

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR FISCAL YEARS ENDED  
AUGUST 31, 2021 AND AUGUST 31, 2020



TYLER, TEXAS

**TYLER JUNIOR COLLEGE DISTRICT  
TYLER TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEARS ENDED  
AUGUST 31, 2021 AND 2020**

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



DISTRICT

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DISTRICT

# INTRODUCTORY SECTION







DISTRICT



November 17, 2021

Dr. Juan E. Mejia, President  
Members of the Board of Trustees, and  
Citizens of the Tyler Junior College District

The following comprehensive annual financial report of the Tyler Junior College District ("the College" or "the District") for the fiscal year ended August 31, 2021, is hereby submitted. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with the Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). The notes to the financial statements are provided in the financial section and are considered essential for fair and adequate disclosure of all information presented in this financial report. The independent auditor's report is located at the front of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures the cost of the controls does not exceed the benefits derived. 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.

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. The College is also required to undergo an annual federal single audit to conform to the provisions of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards*, and an annual state single audit in conformity with the State of Texas Uniform Grant Management Standards. Information related to the single audits is included in the single audit section of this report.

To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

## **PROFILE OF THE DISTRICT**

The Tyler Junior College District facilities are located in Tyler, Texas, a city of approximately 106,000 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 116 degree and certificate programs at relatively low cost attracts students from thirty-nine states and thirty-seven foreign countries. Annual fall unduplicated enrollment is approximately 12,169 academic and vocational students with an additional 686 unduplicated "non-credit" continuing education students. In addition to outstanding instructional programs, the District offers a broad array of campus activities, men's and women's intercollegiate athletic programs, marching band, Apache Belles precision dance team, and a strong performing arts program. Student and service clubs, campus housing, career guidance and counseling, endowed scholarships, federal financial aid, and a modern 145-acre campus round out the educational experience.

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

## **COMPONENT UNIT REPORTING**

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

## **FINANCIAL PLANNING AND BUDGETING**

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, department (e.g. History) and function (e.g. Instruction). The result of this process is a document that is used to monitor and control the ongoing operations of the institution.

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

The annual budget is developed in conjunction with department budget owners. Budget requests are submitted by specified due dates, reviewed by administrative leadership and compiled into a proposed College-wide budget. Budget projections are used to determine potential future tuition and fee rate increases. Once the annual budget is approved, department heads are responsible for monitoring expense activity within their budget authority. Business Services staff review transactions to determine if they are reasonable and appropriate as well as monitoring budget deficits. Additions to the budget or unusual transactions require oversight and approval by the President for the College District or his designee, or the Board.

## **ECONOMIC CONDITION AND OUTLOOK**

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 population of the Tyler Metropolitan Statistical Area (MSA) is over 233,000. This is an increase from the 2010 Census count of approximately 11.3%. Population estimates for the Tyler MSA continue to show anticipated growth of slightly more than 1.0% annually for the next ten years.

Unemployment rates in Tyler continue to gradually decline as the disruption caused by the coronavirus pandemic eases. The unemployment rate reached a high of almost 12% in April 2020, but has been steadily declining to a current low of 4.7% in August 2021. Unemployment rates are expected to continue to decline. According to Dr. Ray Perryman of The Perryman Group, Texas employment has almost recovered to pre-pandemic levels and should continue to improve over the long-term outlook. Supply-chain challenges and inflation may linger over the coming months, but the outlook for the state remains favorable with job growth drivers in the energy sector and the services sector including professional and business services, education, healthcare, accommodations, and food services. The Tyler MSA area has a strong base of healthcare and higher education which continue to support economic stability during this time. The housing market in the Tyler area also remains strong.

Enrollment for academic year 2020-2021 was strong despite a decline due to the continued effects of the pandemic. Although Fall 2020 enrollment was down approximately 4.6% as compared to Fall 2019, TJC fared relatively well as compared to other community colleges across the state of Texas. The District continued efforts to maintain enrollment into Fall 2021 and provide support and assistance to students to encourage their continued success. The College has disbursed over \$15 million in Higher Education Emergency Relief Fund (HEERF) awards to students in need during the pandemic crisis. These efforts led to a modest increase in Fall 2021 enrollment over Fall 2020.

State appropriations for fiscal year 2021 remained flat as compared to the prior year. The District reviews tuition and fee schedules annually and adjusts tuition and fee rates as necessary to mitigate the impact of reduced state funding from prior years and the uncertainty of future appropriations. No tuition or mandatory fee increases were recommended for academic years 2020-2021 or 2021-2022 due to the continued effects of the pandemic. The District strives to maintain a low cost tuition and fee structure to remain competitive and provide access to education for as many students as possible.

The District also relies on local tax revenues to support the ongoing maintenance of existing facilities and grounds plus any additional capital growth as a result of increased capacity needs. Tax revenues have continued to increase over the past several years due to an expanded tax base and increased property valuations. Property valuations of the District increased approximately 7% this past year with a net taxable valuation increase of approximately 5% after exemptions. The District maintained the maintenance and operation tax rate for 2020-2021 of \$.158000 per \$100 valuation and also maintained the associated debt tax rate of \$.041926 per \$100 valuation. The total tax rate for 2020-2021 for the District remained at \$.199926 per \$100 valuation. Currently, the impact of the pandemic on property valuations is minimal. Property valuations in the Tyler area have consistently been strong over the past several years as compared to the state and nation. The District will work with the surrounding tax authorities to monitor the valuations over the next year. The District is mindful of the relationship with the taxing district and strives to keep the tax rates at reasonable levels while still providing funds for the District to preserve existing infrastructure and provide for future capital growth. The District has maintained its total tax rate of \$.199926 since fiscal year 2013 and currently has no intent to increase this rate in the next year.

## **MAJOR INITIATIVES**

The Tyler Junior College Foundation recently partnered with TJC to raise funds for the renovation of Wise Auditorium. Construction on the newly renovated Rogers Palmer Performing Arts Center was completed in January 2021. The TJC Foundation contributed over \$7.5 million in private funding to underwrite construction and the remaining amount of the project was provided by the District. The Rogers Palmer Performing Arts Center is a state-of-the-art facility featuring 14,000 square feet in additional space including a new stage; a renovated auditorium with new seating, acoustical treatments and sound system; a presidential suite for hosting community guests; and administrative offices. The College is partnering with the TJC Foundation again in 2021-2022 to renovate the existing Ornelas Health and Physical Education Center (OHPE) into a state-of-the-art facility for the TJC Band, Apache Belles, and Dance Programs. The project will expand practice rooms and meeting areas providing much needed space for the students in these programs. The renovation of these facilities will ensure TJC can continue to recruit exceptional talent, grow the College's arts programs and help build a thriving arts culture for East Texas by offering high quality and accessible programming.

The District has been authorized by the Texas Legislature to award up to five (5) baccalaureate degrees and the Southern Association of Schools Commission on Colleges (SACSCOC) has approved the College for a level change from an associate degree granting institution to a baccalaureate degree granting institution. This allows the District to pursue additional baccalaureate degree opportunities with the appropriate approval of the Texas Higher Education Coordinating Board. As of Fall 2018, the District offers baccalaureate degrees in Dental Hygiene and Healthcare Administration. The District is currently working towards a third baccalaureate degree in Emergency Management. The fields of emergency management and public safety are rapidly evolving and the need for a skilled, knowledgeable, and prepared workforce is critical. The District believes this degree will fill a need within the East Texas area as well as throughout the state and nation.

Tyler Junior College is committed to and partnered with the community to provide educational opportunities to all students. The District continues to expand dual credit offerings with local independent school district partnerships. The TJC Promise program was launched five years ago and the first TJC Promise program high school graduates began attending TJC in Fall 2020. As of Fall 2021, there are 530 TJC Promise students attending TJC and over 5,000 additional students in the program. The District is also excited to partner with two other Texas community colleges during academic year 2021-2022 to pioneer a Rural College Promise program. The District strongly believes these programs will provide students who are underserved the opportunity to obtain a higher education credential that may have been unattainable otherwise.

## **AWARDS AND ACKNOWLEDGMENTS**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tyler Junior College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2020. 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.

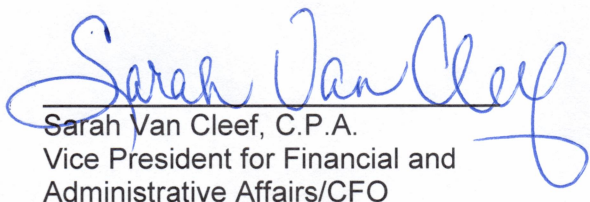
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

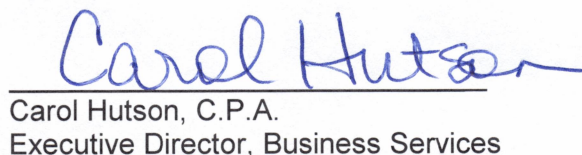
A Certificate of Achievement is valid for a period of one year only. The 2020 report was the twenty-fifth submission for the District, having earned its first Certificate of Achievement in 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements 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 for the College District and the Board of Trustees for their progressive leadership and support of the financial operations of the District.

Respectfully submitted,

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

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



DISTRICT



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Tyler Junior College  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

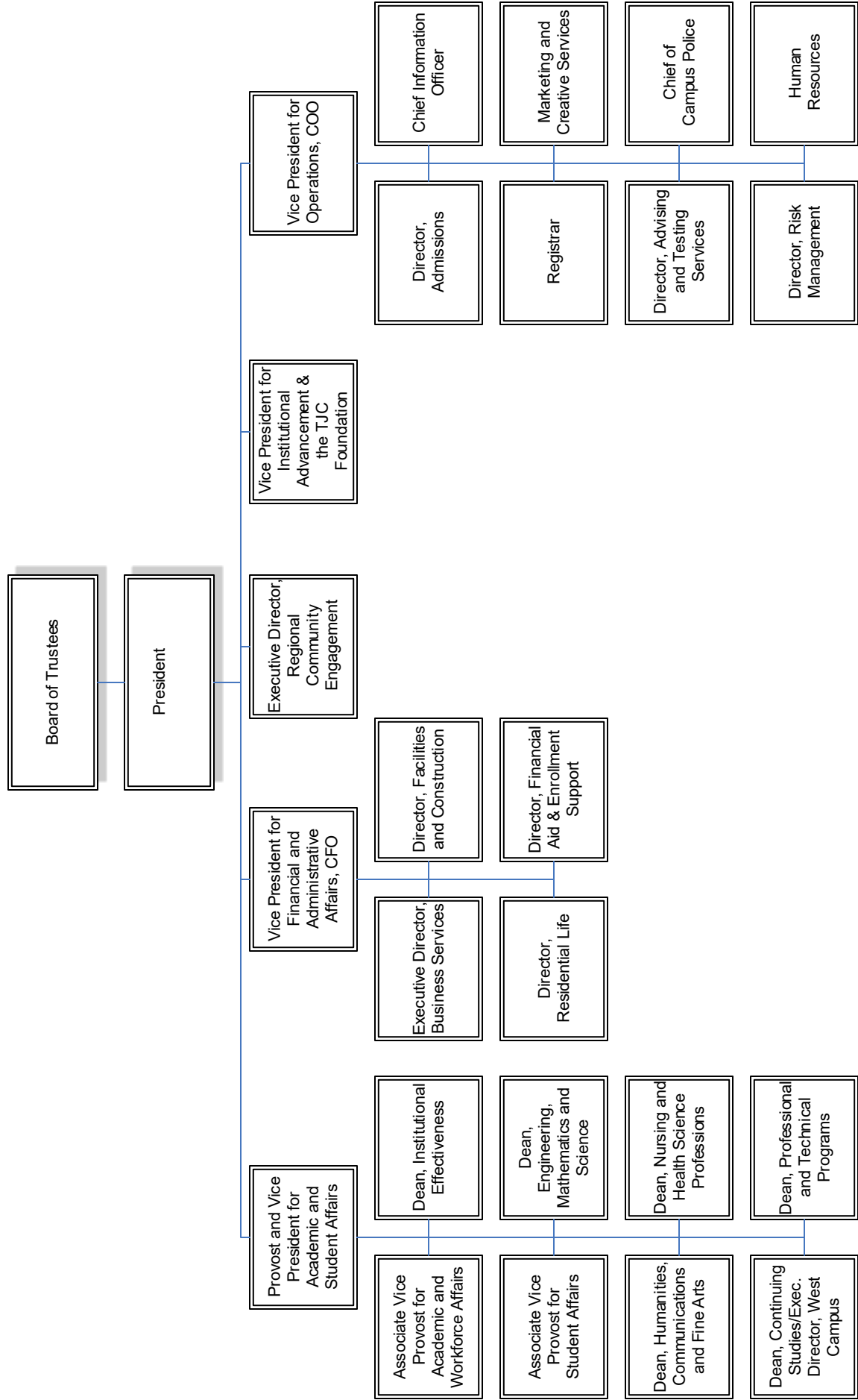
August 31, 2020

*Christopher P. Morill*

Executive Director/CEO



# TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE





**ORGANIZATIONAL DATA For  
the Fiscal Year 2021-2022**

**Board of Trustees**

**Officers**

<b>Rohn Boone</b>	<b>President</b>
<b>Peggy Smith</b>	<b>First Vice President</b>
<b>David Hudson</b>	<b>Second Vice President</b>

**Members**

		<b><u>Term Expires</u></b>
<b>Ann Brookshire</b>	<b>Tyler, Texas</b>	<b>May, 2026</b>
<b>Mike Coker</b>	<b>Tyler, Texas</b>	<b>May, 2024</b>
<b>John Hills</b>	<b>Tyler, Texas</b>	<b>May, 2024</b>
<b>Joe Prud'homme</b>	<b>Tyler, Texas</b>	<b>May, 2022</b>
<b>Clint Roxburgh</b>	<b>Tyler, Texas</b>	<b>May, 2022</b>
<b>Lonny Uzzell</b>	<b>Tyler, Texas</b>	<b>May, 2024</b>

**Principal Administrative Officers**

<b>Juan E. Mejia</b>	<b>President and CEO</b>
<b>Deana K. Sheppard</b>	<b>Provost and Vice President for Academic and Student Affairs</b>
<b>Sarah E. Van Cleef</b>	<b>Vice President for Financial and Administrative Affairs, Chief Financial Officer</b>
<b>Kimberly Lessner</b>	<b>Vice President for Operations, Chief Operations Officer</b>
<b>Mitch Andrews</b>	<b>Vice President for Institutional Advancement, Executive Director for TJC Foundation</b>



DISTRICT

# FINANCIAL SECTION





DISTRICT

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Tyler Junior College District  
Tyler, Texas

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

We have audited the accompanying basic financial statements of the Tyler Junior College District as of and for the years ended August 31, 2021 and 2020, 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 \$100,211,574 and \$87,883,069 as of August 31, 2021 and 2020 and total revenues of \$18,057,963 and \$12,695,532 for the years then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit in Exhibits 1-1 and 2-1, is based on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Tyler Junior College District as of August 31, 2021 and 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 6 – 20 and the information contained in Schedules 1 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021, on our consideration of the Tyler Junior College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

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

*Gollob Morgan Peddy PC*

Certified Public Accountants

Tyler, Texas  
November 17, 2021





DISTRICT



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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 2021. 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)

	<b>August 31</b>			<b>Change</b>	
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2020 to 2021</b>	<b>2019 to 2020</b>
<b>Assets</b>					
Current Assets	\$ 59,426	\$ 53,810	\$ 35,777	\$ 5,616	\$ 18,033
Capital Assets, Net	208,947	202,367	204,519	6,580	(2,152)
Other Assets	11	970	1,440	(959)	(470)
Total Assets	<u>268,384</u>	<u>257,147</u>	<u>241,736</u>	<u>11,237</u>	<u>15,411</u>
<b>Deferred Outflows of Resources</b>					
Deferred Outflows Related to Pensions	14,982	10,444	11,406	4,538	(962)
Deferred Outflows Related to Other Post Employment Benefits	15,080	20,299	20,382	(5,219)	(83)
Total Deferred Outflows of Resources	<u>30,062</u>	<u>30,743</u>	<u>31,788</u>	<u>(681)</u>	<u>(1,045)</u>
<b>Liabilities</b>					
Current Liabilities	44,943	38,783	39,489	6,160	(706)
Noncurrent Liabilities	169,661	181,346	162,188	(11,685)	19,158
Total Liabilities	<u>214,604</u>	<u>220,129</u>	<u>201,677</u>	<u>(5,525)</u>	<u>18,452</u>
<b>Deferred Inflows of Resources</b>					
Deferred Inflows Related to Pensions	12,142	7,589	6,977	4,553	612
Deferred Inflows Related to Other Post Employment Benefits	15,356	15,102	18,646	254	(3,544)
Total Deferred Inflows of Resources	<u>27,498</u>	<u>22,691</u>	<u>25,623</u>	<u>4,807</u>	<u>(2,932)</u>
<b>Net Position</b>					
Net Investment in Capital Assets	105,932	89,134	97,660	16,798	(8,526)
Restricted: Expendable	593	731	772	(138)	(41)
Unrestricted	(50,180)	(44,795)	(52,208)	(5,385)	7,413
<b>Total Net Position</b>	<u>\$ 56,345</u>	<u>\$ 45,070</u>	<u>\$ 46,224</u>	<u>\$ 11,275</u>	<u>\$ (1,154)</u>

The \$268.4 million in assets includes cash and cash equivalents of \$26.0 million. This represents a \$8.1 million decrease compared to the cash and cash equivalents of \$34 million in FY2020. The majority of the decrease is a result of the spending of the proceeds from the issuance of \$20,140,000 of Maintenance Tax Notes, Series 2019, on September 26, 2019 for the repairs and renovations of existing campus projects. A review of the Statement of Net Position also reveals accounts receivable of \$27.5 million compared to \$20.4 million in FY2020 and \$21.4 million in FY2019. Approximately 47 percent of the accounts receivable are for student tuition and fees.

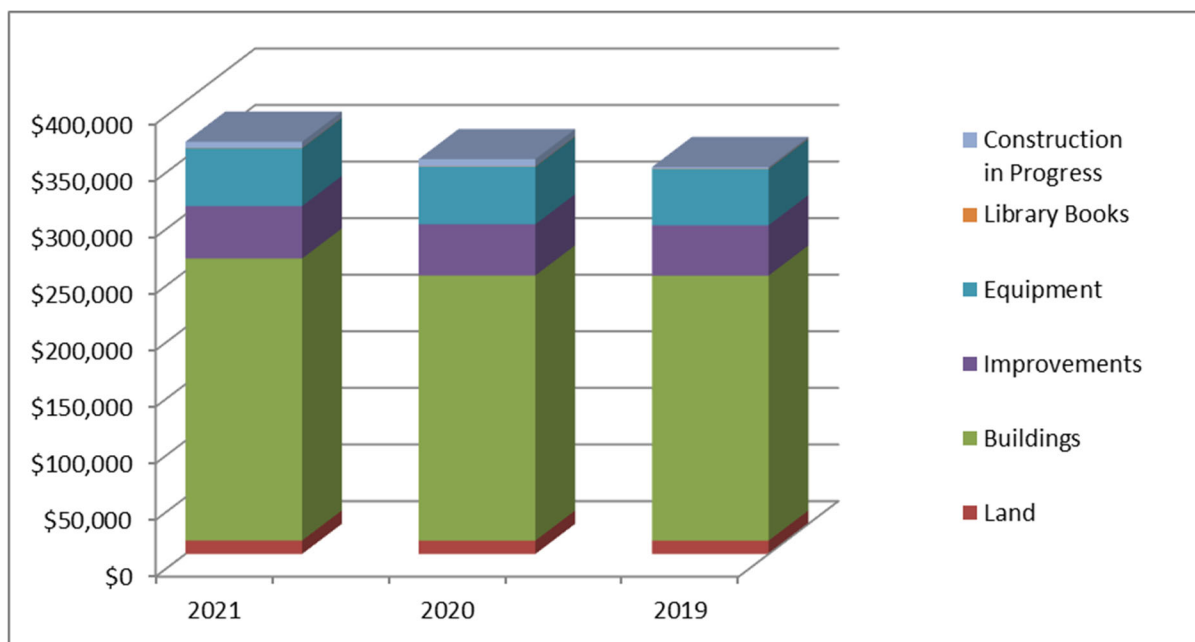
Capital assets display the result of the implementation of a policy to capitalize only those capital assets with an acquisition cost of \$5,000 or more. The consumption of assets follows the institutional philosophy to use available resources to acquire and improve all areas of the institution to better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

There was an increase in activity on campus during FY2021 regarding renovations and upgrades, as well as equipment purchases. Numerous buildings on the main campus as well as on the west

campus received upgrades and renovations including elevator modernization, fire protection system upgrades and implementation and needed preventative maintenance. Parking lot maintenance across campus was addressed during FY2021. Due to the need to continue online learning due to the global Coronavirus pandemic, many technology upgrades and equipment purchases were made throughout 2021. A comprehensive renovation of the existing Wise Auditorium into a state of the art performing arts center, the Rogers Palmer Performing Arts Center, including an additional 14,000 square feet was completed during 2021. More detailed information of capital asset activity and long-term debt activity is presented in the note disclosures Number 6 that details the capital assets, Number 7 that discloses the details pertaining to long-term liabilities and Number 8 that displays details of all outstanding bonds payable.

