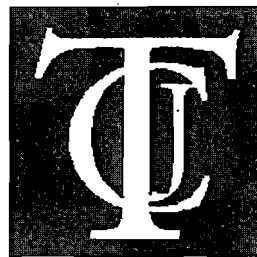


**TYLER JUNIOR COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
AUGUST 31, 2014 AND 2013**

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



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**TYLER JUNIOR COLLEGE DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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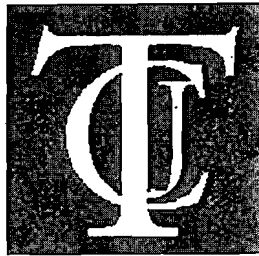
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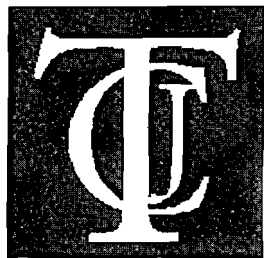
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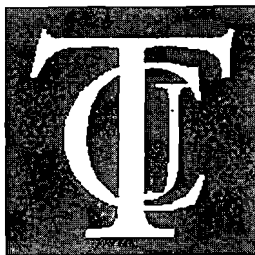


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INTRODUCTORY
SECTION



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TYLER JUNIOR COLLEGE

December 2, 2014

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, 2014.

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, 2014. 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 thirty-seven states and thirty-one foreign countries. Annual fall unduplicated enrollment is approximately 11,450 academic and vocational students, with an additional 7,700 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.

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 2013-2014 academic year decreased slightly as compared to the 2012-2013 academic year. As the economy continues to improve, many students take fewer courses or return to the work force full time. Future enrollment growth is expected as construction of the new Rogers Nursing and Health Sciences Building is expected to be complete in January 2015. A \$41.385 million revenue bond was issued during the fiscal year to be used for the purpose of completing construction on this building and for construction of a new 248-bed residence hall. Health science programs have been expanded and new programs developed to respond to community needs while encouraging enrollment growth. Additionally, a \$9.7 million bank qualified revenue bond was issued during the fiscal year to complete construction on the Energy Center at the College's West Campus. The construction of the Energy Center is as a result of a collaboration between the City of Tyler, the Tyler Economic Development Council, and an amended tax increment financing plan involving Smith County and the District. New technical programs related to energy and electronics have been developed and will be offered when the building is ready for instruction in January 2015.

State appropriations for 2014 decreased approximately 3.6% as compared to 2013. This decline is a result of several factors including the decrease in enrollment and the reallocation of state appropriations 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 increased some fee costs slightly during the fiscal year. A differential course fee will be added to select programs beginning Fall 2014 to cover the increasing costs of providing instruction for high-cost courses in health and technology related programs. Additional increases in tuition and fee

rates are possible in future years. However, the College strives to maintain a low cost tuition and fee structure to remain competitive and provide access to education for as many students as possible. The College 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 slightly 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 2013-2014 to \$.151417 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 2013-2014 of \$.048509 per \$100 valuation. Thus, the total tax rate for 2013-2014 for the College is \$.199926 per \$100 valuation. As the economy grows in the Tyler area 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 energy, mining, and health services as important elements in Texas' employment growth. According to the 30th Annual Perryman Economic Outlook Conference report, the Tyler Metropolitan Statistical Area (MSA) has added significant new jobs in the areas of leisure and hospitalities, education and health services, and government industry groups. Real gross product (RGP) is expected to increase approximately 4.69% annually, or \$2.19 billion, between 2013 and 2018. Tyler Junior College is uniquely situated to provide a skilled and educated workforce for these industries by offering expanded and new programs in the health care field including nursing, dental hygiene, dental assistant, physical therapist assistant, occupational therapy assistant, and wellness and exercise. These programs will be offered or expanded beginning Fall 2014 as the new Rogers Nursing and Health Sciences Building approaches completion.

The Energy Center is expected to be complete in January 2015. New technical programs have been created based on workforce needs identified through involvement with the community, employers, and the Texas Workforce Commission. The new technical and energy related programs are expected to increase enrollment and provide for community workforce needs. Construction of a new 248-bed residence hall began in fiscal year 2014 and is expected to be ready for occupancy in Fall 2015. The addition of residential living space will also encourage enrollment growth across campus.

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, 2013. 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.

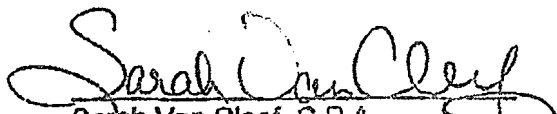
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

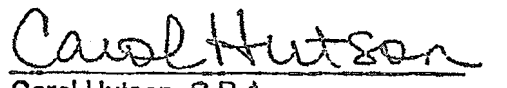
A Certificate of Achievement is valid for a period of one year only. The 2013 report was the eighteenth submission for the District, having earned its first Certificate of Achievement in 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

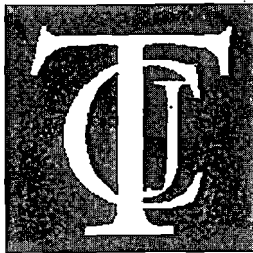
Acknowledgments

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

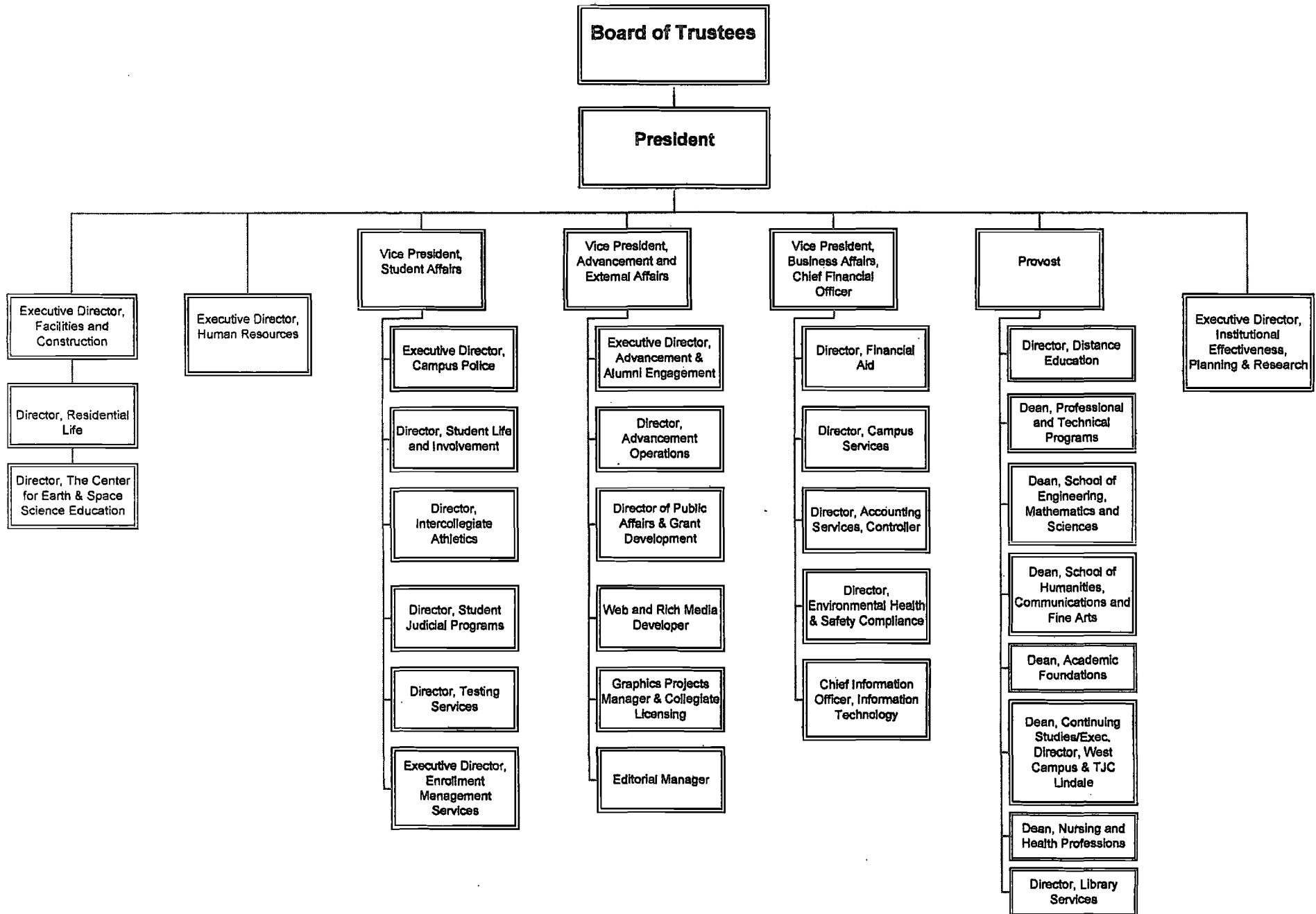
Tyler Junior College District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2013

Executive Director/CEO

TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE



TYLER JUNIOR COLLEGE

ORGANIZATIONAL DATA For the Fiscal Year 2014-2015

Board of Trustees

Officers

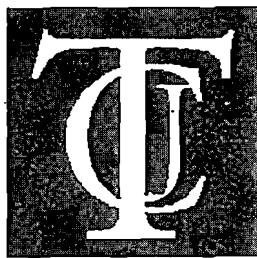
| | |
|------------------------------|------------------------------|
| Dr. Joseph Prud'homme | President |
| Ann Brookshire | First Vice President |
| Mike Coker | Second Vice President |

Members

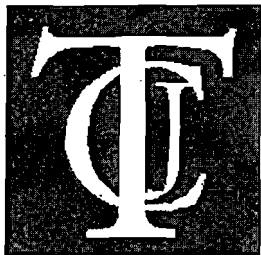
| | | Term Expires |
|-----------------------|---------------------|---------------------|
| | | <u>May</u> |
| Rohn Boone | Tyler, Texas | 2020 |
| John Hills | Tyler, Texas | 2018 |
| David Hudson | Tyler, Texas | 2020 |
| Clint Roxburgh | Tyler, Texas | 2016 |
| Peggy Smith | Tyler, Texas | 2016 |
| Lonny Uzzell | Tyler, Texas | 2018 |

Principal Administrative Officers

| | |
|-------------------------|---|
| L. Michael Metke | President |
| Homer M. Hayes | Provost |
| Juan Mejia | VP, Student Affairs |
| Kim Russell | VP, Advancement/External Affairs |
| Sarah Van Cleef | VP, Business Affairs, CFO |
| W. Clayton Allen | Associate Vice President, Instruction |
| Lisa M. Harper | Dean, Center for Student Success |
| 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 |

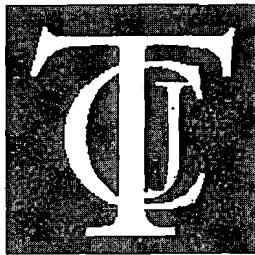


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FINANCIAL
SECTION



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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, 2014 and 2013, 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 \$47,113,336 as of August 31, 2014 and total revenues of \$8,534,919 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, 2014 and 2013, 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 2, 2014, 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 2, 2014

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 2014. 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)

| | August 31 | | | Change | |
|---|------------------|------------------|------------------|-----------------|-----------------|
| | 2014 | 2013 | 2012 | 2013 to 2014 | 2012 to 2013 |
| Assets | | | | | |
| Current Assets | \$ 30,608 | \$ 29,191 | \$ 27,617 | \$ 1,417 | \$ 1,574 |
| Capital Assets, Net | 169,995 | 135,767 | 133,471 | 34,228 | 2,296 |
| Other Assets | 49,582 | 33,398 | 11,371 | 16,184 | 22,027 |
| Total Assets | 250,185 | 198,356 | 172,459 | 51,829 | 25,897 |
| Liabilities | | | | | |
| Current Liabilities | 36,993 | 32,636 | 27,830 | 4,357 | 4,806 |
| Noncurrent Liabilities | 117,842 | 72,650 | 55,738 | 45,192 | 16,912 |
| Total Liabilities | 154,835 | 105,286 | 83,568 | 49,549 | 21,718 |
| Net Position | | | | | |
| Invested in Capital Assets, Net of Debt | 81,013 | 79,833 | 72,351 | 1,180 | 7,482 |
| Restricted: Expendable | 598 | 511 | 440 | 87 | 71 |
| Unrestricted | 13,741 | 12,728 | 16,100 | 1,013 | (3,372) |
| Total Net Position | \$ 95,352 | \$ 93,072 | \$ 88,891 | \$ 2,280 | \$ 4,181 |

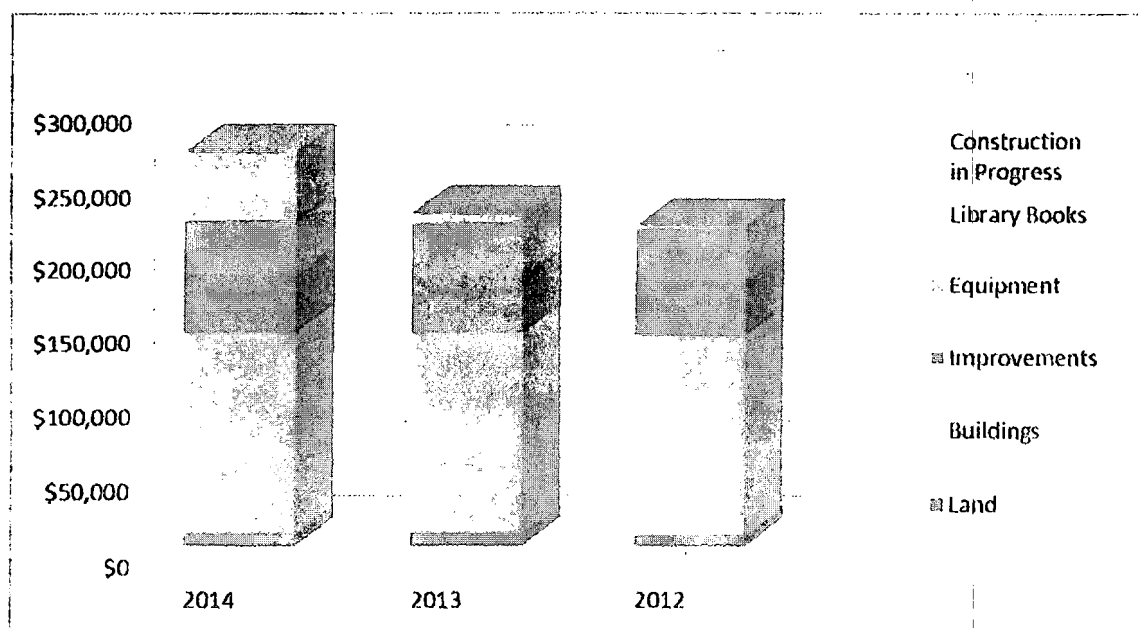
The \$250.2 million in assets includes cash and cash equivalents of \$56.5 million. This represents a \$10 million increase over the cash and cash equivalents of \$46.5 million in FY2013. The issuance of \$9,705,000 of Combined Fee Revenue Bonds, Series 2013, issued on December 19, 2013 for the construction of a new Energy Center facility and the issuance of \$41,385,000 of Combined Fee Revenue Bonds, Series 2014, issued on February 27, 2014 for the construction of a new 248-bed residence hall and the completion of the construction of the Robert M. Rogers Nursing and Health Sciences Center account for the increase in cash and cash equivalents and total assets between FY2013 and FY2014. A review of the Statement of Net Position also reveals accounts receivable of \$16 million compared to \$15.3 million in FY2013 and just over \$14 million in FY2012. Approximately 82 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 continued on the Robert M. Rogers Nursing and Health Sciences Center and the Energy Center facility that are both scheduled to open for instruction in the spring of 2015. New construction began during the year on a 248-bed residence hall that is slated to be ready for occupancy in the fall of 2015. Improvements were made to instructional spaces throughout the year. Other projects completed during the 2014 year included upgrades to the existing technology infrastructure, upgrades to the campus wide fire suppression system, and the installation of a traffic light in collaboration with the city of Tyler. A couple of 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 | |
|-----------------------------|-------------------|-------------------|-------------------|------------------|-----------------|
| | 2014 | 2013 | 2012 | 2013 to 2014 | 2012 to 2013 |
| Capital Assets: | | | | | |
| Land | \$ 8,478 | \$ 8,319 | \$ 7,245 | \$ 159 | \$ 1,074 |
| Buildings | 134,458 | 134,319 | 133,938 | 139 | 381 |
| Improvements | 39,325 | 38,831 | 37,282 | 494 | 1,549 |
| Equipment | 37,506 | 36,644 | 35,991 | 862 | 653 |
| Library Books | 667 | 697 | 692 | (30) | 5 |
| Construction in Progress | 45,792 | 6,654 | 1,621 | 39,138 | 5,033 |
| Total Capital Assets | \$ 266,226 | \$ 225,464 | \$ 216,769 | \$ 40,762 | \$ 8,695 |



Liabilities of \$155 million include debt of \$122 million and compensated absences of \$1.1 million as of the end of the 2014 fiscal year. This compares to liabilities in FY2013 of \$105 million with \$78 million of debt and \$1.1 million in compensated absences. Also included in the liabilities are student deposits and deferred revenue in excess of \$18 million.

