



TYLER, TEXAS

For the fiscal years ended
August 31, 2018 and August 31, 2017



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, 2018 AND 2017**

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



TJCTM

DISTRICT

**TYLER JUNIOR COLLEGE DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 AUGUST 31, 2018 AND 2017**

	<u>Exhibit/ Schedule</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>		
Transmittal Letter		i-v
GFOA Certificate of Achievement		vi
Organizational Chart		vii
Principal Officials		viii
<u>FINANCIAL SECTION</u>		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		5-21
Basic Financial Statements:		
Statements of Net Position	1	23
Statements of Financial Position – Tyler Junior College Foundation	1-1	24
Statements of Revenues, Expenses, and Changes In Net Position	2	25
Statements of Activities – Tyler Junior College Foundation	2-1	26
Statements of Cash Flows	3	27-28
Notes to the Financial Statements		29-53
Required Supplementary Information:		
Schedule of District's Share of Net Pension Liability	1	56
Schedule of District's Pension Contributions	2	57
Schedule of District's Proportionate Share of Net OPEB Liability	3	58
Schedule of District's OPEB Contributions	4	59
Notes to Required Supplementary Information		60
Supplemental Information:		
Schedule of Operating Revenues	A	62
Schedule of Operating Expenses by Object	B	63
Schedule of Non-Operating Revenues and Expenses	C	64
Schedule of Net Assets by Source and Availability	D	65

**TYLER JUNIOR COLLEGE DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 TABLE OF CONTENTS
 AUGUST 31, 2018 AND 2017**

	<u>Table No.</u>	<u>Page</u>
<u>STATISTICAL SECTION (UNAUDITED)</u>		
Net Assets by Component	1	69
Revenues by Source	2	70
Program Expenses by Function	3	71
Tuition and Fees	4	72-73
Assessed Value and Taxable Assessed Value of Property	5	74
State Appropriation per FTSE and Contact Hour	6	75
Principal Taxpayers	7	76-79
Property Tax Levies and Collections	8	80
Ratios of Outstanding Debt	9	81
Pledged Revenue Coverage	10	82
Demographic and Economic Statistics – Taxing District	11	83
Principal Employers	12	84-85
Faculty, Staff, and Administrators Statistics	13	86
Enrollment Details	14	87
Student Profile	15	88
Transfers to Senior Institutions	16	89
Capital Asset Information	17	90
Maturity Schedule of Bonded Debt	18	91
<u>SINGLE AUDIT SECTION</u>		
	<u>Schedule</u>	
Schedule of Expenditures of Federal Awards	E	94-95
Schedule of Expenditures of State Awards	F	96-97

**TYLER JUNIOR COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
AUGUST 31, 2018 AND 2017**

	<u>Schedule</u>	<u>Page</u>
<u>SINGLE AUDIT SECTION</u>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		98-99
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required By The Uniform Guidance		100-102
Schedule of Findings and Questioned Costs		103-105
Summary Schedule of Prior Audit Findings		106
Corrective Action Plan		107-108



TJCTM

DISTRICT



TYLER, TEXAS



INTRODUCTORY SECTION





TJCTM

DISTRICT



November 15, 2018

To the Board of Trustees and the Chancellor for 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, 2018.

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, 2018. 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 130 degree and certificate programs at relatively low cost attracts students from thirty-five states and thirty-two foreign countries. Annual fall unduplicated enrollment is approximately 12,000 academic and vocational students with an additional 2,000 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 145-acre campus round out the educational experience.

The Tyler Junior College District has an academic heritage of providing the first two years of a four-year baccalaureate degree education. The District is committed to providing a traditional campus experience for current and future students at an affordable cost. In order to offer expanded education opportunities to students, the District has been authorized by the 85th Texas legislature to offer up to five baccalaureate degrees. The District has also been approved for a level change from an associate degree granting institution to a baccalaureate degree granting institution. Currently, the District offers a baccalaureate degree in Dental Hygiene with plans to add another baccalaureate degree in Healthcare Technologies and Medical Systems beginning Fall 2018. These additional degrees will expand the District's ability to offer opportunities for students to access higher education at an affordable cost.

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 Chancellor for the College District 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 Chancellor for the College District, 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 Chancellor for the College District.

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 Chancellor for the College District or his designee, or the Board.

ASSESSING THE ECONOMIC CONDITION

Academic year 2017-2018 enrollment and contact hours increased slightly as compared to 2016-2017. Modest enrollment growth is expected in the future as economic improvement continues in the Tyler area and the District adds new programs and expands existing programs in response to workforce development and student needs.

State appropriations for fiscal year 2018 remained flat as compared to the prior year. Future state funding for higher education continues to be an ongoing concern. The District 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 a minimal fee increase for out-of-district fees for the Spring 2018 semester. The District 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 District 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 District increased the maintenance and operation tax rate for 2017-2018 to \$.15416 per \$100

valuation. Additionally, the District decreased the associated debt tax rate slightly to \$.045766 per \$100 valuation. The total tax rate for 2017-2018 for the District remained at \$.199926 per \$100 valuation. The Tyler area economy is expected to continue to grow and property valuations to increase resulting in increased tax revenues. The District 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 District to preserve existing infrastructure and provide for future capital growth. The District has maintained its total tax rate of \$.199926 since fiscal year 2013.

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 34th Annual Perryman Economic Outlook report forecasts continued growth in the Tyler Metropolitan Statistical Area (MSA). Occupations expected to add the most jobs between 2017-2022 in the Tyler MSA area are in the fields of mining, information, services, manufacturing and trade. Unemployment in the East Texas area has been declining and is currently at a rate of 3.7% 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 District to provide the needed skilled and educated workforce. The District 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 District is able to provide local area employers with well-educated and trained employees. New programs planned for fiscal year 2019-2020 include a culinary arts program and a baccalaureate degree in healthcare technologies and medical systems.

The 85th Texas Legislature permanently authorized Tyler Junior College to award baccalaureate degrees along 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 Texas Higher Education Coordinating Board has approved the District to offer two baccalaureate degrees as of Fall 2018. The District will continue to review baccalaureate program possibilities and offer additional degrees as it identifies opportunities to meet the needs of both students and employers.

Tyler Junior College has committed to and partnered with the community 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 90th anniversary of the District. 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. The District is excited to offer this program to students and strongly 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, 2017. 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.

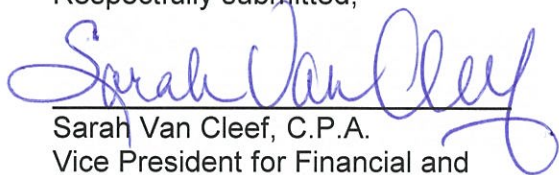
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of one year only. The 2017 report was the twenty-second 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 Chancellor for the College District 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



TJCTM

DISTRICT



Government Finance Officers Association

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

Presented to

**Tyler Junior College District
Texas**

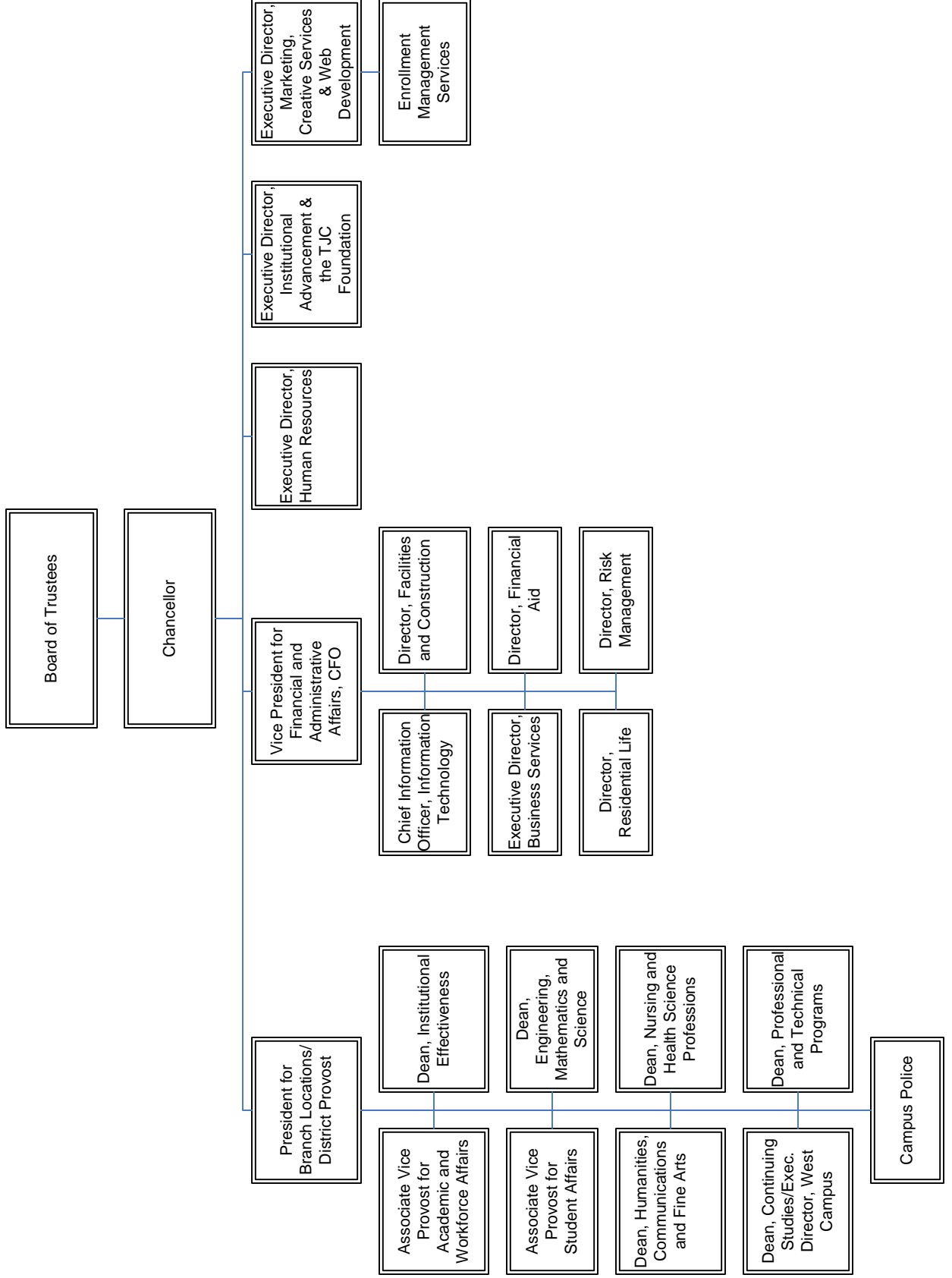
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2017

Christopher P. Morill

Executive Director/CEO

TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE





**ORGANIZATIONAL DATA
For the Fiscal Year 2018-2019**

Board of Trustees

Officers

Mike Coker	President
Rohn Boone	First Vice President
Peggy Smith	Second Vice President

Members

		<u>Term Expires</u>
Ann Brookshire	Tyler, Texas	May, 2020
John Hills	Tyler, Texas	May, 2024
David Hudson	Tyler, Texas	May, 2020
Joe Prud'homme	Tyler, Texas	May, 2022
Clint Roxburgh	Tyler, Texas	May, 2022
Lonny Uzzell	Tyler, Texas	May, 2024

Principal Administrative Officers

L. Michael Metke	Chancellor for the College District of TJC and CEO
Juan E. Mejia	President for Branch Locations and District Provost
Sarah E. Van Cleef	Vice President for Financial and Administrative Affairs, Chief Financial Officer



TJCTM

DISTRICT



TYLER, TEXAS



FINANCIAL SECTION





TJCTM

DISTRICT

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, 2018 and 2017, 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 \$64,216,617 and \$50,693,767 as of August 31, 2018 and 2017 and total revenues of \$16,359,174 and \$7,345,340 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, 2018 and 2017, 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 through 4 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, 2018, 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.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
November 15, 2018



TJCTM

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 2018. 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2017 to 2018</u>	<u>2016 to 2017</u>
Assets					
Current Assets	\$ 38,829	\$ 38,219	\$ 36,221	\$ 610	\$ 1,998
Capital Assets, Net	202,932	204,011	207,241	(1,079)	(3,230)
Other Assets	1,777	7,624	1,722	(5,847)	5,902
Total Assets	<u>243,538</u>	<u>249,854</u>	<u>245,184</u>	<u>(6,316)</u>	<u>4,670</u>
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	8,746	3,095	3,893	5,651	(798)
Deferred Outflows Related to Other Post Employment Benefits	1,031	0	0	1,031	0
Total Deferred Outflows of Resources	<u>9,777</u>	<u>3,095</u>	<u>3,893</u>	<u>6,682</u>	<u>(798)</u>
Liabilities					
Current Liabilities	40,241	37,902	35,448	2,339	2,454
Noncurrent Liabilities	154,285	123,446	120,984	30,839	2,462
Total Liabilities	<u>194,526</u>	<u>161,348</u>	<u>156,432</u>	<u>33,178</u>	<u>4,916</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	4,937	2,481	3,375	2,456	(894)
Deferred Inflows Related to Other Post Employment Benefits	7,928	0	0	7,928	0
Total Deferred Inflows of Resources	<u>12,865</u>	<u>2,481</u>	<u>3,375</u>	<u>10,384</u>	<u>(894)</u>
Net Position					
Net Investment in Capital Assets	91,366	84,186	88,796	7,180	(4,610)
Restricted: Expendable	740	791	748	(51)	43
Unrestricted	(46,182)	4,143	(274)	(50,325)	4,417
Total Net Position	<u>\$ 45,924</u>	<u>\$ 89,120</u>	<u>\$ 89,270</u>	<u>\$ (43,196)</u>	<u>\$ (150)</u>

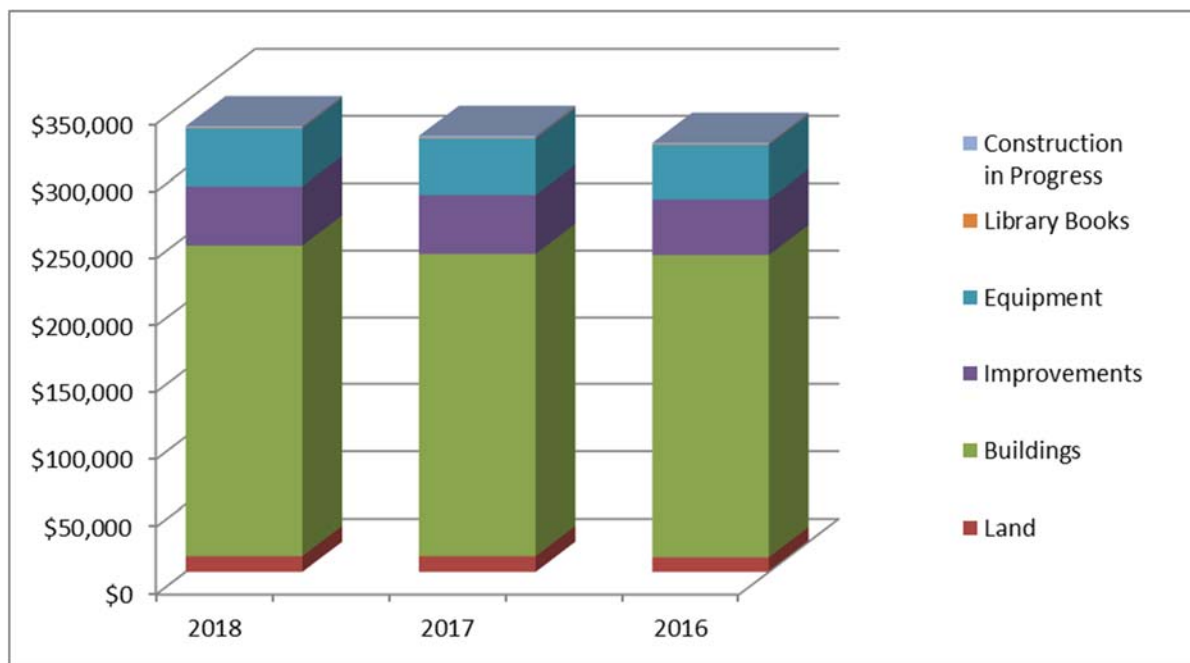
The \$243.5 million in assets includes cash and cash equivalents of \$20.5 million. This represents a \$5.6 million decrease compared to the cash and cash equivalents of \$26.1 million in FY2017. The majority of the decrease is a result of the spending down of the proceeds from the issuance of \$9,830,000 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 \$19.9 million compared to \$19.7 million in FY2017 and just over \$20 million in FY2016. Approximately 86 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 FY2018 regarding renovations and upgrades, as well as equipment purchases. Numerous buildings on the main campus as well as on the west campus received new roofs and enhancements to air conditioning systems. An event space was incorporated into existing space in the Rogers Nursing and Health Sciences building. Additionally, the repurposing of current space for the new Culinary Arts program that will begin in FY 2019. Equipment was also purchased for the Culinary Arts program during the year. Other projects completed during the 2018 year included upgrades and replacements to the existing technology infrastructure and hardware and repair or replacement of several gutters including soffits and fascia. 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)

	August 31			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Capital Assets:					
Land	\$ 11,706	\$ 11,684	\$ 10,897	\$ 22	\$ 787
Buildings	231,303	225,141	225,061	6,162	80
Improvements	44,044	43,794	41,431	250	2,363
Equipment	42,865	41,735	40,144	1,130	1,591
Library Books	451	527	578	(76)	(51)
Construction in Progress	1,295	1,534	1,068	(239)	466
Total Capital Assets	<u>\$ 331,664</u>	<u>\$ 324,415</u>	<u>\$ 319,179</u>	<u>\$ 7,249</u>	<u>\$ 5,236</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 \$8,745,800 for FY2018 include the District's proportionate share of the differences between expected and actual economic experience, changes in actuarial assumptions, and contributions paid to Teacher Retirement System (TRS) subsequent to the measurement date of August 31, 2017. Deferred Inflows of Resources totaling \$4,936,542 for FY2018 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 FY2017 Deferred Outflows of Resources and Deferred Inflows of Resources were \$3,094,836 and \$2,480,515, 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.