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

	August 31			Change	
	2021	2020	2019	2020 to 2021	2019 to 2020
<b>Capital Assets:</b>					
Land	\$ 11,925	\$ 11,808	\$ 11,808	\$ 117	\$ -
Buildings	249,098	234,281	234,170	14,817	111
Improvements	46,404	45,264	44,491	1,140	773
Equipment	51,095	50,745	49,613	350	1,132
Library Books	303	344	390	(41)	(46)
Construction in Progress	5,424	6,444	1,397	(1,020)	5,047
Total Capital Assets	<u>\$ 364,249</u>	<u>\$ 348,886</u>	<u>\$ 341,869</u>	<u>\$ 15,363</u>	<u>\$ 7,017</u>



Based on the provisions of GASB Statement 68, the District must record Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions. Deferred Outflows of Resources totaling \$14,981,845 for FY2021 include the District's proportionate share of the differences between expected and actual economic experience, changes in actuarial assumptions, net difference between projected and actual investment earnings, changes in proportion and difference between the employer's contributions and the proportionate share of contributions, and contributions paid to Teacher Retirement System (TRS) subsequent to the measurement date of August 31, 2020. Deferred Inflows of Resources totaling \$12,142,352 for FY2021 include differences between expected and actual economic experience, changes in actuarial assumptions, net difference between projected and actual investment earnings, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The FY2020 Deferred Outflows of Resources and Deferred Inflows of Resources were \$10,443,788 and \$7,589,207, respectively. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 10, Employees' Retirement Plan, in the note disclosures, and Schedules 1 and 2 of the Required Supplementary Information.

Based on the provisions of GASB Statement 75, the District must now record Deferred Outflows of Resources and Deferred Inflows of Resources related to other post-employment benefits (OPEB). Deferred Outflows of Resources totaling \$15,080,492 for FY2021 include the District's proportionate share of the net difference between projected and actual investment earnings, changes in proportion and difference between the employer's contributions and the proportionate share of contributions, and contributions paid to Employees Retirement System of Texas (ERS) subsequent to the measurement date of August 31, 2020. Deferred Inflows of Resources totaling \$15,355,548 for FY2021 include the differences between expected and actual economic experience, changes in actuarial assumptions, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The FY2020 Deferred Outflows of Resources and Deferred Inflows of Resources were \$20,299,326 and \$15,102,300 respectively. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 17, Postemployment Benefits Other Than Pensions, in the note disclosures, and Schedules 3 and 4 of the Required Supplementary information.

Liabilities of \$215 million include debt of \$107 million, compensated absences of \$1.3 million, \$16.2 million for the District's net pension liability and \$52 million for the District's net other post-employment benefits liability. This compares to the liabilities in FY2020 of \$220 million with \$116 million of debt, \$1.3 million in compensated absences, \$15.4 million for the District's net pension liability and \$55 million for the District's net other post-employment benefits liability.

The assets plus deferred outflows less liabilities and deferred inflows result in a net position of \$56.3 million compared to the \$45.1 million in FY2020 and the \$46.2 million in FY2019. The District's FY2021 net investment in capital assets is \$105.9 million compared to \$89.1 million in FY2020.

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

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

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

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

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

	August 31			Change	
	2021	2020	2019	2020 to 2021	2019 to 2020
<b>Operating Revenues</b>					
Tuition and Fees	\$ 21,408	\$ 21,359	\$ 21,843	\$ 49	\$ (484)
Federal Grants and Contracts	21,870	5,437	1,328	16,433	4,109
State Grants and Contracts	1,497	934	1,320	563	(386)
Local Grants and Contract	727	540	1,005	187	(465)
Sales and Service of Educational Activities	143	105	110	38	(5)
Auxiliary Enterprises	4,558	4,561	4,856	(3)	(295)
Miscellaneous	13,315	2,659	2,366	10,656	293
Total Operating Revenues	63,518	35,595	32,828	27,923	2,767
<b>Operating Expenses</b>					
Instruction	35,253	35,981	36,651	(728)	(670)
Public Service	1,034	507	589	527	(82)
Academic Support	4,022	3,824	4,097	198	(273)
Student Service	8,960	9,154	9,425	(194)	(271)
Institutional Support	33,247	23,339	20,446	9,908	2,893
Operation and Maintenance of Plant	9,777	8,124	7,344	1,653	780
Scholarship and Fellowships	10,673	7,641	4,388	3,032	3,253
Auxiliary Enterprises	9,889	8,957	9,747	932	(790)
Depreciation	9,297	9,229	8,697	68	532
Total Operating Expenses	122,152	106,757	101,385	15,395	5,372
Operating Loss	(58,634)	(71,162)	(68,556)	12,528	(2,606)
<b>Non-Operating Revenues (Expenses)</b>	69,909	70,008	67,186	(99)	2,822
<b>Increase (Decrease) in Net Position</b>	<b>11,275</b>	<b>(1,154)</b>	<b>(1,370)</b>	<b>12,429</b>	<b>216</b>
<b>Net Position</b>					
Net Position, Beginning of Year	45,070	46,224	45,923	(1,154)	301
Prior Period Adjustment	-	-	1,671	0	(1,671)
Net Position, End of Year	\$ 56,345	\$ 45,070	\$ 46,224	\$ 11,275	\$ (1,154)

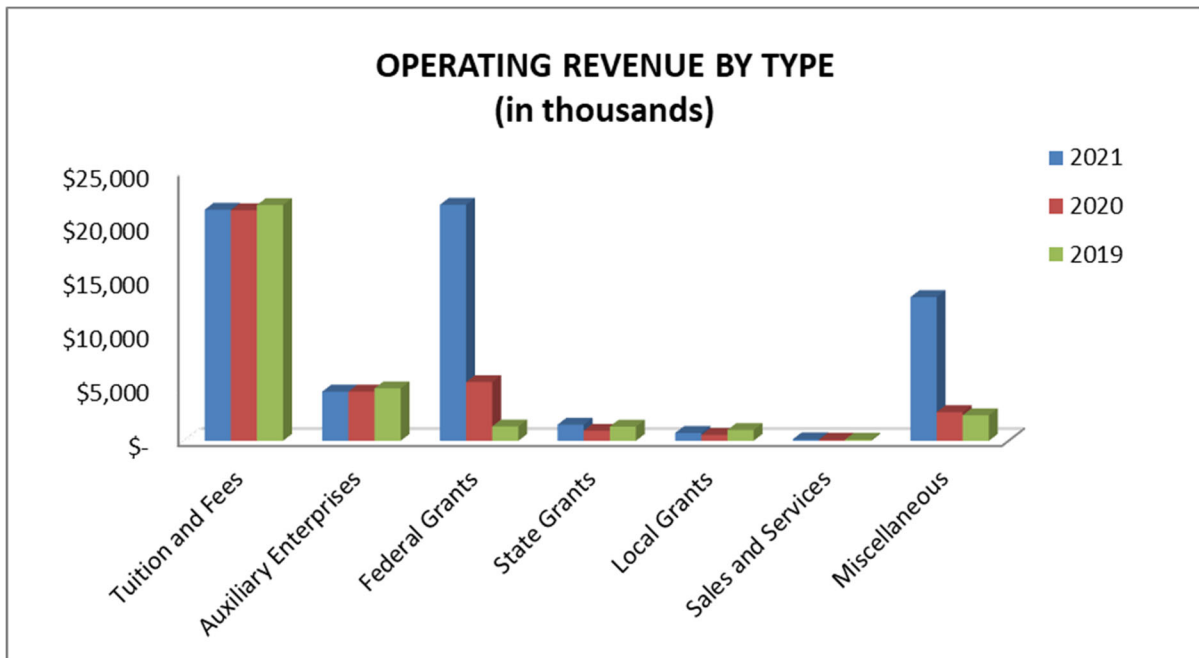
The nonoperating revenues (expenses) are comprised of \$23.8 million state educational contracts, \$29.0 million property taxes, \$20.6 million in Title IV financial assistance, investment income of \$110,965 and \$3.6 million interest paid on capital related debt. These numbers compare to FY2020 nonoperating revenues (expenses) of \$23.8 million state educational contracts, \$27.8 million property taxes, \$21.7 million in Title IV financial assistance, \$430,407 investment income and \$3.7 million interest paid on capital related debt. The total for nonoperating revenues (expenses) decreased slightly 0.1% from FY2020. Significant contributors to the decrease were Title IV financial assistance and investment income, with decreases during the year of \$1.0 million and \$319,442, respectively.



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	
	2021	2020	2019	2020 to 2021	2019 to 2020
<b>Operating Revenues</b>					
Tuition and Fees	\$ 21,408	\$ 21,359	\$ 21,843	\$ 49	\$ (484)
Auxiliary Enterprises	4,558	4,561	4,856	(3)	(295)
Federal Grants and Contracts	21,870	5,437	1,328	16,433	4,109
State Grants and Contracts	1,497	934	1,320	563	(386)
Local Grants and Contract	727	540	1,005	187	(465)
Sales and Service of Educational Activities	143	105	110	38	(5)
Miscellaneous	13,315	2,659	2,366	10,656	293
Total Operating Revenues	<u>\$ 63,518</u>	<u>\$ 35,595</u>	<u>\$ 32,828</u>	<u>\$ 27,923</u>	<u>\$ 2,767</u>



The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Federal grants and contracts represent the largest type of operating revenue followed closely by student tuition and fees, and miscellaneous income. All other types of revenue represent approximately 11.0% of the total operating revenue. A significant element in the increase of operating revenue in FY2021 is the increase in Federal Grants and Contracts of \$16.4 million which is primarily due to the Higher Education Emergency Relief Fund (HEERF)

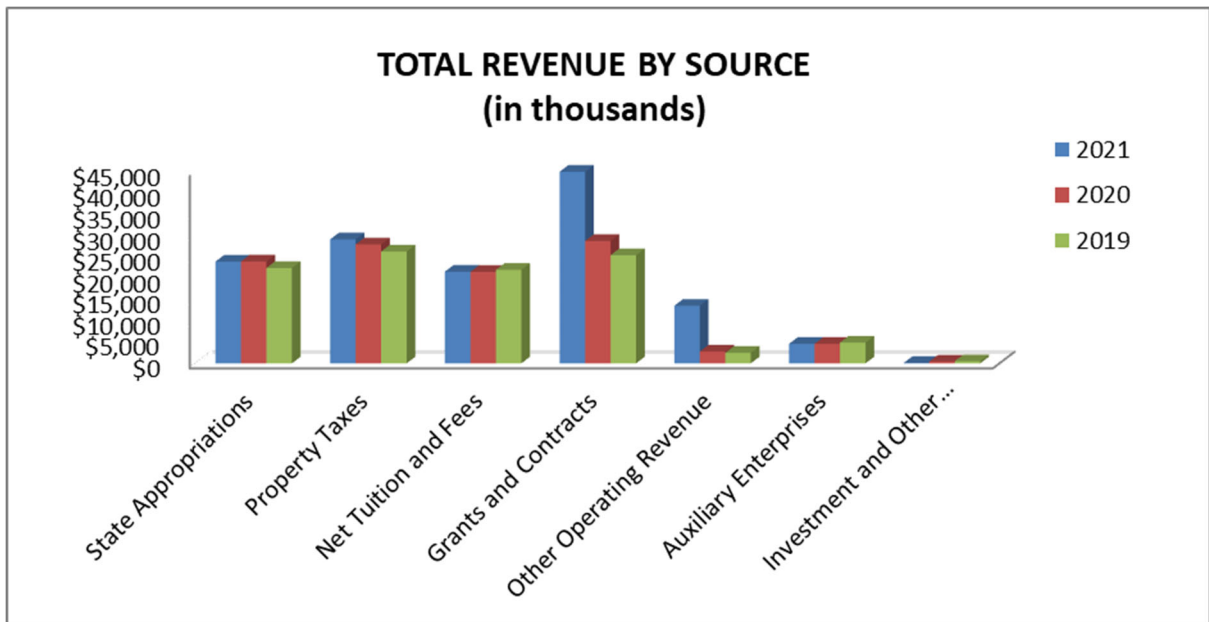
awards for the student portion. Additionally, the \$10.7 million increase in miscellaneous income is primarily due to contributions from the Tyler Junior College Foundation toward capital construction projects. There were increases in tuition and fees, state grants and contracts, local grants and contracts, and interest on student loans totaling approximately \$837,000 cumulatively from FY2020 to FY2021. These increases were offset by a decline in auxiliary enterprises revenue which decreased a total \$3,000 from FY2020 to FY2021.

The auxiliary services, other than the residence halls, are not self-supporting activities. Two principal auxiliary services, athletics and the TJC Earth and Space Science Center, 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 an increase in total revenue from FY2020 to FY2021 of approximately 25.4% from \$109 million in FY2020 to \$137 million in FY2021. The Grants and Contracts source is the largest contributor in FY2021 at 32.7% compared to 26.2% and 24.4% for FY2020 and FY2019, respectively. This source is restricted in nature and includes the federal CARES and HEERF Act funding and Pell grant awards that pass through the District directly to the students. The Property Taxes source is the second largest contributor in FY2021 at 21.1% compared to 25.4% and 25.3% for FY2020 and FY2019, respectively. This source is derived from the tax payers residing in one of the six independent school districts including Chapel Hill, Grand Saline, Lindale, Tyler, Van, and Winona school districts located in Smith and Van Zandt counties. Property valuations increased throughout the district resulting in the increased revenue. 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 2021, the State Appropriations were 17.3% of the total revenue for the District at \$23.8 million, compared to 21.8% in FY2020 at \$23.8 million and 21.6% in FY2019 at \$22.3 million. Other Operating Revenue represents 9.8% of the total revenue for FY2021 compared to 2.5% and 2.4% of the total revenue for FY2020 and FY2019, respectively.

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

	August 31			Change	
	2021	2020	2019	2020 to 2021	2019 to 2020
<b>Revenue Sources:</b>					
State Appropriations	\$ 23,758	\$ 23,798	\$ 22,268	\$ (40)	\$ 1,530
Property Taxes	28,950	27,773	26,115	1,177	1,658
Net Tuition and Fees	21,408	21,359	21,843	49	(484)
Grants and Contracts	44,740	28,581	25,254	16,159	3,327
Other Operating Revenue	13,458	2,764	2,476	10,694	288
Auxiliary Enterprises	4,558	4,561	4,856	(3)	(295)
Investment and Other Income	111	430	511	(319)	(81)
<b>Total Revenue</b>	<b>\$ 136,983</b>	<b>\$ 109,266</b>	<b>\$ 103,323</b>	<b>\$ 27,717</b>	<b>\$ 5,943</b>

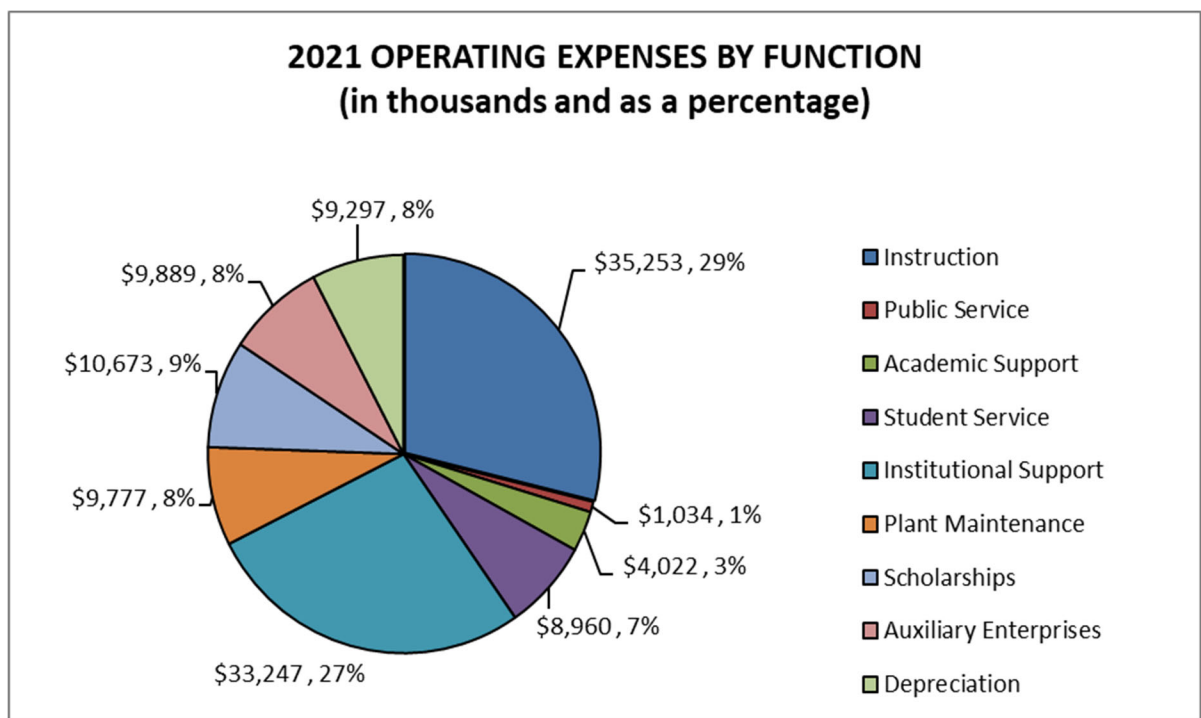
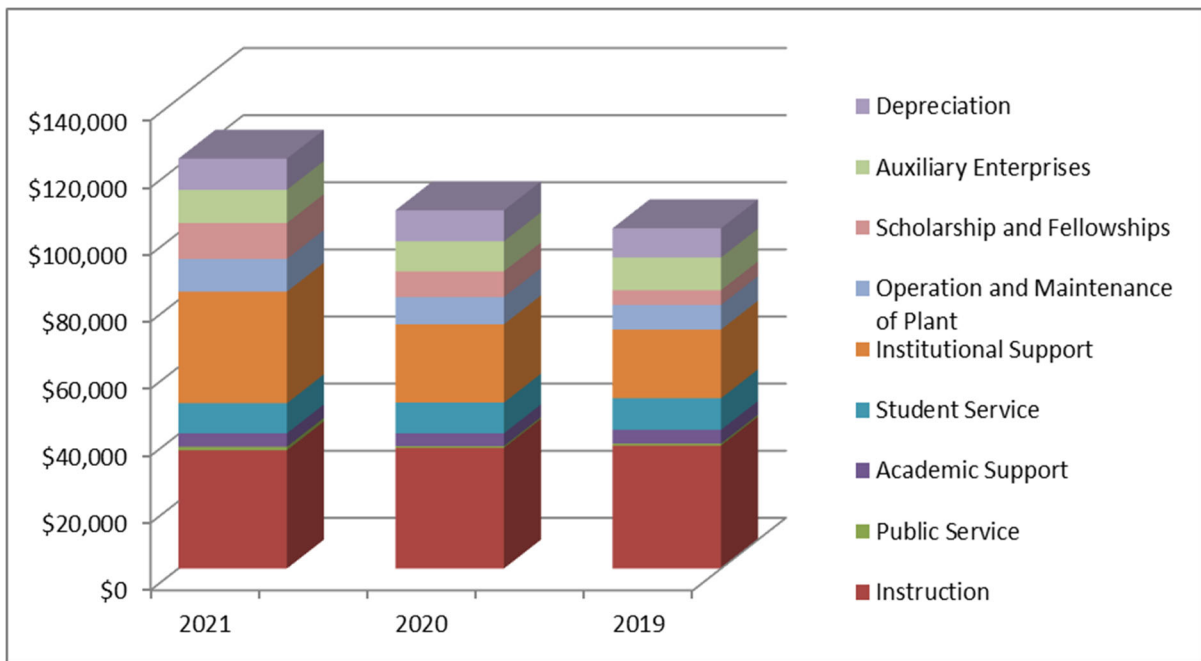


While the District experienced an increase in total revenue for FY2021 of 25.4%, or approximately \$27.7 million, the operating expenses also increased for FY2021 by 14.4%, or approximately \$15.4 million. Costs to maintain enrollment at the District remained strong at \$35.3 million for FY2021. There was a slight decrease in Instruction cost of 2% or \$728,000 for FY2021 to total \$35.3 million as compared to \$36.0 million in FY2020 and \$36.7 million in FY2019. Public Service expenses increased \$527,000 from FY2020 to FY2021. Academic Support expenses experienced an increase from FY2020 to FY2021 of \$198,000. Student Service expenses decreased from FY2020 to FY2021 by \$194,000. Decreases in student service expenses are attributable to continued restrictions in place during Spring and Summer 2021 due to the coronavirus pandemic. The expenses for Institutional Support experienced an increase of \$9.9 million or 42% in FY2021 to total \$33.2 million compared to an increase of \$2.9 million or 14.0% in FY2020 to total \$23.3 million and an increase of \$4.5 million or 28.0% in FY2019 to total \$20.4 million. This increase is

attributable to the additional expenses incurred due to the coronavirus pandemic paid with the institutional portion of the HEERF awards. Operations and Maintenance of Plant increased by \$1.7 million or 20.0% to total \$9.8 million in FY2021 compared to an increase of \$780,000 in FY2020. Scholarships and Fellowships increased by \$3.0 million to \$10.7 million for FY2021 compared to \$7.6 million in FY2020 and \$4.4 million for FY2019. This increase is primarily due to the federal grants and contracts via the HEERF awards dedicated to student support of \$6.4 million. With the completion of capital construction projects and new assets, such as the Rogers Palmer Performing Arts Center, being placed into service, these additions offset older District assets that are now fully depreciated; thus, there is very little change in depreciation expense between FY2021 and FY2020. The increase equates to a total depreciation expense of \$9.3 million for FY2021 as compared to \$9.2 million in FY2020 and \$8.7 million in FY2019.

