scholarship and Fellowships	4,334	3,726	3,719	608	7
Auxiliary Enterprises	9,508	9,016	8,084	492	932
Depreciation	8,545	8,324	7,543	221	781
Total Operating Expenses	\$ 94,726	\$ 89,293	\$ 86,434	\$ 5,433	\$ 2,859

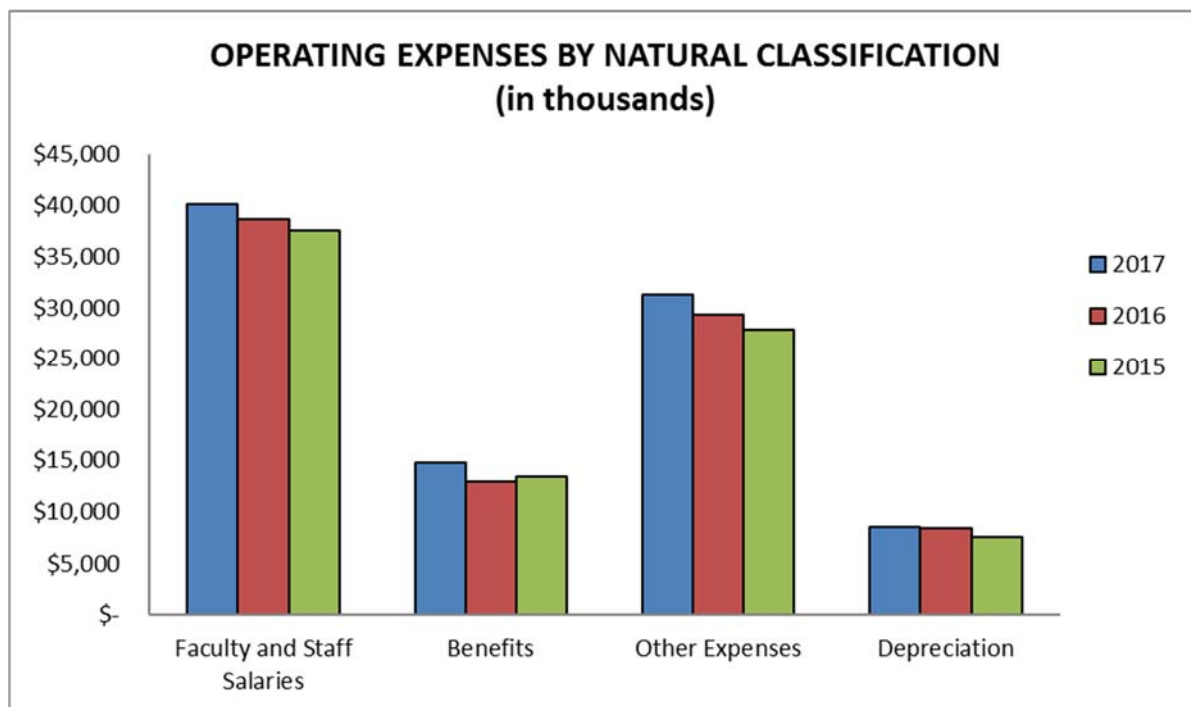




Although the District’s operating expenses are reported by functional classification, the operating expenses restated by their natural classification is necessary because each function contains each of the natural classification expenses except depreciation that is considered both a functional and natural expense class. Operating expenses are summarized here by natural classification. Natural classification displays the type of expense regardless of program.

**Operating Expenses by Natural Classification**  
(in thousands)

	<u>August 31</u>			<u>Change</u>	
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2016 to 2017</u>	<u>2015 to 2016</u>
<b>Operating Expenses:</b>					
Salaries	\$ 40,128	\$ 38,722	\$ 37,593	\$ 1,406	\$ 1,129
Benefits	14,781	12,904	13,453	1,877	(549)
Other Expenses	31,273	29,344	27,845	1,929	1,499
Depreciation	8,545	8,323	7,543	222	780
<b>Total Operating Expenses</b>	<u>\$ 94,727</u>	<u>\$ 89,293</u>	<u>\$ 86,434</u>	<u>\$ 5,434</u>	<u>\$ 2,859</u>



Approximately 42.4% of the District's \$94.7 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$54.9 million is 58% of the District's total operating expense as compared to 57.8% in FY2016 and 59.1% in FY2015. The second highest portion of the operating expenses is the \$31.3 million of operating expenses that the District paid in FY2017 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$29.3 million in FY2016 and \$27.8 million in FY2015. Depreciation expense increased in FY2017 to \$8.5 million up from \$8.3 million in FY2016 and \$7.5 million in FY2015.

### Statement of Cash Flows

The final statement presented by the District is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five components. The first component deals with operating cash flows and shows the net cash used by the operating activities of the institution. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third component reflects the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. The fourth component deals with cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital and related items. The fifth and final component presented in the statement

reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position.

**Condensed Cash Flows for the Year ended August 31**  
(thousands of dollars)

	<u>August 31</u>			<u>Change</u>	
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2016 to 2017</u>	<u>2015 to 2016</u>
<b>Cash Provided (used) by:</b>					
Operating Activities	\$ (47,554)	\$ (47,571)	\$ (47,519)	\$ 17	\$ (52)
Noncapital Financing Activities	60,156	59,827	58,299	329	1,528
Capital and Related Financing Activities	(4,475)	(16,615)	(52,286)	12,140	35,671
Investing Activities	148	75	7,103	73	(7,028)
Net Change in Cash	<u>8,275</u>	<u>(4,284)</u>	<u>(34,403)</u>	<u>12,559</u>	<u>30,119</u>
Cash, Beginning of Year	17,801	22,084	56,487	(4,283)	(34,403)
<b>Cash, End of Year</b>	<u>\$ 26,075</u>	<u>\$ 17,801</u>	<u>\$ 22,084</u>	<u>\$ 8,274</u>	<u>\$ (4,283)</u>

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2017 totaled \$33.4 million as compared to \$29.4 million in FY2016, and \$26.2 million in FY2015. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$80.9 million in FY2017 as compared to \$76.9 million in FY2016, and \$73.7 million in FY2015. These receipts and cash outlay payments resulted in \$17,803 net cash used by operating activities in FY2017.

State educational contracts were once the primary source of noncapital financing. Property tax revenue and nonoperating federal revenue are now the primary sources of noncapital financing. State educational contracts make up the third largest source of noncapital financing. These sources of revenue are categorized as noncapital even though the District's budget depends on them to continue the current level of operations. In FY2017, \$60.2 million was received as compared to \$59.2 million in FY2016, and \$58.3 million in FY2015. Other noncapital financing activity includes the cash held in trust for others that was received and disbursed. Although funds held for others are both received and disbursed throughout the year, the amount received in FY2017 was \$111,517 more than the amount disbursed as compared to a greater amount received in FY2016 and a lesser amount received in FY2015 of \$1.3 million and \$150,371, respectively.

The capital and related financing activities in FY2017 included \$4.2 million expended for campus construction, improvements, and renovations. The capital and related financing activities in FY2016 included \$5.5 million expended for campus construction, improvements and renovations. This compares to \$55.0 million expended in FY2015 for campus construction, improvements and renovations. Financing outflows also include expenditures for debt service payments and related

long-term debt interest. The long-term debt interest of \$3.6 million was \$821,896 less than the amount paid in FY2016.

Investing activities reflect purchases, sales, and interest income earned on investments. Investments identified in the cash flow statement investing activities include both short and long-term investments. The total amount of investment income received in FY2017 was approximately \$73,000 more than the amount received in FY2016. There were no investments, specifically certificates of deposits, which matured during FY2017.

### **Economic Outlook**

As in prior years, the District is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the forthcoming fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

Enrollment at the District increased slightly for the 2016-2017 academic year as compared to the enrollment for the 2015-2016 year. This compares with a flat enrollment for the 2015-2016 academic year when compared with the 2014-2015 year. The lower unemployment in the region continues to play a significant part in stable enrollment as the numbers of displaced workers desiring to improve their skills, or obtain a new skill set has remained relatively level. However, contact hours increased slightly in the 2016-2017 academic year as compared to the 2015-2016 academic year indicating that students are enrolling in additional courses as compared to prior years. This is a trend from the increase in contact hours that occurred in the 2015-2016 year when compared with the 2014-2015 year. Current enrollment levels are expected to continue to rise for fiscal year 2018. The addition of new programs and certificates and the increasing offerings of academic and technical dual credit to the local high school students will contribute to the District's stable enrollment.

The District's overall financial position is strong. The District underwent credit rating reviews with Standard & Poor's Rating Services during the 2016 year. Standard & Poor's affirmed its 'AA+' long-term rating on the District's general obligation (GO) bonds, with a stable outlook. Additionally, Standard & Poor's assigned its 'AA+' long-term rating for the Series 2016 Maintenance Tax Notes that were issued in September, 2016. Even with the positive financial position, the District continues to work with the lingering effects of the slow economic recovery. The District is coping with the financial pressures by maintaining operating budget controls, addressing reserves, evaluation of new hires and capital expenditures and through the assessment of current processes and procedures to locate efficiencies.

Given the economic constraints at the local, state and national level, relatively flat ad-valorem tax valuation changes and student fee increases, the District anticipates fiscal year 2018 will be comparable to fiscal year 2017 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.





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DISTRICT

TYLER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF NET POSITION  
AS OF AUGUST 31, 2017 AND 2016

<b>ASSETS</b>	2017	2016
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 18,469,074	\$ 16,097,920
Accounts Receivable (net of allowance for doubtful accounts of \$5,808,453 and \$5,524,201 respectively)	19,696,586	20,063,294
Prepaid Expenses	53,606	59,901
Total Current Assets	38,219,266	36,221,115
<b>Noncurrent Assets</b>		
Cash and Cash Equivalents	7,606,319	1,702,664
Deferred Charges	17,706	19,631
Capital Assets (Net)	204,010,898	207,241,078
Total Noncurrent Assets	211,634,923	208,963,373
<b>TOTAL ASSETS</b>	249,854,189	245,184,488
<b>Deferred Outflows of Resources</b>		
Deferred Outflows Related to Pensions	3,094,836	3,892,603
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	7,637,273	6,322,042
Deferred Revenues	22,126,641	20,844,938
Current Portion of Compensated Absences	98,621	100,567
Current Portion of Bonds Payable	8,040,000	8,180,000
Total Current Liabilities	37,902,535	35,447,547
<b>Noncurrent Liabilities</b>		
Accrued Compensable Absences Payable	887,592	905,098
Net Pension Liability	10,773,352	10,097,312
Bonds Payable	111,784,813	109,982,135
Total Noncurrent Liabilities	123,445,757	120,984,545
<b>TOTAL LIABILITIES</b>	161,348,292	156,432,092
<b>Deferred Inflows of Resources</b>		
Deferred Inflows Related to Pensions	2,480,515	3,374,782
<b>NET POSITION</b>		
Net investment in capital assets	84,186,085	88,796,058
Restricted		
Expendable		
Financial Aid and Scholarships	791,116	748,134
Unrestricted	4,143,017	(273,975)
<b>TOTAL NET POSITION</b>	\$ 89,120,218	\$ 89,270,217

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

**THE TYLER JUNIOR COLLEGE FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2017 and 2016**

	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,513,041	\$ 1,838,336
Investments	45,972,423	42,708,319
Funds Held in Trust	485,643	456,005
Charitable Gift Annuities	318,423	301,776
Other Assets	50,279	52,901
Total Invested Funds	48,339,809	45,357,337
Contributions Receivable (Net of allowance for uncollectible pledges)	752,733	659,878
Real Estate and Mineral Interests	692,750	599,221
Deferred Expense	908,475	779,983
Total Assets	<b>\$ 50,693,767</b>	<b>\$ 47,396,419</b>
<b>LIABILITIES</b>		
Accounts Payable - Tyler Junior College	\$ 744,878	\$ 729,690
Deferred Revenue	95,112	108,893
Total Liabilities	839,990	838,583
<b>NET ASSETS</b>		
Unrestricted	10,327,995	8,699,646
Temporarily Restricted	4,930,190	5,426,982
Permanently Restricted	34,595,592	32,431,208
Total Net Assets	49,853,777	46,557,836
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 50,693,767</b>	<b>\$ 47,396,419</b>

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

TYLER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED AUGUST 31, 2017 AND 2016

<b>REVENUES</b>	<u>2017</u>	<u>2016</u>
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$14,945,481 and \$14,517,508 in discounts)	\$ 20,240,101	\$ 16,754,371
Auxiliary Enterprises (net of \$3,102,039 and \$3,509,584 in discounts)	5,147,261	5,103,155
Federal Grants and Contracts	3,035,760	4,270,172
State Grants and Contracts	1,572,225	1,654,043
Local Grants and Contracts	474,774	459,730
Sales and Service of Educational Activities	109,681	106,163
Interest on Student Loans	110,647	95,640
Miscellaneous Operating Revenues	<u>3,246,598</u>	<u>3,388,830</u>
 Total Operating Revenues	 <u>33,937,047</u>	 <u>31,832,104</u>
 <b>EXPENSES</b>		
Operating expenses		
Instruction	32,714,778	31,740,018
Public Service	2,885,121	2,850,500
Academic Support	3,834,827	3,454,246
Student Services	8,511,418	7,878,226
Institutional Support	14,944,628	14,363,329
Operations and Maintenance of Plant	9,447,957	7,941,044
Scholarship and Fellowships (net of \$18,047,520 and \$18,027,092 in discounts)	4,334,539	3,725,898
Auxiliary Enterprises	9,507,972	9,016,053
Depreciation	<u>8,545,269</u>	<u>8,323,527</u>
 Total Operating Expenses	 <u>94,726,509</u>	 <u>89,292,841</u>
 Operating (Loss)	 <u>(60,789,462)</u>	 <u>(57,460,737)</u>
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
State Appropriations (non-capital)	21,441,989	21,197,433
Property Taxes	23,551,272	22,952,007
Federal Revenue, Non Operating	19,260,848	18,713,030
Investment Income	147,732	75,197
Interest on Capital Related Debt	<u>(3,762,378)</u>	<u>(4,513,025)</u>
 Total Non-Operating Revenues (Expenses)	 <u>60,639,463</u>	 <u>58,424,642</u>
 Increase in Net Position	 (149,999)	 963,905
 Net Position, Beginning of the Year	 <u>89,270,217</u>	 <u>88,306,312</u>
 Net Position, End of the Year	 <u>\$ 89,120,218</u>	 <u>\$ 89,270,217</u>

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

**THE TYLER JUNIOR COLLEGE FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2017 and 2016**

	2017			2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and Other Support:</b>								
Contributions and Fund-raising	\$ 256,957	\$ 1,855,013	\$ 1,763,219	\$ 3,875,189	\$ 255,414	\$ 1,606,494	\$ 939,086	\$ 2,800,994
Unrealized Gain (loss)								
on Investments	1,151,257	12,355	110,177	1,273,789	1,303,484	17,530	(201,845)	1,119,169
Net Gain (loss) on Sales	1,115,404	11,825	-	1,127,229	494,137	(5,616)	-	488,521
Investment Income	1,008,971	12,721	47,441	1,069,133	803,351	10,944	39,627	853,922
Donor Transfers	(1,708,781)	1,465,234	243,547	-	(1,496,431)	1,333,476	162,955	-
Net Assets								
Released from Restrictions	3,853,940	(3,853,940)	-	-	3,246,393	(3,246,393)	-	-
Total Revenues	5,677,748	(496,792)	2,164,384	7,345,340	4,606,348	(283,565)	939,823	5,262,606
Administrative	52,847	-	-	52,847	23,781	-	-	23,781
Fund-Raising								
Golf Tournament	61,203	-	-	61,203	56,567	-	-	56,567
Special Event	87,720	-	-	87,720	-	-	-	-
Real Estate	4,053	-	-	4,053	5,685	-	-	5,685
Scholarships & Awards								
Support of TJC	2,112,006	-	-	2,112,006	1,518,593	-	-	1,518,593
Scholarships	1,705,332	-	-	1,705,332	1,747,159	-	-	1,747,159
Other Awards	26,238	-	-	26,238	41,835	-	-	41,835
Total Expenditures	4,049,399	-	-	4,049,399	3,393,620	-	-	3,393,620
Change in Net Assets	1,628,349	(496,792)	2,164,384	3,295,941	1,212,728	(283,565)	939,823	1,868,986
Net Assets, September 1	8,699,646	5,426,982	32,431,208	46,557,836	7,486,918	5,710,547	31,491,385	44,688,850
Net Assets, August 31	\$ 10,327,995	\$ 4,930,190	\$ 34,595,592	\$ 49,853,777	\$ 8,699,646	\$ 5,426,982	\$ 32,431,208	\$ 46,557,836

