

ANNUAL COMPREHENSIVE FINANCIAL REPORT



**TYLER JUNIOR COLLEGE DISTRICT
FISCAL YEARS ENDED
AUGUST 31, 2023 AND AUGUST 31, 2022**



TYLER, TEXAS

**TYLER JUNIOR COLLEGE DISTRICT
TYLER, TEXAS**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

**Years Ended August 31, 2023 and 2022
with Independent Auditor's Report**

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

TYLER JUNIOR COLLEGE DISTRICT
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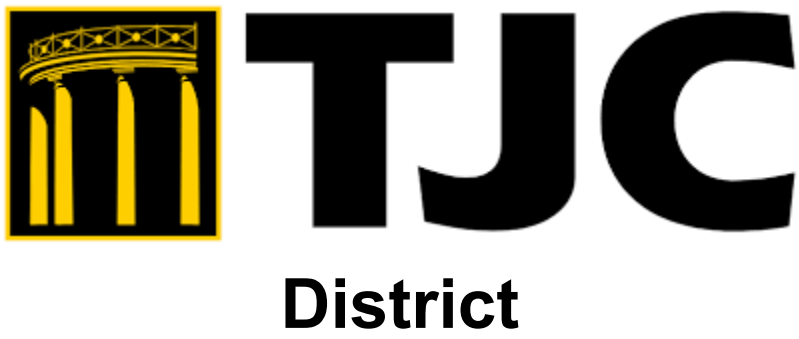
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INTRODUCTORY SECTION







December 7, 2023

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, 2023, 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. The 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 109,000 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 39 states and 37 foreign countries. Annual fall unduplicated enrollment is approximately 12,070 academic and vocational students with an additional 690 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. Per its mission statement, the Tyler Junior College Foundation provides scholarship, program, and capital support to ensure that TJC continues its legacy of excellence by successfully serving the educational and workforce needs of communities throughout East Texas.

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 remain low as the disruption caused by the coronavirus pandemic has eased. The unemployment rate reached a high of almost 12% in April 2020, decreased to 3.9% by August 2022, and has levelled off at 4.2% in August 2023. Unemployment rates are expected to remain low. Supply-chain challenges and heightened inflation may linger over the coming year, 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. This has been further improved by the approval of a new medical school to be located in Tyler. The housing market in the Tyler area also remains relatively strong and has not seen as sharp of a decline as the rest of the nation.

Enrollment for academic year 2022-2023 held steady over the prior year, despite continued increases in inflation and a slowdown in college enrollment overall. TJC fared relatively well as compared to other community colleges across the state of Texas. The District continued efforts to maintain and attempt to increase enrollment into Fall 2023 and provide support and assistance to students to encourage their continued success. The College has continued to disburse funds to students under the Higher Education Emergency Relief Fund (HEERF) grant.

State appropriations for fiscal year 2023, the second year of the biennium, were relatively flat 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 the academic year 2022-2023 due to the continued effects of the pandemic and the impact of increased inflation on the student population. However, prudent fiscal management in an inflationary environment necessitated modest increases in tuition rates for the 2023-2024 academic year. The HEPI index, the college and university inflationary rate, rose 5.2% for fiscal year 2022, a significant increase over the prior year's increase of 2.7% (per commonfund). The Board of Trustees approved the following tuition increases, beginning Fall 2023, the first tuition increases since 2017:

Per Semester Credit Hour (SCH):	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Increase</u>
In-District Tuition	\$32	\$37	\$5
Out-of-District Tuition	\$32	\$40	\$8
Out-of-State Tuition	\$56	\$65	\$9

For students taking 12 semester credit hours, these increases will result in an average increase of 5% in total tuition and fees above the Fall 2022 total. 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 14.8% this past year with a net taxable valuation increase of approximately 14.4%, after exemptions. The District reduced its maintenance and operation tax rate for 2022-2023 to \$0.152473 from \$0.159189 per \$100 valuation the previous year. The associated debt tax rate of \$0.035528 per \$100 valuation is down from \$0.040737 the previous year. The District tax rate for 2022-2023 totaled \$0.188001 per \$100 valuation, reduced from \$0.199926 per \$100 valuation the previous year. Currently, the residual impact of the pandemic and heightened inflation have had little effect on property valuations. 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 had maintained its previous tax rate of \$0.199926 since fiscal year 2013. The rate for 2023-2024 is expected to be \$0.187993.

MAJOR INITIATIVES

The Tyler Junior College Foundation partnered with TJC to raise funds for the renovation of the Ornelas Health and Physical Education Center. The project is meant to create a state-of-the-art facility for the TJC Band, Apache Belles, and Dance Programs. This project was successfully completed in February 2023.

TJC also commissioned a master plan developed by Freese and Nichols. The final plan was delivered to TJC in the Fall of 2022. This plan is serving as a guide for the next ten years on building construction, renovations, and space utilization. It also encompasses a technology master plan with guidance for resource allocation priorities in the Office of Technology Services. The master plan will help ensure that TJC uses its resources in the most effective ways possible. Preliminary planning sessions are underway with key internal and external stakeholders on establishing priority projects expected to launch in 2024.

Lastly, in order to keep pace with changing market conditions, TJC implemented salary scale and rate changes District-wide as a result of the compensation study completed in late 2022. The final report and suggestions are being used to ensure TJC remains competitive in attracting and retaining top talent and current employees are being fairly compensated for their hard work and dedication to TJC.

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 2022, the District offers baccalaureate degrees in Dental Hygiene and Healthcare Administration. The District will launch its third baccalaureate program in Emergency Management in Fall 2023. 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. The program has been successful and continues to grow, and it has become a model for similar programs across the nation. TJC and the TJC Foundation are committed to this program's continued success in the future by adding success coaches and other administrative resources to the program while also making it a top priority for fundraising.

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 annual comprehensive financial report (ACFR) for the fiscal year ended August 31, 2022. 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.

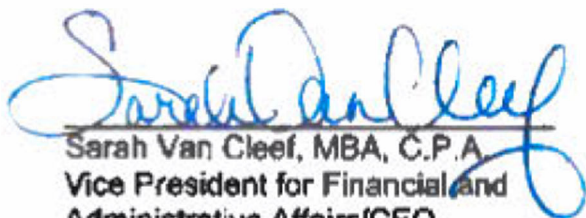
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of one year only. The 2022 report was the twenty-seventh 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.

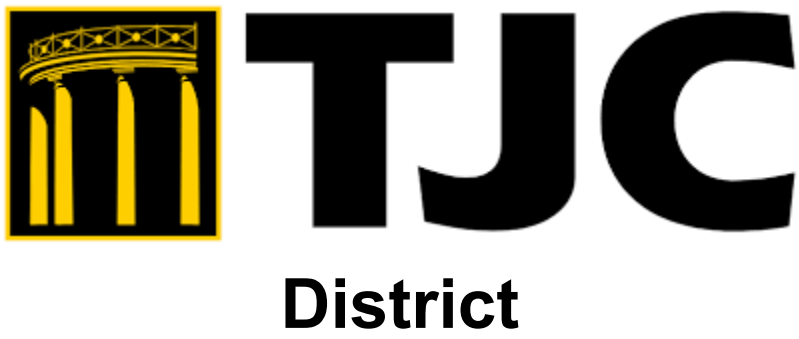
Respectfully submitted,



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



Kimberly Laird, Ed.D., MBA, C.P.A.
Executive Director, Business Services





Government Finance Officers Association

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

Presented to

**Tyler Junior College District
Texas**

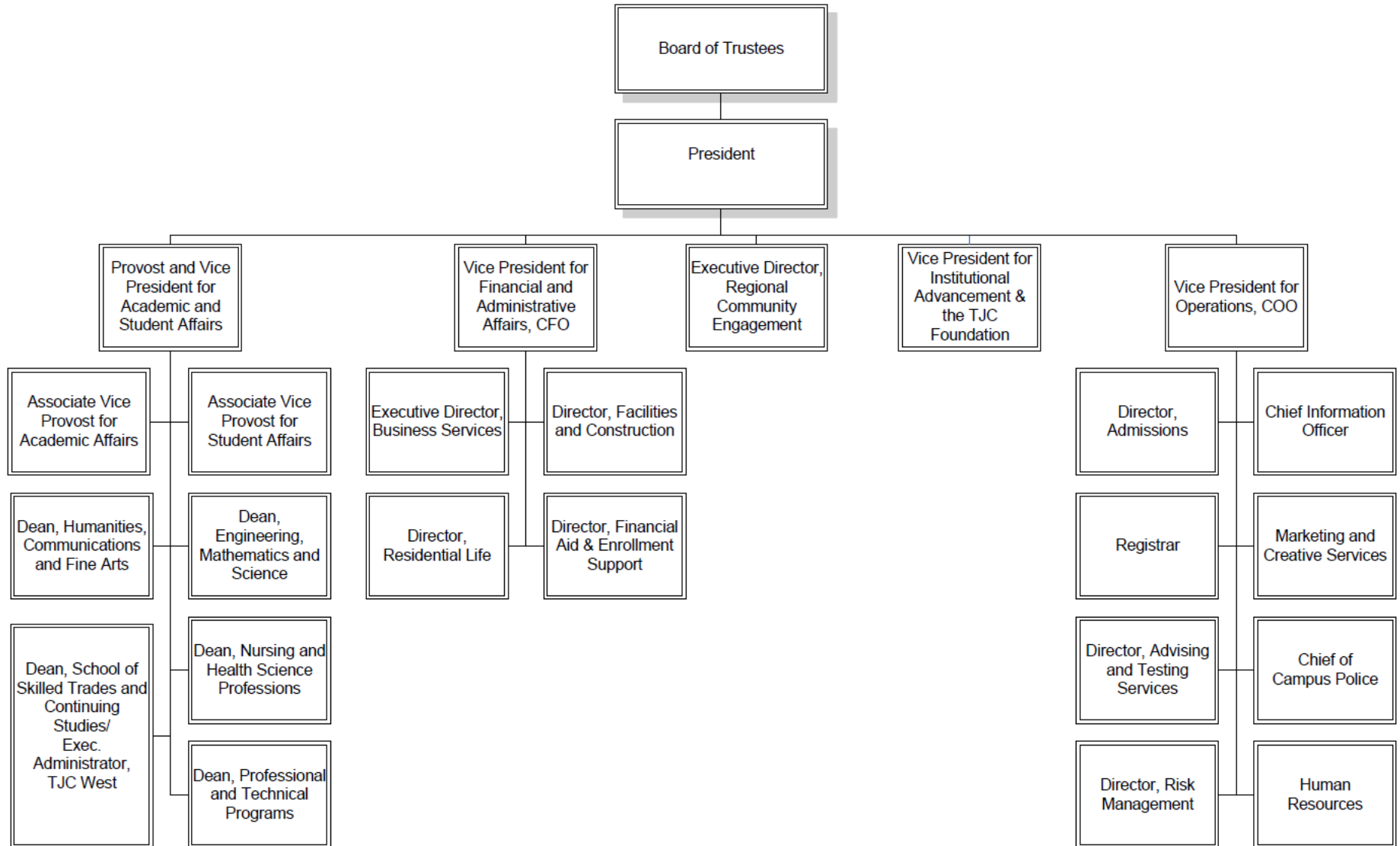
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2022

Christopher P. Morill

Executive Director/CEO

TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE





ORGANIZATIONAL DATA FOR
the Fiscal Year 2022-2023

Board of Trustees

Officers

Peggy Smith	President
David Hudson	First Vice President
Lonny Uzzell	Second Vice President

Members

		<u>Term Expires</u>
Rohn Boone	Tyler, Texas	May, 2026
Ann Brookshire	Tyler, Texas	May, 2026
Mike Coker	Tyler, Texas	May, 2024
John Hills	Tyler, Texas	May, 2024
Joe Prud'homme	Tyler, Texas	May, 2028
Clint Roxburgh	Tyler, Texas	May, 2028

Principal Administrative Officers

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

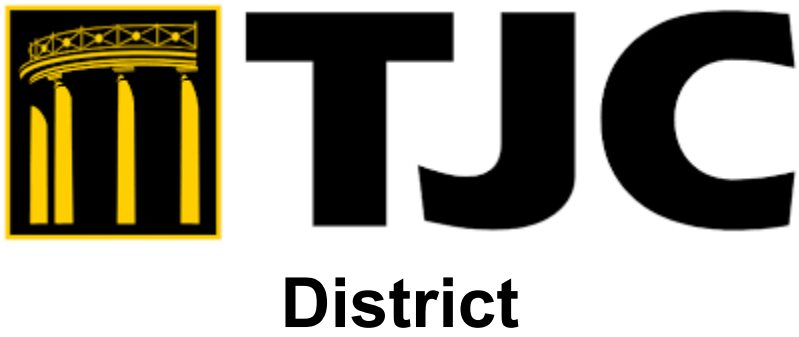


TJC

District

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Tyler Junior College District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Tyler Junior College District (the "District") as of and for the years ended August 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the District as of August 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Tyler Junior College Foundation (the "Foundation"). Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Other Matter

The financial statements of the District for the year ended August 31, 2022 and the financial statements of the Foundation for the year ended August 31, 2022 were audited by other auditors who expressed unmodified opinions on those statements on November 15, 2022 and October 24, 2022, respectively.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other post-employment benefit information, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Supplemental Schedules A through D, as required by the Texas Higher Education Coordinating Board's (THECB) *Budget Requirements and Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*, the Schedule of Expenditures of Federal Awards (Schedule E), as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Expenditures of State Awards (Schedule F), as required by the *Texas Grant Management Standards* (TxGMS) are presented for additional analysis and are not a required part of the basic financial statements.

The Supplemental Schedules A through F 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 Schedules A through F are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023 on our consideration of the College'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 the College's internal control over financial reporting and compliance.



Dallas, Texas
December 7, 2023



TJC

District

TYLER JUNIOR COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Tyler Junior College District is a public, open door, comprehensive community college dedicated to meeting the changing needs of citizens in its seven-county service area. By offering a broad spectrum of programs, the District provides students with opportunities for educational, personal, and professional advancement. A wide range of academic courses prepares students to transfer to four-year institutions. Technical programs equip students to master certain skills as well as to utilize them through job entry.

Tyler Junior College District is proud to present its financial statements for fiscal year 2023. 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).

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.

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Condensed Statement of Net Position
(thousands of dollars)

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Current and other assets	\$ 45,109	\$ 47,281	\$ 59,437	\$ (2,172)	\$ (12,156)
Capital assets	213,070	218,294	210,743	(5,224)	7,551
Total Assets	258,179	265,575	270,180	(7,396)	(4,605)
Deferred Outflows of Resources	13,753	9,734	30,062	4,019	(20,328)
Current liabilities	40,740	43,739	44,943	(2,999)	(1,204)
Non-current liabilities	144,082	155,383	171,457	(11,301)	(16,074)
Total Liabilities	184,822	199,122	216,400	(14,300)	(17,278)
Deferred Inflows of Resources	20,084	12,487	27,498	7,597	(15,011)
Net investment in capital assets	121,422	116,329	105,932	5,093	10,397
Restricted net position	3,271	3,502	593	(231)	2,909
Unrestricted net position	(57,666)	(56,131)	(50,180)	(1,535)	(5,951)
Total Net Position	\$ 67,027	\$ 63,700	\$ 56,345	\$ 3,327	\$ 7,355

The assets plus deferred outflows less liabilities and deferred inflows result in a net position of \$67.0 million compared to the \$63.7 million at the end of the previous fiscal year. The District's net investment in capital assets is \$121.4 million compared to \$116.3 million at the end of the previous fiscal year.

The \$258.2 million in assets includes cash and cash equivalents of \$20.2 million. This represents a decrease of \$4.0 million compared to the cash and cash equivalents of \$24.3 million at the end of the previous fiscal year. The majority of the decrease is a result of the final spend down 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. Accounts receivable of \$24.6 million increased by \$2.1 million when compared to the previous fiscal year end total of \$22.6 million. Approximately 70% of the accounts receivable are for student tuition and fees.

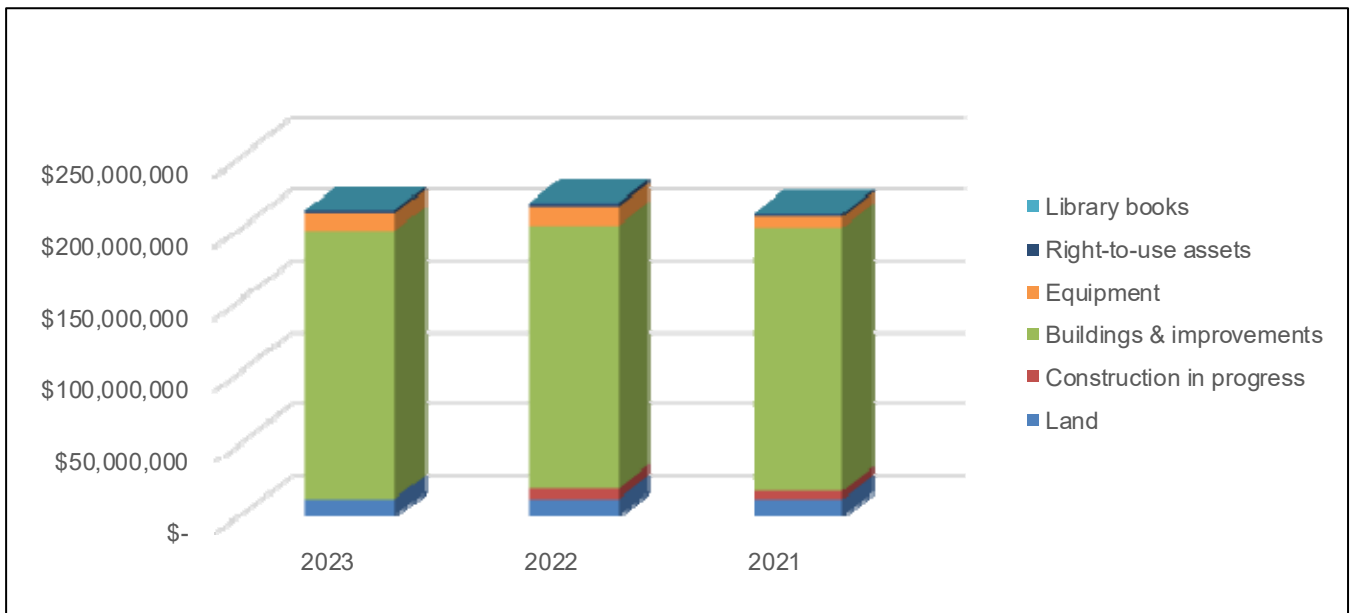
Capital assets display the result of the implementation of a policy to capitalize only those capital assets with an acquisition cost of \$5,000 or more. The consumption of assets follows the institutional philosophy to use available resources to acquire and improve all areas of the institution to better serve the instruction and public service missions of the institution. There was continued activity on campus during FY 2023 regarding renovations and upgrades, as well as equipment purchases. Preventative maintenance was performed where needed on campus. Parking lot maintenance across campus was addressed during FY 2023. 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.