The assets less liabilities result in a net position of \$95.4 million compared to \$93.1 million in FY2013 and \$88.9 million in FY2012. A major portion of the net position is the District's capital assets of \$81 million, and \$13.7 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 | |
|---|------------------|------------------|------------------|-----------------|-----------------|
| | 2014 | 2013 | 2012 | 2013 to 2014 | 2012 to 2013 |
| Operating Revenues | | | | | |
| Tuition and Fees | \$ 12,241 | \$ 13,880 | \$ 12,266 | \$ (1,639) | \$ 1,614 |
| Federal Grants and Contracts | 2,382 | 2,179 | 1,355 | 203 | 824 |
| State Grants and Contracts | 1,702 | 1,083 | 1,000 | 619 | 83 |
| Local Grants and Contract | 585 | 1,022 | 532 | (437) | 490 |
| Sales and Service of Educational Activities | 111 | 83 | 103 | 28 | (20) |
| Auxiliary Enterprises | 3,078 | 3,049 | 2,644 | 29 | 405 |
| Miscellaneous | 2,529 | 2,118 | 2,512 | 411 | (394) |
| Total Operating Revenues | 22,628 | 23,414 | 20,412 | (786) | 3,002 |
| Operating Expenses | | | | | |
| Instruction | 30,301 | 29,124 | 28,682 | 1,177 | 442 |
| Public Service | 1,154 | 1,242 | 1,388 | (88) | (146) |
| Academic Support | 3,066 | 2,682 | 2,486 | 384 | 196 |
| Student Service | 9,132 | 8,296 | 8,114 | 836 | 182 |
| Institutional Support | 13,361 | 12,957 | 11,433 | 404 | 1,524 |
| Operation and Maintenance of Plant | 7,989 | 7,140 | 6,190 | 849 | 950 |
| Scholarship and Fellowships | 1,923 | 2,964 | 2,824 | (1,041) | 140 |
| Auxiliary Enterprises | 7,733 | 6,802 | 6,723 | 931 | 79 |
| Depreciation | 6,603 | 6,444 | 5,820 | 159 | 624 |
| Total Operating Expenses | 81,262 | 77,651 | 73,660 | 3,611 | 3,991 |
| Operating Loss | (58,634) | (54,237) | (53,248) | (4,397) | (989) |
| Non-Operating Revenues (Expenses) | 60,914 | 58,419 | 59,536 | 2,495 | (1,117) |
| Increase (Decrease) in Net Position | 2,280 | 4,182 | 6,287 | (1,902) | (2,105) |
| Net Position | | | | | |
| Net Position, Beginning of Year | 93,072 | 88,890 | 82,858 | 4,182 | 6,032 |
| Prior Period Adjustment | - | - | (255) | 0 | 255 |
| Net Position, End of Year | \$ 95,352 | \$ 93,072 | \$ 88,890 | \$ 2,280 | \$ 4,182 |

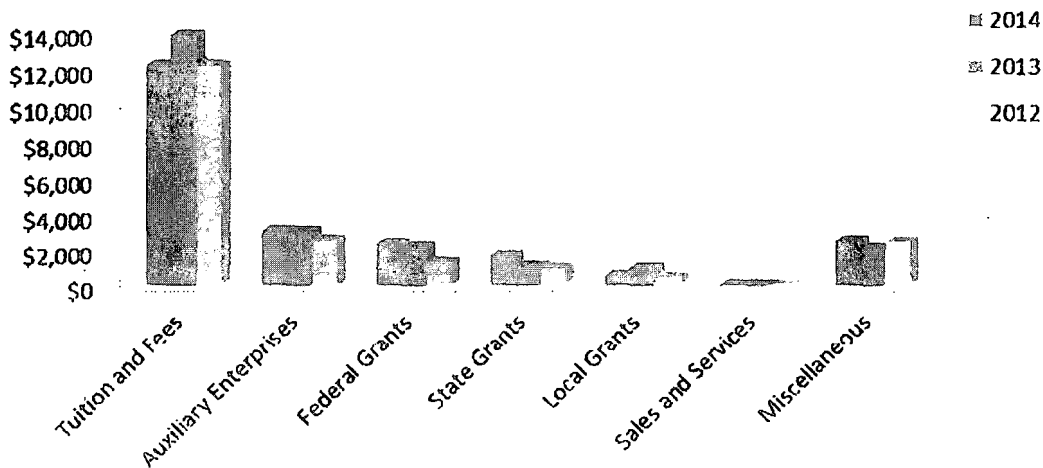
The nonoperating revenues (expenses) are comprised of \$21.5 million state educational contracts, \$21.6 million property taxes, \$20.2 million in Title IV financial assistance, investment income of \$139,047 and \$2.5 million interest paid on capital related debt. The total for nonoperating revenues increased approximately 4% from FY2013. A significant contributor to the increase was the 6% increase in state educational contracts. A 3% increase in property taxes was also a factor in the increase. While investment income decreased from \$188,790 in FY2013 to \$139,047 in FY2014, 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 | |
|---|------------------|------------------|------------------|-----------------|-----------------|
| | 2014 | 2013 | 2012 | 2013 to 2014 | 2012 to 2013 |
| Operating Revenues | | | | | |
| Tuition and Fees | \$ 12,241 | \$ 13,880 | \$ 12,266 | \$ (1,639) | \$ 1,614 |
| Auxiliary Enterprises | 3,078 | 3,049 | 2,644 | 29 | 405 |
| Federal Grants and Contracts | 2,382 | 2,179 | 1,355 | 203 | 824 |
| State Grants and Contracts | 1,702 | 1,083 | 1,000 | 619 | 83 |
| Local Grants and Contract | 585 | 1,022 | 532 | (437) | 490 |
| Sales and Service of Educational Activities | 111 | 83 | 103 | 28 | (20) |
| Miscellaneous | 2,529 | 2,117 | 2,512 | 411 | (395) |
| Total Operating Revenues | \$ 22,628 | \$ 23,414 | \$ 20,412 | \$ (786) | \$ 3,002 |

OPERATING REVENUE BY TYPE
(in thousands)

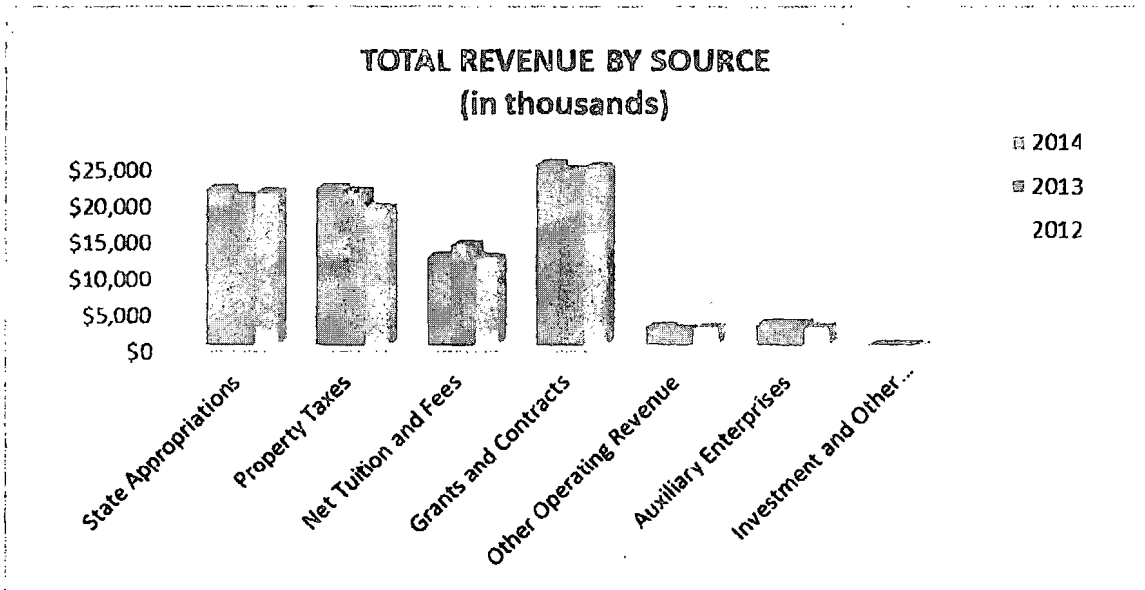


The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Student tuition and fees represent the largest type of operating revenue followed by auxiliary enterprises. All other types of revenue represent approximately 32% of the total operating 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 FY2013 to FY2014, approximately 1.5% from \$84.7 million in FY2013 to \$86.0 million in FY2014. The Grants and Contracts source is the largest contributor in FY2014 at 29% compared to 28% and 30% 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 remained relatively consistent over the over the last three years even though State Appropriations account for a significant portion of the District's revenue. For the year 2014, the State Appropriations were 25% of the total revenue for the District at \$21.5 million, compared to 24% in FY2013 at \$20.3 million and 26% in FY2012 at \$21.1 million. The property taxes source is usually the third largest contributor to the total revenue received by the District. With the slight increase in property valuations across the District and 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 FY2014 or \$21.6 million. Property taxes accounted for 25% and 23% of total revenue for FY2013 and FY2012 or \$21.0 million and \$18.9 million, respectively. Other Operating Revenue continues to represent only 3% of the total revenue.

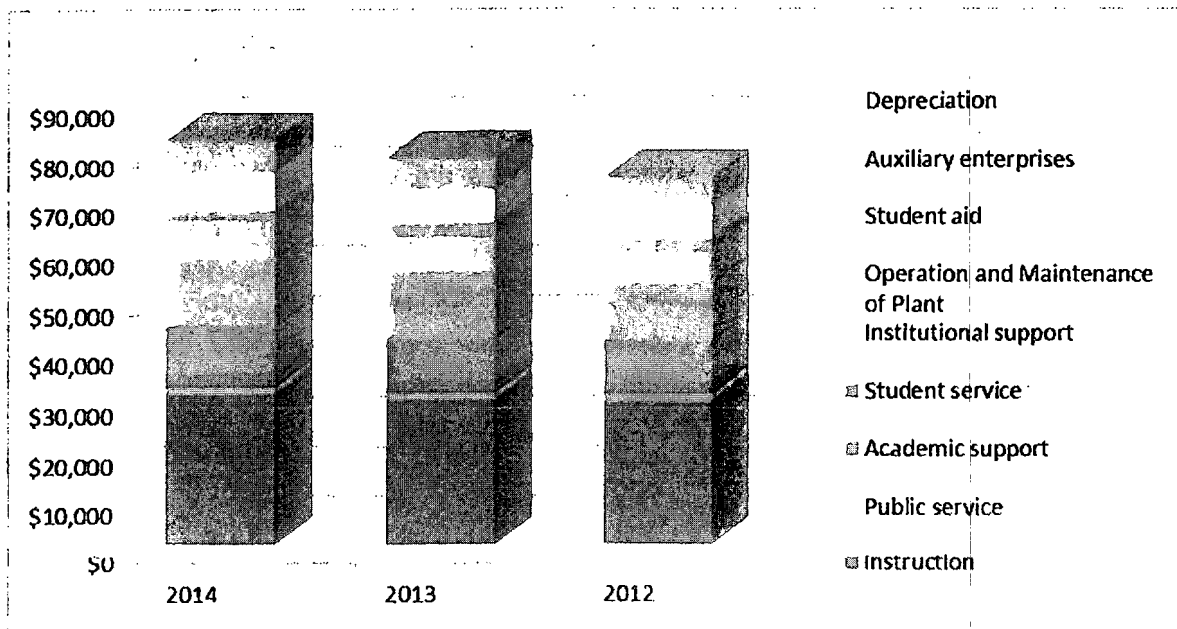
| | Total Revenues by Source | | | | |
|-----------------------------|---------------------------------|------------------|------------------|-------------------------|-------------------------|
| | (thousands of dollars) | | | | |
| | August 31 | | | Change | |
| | 2014 | 2013 | 2012 | 2013 to 2014 | 2012 to 2013 |
| Revenue Sources: | | | | | |
| State Appropriations | \$ 21,463 | \$ 20,337 | \$ 21,105 | \$ 1,126 | \$ (768) |
| Property Taxes | 21,555 | 21,022 | 18,937 | 533 | 2,085 |
| Net Tuition and Fees | 12,241 | 13,880 | 12,266 | (1,639) | 1,614 |
| Grants and Contracts | 24,880 | 24,051 | 24,649 | 829 | (598) |
| Other Operating Revenue | 2,639 | 2,201 | 2,615 | 438 | (414) |
| Auxiliary Enterprises | 3,078 | 3,049 | 2,644 | 29 | 405 |
| Investment and Other Income | 139 | 189 | 85 | (50) | 104 |
| Total Revenue | \$ 85,995 | \$ 84,729 | \$ 82,301 | \$ 1,266 | \$ 2,428 |



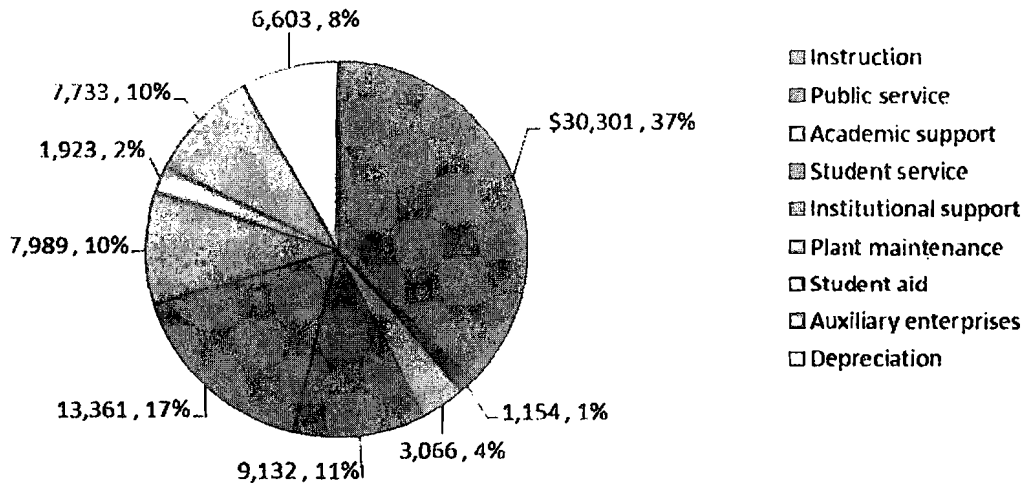
While the District experienced a slight decrease in operating revenue for FY2014 of 14.7% or approximately \$3 million, the operating expenses increased slightly for FY2014 by 4.7% or approximately \$3.6 million. Costs to maintain enrollment at the District remained strong at over \$30 million for FY2014. There was a slight increase in Instruction cost of 4 percent or \$1,177 thousand for FY2014 to total \$30.3 million as compared to \$29.1 million in FY2013 and \$28.7 million in FY2012. 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 FY2013 to FY2014 by approximately \$384,000 and \$836,000, respectively. The realignment of positions in Campus Police and Information Technology during FY2014 accounted for part of the 3% increase in Institutional Support. Student Aid decreased by \$1,041 thousands to \$1.9 million for FY2014 compared to \$2.9 million in FY2013. With completion of the projects funded by the maintenance tax notes and a couple of years of depreciation, the 2% increase in depreciation expense appears reasonable. The increase equates to a total depreciation expense of \$6.6 million for FY2014 as compared to \$6.4 million in FY2013 and \$5.8 million in FY2012.