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

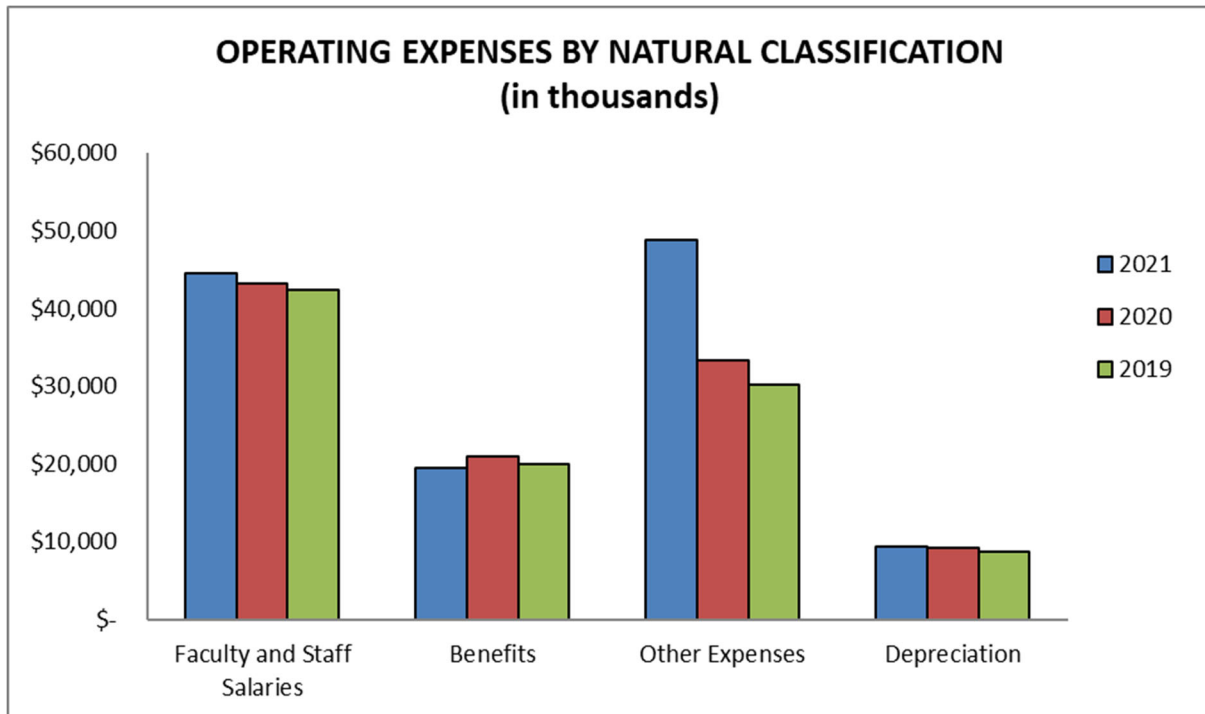
	<b>August 31</b>			<b>Change</b>	
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2020 to 2021</b>	<b>2019 to 2020</b>
<b>Operating Expenses:</b>					
Instruction	\$ 35,253	\$ 35,981	\$ 36,651	\$ (728)	\$ (670)
Public Service	1,034	507	589	527	(82)
Academic Support	4,022	3,824	4,097	198	(273)
Student Service	8,960	9,154	9,425	(194)	(271)
Institutional Support	33,247	23,339	20,446	9,908	2,893
Operation and Maintenance of Plant	9,777	8,124	7,344	1,653	780
Scholarship and Fellowships	10,673	7,641	4,388	3,032	3,253
Auxiliary Enterprises	9,889	8,957	9,747	932	(790)
Depreciation	9,297	9,229	8,697	68	532
Total Operating Expenses	<u>\$ 122,152</u>	<u>\$ 106,757</u>	<u>\$101,385</u>	<u>\$ 15,395</u>	<u>\$ 5,372</u>



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

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

	August 31			Change	
	2021	2020	2019	2020 to 2021	2019 to 2020
<b>Operating Expenses:</b>					
Salaries	\$ 44,515	\$ 43,155	\$ 42,394	\$ 1,360	\$ 761
Benefits	19,592	21,002	20,109	(1,410)	893
Other Expenses	48,749	33,371	30,185	15,378	3,186
Depreciation	9,297	9,229	8,697	68	532
Total Operating Expenses	\$ 122,152	\$ 106,757	\$101,385	\$ 15,395	\$ 5,372



Approximately 36.4% of the District's \$122.2 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$64.1 million is 52.5% of the District's total operating expense as compared to 60.1% in FY2020 and 61.6% in FY2019. The second highest portion of the operating expenses is the \$48.7 million of operating expenses that the District paid in FY2021 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$33.4 million in FY2020 and \$30.2 million in FY2019. Depreciation expense increased in FY2021 to \$9.3 million up from \$9.2 million in FY2020 and \$8.7 million in FY2019.

## Statement of Cash Flows

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

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

	August 31			Change	
	2021	2020	2019	2020 to 2021	2019 to 2020
<b>Cash Provided (used) by:</b>					
Operating Activities	\$ (53,412)	\$ (53,285)	\$ (52,014)	\$ (127)	\$ (1,271)
Noncapital Financing Activities	64,996	67,287	64,582	(2,291)	2,705
Capital and Related Financing Activities	(19,804)	3,951	(17,979)	(23,755)	21,930
Investing Activities	111	430	511	(319)	(81)
Net Change in Cash	(8,109)	18,383	(4,900)	(26,492)	23,283
Cash, Beginning of Year	34,028	15,645	20,545	18,383	(4,900)
<b>Cash, End of Year</b>	<b>\$ 25,919</b>	<b>\$ 34,028</b>	<b>\$ 15,645</b>	<b>\$ (8,109)</b>	<b>\$ 18,383</b>

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2021 totaled \$56.1 million as compared to \$35.5 million in FY2020, and \$31.2 million in FY2019. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$109.5 million in FY2021 as compared to \$88.7 million in FY2020, and \$83.2 million in FY2019. These receipts and cash outlay payments resulted in \$127,657 more net cash used by operating activities in FY2021. Other operating activities include 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 FY2021 was \$1.9 million more than the amount disbursed as compared to a lesser amount received than the amount disbursed in FY2020 of \$124,634 and a lesser amount received than disbursed in FY2019 of \$362,018.

State educational contracts were once the primary source of noncapital financing. Property tax revenue and nonoperating federal revenue are now the primary sources of noncapital financing. State educational contracts make up the third largest source of noncapital financing. These sources of revenue are categorized as noncapital even though the District's budget depends on them to continue the current level of operations. In FY2021, \$65.0 million was received as net cash provided by noncapital financing activities as compared to \$67.3 million in FY2020, and \$64.6 million in FY2019.

The capital and related financing activities in FY2021 included \$15.2 million expended for campus construction, improvements, and renovations. The capital and related financing activities in FY2020 included \$6.3 million expended for campus construction, improvements and renovations. This compares to \$6.0 million expended in FY2019 for campus construction, improvements and renovations. Financing outflows also include expenditures for debt service payments and related long-term debt interest. The long-term debt interest of \$3.5 million was \$42,884 more than the amount paid in FY2020.

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 FY2021 was approximately \$319,000 less than the amount received in FY2020.

### **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.

Fall enrollment at the District decreased slightly for the 2020-2021 academic year as compared to the enrollment for the 2019-2020 year. This compares with an increase in enrollment for the 2019-2020 academic year when compared with the 2018-2019 year. Unemployment rates within the District boundaries continue to gradually decline as the disruption caused by the global coronavirus pandemic eases. Rates are expected to continue to decline, but will be heavily dependent on the effects of the coronavirus and related variants during the next fiscal year. The District continues to work with students to lessen the burdens of the financial impacts caused by the coronavirus and to provide support and assistance to students as needed to encourage their continued success. The College has disbursed over \$15 million in Higher Education Emergency Relief Fund (HEERF) awards to students in need during the pandemic crisis. These efforts led to a modest increase in Fall 2021 enrollment over Fall 2020. The addition of new programs and certificates and the



increasing offerings of academic and technical dual credit to the local high school students continue to positively contribute to the District's enrollment.

The District's overall financial position is strong. The District underwent credit rating reviews with Standard & Poor's Rating Services during the 2019 year. Standard & Poor's affirmed its 'AA+' long-term rating on the District's general obligation (GO) bonds, with a stable outlook. Additionally, Standard & Poor's assigned its 'AA+' long-term rating for the Series 2019 Maintenance Tax Notes that were issued in September, 2019. Even with the positive financial position, the District continues to work with the changing landscape due to the global coronavirus pandemic. The District is coping with the financial pressures by maintaining operating budget controls, addressing reserves, evaluation of new hires and capital expenditures and through the assessment of current processes and procedures to locate efficiencies.

Given the economic constraints at the local, state and national level, relatively stable ad-valorem tax valuation changes and the ability to adjust student fees, the District anticipates fiscal year 2022 will be comparable to fiscal year 2021 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.



DISTRICT



DISTRICT

TYLER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF NET POSITION  
AS OF AUGUST 31, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 25,919,124	\$ 33,070,581
Accounts Receivable (net of allowance for doubtful accounts of \$8,105,587 and \$8,222,511 respectively)	27,508,304	20,400,695
Prepaid Expenses	5,998,825	338,704
Total Current Assets	59,426,253	53,809,980
<b>Noncurrent Assets</b>		
Cash and Cash Equivalents	-	957,472
Other Current Assets	11,349	12,789
Capital Assets (Net)	208,946,872	202,367,109
Total Noncurrent Assets	208,958,221	203,337,370
<b>TOTAL ASSETS</b>	268,384,474	257,147,350
<b>Deferred Outflows of Resources</b>		
Deferred Outflows Related to Pensions	14,981,845	10,443,788
Deferred Outflows Related to Other Post Employment Benefits	15,080,492	20,299,326
Total Deferred Outflows of Resources	30,062,337	30,743,114
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	7,447,204	6,656,279
Unearned Revenues	28,191,310	22,501,891
Current Portion of Compensated Absences	125,602	131,273
Current Portion of Capital Leases	964,721	975,331
Current Portion of Bonds Payable	8,214,000	8,518,000
Total Current Liabilities	44,942,837	38,782,774
<b>Noncurrent Liabilities</b>		
Accrued Compensable Absences Payable	1,130,422	1,181,455
Net Pension Liability	16,214,896	15,350,364
Net Other Post Employment Benefits Liability	51,960,462	55,008,366
Capital Leases	1,092,864	1,844,605
Bonds Payable	99,262,218	107,961,118
Total Noncurrent Liabilities	169,660,862	181,345,908
<b>TOTAL LIABILITIES</b>	214,603,699	220,128,682
<b>Deferred Inflows of Resources</b>		
Deferred Inflows Related to Pensions	12,142,352	7,589,207
Deferred Inflows Related to Other Post Employment Benefits	15,355,548	15,102,300
Total Deferred Inflows of Resources	27,497,900	22,691,507
<b>NET POSITION</b>		
Net investment in capital assets	105,931,574	89,134,384
Restricted		
Expendable		
Financial Aid and Scholarships	593,512	731,207
Unrestricted	(50,179,874)	(44,795,316)
<b>TOTAL NET POSITION</b>	\$ 56,345,212	\$ 45,070,275

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

**THE TYLER JUNIOR COLLEGE FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 743,258	\$ 1,151,522
Pledges Receivable (net)	675,721	727,941
Deferred Construction Costs	-	564,595
Deferred Expenses and Scholarships	761,509	597,221
Total Current Assets	<u>2,180,488</u>	<u>3,041,279</u>
Non-Current Assets:		
Marketable Securities	92,464,251	78,957,728
Funds Held in Trust	543,043	449,485
Pledges Receivable (net)	3,066,745	3,476,937
Annuity Arbitrage	981,977	981,977
Charitable Gift Annuities	326,410	323,305
Other Investments	43,036	42,004
Real Estate and Mineral Interests	605,624	610,354
Total Non-Current Assets	<u>98,031,086</u>	<u>84,841,790</u>
 Total Assets	 <u>\$ 100,211,574</u>	 <u>\$ 87,883,069</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts Payable	\$ 55,620	\$ 49,916
Payable to Tyler Junior College	759,722	1,159,384
Accrued Interest	28,119	-
Deferred Revenue	92,120	86,845
Total Current Liabilities	<u>935,581</u>	<u>1,296,145</u>
Long-Term Liabilities:		
Line of Credit	<u>3,475,000</u>	<u>-</u>
Total Long-Term Liabilities	<u>3,475,000</u>	<u>-</u>
Total Liabilities	<u>4,410,581</u>	<u>1,296,145</u>
 <b>NET ASSETS</b>		
Without Donor Restrictions	28,159,766	17,891,830
With Donor Restrictions	67,641,227	68,695,094
Total Net Assets	<u>95,800,993</u>	<u>86,586,924</u>
 <b>TOTAL LIABILITIES &amp; NET ASSETS</b>	 <u>\$ 100,211,574</u>	 <u>\$ 87,883,069</u>

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

TYLER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020

<b>REVENUES</b>	<u>2021</u>	<u>2020</u>
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$16,918,702 and \$17,617,538 in discounts)	\$ 21,408,216	\$ 21,359,174
Auxiliary Enterprises (net of \$2,922,497 and \$2,926,696 in discounts)	4,558,483	4,561,187
Federal Grants and Contracts	21,870,257	5,436,572
State Grants and Contracts	1,496,848	934,116
Local Grants and Contracts	726,872	539,874
Sales and Service of Educational Activities	143,254	104,779
Interest on Student Loans	-	83,100
Miscellaneous Operating Revenues	<u>13,314,675</u>	<u>2,576,473</u>
Total Operating Revenues	<u>63,518,605</u>	<u>35,595,275</u>
 <b>EXPENSES</b>		
Operating expenses		
Instruction	35,252,771	35,981,694
Public Service	1,033,887	506,735
Academic Support	4,021,600	3,823,982
Student Services	8,960,017	9,154,361
Institutional Support	33,247,192	23,339,284
Operations and Maintenance of Plant	9,777,367	8,123,768
Scholarship and Fellowships (net of \$19,841,199 and \$20,544,234 in discounts)	10,673,662	7,640,607
Auxiliary Enterprises	9,888,795	8,957,554
Depreciation	<u>9,297,214</u>	<u>9,229,084</u>
Total Operating Expenses	<u>122,152,505</u>	<u>106,757,069</u>
Operating (Loss)	<u>(58,633,900)</u>	<u>(71,161,794)</u>
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
State Appropriations (non-capital)	23,757,500	23,798,197
Property Taxes	28,950,392	27,773,130
Federal Revenue, Non Operating	20,645,996	21,673,743
Investment Income	110,965	430,407
Interest on Capital Related Debt	<u>(3,556,016)</u>	<u>(3,667,366)</u>
Total Non-Operating Revenues (Expenses)	<u>69,908,837</u>	<u>70,008,111</u>
Increase (Decrease) in Net Position	11,274,937	(1,153,683)
Net Position, Beginning of the Year	<u>45,070,275</u>	<u>46,223,958</u>
Net Position, End of the Year	<u><u>\$ 56,345,212</u></u>	<u><u>\$ 45,070,275</u></u>

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

**THE TYLER JUNIOR COLLEGE FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED AUGUST 31, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Other Support</b>						
Contributions and Fund-Raising	\$ 242,966	\$ 2,848,903	\$ 3,091,869	\$ 402,542	\$ 4,275,662	\$ 4,678,204
Unrealized Gain (loss) on Investments	9,699,009	10,194	9,709,203	5,949,826	(63,696)	5,886,130
Realized Gain (Loss)	3,327,208	54,950	3,382,158	519,473	8,224	527,697
Investment Income	1,325,383	78,393	1,403,776	1,562,572	40,929	1,603,501
Income From Change in Estimate	144,932	-	144,932	-	-	-
Reimbursement From TJC	-	326,025	326,025			
Donor Transfers	(4,077,986)	4,077,986	-	(2,912,984)	2,912,984	-
Net Assets						
Released from Restrictions	8,450,318	(8,450,318)	-	4,681,399	(4,681,399)	-
Total Revenues	19,111,830	(1,053,867)	18,057,963	10,202,828	2,492,704	12,695,532
<b>Expenses</b>						
Program	8,596,641	-	8,596,641	5,179,283	-	5,179,283
General and Administrative	123,066	-	123,066	127,125	-	127,125
Fundraising	124,187	-	124,187	62,091	-	62,091
Total Expenses	8,843,894	-	8,843,894	5,368,499	-	5,368,499
Change in Net Assets	10,267,936	(1,053,867)	9,214,069	4,834,329	2,492,704	7,327,033
Net Assets, September 1	17,891,830	68,695,094	86,586,924	13,057,501	66,202,390	79,259,891
Net Assets, August 31	\$ 28,159,766	\$ 67,641,227	\$ 95,800,993	\$ 17,891,830	\$ 68,695,094	\$ 86,586,924

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, 2021 AND 2020

**CASH FLOWS FROM OPERATING ACTIVITIES**

	2021	2020
Receipts from students and other customers	\$ 30,303,788	\$ 21,931,834
Receipt of state financial aid	1,496,848	934,116
Receipt of federal financial aid	11,530,235	5,436,572
Receipt of local grants and support	726,872	539,874
Receipt from sales and services of educational activities	143,254	104,779
Receipt from auxiliary enterprises	4,558,483	4,561,187
Receipt of interest on student loans	-	83,100
Receipt from other operating revenues	4,905,958	1,324,168
Receipts from student organizations	2,413,460	534,689
Payments to student organizations	(463,812)	(659,323)
Payments for salaries and benefits to employees	(53,075,147)	(54,021,181)
Payments to suppliers for goods and services	(55,952,290)	(34,054,509)
Net cash used in operating activities	<u>(53,412,351)</u>	<u>(53,284,694)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Receipt from state educational contracts	18,373,725	18,425,412
Receipts from non-operating federal revenue	25,976,652	27,777,974
Property tax revenues	20,645,996	21,083,163
Net cash provided by noncapital financing activities	<u>64,996,373</u>	<u>67,286,549</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchases of capital assets and construction costs	(15,153,394)	(6,320,161)
Bond proceeds	-	22,151,488
Bond acquisition costs	-	(151,488)
Principal payments on capital leases	(995,711)	(959,273)
Principal payments on capital related debt	(8,518,000)	(8,519,000)
Interest on capital related debt	(3,545,528)	(3,502,644)
Contributions received for capital related financing	8,408,717	1,252,305
Net cash used in capital and related financing activities	<u>(19,803,916)</u>	<u>3,951,227</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment income	<u>110,965</u>	<u>430,407</u>
Net cash provided by investing activities	<u>110,965</u>	<u>430,407</u>
Increase (decrease) in cash and cash equivalents	(8,108,929)	18,383,489
Cash and cash equivalents, September 1	<u>34,028,053</u>	<u>15,644,564</u>
Cash and cash equivalents, August 31	\$ <u>25,919,124</u>	\$ <u>34,028,053</u>
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 25,919,124	\$ 33,070,581
Cash and cash equivalents - noncurrent	<u>-</u>	<u>957,472</u>
Total cash and cash equivalents	\$ <u>25,919,124</u>	\$ <u>34,028,053</u>
Summary of non-cash investing and financing activities:		
Equipment acquired through issuance of capital leases	\$ <u>233,360</u>	\$ <u>-</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, 2021 AND 2020

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

Operating loss	\$ (58,633,900)	\$ (71,161,794)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	9,297,214	9,229,084
Non-operating plant revenue	(8,408,717)	(1,252,305)
Amortization of deferred charges	(483,127)	(228,029)
Payments made directly by state for benefits	5,383,775	5,372,785
Receipts from student organizations	2,413,460	534,689
Payments to student organizations	(463,812)	(659,323)
(Increase) decrease in assets		
Receivables (net)	(7,133,869)	1,623,382
Prepaid expenses	(5,660,121)	(218,550)
Deferred outflows on pensions	(4,538,057)	962,230
Deferred outflows on other post employment benefits	5,218,834	82,911
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	1,340,233	(220,923)
Unearned revenues	5,689,419	(1,050,722)
Deferred inflows on pensions	4,553,145	611,528
Deferred inflows on other post employment benefits	253,248	(3,543,357)
Pension liability	864,532	(137,869)
Other post employment benefits liability	(3,047,904)	6,836,353
Compensated absences	(56,704)	(64,784)
Net cash used in operating activities	\$ <u>(53,412,351)</u>	\$ <u>(53,284,694)</u>

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

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

**NOTE 1 — REPORTING ENTITY**

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

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

During the year ended August 31, 2021 and 2020, the foundation distributed \$8,480,485 and \$4,978,927 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 or at <https://www.tjc.edu/downloads/20071/foundation>.

