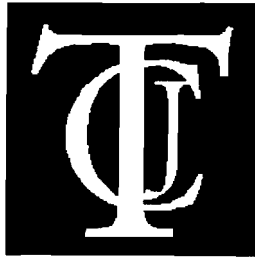


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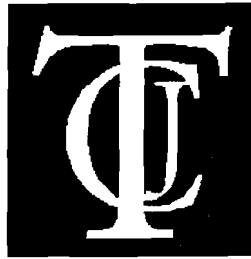
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the fiscal year ended
August 31, 2013

Tyler, Texas

**TYLER JUNIOR COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
AUGUST 31, 2013 AND 2012**

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



TYLER
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DISTRICT

**TYLER JUNIOR COLLEGE DISTRICT
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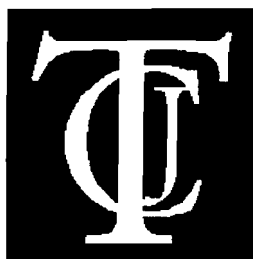
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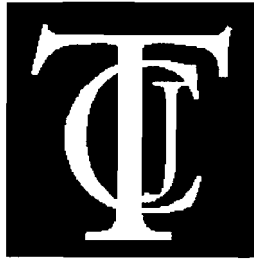
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INTRODUCTORY
SECTION



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TYLER JUNIOR COLLEGE

December 3, 2013

To the President of the Tyler Junior College District:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended August 31, 2013.

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 control that it has established for this purpose. Because the cost of internal control 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 unqualified ("clean") opinion on the Tyler Junior College financial statements for the year ended August 31, 2013. 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 forty plus areas of study in the liberal arts and vocational fields at relatively low cost attracts students from forty states and thirty-six foreign countries. Annual fall unduplicated enrollment is approximately 11,400 academic and vocational students, with an additional 9,500 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 101 acre campus round out the educational experience.

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

COMPONENT UNIT REPORTING

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

BUDGETARY PROCESSES

State Requirements

The state annual budget requirements for community and/or junior colleges are contained within a rider in the general appropriations act for the State of Texas. This rider states that "each community/junior college must file by December 1 of each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board, a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board. The operating budget shall be in such form and manner as may be prescribed by the board and/or agency with the advice of the State Auditor providing, however, that each report include departmental operating budgets by function and salaries and emoluments for faculty and staff listed by position."

Tyler Junior College Process

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

The result of this process is a document that is used to monitor and control the ongoing operations of the institution.

Budget Adoption

An itemized budget covering the operation of the College must be approved on or before September 1 of each year for the fiscal year beginning on September 1 of each year. The adopted budget provides the authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the College District's approved purchasing procedures. The expenditure of funds shall be under the direction of the College President or designee who shall ensure that funds are expended in accordance with the adopted budget.

Monitoring of the Budget

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

Legal Level Budgetary Control

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

ASSESSING THE ECONOMIC CONDITION

Enrollment for the 2012-2013 academic year decreased slightly as compared to the 2011-2012 academic year. In order to encourage enrollment growth, the College continues to increase course offerings at both the main campus and the satellite centers in Lindale, Jacksonville and Rusk. The College plans to expand several of the current health sciences programs and add several new programs with the opening of the new nursing and health sciences building in Spring 2015. Development of the new programs is underway and will continue throughout the fiscal year. The College continues to partner with local businesses to offer trade specific programs at lower costs and in employee-convenient locations.

Construction of the Nursing and Health Sciences Building began in fiscal year 2013. A \$25 million general obligation bond was issued during the fiscal year to be used exclusively for the purpose of constructing this building. Total construction costs are expected to be approximately \$50 million. The additional \$25 million will be secured by student user fees (\$12.5 million) and private donations (\$12.5 million). Construction is expected to take approximately two years to complete.

State appropriations for 2013 decreased approximately 6% as compared to 2012. This decline is a result of the reallocation of state appropriations during the biennium legislated during the 82nd legislative session. The College continuously reviews budget measures to absorb some of the impact of these reductions in state funding. The College maintained tuition and fee costs during the fiscal year. Increases in tuition and fee rates are possible in future years due to the continuing

decline in state funding. Unfortunately, the College believes that continued increases in tuition and fees may deny access to some of its most deserving students and continuously seeks other opportunities to increase revenues.

Due to the decrease in state funding, the College must rely on local tax revenues to support capital growth and increased capacity needs. Tax revenues have increased over the past several years due to an expanded tax base and increased property valuations. Property valuations of the District remained relatively flat this past year. The College increased the maintenance and operation tax rate for 2012-2013 to \$.150647 per \$100 valuation. Additionally, the District assessed an associated debt tax rate to cover the 2009 Maintenance Notes and the 2012 General Obligation bonds for 2012-2013 of \$.049279 per \$100 valuation. Thus, the total tax rate for 2012-2013 for the College is \$.199926 per \$100 valuation. As the economy continues to recover and property valuations increase, tax revenues are also expected to increase to help the College preserve the existing capital structures and infrastructure and allow for future capital growth.

The College's Strategic Plan includes efficient, effective and innovative resource development and management to meet both short and long-term needs. As state appropriations and support shrink, the College continues to search for other funding opportunities. These opportunities include application for grant funds from federal, state and local organizations. Expanded course offerings at satellite campuses, new programs and streamlined degree programs will help increase enrollment and bring in additional tuition and fee revenue. The College plans to incorporate the strategies of increasing revenue, reducing expenses and using existing technology and resources efficiently to reach its long-term financial goals.

TRENDS

Tyler is considered the advanced manufacturing, health care, educational, and retail center of East Texas. The Texas State Comptroller's Office indicates the major areas of industry in Tyler are retail trade, government and education and health services. Tyler Junior College is uniquely situated to provide a skilled and educated workforce for these industries by offering a nationally acclaimed retail management program and numerous health sciences and vocational trade programs. According to the 29th Annual Perryman Economic Outlook Conference report, the Tyler Metropolitan Statistical Area (MSA) is predicted to see an increase in jobs of 11.6% over the next five years with the greatest increases in the services segment and retail trade. Real gross product (RGP) is expected to increase approximately 4.76% annually, or \$2.25 billion, between 2012 and 2017. As the Perryman Group report states, "the Tyler area is well positioned for future expansion" between 2012 and 2017. As population and job opportunities in the Tyler area grow along with the need for a skilled workforce in the growing areas of health, education, retail management and other sectors, the College anticipates enrollment growth in future years.

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, 2012. 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

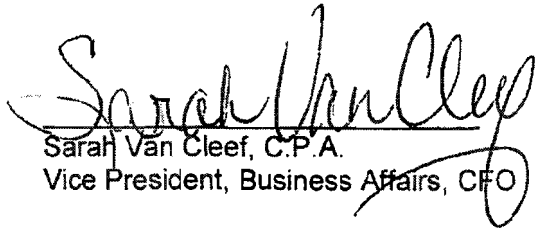
to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

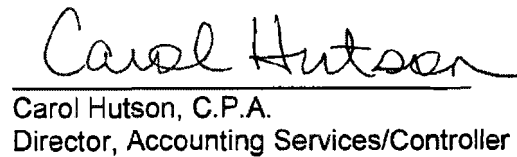
A Certificate of Achievement is valid for a period of one year only. The 2012 report was the seventeenth submission for the District, having earned its first Certificate of Achievement in 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

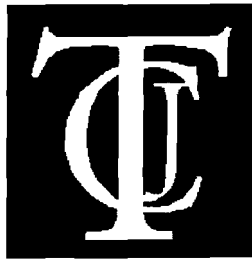
Acknowledgments

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

Respectfully submitted,


Sarah Van Cleef, C.P.A.
Vice President, Business Affairs, CFO


Carol Hutson, C.P.A.
Director, Accounting Services/Controller



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Government Finance Officers Association

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

Presented to

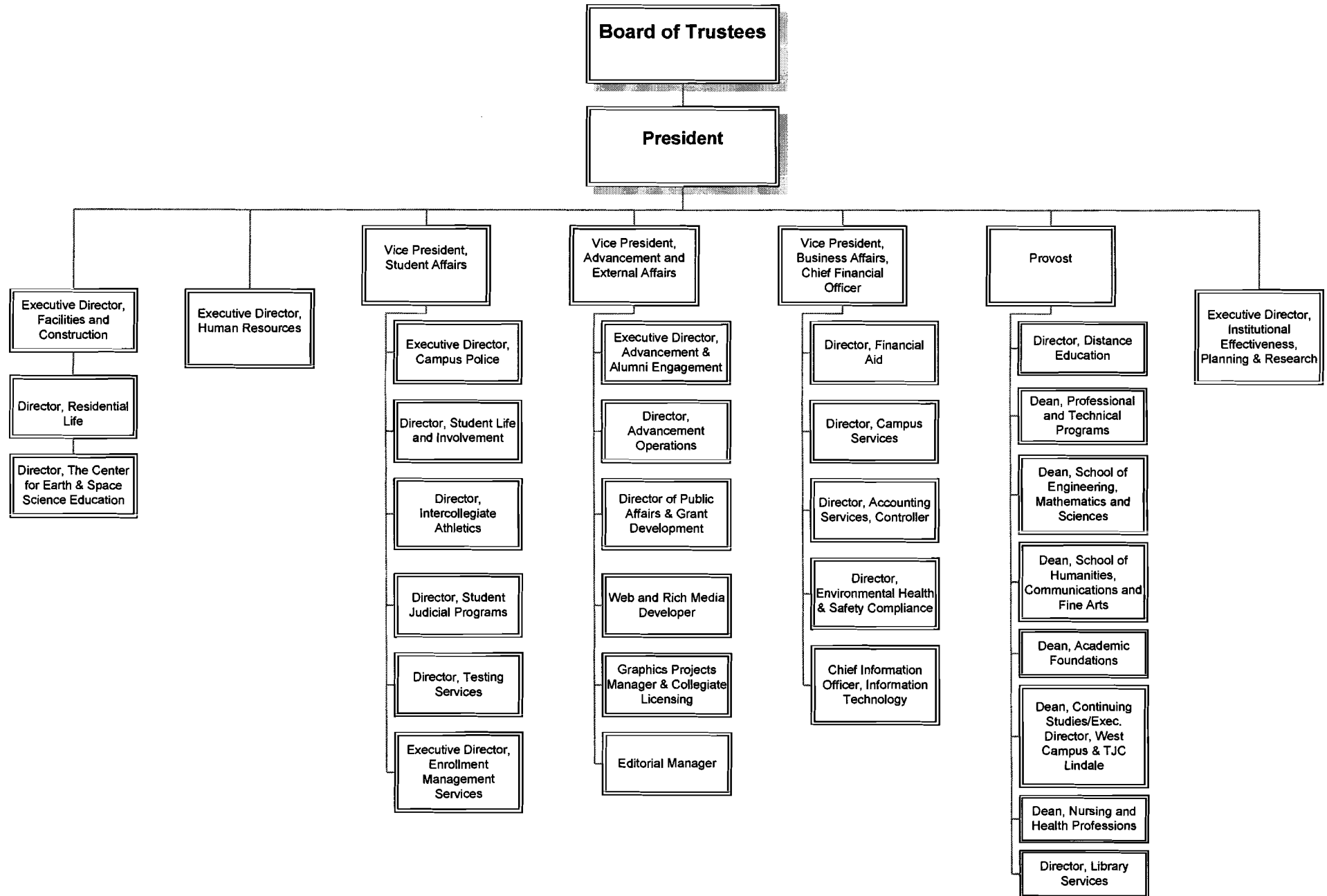
**Tyler Junior College District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO

TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE



TYLER JUNIOR COLLEGE

ORGANIZATIONAL DATA For the Fiscal Year 2013-2014

Board of Trustees

Officers

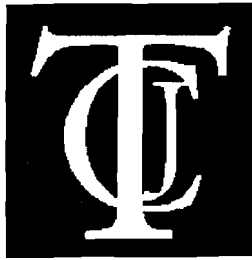
John Hills	President
Dr. Joseph Prud'homme	First Vice President
Ann Brookshire	Second Vice President

Members

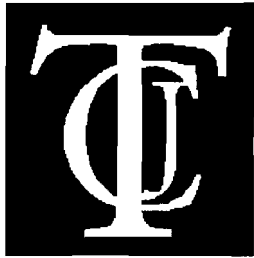
		Term Expires
		<u>May</u>
Rohn Boone	Tyler, Texas	2014
Mike Coker	Tyler, Texas	2018
David Hudson	Tyler, Texas	2014
Clint Roxburgh	Tyler, Texas	2016
Peggy Smith	Tyler, Texas	2016
Lonny Uzzell	Tyler, Texas	2018

Principal Administrative Officers

L. Michael Metke	President
Homer M. Hayes	Provost
Charles Florio	VP, Student Affairs
Juan Mejia	VP, Student Affairs (October 1, 2013)
Kim Russell	VP, Advancement/External Affairs
Sarah Van Cleef	VP, Business Affairs, CFO
W. Clayton Allen	Dean, Professional & Technical Programs
Lisa M. Harper	Dean, Academic Foundations
Paul R. Monagan	Dean, Nursing & Health Professions
Kenneth Murphy	Dean, Engineering, Mathematics/Sciences
Sarah Harrison	Interim Dean, Humanities, Communication/ Fine Arts
Aubrey D. Sharpe	Dean, Continuing Studies/Executive Administrator, West Campus/ TJC Lindale



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FINANCIAL
SECTION



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Tyler Junior College District
Tyler, Texas

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Tyler Junior College District as of and for the year ended August 31, 2013 and 2012, 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 \$40,225,913 as of August 31, 2013 and total revenues of \$5,964,899 for the year 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, 2013 and 2012, 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 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, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements 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 December 3, 2013, 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.



Certified Public Accountants

Tyler, Texas
December 3, 2013

Gollob Morgan Peddy PC
1001 ESE Loop 323, Suite 300, Tyler, TX 75701
Tel 903-534-0088 Fax 903-581-3915 www.gmpcpa.com

Members American Institute of Certified Public Accountants and Private Companies Practice Section

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 2013. 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 minus Liabilities). 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, invested in capital assets, net of debt, 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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2012 to 2013</u>	<u>2011 to 2012</u>
Assets					
Current Assets	\$ 29,191	\$ 27,617	\$ 28,161	\$ 1,574	\$ (544)
Capital Assets, Net	135,767	133,471	135,526	2,296	(2,055)
Other Assets	33,398	11,371	10,170	22,027	1,201
Total Assets	<u>198,356</u>	<u>172,459</u>	<u>173,857</u>	<u>25,897</u>	<u>(1,398)</u>
Liabilities					
Current Liabilities	32,636	27,830	27,956	4,806	(126)
Noncurrent Liabilities	72,650	55,738	63,043	16,912	(7,305)
Total Liabilities	<u>105,286</u>	<u>83,568</u>	<u>90,999</u>	<u>21,718</u>	<u>(7,431)</u>
Net Position					
Invested in Capital Assets, Net of Debt	79,833	72,351	68,010	7,482	4,341
Restricted: Expendable	511	440	375	71	65
Unrestricted	12,728	16,100	14,473	(3,372)	1,627
Total Net Position	<u>\$ 93,072</u>	<u>\$ 88,891</u>	<u>\$ 82,858</u>	<u>\$ 4,181</u>	<u>\$ 6,033</u>

The \$198.4 million in assets includes cash and cash equivalents of \$46.5 million. This represents a \$22.6 million increase over the cash and cash equivalents of \$23.9 million in FY2012. The issuance of \$25,000,000 of General Obligation Bonds, Series 2012, issued on September 26, 2012 for the construction of a new nursing and health science building accounts for the increase in cash and cash equivalents between FY2012 and FY2013. A review of the Statement of Net Position also reveals accounts receivable of \$15.3 million compared to \$14 million in FY2012 and just over \$16 million in FY2011. Approximately 85 percent of the accounts receivable are for student loans and fees.