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

TYLER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	2017	2016
Receipts from students and other customers	\$ 21,525,652	\$ 16,380,741
Receipt of state financial aid	1,572,225	1,654,043
Receipt of federal financial aid	3,035,760	4,270,172
Receipt of local grants and support	474,774	459,730
Receipt from sales and services of educational activities	109,681	106,163
Receipt from auxiliary enterprises	5,147,261	5,103,155
Receipt of interest on student loans	110,647	95,640
Receipt from other operating revenues	1,417,644	1,284,976
Payments for salaries and benefits to employees	(49,775,548)	(48,111,278)
Payments to suppliers for goods and services	(31,171,847)	(28,814,896)
Net cash used in operating activities	(47,553,751)	(47,571,554)
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipt from state educational contracts	16,869,073	16,823,569
Receipts from Non-Operating Federal Revenue	23,559,306	22,807,024
Property tax revenues	19,615,674	18,920,094
Receipts from student organizations	1,285,946	1,456,953
Payments to student organizations	(1,174,429)	(180,256)
Net cash provided by noncapital financing activities	60,155,570	59,827,384
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets and construction costs	(4,208,771)	(5,469,178)
Proceeds from sale of land	-	993,905
Bond proceeds	9,830,000	27,325,000
Issuance costs on debt	(99,494)	(179,975)
Principal payments on capital related debt	(8,180,000)	(36,343,860)
Interest on capital related debt	(3,645,431)	(4,467,327)
Contributions received for capital related financing	1,828,954	1,526,206
Net cash used in capital and related financing activities	(4,474,742)	(16,615,229)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	147,732	75,197
Net cash provided by investing activities	147,732	75,197
Increase (decrease) in cash and cash equivalents	8,274,809	(4,284,202)
Cash and cash equivalents, September 1	17,800,584	22,084,786
Cash and cash equivalents, August 31	\$ 26,075,393	\$ 17,800,584
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 18,469,074	\$ 16,097,920
Cash and cash equivalents - noncurrent	7,606,319	1,702,664
Total cash and cash equivalents	\$ 26,075,393	\$ 17,800,584

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

TYLER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

(Continued)

**Reconciliation of operating loss to net cash used by operating activities**

Operating loss	\$ (60,789,462)	\$ (57,460,737)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	8,545,269	8,323,527
Gain on sale of land	-	(577,648)
Non-operating plant revenue	(1,828,954)	(1,526,206)
Amortization of deferred charges	(254,891)	(36,302)
Payments made directly by state for benefits	4,572,916	4,373,864
(Increase) decrease in assets		
Receivables (net)	3,848	(1,485,752)
Prepaid expenses	6,295	(28,177)
Deferred outflows on pensions	797,767	(2,481,200)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	349,437	593,211
Deferred revenues	1,281,703	1,112,122
Deferred inflows on pensions	(894,267)	793,975
Pension liability	676,040	859,870
Compensated absences	(19,452)	(32,101)
Net cash used in operating activities	<u>\$ (47,553,751)</u>	<u>\$ (47,571,554)</u>

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

**TYLER JUNIOR COLLEGE DISTRICT**  
**Notes to the Financial Statements**

**NOTE 1 — REPORTING ENTITY**

The Tyler Junior College District was established in 1926 in accordance with the laws of the State of Texas, to serve the educational needs of the City of Tyler and surrounding communities. The District is governed by an elected nine member Board of Trustees which has oversight responsibility over all District activities. The District consists of the areas of six Independent School Districts located in Smith and Van Zandt Counties, Texas. The Tyler Junior College District is considered to be a special purpose, primary government according to the definition in *Governmental Accounting Standards Board (GASB) Statement 14* and as amended by *(GASB) Statement 61*. While the District receives funding from local, state, and federal sources and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

Tyler Junior College Foundation is a legally separate, tax-exempt component unit of the District. The foundation acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its educational programs and student services. The foundation is a non-governmental entity and follows accounting standards set forth by the *Financial Accounting Standards Board (FASB)*. Although the District does not control the timing or the amount of receipts from the foundation, the majority of resources, or income thereon that the foundation holds and invests is restricted to the activities of the District. Because these restricted resources held by the foundation can only be used by, or for the benefit of, the District, the foundation is considered a component unit of the District and is discretely presented in the District's financial statements.

During the year ended August 31, 2017 and 2016, the foundation distributed \$3,495,113 and \$2,967,723 in support and scholarships to the District. Complete financial statements for the foundation can be obtained from the foundation's offices in the White Administrative Services Center on the District's main campus.

**NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Guidelines**

The significant accounting policies followed by the District 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 District applies all applicable pronouncements as set forth by the Governmental Accounting Standards Board. The District is reported as a special purpose government engaged in business-type activities.

**Basis of Accounting**

The financial statements of the District have been prepared on the accrual basis of accounting as appropriate for public colleges and universities. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.



## **Tuition Discounting**

### **Texas Public Education Grants**

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

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

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

### **Other Tuition Discounts**

The District 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.

## **Budgetary Data**

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

## **Cash and Cash Equivalents**

The District considers cash and cash equivalents as cash on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Also, cash equivalents include funds maintained at Texpool which is an overnight investment pool and the funds held there can be readily converted to cash on a daily basis.

## **Investments**

In accordance with GASB 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.

## **Deferred Outflows**

The District is aware that 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 is not recognized as an outflow of resources (expense) until that time. GASB standards authorize the reporting on deferred outflows in connection with the timing of pension activity and reporting.

**Allowance for Doubtful Accounts**

The allowance for doubtful accounts for accounts receivable, taxes receivable and notes receivable is based on management's estimate of the anticipated collectability of the respective accounts.

**Capital Assets**

Capital assets include land, infrastructure, buildings, improvements, and equipment. The District's board voted to set a capitalization policy for assets with a unit cost of \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at cost at the date of acquisition, or fair value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or significantly extend an asset's useful life are charged to expense when incurred. Costs incurred for capital projects are included in construction in progress until the project is completed at which time the asset is properly categorized and depreciated over its estimated useful life.

Capital assets of the District are depreciated using the straight-line and composite methods over the following useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and renovations	50
Improvements including re-roofing	20
Equipment	10
Library Books	10

**Capitalized Interest**

The District has capitalized a portion of the interest paid on its debt as construction in progress in relation to the portion of debt used to fund construction projects during the current year.

**Pensions**

The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost-sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined based on the flow of economic resource 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, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

**Unearned (Deferred) Revenues**

The District has recorded tuition and related fees as well as housing and related fees in the amount of \$22,126,641 and \$20,844,938 as of August 31, 2017 and 2016 in the statement of net position. These amounts represent revenues for the subsequent fall semesters that are recognized in revenues in the subsequent fiscal years.

**Tax Abatements**

The tax abatements for the district are less than .33% of total tax revenues and are considered to be immaterial to the financial statements.

### **Deferred Inflows**

The District is aware that 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 is not recognized as an inflow of resources (revenue) until that time. GASB standards authorize the reporting on deferred inflows in connection with the timing of pension activity and reporting.

### **Estimates**

Preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

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

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing goods and related services in connection with the District's ongoing operations to provide educational needs to its students and community. The principal operating revenues of the District are tuition and fees along with auxiliary revenues. The major non-operating revenues are state appropriations, property tax collections and Title IV financial aid. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

## **NOTE 3 — AUTHORIZED INVESTMENTS**

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

## **NOTE 4 — DEPOSITS AND INVESTMENTS**

As of August 31, 2017 and August 31, 2016, the District had the following deposits and investments:

	August 31, 2017		August 31, 2016	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Depository Accounts				
Insured	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Collateral held by pledging bank's trust department in District's name	22,593,509	24,107,203	12,331,937	19,148,529
Total Deposits	23,093,509	24,607,203	12,831,937	19,648,529
Petty cash on hand	3,450	-	5,400	-
Texpool Investments	2,978,434	2,978,434	4,963,247	4,963,247
Total Cash and Cash Equivalents	<u>\$ 26,075,393</u>	<u>\$ 27,585,637</u>	<u>\$ 17,800,584</u>	<u>\$ 24,611,776</u>

Interest Rate Risk – The District’s investment policy allows for portfolio maturities to be structured to meet the obligations of the District first, and then to achieve the highest return of interest. The maximum allowable stated maturity of any individual investment of the District is ten years.

Credit Risk – The District’s investment pool with Texpool has a AAAm rating with Standard and Poor’s.

**NOTE 5 — DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

Receivables at August 31, 2017 and August 2016, were as follows:

	<u>8-31-17</u>	<u>8-31-16</u>
Student tuition and fees receivable (net of allowance for doubtful accounts of \$3,170,784 and \$2,900,279, respectively)	\$ 16,667,745	\$ 16,711,453
Taxes receivable (net of allowance for doubtful accounts of \$476,346 and \$442,190 respectively)	729,018	737,052
Federal receivable	502,566	857,392
Student loans receivable (net of allowance for doubtful accounts of \$2,161,323 and \$2,181,732 respectively)	-	-
Other receivables	<u>1,797,257</u>	<u>1,757,397</u>
Total Receivables	<u>\$ 19,696,586</u>	<u>\$ 20,063,294</u>

Accounts payable and accrued liabilities at August 31, 2017 and August 31, 2016 were as follows:

	<u>8-31-17</u>	<u>8-31-16</u>
Vendors payable	\$ 4,023,981	\$ 2,878,833
Salaries and benefits payable	3,452,899	3,300,269
Interest payable	<u>160,393</u>	<u>142,940</u>
Total Accounts Payable and Accrued Liabilities	<u>\$ 7,637,273</u>	<u>\$ 6,322,042</u>

**NOTE 6 — CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2017 was as follows:

	Balance September 1, 2016	Additions	Reductions	Balance August 31, 2017
<b>Non Depreciated Assets</b>				
Land	\$ 10,896,665	\$ 787,246	\$ -	\$ 11,683,911
Construction in progress	1,068,568	4,677,035	4,211,702	1,533,901
Subtotal	<u>11,965,233</u>	<u>5,464,281</u>	<u>4,211,702</u>	<u>13,217,812</u>
<b>Other Capital Assets</b>				
Buildings	225,060,637	80,158	-	225,140,795
Improvements	41,431,308	2,362,633	-	43,793,941
Library books	578,137	27,819	78,989	526,967
Equipment	40,143,938	1,591,900	-	41,735,838
Subtotal	<u>307,214,020</u>	<u>4,062,510</u>	<u>78,989</u>	<u>311,197,541</u>
<b>Total Capital Assets</b>	<u>319,179,253</u>	<u>9,526,791</u>	<u>4,290,691</u>	<u>324,415,353</u>
<b>Accumulated Depreciation</b>				
Buildings	53,832,392	5,084,137	-	58,916,529
Improvements	22,942,214	2,107,173	-	25,049,387
Library books	374,425	52,697	78,989	348,133
Equipment	34,789,144	1,301,262	-	36,090,406
Total Accumulated Depreciation	<u>111,938,175</u>	<u>8,545,269</u>	<u>78,989</u>	<u>120,404,455</u>
<b>Net Capital Assets</b>	<u>\$ 207,241,078</u>	<u>\$ 981,522</u>	<u>\$ 4,211,702</u>	<u>\$ 204,010,898</u>

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

	Balance September 1, 2015	Additions	Reductions	Balance August 31, 2016
<b>Non Depreciated Assets</b>				
Land	\$ 11,315,403	\$ -	\$ 418,738	\$ 10,896,665
Construction in progress	325,763	1,350,963	608,158	1,068,568
Subtotal	<u>11,641,166</u>	<u>1,350,963</u>	<u>1,026,896</u>	<u>11,965,233</u>
<b>Other Capital Assets</b>				
Buildings	224,844,090	216,547	-	225,060,637
Improvements	40,994,995	436,313	-	41,431,308
Library books	625,031	31,983	78,877	578,137
Equipment	38,155,076	1,988,862	-	40,143,938
Subtotal	<u>304,619,192</u>	<u>2,673,705</u>	<u>78,877</u>	<u>307,214,020</u>
<b>Total Capital Assets</b>	<u>316,260,358</u>	<u>4,024,668</u>	<u>1,105,773</u>	<u>319,179,253</u>
<b>Accumulated Depreciation</b>				
Buildings	48,710,176	5,122,216	-	53,832,392
Improvements	20,914,172	2,028,042	-	22,942,214
Library books	395,488	57,814	78,877	374,425
Equipment	33,678,379	1,110,765	-	34,789,144
Total Accumulated Depreciation	<u>103,698,215</u>	<u>8,318,837</u>	<u>78,877</u>	<u>111,938,175</u>
<b>Net Capital Assets</b>	<u>\$ 212,562,143</u>	<u>\$ (4,294,169)</u>	<u>\$ 1,026,896</u>	<u>\$ 207,241,078</u>

## NOTE 7 — LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Bonds</b>					
Revenue Bonds	\$ 74,814,097	\$ -	\$ 3,559,750	71,254,347	\$ 3,726,000
Tax Notes	14,861,545	10,099,494	3,280,978	21,680,061	2,814,000
Refunding Bonds	28,486,493	-	1,596,088	26,890,405	1,500,000
<b>Total Bonds</b>	<b>118,162,135</b>	<b>10,099,494</b>	<b>8,436,816</b>	<b>119,824,813</b>	<b>8,040,000</b>
<b>Other Liabilities</b>					
Compensable Absences	1,005,665	98,523	117,975	986,213	98,621
Net Pension Liability	10,097,312	676,040	-	10,773,352	-
<b>Total Other Liabilities</b>	<b>11,102,977</b>	<b>774,563</b>	<b>117,975</b>	<b>11,759,565</b>	<b>98,621</b>
<b>Total Long-term Liabilities</b>	<b>\$ 129,265,112</b>	<b>\$ 10,874,057</b>	<b>\$ 8,554,791</b>	<b>\$ 131,584,378</b>	<b>\$ 8,138,621</b>

