

**TYLER JUNIOR COLLEGE DISTRICT
TYLER TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
AUGUST 31, 2015 AND 2014**

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



TYLER
JUNIOR
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DISTRICT

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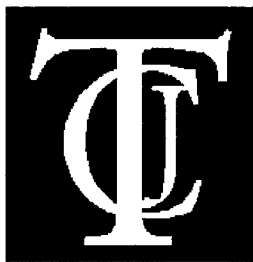
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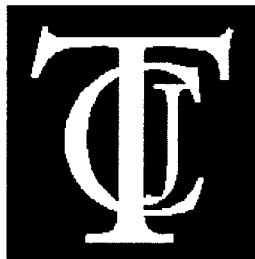
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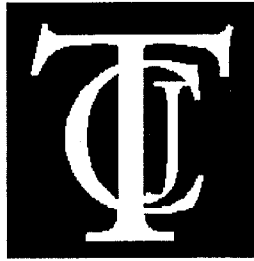


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INTRODUCTORY
SECTION



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TYLER JUNIOR COLLEGE

December 4, 2015

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, 2015.

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 unmodified ("clean") opinion on the Tyler Junior College financial statements for the year ended August 31, 2015. 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-five states and thirty-five foreign countries. Annual fall unduplicated enrollment is approximately 11,000 academic and vocational students with an additional 5,700 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 funds are expended in accordance with the adopted budget.

Monitoring of the Budget

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

Legal Level Budgetary Control

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

ASSESSING THE ECONOMIC CONDITION

Enrollment for the 2014-2015 academic year slightly increased as compared to the 2013-2014 academic year. Since the recent recession, enrollment has declined slightly for several years as the economy improves and students take fewer courses or return to the work force full time. This decline appears to be stabilizing. Modest enrollment growth is expected in the future due to the addition of several new programs and expansion of existing programs in the areas of nursing and health science and workforce and technical training. Additional instructional space was added to the campus footprint in January 2015 with the completion of the new Rogers Nursing and Health Sciences Building and the Energy Center. An additional 248 beds were made available in August 2015 as construction of the newest residence hall on campus was completed.

State appropriations for 2015 remained stable as compared to 2014, but the future of State funding for higher education represents an ongoing concern. In order to mitigate the impact of reduced state funding from prior years and the uncertainty of future appropriations, the College reviews tuition and fee schedules annually. The Board approved a fee increase for the Fall 2014 semester which included a mandatory technology fee and a differential fee. The mandatory technology fee was added to help offset the increasing costs of technology related advancements in the delivery of instruction. The differential fee was added to courses in select programs to cover the increasing costs of providing instruction for high-cost courses in health and technology related programs. Additional increases may be necessary in the future as the College continues to align program costs with the tuition and fee structure. 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.

Due to the history of reduced state funding, the College must rely on local tax revenues to support capital growth and increased capacity needs. Tax revenues continue to increase slightly over the past several years due to an expanded tax base and increased property valuations. Property valuations of the District remained relatively flat this past year. The College increased the maintenance and operation tax rate for 2014-2015 to \$.152999 per \$100 valuation. Additionally, the District reduced the associated debt tax rate slightly to cover the 2009 Maintenance Notes and the 2012 General Obligation bonds for 2014-2015 to \$.046927 per \$100 valuation. The total tax rate for 2014-2015 for the College remained at \$.199926 per \$100 valuation. As the economy continues to grow in the Tyler area and property valuations increase, tax revenues are also expected to increase. Tax revenues help the College preserve the existing capital structures and infrastructure and allow for future capital growth.

Legislation significant to Tyler Junior College was passed during the 84th legislative session. House Bill 3348 was passed to address the need for dental hygiene professionals by providing for the authorization of a baccalaureate degree in the field of dental hygiene to be offered at certain public junior colleges. Currently, only three community colleges in Texas are currently authorized by the legislature to offer selected baccalaureate degree programs. Tyler Junior College is excited to be the first community college in East Texas to have the opportunity to offer a baccalaureate degree in dental hygiene. The necessary documentation is being developed to submit to the Texas Higher Education Coordinating Board and the appropriate accrediting agencies for approval of the program. Pending approval, the baccalaureate degree program will be offered beginning Fall 2016.

The College is also looking to expand program and course offerings in the Lindale area, a community north of Tyler and within the District's taxing boundary. An existing center exists in Lindale where selected core courses and a vocational nursing program are offered. The College is collaborating with the Lindale Economic Development Council and the City of Lindale to provide the College with additional space for classrooms in a strategic location within the city.

TRENDS

Tyler is located in Smith County in northeastern Texas approximately 100 miles east of Dallas and 100 miles west of Shreveport, Louisiana. Tyler is considered the advanced manufacturing, health care, educational, and retail center of East Texas. The Bureau of Economic Analysis indicates employment in the Tyler Metropolitan Statistical Area (MSA) is growing in the fields of energy, mining, construction, and health services. Texas Workforce Commission data also supports these growth figures. According to the Perryman Economic Outlook report for the Tyler MSA, real gross product (RGP) is expected to increase approximately 4.69% annually, or \$2.19 billion, between 2013 and 2018. The economy in Tyler, the East Texas area and the state of Texas continues to grow at a healthy rate as compared to the national economy.

Tyler Junior College is sensitive to the needs of employers in the local area and the state. New programs and courses have recently been developed to uniquely situate the College in a position to provide the needed skilled and educated workforce. Tyler Junior College offers expanded and new programs in the health care field including nursing, dental hygiene, dental assisting, physical therapist assistant, occupational therapy assistant, and a wellness and exercise program. New technical and energy related programs include electrical/electronic controls technology, and power plant technology.

The addition of the new Rogers Nursing and Health Sciences Building and the Energy Center have allowed the College to expand course offerings in these new programs which were created based on workforce needs identified through involvement with the community, employers, and the Texas Workforce Commission. Student needs were also considered in the decision to add a 248-bed residence hall which was ready for occupancy in Fall 2015. The addition of these new programs, buildings and residential living spaces are expected to 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, 2014. 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.

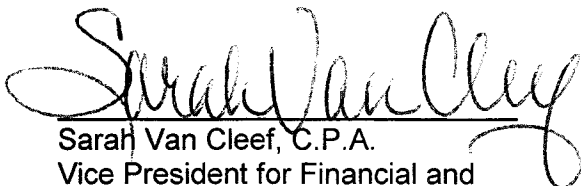
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of one year only. The 2014 report was the nineteenth submission for the District, having earned its first Certificate of Achievement in 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


Acknowledgments

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

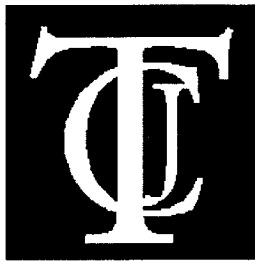
Respectfully submitted,



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



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



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Government Finance Officers Association

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

Presented to

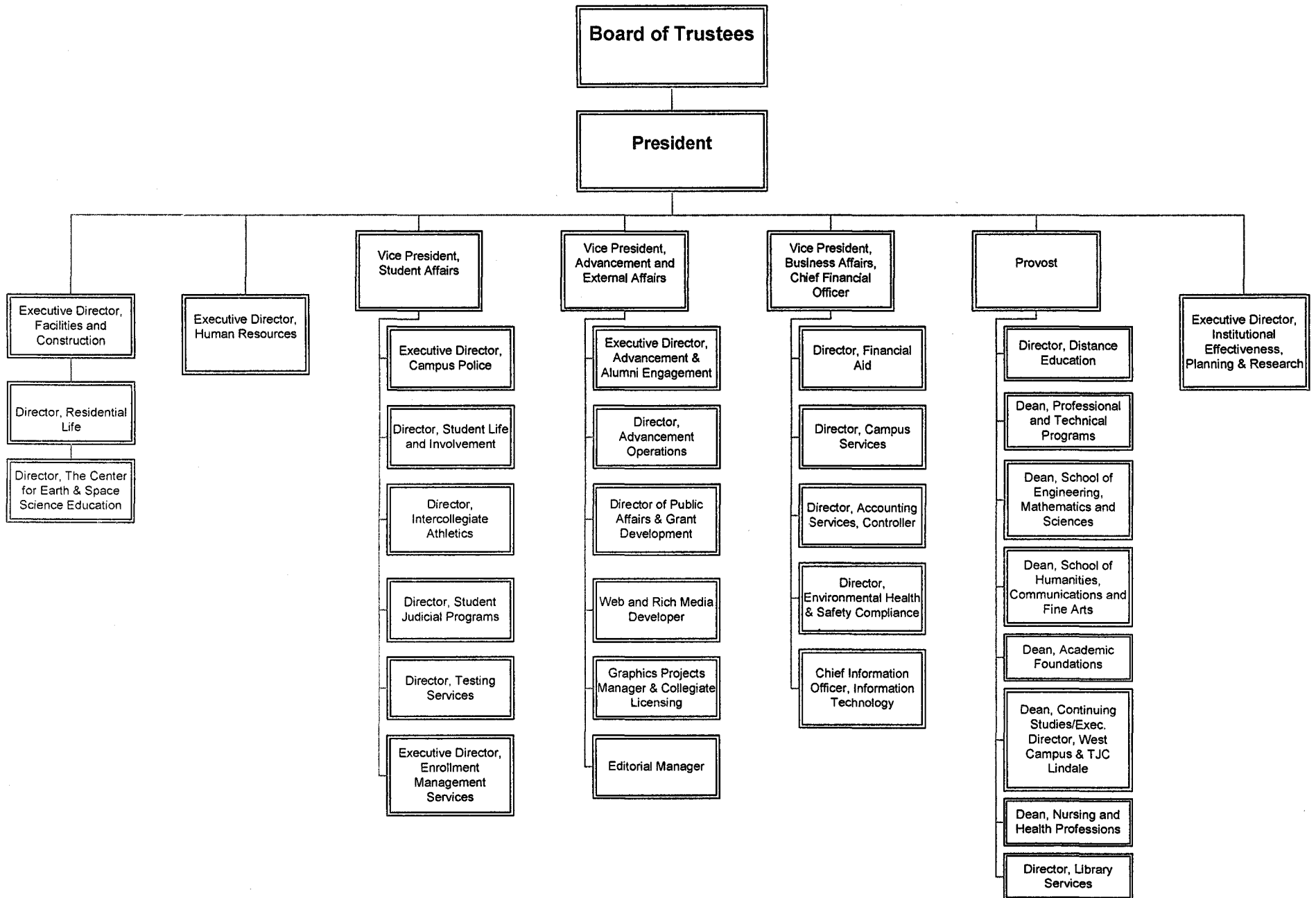
**Tyler Junior College District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2014

Executive Director/CEO

TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE



TYLER JUNIOR COLLEGE

**ORGANIZATIONAL DATA
For the Fiscal Year 2015-2016**

Board of Trustees

Officers

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

Members

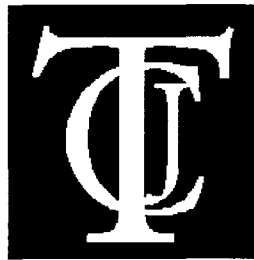
		Term Expires
		<u>May</u>
Rohn Boone	Tyler, Texas	2020
John Hills	Tyler, Texas	2018
David Hudson	Tyler, Texas	2020
Clint Roxburgh	Tyler, Texas	2016
Peggy Smith	Tyler, Texas	2016
Lonny Uzzell	Tyler, Texas	2018

Principal Administrative Officers

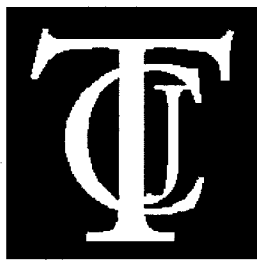
L. Michael Metke	President
Juan Mejia	Provost, and Vice President, Academic and Student Affairs
Sarah Van Cleef	Vice President, Financial and Administrative Affairs/CFO
Lisa M. Harper	Dean, Student Success
Paul R. Monagan	Dean, Nursing & Health Professions
Kenneth Murphy	Dean, Engineering, Mathematics/Sciences
	Interim Dean, Humanities, Communication/ Fine Arts
Aubrey D. Sharpe	Dean, Continuing Studies/Executive Administrator, West Campus/ TJC Lindale



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FINANCIAL
SECTION

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, 2015 and 2014, 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 \$45,511,609 as of August 31, 2015 and total revenues of \$3,460,930 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, 2015 and 2014, 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.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 12 to the financial statements which outline the Tyler Junior College District's implementation of the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation has caused the District to restate their beginning net position for the year ended August 31, 2014 in the amount of \$9,558,798 and to recognize a net pension liability of \$10,359,556 for the year ended August 31, 2014 and \$9,237,442 for the year ended August 31, 2015.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tyler Junior College District's basic financial statements. The introductory section, 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 4, 2015, on our consideration of the Tyler Junior College District's internal control over financial reporting

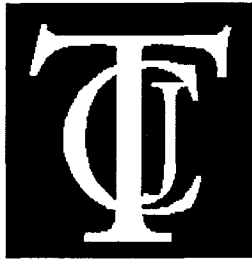
and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

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 4, 2015



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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 2015. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

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

Statement of Net Position

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

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

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

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

Condensed Statement of Net Position
(thousands of dollars)

	<u>August 31</u>			<u>Change</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2014 to 2015</u>	<u>2013 to 2014</u>
Assets					
Current Assets	\$ 34,314	\$ 30,608	\$ 29,191	\$ 3,706	\$ 1,417
Capital Assets, Net	212,562	169,995	135,767	42,567	34,228
Other Assets	6,991	49,582	33,398	(42,591)	16,184
Total Assets	253,867	250,185	198,356	3,682	51,829
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	1,411	801	0	610	801
Liabilities					
Current Liabilities	35,420	36,993	32,636	(1,573)	4,357
Noncurrent Liabilities	128,971	128,201	72,650	770	55,551
Total Liabilities	164,391	165,194	105,286	(803)	59,908
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	2,581	0	0	2,581	0
Net Position					
Net Investment in Capital Assets	85,846	81,013	79,833	4,833	1,180
Restricted: Expendable	721	598	511	123	87
Unrestricted	1,739	4,181	12,728	(2,442)	(8,547)
Total Net Position	\$ 88,306	\$ 85,792	\$ 93,072	\$ 2,514	\$ (7,280)

The \$253.9 million in assets includes cash and cash equivalents of \$22.1 million. This represents a \$34.4 million decrease over the cash and cash equivalents of \$56.5 million in FY2014. Despite the issuance of \$4,684,000 of Maintenance Tax Notes, Series 2015, on March 26, 2015 for the refurbishment of existing buildings and the issuance of \$5,316,000 of Combined Fee Revenue Bonds, Series 2015, on March 26, 2015 for the completion of the construction of a new 248-bed residence hall, the District experienced a decrease in cash and cash equivalents in 2015 compared to 2014. The decrease is a result of the proceeds from the issuance of the \$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 being spent during FY2015 as the Robert M. Rogers Nursing and

Health Sciences Center, the Energy Center facility, and the 248-bed residence hall were completed. A review of the Statement of Net Position also reveals accounts receivable of \$18.6 million compared to \$16 million in FY2014 and just over \$15.3 million in FY2013. Approximately 83 percent of the accounts receivable are for student loans and fees.