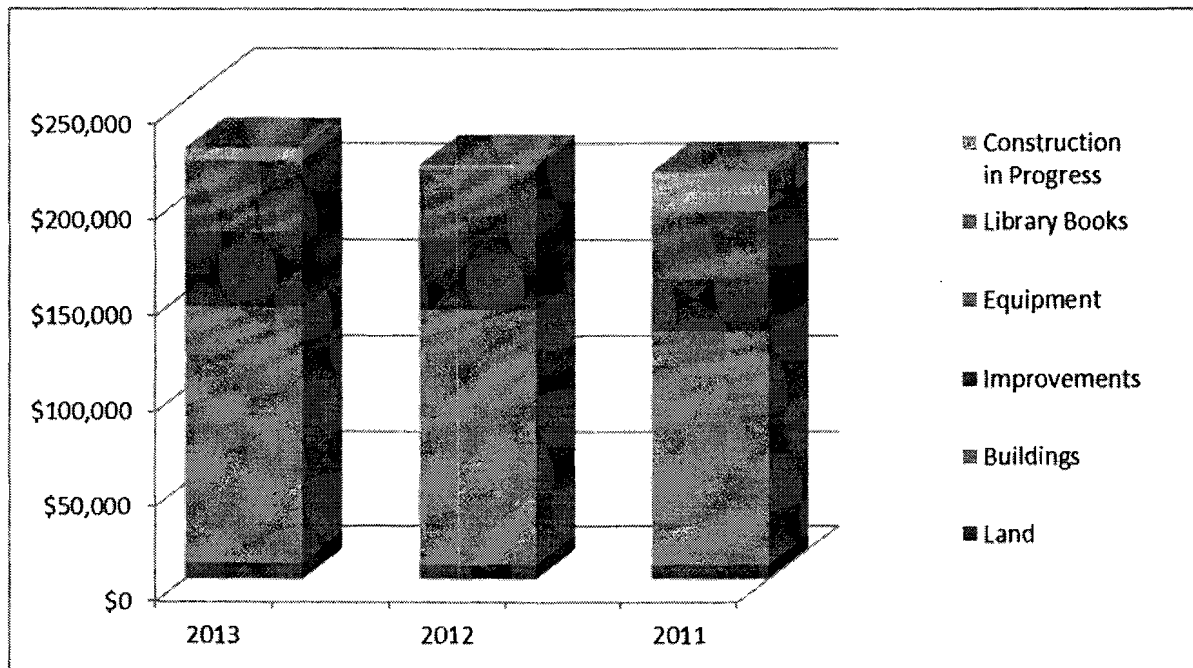
Capital assets display the result of the implementation of a policy to capitalize only those capital assets with an acquisition cost of \$5,000 or more. The consumption of assets follows the institutional philosophy to use available resources to acquire and improve all areas of the institution to better serve the instruction and public service missions of the institution.

Construction began on the new nursing and health science building that is scheduled to open in the spring of 2015. Renovations were completed on both the Apache Rooms in the Rogers

Student Center and the Campus Police Annex during FY2013. Additional improvements were made to instructional spaces throughout the year. Other projects completed included the installation and implementation of a new learning management system and the construction of a new surface level parking lot. Several properties were acquired throughout the year that increased the footprint of the District. 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 8 that discloses the details pertaining to long-term liabilities, and Number 9 that displays details of all outstanding bonds payable.

Capital Assets, Net, at Year End
(in thousands)

	August 31			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Capital Assets:					
Land	\$ 8,319	\$ 7,245	\$ 7,241	\$ 1,074	\$ 4
Buildings	134,319	133,938	123,007	381	10,931
Improvements	38,831	37,282	26,927	1,549	10,355
Equipment	36,644	35,991	35,217	653	774
Library Books	697	692	713	5	(21)
Construction in Progress	6,654	1,621	19,966	5,033	(18,345)
Total Capital Assets	\$ 225,464	\$ 216,769	\$ 213,071	\$ 8,695	\$ 3,698



Liabilities of \$105 million include debt of \$78 million and compensated absences of \$1.1 million as of the end of the 2013 fiscal year. This compares to liabilities in FY2012 of \$84 million with \$59 million of debt and \$1.2 million in compensated absences. Also included in the liabilities are student deposits and deferred revenue in excess of \$17 million.

The assets less liabilities result in a net position of \$93.1 million compared to \$88.9 million in FY2012 and \$82.9 million in FY2011. A major portion of the net position is the District's capital assets of \$79.8 million, and \$12.7 million in unrestricted resources.

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 9 and 10.

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)

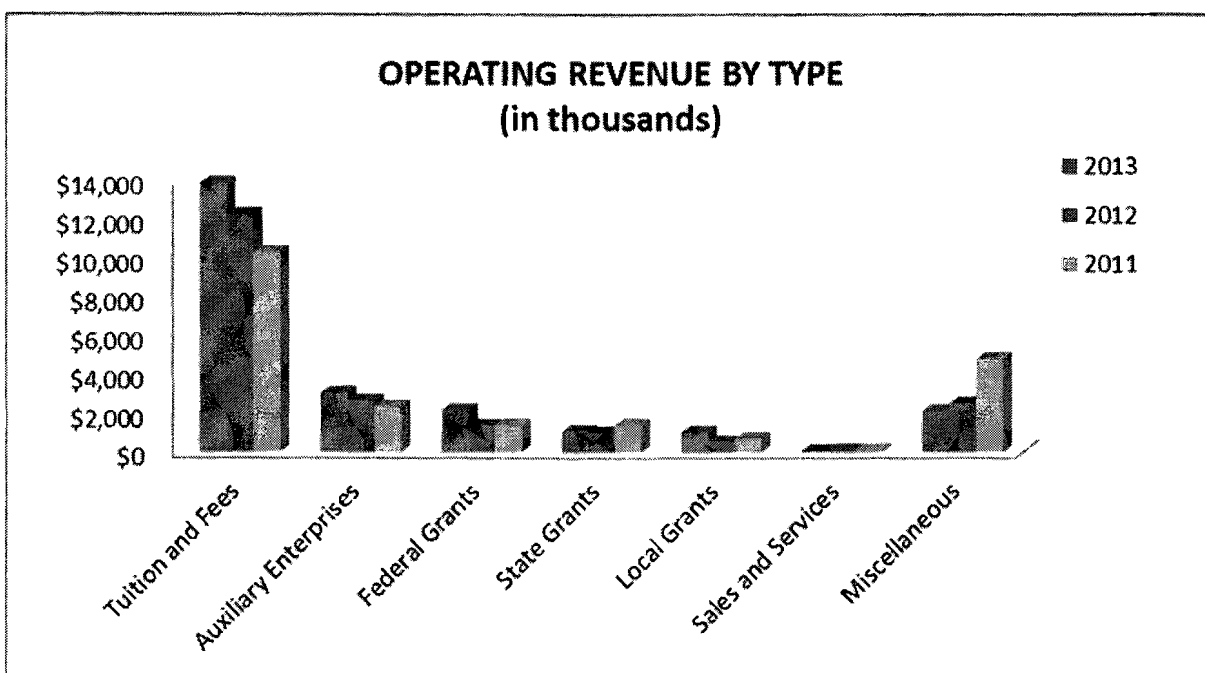
	August 31			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Operating Revenues					
Tuition and Fees	\$ 13,880	\$ 12,266	\$ 10,301	\$ 1,614	\$ 1,965
Federal Grants and Contracts	2,179	1,355	1,396	824	(41)
State Grants and Contracts	1,083	1,000	1,397	83	(397)
Local Grants and Contract	1,022	532	711	490	(179)
Sales and Service of Educational Activities	83	103	116	(20)	(13)
Auxiliary Enterprises	3,049	2,644	2,355	405	289
Miscellaneous	2,118	2,512	4,811	(394)	(2,299)
Total Operating Revenues	<u>23,414</u>	<u>20,412</u>	<u>21,087</u>	<u>3,002</u>	<u>(675)</u>
Operating Expenses					
Instruction	29,124	28,682	29,634	442	(952)
Public Service	1,242	1,388	1,399	(146)	(11)
Academic Support	2,682	2,486	2,821	196	(335)
Student Service	8,296	8,114	8,274	182	(160)
Institutional Support	12,957	11,433	10,777	1,524	656
Operation and Maintenance of Plant	7,140	6,190	5,054	950	1,136
Scholarship and Fellowships	2,964	2,824	3,122	140	(298)
Auxiliary Enterprises	6,802	6,723	6,311	79	412
Depreciation	6,444	5,820	4,967	624	853
Total Operating Expenses	<u>77,651</u>	<u>73,660</u>	<u>72,359</u>	<u>3,991</u>	<u>1,301</u>
Operating Loss	(54,237)	(53,248)	(51,272)	(989)	(1,976)
Non-Operating Revenues (Expenses)	<u>58,419</u>	<u>59,536</u>	<u>61,313</u>	<u>(1,117)</u>	<u>(1,777)</u>
Increase (Decrease) in Net Position	4,182	6,287	10,041	(2,105)	(3,754)
Net Position					
Net Position, Beginning of Year	88,890	82,858	72,817	6,032	10,041
Prior Period Adjustment	-	(255)	-	255	(255)
Net Position, End of Year	<u>\$ 93,072</u>	<u>\$ 88,890</u>	<u>\$ 82,858</u>	<u>\$ 4,182</u>	<u>\$ 6,032</u>

The nonoperating revenues (expenses) are comprised of \$20.3 million state educational contracts, \$21 million property taxes, \$19.8 million in Title IV financial assistance, investment income of \$188,790 and \$2.9 million interest paid on capital related debt. The total for nonoperating revenues decreased approximately 2% from FY2012. A significant contributor to the decrease was the 3.6% decline in state educational contracts. Although investment income increased from \$84,954 in FY2012 to \$188,790 in FY2013, interest rates remained at historical lows throughout the fiscal year.

The Statement of Revenues, Expenses, and Changes in Net Position reflects a positive year with an increase 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	
	2013	2012	2011	2012 to 2013	2011 to 2012
Operating Revenues					
Tuition and Fees	\$ 13,880	\$ 12,266	\$ 10,301	\$ 1,614	\$ 1,965
Auxiliary Enterprises	3,049	2,644	2,355	405	289
Federal Grants and Contracts	2,179	1,355	1,396	824	(41)
State Grants and Contracts	1,083	1,000	1,397	83	(397)
Local Grants and Contract	1,022	532	711	490	(179)
Sales and Service of Educational Activities	83	103	116	(20)	(13)
Miscellaneous	2,117	2,512	4,811	(395)	(2,299)
Total Operating Revenues	\$ 23,414	\$ 20,412	\$ 21,087	\$ 3,002	\$ (675)



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

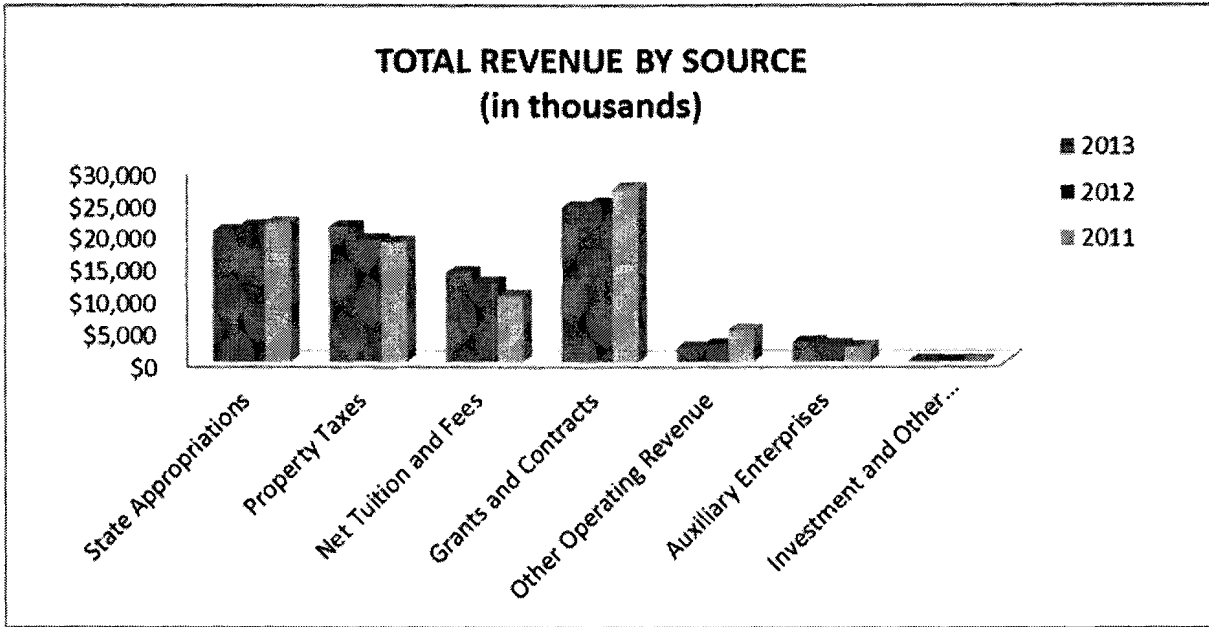
revenue followed by auxiliary enterprises. All other types of revenue represent approximately 28% of the total operating revenue.

The auxiliary services, other than the residence halls, are not self-supporting activities. Two principal auxiliary services, athletics and student activities, 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 slight increase in total revenue from FY2012 to FY2013, approximately 3% from \$82.3 million in FY2012 to \$84.7 million in FY2013. The Grants and Contracts source is the largest contributor in FY2013 at 28% compared to 30% and 32% for FY2012 and FY2011, 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 steadily declined over the last three years even though State Appropriations account for a significant portion of the District's revenue. For the year 2013, the State Appropriations were 24% of the total revenue for the District at \$20.3 million, compared to 26% in FY2012 at \$21.1 million and 25% in FY2011 at \$21.6 million. The property taxes source is usually the third largest contributor to the total revenue received by the District. With the increased amount of taxes collected as a result of the voter approved general obligation bond issued in September, 2012, and the continued collection of the taxes for the maintenance tax notes issued in October, 2009, property taxes account for 25% of total revenue for FY2013 or \$21 million. Property taxes accounted for 23% and 22% of total revenue for FY2012 and FY2011 or \$18.9 million and \$18.6 million, respectively. Other Operating Revenue represents only 3% of the total revenue.