Based on the provisions of GASB Statement 75, the District must now record Deferred Outflows of Resources and Deferred Inflows of Resources related to other post-employment benefits (OPEB). Deferred Outflows of Resources totaling \$1,031,150 for FY2018 include the District's proportionate share of net differences between projected and actual investment earnings and contributions paid to Employees Retirement System of Texas (ERS) subsequent to the measurement date of August 31, 2017. Deferred Inflows of Resources totaling \$7,928,288 for FY2018 include differences between the expected and actual economic experience and changes in actuarial assumptions. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 16, Postemployment Benefits Other Than Pensions, in the note disclosures, and Schedules 3 and 4 of the Required Supplementary information.

Liabilities of \$195 million include debt of \$112 million, compensated absences of \$948,519, \$14.3 million for the District's net pension liability and \$35.9 million for the District's net other post-employment benefits liability, as a result of the implementation of GASB Statement 75, as of the end of the 2018 fiscal year. This compares to the liabilities in FY2017 of \$161 million with \$120 million of debt, \$986,213 in compensated absences, and \$10.8 million for the District's net pension liability. Also included in the liabilities are student deposits and deferred revenue in excess of \$24 million. The approximate \$33 million increase in liabilities is a direct result of the District's implementation of GASB Statement 75.

The assets plus deferred outflows less liabilities and deferred inflows result in a net position of \$45.9 million compared to the \$89.1 million in FY2017 and the \$89.3 million in FY2016. In connection with the implementation of GASB Statement 75, a restatement to the beginning net position was required for the recording of the beginning net OPEB liability. As a result, a prior period adjustment of (\$41.9) million has been recorded for the Net OPEB liability. The District's FY2018 net investment in capital assets is \$91.4 million compared to \$84.2 million in FY2017.

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2017 to 2018</u>	<u>2016 to 2017</u>
Operating Revenues					
Tuition and Fees	\$ 19,825	\$ 20,240	\$ 16,754	\$ (415)	\$ 3,486
Federal Grants and Contracts	2,734	3,036	4,270	(302)	(1,234)
State Grants and Contracts	1,410	1,572	1,654	(162)	(82)
Local Grants and Contract	543	475	460	68	15
Sales and Service of Educational Activities	121	110	106	11	4
Auxiliary Enterprises	4,882	5,147	5,103	(265)	44
Miscellaneous	2,106	3,357	3,485	(1,251)	(128)
Total Operating Revenues	<u>31,621</u>	<u>33,937</u>	<u>31,832</u>	<u>(2,316)</u>	<u>2,105</u>
Operating Expenses					
Instruction	34,185	32,715	31,740	1,470	975
Public Service	2,402	2,885	2,851	(483)	34
Academic Support	4,267	3,835	3,454	432	381
Student Service	8,972	8,511	7,878	461	633
Institutional Support	15,988	14,945	14,363	1,043	582
Operation and Maintenance of Plant	8,540	9,448	7,941	(908)	1,507
Scholarship and Fellowships	4,925	4,334	3,726	591	608
Auxiliary Enterprises	9,481	9,508	9,016	(27)	492
Depreciation	8,432	8,545	8,324	(113)	221
Total Operating Expenses	<u>97,192</u>	<u>94,726</u>	<u>89,293</u>	<u>2,466</u>	<u>5,433</u>
Operating Loss	(65,571)	(60,789)	(57,461)	(4,782)	(3,328)
Non-Operating Revenues (Expenses)	<u>64,231</u>	<u>60,639</u>	<u>58,425</u>	<u>3,592</u>	<u>2,214</u>
Increase (Decrease) in Net Position	(1,340)	(150)	964	(1,190)	(1,114)
Net Position					
Net Position, Beginning of Year	89,120	89,270	88,306	(150)	964
Prior Period Adjustment	(41,856)	-	-	(41,856)	-
Net Position, End of Year	<u>\$ 45,924</u>	<u>\$ 89,120</u>	<u>\$ 89,270</u>	<u>\$ (43,196)</u>	<u>\$ (150)</u>

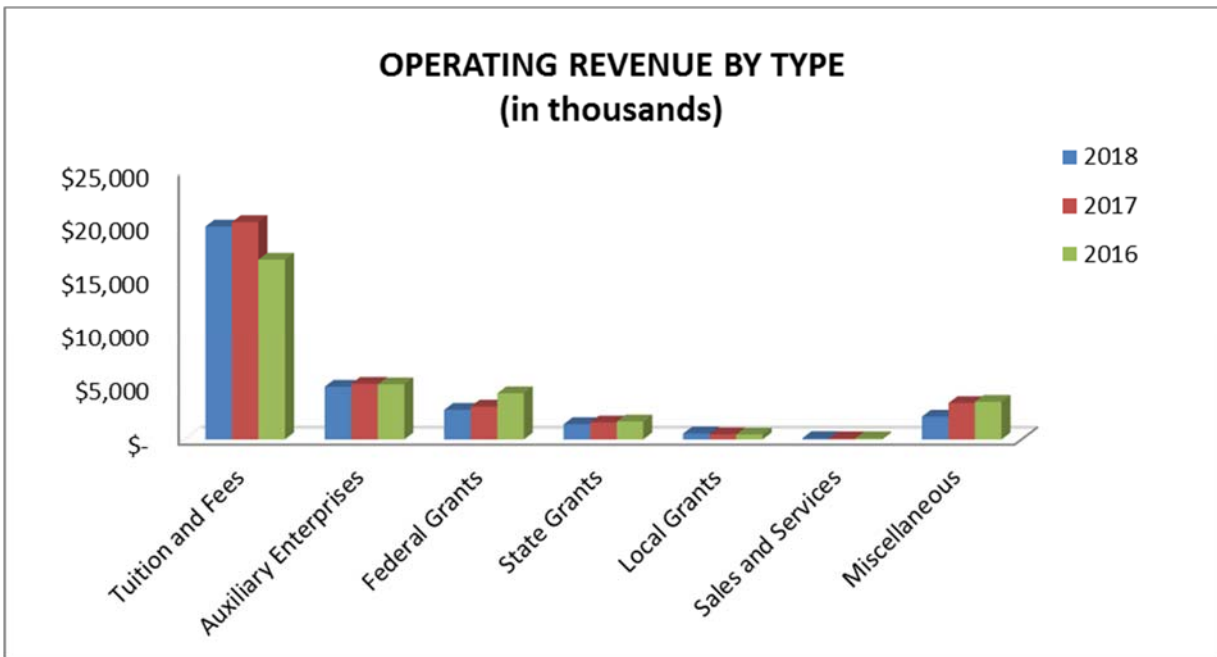
The nonoperating revenues (expenses) are comprised of \$21.8 million state educational contracts, \$24.6 million property taxes, \$21.0 million in Title IV financial assistance, investment income of \$296,863 and \$3.5 million interest paid on capital related debt. These numbers compare to FY2017 nonoperating revenues (expenses) of \$21.4 million state educational contracts, \$23.6 million property taxes, \$19.3 million in Title IV financial assistance, \$147,732 investment income and \$3.8 million interest paid on capital related debt. The total for nonoperating revenues (expenses) increased approximately 6% from FY2017. Significant contributors to the increase were property tax revenue and Title IV financial assistance, with increases during the year of over \$1.0 million and \$1.8 million, respectively. Additionally, there was an increase in investment income

of \$149,131 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 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)

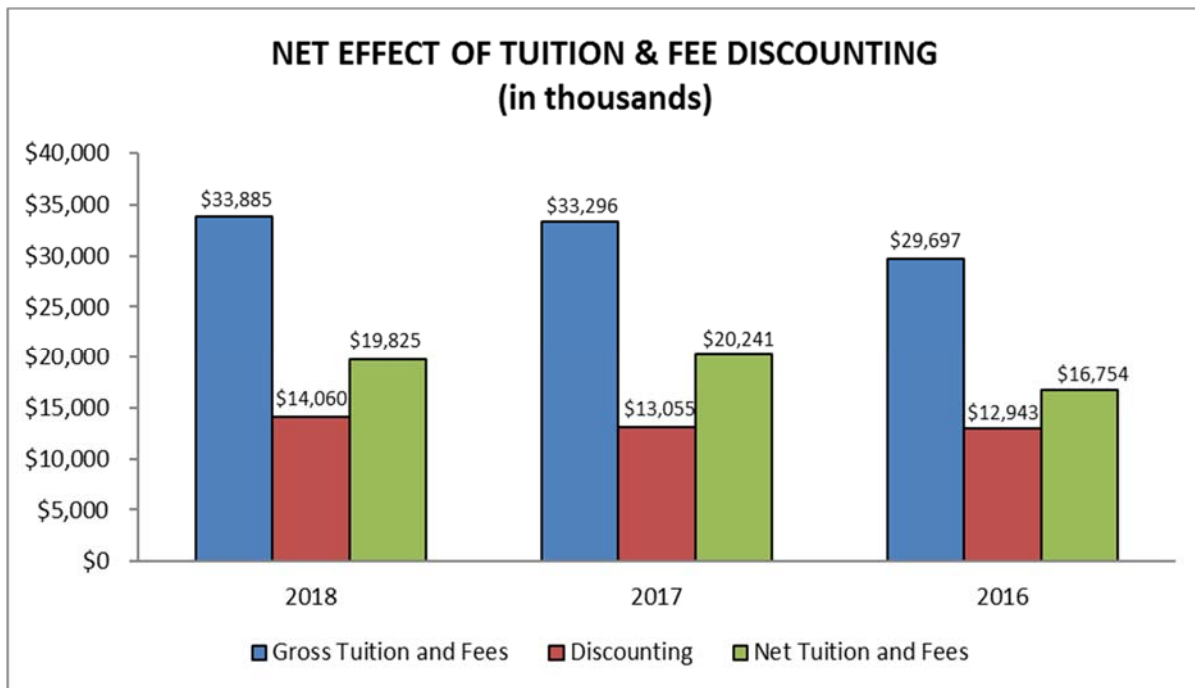
	August 31			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Operating Revenues					
Tuition and Fees	\$ 19,825	\$ 20,240	\$ 16,754	\$ (415)	\$ 3,486
Auxiliary Enterprises	4,882	5,147	5,103	(265)	44
Federal Grants and Contracts	2,734	3,036	4,270	(302)	(1,234)
State Grants and Contracts	1,410	1,572	1,654	(162)	(82)
Local Grants and Contract	543	475	460	68	15
Sales and Service of Educational Activities	121	110	106	11	4
Miscellaneous	2,106	3,357	3,485	(1,251)	(128)
Total Operating Revenues	\$ 31,621	\$ 33,937	\$ 31,832	\$ (2,316)	\$ 2,105



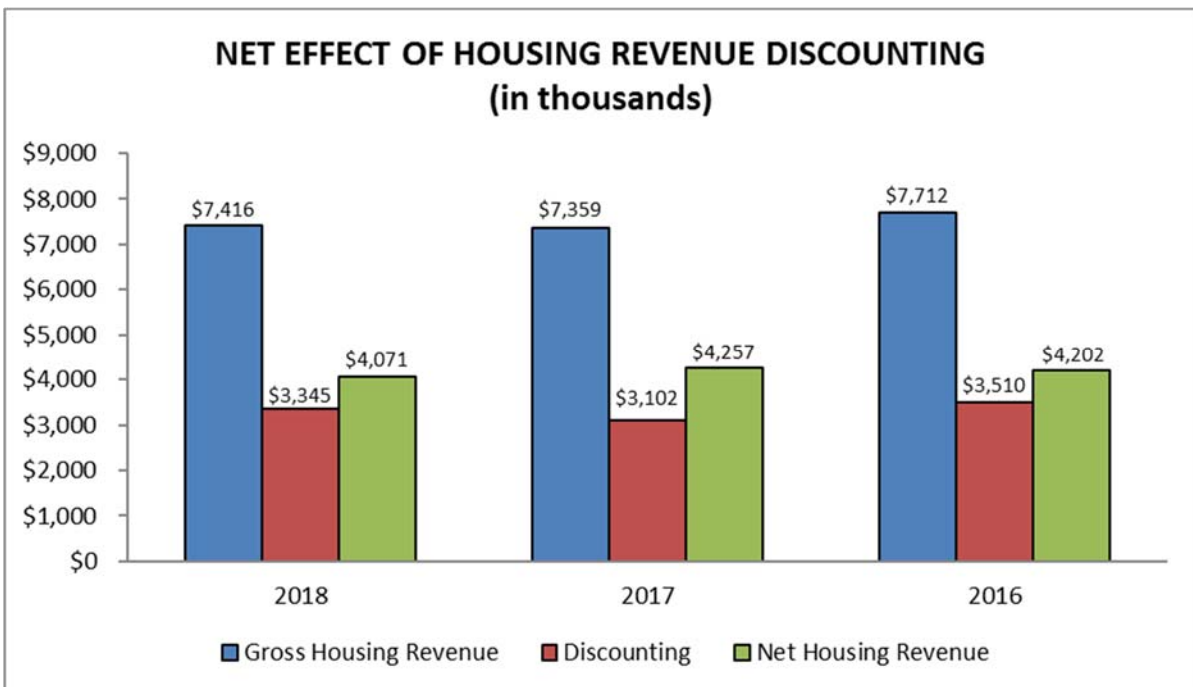
The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Student tuition and fees represent the largest type of operating revenue followed by auxiliary enterprises. All other types of revenue represent approximately 22%

of the total operating revenue. A significant element in the decrease of operating revenue in FY2018 is the decline of miscellaneous income of \$1.3 million from \$3.4 million in FY2017 to \$2.1 million in FY2018. A contributing factor to this decline is decreased pledges received from the TJC Foundation for the capital campaign for the construction of the Robert M. Rogers Nursing and Health Science Building as many of the pledges have been fulfilled. An additional factor in the decrease is a non-routine settlement payment of \$220,000 included in the FY2017 miscellaneous income.

A critical note regarding student tuition and fees, as seen in the following chart, is the significance of financial aid to the students of the District. The total of tuition and fee discounting related to financial aid increased 8% or \$1,004,659 from FY2017 to FY2018. This amount is reflective of the impact of financial aid as a percentage of gross tuition and fees at 41% compared to 39% in FY2017. The increase in financial aid from FY2017 to FY2018 had three significant contributors: the increase in the maximum Pell award, the increase in number of students receiving financial aid and the ability of students to access Pell grants during the summer session. The maximum Pell award increased from \$5,815 in FY2017 to \$5,920 in FY2018. The number of students receiving some type of federal aid increased by 184 students from FY2017 to FY2018. Gross tuition and fees collected by the District increased 2% or \$589,574 in FY2018. However, since the tuition and fee discounting increased at a greater percentage than the gross tuition and fee collections the net result for tuition and fees was a slight decrease of \$415,085 or 2%. The following chart graphically illustrates the impact of financial aid (discounting) on tuition and fee revenue.



The income from residential housing contributes significantly as the major source of revenue for auxiliary enterprises. The number of students living on campus fluctuated slightly during the FY2018 year as the District implemented an enhancement to an existing minimum GPA policy to live on campus to include the requirement of new residents to achieve a 1.5 GPA after their first semester. Despite the fluctuation in residents, there was a slight increase in gross housing revenue in FY2018 of \$57,000 for a total of \$7.42 million compared to \$7.36 million in FY2017. Just as the discounting of financial aid is impactful to tuition and fees, it is also impactful to the reporting of housing revenue. The total of housing revenue discounting increased 8% or \$242,918 from FY2017 to FY2018. This amount is reflective of the impact of financial aid as a percentage of gross housing revenue at 41% compared to 38% in FY2017. Due to the increase in financial aid (discounting), the net housing revenue declined by over \$186,000 in FY2018. The following chart graphically illustrates the impact of financial aid (discounting) on housing revenue.