Long-term liability activity for the year ended August 31, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Bonds and Notes</b>					
Revenue Bonds	\$ 108,407,249	\$ -	\$ 33,593,152	\$ 74,814,097	\$ 3,460,000
Tax Notes	18,055,700	-	3,194,155	14,861,545	3,230,000
Refunding Bonds	-	28,486,493	-	28,486,493	1,490,000
<b>Total Bonds</b>	<b>126,462,949</b>	<b>28,486,493</b>	<b>36,787,307</b>	<b>118,162,135</b>	<b>8,180,000</b>
<b>Notes Payable</b>					
Energy Project B	107,741	-	107,741	-	-
Land Purchase	14,414	-	14,414	-	-
<b>Total Notes Payable</b>	<b>122,155</b>	<b>-</b>	<b>122,155</b>	<b>-</b>	<b>-</b>
<b>Total Bonds and Notes Payable</b>	<b>126,585,104</b>	<b>28,486,493</b>	<b>36,909,462</b>	<b>118,162,135</b>	<b>8,180,000</b>
<b>Other Liabilities</b>					
Compensable Absences	1,037,765	65,265	97,365	1,005,665	100,567
Net Pension Liability	9,237,442	859,870	-	10,097,312	-
<b>Total Other Liabilities</b>	<b>10,275,207</b>	<b>925,135</b>	<b>97,365</b>	<b>11,102,977</b>	<b>100,567</b>
<b>Total Long-term Liabilities</b>	<b>\$ 136,860,311</b>	<b>\$ 29,411,628</b>	<b>\$ 37,006,827</b>	<b>\$ 129,265,112</b>	<b>\$ 8,280,567</b>

**NOTE 8 — BONDS PAYABLE**

Bonds payable as of August 31, 2017 and August 31, 2016 are comprised of the following:

	<u>8-31-17</u>	<u>8-31-16</u>
Maintenance Tax Notes, Series 2009, issued solely for repairs and renovations of existing campus infrastructure, issued October 22, 2009 for \$24,500,000, plus premium of \$1,624,703; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.	\$ 8,050,000	\$ 10,565,000
Maintenance Tax Notes, Series 2016, issued solely for repairs and renovations of existing campus projects, issued September 22, 2016 for \$9,830,000; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.	9,830,000	-
General Obligation Bonds, Series 2012, issued to construct a new Nursing and Health Sciences Building, issued September 26, 2012 for \$25,000,000 plus premium of \$652,472; all authorized bonds have been issued. The source of revenues for debt service is designated property tax revenues.	19,735,000	20,805,000
Combined Fee Revenue Bonds, Series 2013, issued to construct a new Energy Center on West Campus, issued December 19, 2013 for \$9,705,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	7,855,000	8,480,000
Combined Fee Revenue Bonds, Series 2014, issued to construct a new residence hall and complete the new Nursing and Health Sciences Building, issued February 27, 2014 for \$41,385,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	38,230,000	39,840,000
Maintenance Tax Notes, Series 2015, issued solely for repairs and renovations of existing campus projects, issued March 26, 2015 for \$4,684,000; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.	3,357,000	4,072,000
Combined Fee Revenue Bonds, Series 2015, issued to complete construction on a new residence hall, issued March 26, 2015 for \$5,316,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	5,055,000	5,210,000

Combined Fee Revenue Refunding Bonds, Series 2016, issued to retire the remaining Series 2006 bonds, issued August 24, 2016 for \$27,325,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.

	<u>25,835,000</u>	<u>27,325,000</u>
Total	117,947,000	116,297,000
Plus: Unamortized Bond Premium	2,166,293	2,148,020
Less: Unamortized Bond Discount	(288,480)	(282,885)
 Net Outstanding Bonds Payable	 <u>\$ 119,824,813</u>	 <u>\$ 118,162,135</u>

Bonds are due in annual principal installments varying from \$155,000 to \$3,705,000 with interest rates from 1.00% to 5.00% with the final installments due in 2036.

Debt service requirements at August 31, 2017 were as follows:

Year Ending 8/31	Principal Due 2/15 or 8/15	Interest Rates	Interest Due		Total Principal and Interest Requirements
			2/15	8/15	
2018	\$ 8,040,000	1.25 - 5.00	\$ 1,844,531	\$ 1,779,294	\$ 11,663,825
2019	8,264,000	1.50 - 4.00	1,720,743	1,653,498	11,638,241
2020	8,519,000	1.80 - 4.00	1,592,172	1,516,982	11,628,154
2021	7,468,000	2.00 - 4.00	1,453,185	1,421,426	10,342,611
2022	7,009,000	2.00 - 4.00	1,348,329	1,315,937	9,673,266
2023-2027	36,678,000	2.15 - 4.25	5,063,250	4,887,650	46,628,900
2028-2032	30,109,000	2.95 - 5.00	2,492,427	2,364,952	34,966,379
2033-2037	11,860,000	3.00 - 5.00	405,172	405,172	12,670,344
	<u>\$ 117,947,000</u>		<u>\$ 15,919,809</u>	<u>\$ 15,344,911</u>	<u>\$ 149,211,720</u>

Pursuant to terms of the original issue of the bonds, a Reserve Fund was required to contain a Required Reserve Fund Amount. The District's Board of Trustees has adopted a resolution authorizing the substitution of a surety bond in lieu of cash and investments to satisfy the Required Reserve Fund Amount, as authorized by Section 130.125, Texas Education Code, as amended. Also, the two most recent bond issues require the District to maintain a Reserve Fund which has been established and is included as part of cash equivalents (current assets) in Exhibit 1. The District has also included a statistical table at Table 18 that reflects the maturity schedule for each debt obligation above in compliance with HB No. 1378.

## NOTE 9 — EMPLOYEES' RETIREMENT PLAN

### Defined Benefit Pension Plan

#### Plan Description

The State of Texas ("the State") has joint contributory retirement plans for almost all of its employees. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the



Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

#### Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2016.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2016.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. 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.

#### 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. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA), established the employer contribution rates for fiscal years 2017 and 2016.

#### Contribution Rates

	<u>2017</u>	<u>2016</u>
Member	7.7%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

FY 2017 Employer Contributions	\$905,822
FY 2017 NECE On-behalf Contributions	\$699,405

The District's contributions to the TRS pension plan in FY 2017 were \$905,822 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for FY 2017 were \$699,405.

- 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 or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

#### Actuarial Assumptions

The total pension liability in the August 31, 2016, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions	
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return	8.00%
Municipal Bond Rate*	N/A*
Last year ending August 31 in the 2016 to 2115	
Projection period (100 years)	2115
Inflation	2.50%
Salary Increases including inflation	3.5% to 9.5%

Payroll Growth Rate	2.50%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

*\*If a municipal bond rate was to be used, the rate would be 2.84 percent as of August 2016 (i.e. the weekly rate closet to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer Index of general obligation bonds with 20 years to maturity and an average AA credit rating.*

Actuarial methods and assumptions were updated based on a study of actual experience for the four-year period August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have the sole authority to determine the actuarial assumptions used for the plan. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

### **Discount Rate**

The discount rate used to measure the total pension liability was 8.0 percent. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 8.0 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the systems's target asset allocation as of August 31, 2016 are summarized below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>	<b>Expected Contribution to Long-Term Portfolio Return*</b>
<b>Global Equity</b>			
U.S.	18.0%	4.6%	1.0%
Non-U.S Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
<b>Stable Value</b>			
U. S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	<u>5.0%</u>	<u>6.7%</u>	<u>0.3%</u>
Inflation Expectation			<u>2.2%</u>
Alpha			<u>1.0%</u>
<b>Total</b>	<u>100.0%</u>		<u>8.7%</u>

\*The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2016 Comprehensive Annual Financial Report

### 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 and 1 percent greater than the discount rate that was used (8%) in measuring FY 2016 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Tyler Junior College District's proportionate share of the net pension liability	\$16,673,520	\$10,773,352	\$5,768,817

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

At August 31, 2017, the Tyler Junior College District reported a liability of \$10,773,352 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the Tyler Junior College District. The amount recognized by the Tyler Junior College District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Tyler Junior College District were as follows:

TJC District Proportionate share of the collective net pension liability	\$ 10,773,352
State's proportionate share that is associated with TJC District	<u>8,301,832</u>
Total	<u>\$ 19,075,184</u>

The net pension liability was measured as of August 31, 2016, 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, 2015 thru August 31, 2016.

At the measurements date of August 31, 2016, the employer's portion of the collective net pension liability was 0.02856 percent which was a decrease of 0.00302 percent from its proportion measured as of August 31, 2015.

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

For the year ended August 31, 2017, the Tyler Junior College District recognized pension expense of \$861,532 and revenue of \$861,532 for support provided by the State. Refer to the FY 2017 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 and 68.

At August 31, 2017, the Tyler Junior College District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between the expected and actual economic experience	\$ 168,924	\$ 321,686
Changes in actuarial assumptions	328,352	298,623
Net difference between projected and actual investment earnings	2,076,040	1,163,774
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	696,432
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	521,520	-
Total	\$ 3,094,836	\$ 2,480,515

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
2018	(53,781)
2019	528,106
2020	(98,482)
2021	(225,164)
2022	(4,099)
Thereafter	\$ -

**NOTE 10 — OPTIONAL RETIREMENT PLAN – DEFINED CONTRIBUTION PLAN**

Plan Description

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

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are (3.234 percent – State; 3.37 percent - District) and (6.65 percent), respectively. The District contributes 1.90 percent for employees who are 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. SB 1812, effective September 1, 2013, limits the amount of the state’s contribution to 50 percent of eligible employees in the reporting district.

The retirement expense to the state for the District was \$322,105 and \$307,704 for the fiscal years ended August 31, 2017 and 2016, respectively. This amount represents the portion of expenses appropriations made by the Legislature on behalf of the District.

The total payroll for all District employees was \$34,320,219 and \$30,929,887 for fiscal years ended August 31, 2017 and 2016, respectively. The total payroll of employees covered by the TRS was \$24,256,426 and \$21,321,702, and the total payroll of employees covered by the Optional Retirement Program was \$10,063,793 and \$9,608,185 for the fiscal years ended August 31, 2017 and 2016, respectively.

**NOTE 11 — DEFERRED COMPENSATION PLAN**

District 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. The employees’ investments are held in tax-deferred annuity plans pursuant to Internal Revenue Code Section 403(b). Employees also have the option to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). As of August 31, 2017, the District had 31 employees participating in the 403(b) program and 13 employees participating in the 457 plan. A total of \$152,078 and \$41,610 in payroll deductions had been invested in the 403(b) and 457 approved plans, respectively, during the fiscal year.

Effective January 2013, the District developed an additional retirement plan for employees to elect to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). The District also created a 401(a) plan at the same time. As of September 1, 2013, the District contributes 4% of all eligible full-time employees’ payroll to a retirement account in the employee’s name whether the employee contributes or not. If the employee chooses to contribute a portion of their salary, the employee’s contributions are deposited into a 457 plan in the employee’s name. The District also contributes an additional matching percentage of up to 2% if the employee

contributes. As of August 31, 2017, the District had 674 participants in the 401(a) plan and 511 participants in the 457 employee plan. The District contributed \$1,757,068 and employees contributed \$690,117 to this plan during the fiscal year.

**NOTE 12 — COMPENSABLE ABSENCES**

Full-time employees earn annual leave from 6.67 to 13.33 hours per month depending on the number of years employed by the District. The District's policy is that an employee may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with eight or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to 160 hours. The District recognized the accrued liability for the unpaid annual leave in the amount of \$986,213 and \$1,005,665 as of August 31, 2017 and 2016, respectively. Sick leave, which can be accumulated to a limit of 720 hours, is earned at the rate of eight hours per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

The District also has a policy whereby employees with an initial employment date prior to May 22, 1997 and with over ten years service who terminate their employment are entitled to payment for one-half of their allowable accumulated sick leave. The related accrued liability has been recorded in the basic financial statements by the District.

**NOTE 13 — PENDING LAWSUITS AND CLAIMS**

From time to time, the District is named as a defendant in legal actions arising out of the ordinary course of business. There were no such legal actions as of August 31, 2017 that are required to be disclosed in the financial statements.

**NOTE 14 — OPERATING LEASE COMMITMENTS**

Included in current expenditures are the following amounts of rent paid or due under operating leases.

<u>Fund Group</u>	Year Ended August 31, 2017	Year Ended August 31, 2016
Unrestricted Current Funds	<u>\$638,222</u>	<u>\$650,462</u>
Total	<u>\$638,222</u>	<u>\$650,462</u>

Future commitments under operating leases in effect as of August 31, 2017 are as follows:

Year Ended August 31, 2018	\$576,972
Year Ended August 31, 2019	\$214,968
Year Ended August 31, 2020	\$172,750

Effective January 1, 2016, the District entered into an agreement to lease a building (converted dormitory) to a local Foundation for \$1,000 per month (\$12,000 annually). The lease term is for 27 years and ends on December 31, 2043.

Future commitments for lease income under this agreement as of August 31, 2017 are as follows:

Year Ended August 31, 2018	\$12,000
Year Ended August 31, 2019	\$12,000
Year Ended August 31, 2020	\$12,000
Year Ended August 31, 2021	\$12,000
Year Ended August 31, 2022	\$12,000
Thereafter	\$256,000

**NOTE 15 — RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There has been no reduction in insurance coverage from the prior year. Settlements in each of the past three fiscal years have not exceeded insurance coverage. Prior to the current year, the District was self-insured for coverage under workers' compensation. Pursuant to terms of terminating this plan, claims can arise for a five-year period and be required to be covered. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Changes in the balances in claims liabilities related to this plan during the past two years are as follows:

	8-31-17	8-31-16
Liability, beginning of year	\$ 63,889	\$ 49,284
Incurred claims (including IBNRs)	29,096	52,973
Claim payments	(40,873)	(38,368)
Liability, end of year	\$ <u>52,112</u>	\$ <u>63,889</u>

**NOTE 16 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar 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 \$913 per month for the year ended August 31, 2017. The state cost of providing those benefits for all employees totaled \$3,506,847 with \$853,146 for 211 retirees and \$2,653,701 for 674 active employees.

**NOTE 17 — PROPERTY TAXES**

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

As of August 31:

Assessed Valuation of the District	\$ 16,151,486,726
Less: Exemptions	3,779,243,544
Net Taxable Valuation of the District	\$ <u>12,372,243,182</u>



The authorized rates for the year ended August 31, 2017 were as follows:

	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	\$ .2800	-	\$ .2800
Assessed Tax Rate per \$100 valuation for assessed	\$ .149298	\$ .050628	\$ .199926

The authorized rates for the year ended August 31, 2016 were as follows:

	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	\$ .2800	-	\$ .2800
Assessed Tax Rate per \$100 valuation for assessed	\$ .147119	\$ .052807	\$ .199926

Taxes levied for the years ended August 31, 2017 and 2016 amounted to \$23,356,528 and \$22,705,595, respectively, including any 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.

Tax collections for the year ended August 31, 2017 were as follows:

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$17,108,731	\$5,839,972	\$22,948,703
Delinquent taxes collected	246,710	77,933	324,643
Penalties and interest collected	220,585	57,341	277,926
Total Collections	\$17,576,026	\$5,975,246	\$23,551,272

Tax collections for the year ended August 31, 2016 were as follows:

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$16,469,793	\$5,879,996	\$22,349,789
Delinquent taxes collected	248,390	69,516	317,906
Penalties and interest collected	228,782	55,530	284,312
Total Collections	\$16,946,965	\$6,005,042	\$22,952,007

Tax collections for the year ended August 31, 2017 and 2016 were approximately 98.25 percent and 98.43 percent, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

#### NOTE 18 — INCOME TAXES

The District 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 District had no material unrelated business income tax liability for the years ended August 31, 2017 and 2016.

## NOTE 19 — CONTRACTUAL AGREEMENTS

The District has a contract for the District's food services for students, faculty, staff, employees and invited guests. The District awarded a new contract for food services effective May 20, 2013, through May 19, 2023. Under the agreement, the food service provider bills the District weekly for service based on day rates per residents under resident meal plans plus other special events. In consideration of the right to operate the campus dining services, the District is paid 10% commission on retail and catering sales and a 15% commission on concessions. Food service commissions are remitted monthly to the District.