Total Revenues by Source
(thousands of dollars)

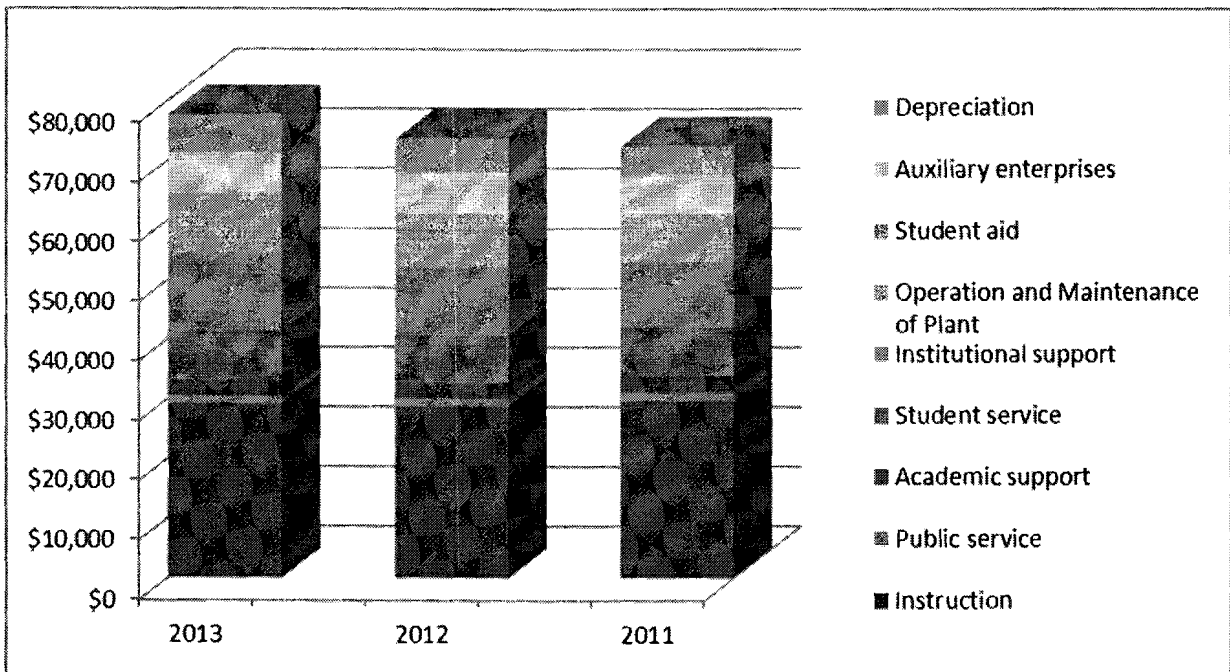
	<u>August 31</u>			<u>Change</u>	
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2012 to 2013</u>	<u>2011 to 2012</u>
Revenue Sources:					
State Appropriations	\$ 20,337	\$ 21,105	\$ 21,608	\$ (768)	\$ (503)
Property Taxes	21,022	18,937	18,638	2,085	299
Net Tuition and Fees	13,880	12,266	10,301	1,614	1,965
Grants and Contracts	24,051	24,649	27,046	(598)	(2,397)
Other Operating Revenue	2,201	2,615	4,927	(414)	(2,312)
Auxiliary Enterprises	3,049	2,644	2,355	405	289
Investment and Other Income	189	85	151	104	(66)
Total Revenue	<u>\$ 84,729</u>	<u>\$ 82,301</u>	<u>\$ 85,026</u>	<u>\$ 2,428</u>	<u>\$ (2,725)</u>

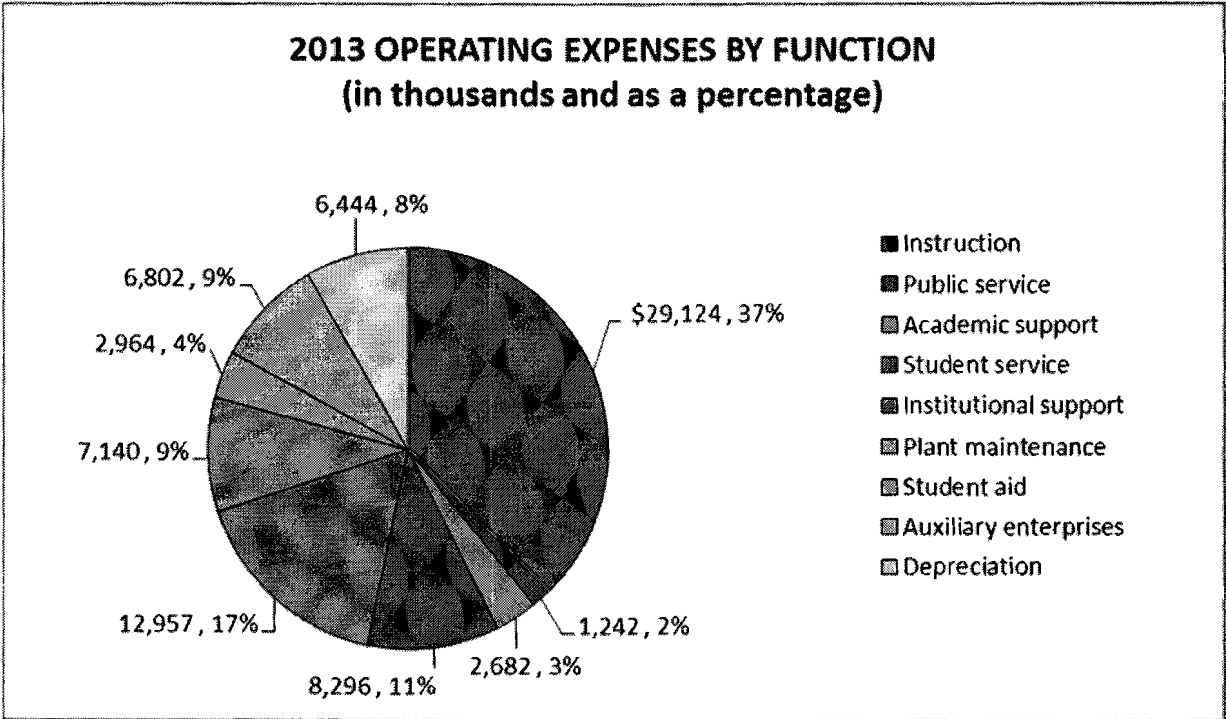


While the District experienced a modest increase in operating revenue for FY2013 of 14.7% or approximately \$3 million, the operating expenses increased slightly for FY2013 by 5.4% or approximately \$4 million. Costs to maintain enrollment at the District remained strong at over \$29 million for FY2013. There was a slight increase in Instruction cost of 2 percent or \$442 thousand for FY2013 to total \$29.1 million as compared to \$28.7 million in FY2012 and \$29.6 million in FY2011. This slight increase is attributable to several new faculty hires in new or expanding programs. Academic Support and Student Service expenses both experienced increases from FY2012 to FY2013 by approximately \$196,000 and \$182,000, respectively. Both of these areas actually saw slight declines in FY2012 from FY2011 of \$335,000 and \$160,000, correspondingly. The realignment of positions in Campus Police and Information Technology during FY2013 accounted for part of the 13% increase in Institutional Support. Student Aid increased by \$140,000 to \$2.9 million for FY2013 compared to \$2.8 million in FY2012. With completion of the projects funded by the maintenance tax notes and the full year of depreciation, the 11% increase in depreciation expense appears reasonable. The increase equates to a total Depreciation expense of \$6.4 million for FY2013 as compared to \$5.8 million in FY2012 and \$4.9 million in FY2011.

Operating Expenses by Function
(in thousands)

	August 31			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Operating Expenses:					
Instruction	\$ 29,124	\$ 28,682	\$ 29,634	\$ 442	\$ (952)
Public service	1,242	1,388	1,399	(146)	(11)
Academic support	2,682	2,486	2,821	196	(335)
Student service	8,296	8,114	8,274	182	(160)
Institutional support	12,957	11,433	10,777	1,524	656
Operation and Maintenance of Plant	7,140	6,190	5,054	950	1,136
Student aid	2,964	2,824	3,122	140	(298)
Auxiliary enterprises	6,802	6,723	6,311	79	412
Depreciation	6,444	5,820	4,967	624	853
Total Operating Expenses	\$ 77,651	\$ 73,660	\$ 72,359	\$ 3,991	\$ 1,301

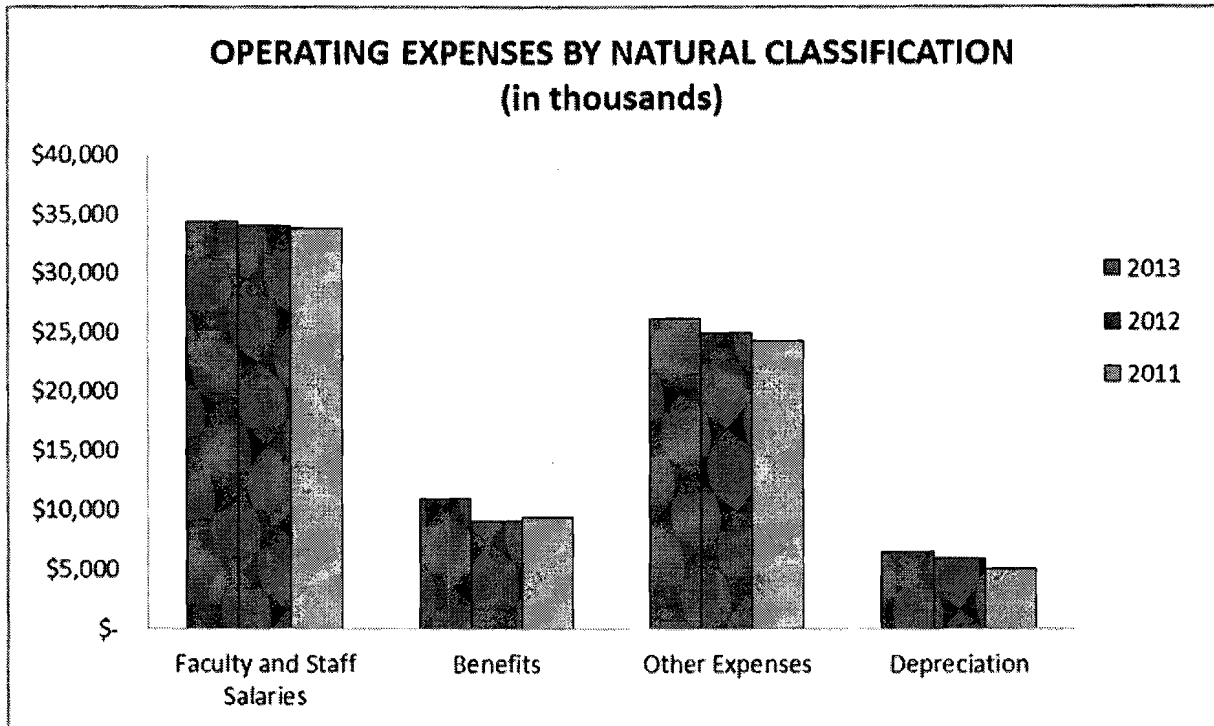




Although the District's operating expenses are reported by functional classification, the operating expenses restated by their natural classification is necessary because each function contains each of the natural classification expenses except depreciation that is considered both a functional and natural 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)

	August 31			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Operating Expenses:					
Salaries	\$ 34,239	\$ 33,969	\$ 33,791	\$ 270	\$ 178
Benefits	10,871	8,961	9,319	1,910	(358)
Other Expenses	26,097	24,936	24,283	1,161	653
Depreciation	6,444	5,820	4,966	624	854
Total Operating Expenses	\$ 77,651	\$ 73,686	\$ 72,359	\$ 3,965	\$ 1,327



Approximately 44% of the District's \$77.7 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$45.1 million is 58.1% of the District's total operating expense as compared to 58.3% in FY2012 and 60% in FY2011. The second highest portion of the operating expenses is the \$26.1 million of operating expenses that the District paid in FY2013 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$24.9 million in FY2012 and \$24.3 million in FY2011. Depreciation expense increased in FY2013 to \$6.4 million up from \$5.8 million in FY2012 and \$5 million in FY2011.

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)

	August 31			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Cash Provided (used) by:					
Operating Activities	\$ (44,481)	\$ (43,409)	\$ (41,965)	\$ (1,072)	\$ (1,444)
Noncapital Financing Activities	57,623	59,286	58,579	(1,663)	707
Capital and Related Financing Activities	8,792	(12,523)	(37,325)	21,315	24,802
Investing Activities	703	1,110	4,572	(407)	(3,462)
Net Change in Cash	<u>22,637</u>	<u>4,464</u>	<u>(16,139)</u>	<u>18,173</u>	<u>20,603</u>
Cash, Beginning of Year	23,882	19,418	35,557	4,464	(16,139)
Cash, End of Year	<u>\$ 46,519</u>	<u>\$ 23,882</u>	<u>\$ 19,418</u>	<u>\$ 22,637</u>	<u>\$ 4,464</u>

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2013 totaled \$21.8 million as compared to \$20.6 million in both FY2012 and FY2011. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$66.3 million in FY2013 as compared to \$64 million in FY2012 and \$62.6 million in FY2011. These receipts and cash outlay payments resulted in \$1.1 million more net cash used by operating activities in FY2013.

State educational contracts were once the primary source of noncapital financing. Property tax revenue and non-operating 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 FY2013, \$57.6 million was received as compared to \$59.3 million in FY2012 and \$58.6 million in FY2011. 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, \$617,238 was disbursed greater than the amount received in FY2013 as compared to \$134,499 disbursed greater than the amount received in FY2012 and \$145,288 received greater than the disbursed amount in FY2011.

The capital and related financing activities in FY2013 included \$6.4 million expended for campus improvements and renovations. The FY2012 included \$4.1 million expended for campus improvements and renovations. This compares to \$25.5 million expended in FY2011 for campus

improvements and renovations in addition to the repairs and renovations made possible by the proceeds from the issuance of the maintenance tax notes for the District. Financing outflows also include expenditures for debt service payments and related long-term debt interest. The long-term debt interest of \$2.9 million was \$550 thousand more than the amount paid in FY2012.

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 FY2013 was \$104 thousand more than the amount received in FY2012. There were \$515 thousand in investments, specifically certificates of deposits, which matured during FY2013 compared to \$1.5 million in investments, specifically certificates of deposits, which matured during FY2012. There were \$4.4 million in investments that matured during FY2011. There were no investments purchased during FY2013 compared to a GE Corporate Bond (Aa2 / AA+ rated) that was purchased during FY2012 for \$515 thousand.

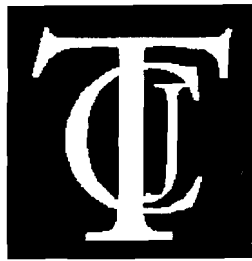
Economic Outlook

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 decreased slightly for the 2012-2013 academic year as compared to the enrollment for the 2011-2012 year. The recovery from the national recession and the lower unemployment in the region has played a significant part in the decreased enrollment as the numbers of displaced workers desiring to improve their skills or even obtain a new skill set has remained relatively level from FY2012 to FY2013. The enrollment will continue to be stable as the fiscal year 2013 students continue their education. Current enrollment levels are expected for fiscal year 2014 as the local and national economies continue to recover.

The District's overall financial position is strong. However, the District continues to deal with the lingering effects of the slow economy. The District is surviving the financial pressures by maintaining operating budget controls, addressing reserves, evaluation of new hires and capital expenditures and assessment of current processes and procedures to locate efficiencies. As a result of the increased enrollment over the past several years and the continued economic conditions, the District is operating with proportionally less staff and an increased workload. The 82nd Texas Legislature made significant budget decisions during the 2011 session which are

impacting community colleges throughout the state for the current 2012-2013 biennium and will for years to come. Given the economic constraints at the local, state and national level, relatively flat ad-valorem tax valuation changes and student fee increases, the District anticipates fiscal year 2014 will be comparable to fiscal year 2013 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.



TYLER
JUNIOR
COLLEGE
DISTRICT



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DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AS OF AUGUST 31, 2013 AND 2012

ASSETS	2013	2012
Current Assets		
Cash and Cash Equivalents	\$ 13,806,295	\$ 12,976,190
Investments	-	514,760
Accounts Receivable (net of allowance for doubtful accounts of \$4,942,993 and \$4,760,399 respectively)	15,258,947	14,020,060
Prepaid Expenses	126,042	106,251
Total Current Assets	29,191,284	27,617,261
Noncurrent Assets		
Cash and Cash Equivalents	32,713,197	10,905,909
Deferred Charges	685,733	464,616
Capital Assets (Net)	135,767,325	133,470,916
	169,166,255	144,841,441
TOTAL ASSETS	\$ 198,357,539	\$ 172,458,702
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 7,352,103	\$ 4,162,643
Deferred Revenues	17,778,656	17,113,812
Current Portion of Compensated Absences	107,068	117,193
Current Portion of Bonds Payable	6,735,000	5,540,000
Current Portion of Notes Payable	663,432	896,729
Total Current Liabilities	32,636,259	27,830,377
Noncurrent Liabilities		
Accrued Compensable Absences Payable	963,608	1,054,735
Bonds Payable	70,880,163	53,354,068
Notes and Loans Payable	805,753	1,329,483
Total Noncurrent Liabilities	72,649,524	55,738,286
TOTAL LIABILITIES	105,285,783	83,568,663
NET POSITION		
Invested in capital assets, net of related debt	79,832,528	72,350,636
Restricted		
Expendable		
Financial Aid and Scholarships	511,271	439,077
Unrestricted	12,727,957	16,100,326
Total Net Position	93,071,756	88,890,039
TOTAL LIABILITIES AND NET POSITION	\$ 198,357,539	\$ 172,458,702

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2013 and 2012

	2013	2012
ASSETS		
Cash and Cash Equivalents	2,115,594	2,458,115
Investments	35,112,320	31,644,761
Funds Held in Trust	269,630	264,464
Charitable Gift Annuities	273,347	266,414
Other Assets	54,550	53,798
Total Invested Funds	37,825,441	34,687,552
Contributions Receivable (Net of allowance for uncollectible pledges)	1,168,193	66,885
Real Estate	592,231	1,064,193
Deferred Expense	640,048	571,023
Total Assets	\$ 40,225,913	\$ 36,389,653
LIABILITIES		
Accounts Payable - Tyler Junior College	733,263	683,454
Deferred Revenue	53,193	89,079
Total Liabilities	786,456	772,533
NET POSITION		
Unrestricted	6,289,099	5,995,647
Temporarily Restricted	6,636,148	4,643,038
Permanently Restricted	26,514,210	24,978,435
Total Net Position	39,439,457	35,617,120
TOTAL LIABILITIES & NET POSITION	\$ 40,225,913	\$ 36,389,653