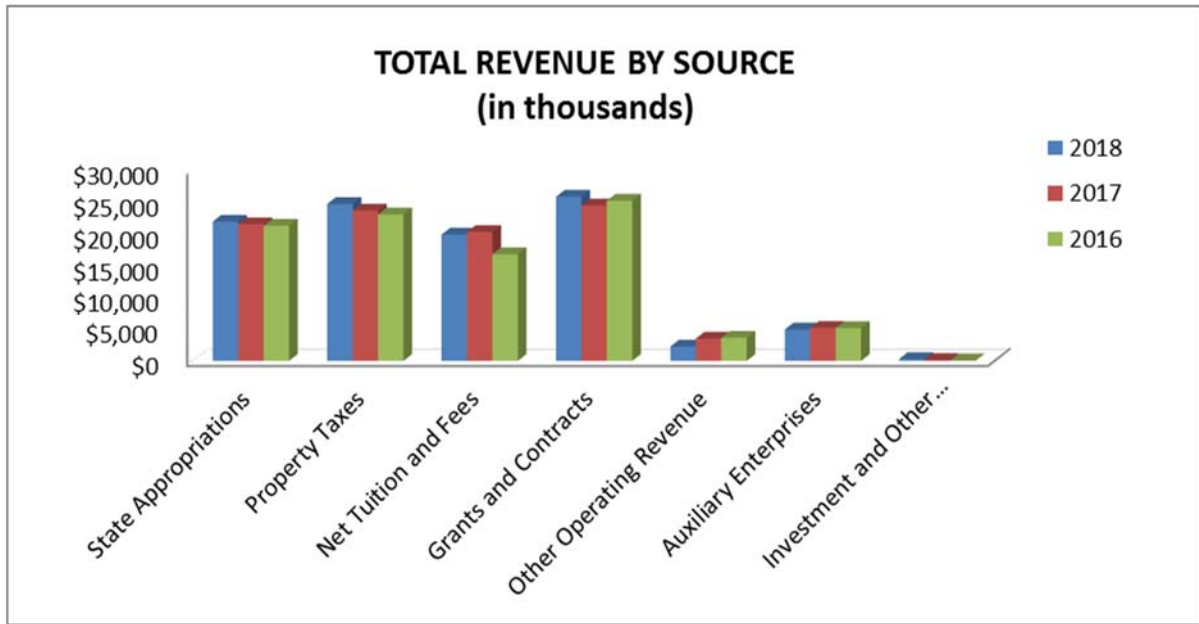
The auxiliary services, other than the residence halls, are not self-supporting activities. Two principal auxiliary services, athletics and the Center for Earth & Space Science Education, are programmed to be supported by the general operating resources.

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 FY2017 to FY2018, approximately 1.1% from \$98.3 million in FY2017 to \$99.4 million in FY2018. The Grants and Contracts source is the largest contributor in FY2018 at 25.9% compared to 24.8% and 26.5% for FY2017 and FY2016, 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 2018, the State Appropriations were 22% of the total revenue for the District at \$21.8 million, compared to 21.8% in FY2017 at \$21.4 million and 22.4% in FY2016 at \$21.2 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 24.7% of total revenue for FY2018, or \$24.6 million. Property taxes accounted for 23.9% and 24.2% of total revenue for FY2017 and FY2016, or \$23.6 million and \$23.0 million, respectively. Other Operating Revenue represents 2.2% of the total revenue for FY2018 compared to 3.5% and 3.8% of the total revenue for FY2017 and FY2016, respectively.

Total Revenues by Source
(thousands of dollars)

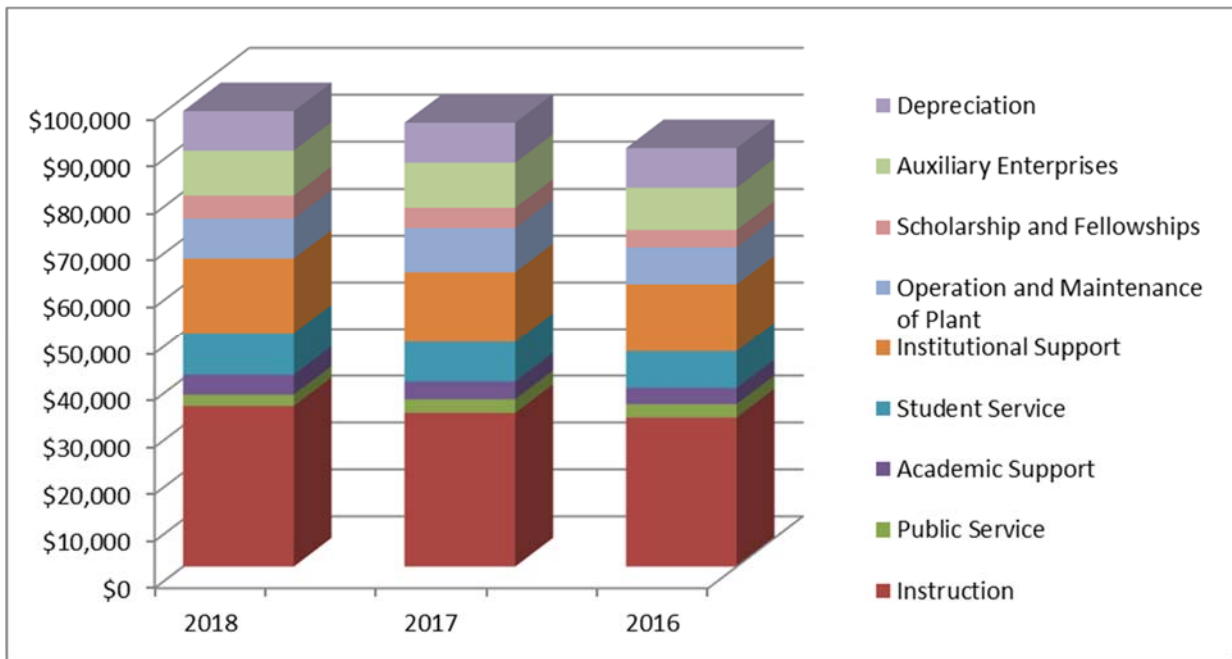
	<u>August 31</u>			<u>Change</u>	
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2017 to 2018</u>	<u>2016 to 2017</u>
Revenue Sources:					
State Appropriations	\$ 21,841	\$ 21,442	\$ 21,197	\$ 399	\$ 245
Property Taxes	24,581	23,551	22,952	1,030	599
Net Tuition and Fees	19,825	20,240	16,754	(415)	3,486
Grants and Contracts	25,722	24,344	25,097	1,378	(753)
Other Operating Revenue	2,228	3,467	3,591	(1,239)	(124)
Auxiliary Enterprises	4,882	5,147	5,103	(265)	44
Investment and Other Income	297	148	75	149	73
Total Revenue	<u>\$ 99,376</u>	<u>\$ 98,339</u>	<u>\$ 94,769</u>	<u>\$ 1,037</u>	<u>\$ 3,570</u>

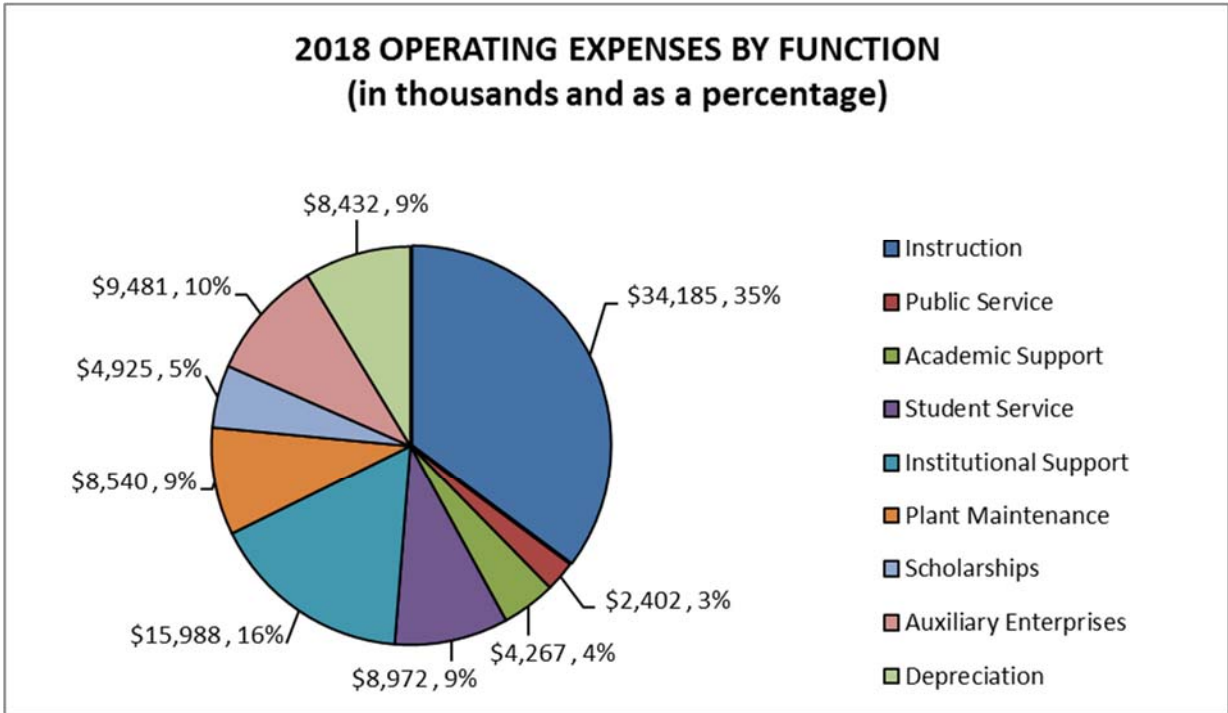


While the District experienced a modest increase in total revenue for FY2018 of 1.1%, or approximately \$1.0 million, the operating expenses also increased for FY2018 by 2.6%, or approximately \$2.5 million. Costs to maintain enrollment at the District remained strong at over \$34 million for FY2018. There was a slight increase in Instruction cost of 4% or \$1.5 million for FY2018 to total \$34.2 million as compared to \$32.7 million in FY2017 and \$31.7 million in FY2016. This slight increase is attributable to several new faculty hires in new or expanding programs. Academic Support expenses experienced an increase from FY2017 to FY2018 of \$432,000. Additionally, Student Service expenses increased from FY2017 to FY2018 by \$461,000. The expenses for Institutional Support experienced an increase of \$1.0 million or 7% in FY2018 to total \$15.9 million compared to an increase of \$582,000 or 4% in FY2017 to total \$14.9 million and an increase of \$967,000 or 7% in FY2016 to total \$14.4 million. A majority of the increase in FY2018 for Institutional Support can be attributed to the implementation of GASB Statement 75, \$898,422. Scholarships and Fellowships increased by \$590,000 to \$4.9 million for FY2018 compared to \$4.3 million in FY2017 and \$3.7 million for FY2016. With the completion of significant capital construction projects and other projects funded by donations, general obligation bonds and maintenance tax notes and several years of depreciation, the 1% decrease in depreciation expense appears reasonable. The decrease equates to a total depreciation expense of \$8.4 million for FY2018 as compared to \$8.5 million in FY2017 and \$8.3 million in FY2016.

Operating Expenses by Function
(in thousands)

	August 31			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Operating Expenses:					
Instruction	\$ 34,185	\$ 32,715	\$ 31,740	\$ 1,470	\$ 975
Public Service	2,402	2,885	2,851	(483)	34
Academic Support	4,267	3,835	3,454	432	381
Student Service	8,972	8,511	7,878	461	633
Institutional Support	15,988	14,945	14,363	1,043	582
Operation and Maintenance of Plant	8,540	9,448	7,941	(908)	1,507
Scholarship and Fellowships	4,925	4,335	3,726	590	609
Auxiliary Enterprises	9,481	9,508	9,016	(27)	492
Depreciation	8,432	8,545	8,324	(113)	221
Total Operating Expenses	\$ 97,192	\$ 94,727	\$ 89,293	\$ 2,465	\$ 5,434

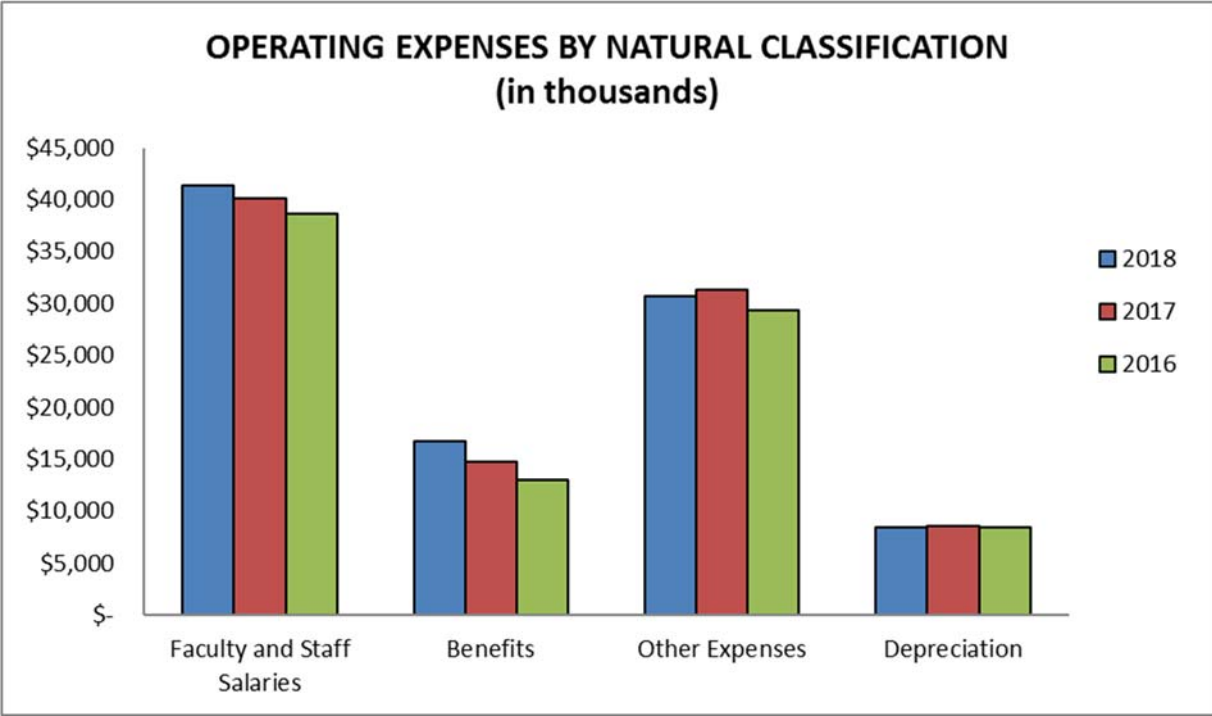




Although the District's operating expenses are reported by functional classification, the operating expenses restated by their natural classification is necessary because each function contains each of the natural classification expenses except depreciation that is considered both a functional and natural 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2017 to 2018</u>	<u>2016 to 2017</u>
Operating Expenses:					
Salaries	\$ 41,329	\$ 40,128	\$ 38,722	\$ 1,201	\$ 1,406
Benefits	16,757	14,781	12,904	1,976	1,877
Other Expenses	30,674	31,273	29,344	(599)	1,929
Depreciation	8,432	8,545	8,323	(113)	222
Total Operating Expenses	<u>\$ 97,192</u>	<u>\$ 94,727</u>	<u>\$ 89,293</u>	<u>\$ 2,465</u>	<u>\$ 5,434</u>



Approximately 42.5% of the District’s \$97.2 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$58.1 million is 60.0% of the District’s total operating expense as compared to 58.0% in FY2017 and 57.8% in FY2016. The second highest portion of the operating expenses is the \$30.7 million of operating expenses that the District paid in FY2018 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$31.3 million in FY2017 and \$29.3 million in FY2016. Depreciation expense decreased slightly in FY2018 to \$8.4 million down from \$8.5 million in FY2017 and \$8.3 million in FY2016.

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2017 to 2018</u>	<u>2016 to 2017</u>
Cash Provided (used) by:					
Operating Activities	\$ (50,493)	\$ (47,554)	\$ (47,571)	\$ (2,939)	\$ 17
Noncapital Financing Activities	62,534	60,156	59,827	2,378	329
Capital and Related Financing Activities	(17,868)	(4,475)	(16,615)	(13,393)	12,140
Investing Activities	297	148	75	149	73
Net Change in Cash	<u>(5,530)</u>	<u>8,275</u>	<u>(4,284)</u>	<u>(13,805)</u>	<u>12,559</u>
Cash, Beginning of Year	26,075	17,801	22,084	8,274	(4,283)
Cash, End of Year	<u>\$ 20,545</u>	<u>\$ 26,075</u>	<u>\$ 17,801</u>	<u>\$ (5,530)</u>	<u>\$ 8,274</u>

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2018 totaled \$32.9 million as compared to \$33.4 million in FY2017, and \$29.4 million in FY2016. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$83.4 million in FY2018 as compared to \$80.9 million in FY2017, and \$76.9 million in FY2016. These receipts and cash outlay payments resulted in \$2.9 million more net cash used by operating activities in FY2018.

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 FY2018, \$62.5 million was received as compared to \$60.2 million in FY2017, and \$59.8 million in FY2016. 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 FY2018 was \$201,521 less than the amount disbursed as compared to a greater amount received in FY2017 and FY2016 of \$111,517 and \$1.3 million, respectively.