The District also has an agreement for the operation and management of the campus bookstore. The manager owns all inventories of merchandise and has the sole and exclusive right to sell this inventory. In consideration for the use of campus space, the manager pays the greater of a yearly fee as stated in the contract, or a percentage of all gross revenues in a contract year as outlined in the contract. The District's contract runs through August 31, 2022. The terms of the agreement call for a 13.75% commission to the District on the first \$4 million in sales and a 14.75% commission on all sales above \$4 million.

The District has entered into a contract with a company to provide beverage and food vending services to its main campus and to its Regional Training and Development Center (RTDC) complex. The District is paid a commission for vending sales based on the products sold at varying commission rates as set forth in the agreement. This agreement was effective August 1, 2016 through July 31, 2019 and contains two one year renewal options.

The District also has a contract with a local bottling company for exclusive rights as beverage supplier for all District events. Under the agreement, the District will receive commissions on beverages sold as outlined in the agreement, as well as other sponsorship and contributions for the District's academic and athletic programs. This contract has a term of ten years and will expire January 20, 2018.

The District participates in a tax increment financing agreement under Chapter 311 of the Texas Tax Code through the City of Tyler Reinvestment Zone #1. The Reinvestment Zone was created in 1998 for the purpose of financing the construction of a District-owned educational facility. The original financing agreement was paid in full earlier than scheduled and the agreement was amended in 2014. The amended agreement is for the purpose of financing construction of another District-owned educational facility in the Reinvestment Zone. The District and one other taxing entity pledged their incremental tax collections on growth in the appraised values for the construction of the new facility.

The District has a contract with a local hospital to provide on-campus medical care. The health care provider maintains a clinic in the student center on the main campus. The contract was effective for the period September 1, 2015 through August 31, 2017. The District exercised a one year renewal of the contract through August 31, 2018.

The District also has a contract for custodial services with an outside company. The contract was renewed beginning September 1, 2014, to include additional buildings. This contract ended July 31, 2017 but was extended for a one year period ending July 31, 2018 at the amount of \$104,013 per month.

During a prior year, the District entered into two separate agreements to provide educational opportunities at satellite centers. The first agreement was a joint effort with a local hospital and a neighboring Economic Development Corporation to provide nursing classes in a renovated wing of an existing hospital. Under this agreement, the District received funding from the hospital and the Economic Development Corporation over a three year period to assist in building improvements and the operations of the nursing program. The contract is currently under a one year extension through July 31, 2018.

The other agreement is similar and provides financial assistance from another local Economic Development Council to provide classes in a rented facility within the District. The lease on the classroom space is for five years. The agreement has been renewed beginning January 1, 2016 through December 31, 2020 for \$10,853 per month.

The District entered into an agreement beginning June 1, 2014 with a local orthopedic hospital to provide sports medicine and rehabilitation services for the District's athletic department. As part of the agreement the facility will provide scholarship funds for the Sports Medicine Training Program and the District will pay for graduate assistant trainers under a schedule within the agreement. The agreement is for a four year period ending May 31, 2018.

## **NOTE 20 – TUITION AND FEES**

Tuition and fees are the student component of the Texas public junior college funding model, the other components consisting of state contracts and local district property taxes. Tuition and fees are set by the Board of Trustees and account for approximately 64% of total current Unrestricted Fund revenues.

Tuition rates for Texas public junior colleges are authorized by state law with an \$8 per semester credit hour minimum. Fees are established by the local governing board and are frequently used to designate, but not legally restrict, charges for certain purposes. An additional reason designated fees are levied, instead of increasing tuition rates, is the tendency of state legislators to focus on "tuition" when mandating set asides, waivers, exemptions, or otherwise restricting portions of local revenues available for college operations. The District's tuition and fees are listed below.

Tuition – (\$30/\$32) per Semester Hour for Texas residents; (\$53/\$56) per semester hour non-Texas residents.

Contributes to the support of the District's educational operations.

General Education Fee – (\$42) per Semester Hour

Adopted to supplement state contracts in funding regularly scheduled academic functions.

Registration Fee - \$35 per Semester

Defrays increased labor and processing expenses during registration.

Laboratory Fee - \$14-\$24 per Semester Hour

Defrays the cost of supplies used in courses with laboratory sessions.

Music Fees - \$85-\$110 for Private Lessons

Defrays the cost of private lessons.

Distance Education Fee (\$8/\$10) per Semester Hour

Charged to students registered for online courses to help defray costs associated with technology costs.

Technology Fee (\$7/\$10) per Semester Hour

Defrays the cost of instruction based technology improvements.

Differential Fee (\$4-\$13) per Semester Hour

Defrays the costs for certain programs with higher instructional costs.

Out of District Surcharge – (\$55/\$58) per Semester Hour

Charged to students from outside the Tyler Junior College District taxing district to partially equalize operational costs born by District taxpayers.

Campus Security Fee – (\$36) per Semester

Designated for use in constructing and maintaining parking facilities.

Health Service Fee – (\$35) per semester

Charged to students for use of on-campus medical care facility.

Student Life Fee - \$2 per Semester Hour (max of \$26)

Charged to students for on campus extracurricular activities.

**NOTE 21 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 15, 2017, the date which the financial statements were available to be issued.



**TJC**<sup>TM</sup>

DISTRICT



TYLER, TEXAS



REQUIRED SUPPLEMENTAL INFORMATION



TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
TEACHERS PENSION PLAN

<b>Fiscal year ending August 31,</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
TRS net position as percentage of total pension liability	79.70%	80.20%	80.25%
Tyler Junior College District's proportionate share of collective net pension liability (%)	0.0285649%	0.0285649%	0.0315846%
Tyler Junior College District's proportionate share of collective net pension liability (\$)	10,773,352	10,097,312	8,436,684
Portion of NECE's total proportionate share of NPL associated with TJC District	8,301,832	7,643,641	6,586,151
Total	19,075,184	17,740,953	15,022,835
TJC District covered payroll amount	22,381,142	20,706,283	21,411,900
Ratio of: ER Proportionate share of collective NPL/ER's covered payroll amount	48.14%	48.76%	39.40%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be displayed as they become available.  
The amounts presented above are as of the measurement date of the collective net pension liability.

TYLER JUNIOR COLLEGE DISTRICT  
 SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS  
 TEACHERS PENSION PLAN

<b>Fiscal year ending August 31,</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Legally required contributions	905,822	845,819	800,758
Actual contributions	905,822	845,819	800,758
Contribution deficiency (excess)	-	-	-
Tyler Junior College District covered employee payroll	23,705,217	22,381,142	20,706,283
Ratio of: Actual contributions/ER covered payroll amount	3.82%	3.78%	3.87%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.  
 The amounts presented above are as of the Tyler Junior College District's most recent fiscal year end.



TYLER JUNIOR COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2017

*Changes of Benefit Terms include:*

\*\* a 0.0% COLA, effective September 1, 2016

Changes of Assumptions

**Economic Assumptions**

- The inflation assumption was decreased from 3.00% to 2.50%.
- The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
- In accordance with the observed experience, there were small adjustments in the service-based
- The payroll growth assumption was lowered from 3.50% to 2.50%.

**Mortality Assumptions**

- The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

**Other Demographic Assumptions**

- Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
- There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
- Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
- Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
- For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.
- Actuarial Methods and Policies
- The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.



TYLER, TEXAS



SUPPLEMENTAL INFORMATION



## SCHEDULE A

TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF OPERATING REVENUES  
FOR THE YEAR ENDED AUGUST 31, 2017  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/17	Total 8/31/16
<b>Tuition</b>						
State Funded Courses						
In-District Resident Tuition	\$ 3,159,610	\$ -	\$ 3,159,610	\$ -	\$ 3,159,610	\$ 2,907,452
Out-of-District Resident Tuition	4,631,855	-	4,631,855	-	4,631,855	4,142,157
TPEG **	463,834	-	463,834	-	463,834	449,198
Non-Resident Tuition	504,214	-	504,214	-	504,214	496,468
Continuing Education	1,031,355	-	1,031,355	-	1,031,355	1,271,195
Non-State Funded Continuing Education	734,043	-	734,043	-	734,043	897,845
Total Tuition	<u>10,524,911</u>	<u>-</u>	<u>10,524,911</u>	<u>-</u>	<u>10,524,911</u>	<u>10,164,315</u>
<b>Fees</b>						
General Education Fee	9,123,131	-	9,123,131	-	9,123,131	8,843,838
Out-of-District Fee	7,563,605	-	7,563,605	-	7,563,605	6,255,619
Laboratory Fee	1,603,345	-	1,603,345	-	1,603,345	1,314,989
Registration Fee	822,460	-	822,460	-	822,460	816,170
Student Life Fee	-	-	-	436,284	436,284	405,542
Health Service Fee	-	-	-	706,444	706,444	723,976
Other	4,676,148	-	4,676,148	-	4,676,148	3,375,368
Total Fees	<u>23,788,689</u>	<u>-</u>	<u>23,788,689</u>	<u>1,142,728</u>	<u>24,931,417</u>	<u>21,735,502</u>
<b>Allowances and Discounts</b>						
Bad Debt Allowance	(236,553)	-	(236,553)	(34,193)	(270,746)	(627,938)
Federal Grants to Students	(10,358,202)	-	(10,358,202)	-	(10,358,202)	(9,961,357)
TPEG Allowances	(276,687)	-	(276,687)	-	(276,687)	(260,495)
State Grants to Students	(1,066,162)	-	(1,066,162)	-	(1,066,162)	(1,072,813)
Contributions	(263,829)	-	(263,829)	-	(263,829)	(210,559)
Scholarships and Performance Grants	(1,073,990)	-	(1,073,990)	-	(1,073,990)	(1,417,119)
Waivers and Exemptions	(1,906,611)	-	(1,906,611)	-	(1,906,611)	(1,595,165)
Total Scholarship Allowances and Discounts	<u>(15,182,034)</u>	<u>-</u>	<u>(15,182,034)</u>	<u>(34,193)</u>	<u>(15,216,227)</u>	<u>(15,145,446)</u>
Net Tuition and Fees	<u>19,131,566</u>	<u>-</u>	<u>19,131,566</u>	<u>1,108,535</u>	<u>20,240,101</u>	<u>16,754,371</u>
<b>Additional Operating Revenues</b>						
Federal Grants and Contracts	54,466	2,981,294	3,035,760	-	3,035,760	4,270,172
State Grants and Contracts	-	1,572,225	1,572,225	-	1,572,225	1,654,043
Local Grants and Contracts	-	474,774	474,774	-	474,774	459,730
Sales and Service of Educational Activities	109,681	-	109,681	-	109,681	106,163
Interest on Student Loans	110,647	-	110,647	-	110,647	95,640
Other	3,246,598	-	3,246,598	-	3,246,598	3,388,830
Total Additional Operating Revenues	<u>3,521,392</u>	<u>5,028,293</u>	<u>8,549,685</u>	<u>-</u>	<u>8,549,685</u>	<u>9,974,578</u>
<b>Auxiliary Enterprises</b>						
Housing and Meals	-	-	-	7,359,208	7,359,208	7,711,730
Scholarship Allowances and Discounts	-	-	-	(3,102,039)	(3,102,039)	(3,509,584)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,257,169</u>	<u>4,257,169</u>	<u>4,202,146</u>
Bookstore Commissions	-	-	-	486,903	486,903	509,332
Other Auxiliary Revenues	-	-	-	403,189	403,189	391,677
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,147,261</u>	<u>5,147,261</u>	<u>5,103,155</u>
<b>Total Operating Revenues</b>	<u>\$ 22,652,958</u>	<u>\$ 5,028,293</u>	<u>\$ 27,681,251</u>	<u>\$ 6,255,796</u>	<u>\$ 33,937,047</u>	<u>\$ 31,832,104</u>

\*\* In accordance with Education Code 56.033, \$463,834 and \$449,198 for years August 31, 2017 and 2016, respectively, of tuition was set aside for Texas Public Education Grants.

TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF OPERATING EXPENSES BY OBJECT  
FOR THE YEAR ENDED AUGUST 31, 2017  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)

	Salaries and Wages	Benefits		Other Expenses	Total 8/31/17	Total 8/31/16
		State	Local			
<u>Unrestricted - Educational Activities</u>						
Instruction	\$ 22,300,213	\$ -	\$ 2,914,089	\$ 3,632,274	\$ 28,846,576	\$ 27,133,537
Public Service	51,779	-	126,638	47,567	225,984	146,623
Academic Support	2,759,356	-	265,050	425,718	3,450,124	3,082,690
Student Services	3,652,095	-	479,546	2,359,066	6,490,707	6,174,648
Institutional Support	6,886,141	-	5,504,382	2,236,206	14,626,729	13,731,350
Operation and Maintenance of Plant	877,223	-	399,432	8,171,302	9,447,957	7,941,044
Scholarships and Fellowships	-	-	-	2,563,661	2,563,661	2,238,207
Total Unrestricted	<u>36,526,807</u>	<u>-</u>	<u>9,689,137</u>	<u>19,435,794</u>	<u>65,651,738</u>	<u>60,448,099</u>
<u>Restricted - Education and General</u>						
Instruction	228,971	3,358,087	20,341	260,803	3,868,202	4,606,481
Public Service	1,963,468	79,706	27,249	588,714	2,659,137	2,703,877
Academic Support	-	384,703	-	-	384,703	371,556
Student Services	325,082	432,521	99,721	1,163,387	2,020,711	1,703,578
Institutional Support	-	317,899	-	-	317,899	631,979
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	194,069	-	93	1,576,716	1,770,878	1,487,691
Total Restricted	<u>2,711,590</u>	<u>4,572,916</u>	<u>147,404</u>	<u>3,589,620</u>	<u>11,021,530</u>	<u>11,505,162</u>
Total Educational and General	39,238,397	4,572,916	9,836,541	23,025,414	76,673,268	71,953,261
Auxiliary Enterprises	889,490	-	371,208	8,247,274	9,507,972	9,016,053
Depreciation Expense - Buildings and Improvements	-	-	-	7,191,310	7,191,310	7,150,258
Depreciation Expense - Equipment	-	-	-	1,301,262	1,301,262	1,115,455
Depreciation Expense - Library Books	-	-	-	52,697	52,697	57,814
Total Operating Expenses	<u>\$ 40,127,887</u>	<u>\$ 4,572,916</u>	<u>\$ 10,207,749</u>	<u>\$ 39,817,957</u>	<u>\$ 94,726,509</u>	<u>\$ 89,292,841</u>

TYLER JUNIOR COLLEGE DISTRICT  
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES  
 FOR THE YEAR ENDED AUGUST 31, 2017  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/17</u>	<u>Total 8/31/16</u>
<b>NON-OPERATING REVENUES:</b>					
State Appropriations:					
Education and General State Support	\$ 16,653,999	\$ -	\$ -	\$ 16,653,999	\$ 16,627,654
State Group Insurance	-	3,506,847	-	3,506,847	3,284,768
State Retirement Matching	-	1,066,069	-	1,066,069	1,089,096
Professional Nursing Shortage Reduction	-	215,074	-	215,074	195,915
Total State Appropriations	<u>16,653,999</u>	<u>4,787,990</u>	<u>-</u>	<u>21,441,989</u>	<u>21,197,433</u>
Property Taxes	23,551,272	-	-	23,551,272	22,952,007
Federal Revenue, Non Operating	-	19,260,848	-	19,260,848	18,713,030
Investment Income	<u>147,732</u>	<u>-</u>	<u>-</u>	<u>147,732</u>	<u>75,197</u>
Total Non-Operating Revenues	40,353,003	24,048,838	-	64,401,841	62,937,667
<b>NON-OPERATING EXPENSES:</b>					
Interest on Capital Related Debt	<u>3,762,378</u>	<u>-</u>	<u>-</u>	<u>3,762,378</u>	<u>4,513,025</u>
Total Non-Operating Expenses	<u>3,762,378</u>	<u>-</u>	<u>-</u>	<u>3,762,378</u>	<u>4,513,025</u>
Net Non-Operating Revenues	<u>\$ 36,590,625</u>	<u>\$ 24,048,838</u>	<u>\$ -</u>	<u>\$ 60,639,463</u>	<u>\$ 58,424,642</u>