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Amounts reported for capital assets, net of depreciation/amortization for the current and two previous years are as follows:

Capital Assets, Net of Depreciation/Amortization
(thousands of dollars)

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Land	\$ 11,925,438	\$ 11,925,438	\$ 11,925,438	\$ -	\$ -
Construction in progress	-	6,931,933	5,424,195	(6,931,933)	1,507,738
Buildings & improvements	187,215,613	183,893,664	184,146,330	3,321,949	(252,666)
Library books	88,004	97,585	104,671	(9,581)	(7,086)
Equipment	11,795,907	12,802,414	7,346,238	(1,006,507)	5,456,176
Right-to-use assets	2,044,544	2,642,657	1,796,488	(598,113)	846,169
	\$213,069,506	\$218,293,691	\$210,743,360	\$ (5,224,185)	\$ 7,550,331



Additional information on the District's capital assets can be found in Note 6 of this report.

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

At the end of the current fiscal year, the District had total liabilities of \$184.8 million. Of this amount, \$155.1 is reported for long-term liabilities, a decrease of \$12.7 million from the previous fiscal year. Amounts reported for long-term liabilities for the current and two previous years are as follows:

	Long-Term Liabilities				
	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Bonds & notes	\$ 89,579,181	\$ 98,771,627	\$ 107,476,218	\$ (9,192,446)	\$ (8,704,591)
Compensated absence	1,273,753	1,242,744	1,256,024	31,009	(13,280)
Finance agreements	93,748	1,092,844	2,057,585	(999,096)	(964,741)
Leases/SBITAs	2,161,129	2,691,849	1,796,488	(530,720)	895,361
Pension/OPEB liabilities	62,016,025	64,039,910	68,175,358	(2,023,885)	(4,135,448)
	<u>\$ 155,123,836</u>	<u>\$ 167,838,974</u>	<u>\$ 180,761,673</u>	<u>\$ (12,715,138)</u>	<u>\$ (12,922,699)</u>

Bonds and notes payable decreased by \$9.2 million due to scheduled principal payments of \$8.6 million. Pension and other post-employment benefit (OPEB) liabilities decreased by \$2.0 million. These amounts are reported in accordance with GASB Statement No. 68/75 and are determined based upon actuarial valuations performed on the plans. The total impact to net position for the pension and OPEB liabilities and related deferred inflows/outflows are as follows:

	Impact of Pension/OPEB Amounts on Net Position				
	(thousands of dollars)				
	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Pension	\$ (12,642)	\$ (12,270)	\$ (13,375)	\$ (372)	\$ 1,105
OPEB	(38,811)	(49,355)	(52,236)	10,544	2,881
Total Impact on Net Position	<u>\$ (51,453)</u>	<u>\$ (61,625)</u>	<u>\$ (65,611)</u>	<u>\$ 10,172</u>	<u>\$ 3,986</u>

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 liabilities and outstanding bonds 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.

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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)

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Operating Revenues:					
Tuition and fees	\$ 21,974	\$ 20,284	\$ 21,408	\$ 1,690	\$ (1,124)
Federal grants and contracts	4,692	26,965	21,870	(22,273)	5,095
State grants and contracts	1,340	1,212	1,497	128	(285)
Auxiliary enterprises	5,606	5,241	4,558	365	683
Other operating revenues	3,939	3,977	14,185	(38)	(10,208)
Total Operating Revenues	37,551	57,679	63,518	(20,128)	(5,839)
Operating Expenses:					
Instruction	38,637	37,523	35,253	1,114	2,270
Public service	681	623	1,034	58	(411)
Academic support	5,061	4,501	4,022	560	479
Student services	10,131	8,902	8,960	1,229	(58)
Institutional support	20,456	23,649	33,247	(3,193)	(9,598)
Operation and maintenance of plant	11,871	11,095	9,777	776	1,318
Scholarships and fellowships	8,438	17,493	10,674	(9,055)	6,819
Auxiliary enterprises	9,538	9,485	9,889	53	(404)
Depreciation expense	11,116	10,234	9,297	882	937
Total Operating Expenses	115,929	123,505	122,153	(7,576)	1,352
Operating Gain (Loss)	(78,378)	(65,826)	(58,635)	(12,552)	(7,191)
Non-Operating Revenues (Expenses)	81,704	73,180	69,909	8,524	3,271
Increase (Decrease) in Net Position	3,326	7,354	11,274	(4,028)	(3,920)
Net Position, Beginning	63,698	56,344	45,070	7,354	11,274
Net Position, Ending	\$ 67,024	\$ 63,698	\$ 56,344	\$ 3,326	\$ 7,354

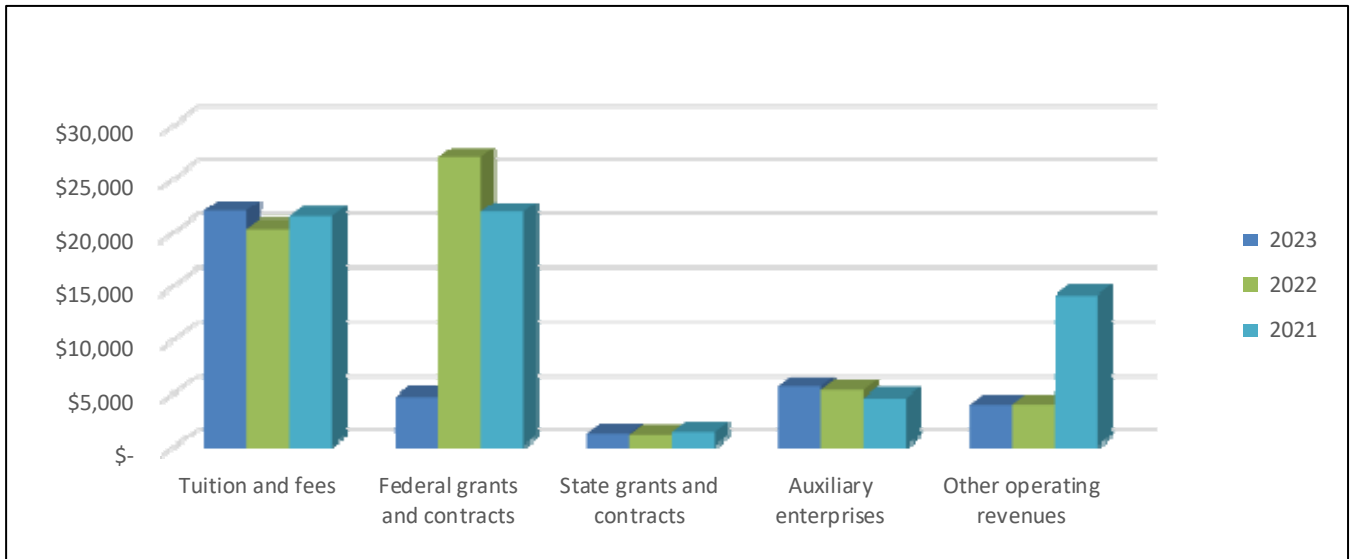
The Statement of Revenues, Expenses, and Changes in Net Position reflects a positive year an increase of \$3.3 million in the net position at the end of the year. Some highlights of the information presented on the Statement of Revenues, Expenses, and Changes in Net Position are discussed in the following section.

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The nonoperating revenues (expenses) are comprised of revenues from state appropriations of \$25.0 million, property taxes of \$32.8 million, Title IV financial assistance of \$22.2 million, investment income of \$1.2 million, and expenses for interest/fees on capital-related debt of \$2.4 million. These numbers compare to the FY 2022 nonoperating revenues (expenses) of \$24.9 million in state appropriations, \$30.4 million in property taxes, \$20.9 million in Title IV financial assistance, \$0.2 million in investment income, and \$3.2 million in interest paid on capital related debt. The total for nonoperating revenues (expenses) increased by \$8.5 million from the previous fiscal year primarily due to an increase in property taxes of \$2.4 million and an increase in Title IV financial assistance of \$1.3 million.

Operating Revenue by Type
(thousands of dollars)

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Tuition and fees	\$ 21,974	\$ 20,284	\$ 21,408	\$ 1,690	\$ (1,124)
Federal grants and contracts	4,692	26,965	21,870	(22,273)	5,095
State grants and contracts	1,340	1,212	1,497	128	(285)
Auxiliary enterprises	5,606	5,241	4,558	365	683
Other operating revenues	3,939	3,977	14,185	(38)	(10,208)
Total Operating Revenues	\$ 37,551	\$ 57,679	\$ 63,518	\$ (20,128)	\$ (5,839)



The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Student tuition and fees increased by \$1.7 million due to the increase in student headcount. Federal grants and contracts decreased by \$22.3 million due to a decline in the Higher Education Emergency Relief Fund (HEERF) awards for the student portion. Auxiliary enterprise revenue increased by \$0.4 million due to a significant increase in residential housing occupancy. Miscellaneous and other revenues remained flat in FY 2023 at \$3.94 million compared to \$3.98 million in FY 2022.

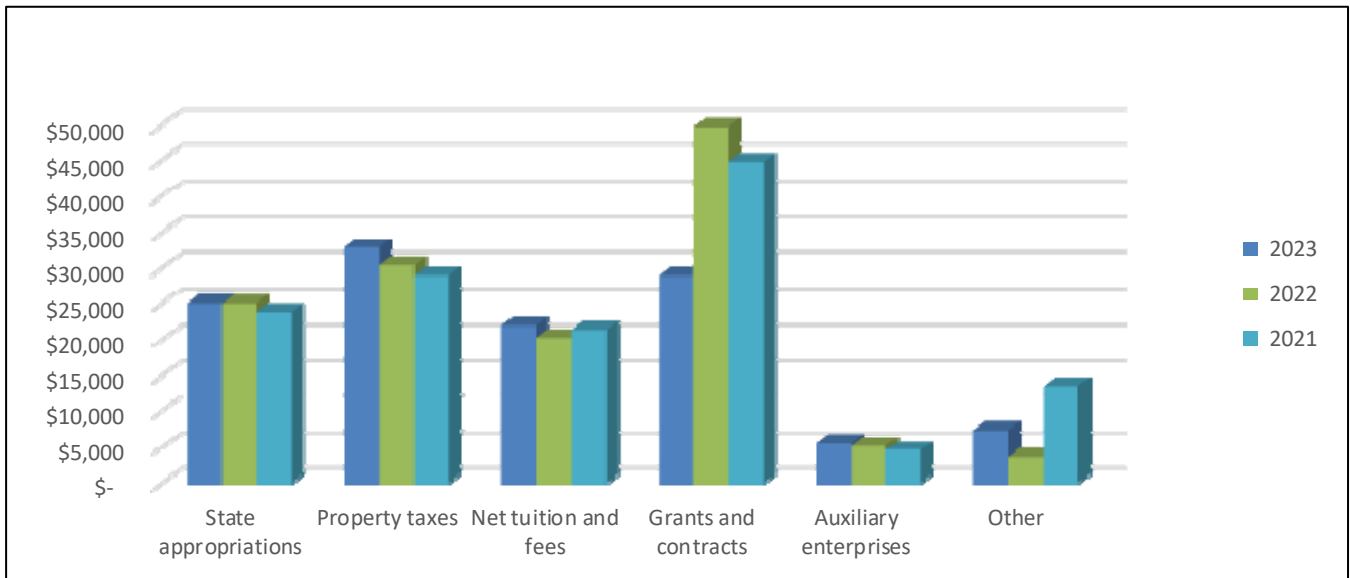
TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The auxiliary services, other than the residence halls, are not self-supporting activities. Two principal auxiliary services, athletics and the TJC 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 a decrease of \$12.4 million in total revenue from 2022 to 2023.

Total Revenues by Source
(thousands of dollars)

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
State appropriations	\$ 25,011	\$ 24,950	\$ 23,758	\$ 61	\$ 1,192
Property taxes	32,756	30,374	28,950	2,382	1,424
Net tuition and fees	21,974	20,284	21,408	1,690	(1,124)
Grants and contracts	28,960	49,704	44,740	(20,744)	4,964
Auxiliary enterprises	5,606	5,241	4,558	365	683
Other	7,356	3,526	13,569	3,830	(10,043)
Total Revenues	\$ 121,663	\$ 134,079	\$ 136,983	\$ (12,416)	\$ (2,904)

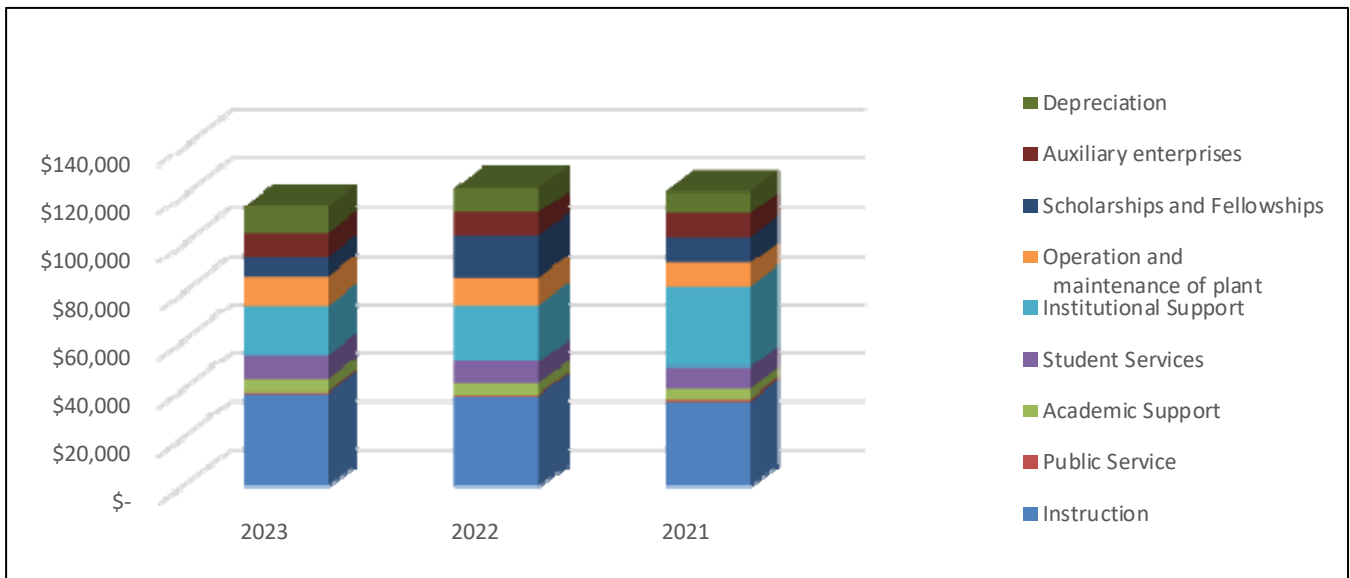


TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

While the District's operating revenues experienced a decrease of \$20.1 million, the operating expenses experienced a decrease of \$7.6 million from the previous fiscal year.

Operating Expenses by Function
(thousands of dollars)

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Instruction	\$ 38,637	\$ 37,523	\$ 35,253	\$ 1,114	\$ 2,270
Public Service	681	623	1,034	58	(411)
Academic Support	5,061	4,501	4,022	560	479
Student Services	10,131	8,902	8,960	1,229	(58)
Institutional Support	20,456	23,649	33,247	(3,193)	(9,598)
Operation and maintenance of plant	11,871	11,095	9,777	776	1,318
Scholarships and Fellowships	8,438	17,493	10,674	(9,055)	6,819
Auxiliary enterprises	9,538	9,485	9,889	53	(404)
Depreciation	11,116	10,234	9,297	882	937
Total operating expenses	\$ 115,929	\$ 123,505	\$ 122,153	\$ (7,576)	\$ 1,352

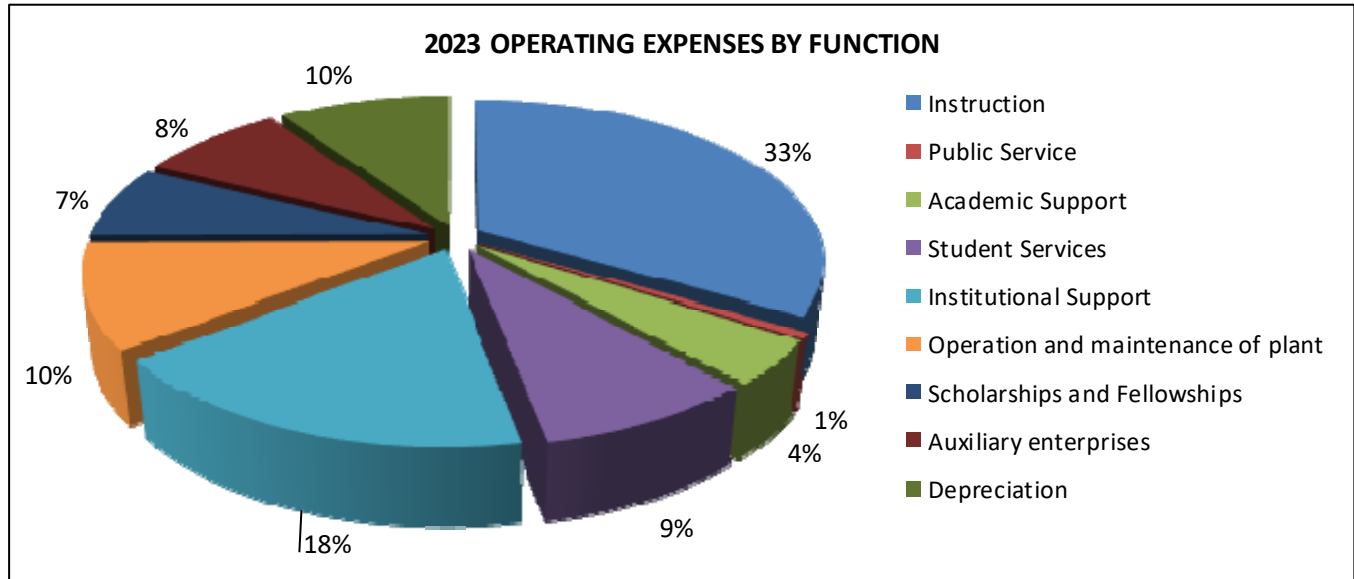


Costs to maintain enrollment at the District remained strong at \$38.6 million for FY 2023. There was an increase of \$1.1 million (3%) in instruction costs due to the implementation of the Texas Association of School Boards (TASB) salary and compensation study the District commissioned during FY 2023. Public service expenses increased by \$0.1 million (17%) due to the implementation of the salary and compensation study. Academic support increased by \$0.6 million (13%) and student service expenses increased by \$1.2 million (13%) due to the implementation of the salary and compensation study. The expenses for institutional support decreased by \$3.2 million (-13%) due to the fact that activities in this category funded by HEERF funds in FY2022 were completed. HEERF-supported activities in this category decreased from \$5.6 million in FY2022 to \$2.1 million in FY2023.