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

TYLER JUNIOR COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012

REVENUES	<u>2013</u>	<u>2012</u>
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$16,689,212 and \$18,450,133 in discounts)	\$ 13,880,102	\$ 12,266,066
Auxiliary Enterprises (net of \$2,736,120 and \$2,855,748 in discounts)	3,049,065	2,643,800
Federal Grants and Contracts	2,178,556	1,355,015
State Grants and Contracts	1,083,295	999,893
Local Grants and Contracts	1,022,395	532,168
Sales and Service of Educational Activities	83,075	103,019
Interest on Student Loans	31,410	32,920
Miscellaneous Operating Revenues	<u>2,086,399</u>	<u>2,478,619</u>
Total Operating Revenues	<u>23,414,297</u>	<u>20,411,500</u>
EXPENSES		
Operating expenses		
Instruction	29,123,820	28,681,895
Public Service	1,242,178	1,388,391
Academic Support	2,681,755	2,486,289
Student Services	8,295,712	8,114,349
Institutional Support	12,957,310	11,432,943
Operations and Maintenance of Plant	7,139,979	6,189,870
Scholarship and Fellowships (net of \$19,216,701 and \$20,773,115 in discounts)	2,964,736	2,824,070
Auxiliary Enterprises	6,802,087	6,722,866
Depreciation	<u>6,443,662</u>	<u>5,819,654</u>
Total Operating Expenses	<u>77,651,239</u>	<u>73,660,327</u>
Operating (Loss)	<u>(54,236,942)</u>	<u>(53,248,827)</u>
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	20,337,298	21,105,328
Property Taxes	21,022,138	18,937,231
Federal Revenue, Non Operating	19,766,591	21,761,914
Investment Income	188,790	84,954
Interest on Capital Related Debt	<u>(2,896,158)</u>	<u>(2,353,194)</u>
Total Non-Operating Revenues (Expenses)	<u>58,418,659</u>	<u>59,536,233</u>
Increase in Net Position	<u>4,181,717</u>	<u>6,287,406</u>
Net Position, Beginning of the Year, as previously stated	88,890,039	82,858,041
Prior Period Adjustment	<u>-</u>	<u>(255,408)</u>
Net Position, Beginning of the Year, as restated	<u>88,890,039</u>	<u>82,602,633</u>
Net Position, End of the Year	<u>\$ 93,071,756</u>	<u>\$ 88,890,039</u>

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2013 and 2012

	2013				2012			
	Unrestricted	Temporarily Restricted	Permantly Restricted	Total	Unrestricted	Temporarily Restricted	Permantly Restricted	Total
Revenue and Other Support:								
Contributions and Fund-raising	\$ 192,228	\$ 3,000,530	\$ 1,342,296	\$ 4,535,054	\$ 196,350	\$ 1,288,578	\$ 605,838	\$ 2,090,766
Unrealized Gain (loss)								
on Investments	(130,312)	7,536	6,933	(115,843)	1,105,461	12,241	5,484	1,123,186
Net Gain (loss) on Sales	766,798	-	-	766,798	(333,612)	-	-	(333,612)
Investment Income	688,389	16,119	74,382	778,890	739,167	7,405	90,092	836,664
Donor Transfers	(581,281)	469,117	112,164	-	(501,418)	498,344	3,074	-
Net Assets								
Released from Restrictions	1,500,192	(1,500,192)	-	-	1,550,674	(1,546,674)	(4,000)	-
Total Revenues	<u>2,436,014</u>	<u>1,993,110</u>	<u>1,535,775</u>	<u>5,964,899</u>	<u>2,756,622</u>	<u>259,894</u>	<u>700,488</u>	<u>3,717,004</u>
Administrative	22,698	-	-	22,698	17,480	-	-	17,480
Fund-Raising								
Golf Tournament	49,086	-	-	49,086	41,500	-	-	41,500
Other	48,162	-	-	48,162	338	-	-	338
Real Estate	5,323	-	-	5,323	5,522	-	-	5,522
Scholarships & Awards								
Support of TJC	1,026,646	-	-	1,026,646	720,442	-	-	720,442
Scholarships	961,192	-	-	961,192	887,608	-	-	887,608
Other Awards	29,455	-	-	29,455	23,536	-	-	23,536
Total Expenditures	<u>2,142,562</u>	<u>-</u>	<u>-</u>	<u>2,142,562</u>	<u>1,696,426</u>	<u>-</u>	<u>-</u>	<u>1,696,426</u>
Change in Net Position	293,452	1,993,110	1,535,775	3,822,337	1,060,196	259,894	700,488	2,020,578
Net Position, September 1	5,995,647	4,643,038	24,978,435	35,617,120	4,935,451	4,383,144	24,277,947	33,596,542
Net Position, August 31	<u>\$ 6,289,099</u>	<u>\$ 6,636,148</u>	<u>\$ 26,514,210</u>	<u>\$ 39,439,457</u>	<u>\$ 5,995,647</u>	<u>\$ 4,643,038</u>	<u>\$ 24,978,435</u>	<u>\$ 35,617,120</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, 2013 AND 2012

CASH FLOWS FROM OPERATING ACTIVITIES	2013	2012
Receipts from students and other customers	\$ 13,632,981	\$ 13,305,762
Receipt of state financial aid	1,083,295	999,893
Receipt of federal financial aid	2,178,556	1,355,015
Receipt of local grants and support	60,207	532,168
Receipt from sales and services of educational activities	83,075	103,019
Receipt from auxiliary enterprises	3,049,065	2,643,800
Receipt of interest on student loans	31,410	32,920
Receipt from other operating revenues	1,608,127	1,647,642
Collections on student loans	42,755	2,262
Payments for salaries and benefits to employees	(41,454,232)	(39,421,624)
Payments to suppliers for goods and services	(24,796,526)	(24,609,953)
	(44,481,287)	(43,409,096)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipt from state educational contracts	16,580,217	17,482,955
Receipts from Non Operating Federal Revenue	21,012,359	18,944,900
Property tax revenues	19,412,930	22,992,884
Receipts from student organizations	1,612,348	1,574,852
Payments to student organizations	(995,110)	(1,709,351)
	57,622,744	59,286,240
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets and construction costs	(6,409,067)	(4,127,959)
Bond proceeds	25,000,000	-
Note proceeds	209,363	-
Issuance costs on debt	(2,214)	-
Principal payments on capital related debt	(7,566,390)	(6,857,779)
Interest on capital related debt	(2,917,578)	(2,368,921)
Contributions received for capital related financing	478,272	830,977
	8,792,386	(12,523,682)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	188,790	84,954
Maturity of investments	514,760	1,540,103
Purchases of investments	-	(514,760)
	703,550	1,110,297
Increase (decrease) in cash and cash equivalents	22,637,393	4,463,759
Cash and cash equivalents, September 1	23,882,099	19,418,340
Cash and cash equivalents, August 31	\$ 46,519,492	\$ 23,882,099
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 13,806,295	\$ 12,976,190
Cash and cash equivalents - noncurrent	32,713,197	10,905,909
Total cash and cash equivalents	\$ 46,519,492	\$ 23,882,099

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

Reconciliation of operating loss to net cash used by operating activities			
Operating loss	\$	(54,236,942)	\$ (53,274,395)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation		6,443,662	5,819,654
Donated revenue		(471,961)	-
Non-operating plant revenue		(478,272)	(830,977)
Amortization of deferred charges		(611,947)	(249,405)
Payments made directly by state for benefits		3,757,081	3,622,373
(Increase) decrease in assets			
Receivables (net)		(869,210)	1,409,223
Prepaid expenses		(19,791)	(76,228)
Increase (decrease) in liabilities			
Accounts payable and accrued liabilities		1,442,501	651,440
Deferred revenues		664,844	(367,265)
Compensated absences		(101,252)	(113,516)
		<u> </u>	<u> </u>
Net cash used in operating activities	\$	<u>(44,481,287)</u>	\$ <u>(43,409,096)</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 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, 2013, the foundation distributed \$1,397,381 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 Building on the District's main campus.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Report 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 and Junior 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.

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.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Current Funds. Under Texas law, contracts lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. All encumbrances outstanding at year end have been canceled.

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.

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 historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value at the date of the 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

Use of 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.

Cash and Cash Equivalents

The District defines cash and cash equivalents to be deposits held in banks plus cash on hand. 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.

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.

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 collectibility of the respective accounts.

Deferred Charges

Included in deferred charges are bond discounts which are amortized under the effective interest method over the remaining life of the bonds.

Change in Presentation

Certain amounts in the prior year totals have been changed to conform to the current year presentation.

Prior Period Adjustment

During the current year, the District implemented the provisions of GASB Statement No. 63 "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*", and GASB Statement No. 65 "*Items Previously Reported as Assets and Liabilities*".

Under GASB Statement No. 65, bond issuance costs associated with the issue of bonded debt which were previously amortized over the life of the bond issue are now expensed as incurred. In accordance with the provisions of GASB Statement No. 65, the District had unamortized bond issue costs in the amount of \$255,408 which existed as of August 31, 2011 which are being written off as a prior period adjustment as a reduction to the total net position in the prior year presentation.

NOTE 3 — AUTHORIZED INVESTMENTS

Tyler Junior College District is authorized to invest in obligations and instruments as defined in the *Public Funds Investment Act* (Chapter 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 District's investment pool with Texpool has oversight from the State Comptroller of Public Accounts. 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, 2013 and August 31, 2012, the District had the following deposits and investments:

	August 31, 2013		August 31, 2012	
	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	42,263,178	44,797,642	19,699,021	21,427,206
Total Deposits	42,763,178	45,297,642	20,199,021	21,927,206
Petty cash on hand	5,401	-	5,250	-
Bond investment account	-	-	24,001	24,001
Texpool Investments	3,750,913	3,750,913	3,653,827	3,653,827
Total Cash and Cash Equivalents	<u>\$ 46,519,492</u>	<u>\$ 49,048,555</u>	<u>\$ 23,882,099</u>	<u>\$ 25,605,034</u>
	August 31, 2013		August 31, 2012	
	Fair Value	Maturity Date	Fair Value	Maturity Date
Investments				
GE 4.8%	-	-	514,760	5/1/13
Total Investments	-		514,760	
Total Cash and Cash Equivalents and Investments	<u>\$ 46,519,492</u>		<u>\$ 24,396,859</u>	

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

Credit Risk – The District's investment pool with Texpool has a AAAM rating with Standard and Poor's. The GE investment carried a AA+ rating with Standard & Poor's as of August 31, 2013.

Concentration of Credit Risk – The District’s investment policy does not place a limit on the amount the District may invest in any one insurer. The District’s largest investment as of August 31, 2013 and 2012 is as follows:

<u>Investment</u>	<u>% of Total Deposits and Investments</u>	
	<u>8-31-13</u>	<u>8-31-12</u>
Texpool	8.06%	14.98%

NOTE 5 — ACCOUNTS RECEIVABLE

Accounts receivable at August 31, 2013 and August 2012, are the following:

	<u>8-31-13</u>	<u>8-31-12</u>
Student tuition and fees receivable (net of allowance for doubtful accounts of \$2,211,601 and \$2,074,181, respectively)	\$ 12,936,396	\$ 11,887,828
Taxes receivable (net of allowance for doubtful accounts of \$471,161 and \$419,928 respectively)	574,845	564,886
Federal receivable	613,343	259,682
Student loans receivable (net of allowance for doubtful accounts of \$2,260,231 and \$2,266,290 respectively)	-	36,697
Other receivables	1,134,363	1,270,967
	<u>\$ 15,258,947</u>	<u>\$ 14,020,060</u>

NOTE 6 — CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable assets				
Land	\$ 7,245,026	\$ 1,073,657	\$ -	\$ 8,318,683
Construction in progress	1,620,544	7,245,762	2,211,809	6,654,497
Total nondepreciable capital assets	<u>8,865,570</u>	<u>8,319,419</u>	<u>2,211,809</u>	<u>14,973,180</u>
Depreciable capital assets				
Buildings	133,938,112	380,403	-	134,318,515
Improvements	37,282,004	1,549,541	-	38,831,545
Library books	691,865	50,349	45,332	696,882
Equipment	35,991,641	652,168	-	36,643,809
Total depreciable capital assets	<u>207,903,622</u>	<u>2,632,461</u>	<u>45,332</u>	<u>210,490,751</u>
Total Capital Assets	<u>216,769,192</u>	<u>10,951,880</u>	<u>2,257,141</u>	<u>225,463,931</u>
Less accumulated depreciation				
Buildings	37,809,653	3,314,859	-	41,124,512
Improvements	15,099,069	1,872,980	-	16,972,049
Library books	385,590	69,688	45,332	409,946
Equipment	30,003,964	1,186,135	-	31,190,099
Total accumulated depreciation	<u>83,298,276</u>	<u>6,443,662</u>	<u>45,332</u>	<u>89,696,606</u>
Net Capital Assets	<u>\$ 133,470,916</u>	<u>\$ 4,508,218</u>	<u>\$ 2,211,809</u>	<u>\$ 135,767,325</u>

NOTE 7 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at August 31, 2013 and August 31, 2012 were the following:

	8-31-13	8-31-12
Vendors payable	\$ 4,717,908	\$ 1,767,231
Salaries and benefits payable	2,502,277	2,284,914
Interest payable	131,918	110,4985
Total Accounts Payable and Accrued Liabilities	<u>\$ 7,352,103</u>	<u>\$ 4,162,643</u>

Included in accounts payable is a liability of \$500,000 recorded as of August 31, 2013, to record estimated sales taxes payable on residential meal plans.

NOTE 8 — LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds and notes					
Bonds payable	\$ 58,894,068	\$ 25,000,000	\$ 6,278,905	\$ 77,615,163	\$ 6,735,000
Notes payable					
Energy project B	1,893,572	-	564,089	1,329,483	594,723
Training center	332,640	-	332,640	-	-
Data backup system	-	209,363	69,661	139,702	68,709
Total notes payable	<u>2,226,212</u>	<u>209,363</u>	<u>966,390</u>	<u>1,469,185</u>	<u>663,432</u>
Total bonds and notes payable	<u>61,120,280</u>	<u>25,209,363</u>	<u>7,245,295</u>	<u>79,084,348</u>	<u>7,398,432</u>
Other liabilities					
Compensated absences	<u>1,171,928</u>	<u>25,652</u>	<u>126,904</u>	<u>1,070,676</u>	<u>107,068</u>
Total other liabilities	<u>1,171,928</u>	<u>25,652</u>	<u>126,904</u>	<u>1,070,676</u>	<u>107,068</u>
Total Long-term Liabilities	<u>\$ 62,292,208</u>	<u>\$ 25,235,015</u>	<u>\$ 7,372,199</u>	<u>\$ 80,155,024</u>	<u>\$ 7,505,500</u>

NOTE 9 — BONDS PAYABLE

Bonds payable as of August 31, 2013 and August 31, 2012 are comprised of the following:

	8-31-13	8-31-12
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.	\$ 17,730,000	\$ 20,020,000

Combined Fee Revenue Bonds, Series 2006, issued to construct a new satellite plant and student housing, issued October 26, 2006 for \$39,675,000, plus premium of \$941,611; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.

31,855,000 33,005,000

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.

23,940,000 -

Combined Fee Revenue Refunding and Improvement Bonds, Series 2004, issued to refund the Series 1994 issue and to construct new parking lots, issued October 1, 2004 for \$18,915,000, plus premium of \$243,947; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary enterprise revenues.

2,170,000 4,270,000

Total 75,695,000 57,295,000

Plus: Unamortized Bond Premium 1,920,163 1,559,068

Net Outstanding Bonds Payable \$ 77,615,163 \$ 58,894,068

Bonds are due in annual principal installments varying from \$480,000 to \$2,780,000 with interest rates from 2.50% to 5.00% with the final installments due in 2036.