Operating Expenses by Function
(In thousands)

| | August 31 | | | Change | |
|------------------------------------|------------------|------------------|------------------|-----------------|-----------------|
| | 2014 | 2013 | 2012 | 2013 to 2014 | 2012 to 2013 |
| Operating Expenses: | | | | | |
| Instruction | \$ 30,301 | \$ 29,124 | \$ 28,682 | \$ 1,177 | \$ 442 |
| Public service | 1,154 | 1,242 | 1,388 | (88) | (146) |
| Academic support | 3,066 | 2,682 | 2,486 | 384 | 196 |
| Student service | 9,132 | 8,296 | 8,114 | 836 | 182 |
| Institutional support | 13,361 | 12,957 | 11,433 | 404 | 1,524 |
| Operation and Maintenance of Plant | 7,989 | 7,140 | 6,190 | 849 | 950 |
| Student aid | 1,923 | 2,964 | 2,824 | (1,041) | 140 |
| Auxiliary enterprises | 7,733 | 6,802 | 6,723 | 931 | 79 |
| Depreciation | 6,603 | 6,444 | 5,820 | 159 | 624 |
| Total Operating Expenses | \$ 81,262 | \$ 77,651 | \$ 73,660 | \$ 3,611 | \$ 3,991 |



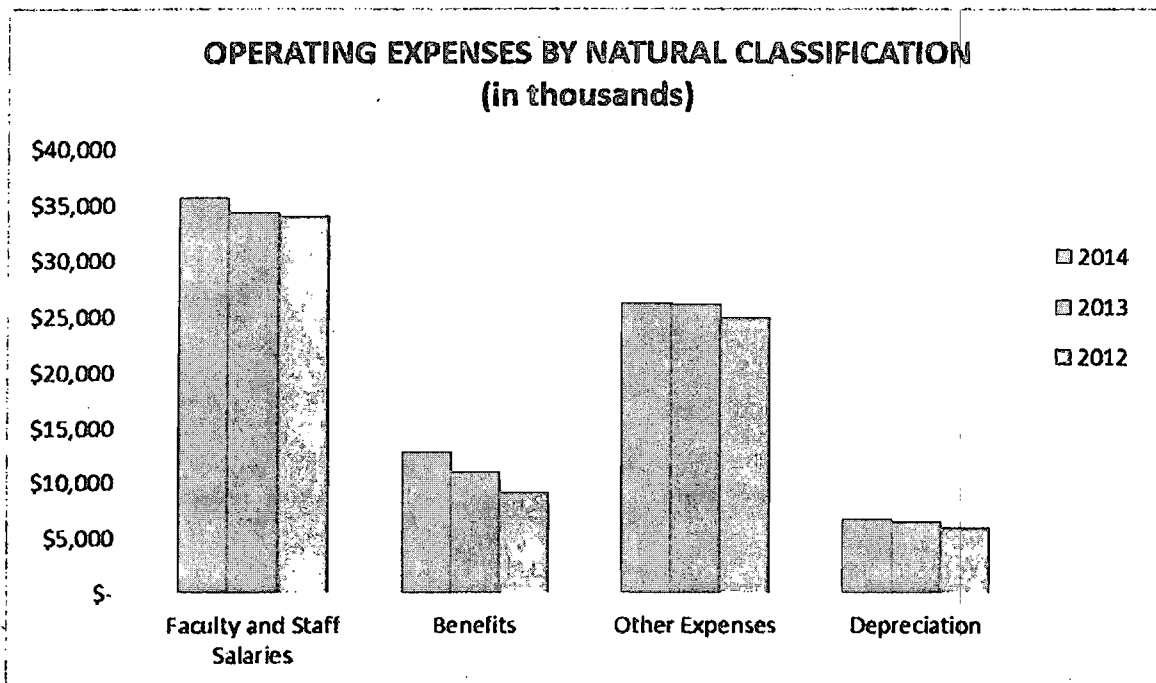
2014 OPERATING EXPENSES BY FUNCTION
(in thousands and as a percentage)



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

Operating Expenses by Natural Classification
(In thousands)

| | <u>August 31</u> | | | <u>Change</u> | |
|---------------------------------|------------------|------------------|------------------|---------------------|---------------------|
| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2013 to 2014</u> | <u>2012 to 2013</u> |
| Operating Expenses: | | | | | |
| Salaries | \$ 35,625 | \$ 34,239 | \$ 33,969 | \$ 1,386 | \$ 270 |
| Benefits | 12,779 | 10,871 | 8,961 | 1,908 | 1,910 |
| Other Expenses | 26,256 | 26,097 | 24,936 | 159 | 1,161 |
| Depreciation | 6,602 | 6,444 | 5,820 | 158 | 624 |
| Total Operating Expenses | \$ 81,262 | \$ 77,651 | \$ 73,686 | \$ 3,611 | \$ 3,965 |



Approximately 44% of the District's \$81.3 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$48.4 million is 59.6% of the District's total operating expense as compared to 58.1% in FY2013 and 58.3% in FY2012. The second highest portion of the operating expenses is the \$26.3 million of operating expenses that the District paid in FY2014 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$26.1 million in FY2013 and \$24.9 million in FY2012. Depreciation expense increased in FY2014 to \$6.6 million up from \$6.4 million in FY2013 and \$5.8 million in FY2012.

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 | |
|--|------------------|------------------|------------------|-----------------|------------------|
| | 2014 | 2013 | 2012 | 2013 to 2014 | 2012 to 2013 |
| Cash Provided (used) by: | | | | | |
| Operating Activities | \$ (48,472) | \$ (44,481) | \$ (43,409) | \$ (3,991) | \$ (1,072) |
| Noncapital Financing Activities | 58,967 | 57,623 | 59,286 | 1,344 | (1,663) |
| Capital and Related Financing Activities | 6,334 | 8,792 | (12,523) | (2,458) | 21,315 |
| Investing Activities | (6,861) | 703 | 1,110 | (7,564) | (407) |
| Net Change in Cash | <u>9,968</u> | <u>22,637</u> | <u>4,464</u> | <u>(12,669)</u> | <u>18,173</u> |
| Cash, Beginning of Year | <u>46,519</u> | <u>23,882</u> | <u>19,418</u> | <u>22,637</u> | <u>4,464</u> |
| Cash, End of Year | <u>\$ 56,487</u> | <u>\$ 46,519</u> | <u>\$ 23,882</u> | <u>\$ 9,968</u> | <u>\$ 22,637</u> |

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2014 totaled \$21.5 million as compared to \$21.8 million in FY2013 and \$20.6 million in FY2012. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$70.0 million in FY2014 as compared to \$66.3 million in FY2013, and \$64.0 million in FY2011. These receipts and cash outlay payments resulted in \$4.0 million more net cash used by operating activities in FY2014.

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 FY2014, \$59.0 million was received as compared to \$57.6 million in FY2013 and \$59.3 million in FY2012. 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, \$213,463 was disbursed greater than the amount received in FY2014 as compared to \$617,238 disbursed greater than the amount received in FY2013 and \$134,499 received greater than the disbursed amount in FY2012.

The capital and related financing activities in FY2014 included \$35.2 million expended for campus construction, improvements, and renovations. The FY2013 included \$6.4 million expended for campus improvements and renovations. This compares to \$4.1 million expended in FY2012 for campus improvements and renovations. Financing outflows also include

expenditures for debt service payments and related long-term debt interest. The long-term debt interest of \$2.3 million was \$590 thousand less than the amount paid in FY2013.

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 FY2014 was \$50 thousand less than the amount received in FY2013. There were no investments, specifically certificates of deposits, which matured during FY2014 compared to \$515 thousand in investments, specifically certificates of deposits, which matured during FY2013. There were \$1.5 million in investments that matured during FY2012. There were numerous investments purchased during FY2014 in order to place the bond proceeds from the Combined Fee Revenue Bonds, Series 2013 and 2014, issued December 19, 2013 for \$9,705,000 and February 27, 2014 for \$41,385,000, respectively. The following investments were purchased:

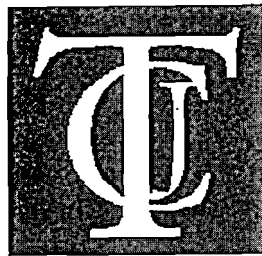
- BankTexas Certificates of Deposits
 - \$1,200,000 yield: .275% maturity: 2/2/2015
 - \$1,300,000 yield: .275% maturity: 2/2/2015
 - \$1,000,000 yield: .300% maturity: 3/2/2015
 - \$1,000,000 yield: .325% maturity: 4/1/2015
 - \$1,700,000 yield: .350% maturity: 5/1/2015
 - \$ 800,000 yield: .350% maturity: 5/1/2015

Economic Outlook

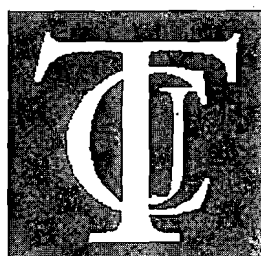
As in prior years, the District is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the forthcoming fiscal year beyond those unknown variations having a global effect on virtually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

Enrollment at the District decreased slightly for the 2013-2014 academic year as compared to the enrollment for the 2012-2013 year. The recovery from the national recession and the lower unemployment in the region continues to play 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 2014 students continue their education. Current enrollment levels are expected for fiscal year 2015 as the local and national economies continue to recover. With the opening of the Robert M. Rogers Nursing and Health Science Center and the Energy Center in the spring of 2015, enrollment is projected to increase due to the new program offerings and the expansion of several existing programs.

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. The 83rd Texas Legislature made significant budget decisions during the 2013 session which are impacting community colleges throughout the state for the current 2013-2015 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 2015 will be comparable to fiscal year 2014 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



TYLER
JUNIOR
COLLEGE
DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AS OF AUGUST 31, 2014 AND 2013

| ASSETS | 2014 | 2013 |
|---|-----------------------|-----------------------|
| Current Assets | | |
| Cash and Cash Equivalents | \$ 7,517,917 | \$ 13,806,295 |
| Investments | 7,000,000 | - |
| Accounts Receivable (net of allowance for doubtful accounts of \$5,561,900 and \$4,942,993 respectively) | 16,029,035 | 15,258,947 |
| Prepaid Expenses | 61,038 | 126,042 |
| Total Current Assets | 30,607,990 | 29,191,284 |
| Noncurrent Assets | | |
| Cash and Cash Equivalents | 48,970,003 | 32,713,197 |
| Deferred Charges | 612,438 | 685,733 |
| Capital Assets (Net) | 169,995,336 | 135,767,325 |
| | 219,577,777 | 169,166,255 |
| TOTAL ASSETS | \$ 250,185,767 | \$ 198,357,539 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable and Accrued Liabilities | \$ 12,883,781 | \$ 7,352,103 |
| Deferred Revenues | 18,013,624 | 17,778,656 |
| Current Portion of Compensated Absences | 106,861 | 107,068 |
| Current Portion of Bonds Payable | 5,280,000 | 6,735,000 |
| Current Portion of Notes Payable | 708,447 | 663,432 |
| Total Current Liabilities | 36,992,713 | 32,636,259 |
| Noncurrent Liabilities | | |
| Accrued Compensable Absences Payable | 961,750 | 963,608 |
| Bonds Payable | 116,757,689 | 70,880,163 |
| Notes and Loans Payable | 122,155 | 805,753 |
| Total Noncurrent Liabilities | 117,841,594 | 72,649,524 |
| TOTAL LIABILITIES | 154,834,307 | 105,285,783 |
| NET POSITION | | |
| Invested in capital assets, net of related debt Restricted | 81,012,927 | 79,832,528 |
| Expendable | | |
| Financial Aid and Scholarships | 597,996 | 511,271 |
| Unrestricted | 13,740,537 | 12,727,957 |
| TOTAL NET POSITION | 95,351,460 | 93,071,756 |
| TOTAL LIABILITIES AND NET POSITION | \$ 250,185,767 | \$ 198,357,539 |

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2014 and 2013

| | 2014 | 2013 |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash and Cash Equivalents | 1,592,943 | 2,115,594 |
| Investments | 42,107,067 | 35,112,320 |
| Funds Held in Trust | 290,805 | 269,630 |
| Charitable Gift Annuities | 280,708 | 273,347 |
| Other Assets | 55,173 | 54,550 |
| Total Invested Funds | 44,326,696 | 37,825,441 |
| Contributions Receivable (Net of allowance for uncollectible pledges) | 1,107,222 | 1,168,193 |
| Real Estate | 1,008,445 | 1,008,444 |
| Deferred Expense | 670,973 | 640,048 |
| Total Assets | \$ 47,113,336 | \$ 40,642,126 |
| LIABILITIES | | |
| Accounts Payable - Tyler Junior College | 764,173 | 733,263 |
| Deferred Revenue | 85,830 | 53,193 |
| Total Liabilities | 850,003 | 786,456 |
| NET ASSETS | | |
| Unrestricted | 8,821,890 | 6,110,899 |
| Temporarily Restricted | 8,435,954 | 6,636,148 |
| Permanently Restricted | 29,005,489 | 27,108,623 |
| Total Net Assets | 46,263,333 | 39,855,670 |
| TOTAL LIABILITIES & NET ASSETS | \$ 47,113,336 | \$ 40,642,126 |

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, 2014 AND 2013

| REVENUES | 2014 | 2013 |
|--|---------------|---------------|
| Operating revenues | | |
| Pledged Revenues: | | |
| Tuition and Fees (net of \$18,173,876 and \$16,689,212 in discounts) | \$ 12,241,079 | \$ 13,880,102 |
| Auxiliary Enterprises (net of \$3,198,037 and \$2,736,120 in discounts) | 3,077,997 | 3,049,065 |
| Federal Grants and Contracts | 2,382,222 | 2,178,556 |
| State Grants and Contracts | 1,702,178 | 1,083,295 |
| Local Grants and Contracts | 585,280 | 1,022,395 |
| Sales and Service of Educational Activities | 111,083 | 83,075 |
| Interest on Student Loans | 39,330 | 31,410 |
| Miscellaneous Operating Revenues | 2,488,904 | 2,086,399 |
| Total Operating Revenues | 22,628,073 | 23,414,297 |
| EXPENSES | | |
| Operating expenses | | |
| Instruction | 30,301,247 | 29,123,820 |
| Public Service | 1,154,083 | 1,242,178 |
| Academic Support | 3,065,891 | 2,681,755 |
| Student Services | 9,132,262 | 8,295,712 |
| Institutional Support | 13,361,329 | 12,957,310 |
| Operations and Maintenance of Plant | 7,989,169 | 7,139,979 |
| Scholarship and Fellowships (net of \$20,763,547 and \$19,216,701 in discounts) | 1,922,592 | 2,964,736 |
| Auxiliary Enterprises | 7,732,876 | 6,802,087 |
| Depreciation | 6,602,578 | 6,443,662 |
| Total Operating Expenses | 81,262,027 | 77,651,239 |
| Operating (Loss) | (58,633,954) | (54,236,942) |
| NON-OPERATING REVENUES (EXPENSES) | | |
| State Appropriations | 21,462,893 | 20,337,298 |
| Property Taxes | 21,554,921 | 21,022,138 |
| Federal Revenue, Non Operating | 20,210,574 | 19,766,591 |
| Investment Income | 139,047 | 188,790 |
| Interest on Capital Related Debt | (2,453,777) | (2,896,158) |
| Total Non-Operating Revenues (Expenses) | 60,913,658 | 58,418,659 |
| Increase in Net Position | 2,279,704 | 4,181,717 |
| Net Position, Beginning of the Year | 93,071,756 | 88,890,039 |
| Net Position, End of the Year | \$ 95,351,460 | \$ 93,071,756 |