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The increase of \$0.8 million (7%) in operation and maintenance of plant expenses and the increase of \$0.1 million (0%) in auxiliary enterprise expenses in FY 2023 are also due to the implementation of the salary and compensation study. Scholarships and fellowships decreased by \$9.1 million (-52%) due to the significant reduction in student grant aid awards funded with HEERF funds in FY2023.

The District's operating expenses are reported by function for fiscal year 2023 as follows:

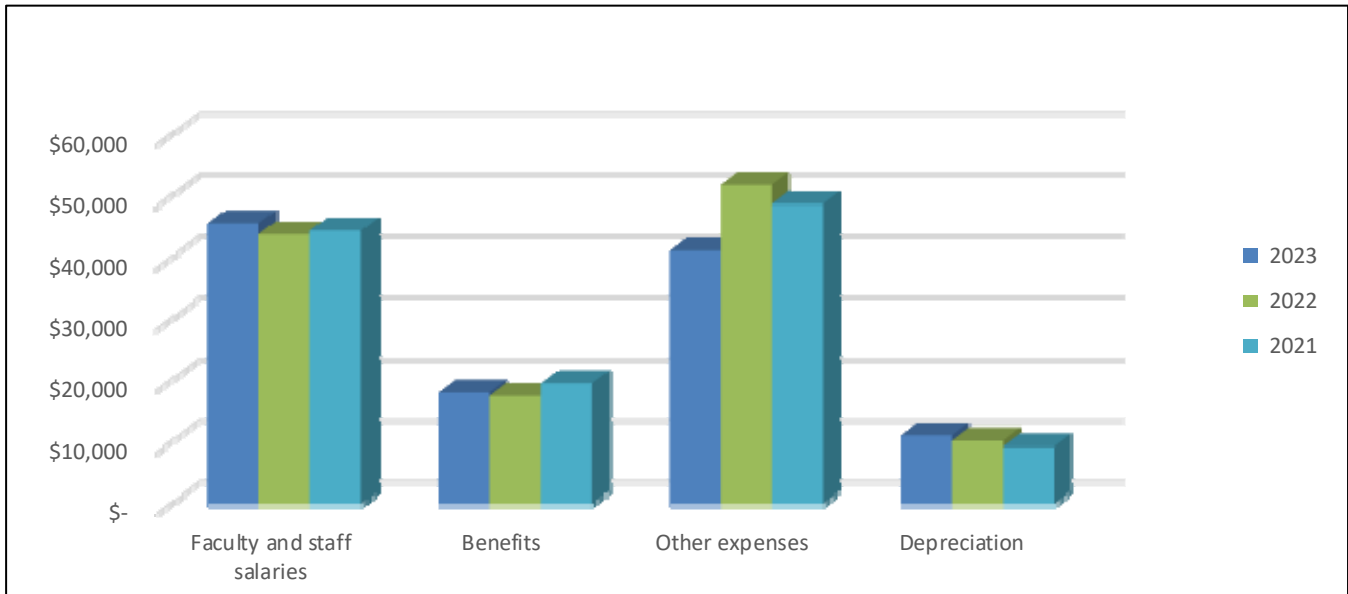


Although the District's operating expenses are reported by functional classification, the operating expenses restated by their natural classification is necessary because each function contains each of the natural classification expenses except depreciation that is considered both a functional and natural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

Operating Expenses by Natural Classification
 (thousands of dollars)

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Faculty and staff salaries	\$ 45,641	\$ 43,885	\$ 44,515	\$ 1,756	\$ (630)
Benefits	18,038	17,505	19,591	533	(2,086)
Other expenses	41,133	51,881	48,749	(10,748)	3,132
Depreciation	11,116	10,234	9,297	882	937
Total operating expenses	\$ 115,928	\$ 123,505	\$ 122,152	\$ (7,577)	\$ 1,353

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)



Approximately \$45.6 million (39.4%) of the District’s \$115.9 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$63.7 million is 54.9% of the District’s total operating expenses, as compared to 49.7% in FY 2022 and 52.5% in FY 2021. The second highest portion of the operating expenses is the \$41.1 million (35.5%) of operating expenses that the District paid in FY 2023 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$52.4 million in FY 2022 and \$48.7 million in FY 2021. Depreciation expense increased by \$0.9 million (9%) to equate to \$11.1 million for FY 2023 as compared to \$10.2 million in FY 2022 and \$9.3 million in FY 2021.

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.

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Condensed Statement of Cash Flows
(thousands of dollars)

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Cash provided (used) by:					
Operating activities	\$ (64,298)	\$ (46,363)	\$ (53,412)	\$ (17,935)	\$ 7,049
Noncapital financing activities	79,867	70,803	64,996	9,064	5,807
Capital and related financing activities	(20,808)	(26,314)	(19,804)	5,506	(6,510)
Investing activities	1,198	208	111	990	97
Net Change in Cash	<u>(4,041)</u>	<u>(1,666)</u>	<u>(8,109)</u>	<u>(2,375)</u>	<u>6,443</u>
Cash, Beginning of Year	24,254	25,919	34,028	(1,665)	(8,109)
Cash, End of Year	<u><u>\$ 20,213</u></u>	<u><u>\$ 24,253</u></u>	<u><u>\$ 25,919</u></u>	<u><u>\$ (4,040)</u></u>	<u><u>\$ (1,666)</u></u>

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY 2023 totaled \$36.9 million as compared to \$57.0 million in FY 2022. Operating cash outlay payments totaled \$101.2 million in FY 2023 as compared to \$103.4 million in FY 2022. These receipts and cash outlay payments resulted in a decrease of \$17.9 million in net cash used by operating activities in FY 2023.

State educational contracts were once the primary source of noncapital financing. Nonoperating federal revenue and property tax 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 FY 2023, \$79.9 million was received as net cash provided by noncapital financing activities as compared to \$70.8 million in FY 2022.

Capital and related financing activities in FY 2023 included \$7.5 million expended for campus construction, improvements, and renovations, compared to \$13.6 in FY 2022. Financing outflows also include expenditures for debt service payments on bonds, leases, subscription-based information technology agreements, financing agreements, and the related interest charges. Outflows for long-term debt in FY 2023 was \$13.3 million compared to \$27.7 million in FY 2022. The decrease of \$14.3 million was due to the District retiring the outstanding balance of the Series 2022 General Obligation Bonds in the amount of \$15.3 million in FY 2022.

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 FY 2023 was an increase of \$1.0 million when compared to FY 2022.

TYLER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 increased slightly for the 2022-2023 academic year as compared to the enrollment for the 2021-2022 year. This compares to a slight increase in enrollment for the 2021- 2022 academic year when compared with the 2020-2021 year. Unemployment rates within the District boundaries continue to remain low as the disruption caused by the global coronavirus pandemic eases. Unemployment rates are expected to remain low. The District continued efforts to maintain enrollment into Fall 2023 and provide support and assistance to students to encourage their continued success. The addition of new programs and certificates; the expansion of current classes; and the increased offerings of academic and technical dual credit to the local high school students continue to positively contribute to the District's enrollment.

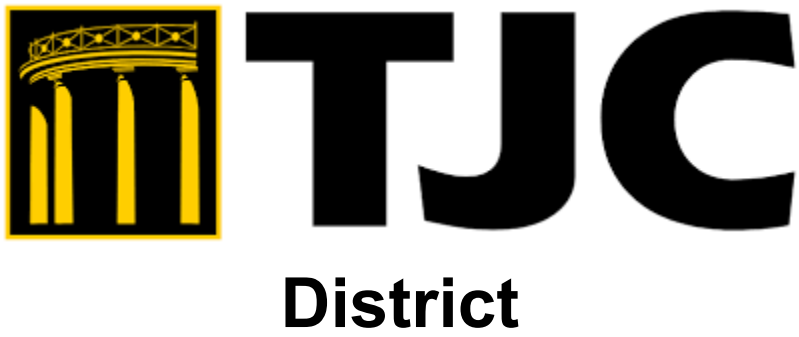
The District's overall financial position is strong. The District underwent credit rating reviews with Standard & Poor's Rating Services during the 2023 year. Standard & Poor's assigned its 'AA+' long-term rating for the District's Series 2023 Maintenance Tax Notes, with a stable outlook. As part of the issuance process, S&P Global Ratings affirmed the District's tax-supported bond rating of "AA+" stating the rating reflects: strong and growing economic base that includes the City of Tyler, which serves as a regional trade, service, and health care center; stable-to-growing enrollment base trends, following a period of modest pandemic-induced reduction in demand; and moderate overall net debt profile, with rapid amortization. Additionally, S&P Global Ratings upgraded the District's revenue-supported bond rating from 'A+' to 'AA+'.

Even with the positive financial position, the District continues to work with the supply- chain challenges and heightened inflation that may linger over the coming year. 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, strong ad-valorem tax valuation changes and the ability to adjust student fees, the District anticipates fiscal year 2024 will be comparable to fiscal year 2024 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.

BASIC FINANCIAL STATEMENTS





TYLER JUNIOR COLLEGE DISTRICT
STATEMENT OF NET POSITION
August 31, 2023 and 2022

Exhibit 1

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,212,745	\$ 24,254,328
Accounts receivable, net	24,646,058	22,594,331
Prepaid expenses	242,354	422,288
Total current assets	<u>45,101,157</u>	<u>47,270,947</u>
Noncurrent assets:		
Other noncurrent assets	8,752	10,016
Capital assets, net	213,069,506	218,293,690
Total noncurrent assets	<u>213,078,258</u>	<u>218,303,706</u>
Total Assets	<u>258,179,415</u>	<u>265,574,653</u>
Deferred Outflows of Resources		
Deferred outflows related to pension activities	7,665,039	2,809,993
Deferred outflows related to OPEB activities	6,088,334	6,924,000
Total Deferred Outflows of Resources	<u>13,753,373</u>	<u>9,733,993</u>
Liabilities		
Current liabilities:		
Accounts payable	1,301,721	4,189,114
Accrued liabilities	1,490,637	1,266,792
Funds held for others	2,737,480	2,721,481
Unearned revenue	24,168,237	23,105,791
Compensated absences - current portion	127,375	124,274
Lease/SBITA payable - current portion	751,356	1,612,648
Financing agreements - current portion	46,668	999,097
Bond payable - current portion	8,949,000	8,563,000
Net OPEB liability - current	1,167,297	1,156,634
Total current liabilities	<u>40,739,771</u>	<u>43,738,831</u>
Noncurrent liabilities:		
Compensated absences	1,146,378	1,118,470
Lease/SBITA payable	1,409,773	1,079,201
Net pension liability	17,116,303	7,760,512
Net OPEB liability	43,732,425	55,122,764
Financing agreements	47,080	93,747
Bonds payable	80,630,181	90,208,626
Total noncurrent liabilities	<u>144,082,140</u>	<u>155,383,320</u>
Total Liabilities	<u>184,821,911</u>	<u>199,122,151</u>
Deferred Inflows of Resources		
Deferred inflows related to pension activities	3,190,546	7,319,599
Deferred inflows related to OPEB activities	16,893,212	5,167,599
Total Deferred Inflows of Resources	<u>20,083,758</u>	<u>12,487,198</u>
Net Position		
Net Investment in capital assets	121,422,313	116,328,914
Restricted for:		
Expendable:		
Financial aid and scholarships	387,537	623,677
Debt service	2,883,713	2,877,841
Unrestricted	(57,666,444)	(56,131,135)
Total Net Position (Schedule D)	<u>\$ 67,027,119</u>	<u>\$ 63,699,297</u>

TYLER JUNIOR COLLEGE DISTRICT
DISCRETELY PRESENTED COMPONENT UNIT
STATEMENT OF FINANCIAL POSITION
Tyler Junior College Foundation
August 31, 2023 and August 31, 2022

Exhibit 1-1

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 2,671,246	\$ 1,745,819
Pledges Receivable, net	405,439	1,200,880
Deferred expenses	8,429	1,316
Deferred Construction Costs	2,090,000	387,831
Deferred Scholarships	733,830	865,176
Total Current Assets	<u>5,908,944</u>	<u>4,201,022</u>
Non-Current Assets:		
Pledges Receivable, net	1,656,304	2,467,191
Investments:		
Marketable Securities	87,539,454	80,922,178
Funds Held in Trust	139,335	214,207
Annuity Arbitrage	987,068	981,977
Charitable Gift Annuities	348,368	329,515
Real Estate and Mineral Interests	545,200	848,947
Other Investments	44,492	44,366
Total Investments	<u>89,603,917</u>	<u>83,341,190</u>
Total Non-Current Assets	<u>91,260,221</u>	<u>85,808,381</u>
Total Assets	<u>\$ 97,169,165</u>	<u>\$ 90,009,403</u>
Liabilities and Net Assets		
Liabilities:		
Current Liabilities:		
Due to Tyler Junior College	\$ 2,823,830	\$ 1,253,007
Accounts Payable	48,067	47,340
Accrued Interest	22,499	-
Deferred Revenue	74,580	75,212
Total Current Liabilities	<u>2,968,976</u>	<u>1,375,559</u>
Long-Term Liabilities:		
Line of Credit	1,510,000	2,415,344
Total Long-Term Liabilities	<u>1,510,000</u>	<u>2,415,344</u>
Total Liabilities	<u>4,478,976</u>	<u>3,790,903</u>
Net Assets:		
Without Donor Restrictions	17,080,255	13,745,145
With Donor Restrictions	75,609,934	72,473,355
Total Net Assets	<u>92,690,189</u>	<u>86,218,500</u>
Total Liabilities and Net Assets	<u>\$ 97,169,165</u>	<u>\$ 90,009,403</u>

TYLER JUNIOR COLLEGE DISTRICT

Exhibit 2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended August 31, 2023 and August 31, 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Tuition and fees (net of discounts of \$16,097,781 and \$16,798,279)	\$ 21,974,427	\$ 20,284,470
Federal grants and contracts	4,691,590	26,964,684
State grants and contracts	1,339,751	1,212,396
Local grants and contracts	745,581	659,387
Sales and services of educational activities	100,160	116,174
Investment income - program restricted	16,823	-
Auxiliary enterprises (net of discounts)	5,606,221	5,241,336
Miscellaneous operating revenues	3,076,456	3,200,427
Total Operating Revenues (Schedule A)	<u>37,551,009</u>	<u>57,678,874</u>
Operating Expenses		
Instruction	38,637,436	37,522,741
Public service	680,971	622,514
Academic support	5,060,902	4,501,409
Student services	10,130,608	8,902,253
Institutional support	20,455,589	23,648,742
Operation and maintenance of plant	11,870,715	11,094,872
Scholarships and fellowships	8,437,952	17,493,431
Auxiliary enterprises	9,537,804	9,485,455
Depreciation expense	11,115,692	10,233,599
Total Operating Expenses (Schedule B)	<u>115,927,669</u>	<u>123,505,016</u>
Operating income (loss)	(78,376,660)	(65,826,142)
Non-Operating Revenues (expenses)		
State appropriations	25,010,569	24,949,997
Ad valorem taxes (net)	32,755,980	30,374,222
Federal revenue, non-operating	22,182,660	20,867,906
Investment income	1,197,534	208,478
Interest and fees on capital-related debt	(2,407,834)	(3,220,376)
Capital contributions	2,965,573	-
Non-Operating Revenue (expenses) (Schedule C)	<u>81,704,482</u>	<u>73,180,227</u>
Change in net position	3,327,822	7,354,085
Net Position - Beginning of Year	<u>63,699,297</u>	<u>56,345,212</u>
Net Position - End of Year	<u>\$ 67,027,119</u>	<u>\$ 63,699,297</u>

TYLER JUNIOR COLLEGE DISTRICT

Exhibit 2-1

STATEMENTS OF ACTIVITIES

Tyler Junior College Foundation

For the Year Ended August 31, 2023 with Comparative Totals for August 31, 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions of cash and other financial assets	\$ 177,119	\$ 4,171,896	\$ 4,349,015	\$ 93,073	\$ 4,666,167	\$ 4,759,240
Contributions of nonfinancial assets	20,290	152,311	172,601	12,200	230,758	242,958
Special events	121,343	-	121,343	132,298	-	132,298
Unrealized gain (loss) on investments	5,758,118	(103,990)	5,654,128	(13,679,082)	182,720	(13,496,362)
Realized gain on investments	47,628	-	47,628	693,053	16,449	709,502
Investment income	1,957,767	212,402	2,170,169	2,523,048	210,381	2,733,429
Donor transfers in (out)	(3,656,465)	3,656,465	-	(3,589,303)	3,589,303	-
Net assets released from donor restrictions:						
Satisfaction of program restrictions	4,952,505	(4,952,505)	-	4,063,650	(4,063,650)	-
Total Support and Revenue	<u>9,378,305</u>	<u>3,136,579</u>	<u>12,514,884</u>	<u>(9,751,063)</u>	<u>4,832,128</u>	<u>(4,918,935)</u>
Expenses						
Program	5,378,851	-	5,378,851	4,096,943	-	4,096,943
General and Administrative	490,342	-	490,342	429,914	-	429,914
Fundraising	174,002	-	174,002	136,701	-	136,701
Total Expenses	<u>6,043,195</u>	<u>-</u>	<u>6,043,195</u>	<u>4,663,558</u>	<u>-</u>	<u>4,663,558</u>
Change in Net Assets	3,335,110	3,136,579	6,471,689	(14,414,621)	4,832,128	(9,582,493)
Net Assets, beginning	13,745,145	72,473,355	86,218,500	28,159,766	67,641,227	95,800,993
Net Assets, ending	<u>\$ 17,080,255</u>	<u>\$ 75,609,934</u>	<u>\$ 92,690,189</u>	<u>\$ 13,745,145</u>	<u>\$ 72,473,355</u>	<u>\$ 86,218,500</u>