For the year ended August 31, 2015, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value. In connection with the implementation of GASB Statement 68, as amended by GASB Statement 71, a restatement to beginning net position has been made for the recording of the beginning net pension liability and for the recording of deferred outflows of resources for contributions made after the measurement date of the beginning net pension liability and the beginning of the reporting entity's fiscal year. Beginning net position as of September 1, 2013, has been restated as follows:

Beginning net position	\$ 95,351,460
Prior period adjustment implementation of GASB 68:	
Net pension liability (measurement date as of August 31, 2014)	(10,359,556)
Deferred outflows – District contributions made during FY2014	<u>800,758</u>
Beginning net position, as restated	<u>\$ 85,792,662</u>

More detailed information regarding GASB 68 and its implementation can be found within Note 12, Defined Benefit Pension Plan, in the note disclosures.

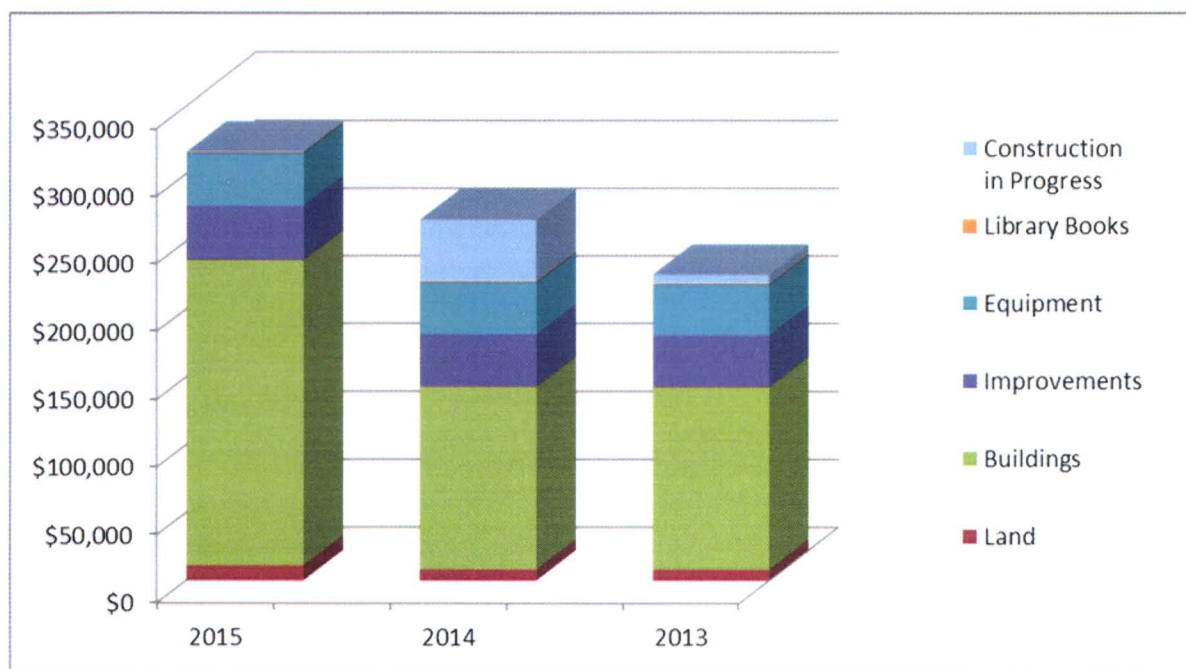
Capital assets display the result of the implementation of a policy to capitalize only those capital assets with an acquisition cost of \$5,000 or more. The consumption of assets follows the institutional philosophy to use available resources to acquire and improve all areas of the institution to better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

Construction was completed during FY2015 on the Robert M. Rogers Nursing and Health Sciences Center and the Energy Center facility that both opened for instruction in the spring of 2015. Construction was also completed during the year on the 248-bed residence hall that was ready for occupancy in the fall of 2015. Improvements were made to instructional spaces

throughout the year. Other projects completed during the 2015 year included upgrades to the existing technology infrastructure, upgrades to the campus wide fire suppression system, the creation of four new anatomy and physiology labs, and the retrofitting of existing space to accommodate the criminal justice program. An additional piece of property was acquired during 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 at Year End
(in thousands)

	August 31			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Capital Assets:					
Land	\$ 11,315	\$ 8,478	\$ 8,319	\$ 2,837	\$ 159
Buildings	224,844	134,458	134,319	90,386	139
Improvements	40,995	39,325	38,831	1,670	494
Equipment	38,155	37,506	36,644	649	862
Library Books	625	667	697	(42)	(30)
Construction in Progress	326	45,792	6,654	(45,466)	39,138
Total Capital Assets	\$ 316,260	\$ 266,226	\$ 225,464	\$ 50,034	\$ 40,762



Based on the provisions of GASB Statement 68, the District must record Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions. Deferred Outflows of Resources totaling \$1,411,403 for FY2015 include the District's proportionate share of the

differences between expected and actual economic experience, changes in actuarial assumptions, and contributions paid to TRS subsequent to the measurement date of August 31, 2014. Deferred Inflows of Resources totaling \$2,580,807 for FY2015 include differences between projected and actual investment earnings and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 12, Defined Benefit Pension Plan, in the note disclosures, and the Schedules 1 and 2 of the Required Supplementary Information.

Liabilities of \$164 million include debt of \$126 million, compensated absences of \$1 million, and \$9.2 million for the District's net pension liability, as a result of the implementation of GASB 68, as of the end of the 2015 fiscal year. This compares to the restated liabilities in FY2014 of \$165.2 million with \$122 million of debt, \$1.1 million in compensated absences, and \$10.4 million for the District's net pension liability. Also included in the liabilities are student deposits and deferred revenue in excess of \$19.7 million.

The assets plus deferred outflows less liabilities and deferred inflows result in a net position of \$88.3 million compared to the restated \$85.8 million in FY2014 and \$93.1 million in FY2013. The majority of the net position is the District's capital assets of \$85.8 million.

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

	<u>August 31</u>			<u>Change</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2014 to 2015</u>	<u>2013 to 2014</u>
Operating Revenues					
Tuition and Fees	\$ 14,978	\$ 12,241	\$ 13,880	\$ 2,737	\$ (1,639)
Federal Grants and Contracts	3,843	2,382	2,179	1,461	203
State Grants and Contracts	1,767	1,702	1,083	65	619
Local Grants and Contract	433	585	1,022	(152)	(437)
Sales and Service of Educational Activities	114	111	83	3	28
Auxiliary Enterprises	3,665	3,078	3,049	587	29
Miscellaneous	5,611	2,529	2,118	3,082	411
Total Operating Revenues	<u>30,411</u>	<u>22,628</u>	<u>23,414</u>	<u>7,783</u>	<u>(786)</u>
Operating Expenses					
Instruction	31,823	30,301	29,124	1,522	1,177
Public Service	2,564	1,154	1,242	1,410	(88)
Academic Support	3,241	3,066	2,682	175	384
Student Service	8,368	9,132	8,296	(764)	836
Institutional Support	13,396	13,361	12,957	35	404
Operation and Maintenance of Plant	7,696	7,989	7,140	(293)	849
Scholarship and Fellowships	3,719	1,923	2,964	1,796	(1,041)
Auxiliary Enterprises	8,084	7,733	6,802	351	931
Depreciation	7,543	6,603	6,444	940	159
Total Operating Expenses	<u>86,434</u>	<u>81,262</u>	<u>77,651</u>	<u>5,172</u>	<u>3,611</u>
Operating Loss	(56,023)	(58,634)	(54,237)	2,611	(4,397)
Non-Operating Revenues (Expenses)	<u>58,536</u>	<u>60,914</u>	<u>58,419</u>	<u>(2,378)</u>	<u>2,495</u>
Increase (Decrease) in Net Position	2,513	2,280	4,182	233	(1,902)
Net Position					
Net Position, Beginning of Year	85,793	93,072	88,890	(7,279)	4,182
Prior Period Adjustment	-	(9,559)	-	9,559	(9,559)
Net Position, End of Year	<u>\$ 88,306</u>	<u>\$ 85,793</u>	<u>\$ 93,072</u>	<u>\$ 2,513</u>	<u>\$ (7,279)</u>

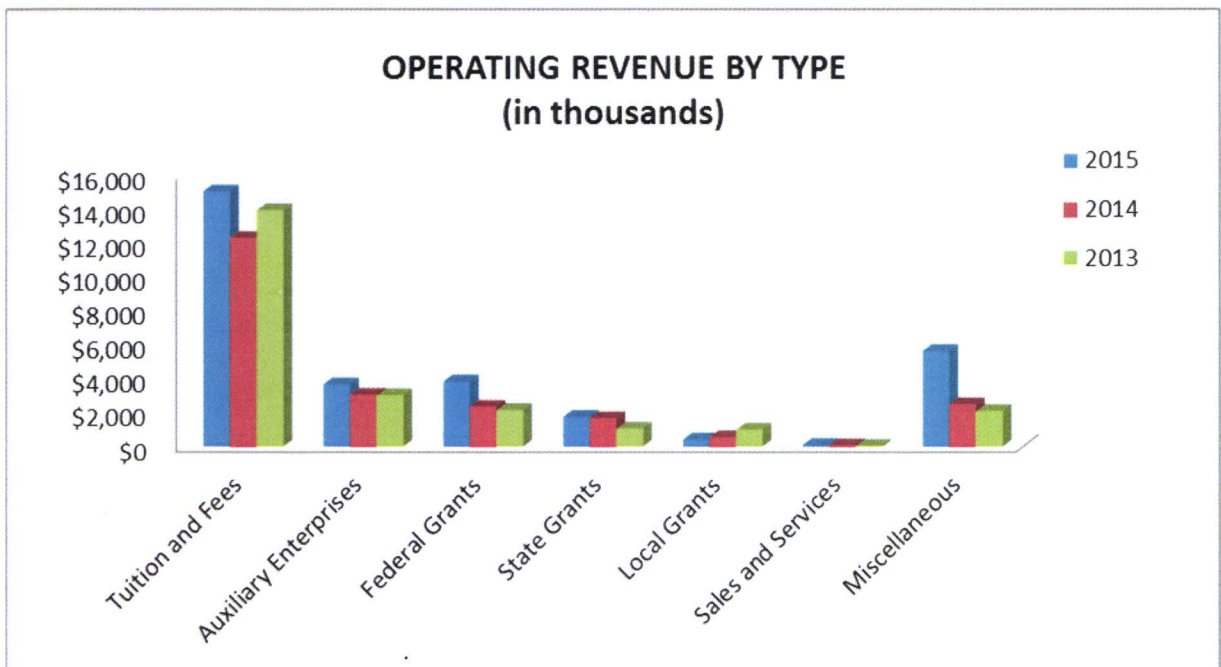
The nonoperating revenues (expenses) are comprised of \$21.1 million state educational contracts, \$22.2 million property taxes, \$19.6 million in Title IV financial assistance, investment income of \$103,591 and \$4.5 million interest paid on capital related debt. The total for nonoperating revenues decreased approximately 4% from FY2014. A significant contributor to the decrease was the additional interest on capital related debt that was paid by the District related to the Series 2014 bonds. As a result of the payouts for the completed construction projects during FY2015, there was less money invested and thus a 25% decrease in investment

income from \$139,047 in FY2014 to \$103,591 in FY2015, contributed to the overall decrease in the nonoperating revenues (expenses).

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	
	2015	2014	2013	2014 to 2015	2013 to 2014
Operating Revenues					
Tuition and Fees	\$ 14,978	\$ 12,241	\$ 13,880	\$ 2,737	\$ (1,639)
Auxiliary Enterprises	3,665	3,078	3,049	587	29
Federal Grants and Contracts	3,843	2,382	2,179	1,461	203
State Grants and Contracts	1,767	1,702	1,083	65	619
Local Grants and Contract	433	585	1,022	(152)	(437)
Sales and Service of Educational Activities	114	111	83	3	28
Miscellaneous	5,611	2,529	2,117	3,082	411
Total Operating Revenues	\$ 30,411	\$ 22,628	\$ 23,414	\$ 7,783	\$ (786)



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

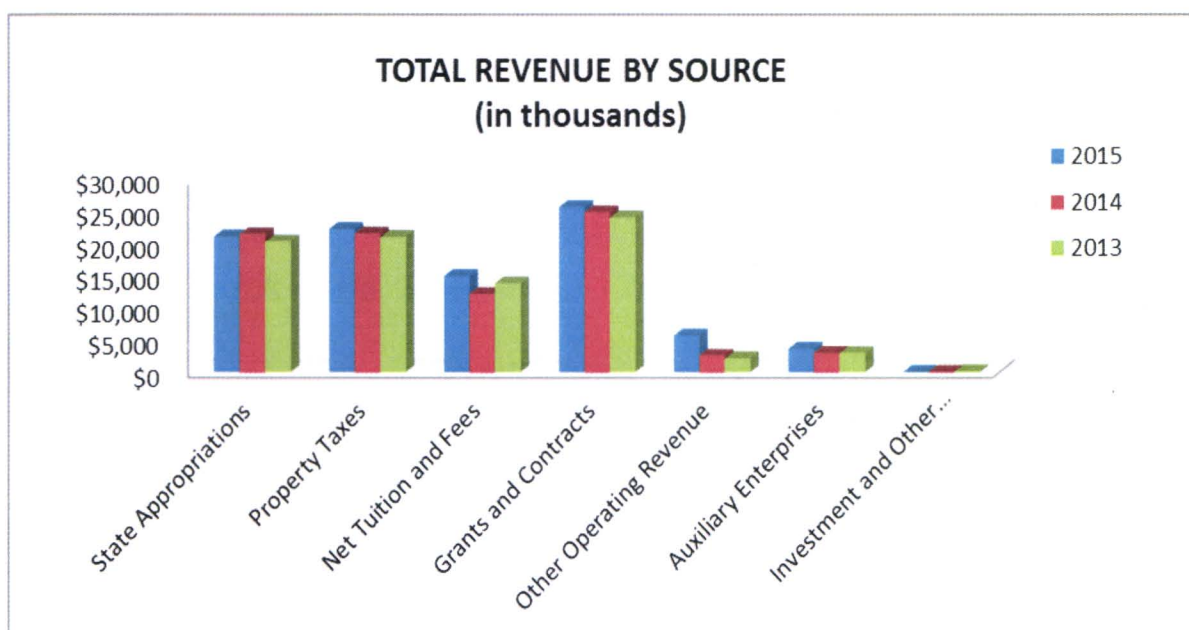
revenue. Historically, auxiliary enterprises are the second largest type of operating revenue. However, for FY2015 miscellaneous income represents the second largest type of operating revenue. There were two activities that occurred during FY2015 that are not historically routine. The Tyler Junior College Foundation conducted a capital campaign for the Robert M. Rogers Nursing and Health Sciences Center and the proceeds from the pledges contributed \$2.8 million to miscellaneous income in FY2015. The other non-routine event that occurred in FY2015 was the monetary donations from the City of Tyler and the Tyler Economic Development Council for the Energy Center facility in aggregate totaled \$1.1 million. 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 the Center for Earth & Space Science Education, are programmed to be supported by the general operating resources.