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, 2014 and 2013

| | 2014 | | | | 2013 | | | |
|--------------------------------|---------------------|------------------------|----------------------|----------------------|---------------------|------------------------|----------------------|----------------------|
| | Unrestricted | Temporarily Restricted | Permantly Restricted | Total | Unrestricted | Temporarily Restricted | Permantly Restricted | Total |
| Revenue and Other Support: | | | | | | | | |
| Contributions and Fund-raising | 195,277 | 2,758,181 | 1,676,397 | 4,629,855 | 192,228 | 3,000,530 | 1,342,296 | 4,535,054 |
| Unrealized Gain (loss) | | | | | | | | |
| on Investments | 1,524,297 | 32,199 | 7,361 | 1,563,857 | (130,312) | 7,536 | 6,933 | (115,843) |
| Net Gain (loss) on Sales | 1,542,777 | - | - | 1,542,777 | 766,798 | - | - | 766,798 |
| Investment Income | 628,237 | 4,612 | 165,581 | 798,430 | 688,389 | 16,119 | 74,382 | 778,890 |
| Donor Transfers | (1,022,268) | 974,741 | 47,527 | - | (581,281) | 469,117 | 112,164 | - |
| Net Assets | | | | | | | | |
| Released from Restrictions | 1,969,927 | (1,969,927) | - | - | 1,500,192 | (1,500,192) | - | - |
| Total Revenues | <u>4,838,247</u> | <u>1,799,806</u> | <u>1,896,866</u> | <u>8,534,919</u> | <u>2,436,014</u> | <u>1,993,110</u> | <u>1,535,775</u> | <u>5,964,899</u> |
| Administrative | 28,998 | - | - | 28,998 | 22,698 | - | - | 22,698 |
| Fund-Raising | | | | | | | | |
| Golf Tournament | 49,158 | - | - | 49,158 | 49,086 | - | - | 49,086 |
| Other | 14,878 | - | - | 14,878 | 48,162 | - | - | 48,162 |
| Real Estate | 9,223 | - | - | 9,223 | 5,323 | - | - | 5,323 |
| Scholarships & Awards | | | | | | | | |
| Support of TJC | 586,851 | - | - | 586,851 | 1,026,646 | - | - | 1,026,646 |
| Scholarships | 1,386,559 | - | - | 1,386,559 | 961,192 | - | - | 961,192 |
| Other Awards | 51,589 | - | - | 51,589 | 29,455 | - | - | 29,455 |
| Total Expenditures | <u>2,127,256</u> | <u>-</u> | <u>-</u> | <u>2,127,256</u> | <u>2,142,562</u> | <u>-</u> | <u>-</u> | <u>2,142,562</u> |
| Prior Period Adjustment | - | - | - | - | (178,200) | - | 594,413 | 416,213 |
| Change in Net Assets | 2,710,991 | 1,799,806 | 1,896,866 | 6,407,663 | 115,252 | 1,993,110 | 2,130,188 | 4,238,550 |
| Net Assets, September 1 | 6,110,899 | 6,636,148 | 27,108,623 | 39,855,670 | 5,995,647 | 4,643,038 | 24,978,435 | 35,617,120 |
| Net Assets, August 31 | <u>\$ 8,821,890</u> | <u>\$ 8,435,954</u> | <u>\$ 29,005,489</u> | <u>\$ 46,263,333</u> | <u>\$ 6,110,899</u> | <u>\$ 6,636,148</u> | <u>\$ 27,108,623</u> | <u>\$ 39,855,670</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, 2014 AND 2013

| CASH FLOWS FROM OPERATING ACTIVITIES | 2014 | 2013 |
|--|---------------------|---------------------|
| Receipts from students and other customers | \$ 11,781,653 | \$ 13,632,981 |
| Receipt of state financial aid | 1,702,178 | 1,083,295 |
| Receipt of federal financial aid | 2,382,222 | 2,178,556 |
| Receipt of local grants and support | 585,280 | 60,207 |
| Receipt from sales and services of educational activities | 111,083 | 83,075 |
| Receipt from auxiliary enterprises | 3,077,997 | 3,049,065 |
| Receipt of interest on student loans | 39,330 | 31,410 |
| Receipt from other operating revenues | 1,800,400 | 1,608,127 |
| Collections on student loans | - | 42,755 |
| Payments for salaries and benefits to employees | (44,006,799) | (41,454,232) |
| Payments to suppliers for goods and services | (25,944,901) | (24,796,526) |
| | (48,471,557) | (44,481,287) |
| Net cash used in operating activities | | |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Receipt from state educational contracts | 17,063,564 | 16,580,217 |
| Receipts from Non Operating Federal Revenue | 21,516,384 | 21,012,359 |
| Property tax revenues | 20,173,417 | 19,412,930 |
| Receipts from student organizations | 1,113,026 | 1,612,348 |
| Payments to student organizations | (899,563) | (995,110) |
| | 58,966,828 | 57,622,744 |
| Net cash provided by noncapital financing activities | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchases of capital assets and construction costs | (35,180,853) | (6,409,067) |
| Bond proceeds | 51,090,000 | 25,000,000 |
| Note proceeds | 32,699 | 209,363 |
| Issuance costs on debt | (313,598) | (2,214) |
| Principal payments on capital related debt | (7,655,522) | (7,566,390) |
| Interest on capital related debt | (2,327,120) | (2,917,578) |
| Contributions received for capital related financing | 688,504 | 478,272 |
| | 6,334,110 | 8,792,386 |
| Net cash provided by (used in) capital and related financing activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment income | 139,047 | 188,790 |
| Maturity of investments | - | 514,760 |
| Purchases of investments | (7,000,000) | - |
| | (6,860,953) | 703,550 |
| Net cash provided by investing activities | | |
| Increase (decrease) in cash and cash equivalents | 9,968,428 | 22,637,393 |
| Cash and cash equivalents, September 1 | 46,519,492 | 23,882,099 |
| Cash and cash equivalents, August 31 | \$ 56,487,920 | \$ 46,519,492 |
| Reconciliation of cash on Exhibit 1: | | |
| Cash and cash equivalents - current | \$ 7,517,917 | \$ 13,806,295 |
| Cash and cash equivalents - noncurrent | 48,970,003 | 32,713,197 |
| Total cash and cash equivalents | \$ 56,487,920 | \$ 46,519,492 |

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 | \$ | (58,633,954) | \$ | (54,236,942) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | | | |
| Depreciation | | 6,602,578 | | 6,443,662 |
| Donated revenue | | - | | (471,961) |
| Non-operating plant revenue | | (688,504) | | (478,272) |
| Amortization of deferred charges | | 320,474 | | (611,947) |
| Payments made directly by state for benefits | | 4,399,329 | | 3,757,081 |
| (Increase) decrease in assets | | | | |
| Receivables (net) | | (694,394) | | (869,210) |
| Prepaid expenses | | 65,004 | | (19,791) |
| Increase (decrease) in liabilities | | | | |
| Accounts payable and accrued liabilities | | (74,993) | | 1,442,501 |
| Deferred revenues | | 234,968 | | 664,844 |
| Compensated absences | | (2,065) | | (101,252) |
| Net cash used in operating activities | \$ | <u>(48,471,557)</u> | \$ | <u>(44,481,287)</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, 2014, the foundation distributed \$1,788,442 in support and scholarships to the District. Complete financial statements for the foundation can be obtained from the foundation's offices in the White Administrative Services Center on the District's main campus.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

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

NOTE 5 — ACCOUNTS RECEIVABLE

Accounts receivable at August 31, 2014 and August 2013, are the following:

| | <u>8-31-14</u> | <u>8-31-13</u> |
|---|----------------------|----------------------|
| Student tuition and fees receivable (net of allowance for doubtful accounts of \$2,819,137 and \$2,211,601, respectively) | \$ 13,074,267 | \$ 12,936,396 |
| Taxes receivable (net of allowance for doubtful accounts of \$509,295 and \$471,161 respectively) | 613,382 | 574,845 |
| Federal receivable | 650,500 | 613,343 |
| Student loans receivable (net of allowance for doubtful accounts of \$2,233,468 and \$2,260,231 respectively) | - | - |
| Other receivables | 1,690,886 | 1,134,363 |
| | <u>\$ 16,029,035</u> | <u>\$ 15,258,947</u> |

NOTE 6 — CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2014 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|--------------------------------------|------------------------------|----------------------|-------------------|---------------------------|
| Nondepreciable assets | | | | |
| Land | \$ 8,318,683 | \$ 159,404 | \$ - | \$ 8,478,087 |
| Construction in progress | 6,654,497 | 39,975,633 | 838,324 | 45,791,806 |
| Total nondepreciable capital assets | <u>14,973,180</u> | <u>40,135,037</u> | <u>838,324</u> | <u>54,269,893</u> |
| Depreciable capital assets | | | | |
| Buildings | 134,318,515 | 139,264 | - | 134,457,779 |
| Improvements | 38,831,545 | 493,258 | - | 39,324,803 |
| Library books | 696,882 | 39,000 | 68,512 | 667,370 |
| Equipment | 36,643,809 | 862,354 | - | 37,506,163 |
| Total depreciable capital assets | <u>210,490,751</u> | <u>1,533,876</u> | <u>68,512</u> | <u>211,956,115</u> |
| Total Capital Assets | <u>225,463,931</u> | <u>41,668,913</u> | <u>906,836</u> | <u>266,226,008</u> |
| Less accumulated depreciation | | | | |
| Buildings | 41,124,512 | 3,317,605 | - | 44,442,117 |
| Improvements | 16,972,049 | 1,954,791 | - | 18,926,840 |
| Library books | 409,946 | 66,737 | 68,512 | 408,171 |
| Equipment | 31,190,099 | 1,263,445 | - | 32,453,544 |
| Total accumulated depreciation | <u>89,696,606</u> | <u>6,602,578</u> | <u>68,512</u> | <u>96,230,672</u> |
| Net Capital Assets | <u>\$ 135,767,325</u> | <u>\$ 35,066,335</u> | <u>\$ 838,324</u> | <u>\$ 169,995,336</u> |

NOTE 7 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at August 31, 2014 and August 31, 2013 were the following:

| | 8-31-14 | 8-31-13 |
|---|----------------------|---------------------|
| Vendors payable | \$ 10,101,258 | \$ 4,717,908 |
| Salaries and benefits payable | 2,523,948 | 2,502,277 |
| Interest payable | 258,575 | 131,918 |
| Total Accounts Payable and Accrued Liabilities | \$ 12,883,781 | \$ 7,352,103 |

Included in accounts payable is a liability of \$500,000 recorded as of August 31, 2014 and 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, 2014 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
|--------------------------------------|----------------------|----------------------|---------------------|-----------------------|---------------------|
| Bonds and notes | | | | | |
| Bonds payable | \$ 77,615,163 | \$ 51,473,185 | \$ 7,050,659 | \$ 122,037,689 | \$ 5,280,000 |
| Notes payable | | | | | |
| Energy project B | 1,329,483 | - | 594,722 | 734,761 | 627,020 |
| Land purchase | - | 32,699 | 9,006 | 23,693 | 9,279 |
| Data backup system | 139,702 | - | 67,554 | 72,148 | 72,148 |
| Total notes payable | 1,469,185 | 32,699 | 671,282 | 830,602 | 708,447 |
| Total bonds and notes payable | 79,084,348 | 51,505,884 | 7,721,941 | 122,868,291 | 5,988,447 |
| Other liabilities | | | | | |
| Compensated absences | 1,070,676 | 34,632 | 36,697 | 1,068,611 | 106,861 |
| Total other liabilities | 1,070,676 | 34,632 | 36,697 | 1,068,611 | 106,861 |
| Total Long-term Liabilities | \$ 80,155,024 | \$ 51,540,516 | \$ 7,758,638 | \$ 123,936,902 | \$ 6,095,308 |

NOTE 9 — BONDS PAYABLE

Bonds payable as of August 31, 2014 and August 31, 2013 are comprised of the following:

| | 8-31-14 | 8-31-13 |
|---|---------------|---------------|
| 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. | \$ 15,395,000 | \$ 17,730,000 |
| 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. | 30,660,000 | | 31,855,000 |
| 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. | 22,905,000 | | 23,940,000 |
| Combined Fee Revenue Bonds, Series 2013, issued to construct a new Energy Center on West Campus, issued December 19, 2013 for \$9,705,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues. | 9,705,000 | | - |
| Combined Fee Revenue Bonds, Series 2014, issued to construct a new residence hall and complete the new Nursing and Health Sciences Building, issued February 27, 2014 for \$41,385,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues. | 41,385,000 | | - |
| 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 |
| Total | 120,050,000 | | 75,695,000 |
| Plus: Unamortized Bond Premium | 1,987,689 | | 1,920,163 |
| Net Outstanding Bonds Payable | \$ 122,037,689 | | \$ 77,615,163 |

Bonds are due in annual principal installments varying from \$610,000 to \$2,960,000 with interest rates from 1.00% 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 | |
| 2015 | \$ 5,280,000 | 1.00 - 4.00 | 2,941,010 | 2,165,528 | 10,386,538 |
| 2016 | 6,950,000 | 1.25 - 5.00 | 2,137,678 | 2,072,953 | 11,160,631 |
| 2017 | 7,175,000 | 1.50 - 4.00 | 2,005,959 | 1,939,609 | 11,120,568 |
| 2018 | 7,395,000 | 1.80 - 4.00 | 1,875,622 | 1,812,972 | 11,083,594 |
| 2019 | 7,630,000 | 2.00 - 4.00 | 1,745,557 | 1,680,957 | 11,056,514 |
| 2020-2024 | 29,350,000 | 2.15 - 4.25 | 6,893,801 | 6,733,376 | 42,977,177 |
| 2025-2029 | 26,295,000 | 2.95 - 5.00 | 4,697,679 | 4,613,604 | 35,606,283 |
| 2030-2034 | 26,275,000 | 3.00 - 5.00 | 2,079,354 | 2,005,394 | 30,359,748 |
| 2035-2036 | 3,700,000 | 5.00 | 139,875 | 139,875 | 3,979,750 |
| | <u>\$ 120,050,000</u> | | <u>\$ 24,516,535</u> | <u>\$ 23,164,268</u> | <u>\$ 167,730,803</u> |

Pursuant to terms of the original issue of the bonds, a Reserve Fund was required to contain a Required Reserve Fund Amount. The District's Board of Trustees has adopted a resolution authorizing the substitution of a surety bond in lieu of cash and investments to satisfy the Required Reserve Fund Amount, as authorized by Section 130.125, Texas Education Code, as amended. Also, the two most recent bond issues require the District to maintain a Reserve Fund which has been established and is included as part of cash equivalents in Exhibit 1.

NOTE 10 – NOTES PAYABLE

The District has the following loans at August 31, 2014 and August 31, 2013:

| | 8-31-14 | 8-31-13 |
|---|-------------------|---------------------|
| <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. | \$ 734,761 | \$ 1,329,483 |
| <u>Doris Kiser (Individual):</u> | | |
| For purchase of property located at 814 Tipton for future expansion; annual payments including interest at 3.00% due beginning August 31, 2014; annual payments of \$10,000; final payment due August 31, 2017; secured by real estate. | 23,693 | - |
| <u>De Lage Landen Public Finance</u> | | |
| 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 | 72,148 | 139,702 |
| Total | <u>\$ 830,602</u> | <u>\$ 1,469,185</u> |

Maturities of the notes payable for years subsequent to August 31, 2014 are as follows:

| Fiscal Year | Southside Bank | | Land (814 Tipton) | | De Lage Landen Finance | | Total | |
|----------------|----------------|-----------|-------------------|----------|------------------------|----------|------------|-----------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2015 | \$ 627,020 | \$ 20,716 | \$ 9,279 | \$ 721 | \$ 72,148 | \$ 153 | \$ 708,447 | \$ 21,590 |
| 2016 | 107,741 | 625 | 9,562 | 438 | - | - | 117,303 | 1,063 |
| 2017 | - | - | 4,852 | 148 | - | - | 4,852 | 148 |
| Totals | \$ 734,761 | \$ 21,341 | \$ 23,693 | \$ 1,307 | \$ 72,148 | \$ 153 | \$ 830,602 | \$ 22,801 |

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 \$1,068,611. 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 3.30 percent plus an additional 1.90 percent for employees hired prior to September 1, 1995, and the state pays 3.30 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 \$922,440 and \$1,672,054 for the fiscal years ended August 31, 2014 and 2013. 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 \$1,957,931 (\$1,312,813 for the Teacher Retirement System and \$645,118 for the Optional Retirement Program). The District contributed \$317,002 and \$7,632 to the Optional Retirement Program to cover the 3.30% and the 1.90%, respectively, referenced above.