TYLER JUNIOR COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Years Ended August 31, 2023 and 2022

Exhibit 3

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Receipts from students and other customers	\$ 21,576,549	\$ 17,415,946
Receipts from operating grants and contracts	8,221,971	31,589,551
Receipts from auxiliary enterprises	5,606,221	5,241,336
Other cash receipts	1,530,591	2,745,495
Payments to suppliers for goods and services	(44,469,426)	(47,733,596)
Payments to or on behalf of employees	(56,493,747)	(54,773,002)
Payments for scholarships and fellowships	-	(848,605)
Loans issued to students	(270,508)	-
Net cash (used) by operating activities	<u>(64,298,349)</u>	<u>(46,362,875)</u>
Cash flows from non-capital financing activities:		
Receipts from state appropriations	25,010,569	19,501,230
Receipts from ad valorem taxes	32,674,182	20,867,906
Receipts from federal grants for non-operating activities	22,182,660	30,434,290
Net cash provided by non-capital financing activities	<u>79,867,411</u>	<u>70,803,426</u>
Cash flows from capital and related financing activities:		
Proceeds from capital debt (net of issuance cost)	-	14,250,786
Proceeds from capital financing agreement	-	737,550
Purchase of capital assets	(7,461,277)	(13,619,363)
Payments on capital bonds/notes - principal	(8,563,000)	(23,002,776)
Payments on leases - principal	(379,726)	(336,155)
Payments on SBITAs - principal	(367,800)	(169,512)
Payments on financing agreements - principal	(999,096)	(964,741)
Payments on long-term debt - interest and fees	(3,037,280)	(3,084,214)
Bond issue costs paid on new capital debt issue	-	(125,400)
Net cash provided (used) by capital and related financing activities	<u>(20,808,179)</u>	<u>(26,313,825)</u>
Cash flows from investing activities:		
Investment income	1,197,534	208,478
Net cash provided (used) by investing activities	<u>1,197,534</u>	<u>208,478</u>
Increase (decrease) in cash and cash equivalents	(4,041,583)	(1,664,796)
Cash and cash equivalents, beginning of year	<u>24,254,328</u>	<u>25,919,124</u>
Cash and cash equivalents, end of year	<u>\$ 20,212,745</u>	<u>\$ 24,254,328</u>
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (78,376,660)	\$ (65,826,142)
Adjustments:		
Depreciation/amortization expense	11,115,692	10,233,599
Payments made directly by state for benefits	5,377,560	5,448,767
Amortization of deferred charges	(629,446)	(287,424)
Other revenues (expenses)	-	(1,105,629)
Changes in assets and liabilities:		
(Increase) decrease in receivables (net)	(1,964,630)	4,853,905
(Increase) decrease in prepaid expenses	179,934	5,576,537
(Increase) decrease in pension/OPEB related deferred outflows	(4,019,380)	20,328,344
Increase (decrease) in accounts payable	(2,887,393)	(972,284)
Increase (decrease) in accrued liabilities	223,845	-
Increase (decrease) in funds held for others	15,999	-
Increase (decrease) in unearned revenues	1,062,446	(5,085,519)
Increase (decrease) in compensated absences	31,009	(12,920)
Increase (decrease) in net pension liability	9,355,791	(8,454,384)
Increase (decrease) in net OPEB liability	(11,379,676)	4,318,396
Increase (decrease) in pension/OPEB related deferred inflows	7,596,560	(15,010,702)
Net cash (used) by operating activities	<u>\$ (64,298,349)</u>	<u>\$ (45,995,456)</u>
Schedule of non-cash capital and related financing activities		
Contribution of capital assets	2,965,573	-

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC 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, 2023 and 2022, the foundation distributed \$5,378,851 and \$4,096,943 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://foundation.tjc.edu/s/1945/bp21/interior.aspx?sid=1945&gid=2&pgid=544>.

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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 2 — Summary Of Significant Accounting Policies (continued)

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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 2 — Summary Of Significant Accounting Policies (continued)

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 one year or less 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 assets that applies to future periods 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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 2 — Summary Of Significant Accounting Policies (continued)

Allowance for Doubtful Accounts

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

Capital Assets

Capital assets include land, infrastructure, buildings, improvements, equipment, the intangible right-to-use lease assets, and the intangible right to use subscription-based information technology arrangements (“SBITAs” or “subscription assets”). The District's board voted to set a capitalization policy for tangible assets with a unit cost of \$5,000 and an estimated useful life of greater than one year for tangible assets. 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. The capitalization policy for intangible assets with a unit cost of \$200,000 and an estimated useful life of greater than one year. The measurement of the intangible right-to-use assets and SBITAs are discussed in their respective sections of this note.

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

<u>Asset Class</u>	<u>Years</u>
Buildings and renovations	50
Improvements	20
Equipment	10
Library Books	10
Right-to-use lease assets	Lesser of underlying asset's useful life or lease term
Right-to-use subscription asset	Subscription term

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 2 — Summary Of Significant Accounting Policies (continued)

Leases and Subscription-Based Information Technology Arrangements (SBITAs)

The District is under contract for various agreements for leases for the right-to-use lease assets and SBITAs for the right-to-use subscription assets (software). The agreements are noncancellable, and the District recognizes a liability and an intangible right-to-use asset for agreements with an initial, individual value of \$200,000 or more.

At the commencement of the agreement, the District initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of payments made. The intangible capital asset is initially measured as the sum of (1) the initial liability amount, (2) payments made to the vendor before commencement of the contract/subscription term, and (3) capitalizable implementation costs, less any incentives received from the vendor at or before the commencement of the term. Key estimates and judgments related to leases and SBITAs include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) terms, and (3) payments.

- The District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.
- The term includes the noncancellable period of the right to use the intangible capital asset and payments included in the measurement of the liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its assets and liabilities and will remeasure if certain changes occur that are expected to significantly affect the amount of the liability. The intangible capital assets are reported with other capital assets and liabilities are reported with long-term debt on the statement of net position.

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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 2 — Summary Of Significant Accounting Policies (continued)

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 \$24,168,237 and \$23,105,791 as of August 31, 2023 and 2022 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 2.00% 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 assets that applies to future periods 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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 2 — Summary Of Significant Accounting Policies (continued)

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.

Implementation of New Standards

GASB Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* was issued in March 2020 and is effective for periods beginning after June 15, 2022. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for periods beginning after June 15, 2022. The District has evaluated the effects of this standard and has determined that it does not impact the financial statements.

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITA), was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. As such the District has incorporated such SBITAs into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

GASB issued Statement No. 99, *Omnibus 2022* was issued in April 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this Statement are effective immediately upon issuance, for periods beginning after June 15, 2022 and June 15, 2023, depending on the topical area.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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, 2023 and August 31, 2022, the District had the following deposits and investments:

	<u>2023</u>	<u>2022</u>
Cash and Demand Deposits:		
Petty cash on hand and change funds	\$ 3,485	\$ 3,485
Demand deposits	16,466,874	18,589,558
Government Investment Pools:		
TexPool	<u>3,742,386</u>	<u>5,661,285</u>
Total Cash and Cash Equivalents	<u><u>\$ 20,212,745</u></u>	<u><u>\$ 24,254,328</u></u>

The bank balance of the District’s demand deposits as of August 31, 2023 and August 31, 2022, were \$19,134,237 and \$21,206,318, respectively. All of the District’s demand deposits were fully insured by FDIC insurance and collateral held by the depository’s trust department in the District’s name.

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 23 days.

Credit Risk – The District’s investment pool with TexPool has an AAAM rating with Standard and Poor’s.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 5 — Disaggregation Of Receivables And Payables Balances

Receivables at August 31, 2023 and August 31, 2022 were as follows:

	2023	2022
Property taxes receivable	\$ 1,626,202	\$ 1,506,589
Allowance for doubtful accounts	<u>(857,953)</u>	<u>(820,138)</u>
Property taxes receivable, net	<u>768,249</u>	<u>686,451</u>
Tuition and fees receivable	24,097,277	21,694,612
Allowance for doubtful accounts	<u>(6,932,789)</u>	<u>(5,851,501)</u>
Tuition and fees receivable, net	<u>17,164,488</u>	<u>15,843,111</u>
Student loan receivable	2,076,878	2,086,716
Allowance for doubtful accounts	<u>(1,790,371)</u>	<u>(2,086,716)</u>
Student loan receivable, net	<u>286,507</u>	<u>-</u>
Federal receivable	1,167,915	2,905,618
Other receivables	<u>5,258,899</u>	<u>3,159,151</u>
Total receivables, net	<u><u>\$24,646,058</u></u>	<u><u>\$22,594,331</u></u>

Accounts payable and accrued liabilities at August 31, 2023 and August 31, 2022 were as follows:

	2023	2022
Vendors payable	\$ 1,301,721	\$ 4,189,114
Salaries and benefits payable	772,323	724,123
Interest payable	124,813	130,434
Other accrued liabilities	<u>593,501</u>	<u>412,235</u>
Total payables	<u><u>\$ 2,792,358</u></u>	<u><u>\$ 5,455,906</u></u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 6 — Capital Assets

Capital asset activity for the year ended August 31, 2023 was as follows:

	Balance 09/01/22	Additions	Retirements	Transfers	Balance 08/31/23
Capital assets, not being depreciated					
Land	\$ 11,925,438	\$ -	\$ -	\$ -	\$ 11,925,438
Construction in progress	6,931,933	3,221,287	-	(10,153,220)	-
Total capital assets, not being depreciated	<u>18,857,371</u>	<u>3,221,287</u>	<u>-</u>	<u>(10,153,220)</u>	<u>11,925,438</u>
Capital assets, being depreciated/amortized					
Buildings	251,308,743	-	-	10,153,220	261,461,963
Improvements	51,227,289	706,462	-	-	51,933,751
Library books	277,274	14,568	(50,349)	-	241,493
Equipment	58,664,682	1,595,946	(453,497)	-	59,807,131
Right-to-use lease asset	2,032,785	161,557	-	-	2,194,342
Right-to-use subscription asset	1,178,542	236,606	-	-	1,415,148
Total capital assets, being depreciated/amortized	<u>364,689,315</u>	<u>2,715,139</u>	<u>(503,846)</u>	<u>10,153,220</u>	<u>377,053,828</u>
Accumulated depreciation/amortization					
Buildings	(86,133,591)	(5,846,703)	-	-	(91,980,294)
Improvements	(32,508,777)	(1,691,030)	-	-	(34,199,807)
Library books	(179,689)	(24,149)	50,349	-	(153,489)
Equipment	(45,862,268)	(2,557,534)	408,578	-	(48,011,224)
Right-to-use lease asset	(367,419)	(605,171)	-	-	(972,590)
Right-to-use subscription asset	(201,251)	(391,105)	-	-	(592,356)
Total accumulated depreciation/amortization	<u>(165,252,995)</u>	<u>(11,115,692)</u>	<u>458,927</u>	<u>-</u>	<u>(175,909,760)</u>
Net capital assets	<u>\$ 218,293,691</u>	<u>\$ (5,179,266)</u>	<u>\$ (44,919)</u>	<u>\$ -</u>	<u>\$ 213,069,506</u>

Capital asset activity for the year ended August 31, 2022 was as follows:

	Balance, as Restated 09/01/21	Additions	Retirements	Transfers	Balance 08/31/22
Capital assets, not being depreciated					
Land	\$ 11,925,438	\$ -	\$ -	\$ -	\$ 11,925,438
Construction in progress	5,424,195	8,216,491	-	(6,708,753)	6,931,933
Total capital assets, not being depreciated	<u>17,349,633</u>	<u>8,216,491</u>	<u>-</u>	<u>(6,708,753)</u>	<u>18,857,371</u>
Capital assets, being depreciated/amortized					
Buildings	249,098,325	-	-	2,210,418	251,308,743
Improvements	46,403,888	325,066	-	4,498,335	51,227,289
Library books	302,540	20,641	(45,907)	-	277,274
Equipment	51,094,966	7,806,893	(237,177)	-	58,664,682
Right-to-use lease asset	1,796,488	236,297	-	-	2,032,785
Right-to-use subscription asset	-	1,178,542	-	-	1,178,542
Total capital assets, being depreciated/amortized	<u>348,696,207</u>	<u>9,567,439</u>	<u>(283,084)</u>	<u>6,708,753</u>	<u>364,689,315</u>
Accumulated depreciation/amortization					
Buildings	(80,351,358)	(5,782,233)	-	-	(86,133,591)
Improvements	(31,004,525)	(1,504,252)	-	-	(32,508,777)
Library books	(197,869)	(27,727)	45,907	-	(179,689)
Equipment	(43,748,728)	(2,350,717)	237,177	-	(45,862,268)
Right-to-use lease asset	-	(367,419)	-	-	(367,419)
Right-to-use subscription asset	-	(201,251)	-	-	(201,251)
Total accumulated depreciation/amortization	<u>(155,302,480)</u>	<u>(10,233,599)</u>	<u>283,084</u>	<u>-</u>	<u>(165,252,995)</u>
Net capital assets	<u>\$ 210,743,360</u>	<u>\$ 7,550,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,293,691</u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 7 — Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2023 was as follows:

	Balance 09/01/22	Additions	Retirements	Balance 08/31/23	Current Portion
Bonds and Notes Payable					
General obligation bonds	\$ 12,920,000	\$ -	\$ (1,195,000)	\$ 11,725,000	\$ 1,220,000
Revenue bonds	55,689,000	-	(4,142,000)	51,547,000	4,307,000
Maintenance tax notes	26,743,000	-	(3,226,000)	23,517,000	3,422,000
Premium	3,419,627	-	(629,446)	2,790,181	-
Total Bonds and Notes Payable	98,771,627	-	(9,192,446)	89,579,181	8,949,000
Other Liabilities					
Compensated absence	1,242,744	31,009	-	1,273,753	127,375
Financing agreements	1,092,844	-	(999,096)	93,748	46,668
Leases	1,682,819	-	(379,726)	1,303,093	349,745
SBITAs	1,009,030	216,806	(367,800)	858,036	401,611
Net pension liability	7,760,512	9,355,791	-	17,116,303	-
Net OPEB liability	56,279,398	-	(11,379,676)	44,899,722	1,167,297
Total Long-term Liabilities	\$ 167,838,974	\$ 9,603,606	\$ (22,318,744)	\$ 155,123,836	\$ 11,041,696

Long-term liability activity for the year ended August 31, 2022 was as follows:

	Balance, as Restated 09/01/21	Additions	Retirements	Balance 08/31/22	Current Portion
Bonds and Notes Payable					
General obligation bonds	\$ 15,275,000	\$ 12,920,000	\$ (15,275,000)	\$ 12,920,000	\$ 1,195,000
Revenue bonds	59,687,000	-	(3,998,000)	55,689,000	4,142,000
Maintenance tax notes	29,784,000	-	(3,041,000)	26,743,000	3,226,000
Premium	2,730,218	1,211,413	(522,004)	3,419,627	-
Total Bonds and Notes Payable	107,476,218	14,131,413	(22,836,004)	98,771,627	8,563,000
Other Liabilities					
Compensated absence	1,256,024	64,850	(78,130)	1,242,744	124,274
Financing agreements	2,057,585	-	(964,741)	1,092,844	999,096
Leases	1,796,488	222,486	(336,155)	1,682,819	1,288,168
SBITAs	-	1,178,542	(169,512)	1,009,030	324,480
Net pension liability	16,214,896	-	(8,454,384)	7,760,512	-
Net OPEB liability	51,960,462	4,318,936	-	56,279,398	1,156,634
Total Long-term Liabilities	\$ 180,761,673	\$ 19,916,227	\$ (32,838,926)	\$ 167,838,974	\$ 12,455,652

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 8 — Bonds Payable

Bonds payable as of August 31, 2023 and August 31, 2022 were comprised of the following:

Name (Issuance Date)	Original Amount	Authorized Amount	Outstanding Balance	
			08/31/23	08/31/22
Series 2022 Refunding (February 2022) Maturity Date: February 2032 Interest Rate: 2.000% to 4.000% Purpose: Retire remaining Series 2012 bonds Source of Revenue for Debt Service: Designated property tax revenues	\$ 12,920,000	\$ 12,920,000	\$ 11,725,000	\$ 12,920,000
Combined Fee Revenue Bonds, Series 2013 (December 2013) Maturity Date: August 2028 Interest Rate: 2.650% to 3.200% Purpose: Construct new Energy Center on West Campus Source of Revenue for Debt Service: Pledged revenues consisting of certain tuition, fees, and auxiliary revenues	9,705,000	9,705,000	3,845,000	4,550,000
Combined Fee Revenue Bonds, Series 2014 (February 2014) Maturity Date: August 2034 Interest Rate: 4.000% to 4.125% Purpose: Construct new residence hall and complete new Nursing and Health Sciences Building Source of Revenue for Debt Service: Pledged revenues consisting of certain tuition, fees, and auxiliary revenues	41,385,000	41,385,000	27,195,000	29,195,000
Combined Fee Revenue Bonds, Series 2015 (March 2015) Maturity Date: August 2030 Interest Rate: 2.620% Purpose: Construct new residence hall Source of Revenue for Debt Service: Pledged revenues consisting of certain tuition, fees, and auxiliary revenues	5,316,000	5,316,000	2,932,000	3,309,000
Combined Fee Revenue Bonds, Series 2016 (August 2016) Maturity Date: August 2036 Interest Rate: 2.000% to 5.000% Purpose: Retire remaining Series 2006 bonds Source of Revenue for Debt Service: Pledged revenues consisting of certain tuition, fees, and auxiliary revenues	27,325,000	27,325,000	17,575,000	18,635,000
Maintenance Tax Note, Series 2015 (March 2015) Maturity Date: February 2030 Interest Rate: 2.310% Purpose: Repairs and renovations of existing campus projects Source of Revenue for Debt Service: Designated property tax revenues	4,684,000	4,684,000	1,932,000	2,183,000
Maintenance Tax Note, Series 2016 (September 2016) Maturity Date: February 2026 Interest Rate: 2.000% Purpose: Repairs and renovations of existing campus projects Source of Revenue for Debt Service: Designated property tax revenues	9,830,000	9,830,000	5,055,000	6,675,000
Maintenance Tax Note, Series 2019 (September 2019) Maturity Date: February 2029 Interest Rate: 2.000% to 4.000% Purpose: Repairs and renovations of existing campus projects Source of Revenue for Debt Service: Designated property tax revenues	20,140,000	20,140,000	16,530,000	17,885,000
	<u>\$ 131,305,000</u>	<u>\$ 131,305,000</u>	<u>\$ 86,789,000</u>	<u>\$ 95,352,000</u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 8 — Bonds Payable (continued)

The future principal and interest bond payments as of August 31, 2023, were as follows:

Fiscal Year	Principal	Interest	Totals
2024	\$ 8,949,000	\$ 2,700,839	\$ 11,649,839
2025	9,315,000	2,461,532	11,776,532
2026	9,722,000	2,186,885	11,908,885
2027	10,134,000	1,902,794	12,036,794
2028	10,341,000	1,590,381	11,931,381
2029 - 2033	30,768,000	3,890,761	34,658,761
2034 - 2038	7,560,000	396,612	7,956,612
	<u>\$ 86,789,000</u>	<u>\$ 15,129,804</u>	<u>\$ 101,918,804</u>

Note 9 — Financing Agreements

The District has two separate financing agreements to purchase capital assets. The ownership of the assets transfer to the District at the end of the contract terms. The financing agreement liabilities outstanding as of August 31, 2023 and August 31, 2022, were as follows:

	Start Date	End Date	Interest Rate	Original Amount	Financing Agreement Liabilities		Capital Assets, Net	
					August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Equipment	01/01/19	12/31/23	3.695%	\$ 4,600,464	\$ -	\$ 952,835	\$ -	\$ 920,093
Technology	04/06/21	03/31/25	5.000%	233,360	93,748	140,009	92,119	138,788
				<u>\$ 4,833,824</u>	<u>\$ 93,748</u>	<u>\$ 1,092,844</u>	<u>\$ 92,119</u>	<u>\$ 1,058,881</u>

The future principal and interest financing agreement payments as of August 31, 2023, were as follows:

Fiscal Year	Principal	Interest	Totals
2024	\$ 46,668	\$ 825	\$ 47,493
2025	47,080	414	47,494
	<u>\$ 93,748</u>	<u>\$ 1,239</u>	<u>\$ 94,987</u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 10 — Leases

The District has obtained office space, copy machines, and vehicles through long-term lease agreements. The terms and conditions for the leases vary. All leases are fixed with periodic payments over the lease term, which ranges between 1-5 years. The lease liabilities outstanding as of August 31, 2023 and August 31, 2022, were as follows:

	Start Date	End Date	Interest Rate	Original Amount	Lease Liabilities		Right-to-use Assets, Net	
					August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Vehicles:								
Fleet A	03/01/22	02/28/26	1.870%	\$ 47,243	\$ 29,893	\$ 41,464	\$ 29,527	\$ 41,337
Fleet B	08/01/22	08/26/26	2.970%	178,421	132,930	174,675	130,956	174,770
Buildings:								
Office Space A	09/01/20	07/31/25	0.280%	5,860	2,294	3,485	2,284	3,481
Office Space B	09/01/20	09/16/29	2.300%	1,358,533	986,418	1,125,385	907,914	1,082,953
Equipment:								
Copiers	06/01/21	05/31/24	0.310%	604,285	151,558	337,810	151,071	362,825
				<u>\$ 2,194,342</u>	<u>\$ 1,303,093</u>	<u>\$ 1,682,819</u>	<u>\$ 1,221,752</u>	<u>\$ 1,665,366</u>

All amounts paid were previously included in the measurement of the lease liability and there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any lease term and there were no impairment losses related to lease assets.

The future principal and interest lease payments as of August 31, 2023, were as follows:

Fiscal Year	Principal	Interest	Totals
2024	\$ 349,745	\$ 25,220	\$ 374,965
2025	202,910	20,198	223,108
2026	200,606	15,278	215,884
2027	165,313	10,985	176,298
2028	182,274	6,930	189,204
2029 - 2030	202,245	2,724	204,969
	<u>\$ 1,303,093</u>	<u>\$ 81,335</u>	<u>\$ 1,384,428</u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 11 — Subscription-Based Information Technology Arrangements (SBITAs)

The District is under contract for noncancellable SBITAs that convey control of the right-to-use software. The SBITA liabilities outstanding as of August 31, 2023 and August 31, 2022, were as follows:

	Start Date	End Date	Interest Rate	Original Amount	SBITA Liabilities		SBITA Assets, Net	
					August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Subscription A	04/15/22	04/14/27	1.680%	\$ 456,706	\$ 282,213	\$ 367,706	\$ 330,858	\$ 422,199
Subscription B	12/01/22	11/30/25	3.380%	236,606	173,486	-	177,454	-
Subscription C	05/27/22	05/26/25	1.460%	238,077	79,353	157,565	137,996	217,355
Subscription D	10/05/21	10/04/24	0.328%	483,759	322,984	483,759	176,484	337,737
				<u>\$ 1,415,148</u>	<u>\$ 858,036</u>	<u>\$ 1,009,030</u>	<u>\$ 822,792</u>	<u>\$ 977,291</u>

All amounts paid were previously included in the measurement of the subscription liability and there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any SBITA term and there were no impairment losses related to SBITA assets.

The future principal and interest SBITA payments as of August 31, 2023, were as follows:

Fiscal Year	Principal	Interest	Totals
2024	\$ 401,611	\$ 12,794	\$ 414,405
2025	357,909	7,218	365,127
2026	98,516	1,655	100,171
	<u>\$ 858,036</u>	<u>\$ 21,667</u>	<u>\$ 879,703</u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 12 — 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 workload 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

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained online or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 12 — Employees’ Retirement Plan (continued)

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.

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.

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.

Employee contribution rates are set in state statute, Texas Government Code, Section 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code, Section 825.402, for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Fiscal Year	
	<u>2023</u>	<u>2022</u>
Member	8.00%	8.00%
Non-employer contributing agency	8.00%	7.75%
Employers	8.00%	7.75%

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 12 — Employees’ Retirement Plan (continued)

The District’s contributions to the TRS pension plan, as reported in the Schedule of District Contributions for pensions in the Required Supplementary Information section of these financial statements, the employee contributions, and the estimated state of Texas on-behalf contributions in fiscal years 2023 and 2022, were as follows:

	Fiscal Year	
	2023	2022
Employer (District)	\$ 1,481,921	\$ 1,300,447
Employee (Member)	2,634,163	2,525,602
Non-employer Contributing Entity On-behalf Contributions (State)	2,021,157	1,002,009

- 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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 12 — Employees’ Retirement Plan (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Component	Result
Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2020	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 12 — Employees' Retirement Plan (continued)

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2022 are summarized below:

Asset Class	Target Allocation²	Long-Term Expected Geometric Real Rate of Return³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity ¹	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return ¹	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources & Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Expected Return	100.00%		8.21%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2022 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2022.

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 12 — Employees’ Retirement Plan (continued)

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 (7.00%) in measuring the Net Pension Liability.

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	\$ 26,626,478	\$ 17,116,303	\$ 9,407,860

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

At August 31, 2023, the Tyler Junior College District reported a liability of \$17,116,303 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:

District's proportionate share of the collective net pension liability	\$ 17,116,303
State's proportionate share that is associated with the District	<u>13,247,956</u>
Total	<u><u>\$ 30,364,259</u></u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the District’s proportion of the collective net pension liability was 0.0288%, which was a decrease of 0.0016% from its proportion measured as of August 31, 2021.

For the year ended August 31, 2023, the District recognized pension expense of \$1,936,360. The District also recognized on-behalf pension expense and revenue of \$1,266,354 for support provided by the State.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 12 — Employees’ Retirement Plan (continued)

Change Since the Prior Actuarial Valuation - The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25% to 7.00%.

At August 31, 2023, the Tyler Junior College District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 248,185	\$ (373,168)
Changes of assumption	3,189,324	(794,869)
Net difference between projected and actual earnings on pension plan investments	1,691,036	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,054,573	(2,022,509)
District contributions subsequent to the measurement date	1,481,921	-
Total	\$ 7,665,039	\$ (3,190,546)

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:

Fiscal Year	Pension Expense	Balance of Deferred Outflows (Inflows)
2024	\$ 845,973	\$ 2,146,599
2025	1,253	2,145,346
2026	117,494	2,027,852
2027	1,851,179	176,673
2028	176,673	-
	\$ 2,992,572	

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 13 — 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, 83rd 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 \$288,416 and \$283,675 for the fiscal years ended August 31, 2023 and 2022, 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 \$44,215,669 and \$42,206,845 for fiscal years ended August 31, 2023 and 2022, respectively. The total payroll of employees covered by the TRS was \$33,018,859 and \$30,792,206, and the total payroll of employees covered by the Optional Retirement Program was \$8,753,360 and \$8,789,890 for the fiscal years ended August 31, 2023 and 2022, respectively.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 14 — Deferred Compensation Plan

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted 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, 2023, the District had 20 employees participating in the 403(b) program and 6 employees participating in the 457 plan. A total of \$140,053 and \$21,450 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, 2023, the District had 779 participants in the 401(a) plan and 604 participants in the 457 employee plan. The District contributed \$2,352,955 and employees contributed \$1,041,285 to this plan during the fiscal year.

Note 15 — 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 \$1,273,753 and \$1,242,744 as of August 31, 2023 and 2022, 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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 16 — 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, 2023 that are required to be disclosed in the financial statements.

Note 17 — Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There has been no reduction in insurance coverage from the prior year. Settlements in each of the past three fiscal years have not exceeded insurance coverage. Prior to the current year, the District was self-insured for coverage under workers' compensation. Pursuant to terms of terminating this plan, claims can arise for a five-year period and be required to be covered. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Changes in the balances in claims liabilities related to this plan during the past two years are as follows:

	Fiscal Year	
	2023	2022
Liability, beginning of year	\$ 178,496	\$ 162,552
Claims incurred	73,161	137,873
Claim payments	(76,348)	(121,929)
Liability, end of year	\$ 175,309	\$ 178,496

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 18 — Postemployment Benefits Other Than Pensions

Plan Description

The District participates in a State Retiree Health Plan (SRHP), 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 online; or by writing to ERS at: 200 East 18th 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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 18 — Postemployment Benefits Other Than Pensions (continued)

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. There are no long-term contracts for contributions to the plan.

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.

Employer contributions for health care insurance for fiscal years 2023 and 2022 were as follows:

	Fiscal Year	
	2023	2022
Retiree only	\$ 622.60	\$ 624.82
Retiree & Spouse	1,338.60	1,339.90
Retiree & Children	1,102.00	1,103.58
Retiree & Family	1,818.00	1,818.66

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

	Fiscal Year	
	2023	2022
Employer (District) Contributions - Active Employees	\$ 3,522,122	\$ 3,447,998
Employer (District) Contributions - Retirees	1,283,577	1,236,056
Employee (Member)	2,545,815	2,604,071
Non-employer Contributing Entity On-behalf Contributions (State)	4,103,703	4,103,700

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 18 — Postemployment Benefits Other Than Pensions (continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2022
Actuarial Cost Method	Entry age
Amortization Method/Period	Level of percentage of payroll, open / 30 years
Asset Valuation Method	Not applicable
Inflation	2.30%
Salary Increases	2.30% to 8.95%, including inflation
Discount Rate	3.59%
Aggregate Payroll Growth	2.7%
Retirement Age	Experience-based tables of rates that are specific to the class of employee.

Healthcare Cost Trend Rates

Medication (HealthSelect)	5.60% for FY2024, 5.30% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years
Medical (HealthSelect Medicare Advantage)	66.67% for FY2024, 24.00% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years
Pharmacy	10.00% for FY2024, 10.00% for FY2025, decreasing 100 basis points per year to 5.00% for FY2030 and 4.30% for FY2031 and later years

Mortality

Service Retirees, Survivors, and Other Inactive Members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021.
Disability Retirees	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active Members	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 18 — Postemployment Benefits Other Than Pensions (continued)

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuary as of August 31, 2019 and the TRS retirement plan actuary as of August 31, 2021.

Investment Policy

The SRHP is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The ERS’s Board of Trustees amended the investment policy statement in August 2022 to require that all funds in the SRHP be invested in cash and equivalent securities. The expected rate of return on these investments is currently 4.1%, in line with the prevailing returns on 90-day US treasury bills.

Discount Rate

Because the SRHP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bond rates. The discount rate used to determine the total OPEB liability as of the end of the measurement year was 3.59% to reflect the requirements of GASB 75. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 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 Corp.’s AA rating. Projected cash flows into the SRHP are equal to projected benefit payments out of the plan. Because SRHP operates on a pay-as-you-go 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% less than and 1% greater than the discount rate that was used (3.59%) in measuring the net OPEB Liability.

	Discount Rate		
	1% Decrease (2.59%)	Current Rate (3.59%)	1% Increase (4.59%)
District's proportional share of the net OPEB liability	\$ 52,366,645	\$ 44,899,722	\$ 38,927,979

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 18 — Postemployment Benefits Other Than Pensions (continued)

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 5.60% 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.

	Healthcare Cost Trend Rate		
	1% Decrease (4.60% decreasing to 3.30%)	Current Rate (5.60% decreasing to 4.30%)	1% Increase (6.60% decreasing to 5.30%)
District's proportional share of the net OPEB liability	\$ 38,450,442	\$ 44,899,722	\$ 53,133,713

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

At August 31, 2023, the Tyler Junior College District reported a liability of \$44,899,722 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:

District's proportionate share of the collective net OPEB liability	\$ 44,899,722
State's proportionate share that is associated with the District	39,646,910
Total	<u>\$ 84,546,632</u>

The net OPEB liability was measured as of August 31, 2022 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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer’s proportion of the collective net OPEB liability was 0.15761497%, which was 0.00074081% more than the proportion measured as of August 31, 2021.

For the year ended August 31, 2023, the District recognized OPEB expense of \$2,020,001. In addition, the District recognized negative on-behalf pension expense and revenue of \$1,441,632 for support provided by the State.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 18 — Postemployment Benefits Other Than Pensions (continued)

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: (a) discount rate increased from 2.14% to 3.59%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (d) demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members, (e) proportion of future retirees assumed to cover dependent children, (f) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and (g) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

At August 31, 2023, 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 of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,416,640)
Changes of assumption	2,638,038	(13,878,929)
Net difference between projected and actual earnings on OPEB plan investments	7,744	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,606,656	(1,597,643)
District contributions subsequent to the measurement date	835,896	-
Total	\$ 6,088,334	\$ (16,893,212)

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:

Fiscal Year	OPEB Expense	Balance of Deferred Outflows (Inflows)
2024	\$ (1,583,038)	\$ (10,057,736)
2025	(3,297,782)	(6,759,954)
2026	(2,914,661)	(3,845,293)
2027	(2,458,899)	(1,386,394)
2028	(1,386,394)	-
	\$ (11,640,774)	

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 19 – 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.

The net assessed taxable values as of August 31, 2023 and August 31, 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Assessed Valuation of the College	\$ 24,734,213,096	\$ 21,987,358,735
Less Exemptions	<u>(6,349,479,715)</u>	<u>(5,537,268,889)</u>
Net Assessed Valuation of the College	<u>\$ 18,384,733,381</u>	<u>\$ 16,450,089,846</u>

The authorized rates for the year ended August 31, 2023 and August 31, 2022 were as follows:

	<u>2023</u>			<u>2022</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Authorized Tax Rate per \$100 Valuation	\$ 0.280000	\$ -	\$ 0.280000	\$ 0.280000	\$ -	\$ 0.280000
Assessed Tax Rate per \$100 Valuation	\$ 0.152473	\$ 0.035528	\$ 0.188001	\$ 0.159189	\$ 0.040737	\$ 0.199926

The District’s tax rate for debt service is limited to \$0.500000. However, the District is further limited by local referendum which limits the combined tax rate for the District to \$0.280000.

Taxes levied for the years ended August 31, 2023 and 2022 amounted to \$32,291,974 and \$30,040,343, 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, 2023 and August 31, 2022 were as follows:

	<u>2023</u>			<u>2022</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Collections:						
Current taxes	\$ 26,034,682	\$ 5,830,816	\$ 31,865,498	\$ 23,606,013	\$ 6,111,622	\$ 29,717,635
Delinquent taxes	255,339	67,163	322,502	219,067	58,212	277,279
Penalties and interest	493,941	74,039	567,980	317,091	62,217	379,308
Total Collections	<u>\$ 26,783,962</u>	<u>\$ 5,972,018</u>	<u>\$ 32,755,980</u>	<u>\$ 24,142,171</u>	<u>\$ 6,232,051</u>	<u>\$ 30,374,222</u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 19 – Property Taxes (continued)

Tax collections for the year ended August 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Taxes levied	\$32,291,974	\$30,040,343
% of taxes collected of current levy	98.68%	98.93%

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 20 — 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, 2023 and 2022.