The principal payments in \$5,000 denomination increments and interest expense requirements for the bonds for the next five years and beyond is summarized below:

Year Ending 8/31	Principal Due 2/15 or 8/15	Interest Rates	Interest Due		Total Principal and Interest Requirements
			2/15	8/15	
2014	\$ 6,735,000	2.00 - 4.00	1,434,792	1,401,092	\$ 9,570,884
2015	4,670,000	2.00 - 4.00	1,339,217	1,281,067	7,290,284
2016	4,790,000	3.00 - 5.00	1,256,267	1,191,542	7,237,809
2017	4,940,000	3.00 - 4.00	1,159,292	1,092,942	7,192,234
2018	5,085,000	2.00 - 4.00	1,065,842	1,003,192	7,154,034
2019-2023	17,830,000	2.00 - 4.125	4,051,578	3,864,503	25,746,081
2024-2028	12,545,000	3.00 - 4.25	2,823,922	2,724,022	18,092,944
2029-2033	13,680,000	3.00 - 5.00	1,501,827	1,405,741	16,587,568
2034-2036	<u>5,420,000</u>	5.00	<u>275,375</u>	<u>275,375</u>	<u>5,970,750</u>
	<u>\$ 75,695,000</u>		<u>\$ 14,908,112</u>	<u>\$ 14,239,476</u>	<u>\$ 104,842,588</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.

The 2004 Series Bond indenture also requires that the following information concerning insurance coverage as of August 31, 2013 be disclosed:

<u>POLICY</u>	<u>COVERAGE</u>	<u>PREMIUM</u>	<u>POLICY TERM</u>
<u>Commercial Package</u>		\$213,574	9/1/12 – 9/1/13
Building and Contents	\$141,384,213		
Dwellings	250,000		
Mobile equipment	543,403		
Electronic data processing	3,568,402		
Musical instruments	858,341		
<u>General Liability:</u>			
General aggregate	3,000,000		
Products comp/op aggregate	2,000,000		
Personal and advertising injury	2,000,000		
Employee benefits	1,000,000		
Tenants legal liability	1,000,000		
Each occurrence	1,000,000		
Medical expense (any one person)	5,000		
<u>Commercial Umbrella</u>		59,915	9/1/12– 9/1/13
General aggregate	15,000,000		
Products and completed			
Ops	15,000,000		
Each occurrence	15,000,000		
Employee occupational disease	15,000,000		
Retained limit	1,000,000		
<u>Business Automobile</u>		48,326	9/1/12 – 9/1/13
Combined single limits	1,000,000		
Medical payments	5,000		
Underinsured motorist	1,000,000		
<u>Medical Malpractice Liability</u>		18,770	9/1/12 – 9/1/13
Each incident	2,000,000		
Aggregate	4,000,000		
<u>School Board Legal Liability</u>		30,997	9/1/12 – 9/1/13
Each occurrence	1,000,000		
Aggregate	1,000,000		
<u>Law Enforcement Professional Liability</u>		11,587	9/1/12 – 9/1/13
Each person	1,000,000		
Aggregate	1,000,000		
Each occurrence	1,000,000		
<u>Worker's Compensation</u>		47,554	9/1/12 – 9/1/13
No limit/no deductible			

NOTE 10 – NOTES PAYABLE

The District has the following loans at August 31, 2013 and August 31, 2012:

	<u>8-31-13</u>	<u>8-31-12</u>
<u>Southside Bank:</u>		
For energy conservation project; original loan amount of \$6,420,664, interest at 5.3% beginning 11/5/99; with monthly installments of \$54,240.80 beginning 11/5/00 principal payments to begin 11/05/01, unsecured.	\$ 1,329,483	\$ 1,893,572

Southside Bank:

For construction of Regional Skills Training Center in the City of Tyler Reinvestment Zone #1; annual payments including interest at 5.30% due beginning August 15, 2002; annual payments vary from \$250,000 to \$680,000; final payment due August 15, 2013; secured by building and real estate.

- 332,640

De Lage Landen Public Finance

For software and hardware to execute and maintain data backup system; annual payments including interest at 3.27% beginning February 15, 2013 in the amount of \$72,044.74

139,702 -

Total \$ 1,469,185 \$ 3,618,545

Maturities of the notes payable for years subsequent to August 31, 2013 are as follows:

Fiscal Year	Southside Bank		De Lage Landen Finance		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 594,723	\$ 48,748	\$ 68,709	\$ 3,336	\$ 663,432	\$ 52,084
2015	627,020	20,716	70,993	1,052	698,013	21,768
2016	107,740	625	-	-	107,740	625
Totals	\$ 1,329,483	\$ 70,089	\$ 139,702	\$ 4,388	\$ 1,469,185	\$ 74,477

NOTE 11 — COMPENSATED 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 his 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 for \$1,070,676. Sick leave, which can be accumulated to a limit of 720 hours, is earned at the rate of eight hours per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

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

NOTE 12 — EMPLOYEES' RETIREMENT PLAN

In lieu of Federal Social Security benefits, the Board of Trustees of the District has chosen to participate in the Teacher Retirement System of Texas (TRS) or an approved optional retirement program to provide retirement income. All full-time employees of the District are legally required to participate in the Teacher Retirement System of Texas unless they have previously elected to join an optional retirement plan. Each employee choosing an optional plan pays 6.65 percent of their salary to an approved insurance company, the District pays 2.50 percent, and the state pays 6.00 percent.

Plan Description

The Teacher Retirement System of Texas, PERS (Public Employee Retirement System) is a multiple employer defined benefit pension plan. It is a cost sharing PERS with one exception: all risks and costs are not shared by the employer, but are the liability of the State of Texas. By statute, the State of Texas contributes to the retirement system an amount equal to the current authorized rate times the aggregate annual compensation of all members of the retirement system during that fiscal year. For members of the retirement system entitled to the minimum salary for certain school personnel under Section 16.056, Education Code, the employing district shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum. TRS operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Types of Employees Covered

Types of employees covered include 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, Subtitle C Section 822.002.

The retirement expense to the State of Texas for the District was \$1,672,054 and \$1,594,050 for the fiscal years ended August 31, 2013 and 2012. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District and has been recognized as revenue and expenses by the District in the financial statements. Participants contributed \$1,849,088 (\$1,205,675 for the Teacher Retirement System and \$643,413 for the Optional Retirement Program). The District contributed \$123,337 to the Optional Retirement Program to cover the 2.50% referenced above.

Total payroll for the District's employees was \$34,239,034 and \$33,969,065 for the fiscal years ended August 31, 2013 and 2012, respectively. Total payroll of employees covered by the Teacher Retirement System was \$18,838,672 and \$18,062,892, and the total payroll of employees covered by the Optional Retirement System was \$9,675,383 and \$10,109,855 for the fiscal years ended August 31, 2013 and 2012, respectively.

Benefit Provisions

The Teacher Retirement System of Texas administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school system of Texas. It operates primarily under the provisions of Texas Constitution Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The system also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and Chapter 805, respectively.

TRS Service Retirement

- (1) Normal — age 65 with 5 years of service, or
any combination of age plus service which equals or exceeds 80 years
- (2) Reduced — age 55 with at least 5 years of service, or
any age below 50 with 30 or more years of service

A member is fully vested after 5 years of creditable service and entitled to any benefit for which eligibility requirements have been met.

Funding Policy

State law provides for a state contribution rate for fiscal years 2013, 2012, and 2011 of 6.0% and a member contribution rate of 6.4%. These rates are set by state statutes. In certain instances, the reporting district is required to make all or a portion of the state's 6.0% contribution.

Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system during that fiscal year. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. The contribution requirement for the fiscal years ended August 31, 2011, 2012 and 2013 for the District was \$2,231,811, \$2,239,799 and \$2,411,350 which consisted of \$1,044,381 (44.98%), \$964,150 (43.05%) and \$1,068,911 (44.33%) from the state; \$134,185 (5.78%), \$119,624 (5.34%) and \$136,764 (5.67%) from the District and \$1,143,245 (49.24%), \$1,156,025 (51.61%), and \$1,205,675 (50.00%) from employees.

NOTE 13 — EMPLOYEE BENEFIT PLANS

The District established a cafeteria plan as described in Section 125 of the Internal Revenue Code. The plan provides various health and dependent care benefits on non-discriminatory basis to substantially all employees of the District through accounts funded with before-tax employee contributions and contributions from the District. Accumulated or unused benefits are forfeited to the District following a 90-day grace period after the fiscal year end. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

NOTE 14 — DEFERRED COMPENSATION PLAN

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted by Government Code 609.001 and in Senate Bill No. 872 of the 63rd Legislature. The employees' investments are held in tax-deferred annuity plans pursuant to Internal Revenue Code Section 403(b). Also, 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 Internal Revenue Code Section 457(g)(3). As of August 31, 2013, the District had 50 employees participating in the 403(b) program while 23 employees were participating in the 457 plan. A total of \$302,374 and \$163,404 in payroll deductions had been invested in the 403(b) and 457 approved plans, respectively, during the fiscal year.

During the current year, the District extended its executive deferred compensation agreement with its president. The original agreement was for a three year period and called for the District to set aside \$37,500 each year which will be paid out in accordance with the completion of employment by the president for each year under the agreement. The extension goes for an additional three year period with the same terms except the funds are to be transferred into a retirement account pursuant to Internal Revenue Code 401(a) and the funds will be directed at the discretion of the president.

NOTE 15 — PENDING LAWSUITS AND CLAIMS

On August 31, 2013, there were no lawsuits filed against the District nor were there any claims involving the District which were pending.

During the 82nd legislative session, the Texas Legislature restricted the State's contribution to the Teachers' Retirement System (TRS) and Optional Retirement Program (ORP) on behalf of community colleges to only six percent of each district's unrestricted general revenue

appropriation for each year of the biennium state budget. As of August 31, 2012, the shortfall between the contribution amount provided for in Texas Constitution article 16, section 6(b)(3) and the amount appropriated during the 82nd legislative session was estimated to be \$514,564. The District recorded a liability for this amount as of August 31, 2012, which represented the contribution not paid to TRS on behalf of District employees as of that date. The Texas Legislature passed legislation during the 83rd legislative session to collect the TRS/ORP shortfall contributions from community colleges through either direct payment by August 31, 2013 or a deduction of appropriations for fiscal year 2014. The 2012 actual shortfall contribution amount of \$501,656, along with the estimated 2013 shortfall contribution amount of \$620,168, were paid to TRS prior to August 31, 2013. Future contribution amounts will be paid monthly in accordance with current appropriate legislation.

Property purchased during the prior year and designated for the construction of a new building was determined to be possibly contaminated from underground fuel storage tanks on the property at the time of the purchase. The District did not take title to these underground tanks, but agreed, as part of the purchase of the property, to act as agent for the tank owner in related remediation efforts. The tanks were removed during the current fiscal year and the property continues to be cleaned and monitored as construction progresses. Any future remediation costs incurred will be paid by the District as improvements to the property.

NOTE 16 — 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, 2013	Year Ended August 31, 2012
Unrestricted Current Funds	<u>\$602,158</u>	<u>\$648,201</u>
Total	<u>\$602,158</u>	<u>\$648,201</u>

NOTE 17 — 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:

	8-31-13	8-31-12
Liability, beginning of year	\$ -	\$ -
Incurred claims (including IBNRs)	-	-
Claim payments	-	-
Liability, end of year	<u>\$ -</u>	<u>\$ -</u>

NOTE 18 — POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits

by expending the annual insurance premiums. The state's contribution per full-time employee was \$695 per month for the year ended August 31, 2013. The state cost of providing those benefits for all employees totaled \$2,103,014 with \$1,221,686 for 209 retirees and \$881,328 for 620 active employees.

NOTE 19 — PROPERTY TAXES

Property taxes are levied each October 1 on the assessed value of property in the taxing district as of the prior January 1. 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. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Assessed Valuation of the District	\$	14,446,911,494
Less: Exemptions		3,443,579,922
Net Taxable Valuation of the District	\$	<u>11,003,331,572</u>

	Current Operations	Debt Service	Total
Tax rate per \$100 valuation for authorized (Maximum per enabling legislation)	\$.2800	-	\$.2800
Tax rate per \$100 valuation for assessed	\$.150647	\$.049279	\$.199926

Taxes levied for the year ended August 31, 2013 amounted to \$20,721,317.

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$15,347,829	\$5,066,902	\$20,414,731
Delinquent taxes collected	268,473	44,159	312,632
Penalties and interest collected	259,498	35,277	294,775
Total Collections	\$15,875,800	\$5,146,338	\$21,022,138

The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures. Tax collections for the year ended August 31, 2013 were approximately 98.52% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

NOTE 20 — DEFERRED REVENUES AND EXPENSES

Revenues received and expenses incurred which are applicable to the future fiscal year's operations are recorded as deferred revenues and deferred charges, respectively, in the financial statements.

NOTE 21 — 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, 2013 and 2012.

NOTE 22 — CONTRACTUAL AGREEMENTS

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

The District also has an agreement for the operation and management of the campus bookstore. The manager owns all inventories of merchandise and has the sole and exclusive right to sell this inventory. In consideration for the use of campus space, the manager pays the greater of a yearly fee as stated in the contract, or a percentage of all gross revenues in a contract year as outlined in the contract. The District recently awarded a new contract to the same manager beginning September 1, 2012 through August 31, 2022. The terms of the new agreement calls 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 recently renewed through August 31, 2014.

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

The District participates in a tax increment financing agreement under Chapter 311 of the Texas Tax Code through the City of Tyler Reinvestment Zone #1. The Reinvestment Zone was created for the purpose of financing the construction of a District-owned educational facility. The District and two other taxing entities pledged their incremental tax collections on growth in the appraised values, above a base level established when the Reinvestment Zone was created in 1998, for the construction of a new facility. The debt for financing the construction was paid in full as of August 31, 2013, six years prior to maturity. The District was in negotiation at the end of fiscal year 2013 to extend the tax increment financing agreement for a future project.

The District has a contract with a local hospital to provide on-campus medical care. The health care provider maintains a clinic in the student center on the main campus. The contract is currently under an annual renewal option through August 31, 2014.

The District also has a contract for custodial services with an outside company. The payment terms under the contract are \$71,404 per month with contract addendums at a rate of \$1,318 per month for any additional positions. The contract began September 1, 2011 and runs through August 31, 2014. The contract was amended beginning September 1, 2012, to add four new individuals and the amount changed to \$78,382 per month.

During a prior year, the District entered into two separate agreements to provide educational opportunities at satellite centers. The first agreement was a joint effort with a local hospital and a neighboring Economic Development Corporation to provide nursing classes in a renovated wing of an existing hospital. Under this agreement, the District received funding from the hospital and the Economic Development Corporation over a three year period to assist in building improvements and the operations of the nursing program. The original five year lease term expired July 31, 2013, but was automatically renewed for an additional term of one year through July 31, 2014.

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. There was also an initial contribution of \$49,800 to go towards renovations for the classrooms. Additional classroom space was added in a prior fiscal year the monthly lease payment was increased accordingly. The agreement was renewed effective August 31, 2014.

The District entered into an agreement beginning June 1, 2010 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 two year period with two one year extensions.

During a prior year, the District purchased some property adjoining its main campus. As part of this purchase, the District signed a one year lease agreement with the property owner in which the District will receive \$1,200 per month until the lease ends on December 14, 2010. This lease agreement was extended through January 10, 2013. During the current year, the building located on the property was demolished and the property is now vacant.

Effective August 23, 2010, the District entered into an agreement with another neighboring Economic Development Council to establish a nursing program at a state hospital. The agreement ends July 31, 2014.

NOTE 23 – 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 59% of total current Unrestricted Fund revenues.

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

Tuition – (\$30) per Semester Hour for Texas residents; (\$50) per semester hour non-Texas residents.

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

General Education Fee – (\$37) 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 - \$32/\$75/\$100 per Laboratory Course

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

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

Defrays the cost of private lessons.

Out of District Surcharge – (\$46) 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 – \$15/\$30 per Semester

Designated for use in constructing and maintaining parking facilities.

Health Service Fee – \$15/\$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 24 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 3, 2013 the date which the financial statements were available to be issued.