The capital and related financing activities in FY2018 included \$7.1 million expended for campus construction, improvements, and renovations. The capital and related financing activities in FY2017 included \$4.2 million expended for campus construction, improvements and renovations. This compares to \$5.5 million expended in FY2016 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 \$3.5 million was \$132,230 less than the amount paid in FY2017.

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 FY2018 was approximately \$149,000 more than the amount received in FY2017. There were no investments, specifically certificates of deposits, which matured during FY2018.

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 2017-2018 academic year as compared to the enrollment for the 2016-2017 year. This compares with a slight increase in enrollment for the 2016-2017 academic year when compared with the 2015-2016 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 2017-2018 academic year as compared to the 2016-2017 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 2016-2017 year when compared with the 2015-2016 year. Current enrollment levels are expected to continue to rise for fiscal year 2019. The addition of new programs and certificates and the increasing offerings of academic and technical dual credit to the local high school students as well as the increased participation in the District's two Early College High Schools 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 stable ad-valorem tax valuation changes and student fee increases, the District anticipates fiscal year 2019 will be comparable to fiscal year 2018 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.



TJCTM

DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AS OF AUGUST 31, 2018 AND 2017

ASSETS	2018	2017
Current Assets		
Cash and Cash Equivalents	\$ 18,784,213	\$ 18,469,074
Accounts Receivable (net of allowance for doubtful accounts of \$6,490,813 and \$5,524,201 respectively)	19,891,877	19,696,586
Prepaid Expenses	152,551	53,606
Total Current Assets	38,828,641	38,219,266
Noncurrent Assets		
Cash and Cash Equivalents	1,760,696	7,606,319
Deferred Charges	15,989	17,706
Capital Assets (Net)	202,932,276	204,010,898
Total Noncurrent Assets	204,708,961	211,634,923
TOTAL ASSETS	243,537,602	249,854,189
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	8,745,800	3,094,836
Deferred Outflows Related to Other Post Employment Benefits	1,031,150	-
Total Deferred Outflows of Resources	9,776,950	3,094,836
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	7,291,368	7,637,273
Deferred Revenues	24,590,482	22,126,641
Current Portion of Compensated Absences	94,852	98,621
Current Portion of Bonds Payable	8,264,000	8,040,000
Total Current Liabilities	40,240,702	37,902,535
Noncurrent Liabilities		
Accrued Compensable Absences Payable	853,667	887,592
Net Pension Liability	14,271,801	10,773,352
Net Other Post Employment Benefits Liability	35,857,598	-
Bonds Payable	103,302,407	111,784,813
Total Noncurrent Liabilities	154,285,473	123,445,757
TOTAL LIABILITIES	194,526,175	161,348,292
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	4,936,542	2,480,515
Deferred Inflows Related to Other Post Employment Benefits	7,928,288	-
Total Deferred Inflows of Resources	12,864,830	2,480,515
NET POSITION		
Net investment in capital assets	91,365,869	84,186,085
Restricted		
Expendable		
Financial Aid and Scholarships	740,216	791,116
Unrestricted	(46,182,538)	4,143,017
TOTAL NET POSITION	\$ 45,923,547	\$ 89,120,218

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,451,995	\$ 1,513,041
Pledges Receivable (net)	339,411	182,733
Deferred Expense	881,755	908,475
Total Current Assets	<u>3,673,161</u>	<u>2,604,249</u>
Non-Current Assets:		
Investments	57,753,391	45,972,423
Funds Held in Trust	485,234	485,643
Pledges Receivable (net)	1,243,694	570,000
Charitable Gift Annuities	294,072	318,423
Other Assets	46,623	50,279
Real Estate and Mineral Interests	720,442	692,750
Total Non-Current Assets	<u>60,543,456</u>	<u>48,089,518</u>
Total Assets	<u>\$ 64,216,617</u>	<u>\$ 50,693,767</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 827,823	\$ 744,878
Deferred Revenue	100,731	95,112
Total Current Liabilities	<u>928,554</u>	<u>839,990</u>
 NET ASSETS		
Unrestricted	11,547,243	10,327,995
Temporarily Restricted	4,949,260	4,930,190
Permanently Restricted	46,791,560	34,595,592
Total Net Assets	<u>63,288,063</u>	<u>49,853,777</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 64,216,617</u>	<u>\$ 50,693,767</u>

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, 2018 AND 2017

REVENUES	<u>2018</u>	<u>2017</u>
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$16,310,280 and \$14,945,481 in discounts)	\$ 19,825,016	\$ 20,240,101
Auxiliary Enterprises (net of \$3,344,957 and \$3,102,039 in discounts)	4,882,536	5,147,261
Federal Grants and Contracts	2,733,709	3,035,760
State Grants and Contracts	1,409,514	1,572,225
Local Grants and Contracts	542,659	474,774
Sales and Service of Educational Activities	120,861	109,681
Interest on Student Loans	114,510	110,647
Miscellaneous Operating Revenues	<u>1,992,553</u>	<u>3,246,598</u>
 Total Operating Revenues	 <u>31,621,358</u>	 <u>33,937,047</u>
 EXPENSES		
Operating expenses		
Instruction	34,184,631	32,714,778
Public Service	2,402,243	2,885,121
Academic Support	4,266,794	3,834,827
Student Services	8,971,741	8,511,418
Institutional Support	15,988,109	14,944,628
Operations and Maintenance of Plant	8,539,806	9,447,957
Scholarship and Fellowships (net of \$19,655,237 and \$18,027,092 in discounts)	4,925,497	4,334,539
Auxiliary Enterprises	9,481,305	9,507,972
Depreciation	<u>8,432,343</u>	<u>8,545,269</u>
 Total Operating Expenses	 <u>97,192,469</u>	 <u>94,726,509</u>
 Operating (Loss)	 <u>(65,571,111)</u>	 <u>(60,789,462)</u>
 NON-OPERATING REVENUES (EXPENSES)		
State Appropriations (non-capital)	21,841,248	21,441,989
Property Taxes	24,581,128	23,551,272
Federal Revenue, Non Operating	21,035,479	19,260,848
Investment Income	296,863	147,732
Interest on Capital Related Debt	<u>(3,523,964)</u>	<u>(3,762,378)</u>
 Total Non-Operating Revenues (Expenses)	 <u>64,230,754</u>	 <u>60,639,463</u>
 Decrease in Net Position	 <u>(1,340,357)</u>	 <u>(149,999)</u>
 Net Position, Beginning of the Year (as originally stated)	 89,120,218	 89,270,217
 Prior Period Adjustment	 <u>(41,856,314)</u>	 <u>-</u>
 Net Position, Beginning of the Year (as restated)	 <u>47,263,904</u>	 <u>89,270,217</u>
 Net Position, End of the Year	 <u>\$ 45,923,547</u>	 <u>\$ 89,120,218</u>

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2018 and 2017

	<u>2018</u>				<u>2017</u>			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Other Support:								
Contributions and Fund-raising	\$ 257,702	\$ 1,510,951	\$ 11,677,266	\$ 13,445,919	\$ 256,957	\$ 1,855,013	\$ 1,763,219	\$ 3,875,189
Unrealized Gain (loss)								
on Investments	244,298	3,804	3,341	251,443	1,151,257	12,355	110,177	1,273,789
Net Gain (loss) on Sales	1,034,159	20,712	-	1,054,871	1,115,404	11,825	-	1,127,229
Investment Income	1,523,804	24,063	59,074	1,606,941	1,008,971	12,721	47,441	1,069,133
Donor Transfers	(1,601,222)	1,144,935	456,287	-	(1,708,781)	1,465,234	243,547	-
Net Assets								
Released from Restrictions	2,685,395	(2,685,395)	-	-	3,853,940	(3,853,940)	-	-
Total Revenues	<u>4,144,136</u>	<u>19,070</u>	<u>12,195,968</u>	<u>16,359,174</u>	<u>5,677,748</u>	<u>(496,792)</u>	<u>2,164,384</u>	<u>7,345,340</u>
Administrative	50,013	-	-	50,013	52,847	-	-	52,847
Fund-Raising								
Golf Tournament	57,992	-	-	57,992	61,203	-	-	61,203
Public Relations	63,910	-	-	63,910	-	-	-	-
Special Event	-	-	-	-	87,720	-	-	87,720
Real Estate	4,399	-	-	4,399	4,053	-	-	4,053
Scholarships & Awards								
Support of TJC	1,144,854	-	-	1,144,854	2,112,006	-	-	2,112,006
Scholarships	1,574,818	-	-	1,574,818	1,705,332	-	-	1,705,332
Other Awards	28,902	-	-	28,902	26,238	-	-	26,238
Total Expenditures	<u>2,924,888</u>	<u>-</u>	<u>-</u>	<u>2,924,888</u>	<u>4,049,399</u>	<u>-</u>	<u>-</u>	<u>4,049,399</u>
Change in Net Assets	1,219,248	19,070	12,195,968	13,434,286	1,628,349	(496,792)	2,164,384	3,295,941
Net Assets, September 1	10,327,995	4,930,190	34,595,592	49,853,777	8,699,646	5,426,982	32,431,208	46,557,836
Net Assets, August 31	<u>\$ 11,547,243</u>	<u>\$ 4,949,260</u>	<u>\$ 46,791,560</u>	<u>\$ 63,288,063</u>	<u>\$ 10,327,995</u>	<u>\$ 4,930,190</u>	<u>\$ 34,595,592</u>	<u>\$ 49,853,777</u>

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, 2018 AND 2017

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2018</u>	<u>2017</u>
Receipts from students and other customers	\$ 21,941,262	\$ 21,525,652
Receipt of state financial aid	1,409,514	1,572,225
Receipt of federal financial aid	2,733,709	3,035,760
Receipt of local grants and support	542,659	474,774
Receipt from sales and services of educational activities	120,861	109,681
Receipt from auxiliary enterprises	4,882,536	5,147,261
Receipt of interest on student loans	114,510	110,647
Receipt from other operating revenues	1,161,476	1,417,644
Payments for salaries and benefits to employees	(52,047,532)	(49,775,548)
Payments to suppliers for goods and services	<u>(31,351,886)</u>	<u>(31,171,847)</u>
Net cash used in operating activities	<u>(50,492,891)</u>	<u>(47,553,751)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipt from state educational contracts	16,966,330	16,869,073
Receipts from non-operating federal revenue	24,594,318	23,559,306
Property tax revenues	21,174,593	19,615,674
Receipts from student organizations	985,623	1,285,946
Payments to student organizations	<u>(1,187,144)</u>	<u>(1,174,429)</u>
Net cash provided by noncapital financing activities	<u>62,533,720</u>	<u>60,155,570</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets and construction costs	(7,146,052)	(4,208,771)
Bond proceeds	-	9,830,000
Issuance costs on debt	-	(99,494)
Principal payments on capital related debt	(8,040,000)	(8,180,000)
Interest on capital related debt	(3,513,201)	(3,645,431)
Contributions received for capital related financing	<u>831,077</u>	<u>1,828,954</u>
Net cash used in capital and related financing activities	<u>(17,868,176)</u>	<u>(4,474,742)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>296,863</u>	<u>147,732</u>
Net cash provided by investing activities	<u>296,863</u>	<u>147,732</u>
Increase (decrease) in cash and cash equivalents	(5,530,484)	8,274,809
Cash and cash equivalents, September 1	<u>26,075,393</u>	<u>17,800,584</u>
Cash and cash equivalents, August 31	<u>\$ 20,544,909</u>	<u>\$ 26,075,393</u>
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 18,784,213	\$ 18,469,074
Cash and cash equivalents - noncurrent	<u>1,760,696</u>	<u>7,606,319</u>
Total cash and cash equivalents	<u>\$ 20,544,909</u>	<u>\$ 26,075,393</u>

(Continued)

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, 2018 AND 2017

Reconciliation of operating loss to net cash used by operating activities

Operating loss	\$ (65,571,111)	\$ (60,789,462)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	8,432,343	8,545,269
Non-operating plant revenue	(831,077)	(1,828,954)
Amortization of deferred charges	(219,689)	(254,891)
Payments made directly by state for benefits	4,874,918	4,572,916
(Increase) decrease in assets		
Receivables (net)	(347,595)	3,848
Prepaid expenses	(98,945)	6,295
Deferred outflows on pensions	(5,650,964)	797,767
Deferred outflows on other post employment benefits	(1,031,150)	-
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(359,816)	349,437
Deferred revenues	2,463,841	1,281,703
Deferred inflows on pensions	2,456,027	(894,267)
Deferred inflows on other post employment benefits	7,928,288	-
Pension liability	3,498,449	676,040
Other post employment benefits liability	(5,998,716)	-
Compensated absences	(37,694)	(19,452)
	<u> </u>	<u> </u>
Net cash used in operating activities	\$ <u>(50,492,891)</u>	\$ <u>(47,553,751)</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, 2018 and 2017, the foundation distributed \$2,453,638 and \$3,495,113 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 using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

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

Prior Year Restatement

In connection with the implementation of GASB Statement 75, a restatement to beginning net position has been made for the recording of the beginning net OPEB liability.

Beginning net position	\$ 89,120,218
Prior period adjustment implementation of GASB 75:	
Net OPEB liability (measurement date as of August 31, 2017)	<u>(41,856,314)</u>
Beginning net position, as restated	<u><u>\$ 47,263,904</u></u>

Unearned (Deferred) Revenues

The District has recorded tuition and related fees as well as housing and related fees in the amount of \$24,590,482 and \$22,126,641 as of August 31, 2018 and 2017 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 .35% 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, 2018 and August 31, 2017, the District had the following deposits and investments:

	August 31, 2018		August 31, 2017	
	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	16,386,441	24,107,203	22,593,509	24,107,203
Total Deposits	16,886,441	24,607,203	23,093,509	24,607,203
Petty cash on hand	3,340	-	3,450	-
TexasTERM Investments	268,561	268,561	-	-
Texpool Investments	3,386,567	3,386,567	2,978,434	2,978,434
Total Cash and Cash Equivalents	\$ 20,544,909	\$ 28,262,331	\$ 26,075,393	\$ 27,585,637

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, 2018 and August 2017, were as follows:

	8-31-18	8-31-17
Student tuition and fees receivable (net of allowance for doubtful accounts of \$3,831,726 and \$3,170,784, respectively)	\$ 17,072,922	\$ 16,667,745
Taxes receivable (net of allowance for doubtful accounts of \$516,222 and \$476,346 respectively)	715,828	729,018
Federal receivable	363,452	502,566
Student loans receivable (net of allowance for doubtful accounts of \$2,142,865 and \$2,161,323 respectively)	-	-
Other receivables	1,739,675	1,797,257
Total Receivables	\$ 19,891,877	\$ 19,696,586

Accounts payable and accrued liabilities at August 31, 2018 and August 31, 2017 were as follows:

	8-31-18	8-31-17
Vendors payable	\$ 5,062,366	\$ 4,023,981
Salaries and benefits payable	2,079,374	3,452,899
Interest payable	149,628	160,393
Total Accounts Payable and Accrued Liabilities	\$ 7,291,368	\$ 7,637,273

NOTE 6 — CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2018 was as follows:

	Balance September 1, 2017	Additions	Reductions	Balance August 31, 2018
Non Depreciated Assets				
Land	\$ 11,683,911	\$ 30,972	\$ 9,077	\$ 11,705,806
Construction in progress	1,533,901	6,448,480	6,687,025	1,295,356
Subtotal	<u>13,217,812</u>	<u>6,479,452</u>	<u>6,696,102</u>	<u>13,001,162</u>
Other Capital Assets				
Buildings	225,140,795	6,161,996	-	231,302,791
Improvements	43,793,941	249,971	-	44,043,912
Library books	526,967	23,533	99,185	451,315
Equipment	41,735,838	1,135,617	6,895	42,864,560
Subtotal	<u>311,197,541</u>	<u>7,571,117</u>	<u>106,080</u>	<u>318,662,578</u>
Total Capital Assets	<u>324,415,353</u>	<u>14,050,569</u>	<u>6,802,182</u>	<u>331,663,740</u>
Accumulated Depreciation				
Buildings	58,916,529	5,126,561	-	64,043,090
Improvements	25,049,387	1,980,821	-	27,030,208
Library books	348,133	45,132	99,185	294,080
Equipment	36,090,406	1,279,829	6,149	37,364,086
Total Accumulated Depreciation	<u>120,404,455</u>	<u>8,432,343</u>	<u>105,334</u>	<u>128,731,464</u>
Net Capital Assets	<u>\$ 204,010,898</u>	<u>\$ 5,618,226</u>	<u>\$ 6,696,848</u>	<u>\$ 202,932,276</u>

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

	Balance September 1, 2016	Additions	Reductions	Balance August 31, 2017
Non Depreciated Assets				
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>
Other Capital Assets				
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>
Total Capital Assets	<u>319,179,253</u>	<u>9,526,791</u>	<u>4,290,691</u>	<u>324,415,353</u>
Accumulated Depreciation				
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>
Net Capital Assets	<u>\$ 207,241,078</u>	<u>\$ 981,522</u>	<u>\$ 4,211,702</u>	<u>\$ 204,010,898</u>