Note 21 — Contractual Agreements

The District has a contract for the District's food services for students, faculty, staff, employees and invited guests. The District's prior contract was awarded effective May 20, 2013, through May 19, 2023. Under the agreement, the food service provider billed 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. Effective May 20, 2023, the District awarded a new contract to its existing food service provider, following a competitive solicitation. This new 10-year contract runs through May 20, 2033 and includes commission to the District of 10% on retail and catering sales and 15% on concessions.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 21 — Contractual Agreements (continued)

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 continued through June 30, 2023. The terms of the agreement called 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. Effective July 1, 2023, following a competitive solicitation, the District entered into a contract with a new provider for campus bookstore services. This contract, which runs through June 30, 2028 and includes a single 5-year renewal option, provides commission revenue to the District of 10.1% on all course material and general merchandise sales, and 5.1% on the sale of inclusive access and digital product.

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 1-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 1-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 \$307,750. The contract expires on August 31, 2024 with an option to renew for an additional 1-year period.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 21 — Contractual Agreements (continued)

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 August 2023, the monthly contract amount is \$29,052 and \$124,328 for the RLH buildings and the main campus, respectively. The current contract is under a renewal through July 31, 2024 with two 1-year renewal options remaining.

The District has 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 3-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 1-year options for renewal. The contract was extended under the third 1-year renewal ending on July 31, 2023 and the term was extended through August 31, 2027.

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 and includes the option for two additional 1-year terms.

The District entered into a new agreement beginning September 1, 2022 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 runs through August 31, 2026 and includes one optional 4-year renewal.

Note 22 – 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 accounted for approximately 59% of total current operating revenues for the year ended August 31, 2023 as compared to 35% for the year ended August 31, 2022. The increase from the prior year in the percentage of total current operating revenues attributable to total operating revenues for the prior three years have included awards from the CARES Act Higher Education Emergency Relief Fund (HEERF). Total awards from Federal Grants and Contracts accounted for 12% of the total operating revenues for the year ended August 31, 2023, declining from 47% of total operating revenues the prior year.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 22 – Tuition And Fees (continued)

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 for 2023 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. Prudent fiscal management in an inflationary environment necessitated modest increases in tuition rates for the upcoming 2023-2024 academic year: (\$37) per Semester Hour for district residents; \$40 per Semester Hour for out-of-district residents, and (\$65) per semester hour for non-Texas residents.

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.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

Note 22 – Tuition And Fees (continued)

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.

Course Specific Fees (vary by program/major)

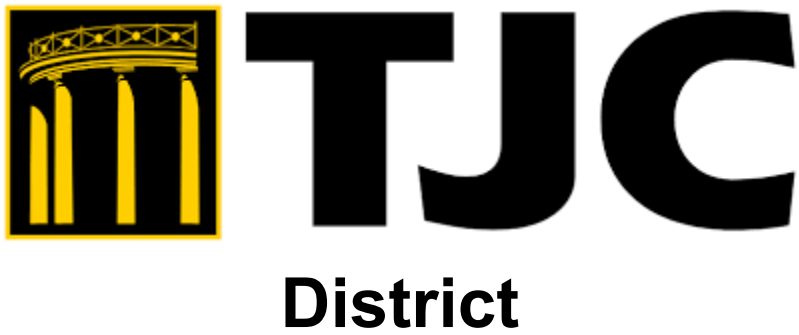
Defray the costs associated with specific course materials required to complete the course/program.

Note 22 – Subsequent Events

Subsequent events have been evaluated through December 7, 2023, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION





TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Last Nine Measurement Years Ended August 31

Schedule 1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
College's proportion of the net pension liability (NPL)	0.0288%	0.0305%	0.0303%	0.0295%	0.0281%	0.0447%	0.0286%	0.0286%	0.0316%
College's proportionate share of the NPL	\$ 17,116,303	\$ 7,760,512	\$ 16,214,896	\$ 15,350,364	\$ 15,488,233	\$ 14,271,801	\$ 10,773,352	\$ 10,097,312	\$ 8,436,684
State's proportionate share of the NPL associated with the College	13,247,956	5,979,563	12,722,871	12,088,534	12,560,378	2,043,051	8,301,832	7,643,641	6,586,151
Total	<u>\$ 30,364,259</u>	<u>\$ 13,740,075</u>	<u>\$ 28,937,767</u>	<u>\$ 27,438,898</u>	<u>\$ 28,048,611</u>	<u>\$ 16,314,852</u>	<u>\$ 19,075,184</u>	<u>\$ 17,740,953</u>	<u>\$ 15,022,835</u>
College's covered payroll	\$ 30,792,206	\$ 26,653,324	\$ 29,507,378	\$ 27,506,400	\$ 25,642,270	\$ 23,705,217	\$ 22,381,142	\$ 20,706,283	\$ 21,411,900
College's proportionate share of the NPL as a percentage of it's covered payroll	55.59%	29.12%	54.95%	55.81%	0.3862	60.21%	48.14%	48.76%	39.40%
Plan fiduciary net position as a percentage of the total pension liability *	75.65%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
Plan's NPL as a percentage of covered payroll *	112.72%	51.08%	110.36%	114.93%	126.11%	75.93%	92.75%	91.94%	72.89%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year. NPL is calculated using an new methodology and will be presented prospectively in accordance with GASB 68. 2014. NPL and related ratios will be presented prospectively as data becomes available.

* Per TRS' ACFR

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Nine Fiscal Years Ended August 31

Schedule 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,481,921	\$ 1,300,447	\$ 1,249,172	\$ 1,033,949	\$ 948,268	\$ 1,463,447	\$ 905,822	\$ 845,819	\$ 800,758
Contributions in relation to the contractual required contributions	1,481,921	1,300,447	1,249,172	1,033,949	948,268	1,463,447	905,822	845,819	800,758
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 33,018,859	\$ 30,792,206	\$ 26,653,324	\$ 29,507,378	\$ 27,506,400	\$ 25,642,270	\$ 23,705,217	\$ 22,381,142	\$ 20,706,283
Contributions as a percentage of covered payroll	4.49%	4.22%	4.69%	3.50%	3.45%	5.71%	3.84%	3.78%	3.87%

TYLER JUNIOR COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

EMPLOYEES RETIREMENT SYSTEM OF TEXAS

For the Last Six Measurement Years Ended August 31

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
College's proportion of the net OPEB liability (NOL)	0.1576%	0.1569%	0.1572%	0.1592%	0.1625%	0.1052%
College's proportionate share of the NOL	\$ 44,899,722	\$ 56,279,398	\$ 51,960,462	\$ 55,008,366	\$ 48,172,013	\$ 35,857,598
State's proportionate share of the NOL associated with the College	39,646,910	48,713,369	44,859,463	45,926,923	38,689,680	31,015,819
Total	<u>\$ 84,546,632</u>	<u>\$ 104,992,767</u>	<u>\$ 96,819,925</u>	<u>\$ 100,935,289</u>	<u>\$ 86,861,693</u>	<u>\$ 66,873,417</u>
College's covered-employee payroll	\$ 37,745,696	\$ 35,514,174	\$ 34,823,635	\$ 34,096,458	\$ 31,696,391	\$ 30,290,491
College's proportionate share of the NOL as a percentage of it's covered payroll	118.95%	158.47%	149.21%	161.33%	151.98%	118.38%
Plan fiduciary net position as a percentage of the total OPEB liability *	0.57%	0.38%	0.32%	0.17%	1.27%	2.04%
Plan's NOL as a percentage of covered payroll *	223.71%	285.03%	261.11%	280.54%	285.03%	261.11%

The amounts presented for each Plan year which ends the preceding August 31 of the College's fiscal year.

* Per Employees Retirement System of Texas' comprehensive annual financial report.

⁽¹⁾ Ten year of data should be presented in this schedule, but data was unavailable prior to 2017
Net OPEB liability and related ratios will be presented as data becomes available.

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
For the Last Six Fiscal Years Ended August 31

Schedule 4

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 835,896	\$ 709,279	\$ 761,326	\$ 638,667	\$ 499,032	\$ 937,388
Contributions in relation to the contractually required contributions	<u>835,896</u>	<u>709,279</u>	<u>761,326</u>	<u>638,667</u>	<u>499,032</u>	<u>937,388</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 39,441,526	\$ 37,745,696	\$ 35,514,174	\$ 34,823,635	\$ 34,096,458	\$ 30,397,963
Contributions as a percentage of covered payroll	2.12%	1.88%	2.14%	1.83%	1.46%	3.08%

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Schedules for Pensions - Net Pension Liability

Changes Since Prior Actuarial Valuation

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- 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 elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.
- Assumed per capita health benefit costs, and health benefit costs and retiree contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute (PCORI) fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.
- The discount rate was changed from 2.20 percent to 2.14 percent as a result of requirements by GASB Statement 75 to utilize 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.
- Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita Health Benefit Costs. There were no benefit changes for HealthSelect retirees and the dependents for whom Medicare is primary.

Actuarial assumption changes are described in TRS's Annual Comprehensive Financial Report and the TRS Actuarial Valuation Report for the year ended August 31, 2023, which can be accessed at https://www.trs.texas.gov/Pages/about_publications.aspx.

TYLER JUNIOR COLLEGE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)

2. Schedules for Other Post-Employment Benefits (OPEB) - Net OPEB Liability

Changes Since Prior Actuarial Valuation

The following changes since the prior actuarial valuation affected the measurement of the amounts reported in the required supplementary schedules:

- Demographic assumptions since the last valuation was prepared for this plan (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the TRS Trustees. These new assumptions were adopted to reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary.

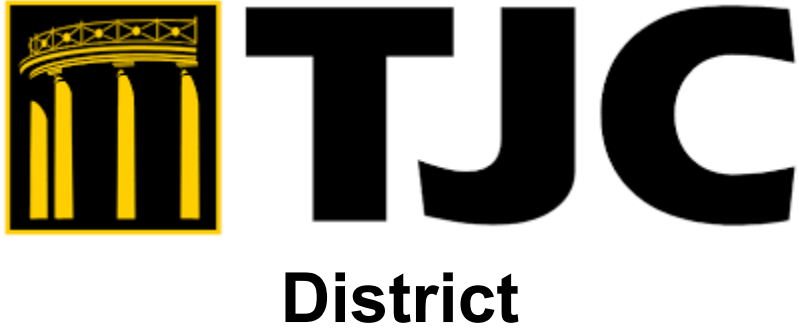
In addition, the following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- 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 retirees assumed to cover dependent children.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- 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 Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.
- The discount rate was changed from 2.14% to 3.59% as a result of requirements by GASB No. 75 to utilize 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.

Actuarial assumption changes are described in ERS's Annual Comprehensive Financial Report and the ERS Actuarial Valuation Report for the year ended August 31, 2023, which can be accessed at <https://ers.texas.gov/about-ers/reports-and-studies/gasb-requirements>.

SUPPLEMENTAL INFORMATION





TYLER JUNIOR COLLEGE DISTRICT

Schedule A

SCHEDULE OF OPERATING REVENUES

For the Year Ended August 31, 2023

With Memorandum Totals for the Year Ended August 31, 2022

	Educational Activities			Auxiliary	Total	
	Unrestricted	Restricted	Total	Enterprises	2023	2022
Tuition						
State funded credit courses:						
In-district resident tuition	\$ 2,789,168	\$ -	\$ 2,789,168	\$ -	\$ 2,789,168	\$ 2,805,194
Out-of-district resident tuition	5,119,983	-	5,119,983	-	5,119,983	5,041,755
Non-resident tuition	745,185	-	745,185	-	745,185	666,716
TPEG- credit (set aside)*	499,769	-	499,769	-	499,769	438,503
State funded continuing education	657,189	-	657,189	-	657,189	531,561
Non-state funded educational programs	631,888	-	631,888	-	631,888	407,698
Total Tuition	10,443,182	-	10,443,182	-	10,443,182	9,891,427
Fees						
General education	8,927,248	-	8,927,248	-	8,927,248	8,874,867
Out-of-district	8,258,383	-	8,258,383	-	8,258,383	8,185,593
Laboratory	1,484,069	-	1,484,069	-	1,484,069	1,404,114
Registration	1,065,801	-	1,065,801	-	1,065,801	1,078,025
Student life	-	-	-	398,186	398,186	359,689
Health service	-	-	-	734,149	734,149	776,019
Other fees	6,761,190	-	6,761,190	-	6,761,190	6,513,015
Total Fees	26,496,691	-	26,496,691	1,132,335	27,629,026	27,191,322
Allowances and Discounts						
Bad debt allowance	(616,492)	-	(616,492)	(185,844)	(802,336)	(459,150)
Federal grants to students	(10,155,545)	-	(10,155,545)	-	(10,155,545)	(11,204,551)
TPEG allowances	(219,492)	-	(219,492)	-	(219,492)	(266,281)
State grants to students	(596,570)	-	(596,570)	-	(596,570)	(988,281)
Contributions	(300,044)	-	(300,044)	-	(300,044)	(261,436)
Scholarships and performance grants	(1,001,271)	-	(1,001,271)	-	(1,001,271)	(871,080)
Waivers and exemptions	(3,022,523)	-	(3,022,523)	-	(3,022,523)	(2,747,500)
Total Allowances and Discounts	(15,911,937)	-	(15,911,937)	(185,844)	(16,097,781)	(16,798,279)
Total Net Tuition and Fees	21,027,936	-	21,027,936	946,491	21,974,427	20,284,470
Additional Operating Revenues						
Federal grants and contracts	109,856	4,581,734	4,691,590	-	4,691,590	26,964,684
State grants and contracts	-	1,339,751	1,339,751	-	1,339,751	1,212,396
Local grants and contracts	(24,062)	769,643	745,581	-	745,581	659,387
Sales and services of educational activities	100,160	-	100,160	-	100,160	116,174
Investment income - program restricted	16,823	-	16,823	-	16,823	-
Other operating revenues	3,076,356	100	3,076,456	-	3,076,456	3,200,427
Total Additional Operating Revenues	3,279,133	6,691,228	9,970,361	-	9,970,361	32,153,068
Auxiliary Enterprises						
Housing and meals	-	-	-	7,983,990	7,983,990	7,569,397
Scholarship allowances and discounts	-	-	-	(3,093,524)	(3,093,524)	(3,222,006)
Bookstore commissions	-	-	-	284,662	284,662	506,829
Other auxiliary	-	-	-	431,093	431,093	387,116
Total Net Auxiliary	-	-	-	5,606,221	5,606,221	5,241,336
Total Operating Revenues	\$ 24,307,069	\$ 6,691,228	\$ 30,998,297	\$ 6,552,712	\$ 37,551,009	\$ 57,678,874

*In accordance with Education Code 56.033, \$499,769 and \$438,503 of tuition was set aside for Texas Public Education Grants (TPEG) for the current and prior year, respectively.

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2023
With Memorandum Totals for the Year Ended August 31, 2022

Schedule B

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other Expenses	2023	2022
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 26,308,383	\$ -	\$ 4,010,685	\$ 4,417,675	\$ 34,736,743	\$ 33,288,125
Public service	-	-	9,347	2,384	11,731	35,920
Academic support	3,489,054	-	566,219	599,865	4,655,138	4,084,394
Student services	4,316,483	-	742,024	2,268,811	7,327,318	6,268,362
Institutional support	7,660,845	-	5,970,858	3,765,924	17,397,627	17,174,314
Operation and maintenance of plant	951,507	-	431,896	10,487,312	11,870,715	11,094,872
Scholarships and fellowships	-	-	5,611	392,681	398,292	3,242,529
Total Unrestricted Educational Activities	42,726,272	-	11,736,640	21,934,652	76,397,564	75,188,516
Restricted - Educational Activities						
Instruction	345,607	3,467,272	33,228	54,586	3,900,693	4,234,616
Public service	274,650	32,136	80,568	281,886	669,240	586,594
Academic support	6,045	399,631	88	-	405,764	417,015
Student services	398,885	627,814	155,854	1,620,737	2,803,290	2,633,891
Institutional support	67,602	850,707	15,966	2,123,687	3,057,962	6,474,428
Scholarships and fellowships	164,880	-	-	7,874,780	8,039,660	14,250,902
Total Restricted Educational Activities	1,257,669	5,377,560	285,704	11,955,676	18,876,609	28,597,446
Total Educational Activities	43,983,941	5,377,560	12,022,344	33,890,328	95,274,173	103,785,962
Auxiliary Enterprises	1,657,293	-	638,318	7,242,193	9,537,804	9,485,455
Depreciation/Amortization Expense:						
Building and other real estate improvements	-	-	-	7,537,734	7,537,734	7,286,485
Equipment and furniture	-	-	-	2,557,534	2,557,534	2,350,717
Library books	-	-	-	24,149	24,149	27,727
Right-to-use lease assets	-	-	-	996,275	996,275	568,670
Total Depreciation/Amortization Expense	-	-	-	11,115,692	11,115,692	10,233,599
Total Operating Expenses	\$ 45,641,234	\$ 5,377,560	\$ 12,660,662	\$ 52,248,213	\$ 115,927,669	\$ 123,505,016
				(Exhibit 2)	(Exhibit 2)	

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2023
With Memorandum Totals for the Year Ended August 31, 2022