Total payroll for the District's employees was \$35,624,817 and \$34,239,034 for the fiscal years ended August 31, 2014 and 2013, respectively. Total payroll of employees covered by the Teacher Retirement System was \$20,512,694 and \$18,838,672, and the total payroll of employees covered by the Optional Retirement System was \$9,701,019 and \$9,675,383 for the fiscal years ended August 31, 2014 and 2013, 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 year 2014 of 3.3% while the rate for 2013 and 2012 was 6.0 percent. Effective September 1, 2013, Senate Bill (S.B.) 1812 limits the amount of the state's contribution to 50% of eligible employees in the reporting district. The District is responsible for the remaining 3.3 percent of the required 6.6 percent contribution rate for fiscal year 2014.

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, 2012, 2013 and 2014 for the District was \$2,239,799, \$2,411,350 and \$2,656,585 which consisted of \$964,150 (43.05%), \$1,068,911 (44.33%) and \$605,438 (22.79%) from the state; \$119,624 (5.34%), \$136,764 (5.67%) and \$738,334 (27.79%) from the District and \$1,156,025 (51.61%), \$1,205,675 (50.00%), and \$1,312,813 (49.42%) 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). Effective January 2013, the District developed an additional retirement plan for employees to elect to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). The College also created a 401(a) plan at the same time. As of September 1, 2013, the College contributes 4% of all eligible full-time employees' payroll to a retirement account in the employee's name whether the employee contributes or not. If the employee chooses to contribute a portion of their salary, the employee's contributions are deposited into a 457 plan in the employee's name. The College also contributes an additional matching percentage of up to 2% if the employee contributes. As of August 31, 2014, the District had 46 employees participating in the 403(b) program while 19 employees were participating in the 457 plan. A total of \$278,130 and \$88,770 in payroll deductions had been invested in the 403(b) and 457 approved plans, respectively, during the fiscal year. Also, as of August 31, 2014, the District had 535 participants in the 457 employee plan and \$547,476 in contributions were made to this plan during the 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

From time to time, the District is named as a defendant in legal actions arising out of the ordinary course of business. There were no such legal actions as of August 31, 2014 that are required to be disclosed to the financial statements.

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, 2014 | Year Ended August 31, 2013 |
|----------------------------|-------------------------------|-------------------------------|
| Unrestricted Current Funds | <u>\$690,212</u> | <u>\$602,158</u> |
| Total | <u>\$690,212</u> | <u>\$602,158</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:

| | 8-31-14 | 8-31-13 |
|-----------------------------------|-------------|-------------|
| 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 \$744 per month for the year ended August 31, 2014. The state cost of providing those benefits for all employees totaled \$2,906,745 with \$700,592 for 191 retirees and \$2,206,153 for 639 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 | \$ 14,230,609,712 |
| Less: Exemptions | 2,977,426,083 |
| Net Taxable Valuation of the District | <u>\$ 11,253,183,629</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 | \$.151417 | \$.048509 | \$.199926 |

Taxes levied for the year ended August 31, 2014 amounted to \$20,269,434.

| Taxes Collected | Current Operations | Debt Service | Total |
|----------------------------------|--------------------|--------------|--------------|
| Current taxes collected | \$15,836,196 | \$5,085,320 | \$20,921,516 |
| Delinquent taxes collected | 255,104 | 58,827 | 313,931 |
| Penalties and interest collected | 274,995 | 44,479 | 319,474 |
| Total Collections | \$16,366,295 | \$5,188,626 | \$21,554,921 |

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, 2014 were approximately 98.36% 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, 2014 and 2013.

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, 2015.

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 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, 2015.

The District also has a contract for custodial services with an outside company. The contract was amended beginning September 1, 2012, to add four new individuals and the amount changed to \$78,382 per month. The amended contract expired August 31, 2014 but has been extended for one year through August 31, 2015.

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 has expired but it is under a one year extension through July 31, 2015.

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, 2015.

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

NOTE 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 – (\$40) 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 - \$35/\$80/\$105 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 – (\$47) 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

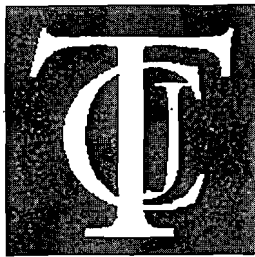
Charged to students for use of on-campus medical care facility.

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

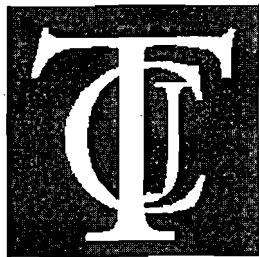
Charged to students for on campus extracurricular activities.

NOTE 24 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 2, 2014 the date which the financial statements were available to be issued.



TYLER
JUNIOR
COLLEGE
DISTRICT



TYLER
JUNIOR
COLLEGE
DISTRICT

SUPPLEMENTAL
INFORMATION

SCHEDULE A

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2014
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)

| | Unrestricted | Restricted | Total Educational Activities | Auxiliary Activities | Total 8/31/14 | Total 8/31/13 |
|---|----------------------|---------------------|------------------------------------|-------------------------|----------------------|----------------------|
| Tuition | | | | | | |
| State Funded Courses | | | | | | |
| In-District Resident Tuition | \$ 2,981,152 | \$ - | \$ 2,981,152 | \$ - | \$ 2,981,152 | \$ 2,631,756 |
| Out-of-District Resident Tuition | 4,224,950 | - | 4,224,950 | - | 4,224,950 | 4,010,924 |
| TPEG ** | 448,810 | - | 448,810 | - | 448,810 | 454,880 |
| Non-Resident Tuition | 519,545 | - | 519,545 | - | 519,545 | 608,120 |
| Continuing Education | 1,300,653 | - | 1,300,653 | - | 1,300,653 | 1,458,051 |
| Non-State Funded Continuing Education | 1,045,274 | - | 1,045,274 | - | 1,045,274 | 872,133 |
| Total Tuition | 10,520,384 | - | 10,520,384 | - | 10,520,384 | 10,033,864 |
| Fees | | | | | | |
| General Education Fee | 8,995,839 | - | 8,995,839 | - | 8,995,839 | 9,149,139 |
| Out-of-District Fee | 6,234,818 | - | 6,234,818 | - | 6,234,818 | 6,705,360 |
| Laboratory Fee | 1,530,733 | - | 1,530,733 | - | 1,530,733 | 1,441,721 |
| Registration Fee | 831,097 | - | 831,097 | - | 831,097 | 941,887 |
| Student Life Fee | - | - | - | 420,856 | 420,856 | 436,453 |
| Health Service Fee | - | - | - | 707,050 | 707,050 | 735,611 |
| Other | 1,174,178 | - | 1,174,178 | - | 1,174,178 | 1,125,279 |
| Total Fees | 18,766,665 | - | 18,766,665 | 1,127,906 | 19,894,571 | 20,535,450 |
| Allowances and Discounts | | | | | | |
| Bad Debt Allowance | (582,981) | - | (582,981) | (25,185) | (608,166) | (208,631) |
| Federal Grants to Students | (12,757,138) | - | (12,757,138) | - | (12,757,138) | (12,561,583) |
| TPEG Allowances | (298,832) | - | (298,832) | - | (298,832) | (302,238) |
| State Grants to Students | (1,316,819) | - | (1,316,819) | - | (1,316,819) | (787,770) |
| Contributions | (313,100) | - | (313,100) | - | (313,100) | (267,833) |
| Scholarships and Performance Grants | (1,586,296) | - | (1,586,296) | - | (1,586,296) | (1,414,054) |
| Waivers and Exemptions | (1,293,525) | - | (1,293,525) | - | (1,293,525) | (1,147,103) |
| Total Scholarship Allowances and Discounts | (18,148,691) | - | (18,148,691) | (25,185) | (18,173,876) | (16,689,212) |
| Net Tuition and Fees | 11,138,358 | - | 11,138,358 | 1,102,721 | 12,241,079 | 13,880,102 |
| Additional Operating Revenues | | | | | | |
| Federal Grants and Contracts | 115,515 | 2,266,707 | 2,382,222 | - | 2,382,222 | 2,178,558 |
| State Grants and Contracts | - | 1,702,178 | 1,702,178 | - | 1,702,178 | 1,083,295 |
| Local Grants and Contracts | - | 585,280 | 585,280 | - | 585,280 | 1,022,395 |
| Sales and Service of Educational Activities | 111,083 | - | 111,083 | - | 111,083 | 83,075 |
| Interest on Student Loans | 39,330 | - | 39,330 | - | 39,330 | 31,410 |
| Other | 2,488,904 | - | 2,488,904 | - | 2,488,904 | 2,086,399 |
| Total Additional Operating Revenues | 2,754,832 | 4,554,165 | 7,308,997 | - | 7,308,997 | 6,485,130 |
| Auxiliary Enterprises | | | | | | |
| Housing and Meals | - | - | - | 5,537,388 | 5,537,388 | 5,075,144 |
| Scholarship Allowances and Discounts | - | - | - | (3,198,037) | (3,198,037) | (2,736,120) |
| Net Housing and Meals | - | - | - | 2,339,351 | 2,339,351 | 2,339,024 |
| Bookstore Commissions | - | - | - | 447,632 | 447,632 | 450,000 |
| Other Auxiliary Revenues | - | - | - | 291,014 | 291,014 | 260,041 |
| Total Net Auxiliary Enterprises | - | - | - | 3,077,997 | 3,077,997 | 3,049,065 |
| Total Operating Revenues | \$ 13,893,190 | \$ 4,554,165 | \$ 18,447,355 | \$ 4,180,718 | \$ 22,628,073 | \$ 23,414,297 |

** In accordance with Education Code 56.033, \$448,810 and \$454,880 for years August 31, 2014 and 2013, 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, 2014
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)

| | Salaries and Wages | Benefits | | Other Expenses | Total 8/31/14 | Total 8/31/13 |
|--|-----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| | | State | Local | | | |
| Unrestricted - Educational Activities | | | | | | |
| Instruction | \$ 20,189,454 | \$ - | \$ 1,764,176 | \$ 3,615,696 | \$ 25,569,326 | \$ 25,728,031 |
| Public Service | 46,992 | - | 6,650 | 38,302 | 91,944 | 88,970 |
| Academic Support | 2,256,730 | - | 214,287 | 103,075 | 2,574,092 | 2,819,614 |
| Student Services | 3,649,805 | - | 288,076 | 3,286,461 | 7,224,342 | 5,226,987 |
| Institutional Support | 5,718,134 | - | 5,120,326 | 2,216,815 | 13,055,275 | 13,763,847 |
| Operation and Maintenance of Plant | 989,483 | - | 371,050 | 6,628,636 | 7,989,169 | 6,706,156 |
| Scholarships and Fellowships | - | - | - | 364,716 | 364,716 | 1,810,685 |
| Total Unrestricted | 32,850,598 | - | 7,764,565 | 16,253,701 | 56,868,864 | 56,144,290 |
| Restricted - Education and General | | | | | | |
| Instruction | 677,839 | 3,158,033 | 87,792 | 808,257 | 4,731,921 | 3,395,789 |
| Public Service | 764,831 | 143,870 | 27,477 | 125,961 | 1,062,139 | 1,153,208 |
| Academic Support | 34,664 | 382,708 | 55,491 | 18,936 | 491,799 | 384,180 |
| Student Services | 188,453 | 408,664 | - | 1,310,803 | 1,907,920 | 1,669,002 |
| Institutional Support | - | 306,054 | - | - | 306,054 | 504,970 |
| Operation and Maintenance of Plant | - | - | - | - | - | - |
| Scholarships and Fellowships | 131,845 | - | 168 | 1,425,863 | 1,557,876 | 1,154,051 |
| Total Restricted | 1,797,632 | 4,399,329 | 170,928 | 3,689,820 | 10,057,709 | 8,261,200 |
| Total Educational and General | 34,648,230 | 4,399,329 | 7,935,493 | 19,943,521 | 66,926,573 | 64,405,490 |
| Auxiliary Enterprises | 976,587 | - | 444,424 | 6,311,865 | 7,732,876 | 6,802,087 |
| Depreciation Expense - Buildings and Improvements | - | - | - | 5,272,396 | 5,272,396 | 5,187,839 |
| Depreciation Expense - Equipment | - | - | - | 1,263,445 | 1,263,445 | 1,186,135 |
| Depreciation Expense - Library Books | - | - | - | 66,737 | 66,737 | 69,688 |
| Total Operating Expenses | \$ 35,624,817 | \$ 4,399,329 | \$ 8,379,917 | \$ 32,857,964 | \$ 81,262,027 | \$ 77,651,239 |

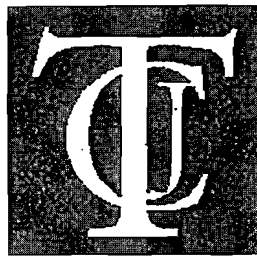
SCHEDULE C

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2014
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)

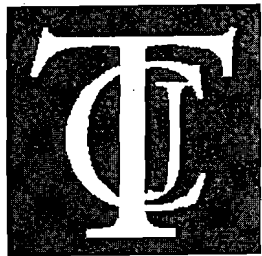
| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Auxiliary Enterprises</u> | <u>Total 8/31/14</u> | <u>Total 8/31/13</u> |
|---|-----------------------------|-----------------------------|----------------------------------|-----------------------------|-----------------------------|
| NON-OPERATING REVENUES: | | | | | |
| State Appropriations: | | | | | |
| Education and General State Support | \$ 16,788,037 | \$ - | \$ - | \$ 16,788,037 | \$ 16,477,885 |
| State Group Insurance | - | 2,906,745 | - | 2,906,745 | 2,103,014 |
| State Retirement Matching | - | 1,492,584 | - | 1,492,584 | 1,654,067 |
| Professional Nursing Shortage Reduction | - | 275,527 | - | 275,527 | 102,332 |
| Total State Appropriations | <u>16,788,037</u> | <u>4,674,856</u> | <u>-</u> | <u>21,462,893</u> | <u>20,337,298</u> |
| Property Taxes | 21,554,921 | - | - | 21,554,921 | 21,022,138 |
| Federal Revenue, Non Operating | - | 20,210,574 | - | 20,210,574 | 19,766,591 |
| Investment Income | <u>139,047</u> | <u>-</u> | <u>-</u> | <u>139,047</u> | <u>188,790</u> |
| Total Non-Operating Revenues | 38,482,005 | 24,885,430 | - | 63,367,435 | 61,314,817 |
| NON-OPERATING EXPENSES: | | | | | |
| Interest on Capital Related Debt | <u>2,453,777</u> | <u>-</u> | <u>-</u> | <u>2,453,777</u> | <u>2,896,158</u> |
| Total Non-Operating Expenses | <u>2,453,777</u> | <u>-</u> | <u>-</u> | <u>2,453,777</u> | <u>2,896,158</u> |
| Net Non-Operating Revenues | \$ <u>36,028,228</u> | \$ <u>24,885,430</u> | \$ <u>-</u> | \$ <u>60,913,658</u> | \$ <u>58,418,659</u> |

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 FOR THE YEAR ENDED AUGUST 31, 2014
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)

| | Detail by Source | | | | | Available for Current Operations | |
|--|---------------------|------------------|----------------|---|---------------------|----------------------------------|---------------------|
| | Unrestricted | Restricted | | Capital Assets Net of Depreciation & Related Debt | Total | Yes | No |
| | | Expendable | Non-Expendable | | | | |
| Current: | | | | | | | |
| Unrestricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Board Designated | 6,007,662 | - | - | - | 6,007,662 | 6,007,662 | - |
| Restricted | - | 597,996 | - | - | 597,996 | 597,996 | - |
| Auxiliary Enterprises | - | - | - | - | - | - | - |
| Loan | (1,430,591) | - | - | - | (1,430,591) | - | (1,430,591) |
| Endowment: | | | | | | | |
| Quasi: | | | | | | | |
| Unrestricted | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - |
| Endowment | | | | | | | |
| True | - | - | - | - | - | - | - |
| Term (per instructions at maturity) | - | - | - | - | - | - | - |
| Life Income Contracts | - | - | - | - | - | - | - |
| Annuities | - | - | - | - | - | - | - |
| Plant: | | | | | | | |
| Unrestricted | - | - | - | - | - | - | - |
| Board Designated | 9,163,466 | - | - | - | 9,163,466 | - | 9,163,466 |
| Debt Service | - | - | - | - | - | - | - |
| Investment in Plant | - | - | - | 81,012,927 | 81,012,927 | - | 81,012,927 |
| Total Net Position, August 31, 2014 | 13,740,537 | 597,996 | - | 81,012,927 | 95,351,460 | 6,605,658 | 88,745,802 |
| Total Net Position, August 31, 2013 | 12,727,957 | 511,271 | - | 79,832,528 | 93,071,756 | 6,118,933 | 86,952,823 |
| Net Increase (Decrease) in Net Position | \$ 1,012,580 | \$ 86,725 | \$ - | \$ 1,180,399 | \$ 2,279,704 | \$ 486,725 | \$ 1,792,979 |



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.