The District relies equally on operating revenue as well as nonoperating revenue. When all of the revenues by source are combined, the District experienced a modest increase in total revenue from FY2014 to FY2015, approximately 8.6% from \$86.0 million in FY2014 to \$93.4 million in FY2015. The Grants and Contracts source is the largest contributor in FY2015 at 27.5% compared to 28.9% and 28.4% for FY2014 and FY2013, respectively. This source is restricted in nature and includes the federal Pell grant awards that pass through the District directly to the students. The State Appropriations contribution has remained relatively consistent over the last three years even though State Appropriations account for a significant portion of the District's revenue. For the year 2015, the State Appropriations were 22.5% of the total revenue for the District at \$21.1 million, compared to 25% in FY2014 at \$21.5 million and 24% in FY2013 at \$20.3 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 maintenance tax notes issued March 26, 2015 as well as 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 23.8% of total revenue for FY2015 or \$22.2 million. Property taxes accounted for 25.1% and 24.8% of total revenue for FY2014 and FY2013 or \$21.6 million and \$21.0 million, respectively. Other Operating Revenue represents 6.1% of the total revenue for FY2015 compared to 3% of the total revenue for FY2014 and FY2013.

Total Revenues by Source
(thousands of dollars)

	August 31			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Revenue Sources:					
State Appropriations	\$ 21,051	\$ 21,463	\$ 20,337	\$ (412)	\$ 1,126
Property Taxes	22,234	21,555	21,022	679	533
Net Tuition and Fees	14,978	12,241	13,880	2,737	(1,639)
Grants and Contracts	25,648	24,880	24,051	768	829
Other Operating Revenue	5,725	2,639	2,201	3,086	438
Auxiliary Enterprises	3,665	3,078	3,049	587	29
Investment and Other Income	103	139	189	(36)	(50)
Total Revenue	\$ 93,404	\$ 85,995	\$ 84,729	\$ 7,409	\$ 1,266

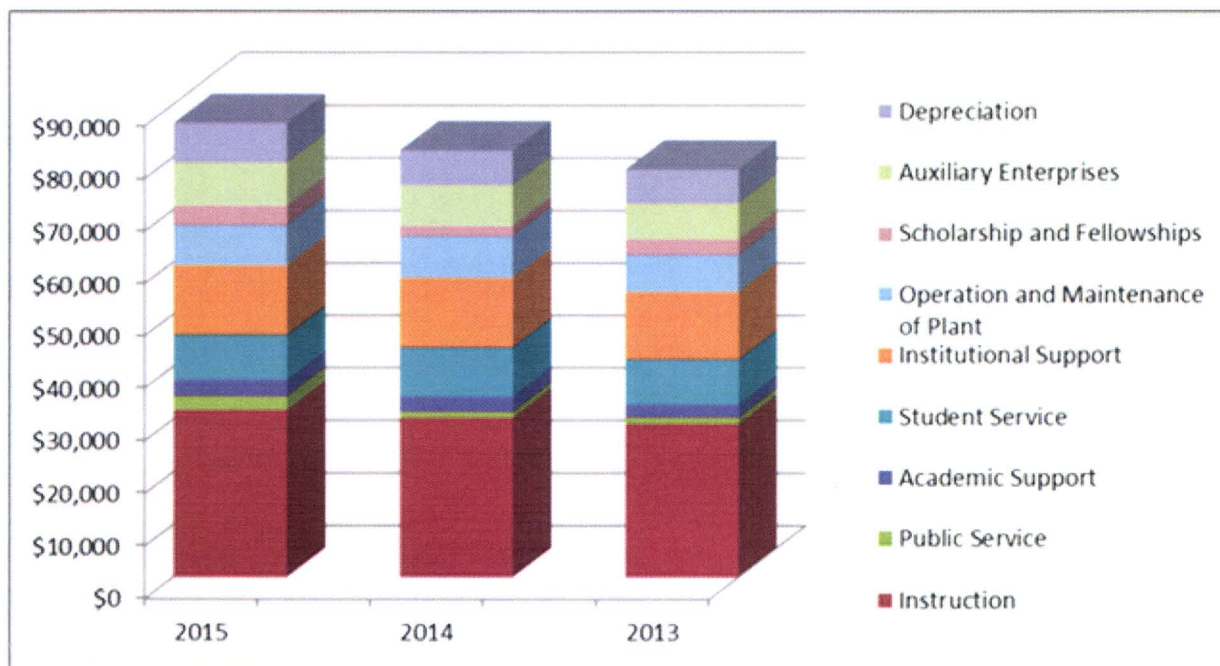


While the District experienced a modest increase in operating revenue for FY2015 of 34.4% or approximately \$7.8 million, the operating expenses also increased for FY2015 by 6.4% or approximately \$5.2 million. Costs to maintain enrollment at the District remained strong at over \$31 million for FY2015. There was a slight increase in Instruction cost of 5 percent or \$1,522 thousand for FY2015 to total \$31.8 million as compared to \$30.3 million in FY2014 and \$29.1 million in FY2013. This slight increase is attributable to several new faculty hires in new or expanding programs. Academic Support expenses experienced an increase from FY2014 to FY2015 by \$175,000. While Student Service expenses decreased from FY2014 to FY2015 by \$763,000, Institutional Support remained flat between the years FY2014 and FY2015 at \$13.4 million. Scholarships and Fellowships increased by \$1,796 thousands to \$3.7 million for FY2015

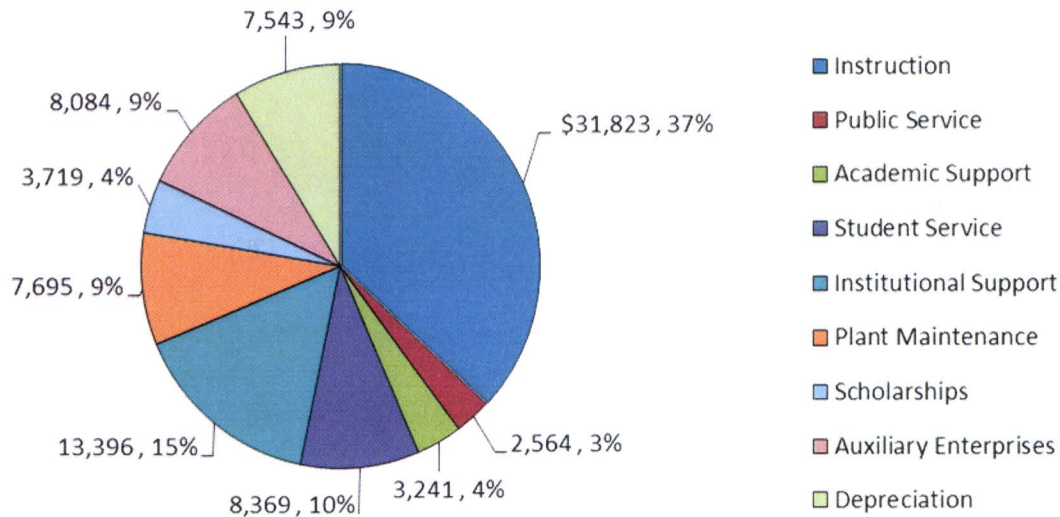
compared to \$1.9 million in FY2014. With the completion of significant capital construction projects and other projects funded by donations, general obligation bonds and maintenance tax notes and a couple of years of depreciation, the 14% increase in depreciation expense appears reasonable. The increase equates to a total depreciation expense of \$7.5 million for FY2015 as compared to \$6.6 million in FY2014 and \$6.4 million in FY2013.

Operating Expenses by Function
(in thousands)

	August 31			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Operating Expenses:					
Instruction	\$ 31,823	\$ 30,301	\$ 29,124	\$ 1,522	\$ 1,177
Public Service	2,564	1,154	1,242	1,410	(88)
Academic Support	3,241	3,066	2,682	175	384
Student Service	8,369	9,132	8,296	(763)	836
Institutional Support	13,396	13,361	12,957	35	404
Operation and Maintenance of Plant	7,695	7,989	7,140	(294)	849
Scholarship and Fellowships	3,719	1,923	2,964	1,796	(1,041)
Auxiliary Enterprises	8,084	7,733	6,802	351	931
Depreciation	7,543	6,603	6,444	940	159
Total Operating Expenses	\$ 86,434	\$ 81,262	\$ 77,651	\$ 5,172	\$ 3,611



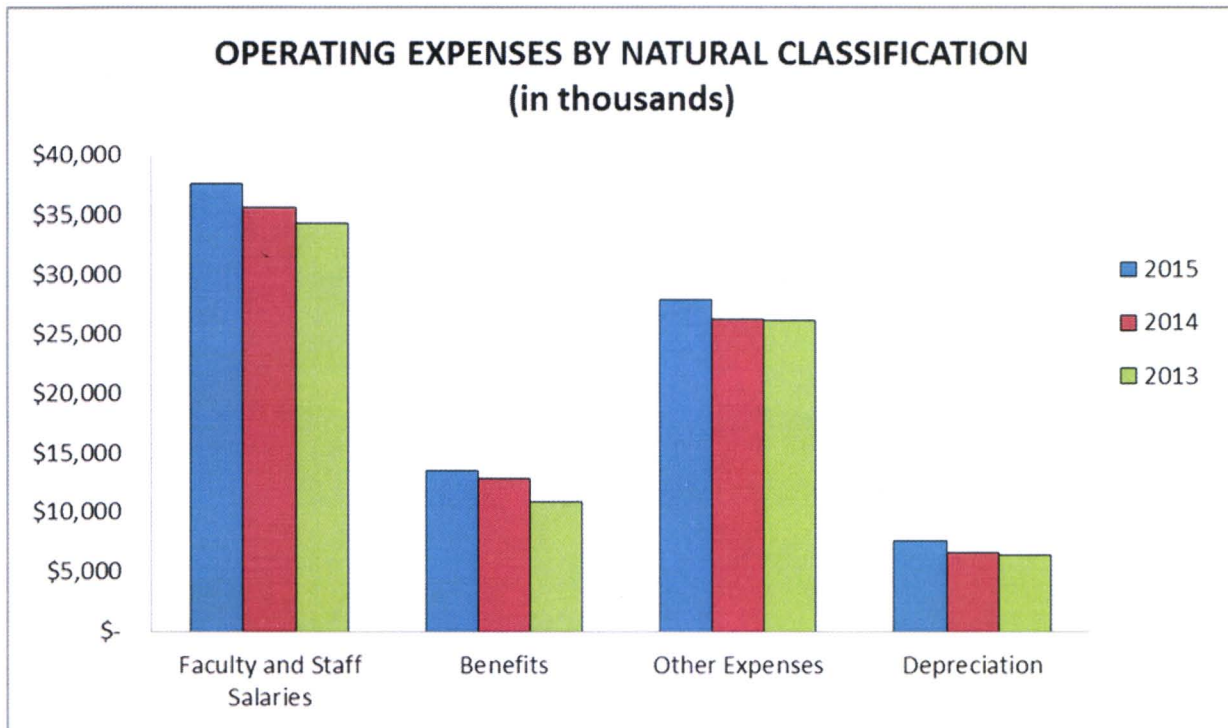
**2015 OPERATING EXPENSES BY FUNCTION
(in thousands and as a percentage)**



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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2014 to 2015</u>	<u>2013 to 2014</u>
Operating Expenses:					
Salaries	\$ 37,593	\$ 35,625	\$ 34,239	\$ 1,968	\$ 1,386
Benefits	13,453	12,779	10,871	674	1,908
Other Expenses	27,845	26,256	26,097	1,589	159
Depreciation	7,543	6,602	6,444	941	158
Total Operating Expenses	\$ 86,434	\$ 81,262	\$ 77,651	\$ 5,172	\$ 3,611



Approximately 44% of the District's \$86.4 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$51.0 million is 59.1% of the District's total operating expense as compared to 59.6% in FY2014 and 58.1% in FY2013. The second highest portion of the operating expenses is the \$27.8 million of operating expenses that the District paid in FY2015 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$26.3 million in FY2014 and \$26.1 million in FY2013. Depreciation expense increased in FY2015 to \$7.5 million up from \$6.6 million in FY2014 and \$6.4 million in FY2013.

Statement of Cash Flows

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

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

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

	<u>August 31</u>			<u>Change</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2014 to 2015</u>	<u>2013 to 2014</u>
Cash Provided (used) by:					
Operating Activities	\$ (47,519)	\$ (48,472)	\$ (44,481)	\$ 953	\$ (3,991)
Noncapital Financing Activities	58,299	58,967	57,623	(668)	1,344
Capital and Related Financing Activities	(52,286)	6,334	8,792	(58,620)	(2,458)
Investing Activities	7,103	(6,861)	703	13,964	(7,564)
Net Change in Cash	<u>(34,403)</u>	<u>9,968</u>	<u>22,637</u>	<u>(44,371)</u>	<u>(12,669)</u>
Cash, Beginning of Year	56,487	46,519	23,882	9,968	22,637
Cash, End of Year	<u>\$ 22,084</u>	<u>\$ 56,487</u>	<u>\$ 46,519</u>	<u>\$ (34,403)</u>	<u>\$ 9,968</u>

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2015 totaled \$26.2 million as compared to \$21.5 million in FY2014 and \$21.8 million in FY2013. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$73.7 million in FY2015 as compared to \$70.0 million in FY2014, and \$66.3 million in FY2013. These receipts and cash outlay payments resulted in \$952,367 less net cash used by operating activities in FY2015.

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 FY2015, \$58.3 million was received as compared to \$59.0 million in FY2014 and \$57.6 million in FY2013. Other noncapital financing activity includes the cash held in trust for others that was received and disbursed. Although funds held for others are both received and disbursed throughout the year, the amount received in FY2015 was \$150,371 less than the amount disbursed as compared to a greater amount received in FY2014 and FY2013 than disbursed of \$213,463 and \$617,238, respectively.

The capital and related financing activities in FY2015 included \$55.0 million expended for campus construction, improvements, and renovations. The FY2014 included \$35.2 million expended for campus improvements and renovations. This compares to \$6.4 million expended in FY2013 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 \$4.3 million was \$2.0 million more than the amount paid in FY2014.

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 FY2015 was \$35 thousand less than the amount received in FY2014. The 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 matured during FY2015. The following investments matured:

- 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

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.