The District plans to begin construction on an Energy Center during fiscal year 2014. The Energy Center project is an amendment to the existing tax increment financing plan from August 31, 1999, that provided funds for the 70,000 square foot Skills Training Center on the West Campus. The amendment extends the tax increment financing agreement to 2029. The Energy Center will consist of a 51,024 square foot addition to the Skills Training Center. The current HAVAC and Powertrack programs, in addition to a new Electrical program, will initially be housed in the facility. Industry initiated alternate energy programs are planned for future occupancy. Construction is planning to be complete by spring 2015. The District issued \$9,705,000, in combined fee revenue bonds subsequent to year end in connection with the construction mentioned above.

The District also plans to issue additional revenue bonds during fiscal year 2014 to complete construction of the Robert M. Rogers Nursing and Health Sciences Center and a new 200-bed residence hall.



TYLER
JUNIOR
COLLEGE
DISTRICT

SUPPLEMENTAL
INFORMATION

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2013
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/13	Total 8/31/12
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 2,631,756	\$ -	\$ 2,631,756	\$ -	\$ 2,631,756	\$ 2,821,312
Out-of-District Resident Tuition	4,010,924	-	4,010,924	-	4,010,924	3,997,402
TPEG **	454,880	-	454,880	-	454,880	476,382
Non-Resident Tuition	606,120	-	606,120	-	606,120	600,266
Continuing Education	1,458,051	-	1,458,051	-	1,458,051	1,514,710
Non-State Funded Continuing Education	872,133	-	872,133	-	872,133	372,473
Total Tuition	<u>10,033,864</u>	<u>-</u>	<u>10,033,864</u>	<u>-</u>	<u>10,033,864</u>	<u>9,782,545</u>
Fees						
General Education Fee	9,149,139	-	9,149,139	-	9,149,139	9,405,599
Out-of-District Fee	6,705,360	-	6,705,360	-	6,705,360	6,680,869
Laboratory Fee	1,441,721	-	1,441,721	-	1,441,721	1,582,895
Registration Fee	941,887	-	941,887	-	941,887	959,600
Student Life Fee	-	-	-	436,453	436,453	451,722
Health Service Fee	-	-	-	735,611	735,611	755,455
Other	1,125,279	-	1,125,279	-	1,125,279	1,097,514
Total Fees	<u>19,363,386</u>	<u>-</u>	<u>19,363,386</u>	<u>1,172,064</u>	<u>20,535,450</u>	<u>20,933,654</u>
Allowances and Discounts						
Bad Debt Allowance	-	-	-	(208,631)	(208,631)	(532,765)
Federal Grants to Students	(12,561,583)	-	(12,561,583)	-	(12,561,583)	(14,547,451)
TPEG Allowances	(302,238)	-	(302,238)	-	(302,238)	(323,801)
State Grants to Students	(787,770)	-	(787,770)	-	(787,770)	(684,938)
Contributions	(267,833)	-	(267,833)	-	(267,833)	(221,770)
Scholarships and Performance Grants	(1,414,054)	-	(1,414,054)	-	(1,414,054)	(1,515,864)
Waivers and Exemptions	(1,147,103)	-	(1,147,103)	-	(1,147,103)	(623,544)
Total Scholarship Allowances and Discounts	<u>(16,480,581)</u>	<u>-</u>	<u>(16,480,581)</u>	<u>(208,631)</u>	<u>(16,689,212)</u>	<u>(18,450,133)</u>
Net Tuition and Fees	<u>12,916,669</u>	<u>-</u>	<u>12,916,669</u>	<u>963,433</u>	<u>13,880,102</u>	<u>12,266,066</u>
Additional Operating Revenues						
Federal Grants and Contracts	56,820	2,121,736	2,178,556	-	2,178,556	1,355,015
State Grants and Contracts	-	1,083,295	1,083,295	-	1,083,295	999,893
Local Grants and Contracts	476,655	545,740	1,022,395	-	1,022,395	532,168
Sales and Service of Educational Activities	83,075	-	83,075	-	83,075	103,019
Interest on Student Loans	31,410	-	31,410	-	31,410	32,920
Other	2,086,399	-	2,086,399	-	2,086,399	2,478,619
Total Additional Operating Revenues	<u>2,734,359</u>	<u>3,750,771</u>	<u>6,485,130</u>	<u>-</u>	<u>6,485,130</u>	<u>5,501,634</u>
Auxiliary Enterprises						
Housing and Meals	-	-	-	5,075,144	5,075,144	4,895,682
Scholarship Allowances and Discounts	-	-	-	(2,736,120)	(2,736,120)	(2,855,748)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,339,024</u>	<u>2,339,024</u>	<u>2,039,934</u>
Bookstore Commissions	-	-	-	450,000	450,000	312,613
Other Auxiliary Revenues	-	-	-	260,041	260,041	291,253
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,049,065</u>	<u>3,049,065</u>	<u>2,643,800</u>
Total Operating Revenues	<u>\$ 15,651,028</u>	<u>\$ 3,750,771</u>	<u>\$ 19,401,799</u>	<u>\$ 4,012,498</u>	<u>\$ 23,414,297</u>	<u>\$ 20,411,500</u>

** In accordance with Education Code 56.033, \$454,880 and \$476,382 for years August 31, 2013 and 2012, 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, 2013
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)

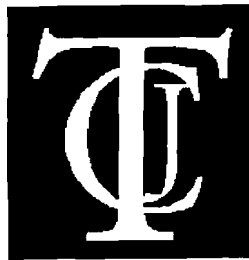
	Salaries and Wages	Benefits		Other Expenses	Total 8/31/13	Total 8/31/12
		State	Local			
<u>Unrestricted - Educational Activities</u>						
Instruction	\$ 19,907,312	\$ -	\$ 1,214,399	\$ 4,606,320	\$ 25,728,031	\$ 26,216,203
Public Service	45,623	-	4,841	38,506	88,970	78,024
Academic Support	2,276,790	-	145,182	397,642	2,819,614	2,182,667
Student Services	3,228,981	-	167,456	1,830,550	5,226,987	6,639,848
Institutional Support	5,513,783	-	4,814,031	3,436,033	13,763,847	10,957,066
Operation and Maintenance of Plant	964,117	-	327,902	5,414,137	6,706,156	6,189,870
Scholarships and Fellowships	-	-	-	1,810,685	1,810,685	1,338,049
Total Unrestricted	<u>31,936,606</u>	<u>-</u>	<u>6,673,811</u>	<u>17,533,873</u>	<u>56,144,290</u>	<u>53,601,727</u>
<u>Restricted - Education and General</u>						
Instruction	312,791	2,518,316	14,973	549,709	3,395,789	2,465,692
Public Service	815,198	85,718	23,956	228,336	1,153,208	1,310,367
Academic Support	46,053	319,180	-	18,947	384,180	303,622
Student Services	119,591	328,897	38,174	1,182,340	1,669,002	1,474,501
Institutional Support	-	504,970	-	-	504,970	475,877
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	124,220	-	-	1,029,831	1,154,051	1,486,021
Total Restricted	<u>1,417,853</u>	<u>3,757,081</u>	<u>77,103</u>	<u>3,009,163</u>	<u>8,261,200</u>	<u>7,516,080</u>
Total Educational and General	33,354,459	3,757,081	6,750,914	20,543,036	64,405,490	61,117,807
Auxiliary Enterprises	884,575	-	363,032	5,554,480	6,802,087	6,722,866
Depreciation Expense - Buildings and Improvements	-	-	-	5,187,839	5,187,839	4,635,970
Depreciation Expense - Equipment	-	-	-	1,186,135	1,186,135	1,114,498
Depreciation Expense - Library Books	-	-	-	69,688	69,688	69,186
Total Operating Expenses	<u>\$ 34,239,034</u>	<u>\$ 3,757,081</u>	<u>\$ 7,113,946</u>	<u>\$ 32,541,178</u>	<u>\$ 77,651,239</u>	<u>\$ 73,660,327</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2013
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)

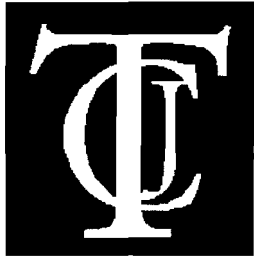
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/13</u>	<u>Total 8/31/12</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 16,477,885	\$ -	\$ -	\$ 16,477,885	\$ 17,475,155
State Group Insurance	-	2,103,014	-	2,103,014	1,994,919
State Retirement Matching	-	1,654,067	-	1,654,067	1,627,454
Professional Nursing Shortage Reduction	-	102,332	-	102,332	7,800
Total State Appropriations	<u>16,477,885</u>	<u>3,859,413</u>	<u>-</u>	<u>20,337,298</u>	<u>21,105,328</u>
Property Taxes	21,022,138	-	-	21,022,138	18,937,231
Federal Revenue, Non Operating	-	19,766,591	-	19,766,591	21,761,914
Investment Income	<u>188,790</u>	<u>-</u>	<u>-</u>	<u>188,790</u>	<u>84,954</u>
Total Non-Operating Revenues	37,688,813	23,626,004	-	61,314,817	61,889,427
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	<u>2,896,158</u>	<u>-</u>	<u>-</u>	<u>2,896,158</u>	<u>2,353,194</u>
Total Non-Operating Expenses	<u>2,896,158</u>	<u>-</u>	<u>-</u>	<u>2,896,158</u>	<u>2,353,194</u>
Net Non-Operating Revenues	<u>\$ 34,792,655</u>	<u>\$ 23,626,004</u>	<u>\$ -</u>	<u>\$ 58,418,659</u>	<u>\$ 59,536,233</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 FOR THE YEAR ENDED AUGUST 31, 2013
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted Expendable	Restricted Non-Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:							
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board Designated	5,607,662	-	-	-	5,607,662	5,607,662	-
Restricted	-	511,271	-	-	511,271	511,271	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(1,501,450)	-	-	-	(1,501,450)	-	(1,501,450)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	8,621,745	-	-	-	8,621,745	-	8,621,745
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	79,832,528	79,832,528	-	79,832,528
Total Net Position, August 31, 2013	12,727,957	511,271	-	79,832,528	93,071,756	6,118,933	86,952,823
Total Net Position, August 31, 2012	16,100,326	439,077	-	72,350,636	88,890,039	5,646,739	83,243,300
Net Increase (Decrease) in Net Position	\$ (3,372,369)	\$ 72,194	\$ -	\$ 7,481,892	\$ 4,181,717	\$ 472,194	\$ 3,709,523



TYLER
JUNIOR
COLLEGE
DISTRICT



TYLER
JUNIOR
COLLEGE
DISTRICT

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,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net Position By Component:										
Invested in capital assets, net of related debt	\$ 79,832,528	\$ 72,350,636	\$ 68,009,970	\$ 64,757,406	\$ 53,315,039	\$ 50,438,514	\$ 44,698,637	\$ 37,494,060	\$ 33,186,486	\$ 30,458,118
Restricted - expendable	511,271	439,077	375,381	322,993	390,206	279,879	254,967	514,813	438,572	455,848
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	12,727,957	16,100,326	14,472,690	7,736,349	12,462,921	11,472,105	12,035,888	10,293,674	9,122,504	8,798,968
Total primary government net position	\$ 93,071,756	\$ 88,890,039	\$ 82,858,041	\$ 72,816,748	\$ 66,168,166	\$ 62,190,498	\$ 56,989,492	\$ 48,302,547	\$ 42,747,562	\$ 39,712,934
	For the Fiscal Year Ended August 31,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Change in Net Position:										
Total Operating and Non-Operating Revenues	\$ 84,729,114	\$ 82,300,927	\$ 85,025,538	\$ 78,942,754	\$ 69,844,418	\$ 63,823,903	\$ 64,848,306	\$ 58,148,882	\$ 55,140,318	\$ 52,946,987
Total Operating and Non-Operating Expenses	80,547,397	76,013,521	74,984,245	72,294,172	65,866,750	58,874,027	56,161,361	52,593,897	52,334,334	51,118,491
Prior Period Adjustment	4,181,717	6,287,406	10,041,293	6,648,582	3,977,668	4,949,876	8,686,945	5,554,985	2,805,984	1,828,496
	-	(255,408)	-	-	-	251,130	-	-	228,644	-
Change in Net Position	4,181,717	6,031,998	10,041,293	6,648,582	3,977,668	5,201,006	8,686,945	5,554,985	3,034,628	1,828,496
Beginning Net Position	88,890,039	82,858,041	72,816,748	66,168,166	62,190,498	56,989,492	48,302,547	42,747,562	39,712,934	37,884,438
Ending Net Position	\$ 93,071,756	\$ 88,890,039	\$ 82,858,041	\$ 72,816,748	\$ 66,168,166	\$ 62,190,498	\$ 56,989,492	\$ 48,302,547	\$ 42,747,562	\$ 39,712,934

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,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of discounts)	\$ 13,880,102	\$ 12,266,066	\$ 10,301,101	\$ 13,604,236	\$ 14,089,899	\$ 12,617,864	\$ 11,730,292	\$ 10,977,104	\$ 10,595,736	\$ 9,515,381
Governmental grants and contracts										
Federal grants and contracts	2,178,556	1,355,015	1,396,514	1,454,506	1,212,034	1,212,570	10,160,145	10,223,670	11,197,044	10,898,288
State grants and contracts	1,083,295	999,893	1,396,955	1,808,213	1,163,946	879,500	761,238	759,512	169,575	780,501
Local grants and contracts	1,022,395	532,168	711,217	220,893	1,084,404	639,049	3,859,709	1,483,700	645,900	689,770
Sales and services of educational activities	83,075	103,019	116,134	117,104	117,582	117,432	120,413	127,001	119,095	116,882
Auxiliary enterprises	3,049,065	2,643,800	2,354,905	2,945,922	3,669,051	2,155,663	1,913,423	1,882,595	1,704,214	1,675,119
Other operating revenues	2,117,809	2,511,539	4,810,549	2,121,555	2,083,271	1,638,187	1,527,841	1,483,781	1,586,280	1,569,377
Total Operating Revenues	23,414,297	20,411,500	21,087,375	22,272,429	23,420,187	19,260,265	30,073,061	26,937,363	26,017,844	25,245,318
State appropriations	20,337,298	21,105,328	21,608,189	22,673,865	21,455,637	21,245,661	20,508,466	20,224,347	18,751,833	18,719,793
Property taxes	21,022,138	18,937,231	18,638,057	14,638,019	13,062,824	12,646,609	11,540,450	10,358,973	9,944,249	8,852,688
Federal Revenue, Non Operating	19,766,591	21,761,914	23,541,831	19,019,795	11,596,985	9,426,159	-	-	-	-
Investment income	188,790	84,954	150,086	338,646	308,785	1,245,209	2,726,329	628,199	426,392	129,188
Total Non-Operating Revenue	61,314,817	61,889,427	63,938,163	56,670,325	46,424,231	44,563,638	34,775,245	31,211,519	29,122,474	27,701,669
Total Revenues	\$ 84,729,114	\$ 82,300,927	\$ 85,025,538	\$ 78,942,754	\$ 69,844,418	\$ 63,823,903	\$ 64,848,306	\$ 58,148,882	\$ 55,140,318	\$ 52,946,987