NOTE 7 — LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds					
2013 Fee Revenue Bonds	\$ 7,855,000	\$ -	\$ 635,000	\$ 7,220,000	\$ 645,000
2014 Fee Revenue Bonds	38,502,782	-	1,704,372	36,798,410	1,740,000
2015 Fee Revenue Bonds	5,055,000	-	331,000	4,724,000	340,000
2016 Fee Refunding Revenue Bonds	26,890,405	-	1,598,416	25,291,989	1,530,000
Total Fee Revenue Bonds	<u>78,303,187</u>	<u>-</u>	<u>4,268,788</u>	<u>74,034,399</u>	<u>4,255,000</u>
2012 G.O. Bonds	19,883,700	-	1,102,804	18,780,896	1,100,000
2009 Tax Notes	8,181,432	-	2,621,061	5,560,371	2,680,000
2015 Tax Notes	3,357,000	-	224,000	3,133,000	229,000
2016 Tax Notes	10,099,494	-	41,753	10,057,741	-
Total Tax Notes	<u>21,637,926</u>	<u>-</u>	<u>2,886,814</u>	<u>18,751,112</u>	<u>2,909,000</u>
Total Bonds	<u>119,824,813</u>	<u>-</u>	<u>8,258,406</u>	<u>111,566,407</u>	<u>8,264,000</u>
Other Liabilities					
Compensable Absences	986,213	105,561	143,255	948,519	94,852
Net OPEB Liability	-	41,856,314	5,998,716	35,857,598	-
Net Pension Liability	10,773,352	3,498,449	-	14,271,801	-
Total Other Liabilities	<u>11,759,565</u>	<u>45,460,324</u>	<u>6,141,971</u>	<u>51,077,918</u>	<u>94,852</u>
Total Long-term Liabilities	<u>\$ 131,584,378</u>	<u>\$ 45,460,324</u>	<u>\$ 14,400,377</u>	<u>\$ 162,644,325</u>	<u>\$ 8,358,852</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds					
2013 Fee Revenue Bonds	\$ 8,480,000	\$ -	\$ 625,000	\$ 7,855,000	\$ 635,000
2014 Fee Revenue Bonds	40,143,391	-	1,640,609	38,502,782	1,675,000
2015 Fee Revenue Bonds	5,210,000	-	155,000	5,055,000	331,000
2016 Fee Refunding Revenue Bonds	28,486,493	-	1,596,088	26,890,405	1,500,000
Total Fee Revenue Bonds	<u>82,319,884</u>	<u>-</u>	<u>4,016,697</u>	<u>78,303,187</u>	<u>4,141,000</u>
2012 G.O. Bonds	20,972,504	-	1,088,804	19,883,700	1,085,000
2009 Tax Notes	10,797,747	-	2,616,315	8,181,432	2,590,000
2015 Tax Notes	4,072,000	-	715,000	3,357,000	224,000
2016 Tax Notes	-	10,099,494	-	10,099,494	-
Total Tax Notes	<u>14,869,747</u>	<u>10,099,494</u>	<u>3,331,315</u>	<u>21,637,926</u>	<u>2,814,000</u>
Total Bonds	<u>118,162,135</u>	<u>10,099,494</u>	<u>8,436,816</u>	<u>119,824,813</u>	<u>8,040,000</u>
Other Liabilities					
Compensable Absences	1,005,665	98,523	117,975	986,213	98,621
Net Pension Liability	10,097,312	676,040	-	10,773,352	-
Total Other Liabilities	<u>11,102,977</u>	<u>774,563</u>	<u>117,975</u>	<u>11,759,565</u>	<u>98,621</u>
Total Long-term Liabilities	<u>\$ 129,265,112</u>	<u>\$ 10,874,057</u>	<u>\$ 8,554,791</u>	<u>\$ 131,584,378</u>	<u>\$ 8,138,621</u>

NOTE 8 — BONDS PAYABLE

Bonds payable as of August 31, 2018 and August 31, 2017 are comprised of the following:

	<u>8-31-18</u>	<u>8-31-17</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.	\$ 5,460,000	\$ 8,050,000
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	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.	18,650,000	19,735,000
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.	7,220,000	7,855,000
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.	36,555,000	38,230,000
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.	3,133,000	3,357,000
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.	4,724,000	5,055,000

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>24,335,000</u>	<u>25,835,000</u>
Total	109,907,000	117,947,000
Plus: Unamortized Bond Premium	1,872,605	2,166,293
Less: Unamortized Bond Discount	(213,198)	(288,480)
Net Outstanding Bonds Payable	<u>\$ 111,566,407</u>	<u>\$ 119,824,813</u>

Bonds are due in annual principal installments varying from \$155,000 to \$3,705,000 with interest rates from 1.25% to 5.00% with the final installments due in 2036.

Debt service requirements at August 31, 2018 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	
2019	\$ 8,264,000	1.25 - 5.00	\$ 1,720,742	\$ 1,653,497	\$ 11,638,239
2020	8,519,000	1.50 - 4.00	1,592,172	1,516,983	11,628,155
2021	7,468,000	1.80 - 4.00	1,453,187	1,421,426	10,342,613
2022	7,009,000	2.00 - 4.00	1,348,330	1,315,938	9,673,268
2023	7,223,000	2.00 - 4.00	1,238,443	1,204,220	9,665,663
2024-2028	36,056,000	2.15 - 4.25	4,516,335	4,350,327	44,922,662
2029-2033	27,808,000	2.95 - 5.00	2,007,763	1,904,920	31,720,683
2034-2037	7,560,000	3.00 - 5.00	198,306	198,306	7,956,612
	<u>\$ 109,907,000</u>		<u>\$ 14,075,278</u>	<u>\$ 13,565,617</u>	<u>\$ 137,547,895</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 District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan 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 http://www.trs.state.tx.us/about/documents/cafr_2017.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, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member’s age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member’s age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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’ 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 2016 and 2017.

Contribution Rates

	<u>2018</u>	<u>2017</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
FY 2018 Employer Contributions	\$1,463,447	
FY 2018 NECE On-behalf Contributions	\$208,978	

The District's contributions to the TRS pension plan in fiscal year 2018 were \$1,463,447 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 fiscal year 2018 were \$208,978.

- 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 the 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, 2017, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
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 2017 to 2116	
Projection period (100 years)	2116
Inflation	2.50%
Salary Increases including inflation	3.50% to 9.50%
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 3.42 percent as of August 2017 (i.e. the rate closest to but not later than the Measurement Date). The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."*

Actuarial methods and assumptions were updated based on a study of actual experience for the four-year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have 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 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 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 target asset allocation as of August 31, 2017 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Return*
Global Equity			
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%
Stable Value			
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%
Real Return			
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%
Risk Parity			
Risk Parity	<u>5.0%</u>	<u>6.7%</u>	<u>0.3%</u>
Inflation Expectation			2.2%
Alpha			<u>1.0%</u>
Total	<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 2017 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 the 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	\$24,068,961	\$14,271,801	\$6,124,429

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

At August 31, 2018, the Tyler Junior College District reported a liability of \$14,271,801 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 OPEB liability	\$ 14,271,801
State's proportionate share that is associated with TJC District	<u>2,043,051</u>
Total	<u>\$ 16,314,852</u>

The net pension liability was measured as of August 31, 2017, 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, 2016 thru August 31, 2017.

At the measurement date of August 31, 2017, the employer's proportion of the collective net pension liability was .04465 percent which was an increase of .024095 percent from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation - There were no changes to the actuarial assumptions or other inputs that affected 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.

For the year ended August 31, 2018, the Tyler Junior College District recognized pension expense of \$155,836 and revenue of \$155,836 for support provided by the State. Refer to the 2018 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 and 68.

At August 31, 2018, 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	\$ 208,886	\$ 769,964
Changes in actuarial assumptions	650,361	372,316
Net difference between projected and actual investment earnings	2,195,706	3,236,216
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,809,919	558,046
Contributions paid to TRS subsequent to the measurement date	880,928	-
Total	\$ 8,745,800	\$ 4,936,542

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
2019	\$ 231,686
2020	1,143,053
2021	161,662
2022	(43,378)
2023	821,554
Thereafter	613,753
	\$ 2,928,330

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 \$329,886 and \$322,105 for the fiscal years ended August 31, 2018 and 2017, 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 \$35,560,946 and \$34,320,219 for fiscal years ended August 31, 2018 and 2017, respectively. The total payroll of employees covered by the TRS was \$25,458,439 and \$24,256,426, and the total payroll of employees covered by the Optional Retirement Program was \$10,102,507 and \$10,063,793 for the fiscal years ended August 31, 2018 and 2017, 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, 2018, the District had 31 employees participating in the 403(b) program and 13 employees participating in the 457 plan. A total of \$168,677 and \$40,409 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 3% if the employee contributes. As of August 31, 2017, the District had 674 participants in the 401(a) plan and 596 participants in the 457 employee plan. The District contributed \$2,144,680 and employees contributed \$1,088,449 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 \$948,519 and \$986,213 as of August 31, 2018 and 2017, 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 of 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, 2018 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, 2018	Year Ended August 31, 2017
Unrestricted Current Funds	<u>\$578,312</u>	<u>\$638,222</u>
Total	<u>\$578,312</u>	<u>\$638,222</u>

Future commitments under operating leases in effect as of August 31, 2018 are as follows:

Year Ended August 31, 2019	\$583,920
Year Ended August 31, 2020	\$197,364
Year Ended August 31, 2021	\$6,700

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, 2018 are as follows:

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
Year Ended August 31, 2023	\$12,000
Thereafter	\$244,000

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:

	8-31-18	8-31-17
Liability, beginning of year	\$ 52,112	\$ 63,889
Incurred claims (including IBNRs)	134,204	29,096
Claim payment	<u>(39,277)</u>	<u>(40,873)</u>
Liability, end of year	<u>\$ 147,039</u>	<u>\$ 52,112</u>

NOTE 16 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

OPEB Plan Fiduciary Net Position

Detailed information about the GBP's fiduciary net position is available in a separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements, and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

Benefits Provided

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

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

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of the ERS staff and consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated, and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

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

Maximum monthly contribution by the employer for fiscal year 2017 are as follows:

Retiree only	\$ 617.30
Retiree & Spouse	970.98
Retiree & Children	854.10
Retiree & Family	1,207.78

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

FY 2018 Employer Contributions	\$ 937,388
FY 2018 Member (Employee) Contributions	206,062
FY 2018 NECE On-behalf Contributions	48,506

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2017 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	N/A
Actuarial Assumptions:	
Discount Rate	3.51%
Inflation	2.50%
Salary Increases including inflation	2.50% to 9.50%
Healthcare Cost Trend Rates	8.50% for FY 19, decreasing 0.50% per year to an ultimate rate of 4.50% for FY 27 and later years
Ad hoc Post-employment Benefit Changes	None

Mortality assumptions:	
Service retirees, survivors, and other inactive members	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014
Disability retirees	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014 using 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with full generational projection using Scale BB.

Source: FY 2017 ERS CAFR except for mortality assumptions obtained from ERS FY 2017 GASB 74 Actuarial Valuation

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period of September 1, 2011 to August 31, 2016 for higher education members.

Investment Policy

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

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.84%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.51%, which amounted to an increase of 0.67%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with twenty years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corporation's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the District's proportionate share of collective net OPEB liability if the discount rate used was 1 percent greater than the discount rate that was used (3.51%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.51%)	Current Discount Rate (3.51%)	1% Increase in Discount Rate (4.51%)
Tyler Junior College District's proportionate share of the net OPEB liability	\$42,803,495	\$35,857,598	\$30,477,383

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 8.50% and the ultimate rate is 4.50%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB Liability.

	1% Decrease (7.50 decreasing to 3.50%)	Current Healthcare Cost Trend Rates (8.50% decreasing to 4.50%)	1% Increase (9.50% decreasing to 5.50%)
Tyler Junior College District's proportionate share of the net OPEB liability	\$30,144,405	\$35,857,598	\$43,270,795

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

At August 31, 2018, the Tyler Junior College District reported a liability of \$35,857,598 for its proportionate share of the ERS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Tyler Junior College District were as follows:

TJC District Proportionate share of the collective net OPEB liability	\$ 35,857,598
State's proportionate share that is associated with TJC District	<u>31,015,819</u>
Total	<u>\$ 66,873,417</u>

The net OPEB liability was measured as of August 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period of September 1, 2016 through August 31, 2017.

At the measurement date of August 31, 2017, the employer's proportion of the collective net OPEB liability was .10523754%.

For the year ended August 31, 2018, the Tyler Junior College District recognized OPEB expense of \$1,659,843 and revenue of \$1,659,843 for support provided by the State.

Changes Since the Prior Actuarial Valuation – See the Notes to Required Supplemental Information after Schedule 4.

At August 31, 2018, the Tyler Junior College District reported its proportionate share of the ERS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between the expected and actual economic experience	\$ -	\$ 430,893
Changes in actuarial assumptions	-	7,497,395
Net difference between projected and actual investment earnings	10,616	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	-
Contributions paid to ERS subsequent to the measurement date	1,020,534	-
Total	\$ 1,031,150	\$ 7,928,288

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

Year ended August 31:	OPEB Expense Amount
2019	\$ (1,782,996)
2020	(1,782,996)
2021	(1,782,996)
2022	(1,782,996)
2023	(785,688)
Thereafter	-
	<u>\$ (7,917,672)</u>

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	\$ 16,809,304,012
Less: Exemptions	3,887,826,484
Net Taxable Valuation of the District	<u>\$ 12,921,477,528</u>

The authorized rates for the year ended August 31, 2018 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	\$.154160	\$.045766	\$.199926

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

Taxes levied for the years ended August 31, 2018 and 2017 amounted to \$24,504,733 and \$23,356,528, 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, 2018 were as follows:

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$18,436,814	\$5,514,419	\$23,951,233
Delinquent taxes collected	251,712	80,683	332,395
Penalties and interest collected	234,137	63,363	297,500
Total Collections	\$18,922,663	\$5,658,465	\$24,581,128

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, 2018 and 2017 were approximately 97.74 percent and 98.25 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, 2018 and 2017.

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 resident 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 was awarded in February 2018 and is effective through March 31, 2028.

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. This contract calls for an annual payment of \$358,908 and is under a one year renewal through August 31, 2019.

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 was amended in October 2017 to split out the Rogers Nursing and Health Science (RLH) building from the main campus. Beginning in October 2017, the monthly contract amount is \$16,643 and \$99,341 for the RLH building and the main campus, respectively, and the current contract is under a renewal through July 31, 2019.

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, 2019.

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 new agreement beginning June 1, 2018 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, 2022 and calls for an annual payment of \$128,000.

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 63% 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 – (\$32) per Semester Hour for Texas residents; (\$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 - \$20 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 (\$10) per Semester Hour

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

Technology Fee (\$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 – (\$58/\$60) 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, 2018, the date which the financial statements were available to be issued.



TJCTM

DISTRICT



TYLER, TEXAS



REQUIRED SUPPLEMENTAL INFORMATION



TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
 TEACHERS PENSION PLAN
 FOR THE YEAR ENDED AUGUST 31, 2018

Fiscal year ending August 31,	2018	2017	2016	2015
TRS net position as percentage of total pension liability	80.50%	79.70%	80.20%	80.25%
Tyler Junior College District's proportionate share of collective net pension liability (%)	0.0446525%	0.0285649%	0.0285649%	0.0315846%
Tyler Junior College District's proportionate share of collective net pension liability (\$)	14,271,801	10,773,352	10,097,312	8,436,684
Portion of NECE's total proportionate share of NPL associated with TJC District	2,043,051	8,301,832	7,643,641	6,586,151
Total	16,314,852	19,075,184	17,740,953	15,022,835
TJC District covered payroll amount	23,705,217	22,381,142	20,706,283	21,411,900
Ratio of: ER Proportionate share of collective NPL/ER's covered payroll amount	60.21%	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, which is the prior fiscal year's 8/31.

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
 TEACHERS PENSION PLAN
 FOR THE YEAR ENDED AUGUST 31, 2018

Fiscal year ending August 31,	2018	2017	2016	2015
Legally required contributions	1,463,447	905,822	845,819	800,758
Actual contributions	1,463,447	905,822	845,819	800,758
Contribution deficiency (excess)	-	-	-	-
Tyler Junior College District covered payroll	25,642,270	23,705,217	22,381,142	20,706,283
Ratio of: Actual contributions/ER covered payroll amount	5.71%	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
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 EMPLOYEES RETIREMENT SYSTEM
 FISCAL YEAR ENDED AUGUST 31, 2018

Fiscal year ending August 31	2018
Plan fiduciary net position as a percentage of the total OPEB liability	2.04%
Tyler Junior College District's proportion share of the collective net OPEB liability (%)	0.10523754%
Tyler Junior College District's proportionate share of collective net OPEB liability (\$)	35,857,598
Portion of NECE's total proportionate share of NPL associated with TJC District	31,015,819
Total	66,873,417
TJC District covered payroll amount	30,290,491
District's proportionate share of the net OPEB liability as a percentage of its covered payroll amount	118.38%

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 OPEB liability

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
 EMPLOYEES RETIREMENT SYSTEM
 FISCAL YEAR ENDED AUGUST 31, 2018

Fiscal year ending August 31	2018
Statorily required contributions	937,388
Actual contribution	<u>937,388</u>
Annual contribution deficiency (excess)	-
 Tyler Junior College District covered payroll	 30,397,963
Actual contributions as a percentage of covered payrol	3.08%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be displayed as they become available.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED AUGUST 31, 2018

Changes of Assumptions - Schedules 1 & 2

There were no changes to the actuarial assumptions or methods since the prior valuation. The current actuarial assumptions were adopted by the Board of Trustees on September 24, 2015 and were effective with the August 31, 2015

There were no changes in the benefit provisions of TRS since the prior valuation.