TYLER JUNIOR COLLEGE DISTRICT  
 SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
 FOR THE YEAR ENDED AUGUST 31, 2017  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board Designated	7,207,662	-	-	-	7,207,662	7,207,662	-
Restricted	-	791,116	-	-	791,116	791,116	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(1,220,939)	-	-	-	(1,220,939)	-	(1,220,939)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	(1,843,706)	-	-	-	(1,843,706)	-	(1,843,706)
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	84,186,085	84,186,085	-	84,186,085
	<u>4,143,017</u>	<u>791,116</u>	<u>-</u>	<u>84,186,085</u>	<u>89,120,218</u>	<u>7,998,778</u>	<u>81,121,440</u>
Total Net Position, August 31, 2017							
	<u>(273,975)</u>	<u>748,134</u>	<u>-</u>	<u>88,796,058</u>	<u>89,270,217</u>	<u>7,555,796</u>	<u>81,714,421</u>
Total Net Position, August 31, 2016							
Net Increase (Decrease) in Net Position	<u>\$ 4,416,992</u>	<u>\$ 42,982</u>	<u>\$ -</u>	<u>\$ (4,609,973)</u>	<u>\$ (149,999)</u>	<u>\$ 442,982</u>	<u>\$ (592,981)</u>



**TJC**<sup>TM</sup>

DISTRICT



TYLER, TEXAS



STATISTICAL SECTION (UNAUDITED)





**TYLER JUNIOR COLLEGE DISTRICT  
TYLER, TEXAS**

**STATISTICAL SECTION  
(UNAUDITED)**

This part of Tyler Junior College District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

The information contained within this section is being presented to provide the reader with a better understanding of five objectives:

- Financial Trends – Showing the District's financial position has changed over time.
- Revenue Capacity – Assessing the District's ability to generate revenue by examining its major revenue sources.
- Debt Capacity – Assessing the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.
- Demographic and Economic Information – Providing demographic and economic indicators to help in understanding the environment within which the District's financial activities take place.
- Operating Information – Providing information about how the District's financial report relates to the services it provides and the activities it performs.

Sources: Unless, otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

Table 1

TYLER JUNIOR COLLEGE DISTRICT  
NET POSITION BY COMPONENT  
AND CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	For the Fiscal Year Ended August 31,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Net Position By Component:</b>										
Net investment in capital assets	\$ 84,186,085	\$ 88,796,058	\$ 85,846,676	\$ 81,012,927	\$ 79,832,528	\$ 72,350,636	\$ 68,009,970	\$ 64,757,406	\$ 53,315,039	\$ 50,438,514
Restricted - expendable	791116	748134	720685	597996	511271	439077	375381	322993	390206	279879
Restricted - nonexpendable										
Unrestricted	4143017	-273975	1738951	4181739	12727957	16100326	14472690	7736349	12462921	11472105
<b>Total primary government net position</b>	<b>\$ 89,120,218</b>	<b>\$ 89,270,217</b>	<b>\$ 88,306,312</b>	<b>\$ 85,792,662</b>	<b>\$ 93,071,756</b>	<b>\$ 88,890,039</b>	<b>\$ 82,858,041</b>	<b>\$ 72,816,748</b>	<b>\$ 66,168,166</b>	<b>\$ 62,190,498</b>
<b>Change in Net Position:</b>										
Total Operating and Non-Operating Revenues	\$ 98,338,868	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508	\$ 84,729,114	\$ 82,300,927	\$ 85,025,538	\$ 78,942,754	\$ 69,844,418	\$ 63,823,903
Total Operating and Non-Operating Expenses	98488887	93805866	90891107	83715804	80547397	76013521	74984245	72294172	65866750	58874027
Prior Period Adjustment	-149999	963905	2513650	2279704	4181717	6287406	10041293	6648582	3977668	4949876
Change in Net Position	-149999	963905	2513650	-7279094	4181717	(255,408)	10041293	6648582	4228798	4949876
Beginning Net Position	89270217	88306312	85792662	93071756	88890039	82858041	72816748	66168166	61939368	56989492
<b>Ending Net Position</b>	<b>\$ 89,120,218</b>	<b>\$ 89,270,217</b>	<b>\$ 88,306,312</b>	<b>\$ 85,792,662</b>	<b>\$ 93,071,756</b>	<b>\$ 88,890,039</b>	<b>\$ 82,858,041</b>	<b>\$ 72,816,748</b>	<b>\$ 66,168,166</b>	<b>\$ 61,939,368</b>

Note: Total operating and non-operating revenues are presented in detail in Table 2 while total operating and non-operating expenses are presented in detail in Table 3.

Table 2

TYLER JUNIOR COLLEGE DISTRICT  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Tuition and fees (net of discounts)	\$ 20,240,101	\$ 16,754,371	\$ 14,977,980	\$ 12,241,079	\$ 13,880,102	\$ 12,266,066	\$ 10,301,101	\$ 13,604,236	\$ 14,089,899	\$ 12,617,864
Governmental grants and contracts	3,035,760	4,270,172	3,842,958	2,382,222	2,178,556	1,355,015	1,396,514	1,454,506	1,212,034	1,212,570
Federal grants and contracts	1,572,225	1,654,043	1,767,315	1,702,178	1,083,295	999,893	1,396,955	1,808,213	1,163,946	879,500
State grants and contracts	474,774	459,730	432,759	585,280	1,022,395	532,168	711,217	220,893	1,084,404	639,049
Local grants and contracts	109,681	106,163	113,873	111,083	83,075	103,019	116,134	117,104	117,582	117,432
Sales and services of educational activities	5,147,261	5,103,155	3,665,385	3,077,997	3,049,065	2,643,800	2,354,905	2,945,922	3,669,051	2,155,663
Auxiliary enterprises	3,357,245	3,484,470	5,610,819	2,528,234	2,117,809	2,511,539	4,810,549	2,121,555	2,083,271	1,638,187
Other operating revenues	33,937,047	31,832,104	30,411,089	22,628,073	23,414,297	20,411,500	21,087,375	22,272,429	23,420,187	19,260,265
<b>Total Operating Revenues</b>										
State appropriations	21,441,989	21,197,433	21,051,274	21,462,893	20,337,298	21,105,328	21,608,189	22,673,865	21,455,637	21,245,661
Property taxes	23,551,272	22,952,007	22,233,785	21,554,921	21,022,138	18,937,231	18,638,057	14,638,019	13,062,824	12,646,609
Federal Revenue, Non Operating	19,260,848	18,713,030	19,605,018	20,210,574	19,766,591	21,761,914	23,541,831	19,019,795	11,596,985	9,426,159
Investment income	147,732	75,197	103,591	139,047	188,790	84,954	150,086	338,646	308,785	1,245,209
<b>Total Non-Operating Revenue</b>										
	64,401,841	62,937,667	62,993,668	63,367,435	61,314,817	61,889,427	63,938,163	56,670,325	46,424,231	44,563,638
<b>Total Revenues</b>	\$ 98,338,888	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508	\$ 84,729,114	\$ 82,300,927	\$ 85,025,538	\$ 78,942,754	\$ 69,844,418	\$ 63,823,903

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Tuition and fees (net of discounts)	20.58%	17.68%	16.04%	14.23%	16.38%	14.90%	12.12%	17.23%	20.17%	19.77%
Governmental grants and contracts	3.09%	4.51%	4.11%	2.77%	2.57%	1.65%	1.64%	1.84%	1.74%	1.90%
Federal grants and contracts	1.60%	1.75%	1.89%	1.98%	1.28%	1.21%	1.64%	2.29%	1.67%	1.38%
State grants and contracts	0.48%	0.49%	0.46%	0.68%	1.21%	0.65%	0.84%	0.28%	1.55%	1.00%
Local grants and contracts	0.11%	0.11%	0.12%	0.13%	0.10%	0.13%	0.14%	0.15%	0.17%	0.18%
Sales and services of educational activities	5.23%	5.38%	3.92%	3.58%	3.60%	3.21%	2.77%	3.73%	5.25%	3.38%
Auxiliary enterprises	3.41%	3.68%	6.01%	2.94%	2.50%	3.05%	5.66%	2.69%	2.98%	2.57%
Other operating revenues										
<b>Total Operating Revenues</b>	34.51%	33.59%	32.56%	26.31%	27.63%	24.80%	24.80%	28.21%	33.53%	30.18%
State appropriations	21.80%	22.37%	22.54%	24.96%	24.00%	25.64%	25.41%	28.72%	30.72%	33.29%
Property taxes	23.95%	24.22%	23.80%	25.07%	24.81%	23.01%	21.92%	18.54%	18.70%	19.81%
Federal Revenue, Non Operating	19.59%	19.75%	20.99%	23.50%	23.33%	26.44%	27.69%	24.09%	16.60%	14.77%
Investment income	0.15%	0.08%	0.11%	0.16%	0.22%	0.10%	0.18%	0.43%	0.44%	1.95%
<b>Total Non-Operating Revenue</b>	65.49%	66.41%	67.44%	73.69%	72.37%	75.20%	75.20%	71.79%	66.47%	69.82%
<b>Total Revenues</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: During the 2009 year, a change in reporting requirements by the Texas Higher Education Co-Board reclassified the reporting of Title IV funds as non-operating. Only the 2008 through 2017 amounts have been changed in the above table to correspond with the amounts reported on Schedule C

TYLER JUNIOR COLLEGE DISTRICT  
PROGRAM EXPENSES BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
\$	32,714,778	\$ 31,740,018	\$ 31,823,349	\$ 30,301,247	\$ 29,123,820	\$ 28,681,895	\$ 29,633,824	\$ 28,626,927	\$ 23,422,228	\$ 22,710,169
Instruction	2,885,121	2,850,500	2,564,089	1,154,083	1,242,178	1,388,391	1,398,852	1,151,093	937,675	766,819
Public service	3,834,827	3,454,246	3,240,998	3,065,891	2,681,755	2,486,289	2,821,105	2,893,825	2,288,336	2,792,468
Academic support	8,511,418	7,878,226	8,368,551	9,132,262	8,295,712	8,114,349	8,274,507	8,404,501	7,623,631	6,652,637
Student services	14,944,628	14,363,329	13,395,614	13,361,329	12,957,310	11,432,943	10,777,224	9,790,843	9,429,124	8,005,762
Institutional support	9,447,957	7,941,044	7,695,539	7,989,169	7,139,979	6,189,870	5,054,499	5,080,838	6,695,457	4,568,476
Operation and maintenance of plant	4,334,539	3,725,898	3,718,928	1,922,592	2,964,736	2,824,070	3,122,074	2,818,571	2,680,538	3,375,802
Scholarships and fellowships	9,507,972	9,016,053	8,083,988	7,732,876	6,802,087	6,722,866	6,310,926	6,165,791	6,132,424	4,731,450
Auxiliary enterprises	8,545,269	8,323,527	7,542,729	6,602,578	6,443,662	5,819,654	4,966,820	4,348,266	4,125,569	3,128,316
Depreciation										
<b>Total Operating Expenses</b>	94,726,509	89,292,841	86,433,785	81,262,027	77,651,239	73,660,327	72,359,831	69,280,655	63,334,982	56,731,899
Interest on capital related debt	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158	2,353,194	2,624,414	3,013,517	2,531,768	2,142,128
<b>Total Non-Operating Expenses</b>	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158	2,353,194	2,624,414	3,013,517	2,531,768	2,142,128
<b>Total Expenses</b>	\$ 98,488,887	\$ 93,805,866	\$ 90,891,107	\$ 83,715,804	\$ 80,547,397	\$ 76,013,521	\$ 74,984,245	\$ 72,294,172	\$ 65,866,750	\$ 58,874,027

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
33.22%	33.84%	35.01%	36.20%	36.16%	37.73%	39.52%	39.60%	35.56%	35.56%	38.57%
2.93%	3.04%	2.82%	1.38%	1.54%	1.83%	1.87%	1.59%	1.42%	1.42%	1.30%
3.89%	3.68%	3.57%	3.66%	3.33%	3.27%	3.76%	4.00%	3.47%	3.47%	4.74%
8.64%	8.40%	9.21%	10.91%	10.30%	10.67%	11.03%	11.63%	11.57%	11.57%	11.30%
15.17%	15.31%	14.74%	15.96%	16.09%	15.04%	14.37%	13.54%	14.32%	14.32%	13.60%
9.59%	8.47%	8.47%	9.54%	8.86%	8.14%	6.74%	7.03%	10.17%	10.17%	7.76%
4.40%	3.97%	4.09%	2.30%	3.68%	3.72%	4.16%	3.90%	4.07%	4.07%	5.73%
9.65%	9.61%	8.89%	9.24%	8.44%	8.84%	8.42%	8.53%	9.31%	9.31%	8.04%
8.68%	8.87%	8.30%	7.89%	8.00%	7.66%	6.62%	6.01%	6.26%	6.26%	5.31%
<b>Total Operating Expenses</b>	96.18%	95.19%	95.10%	97.07%	96.40%	96.90%	96.50%	95.83%	96.16%	96.36%
Interest on capital related debt	3.82%	4.81%	4.90%	2.93%	3.60%	3.10%	3.50%	4.17%	3.84%	3.64%
<b>Total Non-Operating Expenses</b>	3.82%	4.81%	4.90%	2.93%	3.60%	3.10%	3.50%	4.17%	3.84%	3.64%
<b>Total Expenses</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

TYLER JUNIOR COLLEGE DISTRICT  
TUITION AND FEES  
LAST TEN ACADEMIC YEARS  
(UNAUDITED)

**RESIDENT**  
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per Student)	In-District Tuition	Out-of-District Tuition	Fees (Per Student) (Per Student)			Technology Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
				General Education Fees	Health Service Fee	Campus Security Fee					
2016	\$ 35	30	85	\$ 42	\$ 35	\$ 36	2	\$ 1,078	\$ 1,738	5.27%	9.45%
2015	35	30	77	40	35	30	2	1,024	1,588	6.22%	3.93%
2014	35	30	77	40	35	30	2	964	1,528	0.00%	0.00%
2013	35	30	77	40	35	30	2	964	1,528	3.88%	3.24%
2012	35	30	76	37	35	30	2	928	1,480	0.00%	0.00%
2011	35	30	76	37	35	30	2	928	1,480	9.43%	10.45%
2010	25	28	69	34	30	25	2	848	1,340	2.91%	2.76%
2009	25	28	68	34	30	25	-	824	1,304	17.05%	16.01%
2008	25	23	58	29	30	25	-	704	1,124	11.39%	10.63%
2007	25	20	52	26	30	25	-	632	1,016	0.00%	0.00%

TYLER JUNIOR COLLEGE DISTRICT  
TUITION AND FEES  
LAST TEN ACADEMIC YEARS  
(UNAUDITED)