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

**Reporting Guidelines**

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community Colleges*. The District applies all applicable pronouncements as set forth by the Governmental Accounting Standards Board. The District is reported as a special purpose government engaged in business-type activities.

**Basis of Accounting**

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

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

## **Tuition Discounting**

### **Texas Public Education Grants**

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

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

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

### **Other Tuition Discounts**

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

## **Budgetary Data**

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

## **Cash and Cash Equivalents**

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

## **Investments**

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

## **Deferred Outflows**

The District is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and is not recognized as an outflow of resources (expense) until that time. GASB standards authorize the reporting on deferred outflows in connection with the timing of pension activity, other postemployment benefit activity, and reporting.

### **Allowance for Doubtful Accounts**

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

### **Capital Assets**

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

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

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

### **Pensions**

The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost-sharing-defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Postemployment Benefits Other than Pensions (OPEB)**

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

### **Unearned Revenues**

The District has recorded tuition and related fees as well as housing and related fees in the amount of \$28,191,310 and \$22,501,891 as of August 31, 2021 and 2020 in the statement of net position. These amounts represent revenues for the subsequent fall semesters that are recognized in revenues in the subsequent fiscal years.

### **Tax Abatements**

The tax abatements for the district are less than 1.37% of total tax revenues and are considered to be immaterial to the financial statements.

### **Deferred Inflows**

The District is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. GASB standards authorize the reporting on deferred inflows in connection with the timing of pension activity, other postemployment benefit activity, and reporting.

### **Estimates**

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

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

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

## **NOTE 3 — AUTHORIZED INVESTMENTS**

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

**NOTE 4 — DEPOSITS AND INVESTMENTS**

As of August 31, 2021 and August 31, 2020, the District had the following deposits and investments:

	August 31, 2021		August 31, 2020	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Depository Accounts				
Insured	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Collateral held by pledging bank's trust department in District's name	23,116,802	32,937,161	31,295,545	39,336,408
Total Deposits	23,616,802	33,437,161	31,795,545	39,836,408
Petty cash on hand	3,485	-	3,335	-
Texas Range Investment Program	278,181	278,181	278,000	278,000
Texpool Investments	2,020,656	2,020,656	1,951,173	1,951,173
Total Cash and Cash Equivalents	<u>\$25,919,124</u>	<u>\$35,735,998</u>	<u>\$34,028,053</u>	<u>\$42,065,581</u>

Interest Rate Risk – The District's investment policy allows for portfolio maturities to be structured to meet the obligations of the District first, and then to achieve the highest return of interest. The maximum allowable stated maturity of any individual investment of the District is ten years. The average rate of maturity for the District's investment in Texpool cannot exceed 60 days with the weighted average being 31 days. The weighted average for Texas Range is 45 days.

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

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

Receivables at August 31, 2021 and August 31, 2020, were as follows:

	8-31-21	8-31-20
Student tuition and fees receivable (net of allowance for doubtful accounts of \$5,392,351 and \$5,517,659, respectively)	\$ 13,002,066	\$ 16,238,882
Taxes receivable (net of allowance for doubtful accounts of \$611,646 and \$590,539, respectively)	746,519	772,779
Federal receivable	11,171,433	831,411
Student loans receivable (net of allowance for doubtful accounts of \$2,101,590 and \$2,114,313, respectively)	-	-
Other receivables	2,588,286	2,557,623
Total Receivables	<u>\$ 27,508,304</u>	<u>\$ 20,400,695</u>

Accounts payable and accrued liabilities at August 31, 2021 and August 31, 2020 were as follows:

	8-31-21	8-31-20
Vendors payable	\$ 5,768,282	\$ 4,524,646
Salaries and benefits payable	1,537,726	1,979,949
Interest payable	141,196	151,684
Total Accounts Payable and Accrued Liabilities	<u>\$ 7,447,204</u>	<u>\$ 6,656,279</u>

**NOTE 6 — CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2021 was as follows:

	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021
Non Depreciated Assets				
Land	\$ 11,808,294	\$ 117,144	\$ -	\$ 11,925,438
Construction in progress	6,443,680	7,245,001	8,264,486	5,424,195
Subtotal	18,251,974	7,362,145	8,264,486	17,349,633
Other Capital Assets				
Buildings	234,280,926	14,817,399	-	249,098,325
Improvements	45,264,047	1,139,841	-	46,403,888
Library books	344,395	19,321	61,176	302,540
Equipment	50,744,633	825,576	475,243	51,094,966
Subtotal	330,634,001	16,802,137	536,419	346,899,719
Total Capital Assets	348,885,975	24,164,282	8,800,905	364,249,352
Accumulated Depreciation				
Buildings	74,882,985	5,468,373	-	80,351,358
Improvements	29,631,955	1,372,570	-	31,004,525
Library books	228,791	30,254	61,176	197,869
Equipment	41,775,135	2,426,017	452,424	43,748,728
Total Accumulated Depreciation	146,518,866	9,297,214	513,600	155,302,480
Net Capital Assets	\$ 202,367,109	\$ 14,867,068	\$ 8,287,305	\$ 208,946,872

Capital asset activity for the year ended August 31, 2020 was as follows:

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020
Non Depreciated Assets				
Land	\$ 11,808,294	\$ -	\$ -	\$ 11,808,294
Construction in progress	1,397,425	6,097,894	1,051,639	6,443,680
Subtotal	13,205,719	6,097,894	1,051,639	18,251,974
Other Capital Assets				
Buildings	234,170,430	110,496	-	234,280,926
Improvements	44,490,892	773,155	-	45,264,047
Library books	389,742	15,221	60,568	344,395
Equipment	49,612,681	1,131,952	-	50,744,633
Subtotal	328,663,745	2,030,824	60,568	330,634,001
Total Capital Assets	341,869,464	8,128,718	1,112,207	348,885,975
Accumulated Depreciation				
Buildings	69,463,948	5,419,037	-	74,882,985
Improvements	28,317,101	1,314,854	-	29,631,955
Library books	254,920	34,439	60,568	228,791
Equipment	39,314,381	2,460,754	-	41,775,135
Total Accumulated Depreciation	137,350,350	9,229,084	60,568	146,518,866
Net Capital Assets	\$ 204,519,114	\$ (1,100,366)	\$ 1,051,639	\$ 202,367,109

**NOTE 7 — LONG-TERM LIABILITIES**

Long-term liability activity for the year ended August 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Bonds</b>					
2013 Fee Revenue Bonds	\$ 5,915,000	\$ -	\$ 675,000	\$ 5,240,000	\$ 690,000
2014 Fee Revenue Bonds	33,193,504	-	1,910,357	31,283,147	1,925,000
2015 Fee Revenue Bonds	4,035,000	-	358,000	3,677,000	368,000
2016 Fee Refunding Revenue Bonds	22,022,176	-	1,675,931	20,346,245	1,015,000
Total Fee Revenue Bonds	65,165,680	-	4,619,288	60,546,392	3,998,000
2012 G.O. Bonds	16,523,317		1,164,692	15,358,625	1,175,000
2015 Tax Notes	2,669,000	-	240,000	2,429,000	246,000
2016 Tax Notes	9,975,807	-	1,606,080	8,369,727	1,590,000
2019 Tax Notes	22,145,314	-	1,372,840	20,772,474	1,205,000
Total Tax Notes	34,790,121	-	3,218,920	31,571,201	3,041,000
Total Bonds	116,479,118	-	9,002,900	107,476,218	8,214,000
<b>Other Liabilities</b>					
Compensable Absences	1,312,728	-	56,704	1,256,024	125,602
Capital Leases	2,819,936	233,360	995,711	2,057,585	964,721
Net OPEB Liability	55,008,366	-	3,047,904	51,960,462	-
Net Pension Liability	15,350,364	864,532	-	16,214,896	-
Total Other Liabilities	74,491,394	1,097,892	4,100,319	71,488,967	1,090,323
Total Long-term Liabilities	\$ 190,970,512	\$ 1,097,892	\$ 13,103,219	\$ 178,965,185	\$ 9,304,323

Long-term liability activity for the year ended August 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Bonds</b>					
2013 Fee Revenue Bonds	\$ 6,575,000	\$ -	\$ 660,000	\$ 5,915,000	\$ 675,000
2014 Fee Revenue Bonds	35,030,326	-	1,836,822	33,193,504	1,885,000
2015 Fee Revenue Bonds	4,384,000	-	349,000	4,035,000	358,000
2016 Fee Refunding Revenue Bonds	23,669,287	-	1,647,111	22,022,176	1,595,000
Total Fee Revenue Bonds	69,658,613	-	4,492,933	65,165,680	4,513,000
2012 G.O. Bonds	17,664,111	-	1,140,794	16,523,317	1,150,000
2009 Tax Notes	2,794,074	-	2,794,074	-	-
2015 Tax Notes	2,904,000	-	235,000	2,669,000	240,000
2016 Tax Notes	10,058,909	-	83,102	9,975,807	1,565,000
2019 Tax Notes	-	22,145,314	-	22,145,314	1,050,000
Total Tax Notes	15,756,983	22,145,314	3,112,176	34,790,121	2,855,000
Total Bonds	103,079,707	22,145,314	8,745,903	116,479,118	8,518,000
<b>Other Liabilities</b>					
Compensable Absences	1,377,512	-	64,784	1,312,728	131,273
Capital Leases	3,779,209	-	959,273	2,819,936	975,331
Net OPEB Liability	48,172,013	6,836,353	-	55,008,366	-
Net Pension Liability	15,488,233	-	137,869	15,350,364	-
Total Other Liabilities	68,816,967	6,836,353	1,161,926	74,491,394	1,106,604
Total Long-term Liabilities	\$ 171,896,674	\$ 28,981,667	\$ 9,907,829	\$ 190,970,512	\$ 9,624,604



## NOTE 8 — BONDS PAYABLE

Bonds payable as of August 31, 2021 and August 31, 2020 are comprised of the following:

	8-31-21	8-31-20
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.	\$ 15,275,000	\$ 16,425,000
Combined Fee Revenue Bonds, Series 2013, issued to construct a new Energy Center on West Campus, issued December 19, 2013 for \$9,705,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	5,240,000	5,915,000
Combined Fee Revenue Bonds, Series 2014, issued to construct a new residence hall and complete the new Nursing and Health Sciences Building, issued February 27, 2014 for \$41,385,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	31,120,000	33,005,000
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.	2,429,000	2,669,000
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.	3,677,000	4,035,000
Maintenance Tax Notes, Series 2016, issued solely for repairs and renovations of existing campus projects, issued September 22, 2016 for \$9,830,000; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.	8,265,000	9,830,000
Combined Fee Revenue Refunding Bonds, Series 2016, issued to retire the remaining Series 2006 bonds, issued August 24, 2016 for \$27,325,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	19,650,000	21,245,000

Maintenance Tax Notes, Series 2019, issued solely for repairs and renovations of existing campus projects, issued September 26, 2019 for \$20,140,000; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.

	19,090,000	20,140,000
Total	104,746,000	113,264,000
Plus: Unamortized Bond Premium	2,864,049	3,372,464
Less: Unamortized Bond Discount	(133,831)	(157,346)
Net Outstanding Bonds Payable	\$ 107,476,218	\$ 116,479,118

Bonds are due in annual principal installments varying from \$246,000 to \$4,035,000 with interest rates from 1.50% to 5.00% with the final installments due in 2036.

Debt service requirements at August 31, 2021 were as follows:

Year Ending 8/31	Principal Due 2/15 or 8/15	Interest Rates	Interest Due		Total Principal and Interest Requirements
			2/15	8/15	
2022	\$ 8,214,000	1.50 - 5.00	\$ 1,623,755	\$ 1,579,313	\$ 11,417,068
2023	8,578,000	1.50 - 5.00	1,501,818	1,447,270	11,527,088
2024	8,974,000	2.00 - 5.00	1,366,490	1,313,197	11,653,687
2025	9,345,000	2.00 - 4.00	1,244,658	1,188,796	11,778,454
2026	9,747,000	2.00 - 5.00	1,111,506	1,053,998	11,912,504
2027-2031	42,233,000	2.00 - 4.00	3,399,421	3,081,504	48,713,925
2032-2036	17,655,000	3.125 - 3.20	711,629	685,309	19,051,938
	<u>\$ 104,746,000</u>		<u>\$ 10,959,277</u>	<u>\$ 10,349,387</u>	<u>\$ 126,054,664</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, two of the bond issues require the District to maintain a Reserve Fund which has been established and is included as part of cash equivalents (current assets) in Exhibit 1. The District has also included a statistical table at Table 18 that reflects the maturity schedule for each debt obligation above in compliance with HB No. 1378.

## NOTE 9 — CAPITAL LEASES

The District has entered into three separate lease agreements as the lessee for financing the acquisition of technology equipment and upgrades. These leases qualify as capital leases for accounting purposes and the assets acquired are as follows:

Technology equipment	\$ 5,101,600
Less: accumulated depreciation	(1,665,048)
	<u>\$ 3,436,552</u>

The future minimum lease obligations as of August 31, 2021 were as follows:

Year Ending 8/31	Total Payments
2022	\$ 1,035,536
2023	1,035,536
2024	47,493
2025	47,493
Total minimum lease payments	2,166,058
Less: Interest costs	(108,473)
Present value of minimum lease payments	\$ 2,057,585

## NOTE 10 — EMPLOYEES' RETIREMENT PLAN

### Defined Benefit Pension Plan

#### Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). The TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

#### Pension Plan Fiduciary Net Position

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

#### Benefits Provided

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

(COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

## Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' 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. The 85th Texas Legislature, General Appropriations Act (GAA), established the employer contribution rates for fiscal year 2020 and the 86th Texas Legislature, General Appropriations Act (GAA) for fiscal year 2021.

### Contribution Rates

	<u>2021</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
FY 2021 Employer Contributions	\$1,249,172	
FY 2021 NECE On-behalf Contributions	\$980,150	

The District's contributions to the TRS pension plan in fiscal year 2021 were \$1,249,172 as reported in the Schedule of District Contributions for pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year 2021 were \$980,150

- As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during the fiscal year reduced by the amounts described below which are paid by the employers.

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, 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, 2020, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return*	7.25%
Municipal Bond Rate*	2.33%*
Last year ending August 31 in the 2019 to 2118 Projection period (100 years)	2119
Inflation	2.30%
Payroll Growth Rate	3.00%
Salary Increases including inflation	3.05% to 9.05%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

*\* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."*

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The TRS Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted in July 2018. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period. Assumptions, methods, and plan changes were updated from the prior year's report. The net pension liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2021 was developed using a roll-forward method from the August 31, 2020 valuation.
- Demographic assumptions including postretirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate remained unchanged at 7.25 percent as of August 31, 2020 and August 31, 2019.
- The long-term assumed rate of return remained unchanged at 7.25 percent.

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

## Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 2.33 percent. 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 and future contributions were sufficient to finance the benefit payments until the year 2047. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2047, and the municipal bond rate was applied to all benefit payments after that date. The long-term rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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, 2020 are summarized below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Arithmetic Real Rate of Return</b>	<b>Expected Contribution to Long-Term Portfolio Return*</b>
<b>Global Equity</b>			
U.S.	18.00%	3.90%	0.99%
Non-U.S Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value</b>			
Government Bonds	16.0%	-0.70%	-0.05%
Absolute Return	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Assets	15.00%	4.60%	1.02%
Energy and Natural Resources	6.00%	6.00%	0.42%
Commodities	0.00%	0.08%	0.00%
<b>Risk Parity</b>			
Risk Parity	5.00%	3.00%	0.30%
<b>Asset Allocation Leverage</b>			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.0	-1.3	0.08
Inflation Expectation			2.00%
Volatility Drag			-0.67%
<b>Total</b>	<b>100.00%</b>		<b>7.33%</b>

\* 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 2020 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 (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Tyler Junior College District's proportionate share of the net pension liability	\$25,003,079	\$16,214,896	\$9,074,689

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

At August 31, 2021, the Tyler Junior College District reported a liability of \$16,214,896 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 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 District were as follows:

TJC District's Proportionate share of the collective net pension liability	\$ 16,214,896
State's proportionate share that is associated with TJC District	<u>12,722,871</u>
Total	<u>\$ 28,937,767</u>

The net pension liability was measured as of August 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net pension liability was .03028 percent which was an increase of .00074 percent from its proportion measured as of August 31, 2019.

For the year ended August 31, 2021, the Tyler Junior College District recognized pension expense of \$1,530,279 and revenue of \$1,530,279 for support provided by the State. Refer to the 2021 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 and 68.

At August 31, 2021, 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 (Inflows) of Resources
Differences between the expected and actual economic experience	\$ (422,908)
Changes in actuarial assumptions	2,162,673
Difference between projected and actual investment earnings	328,256
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	(381,227)
Contributions paid to TRS subsequent to the measurement date	1,152,699
Total	\$ 2,839,493

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
2021	\$ 302,305
2022	924,299
2023	697,895
2024	(172,697)
2025	(76,457)
Thereafter	11,449
	<u>\$ 1,686,794</u>

#### **NOTE 11 — OPTIONAL RETIREMENT PLAN – DEFINED CONTRIBUTION PLAN**

##### **Plan Description**

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

##### **Funding Policy**

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are (3.30 percent – State; 3.30 percent - District) and (6.65 percent), respectively. The District contributes 1.90 percent for employees who are participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill (SB) 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

The retirement expense to the state for the District was \$284,771 and \$307,106 for the fiscal years ended August 31, 2021 and 2020, respectively. This amount represents the portion of expensed



appropriations made by the Legislature on behalf of the District. The total payroll for all District employees was \$41,813,389 and \$39,102,338 for fiscal years ended August 31, 2021 and 2020, respectively. The total payroll of employees covered by the TRS was \$30,540,958 and \$29,507,378, and the total payroll of employees covered by the Optional Retirement Program was \$8,837,678 and \$9,521,960 for the fiscal years ended August 31, 2021 and 2020, respectively.

#### **NOTE 12 — DEFERRED COMPENSATION PLAN**

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Texas Government Code 609.001. The employees' investments are held in tax-deferred annuity plans pursuant to Internal Revenue Code Section 403(b). Employees also have the option to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). As of August 31, 2021, the District had 25 employees participating in the 403(b) program and 6 employees participating in the 457 plan. A total of \$139,532 and \$22,800 in payroll deductions had been invested in the 403(b) and 457 approved plans, respectively, during the fiscal year.

Effective January 2013, the District developed an additional retirement plan for employees to elect to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). The District also created a 401(a) plan at the same time. As of September 1, 2013, the District contributes 4% of all eligible full-time employees' payroll to a retirement account in the employee's name whether the employee contributes or not. If the employee chooses to contribute a portion of their salary, the employee's contributions are deposited into a 457 plan in the employee's name. The District also contributes an additional matching percentage of up to 3% if the employee contributes. As of August 31, 2021, the District had 690 participants in the 401(a) plan and 570 participants in the 457 employee plan. The District contributed \$2,261,945 and employees contributed \$1,086,921 to this plan during the fiscal year.

#### **NOTE 13 — COMPENSABLE ABSENCES**

Full-time employees earn annual leave from 6.67 to 13.33 hours per month depending on the number of years employed by the District. The District's policy is that an employee may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with eight or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to 160 hours. The District recognized the accrued liability for the unpaid annual leave in the amount of \$1,256,024 and \$1,312,728 as of August 31, 2021 and 2020, respectively. Sick leave, which can be accumulated to a limit of 720 hours, is earned at the rate of eight hours per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

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

#### **NOTE 14 — 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, 2021 that are required to be disclosed in the financial statements.