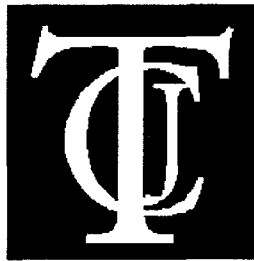
Economic Outlook

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

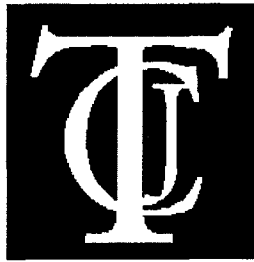
Enrollment at the District increased slightly for the 2014-2015 academic year as compared to the enrollment for the 2013-2014 year. The slow recovery from the national recession and the lower unemployment in the region continues to play a significant part in stable enrollment as the numbers of displaced workers desiring to improve their skills or even obtain a new skill set has remained relatively level. Current enrollment levels are expected for fiscal year 2016 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. The District underwent credit rating reviews with both Moody's Investors Service and Standard & Poor's Rating Services during the 2015 year.

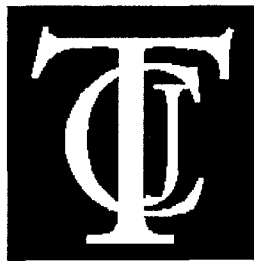
Moody's affirmed the 'A1' rating on the District's Series 2006 Combined Fee Revenue Bonds, with a stable outlook. Standard & Poor's affirmed its 'AA+' long-term rating on the District's general obligation (GO) bonds, with a stable outlook. Even with the positive financial position, the District continues to work with the lingering effects of the slow economic recovery. The District is coping with the financial pressures by maintaining operating budget controls, addressing reserves, evaluation of new hires and capital expenditures and assessment of current processes and procedures to locate efficiencies. Given the economic constraints at the local, state and national level, relatively flat ad-valorem tax valuation changes and student fee increases, the District anticipates fiscal year 2016 will be comparable to fiscal year 2015 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.



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TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AS OF AUGUST 31, 2015 AND 2014

ASSETS	2015	2014
Current Assets		
Cash and Cash Equivalents	\$ 15,643,160	\$ 7,517,917
Investments	-	7,000,000
Accounts Receivable (net of allowance for doubtful accounts of \$4,994,378 and \$5,561,900 respectively)	18,639,623	16,029,035
Prepaid Expenses	31,724	61,038
Total Current Assets	34,314,507	30,607,990
Noncurrent Assets		
Cash and Cash Equivalents	6,441,626	48,970,003
Deferred Charges	548,931	612,438
Capital Assets (Net)	212,562,143	169,995,336
Total Noncurrent Assets	219,552,700	219,577,777
TOTAL ASSETS	253,867,207	250,185,767
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	1,411,403	800,758
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	7,798,363	12,883,781
Deferred Revenues	19,732,816	18,013,624
Current Portion of Compensated Absences	103,777	106,861
Current Portion of Bonds Payable	7,668,000	5,280,000
Current Portion of Notes Payable	117,303	708,447
Total Current Liabilities	35,420,259	36,992,713
Noncurrent Liabilities		
Accrued Compensable Absences Payable	933,989	961,750
Net Pension Liability	9,237,442	10,359,556
Bonds Payable	118,794,949	116,757,689
Notes and Loans Payable	4,852	122,155
Total Noncurrent Liabilities	128,971,232	128,201,150
TOTAL LIABILITIES	164,391,491	165,193,863
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	2,580,807	-
NET POSITION		
Net investment in capital assets	85,846,676	81,012,927
Restricted		
Expendable		
Financial Aid and Scholarships	720,685	597,996
Unrestricted	1,738,951	4,181,739
TOTAL NET POSITION	\$ 88,306,312	\$ 85,792,662

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 2,099,602	\$ 1,592,943
Investments	40,116,674	42,107,067
Funds Held in Trust	444,532	290,805
Charitable Gift Annuities	291,234	280,708
Other Assets	54,570	55,173
Total Invested Funds	43,006,612	44,326,696
Contributions Receivable (Net of allowance for uncollectible pledges)	928,872	1,107,222
Real Estate	811,607	1,008,445
Deferred Expense	764,518	670,973
Total Assets	\$ 45,511,609	\$ 47,113,336
LIABILITIES		
Accounts Payable - Tyler Junior College	\$ 735,045	\$ 764,173
Deferred Revenue	87,714	85,830
Total Liabilities	822,759	850,003
NET ASSETS		
Unrestricted	7,486,918	8,821,890
Temporarily Restricted	5,710,547	8,435,954
Permanently Restricted	31,491,385	29,005,489
Total Net Assets	44,688,850	46,263,333
TOTAL LIABILITIES & NET ASSETS	\$ 45,511,609	\$ 47,113,336

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

TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

REVENUES	2015	2014
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$15,696,453 and \$18,173,876 in discounts)	\$ 14,977,980	\$ 12,241,079
Auxiliary Enterprises (net of \$2,924,706 and \$3,198,037 in discounts)	3,665,385	3,077,997
Federal Grants and Contracts	3,842,958	2,382,222
State Grants and Contracts	1,767,315	1,702,178
Local Grants and Contracts	432,759	585,280
Sales and Service of Educational Activities	113,873	111,083
Interest on Student Loans	53,880	39,330
Miscellaneous Operating Revenues	5,556,939	2,488,904
	30,411,089	22,628,073
EXPENSES		
Operating expenses		
Instruction	31,823,349	30,301,247
Public Service	2,564,089	1,154,083
Academic Support	3,240,998	3,065,891
Student Services	8,368,551	9,132,262
Institutional Support	13,395,614	13,361,329
Operations and Maintenance of Plant	7,695,539	7,989,169
Scholarship and Fellowships (net of \$18,621,159 and \$20,763,547 in discounts)	3,718,928	1,922,592
Auxiliary Enterprises	8,083,988	7,732,876
Depreciation	7,542,729	6,602,578
	86,433,785	81,262,027
Total Operating Expenses	86,433,785	81,262,027
Operating (Loss)	(56,022,696)	(58,633,954)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	21,051,274	21,462,893
Property Taxes	22,233,785	21,554,921
Federal Revenue, Non Operating	19,605,018	20,210,574
Investment Income	103,591	139,047
Interest on Capital Related Debt	(4,457,322)	(2,453,777)
	58,536,346	60,913,658
Total Non-Operating Revenues (Expenses)	58,536,346	60,913,658
Increase in Net Position	2,513,650	2,279,704
Net Position, Beginning of the Year, As Originally Stated	85,792,662	93,071,756
Prior Period Adjustment	-	(9,558,798)
Net Position, Beginning of the Year, As Restated	85,792,662	83,512,958
Net Position, End of the Year	\$ 88,306,312	\$ 85,792,662

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Other Support:								
Contributions and Fund-raising	\$ 225,427	\$ 1,842,167	\$ 1,599,739	\$ 3,667,333	\$ 195,277	\$ 2,758,181	\$ 1,676,397	\$ 4,629,855
Unrealized Gain (loss)								
on Investments	(2,312,053)	(21,515)	(187,811)	(2,521,379)	1,524,297	32,199	7,361	1,563,857
Net Gain (loss) on Sales	1,536,613	-	-	1,536,613	1,542,777	-	-	1,542,777
Investment Income	691,657	6,184	80,522	778,363	628,237	4,612	165,581	798,430
Donor Transfers	(1,265,392)	271,946	993,446	-	(1,022,268)	974,741	47,527	-
Net Assets								
Released from Restrictions	4,824,189	(4,824,189)	-	-	1,969,927	(1,969,927)	-	-
Total Revenues	<u>3,700,441</u>	<u>(2,725,407)</u>	<u>2,485,896</u>	<u>3,460,930</u>	<u>4,838,247</u>	<u>1,799,806</u>	<u>1,896,866</u>	<u>8,534,919</u>
Administrative	30,628	-	-	30,628	28,998	-	-	28,998
Fund-Raising								
Golf Tournament	47,607	-	-	47,607	49,158	-	-	49,158
Special Event	48,324	-	-	48,324	14,878	-	-	14,878
Other	13,400	-	-	13,400	-	-	-	-
Real Estate	9,219	-	-	9,219	9,223	-	-	9,223
Scholarships & Awards								
Support of TJC	3,260,541	-	-	3,260,541	586,851	-	-	586,851
Scholarships	1,581,241	-	-	1,581,241	1,386,559	-	-	1,386,559
Other Awards	44,453	-	-	44,453	51,589	-	-	51,589
Total Expenditures	<u>5,035,413</u>	<u>-</u>	<u>-</u>	<u>5,035,413</u>	<u>2,127,256</u>	<u>-</u>	<u>-</u>	<u>2,127,256</u>
Change in Net Assets	(1,334,972)	(2,725,407)	2,485,896	(1,574,483)	2,710,991	1,799,806	1,896,866	6,407,663
Net Assets, September 1	8,821,890	8,435,954	29,005,489	46,263,333	6,110,899	6,636,148	27,108,623	39,855,670
Net Assets, August 31	<u>\$ 7,486,918</u>	<u>\$ 5,710,547</u>	<u>\$ 31,491,385</u>	<u>\$ 44,688,850</u>	<u>\$ 8,821,890</u>	<u>\$ 8,435,954</u>	<u>\$ 29,005,489</u>	<u>\$ 46,263,333</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, 2015 AND 2014

CASH FLOWS FROM OPERATING ACTIVITIES	2015	2014
Receipts from students and other customers	\$ 14,479,227	\$ 11,781,653
Receipt of state financial aid	1,767,315	1,702,178
Receipt of federal financial aid	3,842,958	2,382,222
Receipt of local grants and support	432,759	585,280
Receipt from sales and services of educational activities	113,873	111,083
Receipt from auxiliary enterprises	3,665,385	3,077,997
Receipt of interest on student loans	53,880	39,330
Receipt from other operating revenues	1,875,128	1,800,400
Payments for salaries and benefits to employees	(46,180,263)	(44,006,799)
Payments to suppliers for goods and services	(27,569,452)	(25,944,901)
	<u>(47,519,190)</u>	<u>(48,471,557)</u>
Net cash used in operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipt from state educational contracts	17,002,767	17,063,564
Receipts from Non Operating Federal Revenue	22,255,098	21,516,384
Property tax revenues	19,191,062	20,173,417
Receipts from student organizations	852,578	1,113,026
Payments to student organizations	(1,002,949)	(899,563)
	<u>58,298,556</u>	<u>58,966,828</u>
Net cash provided by noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets and construction costs	(55,014,802)	(35,180,853)
Bond proceeds	10,000,000	51,090,000
Note proceeds	-	32,699
Issuance costs on debt	(124,000)	(313,598)
Principal payments on capital related debt	(6,514,420)	(7,655,522)
Interest on capital related debt	(4,314,680)	(2,327,120)
Contributions received for capital related financing	3,681,811	688,504
	<u>(52,286,091)</u>	<u>6,334,110</u>
Net cash provided by (used in) capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	103,591	139,047
Maturity of investments	7,000,000	-
Purchases of investments	-	(7,000,000)
	<u>7,103,591</u>	<u>(6,860,953)</u>
Net cash provided by investing activities		
Increase (decrease) in cash and cash equivalents	(34,403,134)	9,968,428
Cash and cash equivalents, September 1	<u>56,487,920</u>	<u>46,519,492</u>
Cash and cash equivalents, August 31	\$ <u>22,084,786</u>	\$ <u>56,487,920</u>
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 15,643,160	\$ 7,517,917
Cash and cash equivalents - noncurrent	6,441,626	48,970,003
	<u>\$ 22,084,786</u>	<u>\$ 56,487,920</u>
Total cash and cash equivalents		

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, 2015 AND 2014

(Continued)

Reconciliation of operating loss to net cash used by operating activities		
Operating loss	\$ (56,022,696)	\$ (58,633,954)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	7,542,729	6,602,578
Non-operating plant revenue	(3,681,811)	(688,504)
Amortization of deferred charges	294,740	320,474
Payments made directly by state for benefits	4,048,507	4,399,329
(Increase) decrease in assets		
Receivables (net)	(2,217,945)	(694,394)
Prepaid expenses	29,314	65,004
Deferred outflows on pensions	(610,645)	(800,758)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(48,423)	(74,993)
Deferred revenues	1,719,192	234,968
Deferred inflows on pensions	2,580,807	-
Pension liability	(1,122,114)	800,758
Compensated absences	(30,845)	(2,065)
	<u> </u>	<u> </u>
Net cash used in operating activities	\$ <u>(47,519,190)</u>	\$ <u>(48,471,557)</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, 2015, the foundation distributed \$4,647,951 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.

Pensions

For the year ended August 31, 2015, the District implemented the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

Prior Year Restatement

In connection with the implementation of GASB Statement 68, as amended by GASB Statement 71, a restatement to beginning net position has been made for the recording of the beginning net

pension liability and for the recording of deferred outflows of resources for contributions made after the measurement date of the beginning net pension liability and the beginning of the reporting entity's fiscal year.

Beginning net position as of September 1, 2013, has been restated as follows:

Beginning net position	\$ 95,351,460
Prior period adjustment implementation of GASB 68:	
Net pension liability (measurement date as of August 31, 2014)	(10,359,556)
Deferred outflows – district contributions made during FY 2014	<u>800,758</u>
Beginning net position , as restated	<u>\$ 85,792,662</u>

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 collectability of the respective accounts.

Deferred Charges

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

Change in Presentation

Certain amounts in the 2014 financial statements have been changed to conform to the 2015 presentation.