Table 1

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

| | For the Fiscal Year Ended August 31, | | | | | | | | | |
|---|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Net Position By Component: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 81,012,927 | \$ 79,832,528 | \$ 72,350,636 | \$ 68,009,970 | \$ 84,757,406 | \$ 53,315,039 | \$ 50,438,514 | \$ 44,698,637 | \$ 37,494,060 | \$ 33,186,486 |
| Restricted - expendable | 597,996 | 511,271 | 439,077 | 375,381 | 322,993 | 390,206 | 279,879 | 254,967 | 514,813 | 438,572 |
| Restricted - nonexpendable | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 13,740,537 | 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 |
| Total primary government net position | \$ 95,351,460 | \$ 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 |

| | For the Fiscal Year Ended August 31, | | | | | | | | | |
|--|--------------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Change in Net Position: | | | | | | | | | | |
| Total Operating and Non-Operating Revenues | \$ 85,995,508 | \$ 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 |
| Total Operating and Non-Operating Expenses | 83,715,804 | 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 |
| Prior Period Adjustment | 2,279,704 | 4,181,717 | 6,287,406 (255,408) | 10,041,293 | 6,648,582 | 3,977,668 | 4,949,876 251,130 | 8,686,945 | 5,554,985 | 2,805,984 228,644 |
| Change in Net Position | 2,279,704 | 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 |
| Beginning 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 |
| Ending Net Position | \$ 95,351,460 | \$ 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 |

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

Table 2

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

| | For the Fiscal Year Ended August 31, | | | | | | | | | |
|--|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Tuition and fees (net of discounts) | \$ 12,241,079 | \$ 13,880,102 | \$ 12,266,066 | \$ 10,301,101 | \$ 13,904,236 | \$ 14,089,899 | \$ 12,817,864 | \$ 11,730,292 | \$ 10,977,104 | \$ 10,595,736 |
| Governmental grants and contracts | | | | | | | | | | |
| Federal grants and contracts | 2,382,222 | 2,176,556 | 1,355,015 | 1,396,514 | 1,454,506 | 1,212,034 | 1,212,570 | 10,180,145 | 10,223,670 | 11,197,044 |
| State grants and contracts | 1,702,178 | 1,083,295 | 999,893 | 1,398,955 | 1,808,213 | 1,183,946 | 879,500 | 761,238 | 759,512 | 169,575 |
| Local grants and contracts | 585,260 | 1,022,395 | 532,168 | 711,217 | 220,893 | 1,064,404 | 639,049 | 3,859,709 | 1,483,700 | 645,900 |
| Sales and services of educational activities | 111,083 | 83,075 | 103,019 | 116,134 | 117,104 | 117,582 | 117,432 | 120,413 | 127,001 | 119,095 |
| Auxiliary enterprises | 3,077,997 | 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 |
| Other operating revenues | 2,528,234 | 2,117,809 | 2,511,539 | 4,810,549 | 2,121,555 | 2,083,271 | 1,838,187 | 1,527,841 | 1,483,781 | 1,586,280 |
| Total Operating Revenues | 22,628,073 | 23,414,297 | 20,411,500 | 21,087,375 | 22,272,429 | 23,420,167 | 19,260,265 | 30,073,081 | 26,937,363 | 28,017,844 |
| State appropriations | 21,462,893 | 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 |
| Property taxes | 21,554,921 | 21,022,136 | 18,937,231 | 18,638,057 | 14,638,019 | 13,062,824 | 12,646,609 | 11,540,450 | 10,358,973 | 9,944,249 |
| Federal Revenue, Non Operating | 20,210,574 | 19,766,591 | 21,761,914 | 23,541,831 | 19,019,795 | 11,596,985 | 9,426,159 | - | - | - |
| Investment income | 139,047 | 188,790 | 84,954 | 150,086 | 338,646 | 308,765 | 1,245,209 | 2,726,329 | 628,199 | 426,392 |
| Total Non-Operating Revenue | 63,367,435 | 61,314,817 | 61,869,427 | 63,938,163 | 56,670,325 | 46,424,231 | 44,563,638 | 34,775,245 | 31,211,519 | 28,122,474 |
| Total Revenues | \$ 85,995,508 | \$ 84,728,114 | \$ 82,300,927 | \$ 85,025,538 | \$ 78,942,754 | \$ 69,844,418 | \$ 63,823,903 | \$ 84,848,308 | \$ 58,148,882 | \$ 55,140,318 |

| | For the Fiscal Year Ended August 31, | | | | | | | | | |
|--|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Tuition and fees (net of discounts) | 14.23% | 16.38% | 14.90% | 12.12% | 17.23% | 20.17% | 19.77% | 18.09% | 18.66% | 19.22% |
| Governmental grants and contracts | | | | | | | | | | |
| Federal grants and contracts | 2.77% | 2.57% | 1.65% | 1.64% | 1.84% | 1.74% | 1.90% | 15.67% | 17.58% | 20.31% |
| State grants and contracts | 1.98% | 1.28% | 1.21% | 1.64% | 2.29% | 1.67% | 1.36% | 1.17% | 1.31% | 0.31% |
| Local grants and contracts | 0.88% | 1.21% | 0.65% | 0.84% | 0.28% | 1.55% | 1.00% | 5.95% | 2.55% | 1.17% |
| Sales and services of educational activities | 0.13% | 0.10% | 0.13% | 0.14% | 0.15% | 0.17% | 0.18% | 0.19% | 0.22% | 0.22% |
| Sales and services of auxiliary enterprises | 3.56% | 3.60% | 3.21% | 2.77% | 3.73% | 5.25% | 3.38% | 2.95% | 3.24% | 3.09% |
| Other operating revenues | 2.94% | 2.50% | 3.05% | 5.66% | 2.69% | 2.98% | 2.57% | 2.36% | 2.55% | 2.86% |
| Total Operating Revenues | 28.31% | 27.63% | 24.80% | 24.80% | 28.21% | 33.53% | 30.18% | 46.37% | 46.32% | 47.18% |
| State appropriations | 24.96% | 24.00% | 25.64% | 25.41% | 28.72% | 30.72% | 33.29% | 31.63% | 34.78% | 34.01% |
| Property taxes | 25.07% | 24.81% | 23.01% | 21.92% | 18.54% | 18.70% | 19.81% | 17.80% | 17.81% | 18.03% |
| Federal Revenue, Non Operating | 23.50% | 23.33% | 26.44% | 27.69% | 24.09% | 16.60% | 14.77% | 0.00% | 0.00% | 0.00% |
| Investment income | 0.16% | 0.22% | 0.10% | 0.18% | 0.43% | 0.44% | 1.95% | 4.20% | 1.08% | 0.77% |
| Total Non-Operating Revenue | 73.69% | 72.37% | 75.20% | 75.20% | 71.79% | 66.47% | 69.82% | 53.63% | 53.68% | 52.82% |
| 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 2006 through 2014 amounts have been changed in the above table to correspond with the amounts reported on Schedule C

Table 3

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

| | For the Fiscal Year Ended August 31, | | | | | | | | | |
|-------------------------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Instruction | \$ 30,301,247 | \$ 29,123,820 | \$ 28,681,895 | \$ 29,633,824 | \$ 28,626,927 | \$ 23,422,228 | \$ 22,710,169 | \$ 21,587,887 | \$ 21,503,321 | \$ 20,118,719 |
| Public service | 1,154,083 | 1,242,178 | 1,388,391 | 1,398,852 | 1,151,093 | 937,675 | 766,819 | 853,108 | 795,948 | 851,994 |
| Academic support | 3,065,891 | 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 |
| Student services | 9,132,262 | 8,295,712 | 8,114,349 | 8,274,507 | 8,404,501 | 7,623,631 | 6,652,637 | 5,903,966 | 5,814,360 | 4,861,229 |
| Institutional support | 13,361,329 | 12,957,310 | 11,432,843 | 10,777,224 | 9,790,843 | 9,429,124 | 8,005,762 | 7,660,364 | 7,244,061 | 6,944,675 |
| Operation and maintenance of plant | 7,989,169 | 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 |
| Scholarships and fellowships | 1,922,592 | 2,964,736 | 2,824,070 | 3,122,074 | 2,818,571 | 2,680,536 | 3,375,802 | 3,608,328 | 4,291,640 | 4,886,891 |
| Auxiliary enterprises | 7,732,876 | 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 |
| Depreciation | 6,602,578 | 6,443,862 | 5,819,654 | 4,966,820 | 4,346,266 | 4,125,589 | 3,128,316 | 2,812,021 | 2,670,266 | 3,892,193 |
| Total Operating Expenses | 81,262,027 | 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 |
| Interest on capital related debt | 2,453,777 | 2,896,158 | 2,353,194 | 2,624,414 | 3,013,517 | 2,531,768 | 2,142,128 | 2,176,498 | 869,073 | 1,119,570 |
| Total Non-Operating Expenses | 2,453,777 | 2,896,158 | 2,353,194 | 2,624,414 | 3,013,517 | 2,531,768 | 2,142,128 | 2,176,498 | 869,073 | 1,119,570 |
| Total Expenses | \$ 83,715,804 | \$ 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 |

| | For the Fiscal Year Ended August 31, | | | | | | | | | |
|-------------------------------------|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Instruction | 36.20% | 36.16% | 37.73% | 39.52% | 39.60% | 35.56% | 38.57% | 38.40% | 40.89% | 38.44% |
| Public service | 1.38% | 1.54% | 1.83% | 1.87% | 1.59% | 1.42% | 1.30% | 1.52% | 1.51% | 1.63% |
| Academic support | 3.66% | 3.33% | 3.27% | 3.76% | 4.00% | 3.47% | 4.74% | 4.88% | 4.29% | 4.57% |
| Student services | 10.91% | 10.30% | 10.67% | 11.03% | 11.63% | 11.57% | 11.30% | 10.51% | 11.06% | 9.29% |
| Institutional support | 15.96% | 16.09% | 15.04% | 14.37% | 13.54% | 14.32% | 13.60% | 13.64% | 13.77% | 13.27% |
| Operation and maintenance of plant | 9.54% | 8.86% | 8.14% | 6.74% | 7.03% | 10.17% | 7.76% | 7.64% | 8.38% | 9.51% |
| Scholarships and fellowships | 2.30% | 3.68% | 3.72% | 4.16% | 3.90% | 4.07% | 5.73% | 6.42% | 8.16% | 8.96% |
| Auxiliary enterprises | 9.24% | 8.44% | 8.84% | 8.42% | 8.63% | 9.31% | 8.04% | 8.09% | 5.21% | 4.76% |
| Depreciation | 7.89% | 8.00% | 7.66% | 6.62% | 6.01% | 6.28% | 5.31% | 5.01% | 5.08% | 7.44% |
| Total Operating Expenses | 97.07% | 96.40% | 96.90% | 96.50% | 95.83% | 96.16% | 96.36% | 96.12% | 98.35% | 97.86% |
| Interest on capital related debt | 2.93% | 3.60% | 3.10% | 3.50% | 4.17% | 3.84% | 3.64% | 3.88% | 1.65% | 2.14% |
| Total Non-Operating Expenses | 2.93% | 3.60% | 3.10% | 3.50% | 4.17% | 3.84% | 3.64% | 3.88% | 1.65% | 2.14% |
| 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 |
|----------------------|--------------------------------|---------------------|-------------------------|------------------------|--------------------|-------------|------------------|-----------------------------|---------------------------------|--------------------------------------|--|
| 2013 | \$ 35 | \$ 30 | \$ 77 | \$ 40 | \$ 35 | \$ 30 | \$ 2 | \$ 964 | \$ 1,528 | 3.88% | 3.24% |
| 2012 | 35 | 30 | 76 | 37 | 35 | 30 | 2 | 928 | 1,480 | 0.00% | 0.00% |
| 2011 | 35 | 30 | 76 | 37 | 35 | 30 | 2 | 928 | 1,480 | 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% |

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 |
|----------------------|--------------------------------|-----------------------------------|------------------------------------|------------------------|--------------------|-------------|------------------|------------------------------|-------------------------------|---------------------------------------|--|
| 2013 | \$ 35 | \$ 97 | \$ 97 | \$ 40 | \$ 35 | \$ 30 | \$ 2 | \$ 1,768 | \$ 1,768 | 2.79% | 2.79% |
| 2012 | 35 | 96 | 96 | 37 | 35 | 30 | 2 | 1,720 | 1,720 | 0.00% | 0.00% |
| 2011 | 35 | 96 | 96 | 37 | 35 | 30 | 2 | 1,720 | 1,720 | 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% |

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

Table 5

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

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

Sources: Local Appraisal Districts

Notes: Property is assessed at full market value.
 (a) per \$100 Taxable Assessed Valuation

Table 6

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

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

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 2009-2013
(UNAUDITED)

| Taxpayer (1) | Type of Business | Taxable Assessed Value (TAV) by Tax Year | | | | |
|---------------------------------------|--|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Brookshire Grocery Company | Supermarkets; distribution facilities | 60,855,905 | \$ 62,387,213 | \$ 129,231,040 | \$ 129,333,680 | \$ 127,334,915 |
| Oncor Electric / TXU | Electric utility | 85,243,137 | 80,476,227 | 83,859,047 | 84,193,564 | 80,760,107 |
| WalMart/Sam's | Retail | - | - | 81,793,017 | 81,793,018 | 87,589,929 |
| Kelly Springfield Tire Company | Tire Manufacturer | - | - | - | - | - |
| McWane Inc./ Ranson Industries | Pipe manufacturer | 48,259,908 | 56,096,738 | 51,853,668 | 51,853,668 | - |
| Southwestern Bell Telephone | Telephone utility | - | - | - | - | 47,638,032 |
| Dayton Hudson Corp. | Retail; distribution facilities | 96,708,766 | 70,140,546 | 107,880,844 | 107,880,844 | 86,634,554 |
| Delek Refining LTD / Crown / LaGloria | Refinery | 260,276,054 | 253,727,697 | 175,112,792 | 175,112,792 | 118,688,302 |
| Cebridge Acquisition LP | Commercial property | - | - | 52,761,861 | 52,761,861 | 56,707,130 |
| Carrier / Tytex | Air conditioning manufacturer | - | - | 44,952,878 | 44,952,878 | 47,468,281 |
| Union Oil Company | Oil & Gas | 40,346,436 | 51,930,937 | 50,981,554 | 50,865,245 | 56,741,270 |
| Genecov Investment Group | Commercial property | - | - | 81,754,531 | 81,754,531 | 56,766,576 |
| East Texas Medical Center | Hospital | 94,362,965 | 94,366,570 | - | - | - |
| Mother Frances Hospital | Hospital | 159,840,819 | 93,272,964 | - | - | - |
| University of Texas Health Center | Hospital | 68,717,190 | 68,364,930 | - | - | - |
| Simon Property Group | Commercial property | 42,815,000 | 42,850,000 | - | - | - |
| Totals | | \$ 957,426,180 | \$ 873,613,822 | \$ 860,181,232 | \$ 860,502,081 | \$ 766,329,096 |
| Total Taxable Assessed Value | | \$ 11,253,183,629 | \$ 11,003,331,572 | \$ 10,781,171,511 | \$ 10,679,667,927 | \$ 10,676,730,006 |