Changes of Assumptions - Schedules 3 & 4

Demographic Assumptions

- Adjustments were made to retirement base rates to account for age at first eligibility or reduced retirement benefits, based on date of hire.
- The percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence was updated.
- The proportion of future retirees covering dependent children was updated.
- The percentage of future retirees assumed to be married and electing coverage for their spouse was updated.

Economic Assumptions

- General price inflation was decreased from 3.50% to 2.50%.
- The payroll growth assumption for higher education members was lowered from 3.50% to 3.00%.
- The administrative expenses for GBP health benefits was updated to current amounts.
- The discount rate assumption was decreased from 5.50% to 3.51% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher.
- Minor benefit changes have been reflected in the fiscal year 2018 Assumed Per Capita Health Benefits Costs. This change is only applicable for HealthSelect retirees and dependents for whom Medicare is not primary.
- The trend rate for retiree contributions was updated.
- The expense trend rate was decreased from 3.50% to 2.50%.

Mortality Assumptions

- The service retirees, survivors, and other inactive members of state agency members were updated to use the recently published 2017 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and the Ultimate MP Projection Scale projected from the year 2017.
- Disability retirees of state agency members were updated to use the RP-2017 Disabled Retiree Mortality with Ultimate MP Projection Scale projected from the 2014.
- Active members of state agency members were updated to use the RP-2014 Active Member Mortality tables with Ultimate MP Projection Scale from the year 2014.



TYLER, TEXAS



SUPPLEMENTAL INFORMATION



TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2018
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/18	Total 8/31/17
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 3,059,635	\$ -	\$ 3,059,635	\$ -	\$ 3,059,635	\$ 3,159,610
Out-of-District Resident Tuition	4,821,145	-	4,821,145	-	4,821,145	4,631,855
TPEG **	465,416	-	465,416	-	465,416	463,834
Non-Resident Tuition	555,778	-	555,778	-	555,778	504,214
Continuing Education	894,809	-	894,809	-	894,809	1,031,355
Non-State Funded Continuing Education	737,376	-	737,376	-	737,376	734,043
Total Tuition	<u>10,534,159</u>	<u>-</u>	<u>10,534,159</u>	<u>-</u>	<u>10,534,159</u>	<u>10,524,911</u>
Fees						
General Education Fee	9,174,231	-	9,174,231	-	9,174,231	9,123,131
Out-of-District Fee	7,995,478	-	7,995,478	-	7,995,478	7,563,605
Laboratory Fee	1,781,096	-	1,781,096	-	1,781,096	1,603,345
Registration Fee	830,016	-	830,016	-	830,016	822,460
Student Life Fee	-	-	-	411,393	411,393	436,284
Health Service Fee	-	-	-	737,513	737,513	706,444
Other	5,332,352	-	5,332,352	-	5,332,352	4,676,148
Total Fees	<u>25,113,173</u>	<u>-</u>	<u>25,113,173</u>	<u>1,148,906</u>	<u>26,262,079</u>	<u>24,931,417</u>
Allowances and Discounts						
Bad Debt Allowance	(595,524)	-	(595,524)	(65,418)	(660,942)	(270,746)
Federal Grants to Students	(11,580,945)	-	(11,580,945)	-	(11,580,945)	(10,358,202)
TPEG Allowances	(284,713)	-	(284,713)	-	(284,713)	(276,687)
State Grants to Students	(990,871)	-	(990,871)	-	(990,871)	(1,066,162)
Contributions	(276,385)	-	(276,385)	-	(276,385)	(263,829)
Scholarships and Performance Grants	(930,648)	-	(930,648)	-	(930,648)	(1,073,990)
Waivers and Exemptions	(2,246,718)	-	(2,246,718)	-	(2,246,718)	(1,906,611)
Total Scholarship Allowances and Discounts	<u>(16,905,804)</u>	<u>-</u>	<u>(16,905,804)</u>	<u>(65,418)</u>	<u>(16,971,222)</u>	<u>(15,216,227)</u>
Net Tuition and Fees	<u>18,741,528</u>	<u>-</u>	<u>18,741,528</u>	<u>1,083,488</u>	<u>19,825,016</u>	<u>20,240,101</u>
Additional Operating Revenues						
Federal Grants and Contracts	57,690	2,676,019	2,733,709	-	2,733,709	3,035,760
State Grants and Contracts	-	1,409,514	1,409,514	-	1,409,514	1,572,225
Local Grants and Contracts	-	542,659	542,659	-	542,659	474,774
Sales and Service of Educational Activities	120,861	-	120,861	-	120,861	109,681
Interest on Student Loans	114,510	-	114,510	-	114,510	110,647
Other	1,992,553	-	1,992,553	-	1,992,553	3,246,598
Total Additional Operating Revenues	<u>2,285,614</u>	<u>4,628,192</u>	<u>6,913,806</u>	<u>-</u>	<u>6,913,806</u>	<u>8,549,685</u>
Auxiliary Enterprises						
Housing and Meals	-	-	-	7,415,996	7,415,996	7,359,208
Scholarship Allowances and Discounts	-	-	-	(3,344,957)	(3,344,957)	(3,102,039)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,071,039</u>	<u>4,071,039</u>	<u>4,257,169</u>
Bookstore Commissions	-	-	-	439,089	439,089	486,903
Other Auxiliary Revenues	-	-	-	372,408	372,408	403,189
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,882,536</u>	<u>4,882,536</u>	<u>5,147,261</u>
Total Operating Revenues	<u>\$ 21,027,142</u>	<u>\$ 4,628,192</u>	<u>\$ 25,655,334</u>	<u>\$ 5,966,024</u>	<u>\$ 31,621,358</u>	<u>\$ 33,937,047</u>

** In accordance with Education Code 56.033, \$465,416 and \$463,834 for years August 31, 2018 and 2017, 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, 2018
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)

	Salaries and Wages	Benefits		Other Expenses	Total 8/31/18	Total 8/31/17
		State	Local			
<u>Unrestricted - Educational Activities</u>						
Instruction	\$ 23,002,475	\$ -	\$ 3,929,137	\$ 3,888,953	\$ 30,820,565	\$ 28,846,576
Public Service	53,413	-	17,190	20,998	91,601	225,984
Academic Support	2,834,372	-	522,439	570,924	3,927,735	3,450,124
Student Services	3,844,335	-	667,184	2,164,050	6,675,569	6,490,707
Institutional Support	7,210,374	-	5,728,923	2,132,988	15,072,285	14,626,729
Operation and Maintenance of Plant	999,779	-	466,375	7,073,652	8,539,806	9,447,957
Scholarships and Fellowships	-	-	-	2,946,117	2,946,117	2,563,661
Total Unrestricted	<u>37,944,748</u>	<u>-</u>	<u>11,331,248</u>	<u>18,797,682</u>	<u>68,073,678</u>	<u>65,651,738</u>
<u>Restricted - Education and General</u>						
Instruction	180,523	3,132,807	11,771	38,965	3,364,066	3,868,202
Public Service	1,777,391	6,818	34,604	491,829	2,310,642	2,659,137
Academic Support	-	339,059	-	-	339,059	384,703
Student Services	338,478	480,410	116,662	1,360,622	2,296,172	2,020,711
Institutional Support	-	915,824	-	-	915,824	317,899
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	197,993	-	-	1,781,387	1,979,380	1,770,878
Total Restricted	<u>2,494,385</u>	<u>4,874,918</u>	<u>163,037</u>	<u>3,672,803</u>	<u>11,205,143</u>	<u>11,021,530</u>
Total Educational and General	40,439,133	4,874,918	11,494,285	22,470,485	79,278,821	76,673,268
Auxiliary Enterprises	890,357	-	387,997	8,202,951	9,481,305	9,507,972
Depreciation Expense - Buildings and Improvements	-	-	-	7,107,382	7,107,382	7,191,310
Depreciation Expense - Equipment	-	-	-	1,279,829	1,279,829	1,301,262
Depreciation Expense - Library Books	-	-	-	45,132	45,132	52,697
Total Operating Expenses	<u>\$ 41,329,490</u>	<u>\$ 4,874,918</u>	<u>\$ 11,882,282</u>	<u>\$ 39,105,779</u>	<u>\$ 97,192,469</u>	<u>\$ 94,726,509</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2018
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/18</u>	<u>Total 8/31/17</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 16,756,085	\$ -	\$ -	\$ 16,756,085	\$ 16,653,999
State Group Insurance	-	3,765,828	-	3,765,828	3,506,847
State Retirement Matching	-	1,109,090	-	1,109,090	1,066,069
Professional Nursing Shortage Reduction	-	210,245	-	210,245	215,074
Total State Appropriations	<u>16,756,085</u>	<u>5,085,163</u>	<u>-</u>	<u>21,841,248</u>	<u>21,441,989</u>
Property Taxes	24,581,128	-	-	24,581,128	23,551,272
Federal Revenue, Non Operating	-	21,035,479	-	21,035,479	19,260,848
Investment Income	<u>296,863</u>	<u>-</u>	<u>-</u>	<u>296,863</u>	<u>147,732</u>
Total Non-Operating Revenues	41,634,076	26,120,642	-	67,754,718	64,401,841
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	<u>3,523,964</u>	<u>-</u>	<u>-</u>	<u>3,523,964</u>	<u>3,762,378</u>
Total Non-Operating Expenses	<u>3,523,964</u>	<u>-</u>	<u>-</u>	<u>3,523,964</u>	<u>3,762,378</u>
Net Non-Operating Revenues	<u>\$ 38,110,112</u>	<u>\$ 26,120,642</u>	<u>\$ -</u>	<u>\$ 64,230,754</u>	<u>\$ 60,639,463</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 FOR THE YEAR ENDED AUGUST 31, 2018
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)

	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	7,607,662	-	-	-	7,607,662	7,607,662	-
Restricted	-	740,216	-	-	740,216	740,216	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(1,155,939)	-	-	-	(1,155,939)	-	(1,155,939)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	(52,634,261)	-	-	-	(52,634,261)	-	(52,634,261)
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	91,365,869	91,365,869	-	91,365,869
Total Net Position, August 31, 2018	(46,182,538)	740,216	-	91,365,869	45,923,547	8,347,878	37,575,669
Total Net Position, August 31, 2017	4,143,017	791,116	-	84,186,085	89,120,218	7,555,796	81,564,422
Net Increase (Decrease) in Net Position	<u>\$ (50,325,555)</u>	<u>\$ (50,900)</u>	<u>\$ -</u>	<u>\$ 7,179,784</u>	<u>\$ (43,196,671)</u>	<u>\$ 792,082</u>	<u>\$ (43,988,753)</u>



TJCTM

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.

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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Position By Component:										
Net investment in capital assets	\$ 91,365,869	\$ 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
Restricted - expendable	740,216	791,116	748,134	720,685	597,996	511,271	439,077	375,381	322,993	390,206
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(46,182,538)	4,143,017	(273,975)	1,738,951	4,181,739	12,727,957	16,100,326	14,472,690	7,736,349	12,462,921
Total primary government net position	\$ 45,923,547	\$ 89,120,218	\$ 89,270,217	\$ 88,306,312	\$ 85,792,662	\$ 93,071,756	\$ 88,890,039	\$ 82,858,041	\$ 72,816,748	\$ 66,168,166
	For the Fiscal Year Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Change in Net Position:										
Total Operating and Non-Operating Revenues	\$ 99,376,076	\$ 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
Total Operating and Non-Operating Expenses	100,716,433	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
Prior Period Adjustment	(1,340,357)	(149,999)	963,905	2,513,650	2,279,704	4,181,717	6,287,406	10,041,293	6,648,582	3,977,668
	(41,856,314)	-	-	-	(9,558,798)	-	(255,408)	-	-	251,130
Change in Net Position	(43,196,671)	(149,999)	963,905	2,513,650	(7,279,094)	4,181,717	6,031,998	10,041,293	6,648,582	4,228,798
Beginning Net Position	89,120,218	89,270,217	88,306,312	85,792,662	93,071,756	88,890,039	82,858,041	72,816,748	66,168,166	61,939,368
Ending Net Position	\$ 45,923,547	\$ 89,120,218	\$ 89,270,217	\$ 88,306,312	\$ 85,792,662	\$ 93,071,756	\$ 88,890,039	\$ 82,858,041	\$ 72,816,748	\$ 66,168,166

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.

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

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and fees (net of discounts)	\$ 19,825,016	\$ 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
Governmental grants and contracts										
Federal grants and contracts	2,733,709	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
State grants and contracts	1,409,514	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
Local grants and contracts	542,659	474,774	459,730	432,759	585,280	1,022,395	532,168	711,217	220,893	1,084,404
Sales and services of educational activities	120,861	109,681	106,163	113,873	111,083	83,075	103,019	116,134	117,104	117,582
Auxiliary enterprises	4,882,536	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
Other operating revenues	2,107,063	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
Total Operating Revenues	31,621,358	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
State appropriations	21,841,248	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
Property taxes	24,581,128	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
Federal Revenue, Non Operating	21,035,479	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
Investment income	296,863	147,732	75,197	103,591	139,047	188,790	84,954	150,086	338,646	308,785
Total Non-Operating Revenue	67,754,718	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
Total Revenues	\$ 99,376,076	\$ 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

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and fees (net of discounts)	19.95%	20.58%	17.68%	16.04%	14.23%	16.38%	14.90%	12.12%	17.23%	20.17%
Governmental grants and contracts										
Federal grants and contracts	2.75%	3.09%	4.51%	4.11%	2.77%	2.57%	1.65%	1.64%	1.84%	1.74%
State grants and contracts	1.42%	1.60%	1.75%	1.89%	1.98%	1.28%	1.21%	1.64%	2.29%	1.67%
Local grants and contracts	0.55%	0.48%	0.49%	0.46%	0.68%	1.21%	0.65%	0.84%	0.28%	1.55%
Sales and services of educational activities	0.12%	0.11%	0.11%	0.12%	0.13%	0.10%	0.13%	0.14%	0.15%	0.17%
Sales and services of auxiliary enterprises	4.91%	5.23%	5.38%	3.92%	3.58%	3.60%	3.21%	2.77%	3.73%	5.25%
Other operating revenues	2.12%	3.41%	3.68%	6.01%	2.94%	2.50%	3.05%	5.66%	2.69%	2.98%
Total Operating Revenues	31.82%	34.51%	33.59%	32.56%	26.31%	27.63%	24.80%	24.80%	28.21%	33.53%
State appropriations	21.98%	21.80%	22.37%	22.54%	24.96%	24.00%	25.64%	25.41%	28.72%	30.72%
Property taxes	24.74%	23.95%	24.22%	23.80%	25.07%	24.81%	23.01%	21.92%	18.54%	18.70%
Federal Revenue, Non Operating	21.17%	19.59%	19.75%	20.99%	23.50%	23.33%	26.44%	27.69%	24.09%	16.60%
Investment income	0.30%	0.15%	0.08%	0.11%	0.16%	0.22%	0.10%	0.18%	0.43%	0.44%
Total Non-Operating Revenue	68.18%	65.49%	66.41%	67.44%	73.69%	72.37%	75.20%	75.20%	71.79%	66.47%
Total Revenues	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. The 2009 through 2018 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,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	\$ 34,184,631	\$ 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
Public service	2,402,243	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
Academic support	4,266,794	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
Student services	8,971,741	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
Institutional support	15,988,109	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
Operation and maintenance of plant	8,539,806	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
Scholarships and fellowships	4,925,497	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
Auxiliary enterprises	9,481,305	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
Depreciation	8,432,343	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
Total Operating Expenses	97,192,469	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
Interest on capital related debt	3,523,964	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
Total Non-Operating Expenses	3,523,964	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
Total Expenses	\$ 100,716,433	\$ 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

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	33.94%	33.22%	33.84%	35.01%	36.20%	36.16%	37.73%	39.52%	39.60%	35.56%
Public service	2.39%	2.93%	3.04%	2.82%	1.38%	1.54%	1.83%	1.87%	1.59%	1.42%
Academic support	4.24%	3.89%	3.68%	3.57%	3.66%	3.33%	3.27%	3.76%	4.00%	3.47%
Student services	8.91%	8.64%	8.40%	9.21%	10.91%	10.30%	10.67%	11.03%	11.63%	11.57%
Institutional support	15.87%	15.17%	15.31%	14.74%	15.96%	16.09%	15.04%	14.37%	13.54%	14.32%
Operation and maintenance of plant	8.48%	9.59%	8.47%	8.47%	9.54%	8.86%	8.14%	6.74%	7.03%	10.17%
Scholarships and fellowships	4.89%	4.40%	3.97%	4.09%	2.30%	3.68%	3.72%	4.16%	3.90%	4.07%
Auxiliary enterprises	9.41%	9.65%	9.61%	8.89%	9.24%	8.44%	8.84%	8.42%	8.53%	9.31%
Depreciation	8.37%	8.68%	8.87%	8.30%	7.89%	8.00%	7.66%	6.62%	6.01%	6.26%
Total Operating Expenses	96.50%	96.18%	95.19%	95.10%	97.07%	96.40%	96.90%	96.50%	95.83%	96.16%
Interest on capital related debt	3.50%	3.82%	4.81%	4.90%	2.93%	3.60%	3.10%	3.50%	4.17%	3.84%
Total Non-Operating Expenses	3.50%	3.82%	4.81%	4.90%	2.93%	3.60%	3.10%	3.50%	4.17%	3.84%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 4