NOTE 3 — AUTHORIZED INVESTMENTS

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

	<u>8-31-15</u>	<u>8-31-14</u>
Student tuition and fees receivable (net of allowance for doubtful accounts of \$2,272,106 and \$2,819,137, respectively)	\$ 15,437,122	\$ 13,074,267
Taxes receivable (net of allowance for doubtful accounts of \$520,045 and \$509,295 respectively)	592,069	613,382
Federal receivable	1,064,456	650,500
Student loans receivable (net of allowance for doubtful accounts of \$2,202,227 and \$2,233,468 respectively)	-	-
Other receivables	1,545,976	1,690,886
	<u>\$ 18,639,623</u>	<u>\$ 16,029,035</u>

NOTE 6 — CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2015 was as follows:

	<u>Beg. Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable assets				
Land	\$ 8,478,087	\$ 2,837,316	\$ -	\$ 11,315,403
Construction in progress	45,791,806	48,259,476	93,725,519	325,763
Total nondepreciable capital assets	<u>54,269,893</u>	<u>51,096,792</u>	<u>93,725,519</u>	<u>11,641,166</u>
Depreciable capital assets				
Buildings	134,457,779	90,386,311	-	224,844,090
Improvements	39,324,803	1,670,192	-	40,994,995
Library books	667,370	32,847	75,186	625,031
Equipment	37,506,163	648,913	-	38,155,076
Total depreciable capital assets	<u>211,956,115</u>	<u>92,738,263</u>	<u>75,186</u>	<u>304,619,192</u>
Total Capital Assets	<u>266,226,008</u>	<u>143,835,055</u>	<u>93,800,705</u>	<u>316,260,358</u>
Less accumulated depreciation				
Buildings	44,442,117	4,268,059	-	48,710,176
Improvements	18,926,840	1,987,332	-	20,914,172
Library books	408,171	62,503	75,186	395,488
Equipment	32,453,544	1,224,835	-	33,678,379
Total accumulated depreciation	<u>96,230,672</u>	<u>7,542,729</u>	<u>75,186</u>	<u>103,698,215</u>
Net Capital Assets	<u>\$ 169,995,336</u>	<u>\$ 136,292,326</u>	<u>\$ 93,725,519</u>	<u>\$ 212,562,143</u>

NOTE 7 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at August 31, 2015 and August 31, 2014 were the following:

	<u>8-31-15</u>	<u>8-31-14</u>
Vendors payable	\$ 4,343,331	\$ 10,101,258
Salaries and benefits payable	3,177,815	2,523,948
Interest payable	277,217	258,575
Total Accounts Payable and Accrued Liabilities	<u>\$ 7,798,363</u>	<u>\$ 12,883,781</u>

Included in accounts payable is a liability of \$500,000 recorded as of August 31, 2014 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, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes					
Bonds payable	\$ 122,037,689	\$ 10,000,000	\$ 5,574,740	\$ 126,462,949	\$ 7,668,000
Notes payable					
Energy project B	734,761	-	627,020	107,741	107,741
Land purchase	23,693	-	9,279	14,414	9,562
Data backup system	72,148	-	72,148	-	-
Total notes payable	<u>830,602</u>	<u>-</u>	<u>708,447</u>	<u>122,155</u>	<u>117,303</u>
Total bonds and notes payable	<u>122,868,291</u>	<u>10,000,000</u>	<u>6,283,187</u>	<u>126,585,104</u>	<u>7,785,303</u>
Other liabilities					
Net pension liability	10,359,556	-	1,122,114	9,237,442	-
Compensable absences	1,068,611	56,342	87,188	1,037,765	103,777
Total other liabilities	<u>11,428,167</u>	<u>56,342</u>	<u>1,209,302</u>	<u>10,275,207</u>	<u>103,777</u>
Total Long-term Liabilities	<u>\$ 134,296,458</u>	<u>\$ 10,056,342</u>	<u>\$ 7,492,489</u>	<u>\$ 136,860,311</u>	<u>\$ 7,889,080</u>

NOTE 9 — BONDS PAYABLE

Bonds payable as of August 31, 2015 and August 31, 2014 are comprised of the following:

	8-31-15	8-31-14
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.	\$ 13,010,000	\$ 15,395,000
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.	29,420,000	30,660,000
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.	21,860,000	22,905,000
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	9,095,000	9,705,000

Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.

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 41,385,000

Maintenance Tax Notes, Series 2015, issued solely for repairs and renovations of existing campus projects, issued March 26, 2015 for \$4,684,000; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.

4,684,000 -

Combined Fee Revenue Bonds, Series 2015, issued to complete construction on a new residence hall, issued March 26, 2015 for \$5,316,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.

5,316,000 -

Total	124,770,000	120,050,000
Plus: Unamortized Bond Premium	1,692,949	1,987,689
Net Outstanding Bonds Payable	<u>\$ 126,462,949</u>	<u>\$ 122,037,689</u>

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 and interest expense requirements for the bonds for the next five years and beyond is summarized below:

Year Ending	Principal Due 2/15 or 8/15	Interest Rates	Interest Due		Total Principal and Interest Requirements
			2/15	8/15	
8/31					
2016	\$ 7,668,000	1.00 - 4.00	\$ 2,356,973	\$ 2,189,624	\$ 12,214,597
2017	8,045,000	1.25 - 5.00	2,121,242	2,046,634	12,212,876
2018	7,950,000	1.50 - 4.00	1,980,616	1,915,379	11,845,995
2019	8,199,000	1.80 - 4.00	1,843,627	1,776,382	11,819,009
2020	8,484,000	2.00 - 4.00	1,701,056	1,625,867	11,810,923
2021-2025	28,604,000	2.15 - 4.25	6,831,085	6,728,616	42,163,701
2026-2030	31,315,000	2.95 - 5.00	4,362,525	4,239,267	39,916,792
2031-2035	22,610,000	3.00 - 5.00	1,532,265	1,481,179	25,623,444
2036-2040	1,895,000	5.00	47,375	47,375	1,989,750
	<u>\$ 124,770,000</u>		<u>\$ 22,776,764</u>	<u>\$ 22,050,323</u>	<u>\$ 169,597,087</u>

Pursuant to terms of the original issue of the bonds, a Reserve Fund was required to contain a Required Reserve Fund Amount. The District's Board of Trustees has adopted a resolution authorizing the substitution of a surety bond in lieu of cash and investments to satisfy the Required Reserve Fund

Amount, as authorized by Section 130.125, Texas Education Code, as amended. Also, the two most recent bond issues require the District to maintain a Reserve Fund which has been established and is included as part of cash equivalents (current assets) in Exhibit 1.

NOTE 10 – NOTES PAYABLE

The District has the following loans at August 31, 2015 and August 31, 2014:

	<u>8-31-15</u>	<u>8-31-14</u>
<u>Southside Bank:</u>		
For energy conservation project; original loan amount of \$6,420,664, interest at 5.3% beginning 11/5/99; with monthly installments of \$54,240.80 beginning 11/5/00 principal payments to begin 11/05/01, unsecured.	\$ 107,741	\$ 734,761
 <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.	14,414	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
 Total	\$ <u>122,155</u>	\$ <u>830,602</u>

Maturities of the notes payable for years subsequent to August 31, 2015 are as follows:

Fiscal Year	<u>Southside Bank</u>		<u>Land (814 Tipton)</u>		<u>Total</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 107,741	\$ 625	\$ 9,562	\$ 438	\$ 117,303	\$ 1,063
2017	-	-	4,852	148	4,852	148
Totals	<u>\$ 107,741</u>	<u>\$ 625</u>	<u>\$ 14,414</u>	<u>\$ 586</u>	<u>\$ 122,155</u>	<u>\$ 1,211</u>

NOTE 11 — COMPENSABLE ABSENCES

Full-time employees earn annual leave from 6.67 to 13.33 hours per month depending on the number of years employed by the District. The District's policy is that an employee may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with eight or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to 160 hours. The District recognized the accrued liability for the unpaid annual leave for \$1,037,765. 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 — DEFINED BENEFIT PENSION 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 District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

Types of Employees Covered

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 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit

changes; including automatic cost of living adjustments. Ad hoc post-employment benefit changes, including ad hoc cost of living adjustments can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% 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 paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates

	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

FY2014 District or College Contributions	\$800,758
FY2014 State of Texas On-behalf Contributions	\$608,877

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*Includes Inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010, and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees were decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate

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

The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014, are summarized below:

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

*The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Tyler Junior College District's proportionate share of the net pension liability	\$15,075,843	\$8,436,684	\$3,471,830

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

At August 31, 2015, the Tyler Junior College District reported a liability of \$9,237,442 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the Tyler Junior College District. The amount recognized by the Tyler

Junior College District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Tyler Junior College District was as follows:

TJC District Proportionate share of the collective net pension liability	\$ 8,436,684
State's proportionate share that is associated with TJC District	<u>6,586,151</u>
Total	<u>\$ 15,022,835</u>

The net pension liability was measured as of August 31, 2014, and the total pension liability used to calculate the net pension liability was .0316% determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013, thru August 31, 2014.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2015, the Tyler Junior College District recognized pension expense of \$608,877 and revenue of \$608,877 for support provided by the State. At August 31, 2015, the Tyler Junior College District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 130,476	\$ -
Changes in actuarial assumptions	548,394	
Difference between projected and actual investment earnings	-	2,578,596
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	2,211
Contributions paid to TRS subsequent to the measurement date [calculated by employer]	732,533	-
Total	\$1,411,403	\$2,580,807

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

Year ended August 31:	Pension Expense Amount
2016	\$ 530,497
2017	530,497
2018	530,497
2019	530,497
2020	-
Thereafter	\$ -

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. 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). Employees also have the option to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). As of August 31, 2015, the District had 43 employees participating in the 403(b) program and 17 employees participating in the 457 plan. A total of \$281,351 and \$107,571 in payroll deductions had been invested in the 403(b) and 457 approved plans, respectively, during the fiscal year.

Effective January 2013, the District developed an additional retirement plan for employees to elect to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). The District also created a 401(a) plan at the same time. As of September 1, 2013, the District contributes 4% of all eligible full-time employees' payroll to a retirement account in the employee's name whether the employee contributes or not. If the employee chooses to contribute a portion of their salary, the employee's contributions are deposited into a 457 plan in the employee's name. The District also contributes an additional matching percentage of up to 2% if the employee contributes. As of August 31, 2015, the District had 655 participants in the 401(a) plan and 495 participants in the 457 employee plan. The District contributed \$1,610,084 and employees contributed \$598,219 to this plan during the fiscal year.

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, 2015 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, 2015	Year Ended August 31, 2014
Unrestricted Current Funds	<u>\$690,348</u>	<u>\$690,212</u>
Total	<u>\$690,348</u>	<u>\$690,212</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:

	8-31-15	8-31-14
Liability, beginning of year	\$ -	\$ -
Incurred claims (including IBNRs)	110,490	-
	-	-
Claim payments	(60,666)	-
Liability, end of year	\$ <u>49,824</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 \$795 per month for the year ended August 31, 2015. The state cost of providing those benefits for all employees totaled \$3,119,810 with \$713,516 for 210 retirees and \$2,406,294 for 646 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	\$ 14,347,993,196
Less: Exemptions	2,797,095,957
Net Taxable Valuation of the District	\$ <u>11,550,897,239</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	\$.152999	\$.046927	\$.199926

Taxes levied for the year ended August 31, 2015 amounted to \$21,803,240.

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$16,458,771	\$5,064,611	\$21,523,382
Delinquent taxes collected	278,805	76,809	355,614
Penalties and interest collected	295,174	59,615	354,789
Total Collections	\$17,032,750	\$5,201,035	\$22,233,785

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, 2015 were approximately 98.72% 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, 2015 and 2014.

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 call for a 13.75% commission to the District on the first \$4 million in sales and a 14.75% commission on all sales above \$4 million.

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

The District also has a contract with a local bottling company for exclusive rights as beverage supplier for all District events. Under the agreement, the District will receive commissions on

beverages sold as outlined in the agreement, as well as other sponsorship and contributions for the District's academic and athletic programs. This contract has a term of ten years and will expire January 20, 2018.

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

The District has a contract with a local hospital to provide on-campus medical care. The health care provider maintains a clinic in the student center on the main campus. The current contract expired as of August 31, 2015. The local hospital was again awarded the new contract during the bid process and the new contract is effective for the period September 1, 2015 through August 31, 2016.

The District also has a contract for custodial services with an outside company. The contract was renewed beginning September 1, 2014, to include additional buildings. Under the renewal, the monthly contract amount increased to \$93,349 per month effective January 1, 2015. The amended contract expired August 31, 2015, but has been extended for one year through August 31, 2016 at the amount of \$94,516 per month.

During a prior year, the District entered into two separate agreements to provide educational opportunities at satellite centers. The first agreement was a joint effort with a local hospital and a neighboring Economic Development Corporation to provide nursing classes in a renovated wing of an existing hospital. Under this agreement, the District received funding from the hospital and the Economic Development Corporation over a three year period to assist in building improvements and the operations of the nursing program. The original five year lease has expired but it is under a one year extension through July 31, 2016.

The other agreement is similar and provides financial assistance from another local Economic Development Council to provide classes in a rented facility within the District. The lease on the classroom space is for five years. The agreement expired August 31, 2015 and is now on a month to month basis.

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 61% 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.

Distance Education Fee (\$8) per Semester Hour

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

Technology Fee (\$5) per Semester Hour

Defrays the cost of instruction based technology improvements.

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

Defrays the costs for certain programs with higher instructional costs.

Out of District Surcharge – (\$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

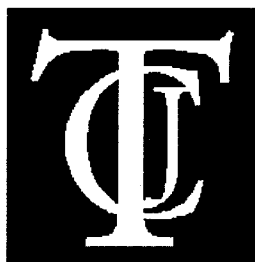
Charged to students for use of on-campus medical care facility.

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

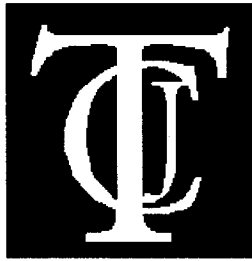
Charged to students for on campus extracurricular activities.

NOTE 24 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 4, 2015, the date which the financial statements were available to be issued.



TYLER
JUNIOR
COLLEGE
DISTRICT



REQUIRED
SUPPLEMENTARY
INFORMATION

TYLER
JUNIOR
COLLEGE
DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY
 FOR THE YEAR ENDED AUGUST 31, 2015

<u>Fiscal year ending August 31,</u>	<u>2015</u>
TRS net position as percentage of total pension liability	83.25%
Tyler Junior College District's proportionate share of collective net pension liability (%)	0.0315846%
Tyler Junior College District's proportionate share of collective net pension liability (\$)	8,436,684.00
Portion of NECE's total proportionate share of NPL associated with TJC District	6,586,151.00
Total	<u>15,022,835.00</u>
TJC District covered payroll amount	21,411,900.00
Ratio of: ER Proportionate share of collective NPL/ER's covered payroll amount	39.40%

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

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
 FOR THE YEAR ENDED AUGUST 31, 2015

Fiscal year ending August 31,	2015
Legally required contributions	800,758
Actual contributions	800,758
Contribution deficiency (excess)	-
Tyler Junior College District covered employee payroll	21,411,900
Ratio of: Actual contributions/ER covered payroll amount	3.74%

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

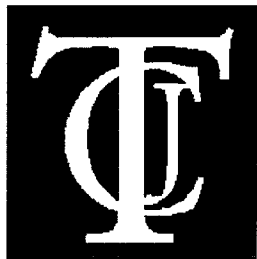
TYLER JUNIOR COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2015

Changes of Benefit Terms include:

** a 1.5% COLA, effective September 1, 2015

Changes of Assumptions

There were no changes of assumptions for the year ended August 31, 2015



TYLER
JUNIOR
COLLEGE
DISTRICT

SUPPLEMENTAL
INFORMATION

SCHEDULE A

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2015
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/15	Total 8/31/14
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 2,966,805	\$ -	\$ 2,966,805	\$ -	\$ 2,966,805	\$ 2,981,152
Out-of-District Resident Tuition	4,210,418	-	4,210,418	-	4,210,418	4,224,950
TPEG **	465,544	-	465,544	-	465,544	448,810
Non-Resident Tuition	469,645	-	469,645	-	469,645	519,545
Continuing Education	1,229,092	-	1,229,092	-	1,229,092	1,300,653
Non-State Funded Continuing Education	1,039,539	-	1,039,539	-	1,039,539	1,045,274
Total Tuition	<u>10,381,043</u>	<u>-</u>	<u>10,381,043</u>	<u>-</u>	<u>10,381,043</u>	<u>10,520,384</u>
Fees						
General Education Fee	8,741,144	-	8,741,144	-	8,741,144	8,995,839
Out-of-District Fee	6,022,796	-	6,022,796	-	6,022,796	6,234,818
Laboratory Fee	1,315,208	-	1,315,208	-	1,315,208	1,530,733
Registration Fee	812,994	-	812,994	-	812,994	831,097
Student Life Fee	-	-	-	399,133	399,133	420,856
Health Service Fee	-	-	-	703,108	703,108	707,050
Other	2,299,007	-	2,299,007	-	2,299,007	1,174,178
Total Fees	<u>19,191,149</u>	<u>-</u>	<u>19,191,149</u>	<u>1,102,241</u>	<u>20,293,390</u>	<u>19,894,571</u>
Allowances and Discounts						
Bad Debt Allowance	-	-	-	-	-	(608,166)
Federal Grants to Students	(11,057,794)	-	(11,057,794)	-	(11,057,794)	(12,757,138)
TPEG Allowances	(282,415)	-	(282,415)	-	(282,415)	(298,832)
State Grants to Students	(1,202,377)	-	(1,202,377)	-	(1,202,377)	(1,316,819)
Contributions	(195,903)	-	(195,903)	-	(195,903)	(313,100)
Scholarships and Performance Grants	(1,482,420)	-	(1,482,420)	-	(1,482,420)	(1,586,296)
Waivers and Exemptions	(1,475,544)	-	(1,475,544)	-	(1,475,544)	(1,293,525)
Total Scholarship Allowances and Discounts	<u>(15,696,453)</u>	<u>-</u>	<u>(15,696,453)</u>	<u>-</u>	<u>(15,696,453)</u>	<u>(18,173,876)</u>
Net Tuition and Fees	<u>13,875,739</u>	<u>-</u>	<u>13,875,739</u>	<u>1,102,241</u>	<u>14,977,980</u>	<u>12,241,079</u>
Additional Operating Revenues						
Federal Grants and Contracts	117,217	3,725,741	3,842,958	-	3,842,958	2,382,222
State Grants and Contracts	-	1,767,315	1,767,315	-	1,767,315	1,702,178
Local Grants and Contracts	-	432,759	432,759	-	432,759	585,280
Sales and Service of Educational Activities	113,873	-	113,873	-	113,873	111,083
Interest on Student Loans	53,880	-	53,880	-	53,880	39,330
Other	5,556,939	-	5,556,939	-	5,556,939	2,488,904
Total Additional Operating Revenues	<u>5,841,909</u>	<u>5,925,815</u>	<u>11,767,724</u>	<u>-</u>	<u>11,767,724</u>	<u>7,308,997</u>
Auxiliary Enterprises						
Housing and Meals	-	-	-	5,681,427	5,681,427	5,537,388
Scholarship Allowances and Discounts	-	-	-	(2,924,706)	(2,924,706)	(3,198,037)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,756,721</u>	<u>2,756,721</u>	<u>2,339,351</u>
Bookstore Commissions	-	-	-	565,924	565,924	447,632
Other Auxiliary Revenues	-	-	-	342,740	342,740	291,014
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,665,385</u>	<u>3,665,385</u>	<u>3,077,997</u>
Total Operating Revenues	<u>\$ 19,717,648</u>	<u>\$ 5,925,815</u>	<u>\$ 25,643,463</u>	<u>\$ 4,767,626</u>	<u>\$ 30,411,089</u>	<u>\$ 22,628,073</u>

** In accordance with Education Code 56.033, \$465,544 and \$448,810 for years August 31, 2015 and 2014, 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, 2015
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)

	Salaries and Wages	Benefits		Other Expenses	Total 8/31/15	Total 8/31/14
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 20,753,105	\$ -	\$ 2,270,908	\$ 3,971,238	\$ 26,995,251	\$ 25,569,326
Public Service	47,603	-	52,376	37,867	137,846	91,944
Academic Support	2,268,156	-	264,508	419,659	2,952,323	2,574,092
Student Services	3,499,156	-	368,393	2,763,497	6,631,046	7,224,342
Institutional Support	6,026,610	-	5,342,677	1,773,102	13,142,389	13,055,275
Operation and Maintenance of Plant	1,029,408	-	388,226	6,277,905	7,695,539	7,989,169
Scholarships and Fellowships	-	-	-	2,139,112	2,139,112	364,716
Total Unrestricted	33,624,038	-	8,687,088	17,382,380	59,693,506	56,868,864
Restricted - Education and General						
Instruction	718,616	3,069,905	94,147	945,430	4,828,098	4,731,921
Public Service	1,914,590	68,400	25,528	417,725	2,426,243	1,062,139
Academic Support	-	288,675	-	-	288,675	491,799
Student Services	217,296	368,302	69,464	1,082,443	1,737,505	1,907,920
Institutional Support	-	253,225	-	-	253,225	306,054
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	137,268	-	170	1,442,378	1,579,816	1,557,876
Total Restricted	2,987,770	4,048,507	189,309	3,887,976	11,113,562	10,057,709
Total Educational and General	36,611,808	4,048,507	8,876,397	21,270,356	70,807,068	66,926,573
Auxiliary Enterprises	980,883	-	528,378	6,574,727	8,083,988	7,732,876
Depreciation Expense - Buildings and Improvements	-	-	-	6,255,391	6,255,391	5,272,396
Depreciation Expense - Equipment	-	-	-	1,224,835	1,224,835	1,263,445
Depreciation Expense - Library Books	-	-	-	62,503	62,503	66,737
Total Operating Expenses	\$ 37,592,691	\$ 4,048,507	\$ 9,404,775	\$ 35,387,812	\$ 86,433,785	\$ 81,262,027

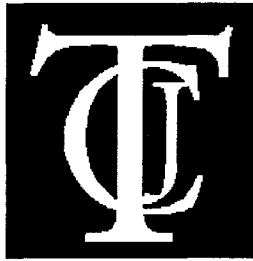
SCHEDULE C

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2015
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)

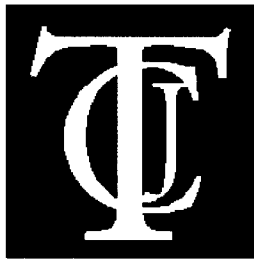
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/15</u>	<u>Total 8/31/14</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 16,788,037	\$ -	\$ -	\$ 16,788,037	\$ 16,788,037
State Group Insurance	-	3,119,810	-	3,119,810	2,906,745
State Retirement Matching	-	928,697	-	928,697	1,492,584
Professional Nursing Shortage Reduction	-	214,730	-	214,730	275,527
Total State Appropriations	<u>16,788,037</u>	<u>4,263,237</u>	<u>-</u>	<u>21,051,274</u>	<u>21,462,893</u>
Property Taxes	22,233,785	-	-	22,233,785	21,554,921
Federal Revenue, Non Operating	-	19,605,018	-	19,605,018	20,210,574
Investment Income	<u>103,591</u>	<u>-</u>	<u>-</u>	<u>103,591</u>	<u>139,047</u>
Total Non-Operating Revenues	39,125,413	23,868,255	-	62,993,668	63,367,435
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	<u>4,457,322</u>	<u>-</u>	<u>-</u>	<u>4,457,322</u>	<u>2,453,777</u>
Total Non-Operating Expenses	<u>4,457,322</u>	<u>-</u>	<u>-</u>	<u>4,457,322</u>	<u>2,453,777</u>
Net Non-Operating Revenues	<u>\$ 34,668,091</u>	<u>\$ 23,868,255</u>	<u>\$ -</u>	<u>\$ 58,536,346</u>	<u>\$ 60,913,658</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 FOR THE YEAR ENDED AUGUST 31, 2015
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)

	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	6,407,662	-	-	-	6,407,662	6,407,662	-
Restricted	-	720,685	-	-	720,685	720,685	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(1,353,146)	-	-	-	(1,353,146)	-	(1,353,146)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	(3,315,565)	-	-	-	(3,315,565)	-	(3,315,565)
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	85,846,676	85,846,676	-	85,846,676
Total Net Position, August 31, 2015	1,738,951	720,685	-	85,846,676	88,306,312	7,128,347	81,177,965
Total Net Position, August 31, 2014	4,181,739	597,996	-	81,012,927	85,792,662	6,605,658	79,187,004
Net Increase (Decrease) in Net Position	\$ (2,442,788)	\$ 122,689	\$ -	\$ 4,833,749	\$ 2,513,650	\$ 522,689	\$ 1,990,961



TYLER
JUNIOR
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DISTRICT



TYLER
JUNIOR
COLLEGE
DISTRICT

STATISTICAL
SECTION

(unaudited)

**TYLER JUNIOR COLLEGE DISTRICT
TYLER, TEXAS**

**STATISTICAL SECTION
(UNAUDITED)**

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

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

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

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

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

	For the Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net Position By Component:										
Invested in capital assets, net of related debt	\$ 85,846,676	\$ 81,012,927	\$ 79,832,528	\$ 72,350,636	\$ 68,009,970	\$ 64,757,406	\$ 53,315,039	\$ 50,438,514	\$ 44,698,637	\$ 37,494,060
Restricted - expendable	720,685	597,996	511,271	439,077	375,381	322,993	390,206	279,879	254,967	514,813
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,738,951	4,181,739	12,727,957	16,100,326	14,472,690	7,736,349	12,462,921	11,472,105	12,035,888	10,293,674
Total primary government net position	\$ 88,306,312	\$ 85,792,662	\$ 93,071,756	\$ 88,890,039	\$ 82,858,041	\$ 72,816,748	\$ 66,168,166	\$ 62,190,498	\$ 56,989,492	\$ 48,302,547
	For the Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Change in Net Position:										
Total Operating and Non-Operating Revenues	\$ 93,404,757	\$ 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
Total Operating and Non-Operating Expenses	90,891,107	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
Prior Period Adjustment	2,513,650	2,279,704	4,181,717	6,287,406	10,041,293	6,648,582	3,977,668	4,949,876	8,686,945	5,554,985
	-	(9,558,798)	-	(255,408)	-	-	-	251,130	-	-
Change in Net Position	2,513,650	(7,279,094)	4,181,717	6,031,998	10,041,293	6,648,582	3,977,668	5,201,006	8,686,945	5,554,985
Beginning Net Position	85,792,662	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
Ending Net Position	\$ 88,306,312	\$ 85,792,662	\$ 93,071,756	\$ 88,890,039	\$ 82,858,041	\$ 72,816,748	\$ 66,168,166	\$ 62,190,498	\$ 56,989,492	\$ 48,302,547

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

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

	For the Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	\$ 14,977,980	\$ 12,241,079	\$ 13,880,102	\$ 12,266,066	\$ 10,301,101	\$ 13,604,236	\$ 14,089,899	\$ 12,617,864	\$ 11,730,292	\$ 10,977,104
Governmental grants and contracts										
Federal grants and contracts	3,842,958	2,382,222	2,178,556	1,355,015	1,396,514	1,454,506	1,212,034	1,212,570	10,160,145	10,223,670
State grants and contracts	1,767,315	1,702,178	1,083,295	999,893	1,396,955	1,808,213	1,163,946	879,500	761,238	759,512
Local grants and contracts	432,759	585,280	1,022,395	532,168	711,217	220,893	1,084,404	639,049	3,859,709	1,483,700
Sales and services of educational activities	113,873	111,083	83,075	103,019	116,134	117,104	117,582	117,432	120,413	127,001
Auxiliary enterprises	3,665,385	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
Other operating revenues	5,610,819	2,528,234	2,117,809	2,511,539	4,810,549	2,121,555	2,083,271	1,638,187	1,527,841	1,483,781
Total Operating Revenues	30,411,089	22,628,073	23,414,297	20,411,500	21,087,375	22,272,429	23,420,187	19,260,265	30,073,061	26,937,363
State appropriations	21,051,274	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
Property taxes	22,233,785	21,554,921	21,022,138	18,937,231	18,638,057	14,638,019	13,062,824	12,646,609	11,540,450	10,358,973
Federal Revenue, Non Operating	19,605,018	20,210,574	19,766,591	21,761,914	23,541,831	19,019,795	11,596,985	9,426,159	-	-
Investment income	103,591	139,047	188,790	84,954	150,086	338,646	308,785	1,245,209	2,726,329	628,199
Total Non-Operating Revenue	62,993,668	63,367,435	61,314,817	61,889,427	63,938,163	56,670,325	46,424,231	44,563,638	34,775,245	31,211,519
Total Revenues	\$ 93,404,757	\$ 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

	For the Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	16.04%	14.23%	16.38%	14.90%	12.12%	17.23%	20.17%	19.77%	18.09%	18.88%
Governmental grants and contracts										
Federal grants and contracts	4.11%	2.77%	2.57%	1.65%	1.64%	1.84%	1.74%	1.90%	15.67%	17.58%
State grants and contracts	1.89%	1.98%	1.28%	1.21%	1.64%	2.29%	1.67%	1.38%	1.17%	1.31%
Local grants and contracts	0.46%	0.68%	1.21%	0.65%	0.84%	0.28%	1.55%	1.00%	5.95%	2.55%
Sales and services of educational activities	0.12%	0.13%	0.10%	0.13%	0.14%	0.15%	0.17%	0.18%	0.19%	0.22%
Sales and services of auxiliary enterprises	3.92%	3.58%	3.60%	3.21%	2.77%	3.73%	5.25%	3.38%	2.95%	3.24%
Other operating revenues	6.01%	2.94%	2.50%	3.05%	5.66%	2.69%	2.98%	2.57%	2.36%	2.55%
Total Operating Revenues	32.56%	26.31%	27.63%	24.80%	24.80%	28.21%	33.53%	30.18%	46.37%	46.32%
State appropriations	22.54%	24.96%	24.00%	25.64%	25.41%	28.72%	30.72%	33.29%	31.63%	34.78%
Property taxes	23.80%	25.07%	24.81%	23.01%	21.92%	18.54%	18.70%	19.81%	17.80%	17.81%
Federal Revenue, Non Operating	20.99%	23.50%	23.33%	26.44%	27.69%	24.09%	16.60%	14.77%	0.00%	0.00%
Investment income	0.11%	0.16%	0.22%	0.10%	0.18%	0.43%	0.44%	1.95%	4.20%	1.08%
Total Non-Operating Revenue	67.44%	73.69%	72.37%	75.20%	75.20%	71.79%	66.47%	69.82%	53.63%	53.68%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: During the 2009 year, a change in reporting requirements by the Texas Higher Education Co-Board reclassified the reporting of Title IV funds as non-operating. Only the 2008 through 2015 amounts have been changed in the above table to correspond with the amounts reported on Schedule C