## NOTE 15 — OPERATING LEASE COMMITMENTS

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

Fund Group	Year Ended August 31, 2021	Year Ended August 31, 2020
Unrestricted Current Funds	<u>\$592,473</u>	<u>\$573,604</u>
Total	<u>\$592,473</u>	<u>\$573,604</u>

Future commitments under operating leases in effect as of August 31, 2021 are as follows:

Year Ended August 31, 2022	\$572,736
Year Ended August 31, 2023	\$255,904
Year Ended August 31, 2024	\$216,717

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

Future commitments for lease income under this agreement as of August 31, 2021 are as follows:

Year Ended August 31, 2022	\$12,000
Year Ended August 31, 2023	\$12,000
Year Ended August 31, 2024	\$12,000
Year Ended August 31, 2025	\$12,000
Year Ended August 31, 2026	\$12,000
Thereafter	\$208,000

## NOTE 16 — 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:

	8-31-21	8-31-20
Liability, beginning of year	\$ 95,517	\$ 90,505
Incurred claims (including IBNRs)	123,869	30,737
Claim payment	(56,834)	(25,725)
Liability, end of year	\$ <u>162,552</u>	\$ <u>95,517</u>

## NOTE 17 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

### Plan Description

The District participates in a cost-sharing, multiple-employer, other postemployment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care and dental insurance benefits to retired employees of

participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least ten years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

### **OPEB Plan Fiduciary Net Position**

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

### **Benefits Provided**

Retiree health benefits offered through GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participants in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

### **Contributions**

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

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

Maximum monthly contribution by the employer for fiscal year 2020 are as follows:

Retiree only	\$ 624.82
Retiree & Spouse	1,340.82
Retiree & Children	1,104.22
Retiree & Family	1,820.22

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

	08/31/21	08/31/20
Employer Contributions	\$ 1,176,760	\$ 638,667
Member (Employee) Contributions	361,897	333,966
NECE On-behalf Contributions	59,339	32,122

### Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not Applicable
Actuarial Assumptions:	
Discount Rate	2.20%
Inflation	2.30%
Salary Increases including inflation	2.30% to 9.05%
Healthcare Cost Trend Rates	8.80% for FY22, 5.25% for FY23, 5.00% for FY24, 4.75% for 2025, 4.60% for 2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY29 and later years
Ad hoc Post-employment Benefit Changes	None
Mortality assumptions:	
Service retirees, survivors, and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018.
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a three year set forward and minimum mortality rates of four per one hundred male members and two per one hundred female members.
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

*Source: FY 2020 ERS Report except for mortality assumptions obtained from ERS FY 2020 GASB 74 Actuarial Valuation*

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period of September 1, 2010 to August 31, 2017 for higher education members.

### Investment Policy

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

### Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.97%. The

discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.20%, which amounted to a decrease of 0.77%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with twenty years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corporation's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

#### Discount Rate Sensitivity Analysis

The following schedule shows the impact on the District's proportionate share of collective net OPEB liability if the discount rate used was 1% greater than the discount rate that was used (2.20%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.20%)	Current Discount Rate (2.20%)	1% Increase in Discount Rate (3.20%)
Tyler Junior College District's Proportional Share of the Net OPEB Liability	\$61,758,674	\$51,960,462	\$44,584,442

#### Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 8.80% and the ultimate rate is 4.30%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1% less than and 1% greater than the healthcare cost trend rate that was used in measuring the net OPEB Liability.

	1% Decrease (7.80% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (8.80% decreasing to 4.30%)	1% Increase (9.80% decreasing to 5.30%)
Tyler Junior College District's Proportional Share of the Net OPEB Liability	\$43,487,489	\$51,960,462	\$63,067,646

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

At August 31, 2021, the Tyler Junior College District reported a liability of \$51,960,462 for its proportionate share of the ERS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Tyler Junior College District were as follows:

TJC District Proportionate share of the collective net OPEB liability	\$ 51,960,462
State's proportionate share that is associated with TJC District	44,859,463
Total	<u>\$ 96,819,925</u>

The net OPEB liability was measured as of August 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period of September 1, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was .15724328%, which was .00191213% less than the proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation – Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumed rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- Assumed expenses, assumed per capita health benefit costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.
- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- The discount rate was changed from 2.97% to 2.20% as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

At August 31, 2021, the Tyler Junior College District reported its proportionate share of the ERS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows (Inflows) of Resources
Differences between the expected and actual economic experience	\$ (5,814,558)
Changes in actuarial assumptions	(593,797)
Net difference between projected and actual investment earnings	10,473
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	5,361,500
Contributions paid to ERS subsequent to the measurement date	761,326
Total	\$ (275,056)

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

Year ended August 31:	OPEB Expense Amount
2022	\$ (911,842)
2023	578,314
2024	782,414
2025	(934,072)
2026	(551,196)
Thereafter	-
	<u>\$ (1,036,382)</u>

#### NOTE 18 — PROPERTY TAXES

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

As of August 31:

Assessed Valuation of the District	\$ 20,724,666,722
Less: Exemptions	5,263,893,230
Net Taxable Valuation of the District	<u>\$ 15,460,773,492</u>

The authorized rates for the year ended August 31, 2021 were as follows:

	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	\$ .2800	-	\$ .2800
Assessed Tax Rate per \$100 valuation for assessed	\$ .158000	\$ .041926	\$ .199926

The authorized rates for the year ended August 31, 2020 were as follows:

	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	\$ .2800	-	\$ .2800
Assessed Tax Rate per \$100 valuation for assessed	\$ .158000	\$ .041926	\$ .199926

Taxes levied for the years ended August 31, 2021 and 2020 amounted to \$28,950,582 and \$27,761,934, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Tax collections for the year ended August 31, 2021 were as follows:

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$22,327,462	\$5,982,766	\$28,310,228
Delinquent taxes collected	215,816	58,549	274,365
Penalties and interest collected	302,507	63,292	365,799
Total Collections	\$22,845,785	\$6,104,607	\$28,950,392

Tax collections for the year ended August 31, 2020 were as follows:

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$21,410,898	\$5,733,348	\$27,144,246
Delinquent taxes collected	226,772	63,470	290,242
Penalties and interest collected	277,702	60,940	338,642
Total Collections	\$21,915,372	\$5,857,758	\$27,773,130

Tax collections for the year ended August 31, 2021 and 2020 were approximately 97.96 percent and 97.85 percent, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

#### NOTE 19 — 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, 2021 and 2020.

#### NOTE 20 — CONTRACTUAL AGREEMENTS

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

The District also has an agreement for the operation and management of the campus bookstore. The manager owns all inventories of merchandise and has the sole and exclusive right to sell this



inventory. In consideration for the use of campus space, the manager pays the greater of a yearly fee as stated in the contract, or a percentage of all gross revenues in a contract year as outlined in the contract. The District's contract runs through August 31, 2022. The terms of the agreement call for a 13.75% commission to the District on the first \$4 million in sales and a 14.75% commission on all sales above \$4 million.

The District has entered into a contract with a company to provide beverage and food vending services to its main campus and to its Regional Training and Development Center (RTDC) complex. The District is paid a commission for vending sales based on the products sold at varying commission rates as set forth in the agreement. This agreement was effective August 1, 2016 through July 31, 2019. The District has exercised one year options under the agreement through July 31, 2021. The District recently awarded a new contract to another provider effective August 1, 2021 that runs through July 31, 2024, including two one year options.

The District also has a contract with a local bottling company for exclusive rights as beverage supplier for all District events. Under the agreement, the District will receive commissions on beverages sold as outlined in the agreement, as well as other sponsorship and contributions for the District's academic and athletic programs. This contract was awarded in February 2018 and is effective through March 31, 2028.

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

The District has a contract with a local hospital to provide on-campus medical care. The health care provider maintains a clinic in the Rogers Nursing and Health Sciences Center on the main campus. The new contract was effective September 1, 2020 and calls for an annual payment of \$295,800. The contract expires on August 31, 2022 with an option to renew for three one year periods.

The District also has a contract for custodial services with an outside company. The contract was renewed beginning September 1, 2014, to include additional buildings. This contract was amended in October 2017 to split out the Residential Life and Housing (RLH) building from the main campus. Beginning in October 2017, the monthly contract amount is \$26,026 and \$117,192 for the RLH buildings and the main campus, respectively, and the current contract is under a renewal through July 31, 2022 with four one year renewal options.

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. This contract was renewed for another three years ending on July 31, 2020 with two one year options for renewal. The contract was extended under the second one year renewal ending on July 31, 2022.

The other agreement is similar and provides financial assistance from another local Economic Development Council to provide classes in a rented facility within the District. The lease on the classroom space is for five years. The agreement has been renewed through July 31, 2023.

The District entered into a new agreement beginning September 1, 2020 with a local orthopedic hospital to provide sports medicine and rehabilitation services for the District's athletic department.

As part of the agreement the facility will provide scholarship funds for the Sports Medicine Training Program and the District will pay for graduate assistant trainers under a schedule within the agreement. The agreement is for a two year period ending August 31, 2022 and calls for an annual payment of \$128,000. This agreement allows for the Contractor to receive advertising opportunities and make annual payments of \$73,000 to the District.

In connection with the issuance of Series 2019 Maintenance Tax Notes, the District entered into a construction contract for improvements to the Rogers Palmer Performing Arts Center with an anticipated completion date of January 2021 and an estimated cost of \$13,157,399, of which the foundation raised approximately \$7.7 million for new construction and the College provided \$5.475 million for renovations to the existing structure. This project was completed during the year ended August 31, 2021 and the total cost of the improvements have been capitalized as detailed in Note 6.

## **NOTE 21 – 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 34% of total current Unrestricted Fund revenues for the year ended August 31, 2021. The decrease from the prior year in the percentage of total current Unrestricted Fund revenues attributable to tuition and fees is due to an inflow of Higher Education Emergency Relief Funds (HEERF) received and disbursed to student accounts.

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

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

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

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

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

Registration Fee - \$45 per Semester

Defrays increased labor and processing expenses during registration.

Laboratory Fee - \$20 per Semester Hour

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

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

Defrays the cost of private lessons.

Distance Education Fee - (\$10) per Semester Hour

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

Technology Fee - (\$15) per Semester Hour

Defrays the cost of instruction based technology improvements.

Differential Fee - (\$7-\$25) per Semester Hour

Defrays the costs for certain programs with higher instructional costs.

Out of District Surcharge – (\$60) per Semester Hour

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

Campus Security Fee – (\$40) per Semester

Designated for use in constructing and maintaining parking facilities.

Health Service Fee – (\$35) per semester

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

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

Charged to students for on campus extracurricular activities.

**NOTE 23 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 17, 2021, the date which the financial statements were available to be issued.



# REQUIRED SUPPLEMENTAL INFORMATION



TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
TEACHERS RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2021

<b>Fiscal year ending August 31,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
TRS net position as percentage of total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
Tyler Junior College District's proportionate share of collective net pension liability (%)	0.0302754%	0.0295404%	0.0281490%	0.0446525%	0.0285649%	0.0285649%	0.0315846%
Tyler Junior College District's proportionate share of collective net pension liability (\$)	16,214,896	15,350,364	15,488,233	14,271,801	10,773,352	10,097,312	8,436,684
Portion of NECE's total proportionate share of NPL associated with TJC District	12,722,871	12,088,534	12,560,378	2,043,051	8,301,832	7,643,641	6,586,151
<b>Total</b>	<b>28,937,767</b>	<b>27,438,898</b>	<b>28,048,611</b>	<b>16,314,852</b>	<b>19,075,184</b>	<b>17,740,953</b>	<b>15,022,835</b>
Tyler Junior College District covered payroll	29,507,378	27,506,400	25,642,270	23,705,217	22,381,142	20,706,283	21,411,900
Ratio of: ER Proportionate share of collective NPL/ER's covered payroll amount	54.95%	55.81%	60.40%	60.21%	48.14%	48.76%	39.40%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. Additional years will be displayed as they become available.  
The amounts presented above are as of the measurement date of the collective net pension liability, which is the prior fiscal year's 8/31.

TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS  
TEACHERS RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED AUGUST 31, 2021

Fiscal year ending August 31,	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	1,249,172	1,033,949	948,268	1,463,447	905,822	845,819	800,758
Actual contributions	1,249,172	1,033,949	948,268	1,463,447	905,822	845,819	800,758
Contribution deficiency (excess)	-	-	-	-	-	-	-
Tyler Junior College District covered payroll	26,653,324	29,507,378	27,506,400	25,642,270	23,705,217	22,381,142	20,706,283
Ratio of: Actual contributions/ER covered payroll amount	4.69%	3.50%	3.45%	5.71%	3.82%	3.78%	3.87%

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

TYLER JUNIOR COLLEGE DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 EMPLOYEES RETIREMENT SYSTEM OF TEXAS  
 FISCAL YEAR ENDED AUGUST 31, 2021

<b>Fiscal year ending August 31</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.32%	0.17%	1.27%	2.04%
Tyler Junior College District's proportion share of the collective net OPEB liability (%)	0.15724328%	0.15915541%	0.16253604%	0.10523754%
Tyler Junior College District's proportionate share of collective net OPEB liability (\$)	51,960,462	55,008,366	48,172,013	35,857,598
Portion of NECE's total proportionate share of NPL associated with TJC District	44,859,463	45,926,923	38,689,680	31,015,819
Total	96,819,925	100,935,289	86,861,693	66,873,417
Tyler Junior College District covered payroll	34,823,635	34,096,458	31,696,391	30,290,491
District's proportionate share of the net OPEB liability as a percentage of its covered payroll amount	149.21%	161.33%	151.98%	118.38%

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

TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS  
EMPLOYEES RETIREMENT SYSTEM OF TEXAS  
FISCAL YEAR ENDED AUGUST 31, 2021

<b>Fiscal year ending August 31</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Statutorily required contributions	1,176,760	638,667	499,032	937,388
Actual contribution	1,176,760	638,667	499,032	937,388
Annual contribution deficiency (excess)	-	-	-	-
Tyler Junior College District covered payroll	35,514,174	34,823,635	34,096,458	30,397,963
Actual contributions as a percentage of covered payroll	3.31%	1.83%	1.46%	3.08%

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



TYLER JUNIOR COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
FISCAL YEAR ENDED AUGUST 31, 2021

**Changes Since the Prior Actuarial Valuation for TRS Pension:**

**Demographic Assumptions**

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.

**Economic Assumptions**

- The discount rate remained unchanged as of August 31, 2020 at 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 2.33 percent.
- Economic assumptions, including rates of salary increase for individual participants was updated based on the experience study performed for TRS for the period ending August 31, 2017.
- The long term assumed rate of return remain unchanged at 7.25 percent.
- HB 3 in the 2019 Legislative session created a new mechanism for salary increases to be provided from the State. It is our understanding that approximately \$825 million was budgeted to provide salary increases to teachers, librarians, counselors, and nurses with at least 5 years of service. To estimate the impact in this valuation, we have assumed the \$825 million would be provided uniformly to all members in the data with the applicable position codes and at least 5 years of service. This averages to a \$2,700 increase for members impacted. In addition, we have assumed aggregate covered payroll for Fiscal Year 2020 would be \$825 million more than the typical 3% annual growth from actual Fiscal Year 2019 payroll. Finally, we have assumed half of the \$825 million would be eligible for the supplemental contribution from employers. All assumptions are then assumed to continue thereafter without adjustment. This increased the UAAL in this valuation by approximately \$1.4 billion and increased the funding period by 1 year.
- The actual data collected as of August 31, 2020 will provide the actual amount and distribution of the salary increases, as well as the actual increase in aggregate payroll and the portion eligible for supplemental contributions, meaning the 2020 valuation will provide much clarity on the actual impact from the HB 3 as the school districts do have discretion on how the actual increases are distributed. In addition, the true ultimate cost of the increases will not be fully known until the valuations for the following years are completed as it is possible that future salary decisions by employers are impacted by this one large decision. We believe it is possible that overall salary increases for the next few valuation cycles could be dampened compared to current assumptions and thus believe the proposed approach to projecting the impact is more likely to overestimate the impact than underestimate, but given the lack of detail from how local employers will distribute the increases and how it may impact future decisions, we believe the methods used in this valuation are appropriate and reasonable.

**Other**

- A change was made in the measurement date of the total pension liability for the current fiscal year. The actuarial valuation was performed as of August 31, 2019. Updated procedures were used to roll forward the total pension liability to August 31, 2020.

TYLER JUNIOR COLLEGE DISTRICT  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
FISCAL YEAR ENDED AUGUST 31, 2021

**Changes Since the Prior Actuarial Valuation for ERS OPEB:**

**Demographic Assumptions**

- Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumed rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.

**Economic Assumptions**

- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary

**Other Inputs**

- The discount rate was changed from 2.97% to 2.20% as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.



DISTRICT

# SUPPLEMENTAL INFORMATION



## SCHEDULE A

TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF OPERATING REVENUES  
FOR THE YEAR ENDED AUGUST 31, 2021  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2020)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/21	Total 8/31/20
<b>Tuition</b>						
State Funded Courses						
In-District Resident Tuition	\$ 2,898,602	\$ -	\$ 2,898,602	\$ -	\$ 2,898,602	\$ 3,248,822
Out-of-District Resident Tuition	4,989,947	-	4,989,947	-	4,989,947	5,375,002
TPEG **	451,723	-	451,723	-	451,723	487,081
Non-Resident Tuition	596,751	-	596,751	-	596,751	627,643
Continuing Education	889,866	-	889,866	-	889,866	801,629
Non-State Funded Continuing Education	427,459	-	427,459	-	427,459	555,276
Total Tuition	<u>10,254,348</u>	<u>-</u>	<u>10,254,348</u>	<u>-</u>	<u>10,254,348</u>	<u>11,095,453</u>
<b>Fees</b>						
General Education Fee	9,127,699	-	9,127,699	-	9,127,699	9,522,121
Out-of-District Fee	8,214,535	-	8,214,535	-	8,214,535	8,775,009
Laboratory Fee	1,404,241	-	1,404,241	-	1,404,241	1,811,093
Registration Fee	1,111,287	-	1,111,287	-	1,111,287	1,132,859
Student Life Fee	-	-	-	407,957	407,957	423,142
Health Service Fee	-	-	-	754,023	754,023	767,628
Other	7,111,109	-	7,111,109	-	7,111,109	6,847,202
Total Fees	<u>26,968,871</u>	<u>-</u>	<u>26,968,871</u>	<u>1,161,980</u>	<u>28,130,851</u>	<u>29,279,054</u>
<b>Allowances and Discounts</b>						
Bad Debt Allowance	-	-	-	(58,281)	(58,281)	(1,397,795)
Federal Grants to Students	(11,609,370)	-	(11,609,370)	-	(11,609,370)	(12,401,669)
TPEG Allowances	(285,823)	-	(285,823)	-	(285,823)	(312,731)
State Grants to Students	(1,129,283)	-	(1,129,283)	-	(1,129,283)	(817,070)
Contributions	(272,323)	-	(272,323)	-	(272,323)	(264,400)
Scholarships and Performance Grants	(907,647)	-	(907,647)	-	(907,647)	(921,003)
Waivers and Exemptions	(2,714,256)	-	(2,714,256)	-	(2,714,256)	(2,900,665)
Total Scholarship Allowances and Discounts	<u>(16,918,702)</u>	<u>-</u>	<u>(16,918,702)</u>	<u>(58,281)</u>	<u>(16,976,983)</u>	<u>(19,015,333)</u>
Net Tuition and Fees	<u>20,304,517</u>	<u>-</u>	<u>20,304,517</u>	<u>1,103,699</u>	<u>21,408,216</u>	<u>21,359,174</u>
<b>Additional Operating Revenues</b>						
Federal Grants and Contracts	717,664	21,152,593	21,870,257	-	21,870,257	5,436,572
State Grants and Contracts	-	1,496,848	1,496,848	-	1,496,848	934,116
Local Grants and Contracts	117,144	609,728	726,872	-	726,872	539,874
Sales and Service of Educational Activities	143,254	-	143,254	-	143,254	104,779
Interest on Student Loans	-	-	-	-	-	83,100
Other	13,314,675	-	13,314,675	-	13,314,675	2,576,473
Total Additional Operating Revenues	<u>14,292,737</u>	<u>23,259,169</u>	<u>37,551,906</u>	<u>-</u>	<u>37,551,906</u>	<u>9,674,914</u>
<b>Auxiliary Enterprises</b>						
Housing and Meals	-	-	-	6,630,569	6,630,569	6,707,174
Scholarship Allowances and Discounts	-	-	-	(2,922,497)	(2,922,497)	(2,926,696)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,708,072</u>	<u>3,708,072</u>	<u>3,780,478</u>
Bookstore Commissions	-	-	-	541,184	541,184	519,691
Other Auxiliary Revenues	-	-	-	309,227	309,227	261,018
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,558,483</u>	<u>4,558,483</u>	<u>4,561,187</u>
<b>Total Operating Revenues</b>	<u>\$ 34,597,254</u>	<u>\$ 23,259,169</u>	<u>\$ 57,856,423</u>	<u>\$ 5,662,182</u>	<u>\$ 63,518,605</u>	<u>\$ 35,595,275</u>

\*\* In accordance with Education Code 56.033, \$451,723 and \$487,081 for years August 31, 2021 and 2020, respectively, of tuition was set aside for Texas Public Education Grants.