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	General Education Fees	Health Service Fee (Per Student)	Campus Security Fee (Per Student)	Student Life Fee	Technology Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2017	\$ 35	\$ 32	\$ 90	\$ 42	\$ 35	\$ 36	\$ 2	\$ 10	\$ 1,138	\$ 1,834	5.57%	5.52%
2016	35	30	85	42	35	36	2	7	1,078	1,738	5.27%	9.45%
2015	35	30	77	40	35	30	2	5	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%

Table 4
(Continued)

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

NON-RESIDENT Fees per Semester Credit Hour (SCH)
--

73

Academic (Fall)	Registration Student)	Non-Resident Out-of-State	Non-Resident International	General Education Fees	Health Service Fee (Per Student)	Campus Security Fee (Per Student)	Student Life Fee	Technology Fee	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
2017	\$ 35	\$ 114	\$ 114	\$ 42	\$ 35	\$ 36	\$ 2	\$ 7	\$ 2,122	\$ 2,122	5.36%	5.36%
2016	35	108	108	42	35	36	2	7	2,014	2,014	6.00%	6.00%
2015	35	108	108	40	35	30	2	-	1,900	1,900	7.47%	7.47%
2014	35	97	97	40	35	30	2	-	1,768	1,768	0.00%	0.00%
2013	35	97	97	40	35	30	2	-	1,768	1,768	2.79%	2.79%
2012	35	96	96	37	35	30	2	-	1,720	1,720	0.00%	0.00%
2011	35	96	96	37	35	30	2	-	1,720	1,720	8.86%	8.86%
2010	25	89	89	34	30	25	2	-	1,580	1,580	2.33%	2.33%
2009	25	88	88	34	30	25	-	-	1,544	1,544	8.43%	8.43%
2008	25	83	83	29	30	25	-	-	1,424	1,424	5.33%	5.33%

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			Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate
	Real Property	Personal Property	Less: Exemptions			Maintenance & Operations
2017-18	13,447,443,210	3,361,860,802	3,887,826,484	12,921,477,528	76.87%	\$ 0.154160
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%	\$ 0.147119
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

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 Appropriations	FTSE	State Appropriations Per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
2017-18	16,756,085	10,071	1,663.80	3,640,424	1,525,072	5,165,496	3.24
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

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 2013-2017
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2017	2016	2015	2014	2013
Brookshire Grocery Company	Supermarkets; distribution facilities	176,151,119	64,961,471	76,087,378	70,542,484	60,855,905
Oncor Electric / TXU	Electric utility	128,985,546	117,562,026	133,216,887	112,195,234	85,243,137
WalMart/Sam's	Retail	90,941,086	-	-	-	-
Kelly Springfield Tire Company	Tire manufacturer	-	-	-	-	-
McWane Inc./ Ranson Industries	Pipe manufacturer	-	42,837,272	47,914,499	42,265,341	48,259,908
Southwestern Bell Telephone	Telephone utility	-	-	-	-	-
Dayton Hudson Corp.	Retail; distribution facilities	106,022,319	110,683,226	96,041,307	96,708,766	96,708,766
Delek Refining LTD / Crown / LaGloria	Refinery	282,864,475	240,250,644	231,928,942	269,547,365	260,276,054
Cebridge Acquisition LP	Commercial property	43,418,639	-	-	-	-
Carrier / Tytex	Air conditioning manufacturer	-	-	-	-	-
Union Oil Company	Oil & Gas	16,345,769	12,114,272	22,252,184	37,360,851	40,346,436
Genecov Investment Group	Commercial property	54,517,783	-	-	-	-
East Texas Medical Center	Hospital	-	94,348,545	94,352,150	94,355,755	94,362,965
Mother Frances Hospital	Hospital	192,899,297	166,671,499	166,671,499	166,671,499	159,840,819
University of Texas Health Center	Hospital	-	68,717,190	68,717,190	68,717,190	68,717,190
Simon Property Group	Commercial property	44,882,250	43,575,000	43,575,000	42,815,000	42,815,000
Totals		\$ 1,137,028,283	\$ 961,721,145	\$ 980,757,036	\$ 1,001,179,485	\$ 957,426,180
Total Taxable Assessed Value		\$ 12,921,477,528	\$ 12,372,243,182	\$ 11,943,687,581	\$ 11,550,897,239	\$ 11,253,183,629

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2013-2017
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2017	2016	2015	2014	2013
Brookshire Grocery Company	Supermarkets; distribution facilities	1.36%	0.53%	0.64%	0.61%	0.54%
Oncor Electric / TXU	Electric utility	1.00%	0.95%	1.12%	0.97%	0.76%
WalMart/Sam's	Retail	0.70%	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	0.00%	0.35%	0.40%	0.37%	0.43%
Southwestern Bell Telephone	Telephone utility	0.00%	0.00%	0.00%	0.00%	0.00%
Dayton Hudson Corp.	Retail; distribution facilities	0.82%	0.89%	0.80%	0.84%	0.86%
Delek Refining LTD / Crown / LaGloria	Refinery	2.19%	1.94%	1.94%	2.33%	2.31%
Cebridge Acquisition LP	Commercial property	0.34%	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	0.13%	0.10%	0.19%	0.32%	0.36%
Genecov Investment Group	Commercial property	0.42%	0.00%	0.00%	0.00%	0.00%
East Texas Medical Center	Hospital	0.00%	0.76%	0.79%	0.82%	0.84%
Mother Frances Hospital	Hospital	1.49%	1.35%	1.40%	1.44%	1.42%
University of Texas Health Center	Hospital	0.00%	0.56%	0.58%	0.59%	0.61%
Simon Property Group	Commercial Property	0.35%	0.35%	0.36%	0.37%	0.38%
Totals		8.80%	7.77%	8.21%	8.67%	8.51%

Source: Smith and Van Zandt County Appraisal Districts

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2008-2012
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2012	2011	2010	2009	2008
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 62,387,213	\$ 129,231,040	\$ 129,333,680	\$ 127,334,915	\$ 126,996,710
Oncor Electric / TXU	Electric utility	80,476,227	83,859,047	84,193,564	80,760,107	83,481,339
WalMart/Sam's	Retail	-	81,793,017	81,793,018	87,589,929	91,792,684
Kelly Springfield Tire Company	Tire manufacturer	-	-	-	-	-
McWane Inc./ Ranson Industries	Pipe manufacturer	56,096,738	51,853,668	51,853,668	-	61,156,799
Southwestern Bell Telephone	Telephone utility	-	-	-	47,638,032	51,854,412
Dayton Hudson Corp.	Retail; distribution facilities	70,140,546	107,880,844	107,880,844	86,634,554	62,265,652
Delek Refining LTD / Crown / LaGloria	Refinery	253,727,697	175,112,792	175,112,792	118,688,302	245,122,365
Simon Property Group	Commercial property	-	52,761,861	52,761,861	56,707,130	47,620,545
Carrier / Tytex	Air conditioning manufacturer	-	44,952,878	44,952,878	47,468,281	-
Union Oil Company	Oil & Gas	51,930,937	50,981,554	50,865,245	56,741,270	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	94,366,570	-	-	-	-
Mother Frances Hospital	Hospital	93,272,964	-	-	-	-
University of Texas Health Center	Hospital	68,364,930	-	-	-	-
Simon Property Group	Commercial Property	42,850,000	-	-	-	-
Totals		<u>\$ 873,613,822</u>	<u>\$ 860,181,232</u>	<u>\$ 860,502,081</u>	<u>\$ 766,329,096</u>	<u>\$ 913,106,003</u>
Total Taxable Assessed Value		<u>\$ 11,003,331,572</u>	<u>\$ 10,781,171,511</u>	<u>\$ 10,679,667,927</u>	<u>\$ 10,676,730,006</u>	<u>\$ 10,522,100,610</u>

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2008-2012
(UNAUDITED)

Taxpayer (1)	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2012	2011	2010	2009	2008
Brookshire Grocery Company	Supermarkets; distribution facilities	0.57%	1.20%	1.21%	1.19%	1.21%
Oncor Electric / TXU	Electric utility	0.73%	0.78%	0.79%	0.76%	0.79%
WalMart/Sam's	Retail	0.00%	0.76%	0.77%	0.82%	0.87%
Kelly Springfield Tire Company	Tire manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.51%	0.48%	0.49%	0.00%	0.58%
Southwestern Bell Telephone	Telephone utility	0.00%	0.00%	0.00%	0.45%	0.49%
Dayton Hudson Corp.	Retail; distribution facilities	0.64%	1.00%	1.01%	0.00%	0.00%
Delek Refining LTD / Crown / LaGloria	Refinery	2.31%	1.62%	1.64%	1.11%	2.33%
Simon Property Group	Commercial property	0.00%	0.49%	0.49%	0.53%	0.45%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.42%	0.42%	0.44%	0.00%
Union Oil Company	Oil & Gas	0.47%	0.47%	0.48%	0.53%	0.81%
Genecov Investment Group	Commercial property	0.00%	0.76%	0.77%	0.53%	0.55%
East Texas Medical Center	Hospital	0.86%	0.00%	0.00%	0.00%	0.00%
Mother Frances Hospital	Hospital	0.85%	0.00%	0.00%	0.00%	0.00%
University of Texas Health Center	Hospital	0.62%	0.00%	0.00%	0.00%	0.00%
Simon Property Group	Commercial Property	0.39%	0.00%	0.00%	0.00%	0.00%
Totals		7.94%	7.98%	8.06%	6.37%	8.09%

Source: Smith and Van Zandt County Appraisal Districts

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 Current Tax Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2018	\$ 24,504,733		\$ 23,951,233	97.74%	\$ 55,480	\$ 24,006,713	97.97%
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%

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

Table 9

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

	For the Fiscal Year Ended August 31									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Other Debt										
Bonded debt	\$ 111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,770,000	\$ 120,050,000	\$ 75,695,000	\$ 57,295,000	\$ 62,680,000	\$ 68,470,000	\$ 47,395,000
Notes	-	-	-	122,155	830,602	1,469,185	2,226,212	3,618,545	7,267,915	9,018,497
Total Outstanding Debt	\$ 111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,892,155	\$ 120,880,602	\$ 77,164,185	\$ 59,521,212	\$ 66,298,545	\$ 75,737,915	\$ 56,413,497
Total Outstanding Debt Ratios										
Per Capita	\$ 533.37	\$ 479.90	\$ 531.42	\$ 570.70	\$ 559.43	\$ 287.12	\$ 223.78	\$ 258.45	\$ 319.34	\$ 237.86
Per FTSE	11,078	10,332	11,933	12,676	12,202	8,305	6,516	7,689	8,804	6,557
As a percentage of Taxable Assessed Value	0.86%	0.87%	1.01%	1.08%	1.07%	0.70%	0.55%	0.62%	0.54%	0.54%

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)

Table 10

Fiscal Year Ended August 31	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Tuition and Fees	Auxillary Enterprise	Total	Principal	Interest	Total	
2018	\$ 36,796,238	\$ 8,227,493	\$ 45,023,731	\$ 8,040,000	\$ 3,523,964	\$ 11,563,964	3.89
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

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
2017-18	209,174	\$ 11,232,199	\$ 49,857	3.7%
2016-17	225,290	11,196,702	49.699	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%

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

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

Employer	2018		2017		2016		2015		2014	
	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
CHRISTUS Trinity Mother Frances	3,366	6.27%	3,523	6.56%	4,300	7.96%	4,300	7.96%	4,030	7.46%
East Texas Medical Center	3,380	6.29%	3,460	6.44%	3,194	5.91%	3,194	5.91%	3,092	5.72%
Tyler Independent School District	2,360	4.40%	2,720	5.07%	2,115	3.91%	2,115	3.91%	2,359	4.37%
Brookshire Grocery Company	2,456	4.57%	2,058	3.83%	2,565	4.75%	2,565	4.75%	1,762	3.26%
UT Tyler	968	1.80%	1,661	3.09%	1,765	3.27%	1,765	3.27%	1,557	2.88%
Suddenlink	1,500	2.79%	1,500	2.79%	1,500	2.78%	1,500	2.78%	1,600	2.96%
UT Health Northeast	1,414	2.63%	1,388	2.59%	1,130	2.09%	1,130	2.09%	1,050	1.94%
Trane Co.	1,744	3.25%	1,319	2.46%	1,538	2.85%	1,538	2.85%	1,500	2.78%
Wal-Mart	1,396	2.60%	1,191	2.22%	1,600	2.96%	1,600	2.96%	1,296	2.40%
Tyler Junior College District	947	1.76%	941	1.75%	841	1.56%	841	1.56%	935	1.73%
City of Tyler	860	1.60%	827	1.54%	853	1.58%	853	1.58%	-	0.00%
	<u>20,391</u>	<u>37.98%</u>	<u>20,588</u>	<u>38.34%</u>	<u>21,401</u>	<u>39.61%</u>	<u>21,401</u>	<u>39.61%</u>	<u>19,181</u>	<u>35.50%</u>

Table 12
(Continued)

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

Employer	2013		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	Number of Employees	Percentage of Total Employment
CHRISTUS Trinity Mother Frances	3,775	7.02%	4,000	5.82%	3,884	5.65%	3,652	5.32%	3,567	5.19%
East Texas Medical Center	3,153	5.86%	3,238	4.71%	3,725	5.42%	3,620	5.27%	3,650	5.31%
Tyler Independent School District	2,468	4.59%	2,449	3.56%	2,464	3.59%	2,501	3.64%	2,572	3.74%
Brookshire Grocery Company	2,599	4.83%	2,522	3.67%	2,524	3.67%	2,213	3.22%	2,190	3.19%
UT Tyler	1,121	2.08%	1,094	1.59%	-	0.00%	568	0.83%	556	0.81%
Suddenlink	1,500	2.79%	1,500	2.18%	1,197	1.74%	1,138	1.66%	1,057	1.54%
UT Health Northeast	925	1.72%	865	1.26%	849	1.24%	-	0.00%	-	0.00%
Trane Co.	1,500	2.79%	1,500	2.18%	1,575	2.29%	1,520	2.21%	1,949	2.84%
Wal-Mart	1,311	2.44%	1,711	2.49%	1,711	2.49%	1,697	2.47%	1,670	2.43%
Tyler Junior College District	862	1.60%	811	1.18%	786	1.14%	586	0.85%	572	0.83%
Carrier Corporation	-	0.00%	-	0.00%	795	1.16%	659	0.96%	1,201	1.75%
	<u>19,214</u>	<u>35.72%</u>	<u>19,510</u>	<u>22.75%</u>	<u>18,154</u>	<u>21.11%</u>	<u>18,984</u>	<u>22.44%</u>	<u>18,984</u>	<u>22.44%</u>

Source:
Tyler Economic Development Council - Community Profile

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

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Faculty										
Full-Time	316	311	310	309	296	295	282	280	278	272
Part-Time	310	309	307	355	306	305	323	298	270	258
Total	<u>626</u>	<u>620</u>	<u>617</u>	<u>664</u>	<u>602</u>	<u>600</u>	<u>605</u>	<u>578</u>	<u>548</u>	<u>530</u>
Percent										
Full-Time	50.48%	50.16%	50.24%	46.54%	49.17%	49.17%	46.61%	48.44%	50.73%	51.32%
Part-Time	49.52%	49.84%	49.76%	53.46%	50.83%	50.83%	53.39%	51.56%	49.27%	48.68%
Staff and Administrators										
Full-Time	367	365	365	352	348	339	329	319	322	310
Part-Time	298	297	294	226	264	255	210	194	200	170
Total	<u>665</u>	<u>662</u>	<u>659</u>	<u>578</u>	<u>612</u>	<u>594</u>	<u>539</u>	<u>513</u>	<u>522</u>	<u>480</u>
Percent										
Full-Time	55.19%	55.14%	55.39%	60.90%	56.86%	57.07%	61.04%	62.18%	61.69%	64.58%
Part-Time	44.81%	44.86%	44.61%	39.10%	43.14%	42.93%	38.96%	37.82%	38.31%	35.42%
FTSE per Full-Time Faculty	31.87	5.35	31.44	31.89	33.47	31.49	32.39	30.79	30.95	31.63
FTSE per Full-Time Staff Member	27.44	4.56	26.70	27.99	28.47	27.41	28.64	27.03	31.86	33.34
Average Annual Faculty Salary	\$ 54,657	\$ 54,179	\$ 53,939	\$ 51,309	\$ 50,217	\$ 51,120	\$ 50,065	\$ 50,848	\$ 51,047	\$ 49,100