	For the Fiscal Year Ended August 31,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of discounts)	16.38%	14.90%	12.12%	17.23%	20.17%	19.77%	18.09%	18.88%	19.22%	17.97%
Governmental grants and contracts										
Federal grants and contracts	2.57%	1.65%	1.64%	1.84%	1.74%	1.90%	15.67%	17.58%	20.31%	20.58%
State grants and contracts	1.28%	1.21%	1.64%	2.29%	1.67%	1.38%	1.17%	1.31%	0.31%	1.47%
Local grants and contracts	1.21%	0.65%	0.84%	0.28%	1.55%	1.00%	5.95%	2.55%	1.17%	1.30%
Sales and services of educational activities	0.10%	0.13%	0.14%	0.15%	0.17%	0.18%	0.19%	0.22%	0.22%	0.22%
Sales and services of auxiliary enterprises	3.60%	3.21%	2.77%	3.73%	5.25%	3.38%	2.95%	3.24%	3.09%	3.16%
Other operating revenues	2.50%	3.05%	5.66%	2.69%	2.98%	2.57%	2.36%	2.55%	2.88%	2.96%
Total Operating Revenues	27.63%	24.80%	24.80%	28.21%	33.53%	30.18%	46.37%	46.32%	47.18%	47.68%
State appropriations	24.00%	25.64%	25.41%	28.72%	30.72%	33.29%	31.63%	34.78%	34.01%	35.36%
Property taxes	24.81%	23.01%	21.92%	18.54%	18.70%	19.81%	17.80%	17.81%	18.03%	16.72%
Federal Revenue, Non Operating	23.33%	26.44%	27.69%	24.09%	16.60%	14.77%	0.00%	0.00%	0.00%	0.00%
Investment income	0.22%	0.10%	0.18%	0.43%	0.44%	1.95%	4.20%	1.08%	0.77%	0.24%
Total Non-Operating Revenue	72.37%	75.20%	75.20%	71.79%	66.47%	69.82%	53.63%	53.68%	52.82%	52.32%
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. Only the 2008 through 2013 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,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	\$ 29,123,820	\$ 28,681,895	\$ 29,633,824	\$ 28,626,927	\$ 23,422,228	\$ 22,710,169	\$ 21,567,887	\$ 21,503,321	\$ 20,116,719	\$ 19,578,850
Public service	1,242,178	1,388,391	1,398,852	1,151,093	937,675	766,819	853,108	795,946	851,994	754,664
Academic support	2,681,755	2,486,289	2,821,105	2,893,825	2,288,336	2,792,468	2,743,044	2,258,222	2,390,014	2,541,825
Student services	8,295,712	8,114,349	8,274,507	8,404,501	7,623,631	6,652,637	5,903,966	5,814,380	4,861,229	4,711,533
Institutional support	12,957,310	11,432,943	10,777,224	9,790,843	9,429,124	8,005,762	7,660,364	7,244,061	6,944,575	6,465,459
Operation and maintenance of plant	7,139,979	6,189,870	5,054,499	5,080,838	6,695,457	4,568,476	4,292,141	4,404,959	4,978,443	4,393,280
Scholarships and fellowships	2,964,736	2,824,070	3,122,074	2,818,571	2,680,538	3,375,802	3,608,328	4,291,640	4,686,891	3,551,692
Auxiliary enterprises	6,802,087	6,722,866	6,310,926	6,165,791	6,132,424	4,731,450	4,544,006	2,742,029	2,492,706	3,091,061
Depreciation	6,443,662	5,819,654	4,966,820	4,348,266	4,125,569	3,128,316	2,812,021	2,670,266	3,892,193	4,551,096
Total Operating Expenses	77,651,239	73,660,327	72,359,831	69,280,655	63,334,982	56,731,899	53,984,865	51,724,824	51,214,764	49,639,460
Interest on capital related debt	2,896,158	2,353,194	2,624,414	3,013,517	2,531,768	2,142,128	2,176,496	869,073	1,119,570	1,479,031
Total Non-Operating Expenses	2,896,158	2,353,194	2,624,414	3,013,517	2,531,768	2,142,128	2,176,496	869,073	1,119,570	1,479,031
Total Expenses	\$ 80,547,397	\$ 76,013,521	\$ 74,984,245	\$ 72,294,172	\$ 65,866,750	\$ 58,874,027	\$ 56,161,361	\$ 52,593,897	\$ 52,334,334	\$ 51,118,491

For the Fiscal Year Ended August 31,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	36.16%	37.73%	39.52%	39.60%	35.56%	38.57%	38.40%	40.89%	38.44%	38.30%
Public service	1.54%	1.83%	1.87%	1.59%	1.42%	1.30%	1.52%	1.51%	1.63%	1.48%
Academic support	3.33%	3.27%	3.76%	4.00%	3.47%	4.74%	4.88%	4.29%	4.57%	4.97%
Student services	10.30%	10.67%	11.03%	11.63%	11.57%	11.30%	10.51%	11.06%	9.29%	9.22%
Institutional support	16.09%	15.04%	14.37%	13.54%	14.32%	13.60%	13.64%	13.77%	13.27%	12.65%
Operation and maintenance of plant	8.86%	8.14%	6.74%	7.03%	10.17%	7.76%	7.64%	8.38%	9.51%	8.59%
Scholarships and fellowships	3.68%	3.72%	4.16%	3.90%	4.07%	5.73%	6.42%	8.16%	8.96%	6.95%
Auxiliary enterprises	8.44%	8.84%	8.42%	8.53%	9.31%	8.04%	8.09%	5.21%	4.76%	6.05%
Depreciation	8.00%	7.66%	6.62%	6.01%	6.26%	5.31%	5.01%	5.08%	7.44%	8.90%
Total Operating Expenses	96.40%	96.90%	96.50%	95.83%	96.16%	96.36%	96.12%	98.35%	97.86%	97.11%
Interest on capital related debt	3.60%	3.10%	3.50%	4.17%	3.84%	3.64%	3.88%	1.65%	2.14%	2.89%
Total Non-Operating Expenses	3.60%	3.10%	3.50%	4.17%	3.84%	3.64%	3.88%	1.65%	2.14%	2.89%
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	Parking Fee	Student Life 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
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	12.62%	12.46%
2010	25	28	69	34	30	25	2	824	1,316	0.00%	0.92%
2009	25	28	68	34	30	25	-	824	1,304	17.05%	16.01%
2008	25	23	58	29	30	25	-	704	1,124	11.39%	10.63%
2007	25	20	52	26	30	25	-	632	1,016	0.00%	0.00%
2006	25	20	52	26	30	25	-	632	1,016	1.61%	0.99%
2005	15	20	52	26	30	25	-	622	1,006	4.01%	6.34%
2004	15	18	47	26	30	25	-	598	946	8.33%	9.49%
2003	10	15	41	26	30	20	-	552	864	20.79%	21.86%

Table 4

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

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

Academic Year (Fall)	Registration Fee (per Student)	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	General Education Fees	Health Service Fee	Parking Fee	Student Life 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
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	10.54%	10.54%
2010	25	89	89	34	30	25	2	1,556	1,556	0.78%	0.78%
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%
2007	25	80	80	26	30	25	-	1,352	1,352	0.00%	0.00%
2006	25	80	80	26	30	25	-	1,352	1,352	20.07%	20.07%
2005	15	62	62	26	30	25	-	1,126	1,126	5.63%	5.63%
2004	15	57	57	26	30	25	-	1,066	1,066	8.33%	8.33%
2003	10	51	51	26	30	20	-	984	984	18.70%	18.70%

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

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	
2012-13	11,557,529,195	2,889,382,299	3,443,579,922	11,003,331,572	76.16%	\$	0.151417
2011-12	11,414,843,649	2,853,710,913	3,487,383,051	10,781,171,511	75.56%	\$	0.148700
2010-11	10,857,836,630	2,714,459,158	2,892,627,861	10,679,667,927	78.69%	\$	0.148700
2009-10	10,327,623,767	2,581,905,942	2,232,799,703	10,676,730,006	82.70%	\$	0.136950
2008-09	10,178,050,422	2,544,512,605	2,200,462,417	10,522,100,610	82.70%	\$	0.127169
2007-08	9,547,089,846	2,386,772,462	2,064,050,730	9,869,811,578	82.70%	\$	0.127169
2006-07	8,634,022,801	2,158,505,700	1,866,648,513	8,925,879,988	82.70%	\$	0.127169
2005-06	7,869,230,281	1,967,307,570	1,701,302,781	8,135,235,070	82.70%	\$	0.127169
2004-05	7,333,731,637	1,833,432,909	1,585,529,662	7,581,634,884	82.70%	\$	0.127169
2003-04	6,864,955,156	1,716,238,789	1,475,701,067	7,105,492,878	82.80%	\$	0.122300

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
2012-13	16,477,885	9,291	1,773.53	3,619,672	1,430,192	5,049,864	3.26
2011-12	17,475,155	9,135	1,912.99	3,842,120	1,518,752	5,360,872	3.26
2010-11	16,239,896	8,622	1,883.54	4,033,512	1,508,800	5,542,312	2.93
2009-10	17,573,735	8,504	2,066.53	4,009,464	1,423,012	5,432,476	3.23
2008-09	16,487,452	8,603	1,916.48	3,520,200	1,223,616	4,743,816	3.48
2007-08	16,487,450	8,357	1,972.89	3,254,392	1,070,864	4,325,256	3.81
2006-07	15,995,148	8,697	1,839.16	3,311,376	1,044,496	4,355,872	3.67
2005-06	15,995,148	8,817	1,814.13	3,304,816	1,090,094	4,394,910	3.64
2004-05	15,208,326	9,155	1,661.20	3,388,880	1,136,880	4,525,760	3.36
2003-04	15,214,997	10,518	1,446.57	3,402,672	1,138,976	4,541,648	3.35

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 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	\$ 129,115,680	\$ 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
Cebridge Acquisition LP	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		\$ 940,342,289	\$ 860,181,232	\$ 860,502,081	\$ 766,329,096	\$ 913,106,003
Total Taxable Assessed Value		\$ 11,003,331,572	\$ 10,781,171,511	\$ 10,679,667,927	\$ 10,676,730,006	\$ 10,522,100,610

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	1.17%	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%
Ransom Industries/ Tyler Pipe	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%	0.00%	0.81%	0.59%
Delek Refining LTD / Crown / LaGloria	Refinery	2.31%	1.62%	1.64%	1.11%	2.33%
Cebridge Acquisition LP	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		8.55%	7.98%	7.05%	7.18%	8.68%

Source: Smith and Van Zandt County Appraisal Districts

Table 7

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2003-2007
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2007	2006	2005	2004	2003
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 128,587,944	\$ 128,115,834	\$ 121,885,885	\$ 102,768,239	\$ 110,463,759
Oncor Electric / TXU	Electric utility	78,305,667	85,452,857	73,318,620	70,977,210	75,757,970
WalMart/Sam's	Retail	88,589,408	88,589,408	69,145,699	47,037,901	44,266,043
Kelly Springfield Tire Company	Tire Manufacturer	46,333,329	46,333,329	65,095,085	79,769,554	88,151,758
Ransom Industries/ Tyler Pipe	Pipe manufacturer	87,476,491	87,476,491	64,036,599	71,628,617	70,991,512
Southwestern Bell Telephone	Telephone utility	58,519,119	58,519,119	59,428,191	59,428,191	104,846,328
Dayton Hudson Corp.	Retail; distribution facilities	53,942,611	53,942,611	57,982,468	63,984,486	62,172,264
Delek Refining LTD / Crown / LaGloria	Refinery	154,833,482	154,833,482	53,535,963	39,978,208	38,685,396
Simon Property Group	Commercial property	46,559,890	46,559,890	44,440,521	42,528,468	42,585,683
Carrier / Tytex	Air conditioning manufacturer	-	-	-	-	-
Union Oil Company	Oil & Gas	85,339,960	65,685,590	62,889,200	61,057,476	59,279,103
Genecov Investment Group	Commercial property	-	-	-	-	-
East Texas Medical Center	Hospital	-	-	-	-	-
Mother Frances Hospital	Hospital	-	-	-	-	-
University of Texas Health Center	Hospital	-	-	-	-	-
Simon Property Group	Commercial Property	-	-	-	-	-
Totals		\$ 828,487,901	\$ 815,508,611	\$ 671,758,231	\$ 639,158,350	\$ 697,199,816
Total Taxable Assessed Value		\$ 9,869,811,578	\$ 8,925,879,988	\$ 8,135,235,070	\$ 7,581,634,844	\$ 7,105,492,878

TYLER JUNIOR COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN TAX YEARS
 YEARS 2003-2007
 (UNAUDITED)

Taxpayer (1)	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2007	2006	2005	2004	2003
Brookshire Grocery Company	Supermarkets; distribution facilities	1.30%	1.44%	1.50%	1.36%	1.55%
Oncor Electric / TXU	Electric utility	0.79%	0.96%	0.90%	0.94%	1.07%
WalMart/Sam's	Retail	0.90%	0.99%	0.85%	0.62%	0.62%
Kelly Springfield Tire Company	Tire Manufacturer	0.47%	0.52%	0.80%	1.05%	1.24%
Ransom Industries/ Tyler Pipe	Pipe manufacturer	0.89%	0.98%	0.79%	0.94%	1.00%
Southwestern Bell Telephone	Telephone utility	0.59%	0.66%	0.73%	0.78%	1.48%
Dayton Hudson Corp.	Retail; distribution facilities	0.55%	0.60%	0.71%	0.84%	0.87%
Delek Refining LTD / Crown / LaGloria	Refinery	1.57%	1.73%	0.66%	0.53%	0.54%
Simon Property Group	Commercial property	0.47%	0.52%	0.55%	0.56%	0.60%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.86%	0.74%	0.77%	0.81%	0.83%
Genecov Investment Group	Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%
East Texas Medical Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Mother Frances Hospital	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
University of Texas Health Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Simon Property Group	Commercial Property	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		8.39%	9.14%	8.26%	8.43%	9.81%

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
2013	\$20,721,317		\$ 20,414,731	98.52%	\$ -	\$20,414,731	98.52%
2012	\$18,589,719		\$ 18,304,251	98.46%	\$ 152,617	\$ 18,456,868	99.29%
2011	\$18,409,311		\$ 18,093,950	98.29%	\$ 52,441	\$ 18,146,391	98.57%
2010	\$14,208,183		\$ 14,095,963	99.21%	\$ 21,082	\$ 14,117,045	99.36%
2009	\$13,125,823		\$ 12,593,167	95.94%	\$ 10,868	\$ 12,604,035	96.02%
2008	\$12,352,363		\$ 12,188,832	98.68%	\$ 6,160	\$ 12,194,992	98.73%
2007	\$11,235,178		\$ 11,074,241	98.57%	\$ 3,355	\$ 11,077,596	98.60%
2006	\$ 10,280,296		\$ 9,927,548	96.57%	\$ 2,193	\$ 9,929,741	96.59%
2005	\$ 9,641,489		\$ 9,518,350	98.72%	\$ 1,506	\$ 9,519,856	98.74%
2004	\$ 8,690,018		\$ 8,427,327	96.98%	\$ 1,010	\$ 8,428,337	96.99%

(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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Other Debt										
Revenue bonds	\$ 75,695,000	\$ 57,295,000	\$ 62,680,000	\$ 68,470,000	\$ 47,395,000	\$ 50,700,000	\$ 52,965,000	\$ 15,500,000	\$ 17,195,000	\$ 17,030,000
Notes	1,469,185	2,226,212	3,618,545	7,267,915	9,018,497	8,511,126	9,226,409	9,816,776	9,540,189	10,072,202
Total Outstanding Debt	\$ 77,164,185	\$ 59,521,212	\$ 66,298,545	\$ 75,737,915	\$ 56,413,497	\$ 59,211,126	\$ 62,191,409	\$ 25,316,776	\$ 26,735,189	\$ 27,102,202
Total Outstanding Debt Ratios										
Per Capita	\$ 287.12	\$ 223.78	\$ 258.45	\$ 319.34	\$ 237.86	\$ 259.65	\$ 283.62	\$ 120.19	\$ 130.81	\$ 137.91
Per FTSE	8,305	6,516	7,689	8,804	6,557	7,085	6,808	2,871	2,920	2,577
As a percentage of Taxable Assessed Value	0.70%	0.55%	0.62%	0.54%	0.54%	0.60%	0.66%	0.31%	0.35%	0.38%

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	Auxiliary Enterprise	Total	Principal	Interest	Total	
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	3,425,000	3,231,007	6,656,007	5.12
2009	22,587,429	5,569,035	28,156,464	3,305,000	3,038,286	6,343,286	4.44
2008	19,137,027	3,848,897	22,985,924	2,265,000	2,648,646	4,913,646	4.68
2007	17,902,805	3,269,541	21,172,346	2,210,000	2,667,491	4,877,491	4.34
2006	16,791,612	3,392,584	20,184,196	1,695,000	1,003,737	2,698,737	7.48
2005	16,538,733	3,088,333	19,627,066	1,720,000	1,215,691	2,935,691	6.69
2004	15,151,158	3,125,990	18,277,148	1,250,000	1,519,668	2,769,668	6.60

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
2012-13	268,748	\$ 8,218,435 (a)	\$ 30,580	7.0%
2011-12	265,980	7,671,125	28,841	7.8%
2010-11	256,520	6,956,342	27,118	7.8%
2009-10	246,654	7,227,898	29,304	7.6%
2008-09	237,167	7,323,724	30,880	5.0%
2007-08	228,045	6,982,403	30,619	4.2%
2006-07	219,274	6,539,102	29,822	4.7%
2005-06	210,638	6,070,117	28,818	4.8%
2004-05	204,381	5,962,908	29,175	5.3%
2003-04	196,520	5,562,405	28,305	4.9%

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

Notes:

(a) Personal income amounts for 2012-2013

Table 12

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL EMPLOYERS
PAST FIVE 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
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%
Brookshire Grocery Company	2,599	4.83%	2,522	3.67%	2,524	3.67%	2,213	3.22%	2,190	3.19%
Tyler Independent School District	2,468	4.59%	2,449	3.56%	2,464	3.59%	2,501	3.64%	2,572	3.74%
Wal-Mart	1,311	2.44%	1,711	2.49%	1,711	2.49%	1,697	2.47%	1,670	2.43%
Trane Co.	1,500	2.79%	1,500	2.18%	1,575	2.29%	1,520	2.21%	1,949	2.84%
Suddenlink	1,500	2.79%	1,500	2.18%	1,197	1.74%	1,138	1.66%	1,057	1.54%
UT Health Center at Tyler	925	1.72%	865	1.26%	849	1.24%	-	0.00%	-	0.00%
Carrier Corporation	-	0.00%	-	0.00%	795	1.16%	659	0.96%	1,201	1.75%
Tyler Junior College District	862	1.60%	811	1.18%	786	1.14%	586	0.85%	572	0.83%
UT Tyler	1,121	2.08%	1,094	1.59%	-	0.00%	568	0.83%	556	0.81%
	<u>19,214</u>	<u>28.71%</u>	<u>19,690</u>	<u>22.84%</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>

Source:

Tyler Economic Development Council - Community Profile

Note: Per GASB 44, this table should show the current year and the period nine years prior. The information six years prior is unavailable and thus, this information is being implemented prospectively from 2009.