## SCHEDULE B

TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF OPERATING EXPENSES BY OBJECT  
FOR THE YEAR ENDED AUGUST 31, 2021  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2020)

	Salaries and Wages	Benefits		Other Expenses	Total 8/31/21	Total 8/31/20
		State	Local			
<u>Unrestricted - Educational Activities</u>						
Instruction	\$ 25,165,857	\$ -	\$ 2,574,064	\$ 3,437,629	\$ 31,177,550	\$ 31,830,727
Public Service	5,100	-	4,875	40,717	50,692	79,634
Academic Support	2,624,718	-	381,027	591,014	3,596,759	3,427,017
Student Services	3,930,295	-	570,472	1,550,232	6,050,999	6,639,781
Institutional Support	7,495,611	-	9,377,564	2,759,313	19,632,488	21,339,171
Operation and Maintenance of Plant	1,091,296	-	461,711	8,224,360	9,777,367	8,123,768
Scholarships and Fellowships	-	-	-	2,992,730	2,992,730	3,551,125
Total Unrestricted	<u>40,312,877</u>	<u>-</u>	<u>13,369,713</u>	<u>19,595,995</u>	<u>73,278,585</u>	<u>74,991,223</u>
<u>Restricted - Education and General</u>						
Instruction	160,629	3,772,574	22,586	119,432	4,075,221	4,150,967
Public Service	503,185	32,124	131,290	316,596	983,195	427,101
Academic Support	-	399,762	-	25,079	424,841	396,965
Student Services	393,539	625,138	167,462	1,722,879	2,909,018	2,514,580
Institutional Support	1,684,013	554,177	22,546	11,353,968	13,614,704	2,000,113
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	178,870	-	-	7,502,062	7,680,932	4,089,482
Total Restricted	<u>2,920,236</u>	<u>5,383,775</u>	<u>343,884</u>	<u>21,040,016</u>	<u>29,687,911</u>	<u>13,579,208</u>
Total Educational and General	43,233,113	5,383,775	13,713,597	40,636,011	102,966,496	88,570,431
Auxiliary Enterprises	1,281,787	-	493,744	8,113,264	9,888,795	8,957,554
Depreciation Expense - Buildings and Improvements	-	-	-	6,840,943	6,840,943	6,733,891
Depreciation Expense - Equipment	-	-	-	2,426,017	2,426,017	2,460,754
Depreciation Expense - Library Books	-	-	-	30,254	30,254	34,439
Total Operating Expenses	<u>\$ 44,514,900</u>	<u>\$ 5,383,775</u>	<u>\$ 14,207,341</u>	<u>\$ 58,046,489</u>	<u>\$ 122,152,505</u>	<u>\$ 106,757,069</u>

## SCHEDULE C

TYLER JUNIOR COLLEGE DISTRICT  
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES  
 FOR THE YEAR ENDED AUGUST 31, 2021  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2020)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/21</u>	<u>Total 8/31/20</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 18,085,823	\$ -	\$ -	\$ 18,085,823	\$ 18,086,935
State Group Insurance	-	4,080,997	-	4,080,997	4,083,352
State Retirement Matching	-	1,302,778	-	1,302,778	1,289,433
Professional Nursing Shortage Reduction	-	287,902	-	287,902	338,477
Total State Appropriations	<u>18,085,823</u>	<u>5,671,677</u>	<u>-</u>	<u>23,757,500</u>	<u>23,798,197</u>
Property Taxes	28,950,392	-	-	28,950,392	27,773,130
Federal Revenue, Non Operating	-	20,645,996	-	20,645,996	21,673,743
Investment Income	<u>110,965</u>	<u>-</u>	<u>-</u>	<u>110,965</u>	<u>430,407</u>
Total Non-Operating Revenues	47,147,180	26,317,673	-	73,464,853	73,675,477
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	<u>3,556,016</u>	<u>-</u>	<u>-</u>	<u>3,556,016</u>	<u>3,667,366</u>
Total Non-Operating Expenses	<u>3,556,016</u>	<u>-</u>	<u>-</u>	<u>3,556,016</u>	<u>3,667,366</u>
Net Non-Operating Revenues	<u>\$ 43,591,164</u>	<u>\$ 26,317,673</u>	<u>\$ -</u>	<u>\$ 69,908,837</u>	<u>\$ 70,008,111</u>

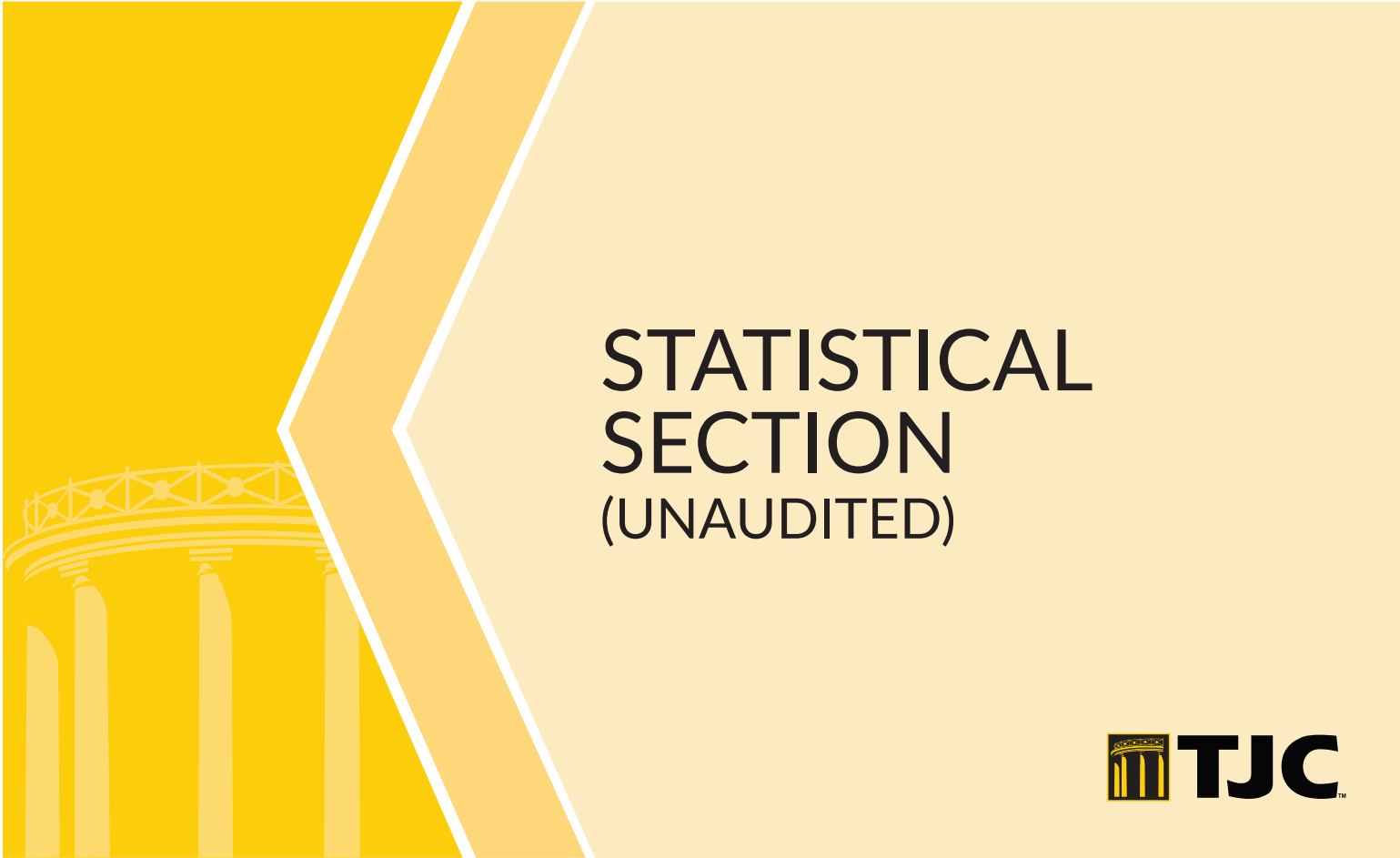
TYLER JUNIOR COLLEGE DISTRICT  
 SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
 FOR THE YEAR ENDED AUGUST 31, 2021  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2020)

	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	8,807,662	-	-	-	8,807,662	8,807,662	-
Restricted	-	593,512	-	-	593,512	593,512	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(972,750)	-	-	-	(972,750)	-	(972,750)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	(58,014,786)	-	-	-	(58,014,786)	-	(58,014,786)
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	105,931,574	105,931,574	-	105,931,574
Total Net Position, August 31, 2021	(50,179,874)	593,512	-	105,931,574	56,345,212	9,401,174	46,944,038
Total Net Position, August 31, 2020	(44,795,316)	731,207	-	89,134,384	45,070,275	9,138,869	35,931,406
Net Increase (Decrease) in Net Position	<u>\$ (5,384,558)</u>	<u>\$ (137,695)</u>	<u>\$ -</u>	<u>\$ 16,797,190</u>	<u>\$ 11,274,937</u>	<u>\$ 262,305</u>	<u>\$ 11,012,632</u>





DISTRICT



# STATISTICAL SECTION (UNAUDITED)



**TYLER JUNIOR COLLEGE DISTRICT  
TYLER, TEXAS**

**STATISTICAL SECTION  
(UNAUDITED)**

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

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

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

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

Table 1

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

	For the Fiscal Year Ended August 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Net Position By Component:</b>										
Net investment in capital assets	\$ 105,931,574	\$ 89,134,384	\$ 97,660,198	\$ 91,365,869	\$ 84,186,085	\$ 88,796,058	\$ 85,846,676	\$ 81,012,927	\$ 79,832,528	\$ 72,350,636
Restricted - expendable	593,512	731,207	771,808	740,216	791,116	748,134	720,685	597,996	511,271	439,077
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(50,179,874)	(44,795,316)	(52,208,048)	(46,182,538)	4,143,017	(273,975)	1,738,951	4,181,739	12,727,957	16,100,326
<b>Total primary government net position</b>	<b>\$ 56,345,212</b>	<b>\$ 45,070,275</b>	<b>\$ 46,223,958</b>	<b>\$ 45,923,547</b>	<b>\$ 89,120,218</b>	<b>\$ 89,270,217</b>	<b>\$ 88,306,312</b>	<b>\$ 85,792,662</b>	<b>\$ 93,071,756</b>	<b>\$ 88,890,039</b>
<b>Change in Net Position:</b>										
Total Operating and Non-Operating Revenues	\$ 136,983,458	\$ 109,270,752	\$ 103,323,384	\$ 99,376,076	\$ 98,338,888	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508	\$ 84,729,114	\$ 82,300,927
Total Operating and Non-Operating Expenses	125,708,521	110,424,435	104,693,748	100,716,433	98,488,887	93,805,866	90,891,107	83,715,804	80,547,397	76,013,521
Prior Period Adjustment	11,274,937	(1,153,683)	(1,370,364)	(1,340,357)	(149,999)	963,905	2,513,650	2,279,704	4,181,717	6,287,406
	-	-	1,670,775	(41,856,314)	-	-	-	(9,558,798)	-	(255,408)
Change in Net Position	11,274,937	(1,153,683)	300,411	(43,196,671)	(149,999)	963,905	2,513,650	(7,279,094)	4,181,717	6,031,998
Beginning Net Position	45,070,275	46,223,958	45,923,547	89,120,218	89,270,217	88,306,312	85,792,662	93,071,756	88,890,039	82,858,041
<b>Ending Net Position</b>	<b>\$ 56,345,212</b>	<b>\$ 45,070,275</b>	<b>\$ 46,223,958</b>	<b>\$ 45,923,547</b>	<b>\$ 89,120,218</b>	<b>\$ 89,270,217</b>	<b>\$ 88,306,312</b>	<b>\$ 85,792,662</b>	<b>\$ 93,071,756</b>	<b>\$ 88,890,039</b>

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,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition and fees (net of discounts)	\$ 21,408,216	\$ 21,359,174	\$ 21,843,430	\$ 19,825,016	\$ 20,240,101	\$ 16,754,371	\$ 14,977,980	\$ 12,241,079	\$ 13,880,102	\$ 12,266,066
Governmental grants and contracts										
Federal grants and contracts	21,870,257	5,436,572	1,328,454	2,733,709	3,035,760	4,270,172	3,842,958	2,382,222	2,178,556	1,355,015
State grants and contracts	1,496,848	934,116	1,319,879	1,409,514	1,572,225	1,654,043	1,767,315	1,702,178	1,083,295	999,893
Local grants and contracts	726,872	539,874	1,005,025	542,659	474,774	459,730	432,759	585,280	1,022,395	532,168
Sales and services of educational activities	143,254	104,779	109,944	120,861	109,681	106,163	113,873	111,083	83,075	103,019
Auxiliary enterprises	4,558,483	4,561,187	4,856,213	4,882,536	5,147,261	5,103,155	3,665,385	3,077,997	3,049,065	2,643,800
Other operating revenues	13,314,675	2,659,573	2,365,356	2,107,063	3,357,245	3,484,470	5,610,819	2,528,234	2,117,809	2,511,539
<b>Total Operating Revenues</b>	<b>63,518,605</b>	<b>35,595,275</b>	<b>32,828,301</b>	<b>31,621,358</b>	<b>33,937,047</b>	<b>31,832,104</b>	<b>30,411,089</b>	<b>22,628,073</b>	<b>23,414,297</b>	<b>20,411,500</b>
State appropriations	23,757,500	23,798,197	22,268,263	21,841,248	21,441,989	21,197,433	21,051,274	21,462,893	20,337,298	21,105,328
Property taxes	28,950,392	27,773,130	26,115,573	24,581,128	23,551,272	22,952,007	22,233,785	21,554,921	21,022,138	18,937,231
Federal Revenue, Non Operating	20,645,996	21,673,743	21,600,574	21,035,479	19,260,848	18,713,030	19,605,018	20,210,574	19,766,591	21,761,914
Investment income	110,965	430,407	510,673	296,863	147,732	75,197	103,591	139,047	188,790	84,954
<b>Total Non-Operating Revenue</b>	<b>73,464,853</b>	<b>73,675,477</b>	<b>70,495,083</b>	<b>67,754,718</b>	<b>64,401,841</b>	<b>62,937,667</b>	<b>62,993,668</b>	<b>63,367,435</b>	<b>61,314,817</b>	<b>61,889,427</b>
<b>Total Revenues</b>	<b>\$ 136,983,458</b>	<b>\$ 109,270,752</b>	<b>\$ 103,323,384</b>	<b>\$ 99,376,076</b>	<b>\$ 98,338,888</b>	<b>\$ 94,769,771</b>	<b>\$ 93,404,757</b>	<b>\$ 85,995,508</b>	<b>\$ 84,729,114</b>	<b>\$ 82,300,927</b>

For the Fiscal Year Ended August 31,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition and fees (net of discounts)	15.63%	19.55%	21.14%	19.95%	20.58%	17.68%	16.04%	14.23%	16.38%	14.90%
Governmental grants and contracts										
Federal grants and contracts	15.97%	4.98%	1.29%	2.75%	3.09%	4.51%	4.11%	2.77%	2.57%	1.65%
State grants and contracts	1.09%	0.85%	1.28%	1.42%	1.60%	1.75%	1.89%	1.96%	1.28%	1.21%
Local grants and contracts	0.53%	0.49%	0.97%	0.55%	0.48%	0.49%	0.46%	0.68%	1.21%	0.65%
Sales and services of educational activities	0.10%	0.10%	0.11%	0.12%	0.11%	0.11%	0.12%	0.13%	0.10%	0.13%
Sales and services of auxiliary enterprises	3.33%	4.17%	4.70%	4.91%	5.23%	5.38%	3.92%	3.58%	3.60%	3.21%
Other operating revenues	9.72%	2.43%	2.29%	2.12%	3.41%	3.68%	6.01%	2.94%	2.50%	3.05%
<b>Total Operating Revenues</b>	<b>46.37%</b>	<b>32.58%</b>	<b>31.77%</b>	<b>31.82%</b>	<b>34.51%</b>	<b>33.59%</b>	<b>32.56%</b>	<b>26.31%</b>	<b>27.63%</b>	<b>24.80%</b>
State appropriations	17.34%	21.78%	21.55%	21.98%	21.80%	22.37%	22.54%	24.96%	24.00%	25.64%
Property taxes	21.13%	25.42%	25.28%	24.74%	23.95%	24.22%	23.80%	25.07%	24.81%	23.01%
Federal Revenue, Non Operating	15.07%	19.83%	20.91%	21.17%	19.59%	19.75%	20.99%	23.50%	23.33%	26.44%
Investment income	0.08%	0.39%	0.49%	0.30%	0.15%	0.08%	0.11%	0.16%	0.22%	0.10%
<b>Total Non-Operating Revenue</b>	<b>53.63%</b>	<b>67.42%</b>	<b>68.23%</b>	<b>68.18%</b>	<b>65.49%</b>	<b>66.41%</b>	<b>67.44%</b>	<b>73.69%</b>	<b>72.37%</b>	<b>75.20%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Note: During the 2018 year, a change in reporting requirements by the Texas Higher Education Co-Board reclassified the reporting of Title IV funds as non-operating. The 2012 through 2018 amounts have been changed in the above table to correspond with the amounts reported on Schedule C

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

For the Fiscal Year Ended August 31,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	\$ 36,035,008	\$ 35,981,694	\$ 36,651,081	\$ 34,184,631	\$ 32,714,778	\$ 31,740,018	\$ 31,823,349	\$ 30,301,247	\$ 29,123,820	\$ 28,681,895
Public service	1,029,084	506,735	589,073	2,402,243	2,885,121	2,850,500	2,564,089	1,154,083	1,242,178	1,388,391
Academic support	2,817,180	3,823,982	4,097,261	4,266,794	3,834,827	3,454,246	3,240,998	3,065,891	2,681,755	2,486,289
Student services	9,945,258	9,154,361	9,425,168	8,971,741	8,511,418	7,878,226	8,368,551	9,132,262	8,295,712	8,114,349
Institutional support	33,261,327	23,339,284	20,446,063	15,988,109	14,944,628	14,363,329	13,395,614	13,361,329	12,957,310	11,432,943
Operation and maintenance of plant	9,204,977	8,123,768	7,343,705	8,539,806	9,447,957	7,941,044	7,695,539	7,989,169	7,139,979	6,189,870
Scholarships and fellowships	10,673,662	7,640,607	4,388,279	4,925,497	4,334,539	3,725,898	3,718,928	1,922,592	2,964,736	2,824,070
Auxiliary enterprises	9,888,795	8,957,554	9,747,202	9,481,305	9,507,972	9,016,053	8,083,988	7,732,876	6,802,087	6,722,866
Depreciation	9,297,214	9,229,084	8,697,020	8,432,343	8,545,269	8,323,527	7,542,729	6,602,578	6,443,662	5,819,654
<b>Total Operating Expenses</b>	<b>122,152,505</b>	<b>106,757,069</b>	<b>101,384,852</b>	<b>97,192,469</b>	<b>94,726,509</b>	<b>89,292,841</b>	<b>86,433,785</b>	<b>81,262,027</b>	<b>77,651,239</b>	<b>73,660,327</b>
Interest on capital related debt	3,556,016	3,667,366	3,308,896	3,523,964	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158	2,353,194
<b>Total Non-Operating Expenses</b>	<b>3,556,016</b>	<b>3,667,366</b>	<b>3,308,896</b>	<b>3,523,964</b>	<b>3,762,378</b>	<b>4,513,025</b>	<b>4,457,322</b>	<b>2,453,777</b>	<b>2,896,158</b>	<b>2,353,194</b>
<b>Total Expenses</b>	<b>\$ 125,708,521</b>	<b>\$ 110,424,435</b>	<b>\$ 104,693,748</b>	<b>\$ 100,716,433</b>	<b>\$ 98,488,887</b>	<b>\$ 93,805,866</b>	<b>\$ 90,891,107</b>	<b>\$ 83,715,804</b>	<b>\$ 80,547,397</b>	<b>\$ 76,013,521</b>