TYLER JUNIOR COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN TAX YEARS
 YEARS 2009-2013
 (UNAUDITED)

| Taxpayer (1) | Type of Business | % of Taxable Assessed Value (TAV) by Tax Year | | | | |
|---------------------------------------|--|---|-------|-------|-------|-------|
| | | 2013 | 2012 | 2011 | 2010 | 2009 |
| Brookshire Grocery Company | Supermarkets; distribution facilities | 0.54% | 0.57% | 1.20% | 1.21% | 1.19% |
| Oncor Electric / TXU | Electric utility | 0.76% | 0.73% | 0.78% | 0.79% | 0.76% |
| WalMart/Sam's | Retail | 0.00% | 0.00% | 0.76% | 0.77% | 0.82% |
| Kelly Springfield Tire Company | Tire Manufacturer | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| McWane Inc./ Ranson Industries | Pipe manufacturer | 0.43% | 0.51% | 0.48% | 0.49% | 0.00% |
| Southwestern Bell Telephone | Telephone utility | 0.00% | 0.00% | 0.00% | 0.00% | 0.45% |
| Dayton Hudson Corp. | Retail; distribution facilities | 0.86% | 0.64% | 1.00% | 0.00% | 0.81% |
| Delek Refining LTD / Crown / LaGloria | Refinery | 2.31% | 2.31% | 1.62% | 1.64% | 1.11% |
| Cebridge Acquisition LP | Commercial property | 0.00% | 0.00% | 0.49% | 0.49% | 0.53% |
| Carrier / Tytex | Air conditioning manufacturer | 0.00% | 0.00% | 0.42% | 0.42% | 0.44% |
| Union Oil Company | Oil & Gas | 0.36% | 0.47% | 0.47% | 0.48% | 0.53% |
| Genecov Investment Group | Commercial property | 0.00% | 0.00% | 0.76% | 0.77% | 0.53% |
| East Texas Medical Center | Hospital | 0.84% | 0.86% | 0.00% | 0.00% | 0.00% |
| Mother Frances Hospital | Hospital | 1.42% | 0.85% | 0.00% | 0.00% | 0.00% |
| University of Texas Health Center | Hospital | 0.61% | 0.62% | 0.00% | 0.00% | 0.00% |
| Simon Property Group | Commercial Property | 0.38% | 0.39% | 0.00% | 0.00% | 0.00% |
| Totals | | 8.51% | 7.94% | 7.98% | 7.05% | 7.18% |

Source: Smith and Van Zandt County Appraisal Districts

Table 7

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2004-2008
(UNAUDITED)

| Taxpayer (1) | Type of Business | Taxable Assessed Value (TAV) by Tax Year | | | | |
|---------------------------------------|--|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2008 | 2007 | 2006 | 2005 | 2004 |
| Brookshire Grocery Company | Supermarkets; distribution facilities | \$ 126,996,710 | \$ 128,587,944 | \$ 128,115,834 | \$ 121,885,885 | \$ 102,768,239 |
| Oncor Electric / TXU | Electric utility | 83,481,339 | 78,305,667 | 85,452,857 | 73,318,620 | 70,977,210 |
| WalMart/Sam's | Retail | 91,792,684 | 88,589,408 | 88,589,408 | 69,145,699 | 47,037,901 |
| Kelly Springfield Tire Company | Tire Manufacturer | - | 46,333,329 | 46,333,329 | 65,095,085 | 79,769,554 |
| McWane Inc./ Ranson Industries | Pipe manufacturer | 61,156,799 | 87,476,491 | 87,476,491 | 64,036,599 | 71,628,617 |
| Southwestern Bell Telephone | Telephone utility | 51,854,412 | 58,519,119 | 58,519,119 | 59,428,191 | 59,428,191 |
| Dayton Hudson Corp. | Retail; distribution facilities | 62,265,652 | 53,942,611 | 53,942,611 | 57,982,468 | 63,984,486 |
| Delek Refining LTD / Crown / LaGloria | Refinery | 245,122,365 | 154,833,482 | 154,833,482 | 53,535,963 | 39,978,208 |
| Simon Property Group | Commercial property | 47,620,545 | 46,559,890 | 46,559,890 | 44,440,521 | 42,528,468 |
| Carrier / Tytex | Air conditioning manufacturer | - | - | - | - | - |
| Union Oil Company | Oil & Gas | 85,339,960 | 85,339,960 | 65,885,590 | 62,889,200 | 61,057,476 |
| Genecov Investment Group | Commercial property | 57,475,537 | - | - | - | - |
| East Texas Medical Center | Hospital | - | - | - | - | - |
| Mother Frances Hospital | Hospital | - | - | - | - | - |
| University of Texas Health Center | Hospital | - | - | - | - | - |
| Simon Property Group | Commercial Property | - | - | - | - | - |
| Totals | | \$ 913,106,003 | \$ 828,487,901 | \$ 815,508,611 | \$ 671,758,231 | \$ 639,158,350 |
| Total Taxable Assessed Value | | \$ 10,522,100,610 | \$ 9,869,811,578 | \$ 8,925,879,988 | \$ 8,135,235,070 | \$ 7,581,634,844 |

TYLER JUNIOR COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN TAX YEARS
 YEARS 2004-2008
 (UNAUDITED)

| Taxpayer (1) | Type of Business | % of Taxable Assessed Value (TAV) by Tax Year | | | | |
|---------------------------------------|--|---|-------|-------|-------|-------|
| | | 2008 | 2007 | 2006 | 2005 | 2004 |
| Brookshire Grocery Company | Supermarkets; distribution facilities | 1.21% | 1.30% | 1.44% | 1.50% | 1.36% |
| Oncor Electric/ TXU | Electric utility | 0.79% | 0.79% | 0.96% | 0.90% | 0.94% |
| WalMart/Sam's | Retail | 0.87% | 0.90% | 0.99% | 0.85% | 0.62% |
| Kelly Springfield Tire Company | Tire Manufacturer | 0.00% | 0.47% | 0.52% | 0.80% | 1.05% |
| McWane Inc./ Ranson Industries | Pipe manufacturer | 0.58% | 0.89% | 0.98% | 0.79% | 0.94% |
| Southwestern Bell Telephone | Telephone utility | 0.49% | 0.59% | 0.66% | 0.73% | 0.78% |
| Dayton Hudson Corp. | Retail; distribution facilities | 0.59% | 0.55% | 0.60% | 0.71% | 0.84% |
| Delek Refining LTD / Crown / LaGloria | Refinery | 2.33% | 1.57% | 1.73% | 0.66% | 0.53% |
| Simon Property Group | Commercial property | 0.45% | 0.47% | 0.52% | 0.55% | 0.56% |
| Carrier / Tytex | Air conditioning manufacturer | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Union Oil Company | Oil & Gas | 0.81% | 0.86% | 0.74% | 0.77% | 0.81% |
| Genecov Investment Group | Commercial property | 0.55% | 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 | | 8.68% | 8.39% | 9.14% | 8.26% | 8.43% |

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 |
|--------------------------------|-------------------|-----|----------------------------|--|----------------------------------|--------------------------|---|
| 2014 | \$21,269,434 | | \$ 20,921,516 | 98.36% | \$ - | \$ 20,921,516 | 98.36% |
| 2013 | \$20,721,317 | | \$ 20,414,731 | 98.52% | \$ 135,585 | \$ 20,550,316 | 99.17% |
| 2012 | \$18,589,719 | | \$ 18,304,251 | 98.46% | \$ 49,486 | \$ 18,353,737 | 98.73% |
| 2011 | \$18,409,311 | | \$ 18,093,950 | 98.29% | \$ 28,245 | \$ 18,122,195 | 98.44% |
| 2010 | \$14,208,183 | | \$ 14,095,963 | 99.21% | \$ 17,868 | \$ 14,113,831 | 99.34% |
| 2009 | \$13,125,823 | | \$ 12,593,167 | 95.94% | \$ 9,140 | \$ 12,602,307 | 96.01% |
| 2008 | \$12,352,363 | | \$ 12,188,832 | 98.68% | \$ 5,124 | \$ 12,193,956 | 98.72% |
| 2007 | \$11,235,178 | | \$ 11,074,241 | 98.57% | \$ 2,849 | \$ 11,077,090 | 98.59% |
| 2006 | \$ 10,280,296 | | \$ 9,927,548 | 96.57% | \$ 1,692 | \$ 9,929,240 | 96.59% |
| 2005 | \$ 9,641,489 | | \$ 9,518,350 | 98.72% | \$ 1,349 | \$ 9,519,699 | 98.74% |

(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 | | | | | | | | | |
|---|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Other Debt | | | | | | | | | | |
| Revenue bonds | \$ 120,050,000 | \$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 |
| Notes | 830,602 | 1,489,185 | 2,226,212 | 3,618,545 | 7,267,915 | 9,018,497 | 8,511,126 | 9,226,409 | 9,816,776 | 9,540,189 |
| Total Outstanding Debt | \$ 120,880,602 | \$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 |
| Total Outstanding Debt Ratios | | | | | | | | | | |
| Per Capita | \$ 559.43 | \$ 287.12 | \$ 223.78 | \$ 258.45 | \$ 319.34 | \$ 237.86 | \$ 259.65 | \$ 283.62 | \$ 120.19 | \$ 130.81 |
| Per FTSE | 12,202 | 8,305 | 6,516 | 7,689 | 8,804 | 6,557 | 7,085 | 6,808 | 2,871 | 2,920 |
| As a percentage of Taxable Assessed Value | 1.07% | 0.70% | 0.55% | 0.62% | 0.54% | 0.54% | 0.60% | 0.66% | 0.31% | 0.35% |

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

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

Table 10

| Fiscal Year Ended August 31 | Pledged Revenues | | | Debt Service Requirements | | | Coverage Ratio |
|-----------------------------------|---------------------|-------------------------|---------------|---------------------------|--------------|--------------|-------------------|
| | Tuition and Fees | Auxillary Enterprise | Total | Principal | Interest | Total | |
| 2014 | \$ 30,414,955 | \$ 6,276,034 | \$ 36,690,989 | \$ 5,700,000 | \$ 3,168,722 | \$ 8,868,722 | 4.14 |
| 2013 | 30,569,314 | 5,785,185 | 36,354,499 | 5,540,000 | 3,058,107 | 8,598,107 | 4.23 |
| 2012 | 30,716,199 | 5,499,548 | 36,215,747 | 5,385,000 | 2,618,703 | 8,003,703 | 4.52 |
| 2011 | 29,640,946 | 5,767,075 | 35,408,021 | 5,790,000 | 3,170,314 | 8,960,314 | 3.95 |
| 2010 | 28,346,513 | 5,702,778 | 34,049,291 | 3,425,000 | 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 |

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 |
|----------------|------------------------|---|---|----------------------------------|
| 2013-14 | 216,080 | \$ 8,889,117 (a) | \$ 41,379 | 6.5% |
| 2012-13 | 214,617 | 8,218,435 | 38,293 | 7.0% |
| 2011-12 | 212,891 | 7,671,125 | 36,033 | 7.8% |
| 2010-11 | 209,714 | 6,956,342 | 33,171 | 7.8% |
| 2009-10 | 207,111 | 7,227,898 | 34,899 | 7.6% |
| 2008-09 | 203,263 | 7,323,724 | 36,031 | 5.0% |
| 2007-08 | 199,953 | 6,982,403 | 34,920 | 4.2% |
| 2006-07 | 196,124 | 6,539,102 | 33,342 | 4.7% |
| 2005-06 | 191,362 | 6,070,117 | 31,721 | 4.8% |
| 2004-05 | 187,300 | 5,962,908 | 31,836 | 5.3% |

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 2013-2014

Table 12

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

| Employer | 2014 | | 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 | Number of Employees | Percentage of Total Employment |
| Trinity Mother Frances | 4,030 | 7.46% | 3,775 | 7.02% | 4,000 | 5.82% | 3,884 | 5.65% | 3,652 | 5.32% | 3,567 | 5.19% |
| East Texas Medical Center | 3,092 | 5.72% | 3,153 | 5.86% | 3,238 | 4.71% | 3,725 | 5.42% | 3,620 | 5.27% | 3,650 | 5.31% |
| Brookshire Grocery Company | 1,762 | 3.26% | 2,599 | 4.83% | 2,522 | 3.67% | 2,524 | 3.67% | 2,213 | 3.22% | 2,190 | 3.19% |
| Tyler Independent School District | 2,359 | 4.37% | 2,468 | 4.59% | 2,449 | 3.56% | 2,464 | 3.59% | 2,501 | 3.64% | 2,572 | 3.74% |
| Wal-Mart | 1,296 | 2.40% | 1,311 | 2.44% | 1,711 | 2.49% | 1,711 | 2.49% | 1,697 | 2.47% | 1,670 | 2.43% |
| Trane Co. | 1,500 | 2.78% | 1,500 | 2.79% | 1,500 | 2.18% | 1,575 | 2.29% | 1,520 | 2.21% | 1,949 | 2.84% |
| Suddenlink | 1,600 | 2.96% | 1,500 | 2.79% | 1,500 | 2.18% | 1,197 | 1.74% | 1,138 | 1.66% | 1,057 | 1.54% |
| UT Health Northeast | 1,050 | 1.94% | 925 | 1.72% | 865 | 1.26% | 849 | 1.24% | - | 0.00% | - | 0.00% |
| Carrier Corporation | - | 0.00% | - | 0.00% | - | 0.00% | 795 | 1.16% | 659 | 0.96% | 1,201 | 1.75% |
| Tyler Junior College District | 935 | 1.73% | 862 | 1.60% | 811 | 1.18% | 786 | 1.14% | 586 | 0.85% | 572 | 0.83% |
| UT Tyler | 1,557 | 2.88% | 1,121 | 2.08% | 1,094 | 1.59% | - | 0.00% | 568 | 0.83% | 556 | 0.81% |
| | <u>19,181</u> | <u>35.50%</u> | <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 | | | | | | | | | |
|---------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Faculty | | | | | | | | | | |
| Full-Time | 296 | 295 | 282 | 280 | 278 | 272 | 255 | 251 | 255 | 248 |
| Part-Time | 306 | 305 | 323 | 298 | 270 | 258 | 258 | 235 | 237 | 233 |
| Total | 602 | 600 | 605 | 578 | 548 | 530 | 513 | 486 | 492 | 481 |
| Percent | | | | | | | | | | |
| Full-Time | 49.17% | 49.17% | 46.61% | 48.44% | 50.73% | 51.32% | 49.71% | 51.65% | 51.83% | 51.56% |
| Part-Time | 50.83% | 50.83% | 53.39% | 51.56% | 49.27% | 48.68% | 50.29% | 48.35% | 48.17% | 48.44% |
| Staff and Administrators | | | | | | | | | | |
| Full-Time | 348 | 339 | 329 | 319 | 322 | 310 | 269 | 259 | 260 | 270 |
| Part-Time | 264 | 255 | 210 | 194 | 200 | 170 | 151 | 141 | 146 | 139 |
| Total | 612 | 594 | 539 | 513 | 522 | 480 | 420 | 400 | 406 | 409 |
| Percent | | | | | | | | | | |
| Full-Time | 56.86% | 57.07% | 61.04% | 62.18% | 61.69% | 64.58% | 64.05% | 64.75% | 64.04% | 66.01% |
| Part-Time | 43.14% | 42.93% | 38.96% | 37.82% | 38.31% | 35.42% | 35.95% | 35.25% | 35.96% | 33.99% |
| | | | | | | | | | | |
| FTSE per Full-Time Faculty | 33.47 | 31.49 | 32.39 | 30.79 | 30.95 | 31.63 | 32.77 | 34.65 | 34.58 | 36.92 |
| FTSE per Full-Time Staff Member | 28.47 | 27.41 | 28.64 | 27.03 | 31.86 | 33.34 | 32.39 | 37.01 | 37.20 | 33.91 |
| | | | | | | | | | | |
| Average Annual Faculty Salary | \$ 50,217 | \$ 51,120 | \$ 50,065 | \$ 50,848 | \$ 51,047 | \$ 49,100 | \$ 46,764 | \$ 45,303 | \$ 45,213 | \$ 43,973 |