Academic (Fall)	Registration Student)	Non-Resident Out-of-State	Non-Resident International	General Fees	Health Fee	Campus Security Fee	Student Life Fee	Technology Fee	Fees per Semester Credit Hour (SCH)		Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
									Non-Resident	International				
2016	\$ 35	\$ 108	\$ 108	\$ 42	\$ 35	\$ 36	\$ 2	\$ 7	\$ 2,014	\$ 2,014	\$ 2,014	\$ 2,014	6.00%	6.00%
2015	35	108	108	40	35	30	2	-	1,900	1,900	1,900	1,900	7.47%	7.47%
2014	35	97	97	40	35	30	2	-	1,768	1,768	1,768	1,768	0.00%	0.00%
2013	35	97	97	40	35	30	2	-	1,768	1,768	1,768	1,768	2.79%	2.79%
2012	35	96	96	37	35	30	2	-	1,720	1,720	1,720	1,720	0.00%	0.00%
2011	35	96	96	37	35	30	2	-	1,720	1,720	1,720	1,720	8.86%	8.86%
2010	25	89	89	34	30	25	2	-	1,580	1,580	1,580	1,580	2.33%	2.33%
2009	25	88	88	34	30	25	-	-	1,544	1,544	1,544	1,544	8.43%	8.43%
2008	25	83	83	29	30	25	-	-	1,424	1,424	1,424	1,424	5.33%	5.33%
2007	25	80	80	26	30	25	-	-	1,352	1,352	1,352	1,352	0.00%	0.00%

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

Table 5

TYLER JUNIOR COLLEGE DISTRICT  
 ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year	Assessed Valuation of Property Real Property	Personal Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate	
						Maintenance & Operations	Operations
2016-17	12,921,189,381	3,230,297,345	3,779,243,544	12,372,243,182	76.60%	\$	0.149298
2015-16	11,815,445,048	2,953,861,262	2,825,618,729	11,943,687,581	80.87%	\$	0.152999
2014-15	11,478,394,557	2,869,598,639	2,797,095,957	11,550,897,239	80.51%	\$	0.152999
2013-14	11,384,487,770	2,846,121,942	2,977,426,083	11,253,183,629	79.08%	\$	0.151417
2012-13	11,557,529,195	2,889,382,299	3,443,579,922	11,003,331,572	76.16%	\$	0.150647
2011-12	11,414,843,649	2,853,710,913	3,487,383,051	10,781,171,511	75.56%	\$	0.149870
2010-11	10,857,836,630	2,714,459,158	2,892,627,861	10,679,667,927	78.69%	\$	0.149870
2009-10	10,327,623,767	2,581,905,942	2,232,799,703	10,676,730,006	82.70%	\$	0.136950
2008-09	10,178,050,422	2,544,512,605	2,200,462,417	10,522,100,610	82.70%	\$	0.127169
2007-08	9,547,089,846	2,386,772,462	2,064,050,730	9,869,811,578	82.70%	\$	0.127169
2006-07	8,634,022,801	2,158,505,700	1,866,648,513	8,925,879,988	82.70%	\$	0.127169
2005-06	7,869,230,281	1,967,307,570	1,701,302,781	8,135,235,070	82.70%	\$	0.127169
2004-05	7,333,731,637	1,833,432,909	1,585,529,662	7,581,634,884	82.70%	\$	0.127169

Sources: Local Appraisal Districts

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Table 6

TYLER JUNIOR COLLEGE DISTRICT  
STATE APPROPRIATION PER FTSE AND CONTACT HOUR  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour				State Appropriation per Contact Hour
	State Appropriations	FTSE	State Appropriations Per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	State	
2016-17	16,653,999	10,464	1,591.55	3,679,464	1,406,416	5,085,880	3.27	
2015-16	16,627,654	9,746	1,706.10	3,566,264	1,318,800	4,885,064	3.40	
2014-15	16,788,037	9,853	1,703.85	3,540,592	1,381,008	4,921,600	3.41	
2013-14	16,788,037	9,907	1,694.56	3,686,616	1,352,312	5,038,928	3.33	
2012-13	16,477,885	9,291	1,773.53	3,619,672	1,430,192	5,049,864	3.26	
2011-12	17,475,155	9,135	1,912.99	3,842,120	1,518,752	5,360,872	3.26	
2010-11	16,239,896	8,622	1,883.54	4,033,512	1,508,800	5,542,312	2.93	
2009-10	17,573,735	8,504	2,066.53	4,009,464	1,423,012	5,432,476	3.23	
2008-09	16,487,452	8,603	1,916.48	3,520,200	1,223,616	4,743,816	3.48	
2007-08	16,487,450	8,357	1,972.89	3,254,392	1,070,864	4,325,256	3.81	
2006-07	15,995,148	8,697	1,839.16	3,311,376	1,044,496	4,355,872	3.67	

## Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 30.



Table 7

TYLER, JUNIOR COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN TAX YEARS  
YEARS 2012-2016  
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2016	2015	2014	2013	2012
Brookshire Grocery Company	Supermarkets; distribution facilities	64,961,471	76,087,378	70,542,484	60,855,905	\$ 62,387,213
Oncor Electric / TXU	Electric utility	117,552,026	133,216,887	112,195,234	85,243,137	80,476,227
WalMart/Sam's	Retail	-	-	-	-	-
Kelly Springfield Tire Company	Tire Manufacturer	-	-	-	-	-
McWane Inc./ Ranson Industries	Pipe manufacturer	42,837,272	47,914,499	42,265,341	48,259,908	56,096,738
Southwestern Bell Telephone	Telephone utility	-	-	-	-	-
Dayton Hudson Corp.	Retail; distribution facilities	110,683,226	96,041,307	96,708,766	96,708,766	70,140,546
Delek Refining LTD / Crown / LaGloria	Refinery	240,250,644	231,928,942	269,547,365	260,276,054	253,727,697
Cebridge Acquisition LP	Commercial property	-	-	-	-	-
Carrier / Tytex	Air conditioning manufacturer	-	-	-	-	-
Union Oil Company	Oil & Gas	12,114,272	22,252,184	37,360,851	40,346,436	51,930,937
Genecov Investment Group	Commercial property	-	-	-	-	-
East Texas Medical Center	Hospital	94,348,545	94,352,150	94,355,755	94,362,965	94,366,570
Mother Frances Hospital	Hospital	166,671,499	166,671,499	166,671,499	159,840,819	93,272,964
University of Texas Health Center	Hospital	68,717,190	68,717,190	68,717,190	68,717,190	68,364,930
Simon Property Group	Commercial property	43,575,000	43,575,000	42,815,000	42,815,000	42,850,000
Totals		\$ 961,711,145	\$ 980,757,036	\$ 1,001,179,485	\$ 957,426,180	\$ 873,613,822
Total Taxable Assessed Value		\$ 12,372,243,182	\$ 11,943,687,581	\$ 11,550,897,239	\$ 11,253,183,629	\$ 11,003,331,572

Table 7  
(Continued)

TYLER JUNIOR COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN TAX YEARS  
YEARS 2012-2016  
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2016	2015	2014	2013	2012
Brookshire Grocery Company	Supermarkets; distribution facilities	0.53%	0.61%	0.57%	0.49%	0.50%
Oncor Electric / TXU	Electric utility	0.95%	1.08%	0.91%	0.69%	0.65%
WalMart/Sam's	Retail	0.00%	0.00%	0.00%	0.00%	0.00%
Kelly Springfield Tire Company	Tire Manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.35%	0.39%	0.34%	0.39%	0.45%
Southwestern Bell Telephone	Telephone utility	0.00%	0.00%	0.00%	0.00%	0.00%
Dayton Hudson Corp.	Retail; distribution facilities	0.89%	0.78%	0.78%	0.78%	0.57%
Delek Refining LTD / Crown / LaGloria	Refinery	1.94%	1.87%	2.18%	2.10%	2.05%
Cebridge Acquisition LP	Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.10%	0.18%	0.30%	0.33%	0.42%
Genecov Investment Group	Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%
East Texas Medical Center	Hospital	0.76%	0.76%	0.76%	0.76%	0.76%
Mother Frances Hospital	Hospital	1.35%	1.35%	1.35%	1.29%	0.75%
University of Texas Health Center	Hospital	0.56%	0.56%	0.56%	0.56%	0.55%
Simon Property Group	Commercial Property	0.35%	0.35%	0.35%	0.35%	0.35%
Totals		7.77%	7.93%	8.09%	7.74%	7.06%

Source: Smith and Van Zandt County Appraisal Districts

Table 7  
(Continued)

TYLER JUNIOR COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN TAX YEARS  
YEARS 2007-2011  
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2011	2010	2009	2008	2007
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 129,231,040	\$ 129,333,680	\$ 127,334,915	\$ 126,996,710	\$ 128,587,944
Oncor Electric / TXU	Electric utility	83,859,047	84,193,564	80,760,107	83,481,339	78,305,667
WalMart/Sam's	Retail	81,793,017	81,793,018	87,589,929	91,792,684	88,589,408
Kelly Springfield Tire Company	Tire Manufacturer	-	-	-	-	46,333,329
McWane Inc./ Ranson Industries	Pipe manufacturer	51,853,668	51,853,668	-	61,156,799	87,476,491
Southwestern Bell Telephone	Telephone utility	-	-	47,638,032	51,854,412	58,519,119
Dayton Hudson Corp.	Retail; distribution facilities	107,880,844	107,880,844	86,634,554	62,265,652	53,942,611
Delek Refining LTD / Crown / LaGloria	Refinery	175,112,792	175,112,792	118,688,302	245,122,365	154,833,482
Simon Property Group	Commercial property	52,761,861	52,761,861	56,707,130	47,620,545	46,559,890
Carrier / Tytex	Air conditioning manufacturer	44,952,878	44,952,878	47,468,281	-	-
Union Oil Company	Oil & Gas	50,981,554	50,865,245	56,741,270	85,339,960	85,339,960
Genecov Investment Group	Commercial property	81,754,531	81,754,531	56,766,576	57,475,537	-
East Texas Medical Center	Hospital	-	-	-	-	-
Mother Frances Hospital	Hospital	-	-	-	-	-
University of Texas Health Center	Hospital	-	-	-	-	-
Simon Property Group	Commercial Property	-	-	-	-	-
Totals		\$ 860,181,232	\$ 860,502,081	\$ 766,329,096	\$ 913,106,003	\$ 828,487,901
Total Taxable Assessed Value		\$ 10,781,171,511	\$ 10,679,667,927	\$10,676,730,006	\$ 10,522,100,610	\$ 9,869,811,578

Table 7  
(Continued)

TYLER JUNIOR COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN TAX YEARS  
YEARS 2007-2011  
(UNAUDITED)

Taxpayer (1)	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2011	2010	2009	2008	2007
Brookshire Grocery Company	Supermarkets; distribution facilities	1.21%	1.19%	1.21%	1.30%	1.44%
Oncor Electric / TXU	Electric utility	0.79%	0.76%	0.79%	0.79%	0.96%
WalMart/Sam's	Retail	0.77%	0.82%	0.87%	0.90%	0.99%
Kelly Springfield Tire Company	Tire Manufacturer	0.00%	0.00%	0.00%	0.47%	0.52%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.49%	0.00%	0.58%	0.89%	0.98%
Southwestern Bell Telephone	Telephone utility	0.00%	0.45%	0.49%	0.59%	0.66%
Dayton Hudson Corp.	Retail; distribution facilities	0.00%	0.81%	0.59%	0.55%	0.60%
Delek Refining LTD / Crown / LaGloria	Refinery	1.64%	1.11%	2.33%	1.57%	1.73%
Simon Property Group	Commercial property	0.49%	0.53%	0.45%	0.47%	0.52%
Carrier / Tytex	Air conditioning manufacturer	0.42%	0.44%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.48%	0.53%	0.81%	0.86%	0.74%
Genecov Investment Group	Commercial property	0.77%	0.53%	0.55%	0.00%	0.00%
East Texas Medical Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Mother Frances Hospital	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
University of Texas Health Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Simon Property Group	Commercial Property	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		7.05%	7.18%	8.68%	8.39%	9.14%

Source: Smith and Van Zandt County Appraisal Districts

Table 8

TYLER JUNIOR COLLEGE DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended August	Total Tax Levy (1)	Current Tax Collections	Percent of		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
			Current Tax Levy Collected	Delinquent Tax Collections			
2017	\$ 23,356,528	\$ 22,948,703	98.25%	\$ 76,149	\$ 23,024,852	98.58%	
2016	\$ 22,705,595	\$ 22,349,789	98.43%	\$ 52,100	\$ 22,401,889	98.66%	
2015	\$ 21,803,240	\$ 21,523,382	98.72%	\$ 11,292	\$ 21,534,674	98.77%	
2014	\$ 21,269,434	\$ 20,921,516	98.36%	\$ -	\$ 20,921,516	98.36%	
2013	\$ 20,721,317	\$ 20,414,731	98.52%	\$ 135,585	\$ 20,550,316	99.17%	
2012	\$ 18,589,719	\$ 18,304,251	98.46%	\$ 49,486	\$ 18,353,737	98.73%	
2011	\$ 18,409,311	\$ 18,093,950	98.29%	\$ 28,245	\$ 18,122,195	98.44%	
2010	\$ 14,208,183	\$ 14,095,963	99.21%	\$ 17,868	\$ 14,113,831	99.34%	
2009	\$ 13,125,823	\$ 12,593,167	95.94%	\$ 9,140	\$ 12,602,307	96.01%	
2008	\$ 12,352,363	\$ 12,188,832	98.68%	\$ 5,124	\$ 12,193,956	98.72%	
2007	\$ 11,235,178	\$ 11,074,241	98.57%	\$ 2,849	\$ 11,077,090	98.59%	

(1) Taxes levied October 1 on assessed value as of prior January 1, delinquent after January 31.

TYLER JUNIOR COLLEGE DISTRICT  
RATIOS OF OUTSTANDING DEBT  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	For the Fiscal Year Ended August 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Other Debt</b>										
Revenue bonds	\$ 117,947,000	\$ 116,297,000	\$ 124,770,000	\$ 120,050,000	\$ 75,695,000	\$ 57,295,000	\$ 62,680,000	\$ 68,470,000	\$ 47,395,000	\$ 50,700,000
Notes	-	-	122,155	830,602	1,469,185	2,226,212	3,618,545	7,267,915	9,018,497	8,511,126
<b>Total Outstanding Debt</b>	<b>\$ 117,947,000</b>	<b>\$ 116,297,000</b>	<b>\$ 124,892,155</b>	<b>\$ 120,880,602</b>	<b>\$ 77,164,185</b>	<b>\$ 59,521,212</b>	<b>\$ 66,298,545</b>	<b>\$ 75,737,915</b>	<b>\$ 56,413,497</b>	<b>\$ 59,211,126</b>
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 523.53	\$ 531.42	\$ 570.70	\$ 559.43	\$ 287.12	\$ 223.78	\$ 258.45	\$ 319.34	\$ 237.86	\$ 259.65
Per FTSE	11,272	11,933	12,676	12,202	8,305	6,516	7,689	8,804	6,557	7,085
As a percentage of Taxable Assessed Value	0.95%	1.01%	1.08%	1.07%	0.70%	0.55%	0.62%	0.54%	0.54%	0.60%

Notes: Ratios calculated using population, TAV and full-time student equivalent from other tables.