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Faculty										
Full-Time	295	282	280	278	272	255	251	255	248	249
Part-Time	305	323	298	270	258	258	235	237	233	235
Total	600	605	578	548	530	513	486	492	481	484
Percent										
Full-Time	49.17%	46.61%	48.44%	50.73%	51.32%	49.71%	51.65%	51.83%	51.56%	51.45%
Part-Time	50.83%	53.39%	51.56%	49.27%	48.68%	50.29%	48.35%	48.17%	48.44%	48.55%
Staff and Administrators										
Full-Time	339	329	319	322	310	269	259	260	270	283
Part-Time	255	210	194	200	170	151	141	146	139	180
Total	594	539	513	522	480	420	400	406	409	463
Percent										
Full-Time	57.07%	61.04%	62.18%	61.69%	64.58%	64.05%	64.75%	64.04%	66.01%	61.12%
Part-Time	42.93%	38.96%	37.82%	38.31%	35.42%	35.95%	35.25%	35.96%	33.99%	38.88%
FTSE per Full-Time Faculty	31.49	32.39	30.79	30.95	31.63	32.77	34.65	34.58	36.92	42.24
FTSE per Full-Time Staff Member	27.41	28.64	27.03	31.86	33.34	32.39	37.01	37.20	33.91	44.76
Average Annual Faculty Salary	\$ 51,120	\$50,065	\$50,848	\$ 51,047	\$ 49,100	\$ 46,764	\$ 45,303	\$45,213	\$ 43,973	\$43,050

Table 14

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

Student Classification	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	6,031	61.45%	7,531	65.26%	7,973	67.92%	7,624	69.03%	6,784	68.33%
31-60 hours	3,411	34.76%	2,207	19.12%	2,332	19.87%	2,152	19.48%	2,202	22.18%
>60 hours	372	3.79%	1,802	15.62%	1,433	12.21%	1,269	11.49%	942	9.49%
Total	9,814	100%	11,540	100%	11,738	100%	11,045	100%	9,928	100%

Semester Hour Load	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Part-Time	4,571	46.58%	5,143	44.57%	6,234	53.11%	6,186	56.01%	3,829	38.57%
Full-Time	5,243	53.42%	6,397	55.43%	5,504	46.89%	4,859	43.99%	6,099	61.43%
Total	9,814	100%	11,540	100%	11,738	100%	11,045	100%	9,928	100%

Tuition Status	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	4,041	41.18%	5,117	44.34%	5,242	44.66%	4,939	44.72%	4,506	45.39%
Texas Resident (out-of-District)	5,347	54.48%	5,989	51.90%	6,077	51.77%	5,751	52.07%	5,061	50.98%
Non-Resident Tuition	426	4.34%	434	3.76%	419	3.57%	355	3.21%	337	3.39%
Tuition Exemption/Waiver	0	0.00%	0	0.00%	0	0.00%	0	0.00%	24	0.24%
Total	9,814	100%	11,540	100%	11,738	100%	11,045	100%	9,928	100%

Table 15

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

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Gender</u>										
Female	5,701	58.09%	6,809	59.00%	6,952	59.23%	6,495	58.80%	5,811	58.53%
Male	4,113	41.91%	4,731	41.00%	4,786	40.77%	4,550	41.20%	4,117	41.47%
Total	9,814	100%	11,540	100%	11,738	100%	11,045	100%	9,928	100%

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Ethnic Origin</u>										
White	5,514	56.19%	6,939	60.13%	7,297	62.17%	6,992	63.30%	6,484	65.31%
Hispanic	1,339	13.64%	1,297	11.24%	1,320	11.25%	1,230	11.14%	1,063	10.71%
African American	2,440	24.86%	2,666	23.10%	2,642	22.51%	2,421	21.92%	2,045	20.60%
Asian	136	1.39%	176	1.53%	184	1.57%	170	1.54%	132	1.33%
Native American	72	0.73%	78	0.68%	57	0.49%	62	0.56%	60	0.60%
Other	313	3.19%	384	3.33%	238	2.03%	170	1.54%	144	1.45%
Total	9,814	100%	11,540	100%	11,738	100%	11,045	100%	9,928	100%

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Age</u>										
16 or younger	37	0.38%	590	5.11%	616	5.25%	315	2.85%	304	3.06%
17	179	1.82%	765	6.63%	752	6.41%	641	5.80%	562	5.66%
18	1,885	19.21%	1,917	16.61%	2,083	17.75%	1,525	13.81%	1,555	15.66%
19-21	3,455	35.20%	3,608	31.27%	3,627	30.90%	4,095	37.08%	3,724	37.51%
22-24	1,221	12.44%	1,320	11.44%	1,358	11.57%	1,412	12.78%	1,266	12.75%
25-30	1,214	12.37%	1,322	11.46%	1,324	11.28%	1,285	11.63%	1,125	11.33%
31-35	612	6.24%	721	6.25%	687	5.85%	624	5.65%	483	4.87%
36-50	979	9.98%	1,075	9.32%	1,065	9.07%	942	8.53%	743	7.48%
51-64	222	2.26%	216	1.87%	219	1.87%	199	1.80%	157	1.58%
65 & over	10	0.10%	6	0.05%	7	0.06%	7	0.06%	9	0.09%
Total	9,814	100%	11,540	100%	11,738	100%	11,045	100%	9,928	100%

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

Table 16

TYLER JUNIOR COLLEGE DISTRICT
 TRANSFERS TO SENIOR INSTITUTIONS
 2011 FALL STUDENTS AS OF FALL 2012
 (Includes only public senior colleges in Texas)
 (UNAUDITED)

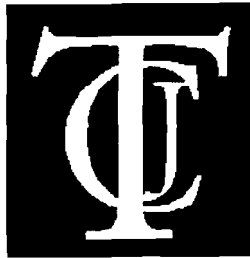
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep	U Graduat		
1 Angelo State University	2	0	0	0	2	0.11%
2 Lamar University Institute of Technology	18	1	0	0	19	1.04%
3 Midwestern State University	1	3	0	0	4	0.22%
4 Prairie View A&M University	3	0	0	0	3	0.16%
5 Sam Houston State University	41	4	0	0	45	2.47%
6 Stephen F. Austin State University	148	18	3	0	169	9.27%
7 Sul Ross State University	1	0	0	0	1	0.05%
8 Tarleton State University	17	0	1	0	18	0.99%
9 Texas A&M University	191	11	0	0	202	11.08%
10 Texas A&M University - Central Texas	1	0	0	0	1	0.05%
11 Texas A&M University - Commerce	30	6	0	0	36	1.97%
12 Texas A&M University - Corpus Christi	8	0	0	0	8	0.44%
13 Texas A&M University - Kingsville	2	0	0	0	2	0.11%
14 Texas A&M University - Texarkana	5	0	0	0	5	0.27%
15 Texas A&M University at Galveston	5	1	0	0	6	0.33%
16 Texas Southern University	1	1	0	0	2	0.11%
17 Texas State University - San Marcos	47	5	1	0	53	2.91%
18 Texas Tech University	33	1	0	0	34	1.87%
19 Texas Women's University	20	4	1	0	25	1.37%
20 University of Texas - Arlington	55	5	0	0	60	3.29%
21 University of Texas - Austin	60	2	0	0	62	3.40%
22 University of Texas - Dallas	12	0	0	0	12	0.66%
23 University of Texas - El Paso	3	2	0	0	5	0.27%
24 University of Texas - San Antonio	4	0	0	0	4	0.22%
25 University of Texas - Tyler	775	151	3	0	929	50.96%
26 University of Houston	18	1	0	0	19	1.04%
27 University of Houston - Downtown	2	0	0	0	2	0.11%
28 University of Houston - Victoria	2	0	0	0	2	0.11%
29 University of North Texas	81	6	0	0	87	4.77%
30 University of North Texas at Dallas	4	1	0	0	5	0.27%
31 West Texas A&M University	1	0	0	0	1	0.05%
Totals	1,591	223	9	0	1,823	100.00%

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

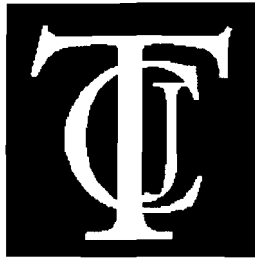
Table 17

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

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Academic buildings	13	13	13	13	13	13	13	13	13	13
Square footage (in thousands)	430	430	430	430	430	430	430	430	430	430
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	41	41	41	41	41	41	41	41	41	41
Number of Volumes (in thousands)	87	88	100	104	104	104	98	98	99	98
Administrative and support buildings	8	8	8	8	8	8	8	6	6	6
Square footage (in thousands)	168	168	168	161	161	161	161	150	150	150
Dormitories	9	9	9	9	9	9	8	8	8	8
Square footage (in thousands)	267	267	267	267	267	267	115	115	115	115
Number of Beds	1062	1062	1062	1062	1062	1062	600	600	600	600
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	3678	3872	3543	2758	2500	2500	2,000	2,000	2,000	2,000
Athletic Facilities	7	7	7	7	7	7	6	6	6	6
Square footage (in thousands)	445	445	445	436	436	436	425	425	425	420
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	1	1	1	1
Plant facilities	2	2	2	2	2	2	1	1	1	1
Square footage (in thousands)	27	27	27	27	27	27	17	17	17	17
Transportation										
Cars	17	15	10	6	15	6	6	10	13	15
Light Trucks/Vans	27	27	22	21	21	42	39	24	32	32
Heavy Trucks	1	1	1	1	2	1	1	1	1	1
Buses	1	0	0	0	0	0	0	0	0	0



TYLER
JUNIOR
COLLEGE
DISTRICT



TYLER
JUNIOR
COLLEGE
DISTRICT

SINGLE AUDIT
SECTION

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

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 Aid Cluster			
SEOG	84.007	--	\$ 183,594
Federal College Workstudy Program	84.033	--	77,913
Federal Pell Grant Program	84.063	--	19,308,740
Direct Student Loans	84.268	--	27,118,716
TRIO Cluster			
Student Support Services Grant	84.042A	--	207,343
Pass Through From:			
Texas Education Agency			
Adult Basic Education	84.002	134100017110445	552,281
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Educational Programs - Basic	84.048	1342020671200000	<u>687,514</u>
Total U. S. Department of Education			<u>48,136,101</u>
U.S. Department of Labor			
Pass Through From:			
Harris County Department of Education			
Incentive Grants - WIA Section 503	17.267	--	13,598
Direct Program:			
Trade Adjustment Assistance Community College and Career Training Grants	17.282	TC-23812-12-60-A-48	<u>699,590</u>
Total U. S. Department of Labor			<u>713,188</u>
National Science Foundation			
Pass Through From:			
University of Texas at El Paso			
Education and Human Resources	47.076	26-1008-4126	<u>23,166</u>
Total National Science Foundation			<u>23,166</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District			
Small Business Development Center	59.037	--	<u>118,340</u>
Total U.S. Small Business Administration (SBA)			<u>118,340</u>
U.S. Department of Health and Human Services			
Pass Through From:			
Texas Education Agency			
Temporary Aid for Needy Families	93.558	133625017110419	26,076
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	04161C31	<u>13,325</u>
Total U.S. Department of Health and Human Services			<u>39,401</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>49,030,196</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 general purpose 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.

NOTE 2 – FEDERAL FINANCIAL ASSISTANCE RECONCILIATION

Federal Grants and Contracts per Schedule A	\$ 2,121,736
Non Operating Revenue From Schedule C	19,766,591
Direct Student Loans	27,118,716
Matching Contributions Included in Schedule E	<u>23,153</u>
 Total Federal Financial Assistance – Schedule E	 <u>\$49,030,196</u>

NOTE 3 – AMOUNTS PASSED THROUGH BY THE DISTRICT

The following amounts were passed-through to the listed subrecipients by the District. These amounts were from the Adult Basic Education program CFDA 84.002A from the U.S. Department of Education through the Texas Education Agency and Temporary Aid for Needy Families (TANF) CFDA 93.558 from the U. S. Department of Health and Human Services through the Texas Education Agency.

Literacy Council of Tyler (Adult Basic Education)	\$485,864
Literacy Council of Tyler (TANF)	26,076

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2013

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 50,018
Developmental Education Scaling and Sustaining Success Program	10892	4,585
Professional Nursing Shortage Reduction Program	--	102,332
Adult Basic Education Innovation Grant	07049	103,456
Intensive College Readiness	06085	65,000
TEXAS Grants - Initial and Renewal Funds	--	533,814
Texas Educational Opportunity Grant Program	--	147,600
Top Ten Percent	--	96,000
Dallas County Community College District		
Small Business Development Center	--	60,947
Texas Education Agency		
Adult Basic Education	130100017110445	<u>95,988</u>
Total Expenditures of State Awards		<u>\$ 1,259,740</u>

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

NOTE 2 – STATE FINANCIAL ASSISTANCE RECONCILIATION

State Grants and Contracts per Schedule A	\$1,083,295
Professional Nursing Shortage Reduction reported on Schedule C	102,332
Matching Contributions Included in Schedule F	<u>74,113</u>
Total State Financial Assistance – Schedule F	<u>\$1,259,740</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Tyler Junior College District
Tyler, Texas

Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Tyler Junior College District as of and for the year ended August 31, 2013, 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 December 3, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tyler Junior College District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

Tyler, Texas
December 3, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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 Circular A-133 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, 2013. 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 laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Tyler Junior College District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 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.

Opinion on Each Major State Program

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 major federal programs for the year ended August 31, 2013.

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 a 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tyler Junior College District's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

Tyler, Texas
December 3, 2013

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2013

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)? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes X no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
	Student Financial Assistance Programs:
	Part of Federally Mandated Cluster
84.063	Federal Pell Grant Program
84.007	Federal Supplemental Educational Opportunity Grant Program
84.033	Federal College Workstudy Program
84.268	Federal Direct Student Loans
17.282	Trade Adjustment Assistance Community College & Career Training

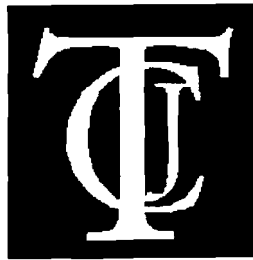
TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2013

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.



TYLER
JUNIOR
COLLEGE
DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2013

There were no findings reported in the prior audit as of August 31, 2012.