For the Fiscal Year Ended August 31,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	28.67%	32.58%	35.01%	33.94%	33.22%	33.84%	35.01%	36.20%	36.16%	37.73%
Public service	0.82%	0.46%	0.56%	2.39%	2.93%	3.04%	2.82%	1.38%	1.54%	1.83%
Academic support	2.24%	3.46%	3.91%	4.24%	3.89%	3.68%	3.57%	3.66%	3.33%	3.27%
Student services	7.91%	8.29%	9.00%	8.91%	8.64%	8.40%	9.21%	10.91%	10.30%	10.67%
Institutional support	26.46%	21.14%	19.53%	15.87%	15.17%	15.31%	14.74%	15.96%	16.09%	15.04%
Operation and maintenance of plant	7.32%	7.36%	7.01%	8.48%	9.59%	8.47%	8.47%	9.54%	8.86%	8.14%
Scholarships and fellowships	8.49%	6.92%	4.19%	4.89%	4.40%	3.97%	4.09%	2.30%	3.68%	3.72%
Auxiliary enterprises	7.87%	8.11%	9.31%	9.41%	9.65%	9.61%	8.89%	9.24%	8.44%	8.84%
Depreciation	7.40%	8.36%	8.31%	8.37%	8.68%	8.87%	8.30%	7.89%	8.00%	7.66%
<b>Total Operating Expenses</b>	<b>97.17%</b>	<b>96.68%</b>	<b>96.84%</b>	<b>96.50%</b>	<b>96.18%</b>	<b>95.19%</b>	<b>95.10%</b>	<b>97.07%</b>	<b>96.40%</b>	<b>96.90%</b>
Interest on capital related debt	2.83%	3.32%	3.16%	3.50%	3.82%	4.81%	4.90%	2.93%	3.60%	3.10%
<b>Total Non-Operating Expenses</b>	<b>2.83%</b>	<b>3.32%</b>	<b>3.16%</b>	<b>3.50%</b>	<b>3.82%</b>	<b>4.81%</b>	<b>4.90%</b>	<b>2.93%</b>	<b>3.60%</b>	<b>3.10%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Table 4

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

RESIDENT Fees per Semester Credit Hour (SCH)										
Academic Year (Fall)	Registration Fee (per Student)	In-District Tuition	Out-of District Tuition	General Education Fees	Health Service Fee (Per Student)	Campus Security Fee (Per Student)	Student Life Fee	Technology Fee		
2020	\$ 45	32	\$ 92	\$ 42	\$ 35	\$ 40	\$ 2	\$ 15		
2019	45	32	92	42	35	40	2	15		
2018	45	32	92	42	35	40	2	15		
2017	35	32	90	42	35	36	2	10		
2016	35	30	85	42	35	36	2	7		
2015	35	30	77	40	35	30	2	5		
2014	35	30	77	40	35	30	2	-		
2013	35	30	77	40	35	30	2	-		
2012	35	30	76	37	35	30	2	-		
2011	35	30	76	37	35	30	2	-		

Table 4  
(Continued)

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

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

Academic (Fall)	Registration Student)	Non-Resident Out-of-State	Non-Resident International	General Education Fees	Health Service		Campus Security Fee (Per Student)	Student Life Fee	Technology Fee	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
					(Per Student)	Fee							
2020	\$ 45	\$ 116	\$ 116	\$ 42	\$ 35	\$ 40	\$ 2	\$ 15		2,220	2,220	0.00%	0.00%
2019	45	116	116	42	35	40	2	15		2,220	2,220	0.00%	0.00%
2018	45	116	116	42	35	40	2	15		2,220	2,220	4.62%	4.62%
2017	35	114	114	42	35	36	2	10		2,122	2,122	5.36%	5.36%
2016	35	108	108	42	35	36	2	7		2,014	2,014	6.00%	6.00%
2015	35	108	108	40	35	30	2	-		1,900	1,900	7.47%	7.47%
2014	35	97	97	40	35	30	2	-		1,768	1,768	0.00%	0.00%
2013	35	97	97	40	35	30	2	-		1,768	1,768	2.79%	2.79%
2012	35	96	96	37	35	30	2	-		1,720	1,720	0.00%	0.00%
2011	35	96	96	37	35	30	2	-		1,720	1,720	8.86%	8.86%

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



Table 5

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

Fiscal Year	Assessed Valuation of Property		Less: Exemptions	Taxable Assessed Value (TAV) (a)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate	
	Real Property	Personal Property				Maintenance & Operations	
2020-21	16,579,733,378	4,144,933,344	5,263,893,230	15,460,773,492	74.60%	\$	0.158000
2019-20	15,416,905,686	3,854,226,421	4,570,675,566	14,700,456,541	76.28%	\$	0.158000
2018-19	14,541,852,947	3,635,463,237	4,421,486,925	13,755,829,259	75.68%	\$	0.158000
2017-18	13,447,443,210	3,361,860,802	3,887,826,484	12,921,477,528	76.87%	\$	0.154160
2016-17	12,921,189,381	3,230,297,345	3,779,243,544	12,372,243,182	76.60%	\$	0.149298
2015-16	11,815,445,048	2,953,861,262	2,825,618,729	11,943,687,581	80.87%	\$	0.147119
2014-15	11,478,394,557	2,869,598,639	2,797,095,957	11,550,897,239	80.51%	\$	0.152999
2013-14	11,384,487,770	2,846,121,942	2,977,426,083	11,253,183,629	79.08%	\$	0.151417
2012-13	11,557,529,195	2,889,382,299	3,443,579,922	11,003,331,572	76.16%	\$	0.150647
2011-12	11,414,843,649	2,853,710,913	3,487,383,051	10,781,171,511	75.56%	\$	0.149870

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
2020-21	18,085,823	10,320	1,752.50	3,772,216	1,633,824	5,406,040	3.35
2019-20	18,086,935	10,046	1,800.41	3,809,632	1,628,000	5,437,632	3.33
2018-19	16,775,052	10,320	1,625.49	3,764,760	1,567,440	5,332,200	3.15
2017-18	16,756,085	10,071	1,663.80	3,640,424	1,525,072	5,165,496	3.24
2016-17	16,653,999	10,464	1,591.55	3,679,464	1,406,416	5,085,880	3.27
2015-16	16,627,654	9,746	1,706.10	3,566,264	1,318,800	4,885,064	3.40
2014-15	16,788,037	9,853	1,703.85	3,540,592	1,381,008	4,921,600	3.41
2013-14	16,788,037	9,907	1,694.56	3,686,616	1,352,312	5,038,928	3.33
2012-13	16,477,885	9,291	1,773.53	3,619,672	1,430,192	5,049,864	3.26
2011-12	17,475,155	9,135	1,912.99	3,842,120	1,518,752	5,360,872	3.26

## 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 2016-2020  
(UNAUDITED)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2020	2019	2018	2017	2016
Brookshire Grocery Company	Supermarkets; distribution facilities	157,867,395	155,146,941	161,395,516	176,151,119	64,961,471
Oncor Electric / TXU	Electric utility	187,627,045	162,720,239	144,418,384	128,985,546	117,562,026
WalMart/Sam's	Retail	53,671,779	98,150,729	99,971,177	90,941,086	-
McWane Inc./ Ranson Industries	Pipe manufacturer	-	-	-	-	42,837,272
Sanderson Farms Inc.	Poultry farming	195,151,351	155,919,949	-	-	-
Dayton Hudson Corp. (Target)	Retail; distribution facilities	70,731,929	119,743,699	105,478,615	106,022,319	110,683,226
Delek Refining LTD / Crown / LaGloria	Refinery	248,199,350	275,276,092	259,134,664	246,264,747	240,250,644
Cebridge Acquisition LP	Commercial property	65,711,389	60,122,238	50,153,996	43,418,639	-
Carrier / Tytex	Air conditioning manufacturer	-	-	-	-	-
Union Oil Company	Oil & Gas	-	-	16,345,769	16,345,769	12,114,272
Genecov Investment Group	Commercial property	58,135,729	54,517,783	55,895,348	54,517,783	-
East Texas Medical Center	Hospital	-	-	-	-	94,348,545
Mother Frances Hospital	Hospital	-	-	-	192,899,297	166,671,499
University of Texas Health Center	Hospital	-	-	-	-	68,717,190
Simon Property Group	Commercial property	-	42,328,250	42,328,250	44,882,250	43,575,000
Tyler Regional Hospital	Hospital	250,955,355	248,056,435	241,006,785	-	-
BreitBurn Operating	Oil & Gas	43,545,000	43,674,208	-	-	-
Totals		\$ 1,331,596,322	\$ 1,415,656,563	\$ 1,176,128,504	\$ 1,100,428,555	\$ 961,721,145
Total Taxable Assessed Value		\$ 15,460,773,942	\$ 14,700,456,541	\$ 13,755,829,259	\$ 12,921,477,528	\$ 12,372,243,182

Table 7  
(Continued)

TYLER JUNIOR COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN TAX YEARS  
YEARS 2016-2020  
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2020	2019	2018	2017	2016
Brookshire Grocery Company	Supermarkets; distribution facilities	1.02%	1.06%	1.17%	1.36%	0.53%
Oncor Electric / TXU	Electric utility	1.21%	1.11%	1.05%	1.00%	0.95%
WalMart/Sam's	Retail	0.35%	0.67%	0.73%	0.70%	0.00%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.00%	0.00%	0.00%	0.00%	0.35%
Sanderson Farms Inc.	Poultry farming	1.26%	1.06%	0.00%	0.00%	0.00%
Dayton Hudson Corp. (Target)	Retail; distribution facilities	0.46%	0.81%	0.77%	0.82%	0.89%
Delek Refining LTD / Crown / LaGloria	Refinery	1.61%	1.87%	1.88%	1.91%	1.94%
Cebridge Acquisition LP	Commercial property	0.43%	0.41%	0.36%	0.34%	0.00%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%
Genecov Investment Group	Commercial property	0.38%	0.37%	0.41%	0.42%	0.00%
East Texas Medical Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.76%
Mother Frances Hospital	Hospital	0.00%	0.00%	0.00%	1.49%	1.35%
University of Texas Health Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.56%
Simon Property Group	Commercial property	0.00%	0.29%	0.31%	0.35%	0.35%
Tyler Regional Hospital	Hospital	1.62%	1.69%	1.75%	0.00%	0.00%
BreitBurn Operating	Oil & Gas	0.28%	0.30%	0.00%	0.00%	0.00%
Totals		8.61%	9.63%	8.43%	8.39%	7.68%

Source: Smith and Van Zandt County Appraisal Districts

Table 7  
(Continued)

TYLER JUNIOR COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN TAX YEARS  
YEARS 2011-2015  
(UNAUDITED)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2015	2014	2013	2012	2011
Brookshire Grocery Company	Supermarkets; distribution facilities	76,087,378	70,542,484	60,855,905	62,387,213	129,231,040
Oncor Electric / TXU	Electric utility	133,216,887	112,195,234	85,243,137	80,476,227	83,859,047
WalMart/Sam's	Retail	-	-	-	-	81,793,017
McWane Inc./ Ranson Industries	Pipe manufacturer	47,914,499	42,265,341	48,259,908	56,096,738	51,853,668
Sanderson Farms Inc.	Poultry farming	-	-	-	-	-
Dayton Hudson Corp. (Target)	Retail; distribution facilities	96,041,307	96,708,766	96,708,766	70,140,546	107,880,844
Delek Refining LTD / Crown / LaGloria	Refinery	231,928,942	269,547,365	260,276,054	253,727,697	175,112,792
Simon Property Group	Commercial property	-	-	-	-	52,761,861
Carrier / Tytex	Air conditioning manufacturer	-	-	-	-	44,952,878
Union Oil Company	Oil & Gas	22,252,184	37,360,851	40,346,436	51,930,937	50,981,554
Genecov Investment Group	Commercial property	-	-	-	-	81,754,531
East Texas Medical Center	Hospital	94,352,150	94,355,755	94,362,965	94,366,570	-
Mother Frances Hospital	Hospital	166,671,499	166,671,499	159,840,819	93,272,964	-
University of Texas Health Center	Hospital	68,717,190	68,717,190	68,717,190	68,364,930	-
Simon Property Group	Commercial Property	43,575,000	42,815,000	42,815,000	42,850,000	-
Tyler Regional Hospital	Hospital	-	-	-	-	-
BreitBurn Operating	Oil & Gas	-	-	-	-	-
Totals		\$ 980,757,036	\$ 1,001,179,485	\$ 957,426,180	\$ 873,613,822	\$ 860,181,232
Total Taxable Assessed Value		\$ 11,943,687,581	\$ 11,550,897,239	\$ 11,253,183,629	\$ 11,003,331,572	\$ 10,781,171,511

Table 7  
(Continued)

TYLER JUNIOR COLLEGE DISTRICT  
PRINCIPAL TAXPAYERS  
LAST TEN TAX YEARS  
YEARS 2011-2015

Taxpayer (1)	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2015	2014	2013	2012	2011
Brookshire Grocery Company	Supermarkets; distribution facilities	0.64%	0.61%	0.54%	0.57%	1.20%
Oncor Electric / TXU	Electric utility	1.12%	0.97%	0.76%	0.73%	0.78%
WalMart/Sam's	Retail	0.00%	0.00%	0.00%	0.00%	0.76%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.40%	0.37%	0.43%	0.51%	0.48%
Sanderson Farms Inc.	Poultry farming	0.00%	0.00%	0.00%	0.00%	0.00%
Dayton Hudson Corp. (Target)	Retail; distribution facilities	0.80%	0.84%	0.86%	0.64%	1.00%
Delek Refining LTD / Crown / LaGloria	Refinery	1.94%	2.33%	2.31%	2.31%	1.62%
Cebridge Acquisition LP	Commercial property	0.00%	0.00%	0.00%	0.00%	0.49%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.19%	0.32%	0.36%	0.47%	0.47%
Genecov Investment Group	Commercial property	0.00%	0.00%	0.00%	0.00%	0.76%
East Texas Medical Center	Hospital	0.79%	0.82%	0.84%	0.86%	0.00%
Mother Frances Hospital	Hospital	1.40%	1.44%	1.42%	0.85%	0.00%
University of Texas Health Center	Hospital	0.58%	0.59%	0.61%	0.62%	0.00%
Simon Property Group	Commercial property	0.36%	0.37%	0.38%	0.39%	0.00%
Tyler Regional Hospital	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
BreitBurn Operating	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		8.21%	8.67%	8.51%	7.94%	7.56%

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)	Percent of		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
			Current Tax Levy Collected	Current Tax Collections			
2021	\$ 28,950,582		97.79%	\$ 28,310,228	\$ 50,171	\$ 28,360,399	97.96%
2020	\$ 27,761,934		97.78%	\$ 27,144,246	\$ 20,261	\$ 27,164,507	97.85%
2019	\$ 26,171,725		97.44%	\$ 25,502,176	\$ 186,382	\$ 25,688,558	98.15%
2018	\$ 24,504,733		97.74%	\$ 23,951,233	\$ 55,480	\$ 24,006,713	97.97%
2017	\$ 23,356,528		98.25%	\$ 22,948,703	\$ 76,149	\$ 23,024,852	98.58%
2016	\$ 22,705,595		98.43%	\$ 22,349,789	\$ 52,100	\$ 22,401,889	98.66%
2015	\$ 21,803,240		98.72%	\$ 21,523,382	\$ 11,292	\$ 21,534,674	98.77%
2014	\$ 21,269,434		98.36%	\$ 20,921,516	\$ -	\$ 20,921,516	98.36%
2013	\$ 20,721,317		98.52%	\$ 20,414,731	\$ 135,585	\$ 20,550,316	99.17%
2012	\$ 18,589,719		98.46%	\$ 18,304,251	\$ 49,486	\$ 18,353,737	98.73%

(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										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Other Debt</b>										
Bonded debt	107,476,218	116,479,118	103,079,707	111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,770,000	\$ 120,050,000	\$ 75,695,000	\$ 57,295,000
Notes	-	-	-	-	-	-	122,155	830,602	1,469,185	2,226,212
<b>Total Outstanding Debt</b>	<b>\$ 107,476,218</b>	<b>\$ 116,479,118</b>	<b>\$ 103,079,707</b>	<b>\$ 111,566,407</b>	<b>\$ 119,824,813</b>	<b>\$ 116,297,000</b>	<b>\$ 124,892,155</b>	<b>\$ 120,880,602</b>	<b>\$ 77,164,185</b>	<b>\$ 59,521,212</b>
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 461.76	\$ 505.94	\$ 491.53	\$ 533.37	\$ 479.90	\$ 531.42	\$ 570.70	\$ 559.43	\$ 287.12	\$ 223.78
Per FTSE	10.414	11.595	9.988	11,078	10,332	11,933	12,676	12,202	8,305	6,516
As a percentage of Taxable Assessed Value	0.70%	0.67%	0.75%	0.86%	0.87%	1.01%	1.08%	1.07%	0.70%	0.55%

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



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

Fiscal Year Ended August 31	Pledged Revenues			Debt Service Requirements		
	Tuition and Fees	Auxiliary Enterprise	Total	Principal	Interest	Coverage Ratio
2021	\$ 38,385,199	\$ 7,480,980	\$ 45,866,179	\$ 8,518,000	\$ 3,556,016	3.80
2020	\$ 40,374,507	\$ 7,487,883	\$ 47,862,390	\$ 8,519,000	\$ 3,772,340	3.89
2019	\$ 39,891,305	\$ 8,041,659	\$ 47,932,964	\$ 8,264,000	\$ 3,308,896	4.14
2018	\$ 36,796,238	\$ 8,227,493	\$ 45,023,731	\$ 8,040,000	\$ 3,523,964	3.89
2017	\$ 35,456,328	\$ 8,249,300	\$ 43,705,628	\$ 8,180,000	\$ 3,762,378	3.66
2016	\$ 31,899,817	\$ 8,612,739	\$ 40,512,556	\$ 7,668,000	\$ 4,568,147	3.31
2015	\$ 30,674,433	\$ 6,590,091	\$ 37,264,524	\$ 5,280,000	\$ 5,269,180	3.53
2014	\$ 30,414,955	\$ 6,276,034	\$ 36,690,989	\$ 5,700,000	\$ 3,168,722	4.14
2013	\$ 30,569,314	\$ 5,785,185	\$ 36,354,499	\$ 5,540,000	\$ 3,058,107	4.23
2012	\$ 30,716,199	\$ 5,499,548	\$ 36,215,747	\$ 5,385,000	\$ 2,618,703	4.52

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

<u>Fiscal Year</u>	<u>District Population</u>	<u>District Personal Income (thousands of dollars)</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2020-21	232,751	\$ 13,102,118	\$ 56,292	6.2%
2019-20	230,221	12,714,831	55,229	3.6%
2018-19	209,714	10,748,612	47,200	3.4%
2017-18	209,714	11,232,199	49,857	3.7%
2016-17	225,290	11,196,702	50,224	4.5%
2015-16	222,936	9,464,715	42,455	4.5%
2014-15	218,842	9,199,272	42,036	5.2%
2013-14	216,080	8,889,117	41,138	6.5%
2012-13	214,617	8,218,435	38,293	7.0%
2011-12	212,891	7,671,125	36,033	7.8%

Sources:

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

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission

Table 12

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

Employer	2021		2020		2019		2018		2017	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
CHRISTUS Trinity Mother Frances	4,149	4.07%	4,095	7.27%	4,095	7.10%	3,366	6.27%	3,523	6.56%
UT Health East Texas	4,497	4.41%	4,439	7.88%	4,439	7.70%	3,380	6.29%	3,460	6.44%
Tyler Independent School District	2,673	2.62%	2,639	4.68%	2,639	4.58%	2,360	4.40%	2,720	5.07%
Brookshire Grocery Company	1,641	1.61%	1,620	2.87%	1,620	2.81%	2,456	4.57%	2,058	3.83%
UT Tyler	1,459	1.43%	1,440	2.56%	1,440	2.50%	968	1.80%	1,661	3.09%
Suddenlink/Altice USA	1,165	1.14%	1,150	2.04%	1,150	1.99%	1,500	2.79%	1,500	2.79%
UT Health Northeast/UT Health Science Center	1,122	1.10%	1,108	1.97%	1,108	1.92%	1,414	2.63%	1,388	2.59%
Trane Co.	1,348	1.32%	1,331	2.36%	1,331	2.31%	1,744	3.25%	1,319	2.46%
Wal-Mart	1,257	1.23%	1,241	2.20%	1,241	2.15%	1,396	2.60%	1,191	2.22%
Tyler Junior College District	980	0.96%	967	1.72%	967	1.68%	947	1.76%	941	1.75%
City of Tyler	-	0.00%	-	0.00%	853	1.48%	813	1.51%	827	1.54%
Sanderson Farms	1,714	1.68%	1,692	3.00%	1,000	1.73%	-	0.00%	-	0.00%
Smith County	-	0.00%	-	0.00%	843	1.46%	860	1.60%	819	0.00%
	22,005	21.57%	21,722	38.54%	22,726	36.23%	21,204	37.89%	21,407	38.34%

Table 12  
(Continued)