Table 14

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

| Student Classification | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | | Fall 2009 | |
|------------------------|--------------|-------------|--------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 00-30 hours | 6,810 | 70.83% | 6,031 | 61.45% | 7,531 | 65.26% | 7,973 | 67.92% | 7,624 | 69.03% |
| 31-60 hours | 1,831 | 19.05% | 3,411 | 34.76% | 2,207 | 19.12% | 2,332 | 19.87% | 2,152 | 19.48% |
| >60 hours | 973 | 10.12% | 372 | 3.79% | 1,802 | 15.62% | 1,433 | 12.21% | 1,269 | 11.49% |
| Total | 9,614 | 100% | 9,814 | 100% | 11,540 | 100% | 11,738 | 100% | 11,045 | 100% |

| Semester Hour Load | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | | Fall 2009 | |
|--------------------|--------------|-------------|--------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Part-Time | 4,367 | 45.42% | 4,571 | 46.58% | 5,143 | 44.57% | 6,234 | 53.11% | 6,186 | 56.01% |
| Full-Time | 5,247 | 54.58% | 5,243 | 53.42% | 6,397 | 55.43% | 5,504 | 46.89% | 4,859 | 43.99% |
| Total | 9,614 | 100% | 9,814 | 100% | 11,540 | 100% | 11,738 | 100% | 11,045 | 100% |

| Tuition Status | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | | Fall 2009 | |
|----------------------------------|--------------|-------------|--------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Texas Resident (in-District) | 3,989 | 41.49% | 4,041 | 41.18% | 5,117 | 44.34% | 5,242 | 44.66% | 4,939 | 44.72% |
| Texas Resident (out-of-District) | 5,208 | 54.17% | 5,347 | 54.48% | 5,989 | 51.90% | 6,077 | 51.77% | 5,751 | 52.07% |
| Non-Resident Tuition | 417 | 4.34% | 426 | 4.34% | 434 | 3.76% | 419 | 3.57% | 355 | 3.21% |
| Tuition Exemption/Waiver | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Total | 9,614 | 100% | 9,814 | 100% | 11,540 | 100% | 11,738 | 100% | 11,045 | 100% |

Table 15

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

| | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | | Fall 2009 | |
|----------------------|--------------|-------------|--------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Gender | | | | | | | | | | |
| Female | 5,599 | 58.24% | 5,701 | 58.09% | 6,809 | 59.00% | 6,952 | 59.23% | 6,495 | 58.80% |
| Male | 4,015 | 41.76% | 4,113 | 41.91% | 4,731 | 41.00% | 4,786 | 40.77% | 4,550 | 41.20% |
| Total | 9,614 | 100% | 9,814 | 100% | 11,540 | 100% | 11,738 | 100% | 11,045 | 100% |
| Ethnic Origin | | | | | | | | | | |
| White | 5,419 | 56.19% | 5,514 | 56.19% | 6,939 | 60.13% | 7,297 | 62.17% | 6,992 | 63.30% |
| Hispanic | 1,303 | 13.64% | 1,339 | 13.64% | 1,297 | 11.24% | 1,320 | 11.25% | 1,230 | 11.14% |
| African American | 2,323 | 24.86% | 2,440 | 24.86% | 2,666 | 23.10% | 2,642 | 22.51% | 2,421 | 21.92% |
| Asian | 142 | 1.39% | 136 | 1.39% | 176 | 1.53% | 184 | 1.57% | 170 | 1.54% |
| Native American | 93 | 0.73% | 72 | 0.73% | 78 | 0.68% | 57 | 0.49% | 62 | 0.56% |
| Other | 334 | 3.19% | 313 | 3.19% | 384 | 3.33% | 238 | 2.03% | 170 | 1.54% |
| Total | 9,614 | 100% | 9,814 | 100% | 11,540 | 100% | 11,738 | 100% | 11,045 | 100% |
| Age | | | | | | | | | | |
| 16 or younger | 19 | 0.20% | 37 | 0.38% | 590 | 5.11% | 616 | 5.25% | 315 | 2.85% |
| 17 | 160 | 1.66% | 179 | 1.82% | 765 | 6.63% | 752 | 6.41% | 641 | 5.80% |
| 18 | 1,852 | 19.26% | 1,885 | 19.21% | 1,917 | 16.61% | 2,083 | 17.75% | 1,525 | 13.81% |
| 19-21 | 3,415 | 35.52% | 3,455 | 35.20% | 3,608 | 31.27% | 3,627 | 30.90% | 4,095 | 37.08% |
| 22-24 | 1,206 | 12.54% | 1,221 | 12.44% | 1,320 | 11.44% | 1,358 | 11.57% | 1,412 | 12.78% |
| 25-30 | 1,169 | 12.16% | 1,214 | 12.37% | 1,322 | 11.46% | 1,324 | 11.28% | 1,285 | 11.63% |
| 31-35 | 578 | 6.01% | 612 | 6.24% | 721 | 6.25% | 687 | 5.85% | 624 | 5.65% |
| 36-50 | 940 | 9.78% | 979 | 9.98% | 1,075 | 9.32% | 1,065 | 9.07% | 942 | 8.53% |
| 51-64 | 250 | 2.60% | 222 | 2.26% | 216 | 1.87% | 219 | 1.87% | 199 | 1.80% |
| 65 & over | 25 | 0.26% | 10 | 0.10% | 6 | 0.05% | 7 | 0.06% | 7 | 0.06% |
| Total | 9,614 | 100% | 9,814 | 100% | 11,540 | 100% | 11,738 | 100% | 11,045 | 100% |
| Average Age | 25 | | 24 | | 23 | | 23 | | 23 | |

Table 16

TYLER JUNIOR COLLEGE DISTRICT
 TRANSFERS TO SENIOR INSTITUTIONS
 2012 FALL STUDENTS AS OF FALL 2013
 (Includes only public senior colleges in Texas)
 (UNAUDITED)

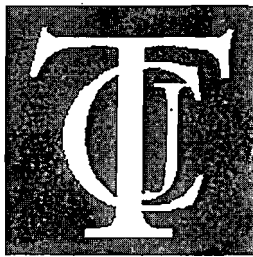
| | Transfer Student Count | Transfer Student Count | Transfer Student Count | Transfer Student Count | Total of all Sample Transfer Students | % of all Sample Transfer Students |
|--|------------------------------|------------------------------|------------------------------|------------------------------|--|--|
| | Academic | Technical | Tech-Prep | U Graduat | | |
| 1 Angelo State University | 3 | 0 | 0 | 0 | 3 | 0.20% |
| 2 Lamar University | 6 | 2 | 0 | 0 | 8 | 0.53% |
| 3 Midwestern State University | 5 | 2 | 0 | 0 | 7 | 0.46% |
| 4 Prairie View A&M University | 5 | 0 | 0 | 0 | 5 | 0.33% |
| 5 Sam Houston State University | 27 | 7 | 0 | 0 | 34 | 2.23% |
| 6 Stephen F. Austin State University | 109 | 19 | 3 | 0 | 131 | 8.61% |
| 7 Sul Ross State University | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 8 Tarleton State University | 13 | 1 | 0 | 0 | 14 | 0.92% |
| 9 Texas A&M University | 170 | 9 | 0 | 0 | 179 | 11.76% |
| 10 Texas A&M University - Central Texas | 1 | 0 | 0 | 0 | 1 | 0.07% |
| 11 Texas A&M University - Commerce | 19 | 6 | 0 | 0 | 25 | 1.64% |
| 12 Texas A&M University - Corpus Christi | 2 | 1 | 0 | 0 | 3 | 0.20% |
| 13 Texas A&M University - Kingsville | 1 | 0 | 0 | 0 | 1 | 0.07% |
| 14 Texas A&M University - Texarkana | 4 | 2 | 0 | 0 | 6 | 0.39% |
| 15 Texas A&M University at Galveston | 2 | 0 | 0 | 0 | 2 | 0.13% |
| 16 Texas Southern University | 6 | 0 | 0 | 0 | 6 | 0.39% |
| 17 Texas State University - San Marcos | 47 | 4 | 0 | 0 | 51 | 3.35% |
| 18 Texas Tech University | 39 | 9 | 0 | 0 | 48 | 3.15% |
| 19 Texas Women's University | 16 | 4 | 1 | 0 | 21 | 1.38% |
| 20 University of Texas - Arlington | 42 | 10 | 0 | 0 | 52 | 3.42% |
| 21 University of Texas - Austin | 32 | 3 | 1 | 0 | 36 | 2.37% |
| 22 University of Texas - Dallas | 13 | 0 | 0 | 0 | 13 | 0.85% |
| 23 University of Texas - El Paso | 2 | 0 | 0 | 0 | 2 | 0.13% |
| 24 University of Texas - San Antonio | 3 | 0 | 0 | 0 | 3 | 0.20% |
| 25 University of Texas - Tyler | 642 | 139 | 3 | 0 | 784 | 51.51% |
| 26 University of Houston | 11 | 2 | 0 | 0 | 13 | 0.85% |
| 27 University of Houston - Downtown | 3 | 1 | 0 | 0 | 4 | 0.26% |
| 28 University of Houston - Victoria | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 29 University of North Texas | 63 | 4 | 0 | 0 | 67 | 4.40% |
| 30 University of North Texas at Dallas | 1 | 1 | 0 | 0 | 2 | 0.13% |
| 31 West Texas A&M University | 1 | 0 | 0 | 0 | 1 | 0.07% |
| Totals | 1,288 | 226 | 8 | 0 | 1,522 | 100.00% |

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

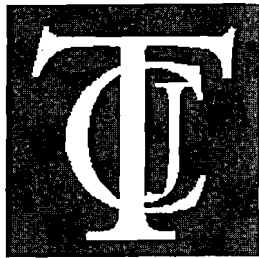
Table 17

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

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2014</u> | <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> |
| 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 | 87 | 88 | 100 | 104 | 104 | 104 | 98 | 98 | 99 |
| Administrative and support buildings | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 6 | 6 |
| Square footage (in thousands) | 168 | 168 | 168 | 168 | 161 | 161 | 161 | 161 | 150 | 150 |
| Dormitories | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 |
| Square footage (in thousands) | 267 | 267 | 267 | 267 | 267 | 267 | 267 | 115 | 115 | 115 |
| Number of Beds | 1062 | 1062 | 1062 | 1062 | 1062 | 1062 | 1062 | 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 | 1745 | 3678 | 3872 | 3543 | 2758 | 2500 | 2500 | 2,000 | 2,000 | 2,000 |
| Athletic Facilities | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 6 |
| Square footage (in thousands) | 445 | 445 | 445 | 445 | 436 | 436 | 436 | 425 | 425 | 425 |
| Stadiums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gymnasiums | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fitness Centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Tennis Court | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| Plant facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| Square footage (in thousands) | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 17 | 17 | 17 |
| Transportation | | | | | | | | | | |
| Cars | 17 | 17 | 15 | 10 | 6 | 15 | 6 | 6 | 10 | 13 |
| Light Trucks/Vans | 29 | 27 | 27 | 22 | 21 | 21 | 42 | 39 | 24 | 32 |
| Heavy Trucks | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 |
| Buses | 1 | 1 | 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, 2014**

| 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 | - | \$ 225,873 |
| Federal College Workstudy Program | 84.033 | - | 54,942 |
| Federal Pell Grant Program | 84.063 | - | 18,621,964 |
| Direct Student Loans | 84.268 | - | 25,597,665 |
| TRIO Cluster | | | |
| Student Support Services Grant | 84.042A | - | 236,208 |
| Pass Through From: | | | |
| Texas Workforce Commission | | | |
| Adult Basic Education | 84.002 | 0814ABE002 | 466,203 |
| Adult Basic Education | 84.002 | 0814AELA00 | 45,062 |
| Total Adult Basic Education | | | <u>513,265</u> |
| Texas Higher Education Coordinating Board | | | |
| Carl Perkins Vocational Educational Programs - Basic | 84.048 | 14420206 | <u>618,271</u> |
| Total U. S. Department of Education | | | <u>46,867,988</u> |
| U.S. Department of Labor | | | |
| Direct Program: | | | |
| Trade Adjustment Assistance Community College and Career Training Grants | 17.282 | TC-23812-12-60-A-48 | <u>1,064,146</u> |
| Total U. S. Department of Labor | | | <u>1,064,146</u> |
| National Science Foundation | | | |
| Pass Through From: | | | |
| University of Texas at El Paso | | | |
| Education and Human Resources | 47.076 | 26-1008-4126 | <u>21,952</u> |
| Total National Science Foundation | | | <u>21,952</u> |
| U.S. Small Business Administration (SBA) | | | |
| Pass Through From: | | | |
| Dallas County Community College District | | | |
| Small Business Development Center | 59.037 | - | <u>73,771</u> |
| Total U.S. Small Business Administration (SBA) | | | <u>73,771</u> |
| U.S. Department of Health and Human Services | | | |
| Pass Through From: | | | |
| Texas Workforce Commission | | | |
| Temporary Aid for Needy Families | 93.558 | 0814ABE002 | 28,487 |
| Workforce Solutions East Texas Board and East Texas Council of Governments | | | |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.566 | 04161C41 | <u>9,546</u> |
| Total U.S. Department of Health and Human Services | | | <u>38,033</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 48,085,890</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 | \$ 2,266,707 |
| Non Operating Revenue From Schedule C | 20,210,574 |
| Direct Student Loans | 25,597,665 |
| Matching Contributions Included in Schedule E | <u>10,944</u> |
| Total Federal Financial Assistance – Schedule E | <u>\$48,085,890</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 Workforce Commission and Temporary Aid for Needy Families (TANF) CFDA 93.558 from the U. S. Department of Health and Human Services through the Texas Workforce Commission.

| | |
|---|-----------|
| Literacy Council of Tyler (Adult Basic Education) | \$408,595 |
| Literacy Council of Tyler (TANF) | 28,487 |
| Literacy Council of Tyler (Adult Basic Education) | 1,625 |
| Kilgore College (Adult Basic Education) | 1,664 |

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

| <u>Grantor Agency/Program Title</u> | <u>Grant Contract Number</u> | <u>Expenditures</u> |
|--|--------------------------------------|----------------------------|
| Texas Higher Education Coordinating Board | | |
| Texas College Work Study | -- | \$ 65,333 |
| Developmental Education Scaling and Sustaining Success Program | 10892 | 102,429 |
| Professional Nursing Shortage Reduction Program | -- | 275,527 |
| Intensive College Readiness | 06085 | 53,600 |
| TEXAS Grants - Initial and Renewal Funds | -- | 778,891 |
| Texas Educational Opportunity Grant Program | -- | 145,530 |
| Top Ten Percent | -- | 63,500 |
| T-STEM Challenge Scholarship Program | 11267 | 292,296 |
| Dallas County Community College District | | |
| Small Business Development Center | -- | 80,526 |
| Texas Workforce Commission | | |
| Adult Basic Education | 0814ABE002 | 88,291 |
| Adult Basic Education | 0814AELA00 | 9,060 |
| Total Adult Basic Education | | <u>97,351</u> |
| Skills Development | 1613SDF001 | <u>108,252</u> |
| | | |
| Total Expenditures of State Awards | | \$ <u>2,063,235</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 | \$1,702,178 |
| Professional Nursing Shortage Reduction reported on Schedule C | 275,527 |
| Matching Contributions Included in Schedule F | <u>85,530</u> |
| Total State Financial Assistance – Schedule F | <u>\$2,063,235</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, 2014, 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 2, 2014.

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 2, 2014



**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, 2014. 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 Federal 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, 2014.

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 2, 2014

**TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014**

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 |

Dollar threshold used to distinguish Between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee: X yes no

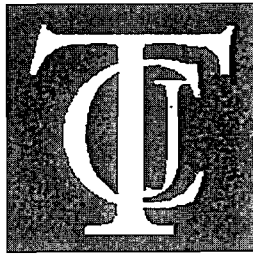
TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014

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, 2014

There were no findings reported in the prior audit as of August 31, 2013.