TYLER JUNIOR COLLEGE DISTRICT  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year Ended August 31	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Tuition and Fees	Auxiliary Enterprise	Total	Principal	Interest	Total	
2017	\$ 35,456,328	\$ 8,249,300	\$ 43,705,628	\$ 8,180,000	\$ 3,762,378	\$ 11,942,378	3.66
2016	31,899,817	8,612,739	40,512,556	7,668,000	4,568,147	12,236,147	3.31
2015	30,674,433	6,590,091	37,264,524	5,280,000	5,269,180	10,549,180	3.53
2014	30,414,955	6,276,034	36,690,989	5,700,000	3,168,722	8,868,722	4.14
2013	30,569,314	5,785,185	36,354,499	5,540,000	3,058,107	8,598,107	4.23
2012	30,716,199	5,499,548	36,215,747	5,385,000	2,618,703	8,003,703	4.52
2011	29,640,946	5,767,075	35,408,021	5,790,000	3,170,314	8,960,314	3.95
2010	28,346,513	5,702,778	34,049,291	3,305,000	3,038,286	6,343,286	5.37
2009	22,587,429	5,569,035	28,156,464	3,305,000	3,038,286	6,343,286	4.44
2008	19,137,027	3,848,897	22,985,924	2,265,000	2,648,646	4,913,646	4.68

TYLER JUNIOR COLLEGE DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2016-17	225,290	\$ 11,196,702	\$ 50,224	4.5%
2015-16	222,936	9,464,715	42,455	4.5%
2014-15	218,842	9,199,272	42,036	5.2%
2013-14	216,080	8,889,117	41,138	6.5%
2012-13	214,617	8,218,435	38,293	7.0%
2011-12	212,891	7,671,125	36,033	7.8%
2010-11	209,714	6,956,342	33,171	7.8%
2009-10	207,111	7,227,898	34,899	7.6%
2008-09	203,263	7,323,724	36,031	5.0%
2007-08	199,953	6,982,403	34,920	4.2%

## Sources:

Population from U. S. Bureau of the Census and is estimated for the District

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission



Table 12

TYLER JUNIOR COLLEGE DISTRICT  
PRINCIPAL EMPLOYERS  
PAST NINE FISCAL YEARS  
(UNAUDITED)

Employer	2017		2016		2015		2014		2013	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Trinity Mother Frances	3,523	6.56%	4,300	7.96%	4,300	7.96%	4,030	7.46%	3,775	7.02%
East Texas Medical Center	3,460	6.44%	3,194	5.91%	3,194	5.91%	3,092	5.72%	3,153	5.86%
Tyler Independent School District	2,720	5.07%	2,115	3.91%	2,115	3.91%	2,359	4.37%	2,468	4.59%
Brookshire Grocery Company	2,058	3.83%	2,565	4.75%	2,565	4.75%	1,762	3.26%	2,599	4.83%
UT Tyler	1,661	3.09%	1,765	3.27%	1,765	3.27%	1,557	2.88%	1,121	2.08%
Suddenlink	1,500	2.79%	1,500	2.78%	1,500	2.78%	1,600	2.96%	1,500	2.79%
UT Health Northeast	1,388	2.59%	1,130	2.09%	1,130	2.09%	1,050	1.94%	925	1.72%
Trane Co.	1,319	2.46%	1,538	2.85%	1,538	2.85%	1,500	2.78%	1,500	2.79%
Wal-Mart	1,191	2.22%	1,600	2.96%	1,600	2.96%	1,296	2.40%	1,311	2.44%
Tyler Junior College District	941	1.75%	841	1.56%	841	1.56%	935	1.73%	862	1.60%
City of Tyler	827	1.54%	853	1.58%	853	1.58%	-	0.00%	-	0.00%
	20,588	38.34%	21,401	39.61%	21,401	39.61%	19,181	35.50%	19,214	28.71%

Table 12  
(Continued)

TYLER JUNIOR COLLEGE DISTRICT  
PRINCIPAL EMPLOYERS  
PAST NINE FISCAL YEARS  
(UNAUDITED)

Employer	2012		2011		2010		2009	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Trinity Mother Frances	4,000	5.82%	3,884	5.65%	3,652	5.32%	3,567	5.19%
East Texas Medical Center	3,238	4.71%	3,725	5.42%	3,620	5.27%	3,650	5.31%
Tyler Independent School District	2,449	3.56%	2,464	3.59%	2,501	3.64%	2,572	3.74%
Brookshire Grocery Company	2,522	3.67%	2,524	3.67%	2,213	3.22%	2,190	3.19%
UT Tyler	1,094	1.59%	-	0.00%	568	0.83%	556	0.81%
Suddenlink	1,500	2.18%	1,197	1.74%	1,138	1.66%	1,057	1.54%
UT Health Northeast	865	1.26%	849	1.24%	-	0.00%	-	0.00%
Trane Co.	1,500	2.18%	1,575	2.29%	1,520	2.21%	1,949	2.84%
Wal-Mart	1,711	2.49%	1,711	2.49%	1,697	2.47%	1,670	2.43%
Tyler Junior College District	811	1.18%	786	1.14%	586	0.85%	572	0.83%
Carrier Corporation	-	0.00%	795	1.16%	659	0.96%	1,201	1.75%
	19,690	22.84%	19,510	22.75%	18,154	21.11%	18,984	22.44%

Source:  
Tyler Economic Development Council - Community Profile

Note: Per GASB 44, this table should show the current year and the period nine years prior.

TYLER JUNIOR COLLEGE DISTRICT  
 FACULTY, STAFF AND ADMINISTRATORS STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Faculty</b>										
Full-Time	311	310	309	296	295	282	280	278	272	255
Part-Time	309	307	355	306	305	323	298	270	258	258
Total	620	617	664	602	600	605	578	548	530	513
<b>Percent</b>										
Full-Time	50.16%	50.24%	46.54%	49.17%	49.17%	46.61%	48.44%	50.73%	51.32%	49.71%
Part-Time	49.84%	49.76%	53.46%	50.83%	50.83%	53.39%	51.56%	49.27%	48.68%	50.29%
<b>Staff and Administrators</b>										
Full-Time	365	365	352	348	339	329	319	322	310	269
Part-Time	297	294	226	264	255	210	194	200	170	151
Total	662	659	578	612	594	539	513	522	480	420
<b>Percent</b>										
Full-Time	55.14%	55.39%	60.90%	56.86%	57.07%	61.04%	62.18%	61.69%	64.58%	64.05%
Part-Time	44.86%	44.61%	39.10%	43.14%	42.93%	38.96%	37.82%	38.31%	35.42%	35.95%
FTSE per Full-Time Faculty	33.65	31.44	31.89	33.47	31.49	32.39	30.79	30.95	31.63	32.77
FTSE per Full-Time Staff Member	28.67	26.70	27.99	28.47	27.41	28.64	27.03	31.86	33.34	32.39
Average Annual Faculty Salary	\$ 54,179	\$ 53,939	\$ 51,309	\$ 50,217	\$ 51,120	\$ 50,065	\$ 50,848	\$ 51,047	\$ 49,100	\$ 46,764

TYLER JUNIOR COLLEGE DISTRICT  
 ENROLLMENT DETAILS  
 LAST FIVE FISCAL YEARS  
 (UNAUDITED)

Student Classification	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	5,700	59.88%	5,382	57.91%	5,670	58.88%	6,810	70.83%	6,031	61.45%
31-60 hours	2,554	26.83%	2,654	28.56%	2,666	27.68%	1,831	19.05%	3,411	34.76%
>60 hours	1,265	13.29%	1,258	13.54%	1,294	13.44%	973	10.12%	372	3.79%
Total	9,519	100%	9,294	100%	9,630	100%	9,614	100%	9,814	100%
Semester Hour Load	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
Part-Time	3,605	37.87%	4,183	45.01%	4,376	45.44%	4,367	45.42%	4,571	46.58%
Full-Time	5,914	62.13%	5,111	54.99%	5,254	54.56%	5,247	54.58%	5,243	53.42%
Total	9,519	100%	9,294	100%	9,630	100%	9,614	100%	9,814	100%
Tuition Status	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
Texas Resident (in-District)	3,549	37.28%	3,967	42.68%	4,167	43.27%	3,989	41.49%	4,041	41.18%
Texas Resident (out-of-District)	5,025	52.79%	4,957	53.34%	5,096	52.92%	5,208	54.17%	5,347	54.48%
Non-Resident Tuition	359	3.77%	370	3.98%	367	3.81%	417	4.34%	426	4.34%
Tuition Exemption/Waiver	586	6.16%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	9,519	100%	9,294	100%	9,630	100%	9,614	100%	9,814	100%

Table 15

TYLER JUNIOR COLLEGE DISTRICT  
STUDENT PROFILE  
LAST FIVE FISCAL YEARS  
(UNAUDITED)

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Gender</u>										
Female	5,914	62.13%	5,537	59.58%	5,678	58.96%	5,599	58.24%	5,701	58.09%
Male	3,605	37.87%	3,757	40.42%	3,952	41.04%	4,015	41.76%	4,113	41.91%
Total	<u>9,519</u>	<u>100%</u>	<u>9,294</u>	<u>100%</u>	<u>9,630</u>	<u>100%</u>	<u>9,614</u>	<u>100%</u>	<u>9,814</u>	<u>100%</u>
<u>Ethnic Origin</u>										
White	4,780	50.22%	5,314	57.18%	5,415	56.23%	5,419	56.37%	5,514	56.19%
Hispanic	1,970	20.70%	1,108	11.92%	1,271	13.20%	1,303	13.55%	1,339	13.64%
African American	2,133	22.41%	2,180	23.46%	2,387	24.79%	2,323	24.16%	2,440	24.86%
Asian	96	1.01%	122	1.31%	126	1.31%	142	1.48%	136	1.39%
Native American	48	0.50%	125	1.34%	97	1.01%	93	0.97%	72	0.73%
Other	492	5.17%	445	4.79%	334	3.47%	334	3.47%	313	3.19%
Total	<u>9,519</u>	<u>100%</u>	<u>9,294</u>	<u>100%</u>	<u>9,630</u>	<u>100%</u>	<u>9,614</u>	<u>100%</u>	<u>9,814</u>	<u>100%</u>
<u>Age</u>										
16 or younger	197	2.07%	52	0.56%	124	1.29%	19	0.20%	37	0.38%
17	163	1.71%	135	1.45%	186	1.93%	160	1.66%	179	1.82%
18	1,960	20.59%	1,928	20.74%	1,936	20.10%	1,852	19.26%	1,885	19.21%
19-21	3,625	38.08%	3,492	37.57%	3,477	36.11%	3,415	35.52%	3,455	35.20%
22-24	1,112	11.68%	1,109	11.93%	1,120	11.63%	1,206	12.54%	1,221	12.44%
25-30	1,099	11.55%	1,125	12.10%	1,133	11.77%	1,169	12.16%	1,214	12.37%
31-35	532	5.59%	486	5.23%	538	5.59%	578	6.01%	612	6.24%
36-50	676	7.10%	750	8.07%	883	9.17%	940	9.78%	979	9.98%
51-64	150	1.58%	210	2.26%	225	2.34%	250	2.60%	222	2.26%
65 & over	5	0.05%	7	0.08%	8	0.08%	25	0.26%	10	0.10%
Total	<u>9,519</u>	<u>100%</u>	<u>9,294</u>	<u>100%</u>	<u>9,630</u>	<u>100%</u>	<u>9,614</u>	<u>100%</u>	<u>9,814</u>	<u>100%</u>
Average Age	23		24		24		25		24	

Table 16

TYLER JUNIOR COLLEGE DISTRICT  
 TRANSFERS TO SENIOR INSTITUTIONS  
 2015 FALL STUDENTS AS OF FALL 2016  
 (Includes only public senior colleges in Texas)  
 (UNAUDITED)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep	EU Graduate		
1 Angelo State University	1,242	65	76	0	1,383	0.86%
2 Lamar University	1,239	164	99	2	1,504	0.94%
3 Midwestern State University	914	136	10	2	1,062	0.66%
4 Prairie View A&M University	1,131	113	9	0	1,253	0.78%
5 Sam Houston State University	5,962	379	65	2	6,408	4.00%
6 Stephen F. Austin State University	2,905	290	67	0	3,262	2.04%
7 Sul Ross State University	176	16	6	1	199	0.12%
8 Sul Ross State University - Rio Grande College	288	10	1	0	299	0.19%
9 Tarleton State University	3,731	481	80	1	4,293	2.68%
10 Texas A&M University International University	1,182	126	55	0	1,363	0.85%
11 Texas A&M University	19,032	975	150	0	20,157	12.59%
12 Texas A&M University - Central Texas	766	39	59	0	864	0.54%
13 Texas A&M University - Commerce	2,309	265	33	1	2,608	1.63%
14 Texas A&M University - Corpus Christi	2,041	235	43	1	2,320	1.45%
15 Texas A&M University - Kingsville	981	195	16	1	1,193	0.75%
16 Texas A&M University - San Antonio	3,239	391	6	5	3,641	2.27%
17 Texas A&M University - Texarkana	424	27	2	0	453	0.28%
18 Texas A&M University at Galveston	648	36	4	0	688	0.43%
19 Texas Southern University	1,122	102	6	0	1,230	0.77%
20 Texas State University	9,340	793	347	1	10,481	6.55%
21 Texas Tech University	8,290	727	165	0	9,182	5.74%
22 Texas Women's University	3,363	532	40	0	3,935	2.46%
23 University of Texas - Rio Grande Valley	3,036	551	85	0	3,672	2.29%
24 University of Texas - Arlington	10,437	1,952	102	2	12,493	7.80%
25 University of Texas - Austin	11,170	965	222	0	12,357	7.72%
26 University of Texas - Dallas	5,300	1,036	65	0	6,401	4.00%
27 University of Texas - El Paso	3,723	114	119	1	3,957	2.47%
28 University of Texas - San Antonio	6,709	539	62	1	7,311	4.57%
29 University of Texas - Tyler	2,031	266	33	2	2,332	1.46%
30 University of Texas of the Permian Basin	985	60	55	1	1,101	0.69%
31 University of Houston	11,092	577	49	0	11,718	7.32%
32 University of Houston - Clear Lake	2,561	265	12	0	2,838	1.77%
33 University of Houston - Downtown	3,784	254	12	0	4,050	2.53%
34 University of Houston - Victoria	1,032	100	26	1	1,159	0.72%
35 University of North Texas	8,626	1,200	113	1	9,940	6.21%
36 University of North Texas at Dallas	1,013	265	2	0	1,280	0.80%
37 West Texas A&M University	1,561	98	51	0	1,710	1.07%
<b>Totals</b>	<b>143,385</b>	<b>14,339</b>	<b>2,347</b>	<b>26</b>	<b>160,097</b>	<b>100%</b>

Source: The Automated Student & Adult Learner Follow-up Report from the Coordinating Board.