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

	For the Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	\$ 31,823,349	\$ 30,301,247	\$ 29,123,820	\$ 28,681,895	\$ 29,633,824	\$ 28,626,927	\$ 23,422,228	\$ 22,710,169	\$ 21,567,887	\$ 21,503,321
Public service	2,564,089	1,154,083	1,242,178	1,388,391	1,398,852	1,151,093	937,675	766,819	853,108	795,946
Academic support	3,240,998	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
Student services	8,368,551	9,132,262	8,295,712	8,114,349	8,274,507	8,404,501	7,623,631	6,652,637	5,903,966	5,814,380
Institutional support	13,395,614	13,361,329	12,957,310	11,432,943	10,777,224	9,790,843	9,429,124	8,005,762	7,660,364	7,244,061
Operation and maintenance of plant	7,695,539	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
Scholarships and fellowships	3,718,928	1,922,592	2,964,736	2,824,070	3,122,074	2,818,571	2,680,538	3,375,802	3,608,328	4,291,640
Auxiliary enterprises	8,083,988	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
Depreciation	7,542,729	6,602,578	6,443,662	5,819,654	4,966,820	4,348,266	4,125,569	3,128,316	2,812,021	2,670,266
Total Operating Expenses	86,433,785	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
Interest on capital related debt	4,457,322	2,453,777	2,896,158	2,353,194	2,624,414	3,013,517	2,531,768	2,142,128	2,176,496	869,073
Total Non-Operating Expenses	4,457,322	2,453,777	2,896,158	2,353,194	2,624,414	3,013,517	2,531,768	2,142,128	2,176,496	869,073
Total Expenses	\$ 90,891,107	\$ 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

	For the Fiscal Year Ended August 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	35.01%	36.20%	36.16%	37.73%	39.52%	39.60%	35.56%	38.57%	38.40%	40.89%
Public service	2.82%	1.38%	1.54%	1.83%	1.87%	1.59%	1.42%	1.30%	1.52%	1.51%
Academic support	3.57%	3.66%	3.33%	3.27%	3.76%	4.00%	3.47%	4.74%	4.88%	4.29%
Student services	9.21%	10.91%	10.30%	10.67%	11.03%	11.63%	11.57%	11.30%	10.51%	11.06%
Institutional support	14.74%	15.96%	16.09%	15.04%	14.37%	13.54%	14.32%	13.60%	13.64%	13.77%
Operation and maintenance of plant	8.47%	9.54%	8.86%	8.14%	6.74%	7.03%	10.17%	7.76%	7.64%	8.38%
Scholarships and fellowships	4.09%	2.30%	3.68%	3.72%	4.16%	3.90%	4.07%	5.73%	6.42%	8.16%
Auxiliary enterprises	8.89%	9.24%	8.44%	8.84%	8.42%	8.53%	9.31%	8.04%	8.09%	5.21%
Depreciation	8.30%	7.89%	8.00%	7.66%	6.62%	6.01%	6.26%	5.31%	5.01%	5.08%
Total Operating Expenses	95.10%	97.07%	96.40%	96.90%	96.50%	95.83%	96.16%	96.36%	96.12%	98.35%
Interest on capital related debt	4.90%	2.93%	3.60%	3.10%	3.50%	4.17%	3.84%	3.64%	3.88%	1.65%
Total Non-Operating Expenses	4.90%	2.93%	3.60%	3.10%	3.50%	4.17%	3.84%	3.64%	3.88%	1.65%
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	Campus Security 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
2014	\$ 35	\$ 30	\$ 77	\$ 40	\$ 35	\$ 30	\$ 2	\$ 964	\$ 1,528	0.00%	0.00%
2013	35	30	77	40	35	30	2	964	1,528	3.88%	3.24%
2012	35	30	76	37	35	30	2	928	1,480	0.00%	0.00%
2011	35	30	76	37	35	30	2	928	1,480	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%

Table 4
(Continued)

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	Campus Security 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
2014	\$ 35	\$ 97	\$ 97	\$ 40	\$ 35	\$ 30	\$ 2	\$ 1,768	\$ 1,768	0.00%	0.00%
2013	35	97	97	40	35	30	2	1,768	1,768	2.79%	2.79%
2012	35	96	96	37	35	30	2	1,720	1,720	0.00%	0.00%
2011	35	96	96	37	35	30	2	1,720	1,720	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%

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

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

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

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
2014-15	16,788,037	9,853	1,703.85	3,540,592	1,381,008	4,921,600	3.41
2013-14	16,788,037	9,907	1,694.56	3,686,616	1,352,312	5,038,928	3.33
2012-13	16,477,885	9,291	1,773.53	3,619,672	1,430,192	5,049,864	3.26
2011-12	17,475,155	9,135	1,912.99	3,842,120	1,518,752	5,360,872	3.26
2010-11	16,239,896	8,622	1,883.54	4,033,512	1,508,800	5,542,312	2.93
2009-10	17,573,735	8,504	2,066.53	4,009,464	1,423,012	5,432,476	3.23
2008-09	16,487,452	8,603	1,916.48	3,520,200	1,223,616	4,743,816	3.48
2007-08	16,487,450	8,357	1,972.89	3,254,392	1,070,864	4,325,256	3.81
2006-07	15,995,148	8,697	1,839.16	3,311,376	1,044,496	4,355,872	3.67
2005-06	15,995,148	8,817	1,814.13	3,304,816	1,090,094	4,394,910	3.64

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 2010-2014
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2014	2013	2012	2011	2010
Brookshire Grocery Company	Supermarkets; distribution facilities	70,542,484	60,855,905	\$ 62,387,213	\$ 129,231,040	\$ 129,333,680
Oncor Electric / TXU	Electric utility	112,195,234	85,243,137	80,476,227	83,859,047	84,193,564
WalMart/Sam's	Retail	-	-	-	81,793,017	81,793,018
Kelly Springfield Tire Company	Tire Manufacturer	-	-	-	-	-
McWane Inc./ Ranson Industries	Pipe manufacturer	42,265,341	48,259,908	56,096,738	51,853,668	51,853,668
Southwestern Bell Telephone	Telephone utility	-	-	-	-	-
Dayton Hudson Corp.	Retail; distribution facilities	96,708,766	96,708,766	70,140,546	107,880,844	107,880,844
Delek Refining LTD / Crown / LaGloria	Refinery	269,547,365	260,276,054	253,727,697	175,112,792	175,112,792
Cebridge Acquisition LP	Commercial property	-	-	-	52,761,861	52,761,861
Carrier / Tytex	Air conditioning manufacturer	-	-	-	44,952,878	44,952,878
Union Oil Company	Oil & Gas	40,346,436	40,346,436	51,930,937	50,981,554	50,865,245
Genecov Investment Group	Commercial property	-	-	-	81,754,531	81,754,531
East Texas Medical Center	Hospital	94,355,755	94,362,965	94,366,570	-	-
Mother Frances Hospital	Hospital	166,671,499	159,840,819	93,272,964	-	-
University of Texas Health Center	Hospital	68,717,190	68,717,190	68,364,930	-	-
Simon Property Group	Commercial property	42,815,000	42,815,000	42,850,000	-	-
Totals		\$ 1,004,165,070	\$ 957,426,180	\$ 873,613,822	\$ 860,181,232	\$ 860,502,081
Total Taxable Assessed Value		\$ 11,550,897,239	\$ 11,253,183,629	\$ 11,003,331,572	\$ 10,781,171,511	\$ 10,679,667,927

Table 7
(Continued)

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				
		2014	2013	2012	2011	2010
Brookshire Grocery Company	Supermarkets; distribution facilities	0.63%	0.54%	0.57%	1.20%	1.21%
Oncor Electric / TXU	Electric utility	1.00%	0.76%	0.73%	0.78%	0.79%
WalMart/Sam's	Retail	0.00%	0.00%	0.00%	0.76%	0.77%
Kelly Springfield Tire Company	Tire Manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.38%	0.43%	0.51%	0.48%	0.49%
Southwestern Bell Telephone	Telephone utility	0.00%	0.00%	0.00%	0.00%	0.00%
Dayton Hudson Corp.	Retail; distribution facilities	0.86%	0.86%	0.64%	1.00%	0.00%
Delek Refining LTD / Crown / LaGloria	Refinery	2.40%	2.31%	2.31%	1.62%	1.64%
Cebridge Acquisition LP	Commercial property	0.00%	0.00%	0.00%	0.49%	0.49%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.00%	0.42%	0.42%
Union Oil Company	Oil & Gas	0.36%	0.36%	0.47%	0.47%	0.48%
Genecov Investment Group	Commercial property	0.00%	0.00%	0.00%	0.76%	0.77%
East Texas Medical Center	Hospital	0.84%	0.84%	0.86%	0.00%	0.00%
Mother Frances Hospital	Hospital	1.48%	1.42%	0.85%	0.00%	0.00%
University of Texas Health Center	Hospital	0.61%	0.61%	0.62%	0.00%	0.00%
Simon Property Group	Commercial Property	0.38%	0.38%	0.39%	0.00%	0.00%
Totals		8.92%	8.51%	7.94%	7.98%	7.05%

Source: Smith and Van Zandt County Appraisal Districts

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2005-2009
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2009	2008	2007	2006	2005
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 127,334,915	\$ 126,996,710	\$ 128,587,944	\$ 128,115,834	\$ 121,885,885
Oncor Electric / TXU	Electric utility	80,760,107	83,481,339	78,305,667	85,452,857	73,318,620
WalMart/Sam's	Retail	87,589,929	91,792,684	88,589,408	88,589,408	69,145,699
Kelly Springfield Tire Company	Tire Manufacturer	-	-	46,333,329	46,333,329	65,095,085
McWane Inc./ Ranson Industries	Pipe manufacturer	-	61,156,799	87,476,491	87,476,491	64,036,599
Southwestern Bell Telephone	Telephone utility	47,638,032	51,854,412	58,519,119	58,519,119	59,428,191
Dayton Hudson Corp.	Retail; distribution facilities	86,634,554	62,265,652	53,942,611	53,942,611	57,982,468
Delek Refining LTD / Crown / LaGloria	Refinery	118,688,302	245,122,365	154,833,482	154,833,482	53,535,963
Simon Property Group	Commercial property	56,707,130	47,620,545	46,559,890	46,559,890	44,440,521
Carrier / Tytex	Air conditioning manufacturer	47,468,281	-	-	-	-
Union Oil Company	Oil & Gas	56,741,270	85,339,960	85,339,960	65,685,590	62,889,200
Genecov Investment Group	Commercial property	56,766,576	57,475,537	-	-	-
East Texas Medical Center	Hospital	-	-	-	-	-
Mother Frances Hospital	Hospital	-	-	-	-	-
University of Texas Health Center	Hospital	-	-	-	-	-
Simon Property Group	Commercial Property	-	-	-	-	-
Totals		\$ 766,329,096	\$ 913,106,003	\$ 828,487,901	\$ 815,508,611	\$ 671,758,231
Total Taxable Assessed Value		\$ 10,676,730,006	\$ 10,522,100,610	\$ 9,869,811,578	\$ 8,925,879,988	\$ 8,135,235,070

Table 7
(Continued)

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

Taxpayer (1)	Type of Business	2009	% of Taxable Assessed Value (TAV) by Tax Year			
			2008	2007	2006	2005
Brookshire Grocery Company	Supermarkets; distribution facilities	1.19%	1.21%	1.30%	1.44%	1.50%
Oncor Electric / TXU	Electric utility	0.76%	0.79%	0.79%	0.96%	0.90%
WalMart/Sam's	Retail	0.82%	0.87%	0.90%	0.99%	0.85%
Kelly Springfield Tire Company	Tire Manufacturer	0.00%	0.00%	0.47%	0.52%	0.80%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.00%	0.58%	0.89%	0.98%	0.79%
Southwestern Bell Telephone	Telephone utility	0.45%	0.49%	0.59%	0.66%	0.73%
Dayton Hudson Corp.	Retail; distribution facilities	0.81%	0.59%	0.55%	0.60%	0.71%
Delek Refining LTD / Crown / LaGloria	Refinery	1.11%	2.33%	1.57%	1.73%	0.66%
Simon Property Group	Commercial property	0.53%	0.45%	0.47%	0.52%	0.55%
Carrier / Tytex	Air conditioning manufacturer	0.44%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.53%	0.81%	0.86%	0.74%	0.77%
Genecov Investment Group	Commercial property	0.53%	0.55%	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		7.18%	8.68%	8.39%	9.14%	8.26%

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
2015	\$ 21,803,240	\$ 21,523,382	98.72%	\$ 11,292	\$ 21,534,674	98.77%
2014	\$ 21,269,434	\$ 20,921,516	98.36%	\$ -	\$ 20,921,516	98.36%
2013	\$ 20,721,317	\$ 20,414,731	98.52%	\$ 135,585	\$ 20,550,316	99.17%
2012	\$ 18,589,719	\$ 18,304,251	98.46%	\$ 49,486	\$ 18,353,737	98.73%
2011	\$ 18,409,311	\$ 18,093,950	98.29%	\$ 28,245	\$ 18,122,195	98.44%
2010	\$ 14,208,183	\$ 14,095,963	99.21%	\$ 17,868	\$ 14,113,831	99.34%
2009	\$ 13,125,823	\$ 12,593,167	95.94%	\$ 9,140	\$ 12,602,307	96.01%
2008	\$ 12,352,363	\$ 12,188,832	98.68%	\$ 5,124	\$ 12,193,956	98.72%
2007	\$ 11,235,178	\$ 11,074,241	98.57%	\$ 2,849	\$ 11,077,090	98.59%
2006	\$ 10,280,296	\$ 9,927,548	96.57%	\$ 1,692	\$ 9,929,240	96.59%

(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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Other Debt										
Revenue bonds	\$ 124,770,000	\$ 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
Notes	122,155	830,602	1,469,185	2,226,212	3,618,545	7,267,915	9,018,497	8,511,126	9,226,409	9,816,776
Total Outstanding Debt	\$ 124,892,155	\$ 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
Total Outstanding Debt Ratios										
Per Capita	\$ 570.70	\$ 559.43	\$ 287.12	\$ 223.78	\$ 258.45	\$ 319.34	\$ 237.86	\$ 259.65	\$ 283.62	\$ 120.19
Per FTSE	12,676	12,202	8,305	6,516	7,689	8,804	6,557	7,085	6,808	2,871
As a percentage of Taxable Assessed Value	1.08%	1.07%	0.70%	0.55%	0.62%	0.54%	0.54%	0.60%	0.66%	0.31%

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	
2015	\$ 30,674,433	\$ 6,590,091	\$ 37,264,524	\$ 5,280,000	\$ 5,269,180	\$ 10,549,180	3.53
2014	30,414,955	6,276,034	36,690,989	5,700,000	3,168,722	8,868,722	4.14
2013	30,569,314	5,785,185	36,354,499	5,540,000	3,058,107	8,598,107	4.23
2012	30,716,199	5,499,548	36,215,747	5,385,000	2,618,703	8,003,703	4.52
2011	29,640,946	5,767,075	35,408,021	5,790,000	3,170,314	8,960,314	3.95
2010	28,346,513	5,702,778	34,049,291	3,425,000	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