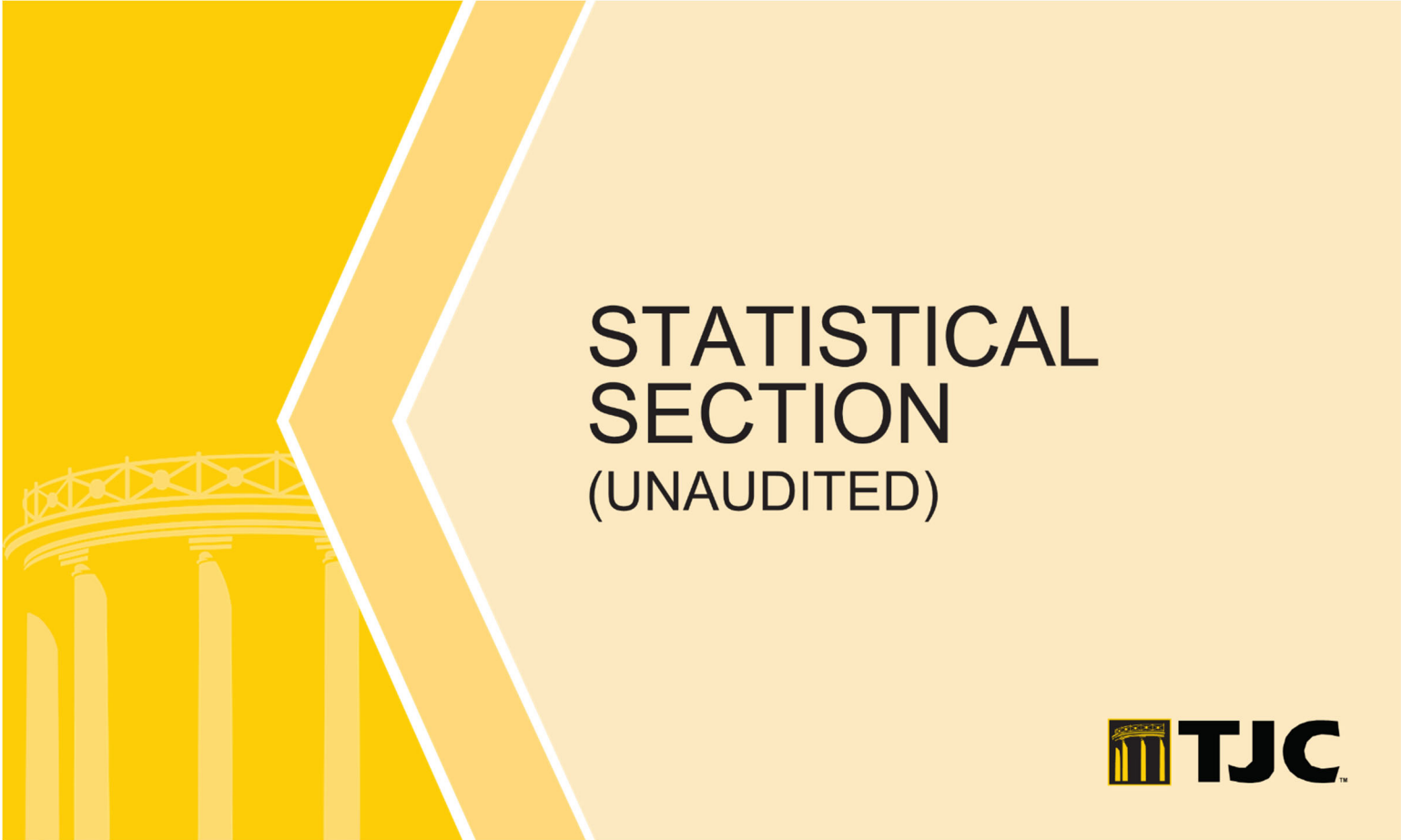
Schedule C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Auxiliary Enterprises</u>	<u>Total</u>	
					<u>2023</u>	<u>2022</u>
Non-Operating Revenues:						
State appropriations:						
Education and general state support	\$ 19,086,153	\$ -	\$ 19,086,153	\$ -	\$ 19,086,153	\$ 19,086,154
State group insurance	-	2,662,071	2,662,071	-	2,662,071	4,103,703
State retirement matching	-	2,715,489	2,715,489	-	2,715,489	1,345,064
Professional nursing shortage reduction	-	400,981	400,981	-	400,981	415,076
SBDC match	-	145,875	145,875	-	145,875	-
Total state appropriations	<u>19,086,153</u>	<u>5,924,416</u>	<u>25,010,569</u>	<u>-</u>	<u>25,010,569</u>	<u>24,949,997</u>
Ad valorem taxes (net)	32,755,980	-	32,755,980	-	32,755,980	30,374,222
Federal revenue, non-operating	-	22,182,660	22,182,660	-	22,182,660	20,867,906
Investment income	1,196,430	-	1,196,430	1,104	1,197,534	208,478
Capital contributions	2,965,573	-	2,965,573	-	2,965,573	
Total Non-Operating Revenues	<u>56,004,136</u>	<u>28,107,076</u>	<u>84,111,212</u>	<u>1,104</u>	<u>84,112,316</u>	<u>76,400,603</u>
Non-Operating Expenses						
Interest on capital-related debt	<u>2,407,834</u>	<u>-</u>	<u>2,407,834</u>	<u>-</u>	<u>2,407,834</u>	<u>3,220,376</u>
Total Non-Operating Expenses	<u>2,407,834</u>	<u>-</u>	<u>2,407,834</u>	<u>-</u>	<u>2,407,834</u>	<u>3,220,376</u>
Net non-operating revenues (expenses)	<u>\$ 53,596,302</u>	<u>\$ 28,107,076</u>	<u>\$ 81,703,378</u>	<u>\$ 1,104</u>	<u>\$ 81,704,482</u>	<u>\$ 73,180,227</u>
					(Exhibit 2)	(Exhibit 2)

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2023

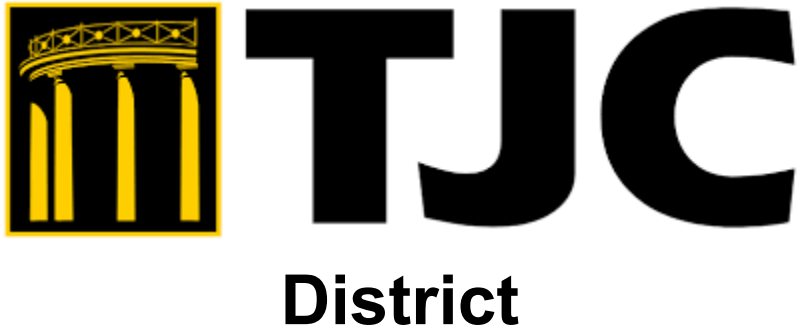
Schedule D

	Detail by Source			Available for Current		
	Unrestricted	Restricted Expendable	Net Investment in Capital Assets	Total	Yes	No
Current:						
Unrestricted	\$ 20,947,220	\$ -	\$ -	\$ 20,947,220	\$ 20,947,220	\$ -
Unrestricted - Pension/OPEB related	(68,346,410)	-	-	(68,346,410)	(68,346,410)	-
Restricted	-	387,537	-	387,537	387,537	-
Auxiliary enterprises	(9,699,551)	-	-	(9,699,551)	(9,699,551)	-
Loan	(567,703)	-	-	(567,703)	-	(567,703)
Plant:						
Debt Service	-	2,883,713	-	2,883,713	-	2,883,713
Investment in plant	-	-	121,422,313	121,422,313	-	121,422,313
Total Net Position, end of year	(57,666,444)	3,271,250	121,422,313	67,027,119	(56,711,204)	123,738,323
				(Exhibit 1)		
Total Net Position, beginning of year	(56,131,135)	3,501,518	116,328,914	63,699,297	(54,562,168)	118,261,465
				(Exhibit 1)		
Net increase (decrease) in net position	\$ (1,535,309)	\$ (230,268)	\$ 5,093,399	\$ 3,327,822	\$ (2,149,036)	\$ 5,476,858
				(Exhibit 2)		



STATISTICAL SECTION (UNAUDITED)





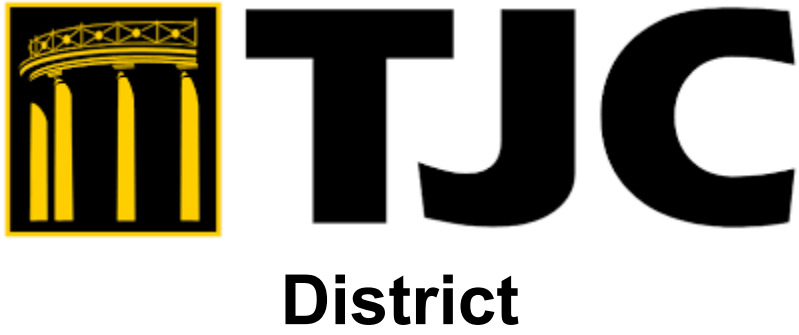
**TYLER JUNIOR COLLEGE DISTRICT
STATISTICAL SECTION (UNAUDITED)**

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

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

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

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



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

Table 1

	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Position By Component:										
Net investment in capital assets	\$ 121,422,313	\$ 116,328,914	\$ 105,931,574	\$ 89,134,384	\$ 97,660,198	\$ 91,365,869	\$ 84,186,085	\$ 88,796,058	\$ 85,846,676	\$ 81,012,927
Restricted - expendable	3,271,250	3,501,518	593,512	731,207	771,808	740,216	791,116	748,134	720,685	597,996
Unrestricted	(57,666,444)	(56,131,135)	(50,179,874)	(44,795,316)	(52,208,048)	(46,182,538)	4,143,017	(273,975)	1,738,951	4,181,739
Total Net Position	\$ 67,027,119	\$ 63,699,297	\$ 56,345,212	\$ 45,070,275	\$ 46,223,958	\$ 45,923,547	\$ 89,120,218	\$ 89,270,217	\$ 88,306,312	\$ 85,792,662
	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Change in Net Position:										
Revenues	\$ 121,663,325	\$ 134,079,477	\$ 136,983,458	\$ 109,270,752	\$ 103,323,384	\$ 99,376,076	\$ 98,338,888	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508
Expenses	118,335,503	126,725,392	125,708,521	110,424,435	104,693,748	100,716,433	98,488,887	93,805,866	90,891,107	83,715,804
Total Change in Net Position	3,327,822	7,354,085	11,274,937	(1,153,683)	(1,370,364)	(1,340,357)	(149,999)	963,905	2,513,650	2,279,704
Prior Period Adjustment	-	-	-	-	1,670,775	(41,856,314)	-	-	-	(9,558,798)
Change in Net Position	3,327,822	7,354,085	11,274,937	(1,153,683)	300,411	(43,196,671)	(149,999)	963,905	2,513,650	(7,279,094)
Beginning Net Position	63,699,297	56,345,212	45,070,275	46,223,958	45,923,547	89,120,218	89,270,217	88,306,312	85,792,662	93,071,756
Ending Net Position	\$ 67,027,119	\$ 63,699,297	\$ 56,345,212	\$ 45,070,275	\$ 46,223,958	\$ 45,923,547	\$ 89,120,218	\$ 89,270,217	\$ 88,306,312	\$ 85,792,662

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)

Table 2

	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and fees (net of discounts)	\$ 21,974,427	\$ 20,284,470	\$ 21,408,216	\$ 21,359,174	\$ 21,843,430	\$ 19,825,016	\$ 20,240,101	\$ 16,754,371	\$ 14,977,980	\$ 12,241,079
Governmental grants and contracts:										
Federal grants and contracts	4,691,590	26,964,684	21,870,257	5,436,572	1,328,454	2,733,709	3,035,760	4,270,172	3,842,958	2,382,222
State grants and contracts	1,339,751	1,212,396	1,496,848	934,116	1,319,879	1,409,514	1,572,225	1,654,043	1,767,315	1,702,178
Local grants and contracts	745,581	659,387	726,872	539,874	1,005,025	542,659	474,774	459,730	432,759	585,280
Sales and services of educational activities	100,160	116,174	143,254	104,779	109,944	120,861	109,681	106,163	113,873	111,083
Investment income - program restricted	16,823	-	-	-	-	-	-	-	-	-
Auxiliary enterprises	5,606,221	5,241,336	4,558,483	4,561,187	4,856,213	4,882,536	5,147,261	5,103,155	3,665,385	3,077,997
Other operating revenues	3,076,456	3,200,427	13,314,675	2,659,573	2,365,356	2,107,063	3,357,245	3,484,470	5,610,819	2,528,234
Total Operating Revenues	37,551,009	57,678,874	63,518,605	35,595,275	32,828,301	31,621,358	33,937,047	31,832,104	30,411,089	22,628,073
State appropriations	25,010,569	24,949,997	23,757,500	23,798,197	22,268,263	21,841,248	21,441,989	21,197,433	21,051,274	21,462,893
Property taxes	32,755,980	30,374,222	28,950,392	27,773,130	26,115,573	24,581,128	23,551,272	22,952,007	22,233,785	21,554,921
Federal Revenue, Non Operating	22,182,660	20,867,906	20,645,996	21,673,743	21,600,574	21,035,479	19,260,848	18,713,030	19,605,018	20,210,574
Investment income	1,197,534	208,478	110,965	430,407	510,673	296,863	147,732	75,197	103,591	139,047
Total Non-Operating Revenue	81,146,743	76,400,603	73,464,853	73,675,477	70,495,083	67,754,718	64,401,841	62,937,667	62,993,668	63,367,435
Total Revenues	\$ 118,697,752	\$ 134,079,477	\$ 136,983,458	\$ 109,270,752	\$ 103,323,384	\$ 99,376,076	\$ 98,338,888	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508

	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and fees (net of discounts)	18.51%	15.13%	15.63%	19.55%	21.14%	19.95%	20.58%	17.68%	16.04%	14.23%
Governmental grants and contracts:										
Federal grants and contracts	3.95%	20.11%	15.97%	4.98%	1.29%	2.75%	3.09%	4.51%	4.11%	2.77%
State grants and contracts	1.13%	0.90%	1.09%	0.85%	1.28%	1.42%	1.60%	1.75%	1.89%	1.98%
Local grants and contracts	0.63%	0.49%	0.53%	0.49%	0.97%	0.55%	0.48%	0.49%	0.46%	0.68%
Sales and services of educational activities	0.08%	0.09%	0.10%	0.10%	0.11%	0.12%	0.11%	0.11%	0.12%	0.13%
Investment income - program restricted	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Auxiliary enterprises	4.72%	3.91%	3.33%	4.17%	4.70%	4.91%	5.23%	5.38%	3.92%	3.58%
Other operating revenues	2.59%	2.39%	9.72%	2.43%	2.29%	2.12%	3.41%	3.68%	6.01%	2.94%
Total Operating Revenues	31.64%	43.02%	46.37%	32.58%	31.77%	31.82%	34.51%	33.59%	32.56%	26.31%
State appropriations	21.07%	18.61%	17.34%	21.78%	21.55%	21.98%	21.80%	22.37%	22.54%	24.96%
Property taxes	27.60%	22.65%	21.13%	25.42%	25.28%	24.74%	23.95%	24.22%	23.80%	25.07%
Federal Revenue, Non Operating	18.69%	15.56%	15.07%	19.83%	20.91%	21.17%	19.59%	19.75%	20.99%	23.50%
Investment income	1.01%	0.16%	0.08%	0.39%	0.49%	0.30%	0.15%	0.08%	0.11%	0.16%
Total Non-Operating Revenue	68.36%	56.98%	53.63%	67.42%	68.23%	68.18%	65.49%	66.41%	67.44%	73.69%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: During the 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)

Table 3

	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Expenses:										
Instruction	\$ 38,637,436	\$ 37,522,741	\$ 35,252,771	\$ 35,981,694	\$ 36,651,081	\$ 34,184,631	\$ 32,714,778	\$ 31,740,018	\$ 31,823,349	\$ 30,301,247
Public service	680,971	622,514	1,033,887	506,735	589,073	2,402,243	2,885,121	2,850,500	2,564,089	1,154,083
Academic support	5,060,902	4,501,409	4,021,600	3,823,982	4,097,261	4,266,794	3,834,827	3,454,246	3,240,998	3,065,891
Student services	10,130,608	8,902,253	8,960,017	9,154,361	9,425,168	8,971,741	8,511,418	7,878,226	8,368,551	9,132,262
Institutional support	20,455,589	23,648,742	33,247,192	23,339,284	20,446,063	15,988,109	14,944,628	14,363,329	13,395,614	13,361,329
Operation and maintenance of plant	11,870,715	11,462,291	9,777,367	8,123,768	7,343,705	8,539,806	9,447,957	7,941,044	7,695,539	7,989,169
Scholarships and fellowships	8,437,952	17,493,431	10,673,662	7,640,607	4,388,279	4,925,497	4,334,539	3,725,898	3,718,928	1,922,592
Auxiliary enterprises	9,537,804	9,485,455	9,888,795	8,957,554	9,747,202	9,481,305	9,507,972	9,016,053	8,083,988	7,732,876
Depreciation	11,115,692	9,664,929	9,297,214	9,229,084	8,697,020	8,432,343	8,545,269	8,323,527	7,542,729	6,602,578
Total Operating Expenses	115,927,669	123,303,765	122,152,505	106,757,069	101,384,852	97,192,469	94,726,509	89,292,841	86,433,785	81,262,027
Interest on capital related debt	2,407,834	3,220,376	3,556,016	3,308,896	3,523,964	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158
Total Non-Operating Expenses	2,407,834	3,220,376	3,556,016	3,308,896	3,523,964	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158
Total Expenses	\$ 118,335,503	\$ 126,524,141	\$ 125,708,521	\$ 110,065,965	\$ 104,908,816	\$ 100,954,847	\$ 99,239,534	\$ 93,750,163	\$ 88,887,562	\$ 84,158,185

	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Expenses:										
Instruction	32.65%	29.66%	28.04%	32.69%	34.94%	33.86%	32.97%	33.86%	35.80%	36.01%
Public service	0.58%	0.49%	0.82%	0.46%	0.56%	2.38%	2.91%	3.04%	2.88%	1.37%
Academic support	4.28%	3.56%	3.20%	3.47%	3.91%	4.23%	3.86%	3.68%	3.65%	3.64%
Student services	8.56%	7.04%	7.13%	8.32%	8.98%	8.89%	8.58%	8.40%	9.41%	10.85%
Institutional support	17.29%	18.69%	26.45%	21.20%	19.49%	15.84%	15.06%	15.32%	15.07%	15.88%
Operation and maintenance of plant	10.03%	9.06%	7.78%	7.38%	7.00%	8.46%	9.52%	8.47%	8.66%	9.49%
Scholarships and fellowships	7.13%	13.83%	8.49%	6.94%	4.18%	4.88%	4.37%	3.97%	4.18%	2.28%
Auxiliary enterprises	8.06%	7.50%	7.87%	8.14%	9.29%	9.39%	9.58%	9.62%	9.09%	9.19%
Depreciation	9.39%	7.64%	7.40%	8.39%	8.29%	8.35%	8.61%	8.88%	8.49%	7.85%
Total Operating Expenses	97.97%	97.45%	97.17%	96.99%	96.64%	96.27%	95.45%	95.25%	97.24%	96.56%
Interest on capital related debt	2.03%	2.55%	2.83%	3.01%	3.36%	3.73%	4.55%	4.75%	2.76%	3.44%
Total Non-Operating Expenses	2.03%	2.55%	2.83%	3.01%	3.36%	3.73%	4.55%	4.75%	2.76%	3.44%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Table 4
Page 1 of 2