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

Employer	2016		2015		2014		2013		2012	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
CHRISTUS Trinity Mother Frances	4,300	7.96%	4,300	7.96%	4,030	7.46%	3,775	7.02%	4,000	5.82%
UT Health East Texas	3,194	5.91%	3,194	5.91%	3,092	5.72%	3,153	5.86%	3,238	4.71%
Tyler Independent School District	2,115	3.91%	2,115	3.91%	2,359	4.37%	2,468	4.59%	2,449	3.56%
Brookshire Grocery Company	2,565	4.75%	2,565	4.75%	1,762	3.26%	2,599	4.83%	2,522	3.67%
UT Tyler	1,765	3.27%	1,765	3.27%	1,557	2.88%	1,121	2.08%	1,094	1.59%
Suddenlink/Alice USA	1,500	2.78%	1,500	2.78%	1,600	2.96%	1,500	2.79%	1,500	2.18%
UT Health Northeast/UT Health Science Center	1,130	2.09%	1,130	2.09%	1,050	1.94%	925	1.72%	865	1.26%
Trane Co.	1,538	2.85%	1,538	2.85%	1,500	2.78%	1,500	2.79%	1,500	2.18%
Wal-Mart	1,600	2.96%	1,600	2.96%	1,296	2.40%	1,311	2.44%	1,711	2.49%
Tyler Junior College District	841	1.56%	841	1.56%	935	1.73%	862	1.60%	811	1.18%
City of Tyler	853	1.58%	853	1.56%	-	0.00%	-	0.00%	-	0.00%
Sanderson Farms	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Smith County	807	1.49%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	22,208	41.10%	21,401	39.59%	19,181	35.50%	19,214	35.72%	19,690	28.66%

Source:

Tyler Economic Development Council - Community Profile

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

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Faculty</b>										
Full-Time	323	321	320	316	311	310	309	296	295	282
Part-Time	349	349	309	310	309	307	355	306	305	323
Total	672	670	629	626	620	617	664	602	600	605
<b>Percent</b>										
Full-Time	48.07%	47.91%	50.87%	50.48%	50.16%	50.24%	46.54%	49.17%	49.17%	46.61%
Part-Time	51.93%	52.09%	49.13%	49.52%	49.84%	49.76%	53.46%	50.83%	50.83%	53.39%
<b>Staff and Administrators</b>										
Full-Time	374	372	375	367	365	365	352	348	339	329
Part-Time	141	268	230	298	297	294	226	264	255	210
Total	515	640	605	665	662	659	578	612	594	539
<b>Percent</b>										
Full-Time	72.62%	58.13%	61.98%	55.19%	55.14%	55.39%	60.90%	56.86%	57.07%	61.04%
Part-Time	27.38%	41.88%	38.02%	44.81%	44.86%	44.61%	39.10%	43.14%	42.93%	38.96%
FTSE per Full-Time Faculty	31.95	31.30	32.25	31.87	33.65	31.44	31.89	33.47	31.49	32.39
FTSE per Full-Time Staff Member	27.59	27.01	27.52	27.44	28.67	26.70	27.99	28.47	27.41	28.64
Average Annual Faculty Salary	\$ 52,176	\$ 56,500	\$ 56,800	\$ 54,657	\$ 54,179	\$ 53,939	\$ 51,309	\$ 50,217	\$ 51,120	\$ 50,065

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

Student Classification	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	7,420	63.28%	7,939	67.70%	5,838	47.50%	5,643	56.32%	5,700	59.44%
31-60 hours	3,537	30.16%	3,675	31.34%	3,646	29.66%	3,441	34.34%	2,554	26.63%
>60 hours	751	6.40%	665	5.67%	532	4.33%	505	5.04%	1,265	13.19%
BAT	18	0.15%	12	0.10%	3	0.02%	0	0.00%	0	0.00%
Total	11,726	100%	12,291	105%	10,019	82%	9,589	96%	9,519	99%

Semester Hour Load	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Part-Time	4,680	39.91%	5,039	41.00%	3,810	31.00%	3,746	37.39%	3,605	37.60%
Full-Time	7,046	60.09%	7,252	59.00%	6,209	50.52%	5,843	58.32%	5,914	61.67%
Total	11,726	100%	12,291	100%	10,019	82%	9,589	96%	9,519	99%

Tuition Status	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	4,811	41.03%	4,994	40.63%	3,531	28.73%	3,744	37.37%	3,549	37.01%
Texas Resident (out-of-District)	6,244	53.25%	6,503	52.91%	5,257	42.77%	5,102	50.92%	5,025	52.40%
Non-Resident Tuition	403	3.44%	403	3.28%	380	3.09%	332	3.31%	359	3.74%
Tuition Exemption/Waiver	268	2.29%	391	3.18%	851	6.92%	411	4.10%	586	6.11%
Total	11,726	100%	12,291	100%	10,019	82%	9,589	96%	9,519	99%

Table 15

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

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	7,524	64.17%	7,684	62.52%	6,186	61.74%	5,827	60.77%	5,914	62.13%
Male	4,202	35.83%	4,607	37.48%	3,833	38.26%	3,762	39.23%	3,605	37.87%
Total	11,726	100%	12,291	100%	10,019	100%	9,589	100%	9,519	100%

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	5,733	48.89%	6,065	49.35%	4,818	48.09%	4,700	49.01%	4,780	50.22%
Hispanic	3,069	26.17%	3,133	25.49%	2,530	25.25%	2,211	23.06%	1,970	20.70%
African American	1,968	16.78%	2,069	16.83%	1,987	19.83%	2,005	20.91%	2,133	22.41%
Asian	193	1.65%	200	1.63%	134	1.34%	120	1.25%	96	1.01%
Native American	63	0.54%	48	0.39%	34	0.34%	41	0.43%	48	0.50%
Other	700	5.97%	776	6.31%	516	5.15%	512	5.34%	492	5.17%
Total	11,726	100%	12,291	100%	10,019	100%	9,589	100%	9,519	100%

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
16 or younger	1,252	10.68%	1,544	12.56%	336	3.35%	279	2.91%	197	2.07%
17	1,157	9.87%	1,133	9.22%	304	3.03%	161	1.68%	163	1.71%
18	2,169	18.50%	2,217	18.04%	2,080	20.76%	1,995	20.81%	1,960	20.59%
19-21	3,675	31.34%	3,819	31.07%	3,740	37.33%	3,561	37.14%	3,625	38.08%
22-24	1,079	9.20%	1,158	9.42%	1,143	11.41%	1,155	12.05%	1,112	11.68%
25-30	1,105	9.42%	1,114	9.06%	1,122	11.20%	1,100	11.47%	1,099	11.55%
31-35	529	4.51%	522	4.25%	496	4.95%	507	5.29%	532	5.59%
36-50	633	5.40%	629	5.12%	662	6.61%	669	6.98%	676	7.10%
51-64	120	1.02%	141	1.15%	123	1.23%	153	1.60%	150	1.58%
65 & over	7	0.06%	14	0.11%	13	0.13%	9	0.09%	5	0.05%
Total	11,726	100%	12,291	100%	10,019	100%	9,589	100%	9,519	100%

Average Age	22	22	23	23	23
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Table 16

TYLER JUNIOR COLLEGE DISTRICT  
TRANSFERS TO SENIOR INSTITUTIONS  
2019 FALL STUDENTS AS OF FALL 2020  
(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	CEU Graduates		
1 Angelo State University	1,239	162	4	0	1,405	0.89%
2 Lamar University	1,168	220	8	0	1,396	0.89%
3 Midwestern State University	984	205	5	1	1,195	0.76%
4 Prairie View A&M University	1,205	84	1	0	1,290	0.82%
5 Sam Houston State University	5,721	321	40	1	6,083	3.86%
6 Stephen F. Austin State University	2,469	213	22	0	2,704	1.72%
7 Sul Ross State University	139	15	2	0	156	0.10%
8 Sul Ross State University - Rio Grande College	293	7	0	0	300	0.19%
9 Tarleton State University	3,823	429	44	1	4,297	2.73%
10 Texas A&M University International University	1,316	126	27	0	1,469	0.93%
11 Texas A&M University	18,828	961	34	0	19,823	12.59%
12 Texas A&M University - Central Texas	703	65	40	0	808	0.51%
13 Texas A&M University - Commerce	2,095	249	15	0	2,359	1.50%
14 Texas A&M University - Corpus Christi	1,533	133	16	0	1,682	1.07%
15 Texas A&M University - Kingsville	834	166	3	0	1,003	0.64%
16 Texas A&M University - San Antonio	2,669	402	1	1	3,073	1.95%
17 Texas A&M University - Texarkana	419	27	2	0	448	0.28%
18 Texas A&M University at Galveston	478	28	0	2	508	0.32%
19 Texas Southern University	725	71	0	0	796	0.51%
20 Texas State University	7,995	596	114	1	8,706	5.53%
21 Texas Tech University	7,290	803	47	0	8,140	5.17%
22 Texas Women's University	3,233	406	16	0	3,655	2.32%
23 University of Texas Permian Basin	891	95	25	0	1,011	0.64%
24 University of Texas - Rio Grande Valley	4,177	401	3	0	4,581	2.91%
25 University of Texas - Arlington	10,713	1,663	51	0	12,427	7.90%
26 University of Texas - Austin	11,285	848	66	0	12,199	7.75%
27 University of Texas - Dallas	6,803	1,066	16	0	7,885	5.01%
28 University of Texas - El Paso	3,075	65	49	0	3,189	2.03%
29 University of Texas - San Antonio	8,044	502	13	0	8,559	5.44%
30 University of Texas - Tyler	2,124	262	16	1	2,403	1.53%
31 University of Houston	10,672	520	20	0	11,212	7.12%
32 University of Houston - Clear Lake	3,079	239	1	0	3,319	2.11%
33 University of Houston - Downtown	4,069	330	5	0	4,404	2.80%
34 University of Houston - Victoria	1,108	145	16	1	1,270	0.81%
35 University of North Texas	9,221	1,076	45	2	10,344	6.57%
36 University of North Texas at Dallas	1,400	235	0	0	1,635	1.04%
37 West Texas A&M University	1,503	120	34	0	1,657	1.05%
<b>Totals</b>	<b>143,323</b>	<b>13,256</b>	<b>801</b>	<b>11</b>	<b>157,391</b>	<b>100%</b>

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



Table 17

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Academic buildings	15	15	15	15	15	15	15	13	13	13
Square footage (in thousands)	673	657	657	657	657	657	657	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)	61	64	78	82	84	84	85	86	87	88
Administrative and support buildings	10	10	10	10	10	10	8	8	8	8
Square footage (in thousands)	178	178	178	178	178	178	170	170	170	170
Dormitories	10	10	10	10	10	10	10	9	9	9
Square footage (in thousands)	333	333	333	333	333	333	333	267	267	267
Number of Beds	1248	1248	1248	1248	1248	1248	1248	1062	1062	1062
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	4	4	4	4	4	4	4	4	4	4
Average daily customers	1978	1683	2117	2015	2083	1962	1915	1745	3678	3872
Athletic Facilities	7	7	7	7	7	7	7	7	7	7
Square footage (in thousands)	480	480	480	445	445	445	445	445	445	445
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	3	3	3	2	2	2	2	2	2	2
Plant facilities	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Transportation										
Cars	16	16	19	17	19	17	13	17	17	15
Light Trucks/Vans	31	32	29	28	28	30	27	29	27	27
Heavy Trucks	1	1	1	1	1	1	1	1	1	1
Buses	1	1	1	1	1	1	1	1	1	0





DISTRICT

# SINGLE AUDIT SECTION



**TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Assistance Cluster			
SEOG	84.007	--	\$ 300,817
Federal College Workstudy Program	84.033	--	134,183
Federal Pell Grant Program	84.063	--	19,661,702
Direct Student Loans	84.268	--	17,064,109
Total Student Financial Assistance Cluster			<u>37,160,811</u>
TRIO Cluster			
Student Support Services Grant	84.042	--	241,497
Educational Opportunity Centers	84.066	--	307,467
Total TRIO Cluster			<u>548,964</u>
COVID-19 Emergency Acts Funding			
HEERF Student Portion	84.425E	P425E200646	6,193,648
HEERF Institutional Portion	84.425F	P425F200186	12,080,055
HEERF DHSI Portion	84.425L	P425L200521	1,060,025
Pass Through From:			
Texas Higher Education Coordinating Board			
Governor's Emergency Education Relief Funding COVID-19	84.425C	23625	<u>205,278</u>
			19,539,006
Pass Through From:			
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	23716	<u>1,036,838</u>
Total U. S. Department of Education			<u>58,285,620</u>
National Science Foundation			
Research and Development Cluster			
Pass Through From:			
University of Texas at El Paso			
Education and Human Resources	47.076	226100996F	<u>6,928</u>
Total National Science Foundation			<u>6,928</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District			
Small Business Development Center	59.037	SBAHQ-20-B-0014	23,120
Small Business Development Center	59.037	SBAHQ-21-B-0038	213,925
Small Business Development Center/CARES Act	59.037	SBAHQ-20-C-0059	<u>334,398</u>
Total U.S. Small Business Administration (SBA)			<u>571,443</u>
U.S. Department of Health and Human Services			
Pass Through From:			
Workforce Solutions East Texas Board and East Texas Council of Governments			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	04161C21	<u>14,000</u>
Total U.S. Department of Health and Human Services			<u>14,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 58,877,991</u>

See Notes to Schedule on following page.

**TYLER JUNIOR COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021**

**NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Tyler Junior College District under programs of the federal government for the year ended August 31, 2021 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies.

**NOTE 2 — FEDERAL FINANCIAL ASSISTANCE RECONCILIATION**

Federal Grants and Contracts per Schedule A	\$ 21,152,593
Non Operating Revenue From Schedule C	20,645,996
Direct Student Loans	17,064,109
Matching Contributions Included in Schedule E	<u>15,293</u>
Total Federal Financial Assistance – Schedule E	<u>\$ 58,877,991</u>

**NOTE 3 — INDIRECT COST RATES**

The District did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 51,076
Professional Nursing Shortage Reduction Program	--	287,902
Texas Educational Opportunity Grant Program	--	1,187,494
Dallas County Community College District		
Small Business Development Center	SBAHQ-20-B-0014	4,767
Small Business Development Center	SBAHQ-21-B-0038	68,597
Texas Workforce Commission		
Skills Development COVID-19	0820COS004	181,737
Skills Development for Small Business	0820SSD002	4,011
Total Expenditures of State Awards		\$ <u>1,785,584</u>

See Notes to Schedule on following page.

**TYLER JUNIOR COLLEGE DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2021**

**NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

The accompanying schedule of expenditures of state awards includes the state award activity of Tyler Junior College District, under programs of the state government for the year ended August 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas *Uniform Grant Management Standards* (UGMS). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basis financial statements.

Expenditures reported in the schedule is presented on the modified accrual basis of accounting, which is described in Note 2 to the District's financial statement. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and UGMS, wherein certain types of expenditures are not allowable or limited as to reimbursement.

The District did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 2 — STATE FINANCIAL ASSISTANCE RECONCILIATION**

State Grants and Contracts per Schedule A	\$1,496,848
Professional Nursing Shortage Reduction reported on Schedule C	287,902
Matching Contributions Included in Schedule F	<u>834</u>
Total State Financial Assistance – Schedule F	<u>\$1,785,584</u>



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

Board of Trustees  
Tyler Junior College District  
Tyler, Texas

Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Tyler Junior College District as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise Tyler Junior College District's basic financial statements, and have issued our report thereon dated November 17, 2021.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Tyler Junior College District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

*Gollob Morgan Peddy PC*

Certified Public Accountants

Tyler, Texas  
November 17, 2021

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

Board of Trustees  
Tyler Junior College District  
Tyler, Texas

Board of Trustees:

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

We have audited the Tyler Junior College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tyler Junior College District's major federal programs for the year ended August 31, 2021. Tyler Junior College District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2021-001	84.268	Federal Direct Student Loans	Special Tests and Provisions – Student Loan Repayments

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

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Tyler Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the year ended August 31, 2021.

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

In our opinion, Tyler Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended August 31, 2021.

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

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

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

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

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention

by those charged with governance. . We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Gollob Morgan Peddy PC*

Certified Public Accountants

Tyler, Texas  
November 17, 2021

. TYLER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2021

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

*Financial Statements*

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

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

*Federal Awards*

Internal control over major programs:

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

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

Any audit findings disclosed that are  
required to be reported in accordance  
with 2 CFR 200.516(a)?                        X   Yes      \_\_\_\_\_ No

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
	Student Financial Assistance Programs:
84.007	Federal Supplemental Educational Opportunity Grant Program
84.033	Federal College Workstudy Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.425E	COVID-19 Emergency Acts Funding – HEERF Student
84.425F	COVID-19 Emergency Acts Funding – HEERF Institution
84.425L	COVID-19 Emergency Acts Funding –HEERF DHIS
84.425C	COVID-19 GEER Funding

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

Auditee qualified as low-risk auditee:               Yes          X   No

**Section II – Financial Statement Findings**

None.

### **Section III – Federal Award Findings and Questioned Costs**

#### **Finding 2021-001**

Information on the Federal Program: CFDA 84.268 – Federal Direct Student Loans. Compliance Requirements: Special Test and Provisions –Student Loan Repayments Type of Finding: Significant deficiency.

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

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

Questioned Costs: -0-

Context: Five students in the sample selection did not receive the required exit counseling. The Financial Aid Office identified 478 more students who did not receive the required exit counseling materials.

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

Cause: For the three Spring graduate instances, it was discovered that the automated chain that runs in May did not have the correct prompts to feed into the Banner process. For the Fall graduate instance, the automated chain ran too early. For the low enrollment instance, the automated chain did not run throughout the semester on a correct schedule due to having the incorrect aid year.

Repeat Finding: Not a repeat finding.

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

View of Responsible Official: The Director, Financial Aid and Enrollment Support Services researched the five instances identified in the sample selection. For the three Spring graduate instances, it was discovered that the automated chain that runs in May did not have the correct prompts to feed into the Banner process. For the Fall graduate instance, the automated chain ran too early. For the low enrollment instance, the automated chain did not run throughout the semester on a correct schedule.



Corrective Action Plan: All automated chains have been thoroughly reviewed and documented. Prompts have been corrected and run schedules changed to correct the timing of each run. All corrections were made as of 10/26/2021 and the Low Enrollment Chain ran correctly on 10/31/2021. The Loan Officer receives the output from each chain and will take a sample set of students from each run to check that the DLEXIT tracking code and hold is appropriate. This sampling began with the 10/31 Low Enrollment Chain run. A Cognos report will be created and run routinely as an internal audit process to pull students who are below 6 hours or who have graduated and who do not have DLEXIT posted for each term. The report is expected to be in place for the Spring 2022 term. A process will be developed that will compare all withdrawn financial aid students to all R2T4 calculations. This R2T4 list of calculations will be compiled from all Banner calculations and all COD calculations for the period. This process will be performed monthly and should find any student without a required R2T4 calculation.

**TYLER JUNIOR COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2021**

Finding: 2020-001

Status: A report of Banner processed R2T4 calculations was developed and along with a report of COD processes R2T4 calculations, is used to compared to withdrawn students. In addition, streamlined the already established internal audit process by using electronic records.

**CORRECTIVE ACTION PLAN**

November 17, 2021

Tyler Junior College respectfully submits the following corrective action plan for the year ended August 31, 2021.

**Audit period:**

The findings from the August 31, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

**FINDINGS – SECTION III – Federal Award Findings and Questioned Costs****Finding 2021-001**

*Information on the Federal Program:* CFDA 84.268 – Federal Direct Student Loans.

*Compliance Requirements:* Special Test and Provisions –Student Loan Repayments

*Type of Finding:* Significant deficiency.

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

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

*Questioned Costs:* -0-

*Context:* Five students in the sample selection did not receive the required exit counseling. The Financial Aid Office identified 478 more students who did not receive the required exit counseling materials.

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

*Cause:* For the three Spring graduate instances, it was discovered that the automated chain that runs in May did not have the correct prompts to feed into the Banner process. For the Fall graduate instance, the automated chain ran too early. For the low enrollment instance, the automated chain did not run throughout the semester on a correct schedule due to having the incorrect aid year.

*Repeat Finding:* Not a repeat finding.



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

*View of Responsible Official:* The Director, Financial Aid and Enrollment Support Services researched the five instances identified in the sample selection. For the three Spring graduate instances, it was discovered that the automated chain that runs in May did not have the correct prompts to feed into the Banner process. For the Fall graduate instance, the automated chain ran too early. For the low enrollment instance, the automated chain did not run throughout the semester on a correct schedule.

*Corrective Action Plan:* All automated chains have been thoroughly reviewed and documented. Prompts have been corrected and run schedules changed to correct the timing of each run. All corrections were made as of 10/26/2021 and the Low Enrollment Chain ran correctly on 10/31/2021. The Loan Officer receives the output from each chain and will take a sample set of students from each run to check that the DLEXIT tracking code and hold is appropriate. This sampling began with the 10/31 Low Enrollment Chain run. A Cognos report will be created and run routinely as an internal audit process to pull students who are below 6 hours or who have graduated and who do not have DLEXIT posted for each term. The report is expected to be in place for the Spring 2022 term. A process will be developed that will compare all withdrawn financial aid students to all R2T4 calculations. This R2T4 list of calculations will be compiled from all Banner calculations and all COD calculations for the period. This process will be performed monthly and should find any student without a required R2T4 calculation.

Sincerely,

Devon Wiggins  
Director, Financial Aid and Enrollment Support Services