Table 17

TYLER JUNIOR COLLEGE DISTRICT  
CAPITAL ASSET INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Academic buildings	15	15	15	13	13	13	13	13	13	13
Square footage (in thousands)	657	657	657	430	430	430	430	430	430	430
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	41	41	41	41	41	41	41	41	41	41
Number of Volumes (in thousands)	84	84	85	86	87	88	100	104	104	104
Administrative and support buildings	10	10	8	8	8	8	8	8	8	8
Square footage (in thousands)	178	178	170	170	170	170	168	161	161	161
Dormitories	10	10	10	9	9	9	9	9	9	9
Square footage (in thousands)	333	333	333	267	267	267	267	267	267	267
Number of Beds	1248	1248	1248	1062	1062	1062	1062	1062	1062	1062
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	4	4	4	4	4	4	4	4	4	4
Average daily customers	2083	1962	1915	1745	3678	3872	3543	2758	2500	2500
Athletic Facilities	7	7	7	7	7	7	7	7	7	7
Square footage (in thousands)	445	445	445	445	445	445	445	436	436	436
Stadiums	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness Centers	2	2	2	2	2	2	2	2	2	2
Tennis Court	2	2	2	2	2	2	2	2	2	2
Plant facilities	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Transportation										
Cars	19	17	13	17	17	15	10	6	15	6
Light Trucks/Vans	28	30	27	29	27	27	22	21	21	42
Heavy Trucks	1	1	1	1	1	1	1	1	2	1
Buses	1	1	1	1	1	0	0	0	0	0

TYLER JUNIOR COLLEGE DISTRICT  
Maturity Schedule for Bonded Debt  
August 31, 2017

FYE	2009 Series (mat 2/15/20)			2012 Series (mat 2/15/26)			2013 Series (mat 8/15/28)		
	Prin	2/15 Interest	8/15 Interest	Prin	2/15 Interest	8/15 Interest	Prin	2/15 Interest	8/15 Interest
2018	2,590,000	161,000	109,200	1,085,000	284,711	273,861	635,000	104,310	104,310
2019	2,680,000	109,200	55,600	1,100,000	273,861	262,861	645,000	98,595	98,595
2020	2,780,000	55,600	-	1,125,000	262,861	245,986	660,000	91,823	91,823
2021	-	-	-	1,150,000	245,986	228,763	675,000	84,398	84,398
2022	-	-	-	1,175,000	228,736	211,110	690,000	76,129	76,129
2023-2027	-	-	-	6,445,000	880,528	786,878	3,735,000	235,857	235,857
2028-2032	-	-	-	7,655,000	364,912	247,452	815,000	13,040	13,040
2033-2037	-	-	-	-	-	-	-	-	-
Total	8,050,000	325,800	164,800	19,735,000	2,541,595	2,256,911	7,855,000	704,152	704,152

FYE	2014 Series (mat 8/15/34)			2015 Series (mat 8/15/30)			2015 Tax Notes (mat 2/15/30)		
	Prin	2/15 Interest	8/15 Interest	Prin	2/15 Interest	8/15 Interest	Prin	2/15 Interest	8/15 Interest
2018	1,675,000	705,470	705,470	331,000	66,221	66,221	224,000	38,773	36,186
2019	1,740,000	671,970	671,970	340,000	61,884	61,884	229,000	36,186	33,541
2020	1,810,000	637,170	637,170	349,000	57,430	57,430	235,000	33,541	30,827
2021	1,885,000	600,970	600,970	358,000	52,859	52,859	240,000	30,827	28,055
2022	1,925,000	580,706	580,706	368,000	48,169	48,169	246,000	28,055	25,214
2023-2027	10,700,000	2,358,778	2,358,778	1,997,000	166,029	166,029	1,316,000	96,385	81,185
2028-2032	12,690,000	1,368,525	1,368,525	1,322,000	34,938	34,938	867,000	20,189	10,175
2033-2037	5,805,000	180,778	180,778	-	-	-	-	-	-
Total	38,230,000	7,104,367	7,104,367	5,055,000	487,530	487,530	3,357,000	283,956	245,183

FYE	2016 Series (mat 8/15/36)			2016 Tax Notes (mat 2/15/26)			Total Bonded Debt		
	Prin	2/15 Interest	8/15 Interest	Prin	2/15 Interest	8/15 Interest	Prin	2/15 Interest	8/15 Interest
2018	1,500,000	393,634	393,634	-	90,412	90,412	8,040,000	1,844,531	1,779,294
2019	1,530,000	378,634	378,634	-	90,412	90,412	8,264,000	1,720,742	1,653,497
2020	1,560,000	363,334	363,334	-	90,413	90,413	8,519,000	1,592,172	1,516,983
2021	1,595,000	347,734	347,734	1,565,000	90,413	78,675	7,468,000	1,453,187	1,421,454
2022	1,015,000	307,860	307,860	1,590,000	78,675	66,750	7,009,000	1,348,330	1,315,938
2023-2027	5,820,000	1,157,122	1,157,122	6,675,000	168,550	101,800	36,678,000	5,063,249	4,887,649
2028-2032	6,760,000	690,822	690,822	-	-	-	30,109,000	2,492,426	2,364,952
2033-2037	6,055,000	224,394	224,394	-	-	-	11,860,000	405,172	405,172
Total	25,835,000	3,863,534	3,863,534	9,830,000	608,875	518,462	117,947,000	15,919,809	15,344,939

Note: This table is submitted in order to comply with the provisions of HB No. 1378. All other information required is contained in Note 8 to the financial statements.





**TJC**<sup>TM</sup>

DISTRICT



TYLER, TEXAS



SINGLE AUDIT SECTION



TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended August 31, 2017

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Assistance Cluster			
SEOG	84.007	--	\$ 194,270
Federal College Workstudy Program	84.033	--	157,553
Federal Pell Grant Program	84.063	--	18,494,134
Direct Student Loans	84.268	--	<u>21,261,204</u>
Total Student Financial Assistance Cluster			40,107,161
TRIO Cluster			
Student Support Services Grant	84.042A	--	201,128
Educational Opportunity Centers	84.066	--	<u>213,763</u>
Total TRIO Cluster			414,891
Pass Through From:			
Texas Workforce Commission			
Adult Education - Basic Grants to States	84.002	0816AEL002	2,665
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	17692	657,727
Institute of Education Sciences			
Research and Development Cluster			
Pass Through From:			
Texas Higher Education Coordinating Board			
Education Research, Development and Dissemination	84.305	R305H150069	<u>14,914</u>
Total U. S. Department of Education			<u>41,197,358</u>
U.S. Department of Labor			
Direct Program:			
Trade Adjustment Assistance Community College and Career Training Grants	17.282	TC-23812-12-60-A-48	<u>188,380</u>
Total U. S. Department of Labor			<u>188,380</u>
National Science Foundation			
Research and Development Cluster			
Pass Through From:			
University of Texas at El Paso			
Education and Human Resources	47.076	26-1008-4126	<u>25,826</u>
Total National Science Foundation			<u>25,826</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District			
Small Business Development Center	59.037	--	<u>57,628</u>
Total U.S. Small Business Administration (SBA)			<u>57,628</u>
U.S. Department of Health and Human Services			
Pass Through From:			
Texas Workforce Commission			
Temporary Aid for Needy Families	93.558	0816AEL002	14,480
Workforce Solutions East Texas Board and East Texas Council of Governments			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	04161C61	<u>10,989</u>
Total U.S. Department of Health and Human Services			<u>25,469</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 41,494,661</u>

See Notes to Schedule on following page.

TYLER JUNIOR COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District 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 amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule. The District has elected not to use the 10% de minimis cost rate as permitted in the UG, section 200.414.

NOTE 2 – FEDERAL FINANCIAL ASSISTANCE RECONCILIATION

Federal Grants and Contracts per Schedule A	\$ 2,981,294
Non Operating Revenue From Schedule C	19,260,848
Direct Student Loans	21,261,204
Revenues reported on Schedule A not included on Schedule E (revenues reflected for agent)	(2,004,258)
Matching Contributions Included in Schedule E	<u>(4,427)</u>
Total Federal Financial Assistance – Schedule E	<u>\$41,494,661</u>

TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2017

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 37,651
Nursing Innovation Grant	18031	141,134
Professional Nursing Shortage Reduction Program	--	215,074
Texas Educational Opportunity Grant Program	--	805,350
Top Ten Percent	--	2,000
T-STEM Challenge Scholarship Program	16913	168,960
Dallas County Community College District		
Small Business Development Center	--	67,200
Texas Workforce Commission		
Adult Basic Education	0816AELA002	6,855
Skills Development	0817SSD001	900
Skills Development	0816SDF000	17,382
Total Skills Development		<u>18,282</u>
Total Expenditures of State Awards		<u>\$ 1,462,506</u>

TYLER JUNIOR COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for the District's significant accounting policies. These expenditures are reported on the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

NOTE 2 – STATE FINANCIAL ASSISTANCE RECONCILIATION

State Grants and Contracts per Schedule A	\$1,572,225
Professional Nursing Shortage Reduction reported on Schedule C	215,075
Revenues reported on Schedule A not included on Schedule F (revenues reflected for agent)	(307,372)
Matching Contributions Included in Schedule F	<u>(17,422)</u>
Total State Financial Assistance – Schedule F	<u>\$1,462,506</u>

**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 Trustees  
Tyler Junior College District  
Tyler, Texas

Board of Trustees:

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 Tyler Junior College District as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise Tyler Junior College District's basic financial statements, and have issued our report thereon dated November 15, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Tyler Junior College District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tyler Junior College District's internal control. Accordingly, we do not express an opinion on the effectiveness of Tyler Junior College District'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 District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses: 2017-001.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tyler Junior College District'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

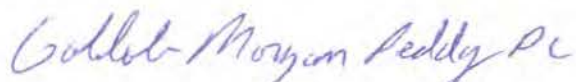
a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 2017-001.

#### **Tyler Junior College District's Response to Findings**

Tyler Junior College District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Tyler Junior College District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

Tyler, Texas  
November 15, 2017



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

Board of Trustees  
Tyler Junior College District  
Tyler, Texas

Board of Trustees:

**Report on Compliance for Each Major Federal Program**

We have audited the Tyler Junior College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tyler Junior College District's major federal programs for the year ended August 31, 2017. Tyler Junior College District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Tyler Junior College District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tyler Junior College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on Student Financial Assistance Cluster***

As described in Findings 2017-001 in the accompanying schedule of findings and questioned costs, Tyler Junior College District did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2017-001	84.268	Federal Direct Students Loans (Student Financial Assistance Cluster)	Special Tests and Provisions - Disbursement To or On Behalf of Students

Compliance with such requirements is necessary, in our opinion, for Tyler Junior College District to comply with the requirements applicable to that program.

### ***Qualified Opinion on Student Financial Assistance Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Tyler Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the year ended August 31, 2017.

### ***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, Tyler Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2017.

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a material weakness.

Tyler Junior College District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. Tyler Junior College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Certified Public Accountants

Tyler, Texas  
November 15, 2017

. TYLER JUNIOR COLLEGE DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED AUGUST 31, 2017

**Section I – Summary of Auditors’ Results**

*Financial Statements*

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?        X   yes             no
  - Significant deficiencies identified that are not considered to be material weaknesses?             yes        X   none reported
- Noncompliance material to financial Statements noted?        X   yes             no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?        X   yes             no
- Significant deficiencies identified that are not considered to be material weakness(es)?             yes        X   none reported

Type of auditors’ report issued on compliance for major programs: *Qualified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        X   yes             no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
	Student Financial Assistance Programs:
	Part of Federally Mandated Cluster
84.063	Federal Pell Grant Program
84.007	Federal Supplemental Educational Opportunity Grant Program
84.033	Federal College Workstudy Program
84.268	Federal Direct Student Loans
84.408	Postsecondary Scholarships for Veteran’s Dependents

Dollar threshold used to distinguish Between type A and type B programs:      \$750,000

Auditee qualified as low-risk auditee:             yes        X   no

## Section II – Financial Statement Findings

Finding 2017-001:

*Information on the Federal Program:* CFDA 84.268 – Federal Direct Student Loan, United States of Department of Education. *Compliance Requirements:* Special Tests and Provisions – Disbursement To or On Behalf of Students. *Type of Finding:* Material Noncompliance.

*Criteria:* Program requirements state that the institution must notify the student, or parent, in writing of (1) the date and amount of the disbursement; (2) the student's right, or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan. Institutions that implement an affirmative confirmation process must make this notification to the student or parent no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution with Direct Loan funds.

*Condition:* For each student in the sample selection receiving loans, we reviewed the school's Banner screen RUAMAIL to determine if the student was sent the required disbursement notification via e-mail and the date the notification was sent to determine if sent within the required timeframe.

*Questioned Costs:* -0-

*Context:* One student in the sample selection was not sent the required disbursement notification. Overall, a total of one hundred thirty-four students did not receive the required disbursement notification.

*Effect or Potential Effect:* Students were not notified of their rights to cancel loan funding.

*Cause:* The Banner system populations selection, which is the job run to identify students with loans disbursed and to whom notifications need to be sent, was run on Friday mornings via UC4 automation. It identified students for the current day and previous six days, but did not identify those students with loan disbursements on Friday during business hours and on Saturdays.

*Repeat Finding:* This is a repeat of Finding 2016-001, identified during the fiscal year 2016 audit.

*Recommendation:* The Financial Aid Office should consider implementing an internal control process/procedure to verify required notifications are sent to all students receiving loan disbursements.

*Views of Responsible Official:* A SQL query that internally compares "students with disbursed loans" to "students with a loan disbursement notification" has been developed to select students who have not received a disbursement notice. This query will be used on a weekly basis to monitor the disbursement notice process in a more comprehensive manner.

## Section III – Federal Award Findings and Questioned Costs

Finding 2017-001: CFDA 84.268 – Federal Direct Student Loans

See Section II for detailed description.

TYLER JUNIOR COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2017

Finding: 2016-001

Status: Although the Banner issue that resulted in loan disbursement notifications being sent late or not at all during fiscal year 2016 was resolved, another issue occurred in Banner during fiscal year 2017 causing loan disbursement notifications to not be sent for some students. See Finding 2017-001 on the Schedule of Findings and Questioned Costs.

Finding: 2016-002

Status: Corrected

Finding: 2016-003

Status: Corrected

Finding: 2016-004

Status: Corrected. All monies were drawn and the grant has been closed.

Finding: 2016-005

Status: Corrected



## CORRECTIVE ACTION PLAN

November 2017

Tyler Junior College respectfully submits the following corrective action plan for the year ended August 31, 2017.

Gollob, Morgan, Peddy, & Co., P.C.

**Audit period:**

The findings from the August 31, 2017 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS – SECTION II - FINANCIAL STATEMENT FINDINGS

#### Finding 2017-001

*Information on the Federal Program:* CFDA 84.268 – Federal Direct Student Loan, United States of Department of Education. *Compliance Requirements:* Special Tests and Provisions – Disbursement To or On Behalf of Students. *Type of Finding:* Material Noncompliance

*Criteria:* Program requirements state that the institution must notify the student, or parent, in writing of (1) the date and amount of the disbursement; (2) the student's right; or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan. Institutions that implement an affirmative confirmation process must make the notification to the student or parent no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution with Direct Loan funds.

*Condition:* For each student in the sample selection receiving loans, we reviewed the school's Banner screen RUAMAIL to determine if the student was sent the required disbursement notification via email and the date the notification was sent to determine if sent within the required timeframe.

*Questioned Costs:* -0-

*Context:* One student in the sample selection was not sent the required disbursement notification. Overall, a total of one hundred thirty-four students did not receive the required disbursement notification.

*Effect or Potential Effect:* Students were not notified of their rights to cancel loan funding

*Cause:* The Banner system populations selection, which is the job run to identify students with loans disbursed and to whom notifications need to be sent, was run on Friday mornings via UC4 automation. It identified students for the current day and previous 6 days, but did not identify those students with loan disbursements on Friday during business hours and on Saturdays.

*Repeat Finding:* This is a repeat of Finding 2016-001, identified during the fiscal year 2016 audit.



Recommendation: The Financial Aid Office should consider implementing an internal control process/procedure to verify required notifications are sent to all students receiving loan disbursements.

Action Taken: The Financial Aid Office developed a SQL query to internally compare the loan disbursements and disbursement notifications within Banner and to pull a list of students who did not get a disbursement notice. A review of 2016-17 and 2017-18 (only Fall, 2017) was performed in early October, 2017. As a result of the review of the list of students, a commonality was identified. This indicated an issue with the timing of the disbursement notice and a need to extend the timeframe parameter of the Banner population selection looking for loans fed during the specified timeframe. The disbursement notice was changed to send each Friday at 11pm rather than each Friday early morning. The disbursement date range was changed to look for all loans fed of the preceding seven days rather than the preceding six days. The Financial Aid Officer/Loans will run this SQL query on a weekly basis in addition to continuing to monitor the disbursement notice output that is sent weekly. These two procedures in combination should eliminate the probability of future occurrences.

If you have any questions regarding this plan, please call me.

Sincerely,

Devon Wiggins  
Director, Financial Aid and Enrollment Support Services  
(903) 510-2646