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
2014-15	218,842	\$ 9,199,272 (a)	\$ 42,036	5.2%
2013-14	216,080	8,889,117	41,138	6.5%
2012-13	214,617	8,218,435	38,293	7.0%
2011-12	212,891	7,671,125	36,033	7.8%
2010-11	209,714	6,956,342	33,171	7.8%
2009-10	207,111	7,227,898	34,899	7.6%
2008-09	203,263	7,323,724	36,031	5.0%
2007-08	199,953	6,982,403	34,920	4.2%
2006-07	196,124	6,539,102	33,342	4.7%
2005-06	191,362	6,070,117	31,721	4.8%

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 2014-2015

Table 12

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

Employer	2015		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	Number of Employees	Percentage of Total Employment
Trinity Mother Frances	4,300	7.96%	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	3,194	5.91%	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	2,565	4.75%	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	2,115	3.91%	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	1,600	2.96%	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.	1,538	2.85%	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	1,500	2.78%	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	1,130	2.09%	1,050	1.94%	925	1.72%	865	1.26%	849	1.24%	-	0.00%	-	0.00%
City of Tyler	853	1.58%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Carrier Corporation	-	0.00%	-	0.00%	-	0.00%	-	0.00%	795	1.16%	659	0.96%	1,201	1.75%
Tyler Junior College District	841	1.56%	935	1.73%	862	1.60%	811	1.18%	786	1.14%	586	0.85%	572	0.83%
UT Tyler	1,765	3.27%	1,557	2.88%	1,121	2.08%	1,094	1.59%	-	0.00%	568	0.83%	556	0.81%
	21,401	39.61%	19,181	35.50%	19,214	28.71%	19,690	22.84%	19,510	22.75%	18,154	21.11%	18,984	22.44%

Source:
Tyler Economic Development Council - Community Profile

Note: Per GASB 44, this table should show the current year and the period nine years prior. The information seven 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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Faculty										
Full-Time	309	296	295	282	280	278	272	255	251	255
Part-Time	355	306	305	323	298	270	258	258	235	237
Total	664	602	600	605	578	548	530	513	486	492
Percent										
Full-Time	46.54%	49.17%	49.17%	46.61%	48.44%	50.73%	51.32%	49.71%	51.65%	51.83%
Part-Time	53.46%	50.83%	50.83%	53.39%	51.56%	49.27%	48.68%	50.29%	48.35%	48.17%
Staff and Administrators										
Full-Time	352	348	339	329	319	322	310	269	259	260
Part-Time	226	264	255	210	194	200	170	151	141	146
Total	578	612	594	539	513	522	480	420	400	406
Percent										
Full-Time	60.90%	56.86%	57.07%	61.04%	62.18%	61.69%	64.58%	64.05%	64.75%	64.04%
Part-Time	39.10%	43.14%	42.93%	38.96%	37.82%	38.31%	35.42%	35.95%	35.25%	35.96%
FTSE per Full-Time Faculty	31.89	33.47	31.49	32.39	30.79	30.95	31.63	32.77	34.65	34.58
FTSE per Full-Time Staff Member	27.99	28.47	27.41	28.64	27.03	31.86	33.34	32.39	37.01	37.20
Average Annual Faculty Salary	\$ 51,309	\$ 50,217	\$ 51,120	\$ 50,065	\$ 50,848	\$ 51,047	\$ 49,100	\$ 46,764	\$ 45,303	\$ 45,213

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

Student Classification	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	5,670	58.88%	6,810	70.83%	6,031	61.45%	7,531	65.26%	7,973	67.92%
31-60 hours	2,666	27.68%	1,831	19.05%	3,411	34.76%	2,207	19.12%	2,332	19.87%
>60 hours	1,294	13.44%	973	10.12%	372	3.79%	1,802	15.62%	1,433	12.21%
Total	9,630	100%	9,614	100%	9,814	100%	11,540	100%	11,738	100%

Semester Hour Load	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Part-Time	4,376	45.44%	4,367	45.42%	4,571	46.58%	5,143	44.57%	6,234	53.11%
Full-Time	5,254	54.56%	5,247	54.58%	5,243	53.42%	6,397	55.43%	5,504	46.89%
Total	9,630	100%	9,614	100%	9,814	100%	11,540	100%	11,738	100%

Tuition Status	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	4,167	43.27%	3,989	41.49%	4,041	41.18%	5,117	44.34%	5,242	44.66%
Texas Resident (out-of-District)	5,096	52.92%	5,208	54.17%	5,347	54.48%	5,989	51.90%	6,077	51.77%
Non-Resident Tuition	367	3.81%	417	4.34%	426	4.34%	434	3.76%	419	3.57%
Tuition Exemption/Waiver	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	9,630	100%	9,614	100%	9,814	100%	11,540	100%	11,738	100%

Table 15

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

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	5,678	58.96%	5,599	58.24%	5,701	58.09%	6,809	59.00%	6,952	59.23%
Male	3,952	41.04%	4,015	41.76%	4,113	41.91%	4,731	41.00%	4,786	40.77%
Total	9,630	100%	9,614	100%	9,814	100%	11,540	100%	11,738	100%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	5,415	56.23%	5,419	56.19%	5,514	56.19%	6,939	60.13%	7,297	62.17%
Hispanic	1,271	13.20%	1,303	13.64%	1,339	13.64%	1,297	11.24%	1,320	11.25%
African American	2,387	24.79%	2,323	24.86%	2,440	24.86%	2,666	23.10%	2,642	22.51%
Asian	126	1.31%	142	1.39%	136	1.39%	176	1.53%	184	1.57%
Native American	97	1.01%	93	0.73%	72	0.73%	78	0.68%	57	0.49%
Other	334	3.47%	334	3.19%	313	3.19%	384	3.33%	238	2.03%
Total	9,630	100%	9,614	100%	9,814	100%	11,540	100%	11,738	100%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
16 or younger	124	1.29%	19	0.20%	37	0.38%	590	5.11%	616	5.25%
17	186	1.93%	160	1.66%	179	1.82%	765	6.63%	752	6.41%
18	1,936	20.10%	1,852	19.26%	1,885	19.21%	1,917	16.61%	2,083	17.75%
19-21	3,477	36.11%	3,415	35.52%	3,455	35.20%	3,608	31.27%	3,627	30.90%
22-24	1,120	11.63%	1,206	12.54%	1,221	12.44%	1,320	11.44%	1,358	11.57%
25-30	1,133	11.77%	1,169	12.16%	1,214	12.37%	1,322	11.46%	1,324	11.28%
31-35	538	5.59%	578	6.01%	612	6.24%	721	6.25%	687	5.85%
36-50	883	9.17%	940	9.78%	979	9.98%	1,075	9.32%	1,065	9.07%
51-64	225	2.34%	250	2.60%	222	2.26%	216	1.87%	219	1.87%
65 & over	8	0.08%	25	0.26%	10	0.10%	6	0.05%	7	0.06%
Total	9,630	100%	9,614	100%	9,814	100%	11,540	100%	11,738	100%

Average Age	24	25	24	23	23
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Table 16

TYLER JUNIOR COLLEGE DISTRICT
 TRANSFERS TO SENIOR INSTITUTIONS
 2013 FALL STUDENTS AS OF FALL 2014
 (Includes only public senior colleges in Texas)
 (UNAUDITED)

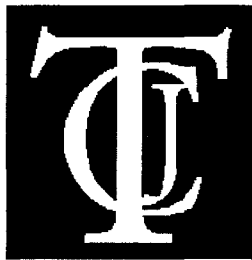
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep	EU Graduat		
1 Angelo State University	0	0	0	0	0	0.00%
2 Lamar University	8	0	0	0	8	0.51%
3 Midwestern State University	2	0	0	0	2	0.13%
4 Prairie View A&M University	7	0	0	0	7	0.44%
5 Sam Houston State University	42	6	0	0	48	3.05%
6 Stephen F. Austin State University	112	18	0	0	130	8.25%
7 Sul Ross State University	0	0	0	0	0	0.00%
8 Tarleton State University	15	0	0	0	15	0.95%
9 Texas A&M University	167	9	1	0	177	11.23%
10 Texas A&M University - Central Texas	1	0	0	0	1	0.06%
11 Texas A&M University - Commerce	19	9	0	0	28	1.78%
12 Texas A&M University - Corpus Christi	4	0	0	0	4	0.25%
13 Texas A&M University - San Antonio	1	1	0	0	2	0.13%
14 Texas A&M University - Kingsville	1	0	0	0	1	0.06%
15 Texas A&M University - Texarkana	0	0	0	0	0	0.00%
16 Texas A&M University at Galveston	5	0	0	0	5	0.32%
17 Texas Southern University	6	2	0	0	8	0.51%
18 Texas State University - San Marcos	39	3	0	0	42	2.66%
19 Texas Tech University	46	3	0	0	49	3.11%
20 Texas Women's University	20	6	0	0	26	1.65%
21 University of Texas - Pan American	1	0	0	0	1	0.06%
22 University of Texas - Arlington	43	13	0	0	56	3.55%
23 University of Texas - Austin	43	4	1	0	48	3.05%
24 University of Texas - Dallas	10	0	0	0	10	0.63%
25 University of Texas - El Paso	2	0	0	0	2	0.13%
26 University of Texas - San Antonio	10	1	0	0	11	0.70%
27 University of Texas - Tyler	675	116	2	0	793	50.32%
28 University of Texas of the Permian Basin	4	0	0	0	4	0.25%
29 University of Houston	8	2	0	0	10	0.63%
30 University of Houston - Clear Lake	3	1	0	0	4	0.25%
31 University of Houston - Victoria	1	0	0	0	1	0.06%
32 University of North Texas	64	8	0	0	72	4.57%
33 University of North Texas at Dallas	3	0	0	0	3	0.19%
34 West Texas A&M University	6	2	0	0	8	0.51%
Totals	1,368	204	4	0	1,576	100.00%

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

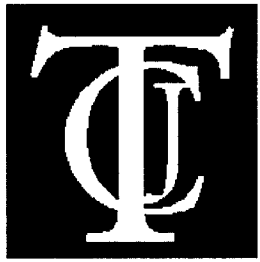
Table 17

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

	Fiscal Year									
	<u>2015</u>	<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>
Academic buildings	15	13	13	13	13	13	13	13	13	13
Square footage (in thousands)	657	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)	85	86	87	88	100	104	104	104	98	98
Administrative and support buildings	8	8	8	8	8	8	8	8	8	6
Square footage (in thousands)	170	170	170	170	168	161	161	161	161	150
Dormitories	10	9	9	9	9	9	9	9	8	8
Square footage (in thousands)	333	267	267	267	267	267	267	267	115	115
Number of Beds	1248	1062	1062	1062	1062	1062	1062	1062	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	1915	1745	3678	3872	3543	2758	2500	2500	2,000	2,000
Athletic Facilities	7	7	7	7	7	7	7	7	6	6
Square footage (in thousands)	445	445	445	445	445	436	436	436	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	2	1	1
Plant facilities	2	2	2	2	2	2	2	2	1	1
Square footage (in thousands)	27	27	27	27	27	27	27	27	17	17
Transportation										
Cars	13	17	17	15	10	6	15	6	6	10
Light Trucks/Vans	27	29	27	27	22	21	21	42	39	24
Heavy Trucks	1	1	1	1	1	1	2	1	1	1
Buses	1	1	1	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, 2015

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	--	\$ 241,023
Federal College Workstudy Program	84.033	--	66,696
Federal Pell Grant Program	84.063	--	18,977,479
Direct Student Loans	84.268	--	21,656,818
Postsecondary Education Scholarships for Veteran's Dependents	84.408	--	5,317
TRIO Cluster			
Student Support Services Grant	84.042A	--	225,150
Pass Through From:			
Texas Workforce Commission			
Adult Basic Education	84.002	0814AELA00	17,307
Total Adult Basic Education			<u>17,307</u>
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Educational Programs - Basic	84.048	1542020601	<u>690,795</u>
Total U. S. Department of Education			<u>41,880,585</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>1,329,961</u>
Total U. S. Department of Labor			<u>1,329,961</u>
National Science Foundation			
Pass Through From:			
University of Texas at El Paso Education and Human Resources	47.076	26-1008-4126	<u>25,771</u>
Total National Science Foundation			<u>25,771</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District Small Business Development Center	59.037	--	<u>65,283</u>
Total U.S. Small Business Administration (SBA)			<u>65,283</u>
U.S. Department of Health and Human Services			
Pass Through From:			
Texas Workforce Commission			
Temporary Aid for Needy Families	93.558	0814AELA00	2,145
Workforce Solutions East Texas Board and East Texas Council of Governments			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	04161C51	<u>16,309</u>
Total U.S. Department of Health and Human Services			<u>18,454</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 43,320,054</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	\$ 3,725,741
Non Operating Revenue From Schedule C	19,605,018
Direct Student Loans	21,656,818
Revenues reported on Schedule A not included on Schedule E (revenues reflected for agent)	(1,670,758)
Matching Contributions Included in Schedule E	<u>3,235</u>
Total Federal Financial Assistance – Schedule E	<u>\$43,320,054</u>

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 62,023
Developmental Education Scaling and Sustaining Success Program	10892	123,153
Professional Nursing Shortage Reduction Program	--	214,728
Texas Educational Opportunity Grant Program	--	809,990
Top Ten Percent	--	28,200
T-STEM Challenge Scholarship Program	11267	233,145
Dallas County Community College District		
Small Business Development Center	--	83,787
Texas Workforce Commission		
Adult Basic Education	0814AELA00	9,686
Skills Development	1613SDF001	51,770
Skills Development	0814SDF001	34,088
Total Skills Development		<u>85,858</u>
Temporary Aid for Needy Families	0814AELA00	<u>862</u>
 Total Expenditures of State Awards		 <u>\$ 1,651,432</u>

See Notes to Schedule on following page.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

NOTE 2 – STATE FINANCIAL ASSISTANCE RECONCILIATION

State Grants and Contracts per Schedule A	\$1,767,315
Professional Nursing Shortage Reduction reported on Schedule C	214,728
Revenues reported on Schedule A not included on Schedule E (revenues reflected for agent)	(340,281)
Matching Contributions Included in Schedule F	<u>9,670</u>
Total State Financial Assistance – Schedule F	<u>\$1,651,432</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, 2015, 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 4, 2015.

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 4, 2015

**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, 2015. 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, 2015.

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 4, 2015

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2015

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes 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 no

Identification of major programs:

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

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

Auditee qualified as low-risk auditee: yes no

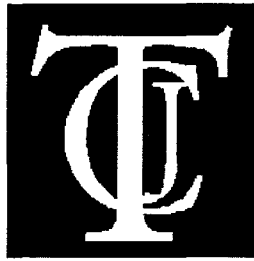
TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2015

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, 2015

There were no findings reported in the prior audit as of August 31, 2014.