Table 14

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

Student Classification	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	5,643	58.85%	5,700	59.44%	5,382	57.91%	5,670	58.88%	6,810	70.83%
31-60 hours	3,441	35.88%	2,554	26.63%	2,654	28.56%	2,666	27.68%	1,831	19.05%
>60 hours	505	5.27%	1,265	13.19%	1,258	13.54%	1,294	13.44%	973	10.12%
Total	9,589	100%	9,519	99%	9,294	100%	9,630	100%	9,614	100%

Semester Hour Load	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Part-Time	3,746	39.07%	3,605	37.60%	4,183	45.01%	4,376	45.44%	4,367	45.42%
Full-Time	5,843	60.93%	5,914	61.67%	5,111	54.99%	5,254	54.56%	5,247	54.58%
Total	9,589	100%	9,519	100%	9,294	100%	9,630	100%	9,614	100%

Tuition Status	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	3,744	39.04%	3,549	37.01%	3,967	42.68%	4,167	43.27%	3,989	41.49%
Texas Resident (out-of-District)	5,102	53.21%	5,025	52.40%	4,957	53.34%	5,096	52.92%	5,208	54.17%
Non-Resident Tuition	332	3.46%	359	3.74%	370	3.98%	367	3.81%	417	4.34%
Tuition Exemption/Waiver	411	4.29%	586	6.11%	0	0.00%	0	0.00%	0	0.00%
Total	9,589	100%	9,519	99%	9,294	100%	9,630	100%	9,614	100%

Table 15

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

	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	5,827	60.77%	5,914	62.13%	5,537	59.58%	5,678	58.96%	5,599	58.24%
Male	3,762	39.23%	3,605	37.87%	3,757	40.42%	3,952	41.04%	4,015	41.76%
Total	9,589	100%	9,519	100%	9,294	100%	9,630	100%	9,614	100%

Ethnic Origin	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	4,700	49.01%	4,780	50.22%	5,314	57.18%	5,415	56.23%	5,419	56.37%
Hispanic	2,211	23.06%	1,970	20.70%	1,108	11.92%	1,271	13.20%	1,303	13.55%
African American	2,005	20.91%	2,133	22.41%	2,180	23.46%	2,387	24.79%	2,323	24.16%
Asian	120	1.25%	96	1.01%	122	1.31%	126	1.31%	142	1.48%
Native American	41	0.43%	48	0.50%	125	1.34%	97	1.01%	93	0.97%
Other	512	5.34%	492	5.17%	445	4.79%	334	3.47%	334	3.47%
Total	9,589	100%	9,519	100%	9,294	100%	9,630	100%	9,614	100%

Age	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
16 or younger	279	2.91%	197	2.05%	52	0.56%	124	1.29%	19	0.20%
17	161	1.68%	163	1.70%	135	1.45%	186	1.93%	160	1.66%
18	1,995	20.81%	1,960	20.44%	1,928	20.74%	1,936	20.10%	1,852	19.26%
19-21	3,561	37.14%	3,625	37.80%	3,492	37.57%	3,477	36.11%	3,415	35.52%
22-24	1,155	12.05%	1,112	11.60%	1,109	11.93%	1,120	11.63%	1,206	12.54%
25-30	1,100	11.47%	1,099	11.46%	1,125	12.10%	1,133	11.77%	1,169	12.16%
31-35	507	5.29%	532	5.55%	486	5.23%	538	5.59%	578	6.01%
36-50	669	6.98%	676	7.05%	750	8.07%	883	9.17%	940	9.78%
51-64	153	1.60%	150	1.56%	210	2.26%	225	2.34%	250	2.60%
65 & over	9	0.09%	5	0.05%	7	0.08%	8	0.08%	25	0.26%
Total	9,589	100%	9,519	99%	9,294	100%	9,630	100%	9,614	100%

Average Age	23	23	24	24	25
-------------	----	----	----	----	----

Table 16

TYLER JUNIOR COLLEGE DISTRICT
 TRANSFERS TO SENIOR INSTITUTIONS
 2016 FALL STUDENTS AS OF FALL 2017
 (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	1,379	79	76	0	1,534	0.94%
2 Lamar University	1,250	184	28	1	1,463	0.89%
3 Midwestern State University	987	158	14	0	1,159	0.71%
4 Prairie View A&M University	1,139	96	4	0	1,239	0.76%
5 Sam Houston State University	6,249	363	53	1	6,666	4.07%
6 Stephen F. Austin State University	2,842	328	64	0	3,234	1.97%
7 Sul Ross State University	155	24	3	0	182	0.11%
8 Sul Ross State University - Rio Grande College	295	10	0	0	305	0.19%
9 Tarleton State University	3,532	477	50	2	4,061	2.48%
10 Texas A&M University International University	1,256	105	61	0	1,422	0.87%
11 Texas A&M University	19,920	1,067	118	0	21,105	12.89%
12 Texas A&M University - Central Texas	725	41	61	0	827	0.51%
13 Texas A&M University - Commerce	2,381	320	23	1	2,725	1.66%
14 Texas A&M University - Corpus Christi	1,954	255	43	0	2,252	1.38%
15 Texas A&M University - Kingsville	969	197	11	0	1,177	0.72%
16 Texas A&M University - San Antonio	3,054	368	7	1	3,430	2.09%
17 Texas A&M University - Texarkana	499	30	2	0	531	0.32%
18 Texas A&M University at Galveston	568	39	0	0	607	0.37%
19 Texas Southern University	1,239	156	6	0	1,401	0.86%
20 Texas State University	9,436	877	260	1	10,574	6.46%
21 Texas Tech University	8,102	741	137	0	8,980	5.48%
22 Texas Women's University	3,455	537	34	0	4,026	2.46%
23 University of Texas - Rio Grande Valley	3,557	679	4	0	4,240	2.59%
24 University of Texas - Arlington	10,555	1,795	85	3	12,438	7.60%
25 University of Texas - Austin	11,440	1,032	201	1	12,674	7.74%
26 University of Texas - Dallas	5,468	1,060	79	0	6,607	4.03%
27 University of Texas - El Paso	3,843	94	75	1	4,013	2.45%
28 University of Texas - San Antonio	7,229	534	56	1	7,820	4.78%
29 University of Texas - Tyler	2,224	226	27	0	2,477	1.51%
30 University of Texas of the Permian Basin	1,094	106	57	0	1,257	0.77%
31 University of Houston	11,354	568	39	0	11,961	7.30%
32 University of Houston - Clear Lake	2,589	266	10	0	2,865	1.75%
33 University of Houston - Downtown	3,583	281	11	0	3,875	2.37%
34 University of Houston - Victoria	1,122	93	15	0	1,230	0.75%
35 University of North Texas	8,779	1,210	113	0	10,102	6.17%
36 University of North Texas at Dallas	1,244	285	4	2	1,535	0.94%
37 West Texas A&M University	1,596	116	50	0	1,762	1.08%
Totals	147,063	14,797	1,881	15	163,756	100%

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>2018</u>	<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>
Academic buildings	15	15	15	15	13	13	13	13	13	13
Square footage (in thousands)	657	657	657	657	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)	82	84	84	85	86	87	88	100	104	104
Administrative and support buildings	10	10	10	8	8	8	8	8	8	8
Square footage (in thousands)	178	178	178	170	170	170	170	168	161	161
Dormitories	10	10	10	10	9	9	9	9	9	9
Square footage (in thousands)	333	333	333	333	267	267	267	267	267	267
Number of Beds	1248	1248	1248	1248	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	2015	2083	1962	1915	1745	3678	3872	3543	2758	2500
Athletic Facilities	7	7	7	7	7	7	7	7	7	7
Square footage (in thousands)	445	445	445	445	445	445	445	445	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	17	19	17	13	17	17	15	10	6	15
Light Trucks/Vans	28	28	30	27	29	27	27	22	21	21
Heavy Trucks	1	1	1	1	1	1	1	1	1	2
Buses	1	1	1	1	1	1	0	0	0	0

TYLER JUNIOR COLLEGE DISTRICT
Maturity Schedule for Bonded Debt
August 31, 2018

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
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	228,735	675,000	84,398	84,398
2022	-	-	-	1,175,000	228,736	211,110	690,000	76,129	76,129
2023	-	-	-	1,210,000	211,110	195,986	705,000	67,331	67,331
2024-2028	-	-	-	6,660,000	786,878	686,978	3,845,000	181,566	181,566
2029-2033	-	-	-	6,230,000	247,452	151,366	-	-	-
2034-2037	-	-	-	-	-	-	-	-	-
Total	5,460,000	164,800	55,600	18,650,000	2,256,884	1,983,022	7,220,000	599,842	599,842

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
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	2,000,000	542,206	542,206	377,000	43,348	43,348	251,000	25,214	22,315
2024-2028	11,055,000	2,182,634	2,182,634	2,039,000	140,000	140,000	1,347,000	81,185	65,627
2029-2033	13,180,000	1,122,191	1,122,191	893,000	17,619	17,619	585,000	10,175	3,418
2034-2037	2,960,000	61,050	61,050	-	-	-	-	-	-
Total	36,555,000	6,398,897	6,398,897	4,724,000	421,309	421,309	3,133,000	245,183	208,997

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
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	1,421,426
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	1,060,000	282,484	282,484	1,620,000	66,750	50,550	7,223,000	1,238,443	1,204,220
2024-2028	6,055,000	1,042,272	1,042,272	5,055,000	101,800	51,250	36,056,000	4,516,335	4,350,327
2029-2033	6,920,000	610,326	610,326	-	-	-	27,808,000	2,007,763	1,904,920
2034-2037	4,600,000	137,256	137,256	-	-	-	7,560,000	198,306	198,306
Total	24,335,000	3,469,900	3,469,900	9,830,000	518,463	428,050	109,907,000	14,075,278	13,565,617

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.



TJCTM

DISTRICT



TYLER, TEXAS



SINGLE AUDIT SECTION



TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2018

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	--	\$ 199,500
Federal College Workstudy Program	84.033	--	144,231
Federal Pell Grant Program	84.063	--	20,193,369
Direct Student Loans	84.268	--	<u>21,006,826</u>
Total Student Financial Assistance Cluster			41,543,926
TRIO Cluster			
Student Support Services Grant	84.042A	--	272,238
Educational Opportunity Centers	84.066	--	<u>244,707</u>
Total TRIO Cluster			516,945
Pass Through From:			
Texas Workforce Commission			
Adult Education - Basic Grants to States	84.002	0816AEL002	23,145
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	17692	790,314
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>24,603</u>
Total U. S. Department of Education			<u>42,898,933</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>7,007</u>
Total National Science Foundation			<u>7,007</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District			
Small Business Development Center	59.037	--	<u>93,182</u>
Total U.S. Small Business Administration (SBA)			<u>93,182</u>
U.S. Department of Health and Human Services			
Pass Through From:			
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>11,537</u>
Total U.S. Department of Health and Human Services			<u>11,537</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 43,010,659</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	\$ 2,676,019
Non Operating Revenue From Schedule C	21,035,479
Direct Student Loans	21,006,826
Revenues reported on Schedule A not included on Schedule E (revenues reflected for agent)	(1,744,627)
Matching Contributions Included in Schedule E	<u>36,962</u>
Total Federal Financial Assistance – Schedule E	<u>\$43,010,659</u>

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2018

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 60,630
Nursing Innovation Grant	18031	6,403
Professional Nursing Shortage Reduction Program	--	210,245
Texas Educational Opportunity Grant Program	--	842,128
T-STEM Challenge Scholarship Program	16913	152,500
Dallas County Community College District		
Small Business Development Center	--	73,771
Texas Workforce Commission		
Adult Basic Education	0816AELA002	6,855
Skills Development	0817SSD001	7,605
Total Skills Development		<u>7,605</u>
Total Expenditures of State Awards		<u>\$ 1,360,137</u>

See Notes to Schedule on following page.

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	\$1,409,514
Professional Nursing Shortage Reduction reported on Schedule C	210,245
Revenues reported on Schedule A not included on Schedule F (revenues reflected for agent)	(250,947)
Matching Contributions Included in Schedule F	<u>(8,675)</u>
Total State Financial Assistance – Schedule F	<u>\$1,360,137</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 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, 2018, 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, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Certified Public Accountants

Tyler, Texas
November 15, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR 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, 2018. 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.

Auditors' 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 the accompanying schedule of findings and questioned costs, Tyler Junior College District did not comply with requirements regarding the following:

<u>Finding #</u>	<u>CFDA #</u>	<u>Program (or Cluster) Name</u>	<u>Compliance Requirement</u>
2018-001	84.268	Federal Direct Student Loans (Student Financial Assistance Cluster)	Special Tests and Provisions – Student Loan Repayments

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, 2018.

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, 2018.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a significant deficiency.

Tyler Junior College District's response to the internal control over compliance finding 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 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, 2018

. TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2018

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? X Yes No

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>
84.007	Student Financial Assistance Programs: Federal Supplemental Educational Opportunity Grant Program
84.033	Federal College Workstudy Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.048	Career and Technical Education – Basic Grants to States

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

None.

Section III – Federal Award Findings and Questioned Costs

Finding 2018-001:

Information on the Federal Program: CFDA 84.268 – Federal Direct Student Loan, United States of Department of Education. *Compliance Requirements:* Special Tests and Provisions – Student Loan Repayments. *Type of Finding:* Significant deficiency.

Criteria: Program requirements state that the institution must exercise due care and diligence in the collection of loans. This due diligence includes a requirement to conduct exit counseling for direct loan student borrowers who are graduating, leaving school, or dropping below half-time enrollment. The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must, within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required, be provided either through interactive electronic means, by mailing written counseling materials to the student borrower at the student borrower's last known address, or by sending written counseling materials to an email address provided by the student borrower that is not an email address associated with the school sending the counseling materials.

Condition: For each student in the sample selection receiving loans, we reviewed the school's Banner screen RPILECS and RRAAREQ to determine if the student was sent the required exit counseling material.

Questioned Costs: -0-

Context: Four students in the sample selection did not receive the required exit counseling. The Financial Aid Office have identified at least seventy additional students that did not properly receive exit counseling.

Effect or Potential Effect: Students were not provided information concerning the repayment of federal student loans that is made available during exit counseling.

Cause: The Banner system population selection, which is the job run to identify students that needed exit counseling improperly did not select the required students.

Repeat Finding: Not a repeat finding.

Recommendation: The Financial Aid Office should implement an internal control process/procedure to verify required notifications are sent to all applicable students that need exit counseling.

Views of Responsible Official: The Director, Financial Aid and Enrollment Support Services investigated the four instances identified in the sample selection and discovered the sample students were not included in the Banner population selection that controls the exit counseling application to students. The students graduated in a term for which no loans were received, but the student did receive loans during a term within the aid year. The population selection has been redesigned to include all graduation students in an aid year in which the student received Direct Stafford loans. This change should ensure all applicable student who are required to receive exit counseling are included in the population selection for exit counseling notifications.

TYLER JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2018

Finding: 2017-001

Status: Corrected



CORRECTIVE ACTION PLAN

November 16, 2018

Tyler Junior College respectfully submits the following corrective action plan for the year ended August 31, 2018.

Audit period:

The findings from the August 31, 2018 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 2018-001

Information on the Federal Program: CFDA 84.268 - Federal Direct Student Loans, United States Department of Education

Criteria: Program requirements state that the institution must exercise due care and diligence in the collection of loans. This due diligence includes a requirement to conduct exit counseling for direct loan student borrowers who are graduating, leaving school, or dropping below half-time enrollment. The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must, within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required, be provided either through interactive electronic means, by mailing written counseling materials to the student borrower at the student borrower's last known address, or by sending written counseling materials to an email address provided by the student borrower that is not an email address associated with the school sending the counseling materials.

Condition: For each student in the sample selection receiving loans, we reviewed the school's Banner screen RPILECS and RRAAREQ to determine if the student was sent the required exit counseling material.

Questioned Costs: -0-

Context: Four students in the sample selection did not receive the required exit counseling. The Financial Aid Office has identified seventy additional students that did not properly receive exit counseling.

Effect or Potential Effect: Students were not provided information concerning the repayment of federal student loans that is made available during exit counseling.

Cause: The Banner system population selection which is the job run to identify students that needed exit counseling improperly did not select the required students.

Recommendation: The Financial Aid Office should implement an internal control process/procedure to verify required notifications are sent to all applicable students that need exit counseling.



Action Taken: The Director, Financial Aid and Enrollment Support Services investigated the four instances identified in the sample selection and discovered the sample students were not included in the Banner population selection that controls the exit counseling application to students. The students graduated in a term for which no loans were received, but the students did receive loans during a term within the aid year. The population selection has been redesigned to include all graduating students in an aid year in which the student received Direct Stafford loans. This change should ensure all applicable students who are required to receive exit counseling are included in the population selection for exit counseling notifications.

Sincerely,

A handwritten signature in black ink that reads "Devon Wiggins". The signature is fluid and cursive, with a large initial "D" and "W".

Devon Wiggins

Director, Financial Aid and Enrollment Support Services