RESIDENT Fees per Semester Credit Hour (SCH)															
Academic Year (Fall)	Registration Fee (per Student)	In-District Tuition	Out-of District Tuition	General Education Fees	Health Service Fee (Per Student)	Campus Security Fee (Per Student)	Student Life Fee	Technology Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District			
2022	\$ 45	\$ 32	\$ 92	\$ 42	\$ 35	\$ 40	\$ 2	\$ 15	\$ 1,212	\$ 1,932	0.00%	0.00%			
2021	45	32	92	42	35	40	2	15	1,212	1,932	0.00%	0.00%			
2020	45	32	92	42	35	40	2	15	1,212	1,932	0.00%	0.00%			
2019	45	32	92	42	35	40	2	15	1,212	1,932	0.00%	0.00%			
2018	45	32	92	42	35	40	2	15	1,212	1,932	6.50%	5.34%			
2017	35	32	90	42	35	36	2	10	1,138	1,834	5.57%	5.52%			
2016	35	30	85	42	35	36	2	7	1,078	1,738	5.27%	9.45%			
2015	35	30	77	40	35	30	2	5	1,024	1,588	6.22%	3.93%			
2014	35	30	77	40	35	30	2	-	964	1,528	0.00%	0.00%			
2013	35	30	77	40	35	30	2	-	964	1,528	3.88%	3.24%			

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

Table 4
Page 2 of 2

NON-RESIDENT Fees per Semester Credit Hour (SCH)													
Academic Year (Fall)	Registration Fee (per Student)	Non-Resident Out-of-State	Non-Resident International	General Education Fees	Health Service Fee (Per Student)	Campus Security Fee (Per Student)	Student Life Fee	Technology Fee	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International	
2022	\$ 45	\$ 116	\$ 116	\$ 42	\$ 35	\$ 40	\$ 2	\$ 15	\$ 2,220	\$ 2,220	0.00%	0.00%	
2021	45	116	116	42	35	40	2	15	2,220	2,220	0.00%	0.00%	
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%	

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

TYLER JUNIOR COLLEGE DISTRICT
ASSESSED VALUE AND TABLE ASSESSED VALUE OF PROPERTY
LAST TEN ACADEMIC YEARS (UNAUDITED)

Table 5

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
2023	\$ 19,787,370,477	\$ 4,946,842,619	\$ 6,349,479,715	\$ 18,384,733,381	74.33%	\$ 0.152473
2022	17,589,886,988	4,397,471,747	5,537,268,889	16,450,089,846	74.82%	\$ 0.158000
2021	16,579,733,378	4,144,933,344	5,263,893,230	15,460,773,492	74.60%	\$ 0.158000
2020	15,416,905,686	3,854,226,421	4,570,675,566	14,700,456,541	76.28%	\$ 0.158000
2019	14,541,852,947	3,635,463,237	4,421,486,925	13,755,829,259	75.68%	\$ 0.158000
2018	13,447,443,210	3,361,860,802	3,887,826,484	12,921,477,528	76.87%	\$ 0.154160
2017	12,921,189,381	3,230,297,345	3,779,243,544	12,372,243,182	76.60%	\$ 0.149298
2016	11,815,445,048	2,953,861,262	2,825,618,729	11,943,687,581	80.87%	\$ 0.147119
2015	11,478,394,557	2,869,598,639	2,797,095,957	11,550,897,239	80.51%	\$ 0.152999
2014	11,384,487,770	2,846,121,942	2,977,426,083	11,253,183,629	79.08%	\$ 0.151417

Sources: Local Appraisal Districts

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

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

Table 6

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
2023	\$ 19,086,153	9,171	\$ 2,081	3,535,160	1,558,702	5,093,862	3.75
2022	19,086,154	9,961	1,916.09	3,534,344	1,469,936	5,004,280	3.81
2021	18,085,823	10,320	1,752.50	3,772,216	1,633,824	5,406,040	3.35
2020	18,086,935	10,046	1,800.41	3,809,632	1,628,000	5,437,632	3.33
2019	16,775,052	10,320	1,625.49	3,764,760	1,567,440	5,332,200	3.15
2018	16,756,085	10,071	1,663.80	3,640,424	1,525,072	5,165,496	3.24
2017	16,653,999	10,464	1,591.55	3,679,464	1,406,416	5,085,880	3.27
2016	16,627,654	9,746	1,706.10	3,566,264	1,318,800	4,885,064	3.40
2015	16,788,037	9,853	1,703.85	3,540,592	1,381,008	4,921,600	3.41
2014	16,788,037	9,907	1,694.56	3,686,616	1,352,312	5,038,928	3.33

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 30.

(Per prior preparer)

Per ACFR manual, the FTSE calculation should include the total hours taken by PT students divided by 12.

**TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN ACADEMIC YEARS (UNAUDITED)**

**Table 7
Page 1 of 2**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2022	2021	2020	2019	2018
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 151,445,586	\$ 151,768,509	\$ 157,867,395	\$ 155,146,941	\$ 161,395,516
Oncor Electric / TXU	Electric utility	249,830,614	259,542,273	187,627,045	162,720,239	144,418,384
WalMart/Sam's	Retail	96,832,477	53,590,084	53,671,779	98,150,729	99,971,177
McWane Inc./ Ranson Industries	Pipe manufacturer	-	-	-	-	-
Sanderson Farms Inc.	Poultry farming	194,664,532	197,372,730	195,151,351	155,919,949	-
Dayton Hudson Corp. (Target)	Retail; distribution facilities	140,641,557	118,873,592	70,731,929	119,743,699	105,478,615
Delek Refining LTD / Crown / LaGloria	Refinery	232,265,483	223,766,504	248,199,350	275,276,092	259,134,664
Cebridge Acquisition LP	Commercial property	42,821,663	60,510,797	65,711,389	60,122,238	50,153,996
Union Oil Company	Oil & Gas	-	-	-	-	16,345,769
Genecov Investment Group	Commercial property	58,459,438	59,560,824	58,135,729	54,517,783	55,895,348
East Texas Medical Center	Hospital	-	-	-	-	-
Mother Frances Hospital	Hospital	-	-	-	-	-
University of Texas Health Center	Hospital	-	-	-	-	-
Simon Property Group	Commercial property	41,415,703	44,463,300	-	42,328,250	42,328,250
Tyler Regional Hospital	Hospital	251,223,135	252,158,800	250,955,355	248,056,435	241,006,785
BreitBurn Operating	Oil & Gas	-	-	43,545,000	43,674,208	-
Totals		<u>\$ 1,459,600,188</u>	<u>\$ 1,421,607,413</u>	<u>\$ 1,331,596,322</u>	<u>\$ 1,415,656,563</u>	<u>\$ 1,176,128,504</u>
Total Taxable Assessed Value		<u>\$ 18,384,733,381</u>	<u>\$ 16,450,089,846</u>	<u>\$ 15,460,773,942</u>	<u>\$ 14,700,456,541</u>	<u>\$ 13,755,829,259</u>

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2022	2021	2020	2019	2018
Brookshire Grocery Company	Supermarkets; distribution facilities	0.82%	0.92%	1.02%	1.06%	1.17%
Oncor Electric / TXU	Electric utility	1.36%	1.58%	1.21%	1.11%	1.05%
WalMart/Sam's	Retail	0.53%	0.33%	0.35%	0.67%	0.73%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Sanderson Farms Inc.	Poultry farming	1.06%	1.20%	1.26%	1.06%	0.00%
Dayton Hudson Corp. (Target)	Retail; distribution facilities	0.76%	0.72%	0.46%	0.81%	0.77%
Delek Refining LTD / Crown / LaGloria	Refinery	1.26%	1.36%	1.61%	1.87%	1.88%
Cebridge Acquisition LP	Commercial property	0.23%	0.37%	0.43%	0.41%	0.36%
Union Oil Company	Oil & Gas	-	-	-	-	-
Genecov Investment Group	Commercial property	0.32%	0.36%	0.38%	0.37%	0.41%
East Texas Medical Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Mother Frances Hospital	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
University of Texas Health Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Simon Property Group	Commercial property	0.23%	0.27%	0.00%	0.29%	0.31%
Tyler Regional Hospital	Hospital	1.37%	1.53%	1.62%	1.69%	1.75%
BreitBurn Operating	Oil & Gas	0.00%	0.00%	0.28%	0.30%	0.00%
Totals		<u>7.94%</u>	<u>8.64%</u>	<u>8.61%</u>	<u>9.63%</u>	<u>8.43%</u>

Source: Smith and Van Zandt County Appraisal Districts

**TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN ACADEMIC YEARS (UNAUDITED)**

**Table 7
Page 2 of 2**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2017	2016	2015	2014	2013
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 176,151,119	\$ 64,961,471	\$ 76,087,378	\$ 70,542,484	\$ 60,855,905
Oncor Electric / TXU	Electric utility	128,985,546	117,562,026	133,216,887	112,195,234	85,243,137
WalMart/Sam's	Retail	90,941,086	-	-	-	-
McWane Inc./ Ranson Industries	Pipe manufacturer	-	42,837,272	47,914,499	42,265,341	48,259,908
Sanderson Farms Inc.	Poultry farming	-	-	-	-	-
Dayton Hudson Corp. (Target)	Retail; distribution facilities	106,022,319	110,683,226	96,041,307	96,708,766	96,708,766
Delek Refining LTD / Crown / LaGloria	Refinery	246,264,747	240,250,644	231,928,942	269,547,365	260,276,054
Cebridge Acquisition LP	Commercial property	43,418,639	-	-	-	-
Union Oil Company	Oil & Gas	16,345,769	12,114,272	22,252,184	37,360,851	40,346,436
Genecov Investment Group	Commercial property	54,517,783	-	-	-	-
East Texas Medical Center	Hospital	-	94,348,545	94,352,150	94,355,755	94,362,965
Mother Frances Hospital	Hospital	192,899,297	166,671,499	166,671,499	166,671,499	159,840,819
University of Texas Health Center	Hospital	-	68,717,190	68,717,190	68,717,190	68,717,190
Simon Property Group	Commercial property	44,882,250	43,575,000	43,575,000	42,815,000	42,815,000
Tyler Regional Hospital	Hospital	-	-	-	-	-
BreitBurn Operating	Oil & Gas	-	-	-	-	-
Totals		<u>\$ 1,100,428,555</u>	<u>\$ 961,721,145</u>	<u>\$ 980,757,036</u>	<u>\$ 1,001,179,485</u>	<u>\$ 957,426,180</u>
Total Taxable Assessed Value		<u>\$ 12,921,477,528</u>	<u>\$ 12,372,243,182</u>	<u>\$ 11,943,687,581</u>	<u>\$ 11,550,897,239</u>	<u>\$ 11,253,183,629</u>

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2017	2016	2015	2014	2013
Brookshire Grocery Company	Supermarkets; distribution facilities	1.36%	0.53%	0.64%	0.61%	0.54%
Oncor Electric / TXU	Electric utility	1.00%	0.95%	1.12%	0.97%	0.76%
WalMart/Sam's	Retail	0.70%	0.00%	0.00%	0.00%	0.00%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.00%	0.35%	0.40%	0.37%	0.43%
Sanderson Farms Inc.	Poultry farming	0.00%	0.00%	0.00%	0.00%	0.00%
Dayton Hudson Corp. (Target)	Retail; distribution facilities	0.82%	0.89%	0.80%	0.84%	0.86%
Delek Refining LTD / Crown / LaGloria	Refinery	1.91%	1.94%	1.94%	2.33%	2.31%
Cebridge Acquisition LP	Commercial property	0.34%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas		0.10%	0.19%	0.32%	0.36%
Genecov Investment Group	Commercial property	0.42%	0.00%	0.00%	0.00%	0.00%
East Texas Medical Center	Hospital	0.00%	0.76%	0.79%	0.82%	0.84%
Mother Frances Hospital	Hospital	1.49%	1.35%	1.40%	1.44%	1.42%
University of Texas Health Center	Hospital	0.00%	0.56%	0.58%	0.59%	0.61%
Simon Property Group	Commercial property	0.35%	0.35%	0.36%	0.37%	0.38%
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		<u>8.39%</u>	<u>7.77%</u>	<u>8.21%</u>	<u>8.67%</u>	<u>8.51%</u>

Source: Smith and Van Zandt County Appraisal Districts

TYLER JUNIOR COLLEGE DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN ACADEMIC YEARS (UNAUDITED)

Table 8

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Tax Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2023	\$ 32,755,980	\$31,865,498	97.28%	\$ 322,502	\$ 32,188,000	98.27%
2022	30,374,222	29,717,635	97.84%	25,632	29,743,267	97.92%
2021	28,950,582	28,310,228	97.79%	50,171	28,360,399	97.96%
2020	27,761,934	27,144,246	97.78%	20,261	27,164,507	97.85%
2019	26,171,725	25,502,176	97.44%	186,382	25,688,558	98.15%
2018	24,504,733	23,951,233	97.74%	55,480	24,006,713	97.97%
2017	23,356,528	22,948,703	98.25%	76,149	23,024,852	98.58%
2016	22,705,595	22,349,789	98.43%	52,100	22,401,889	98.66%
2015	21,803,240	21,523,382	98.72%	11,292	21,534,674	98.77%
2014	21,269,434	20,921,516	98.36%	-	20,921,516	98.36%

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

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

Table 9

	For the Fiscal Year Ended August 31									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Outstanding Debt:										
Bonded debt	\$ 89,579,181	\$ 98,771,626	\$ 107,476,218	\$ 116,479,118	\$ 103,079,707	\$ 111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,770,000	\$ 120,050,000
Leases	1,303,093	1,682,819	1,796,488	-	-	-	-	-	-	-
SBITAs	858,036	1,009,030	-	-	-	-	-	-	-	-
Financing Agreements	93,748	1,092,844	261,097	2,819,936	3,779,209	-	-	-	122,155	830,602
Total Outstanding Debt	\$ 91,834,058	\$ 102,556,319	\$ 109,533,803	\$ 119,299,054	\$ 106,858,916	\$ 111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,892,155	\$ 120,880,602
Total Outstanding Debt Ratios										
Per Capita	\$ 387.18	\$ 424.37	\$ 461.76	\$ 505.94	\$ 491.53	\$ 533.37	\$ 479.90	\$ 531.42	\$ 570.70	\$ 559.43
Per FTSE	10,014	9,916	10,414	11,595	9,988	11,078	10,332	11,933	12,676	12,202
As a percentage of Taxable Assessed Value	0.50%	0.64%	0.70%	0.67%	0.75%	0.86%	0.87%	1.01%	1.08%	1.07%

Notes: Ratios calculated using population, TAV and full-time student equivalent from other tables.
 GASB 87, *Leases*, was implemented beginning with fiscal year 2021. GASB 96, *Subscription-Based Information Technology Arrangements*, was implemented beginning with fiscal year 2022.

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

Table 10

Fiscal Year	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Tuition and Fees	Auxiliary Enterprise	Total	Principal	Interest	Total	
2023	\$ 38,072,208	\$ 8,699,745	\$ 46,771,953	\$ 8,563,000	\$ 2,960,593	\$ 11,523,593	4.06
2022	37,082,749	8,494,491	45,577,240	8,214,000	3,193,667	11,407,667	4.00
2021	38,385,199	7,480,980	45,866,179	8,518,000	3,556,016	12,074,016	3.80
2020	40,374,507	7,487,883	47,862,390	8,519,000	3,772,340	12,291,340	3.89
2019	39,891,305	8,041,659	47,932,964	8,264,000	3,308,896	11,572,896	4.14
2018	36,796,238	8,227,493	45,023,731	8,040,000	3,523,964	11,563,964	3.89
2017	35,456,328	8,249,300	43,705,628	8,180,000	3,762,378	11,942,378	3.66
2016	31,899,817	8,612,739	40,512,556	7,668,000	4,568,147	12,236,147	3.31
2015	30,674,433	6,590,091	37,264,524	5,280,000	5,269,180	10,549,180	3.53
2014	30,414,955	6,276,034	36,690,989	5,700,000	3,168,722	8,868,722	4.14

TYLER JUNIOR COLLEGE DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS – TAXING DISTRICT
LAST TEN ACADEMIC YEARS (UNAUDITED)

Table 11

Fiscal Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2023	237,186	\$ 14,132,491	\$ 59,584	4.2%
2022	235,806	13,458,913	57,076	3.7%
2021	232,751	13,102,118	56,292	6.2%
2020	230,221	12,714,831	55,229	3.6%
2019	209,714	10,748,612	47,200	3.4%
2018	209,714	11,232,199	49,857	3.7%
2017	225,290	11,196,702	50,224	4.5%
2016	222,936	9,464,715	42,455	4.5%
2015	218,842	9,199,272	42,036	5.2%
2014	216,080	8,889,117	41,138	6.5%

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 U.S. Bureau of Labor Statistics

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL EMPLOYERS
LAST TEN ACADEMIC YEARS (UNAUDITED)

Table 12

Employer	2023		2022		2021		2020		2019	
	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	5,000	4.44%	5,000	4.44%	4,149	4.07%	4,095	7.27%	4,095	7.10%
UT Health East Texas	3,550	3.15%	3,550	3.15%	4,497	4.41%	4,439	7.88%	4,439	7.70%
Tyler Independent School District	2,550	2.27%	2,550	2.27%	2,673	2.62%	2,639	4.68%	2,639	4.58%
Brookshire Grocery Company	1,450	1.29%	1,450	1.29%	1,641	1.61%	1,620	2.87%	1,620	2.81%
UT Tyler	1,200	1.07%	1,200	1.07%	1,459	1.43%	1,440	2.56%	1,440	2.50%
Suddenlink/Altice USA	1,150	1.02%	1,150	1.02%	1,165	1.14%	1,150	2.04%	1,150	1.99%
UT Health Northeast/UT Health Science Center	1,450	1.29%	1,450	1.29%	1,122	1.10%	1,108	1.97%	1,108	1.92%
Trane Co.	1,450	1.29%	1,450	1.29%	1,348	1.32%	1,331	2.36%	1,331	2.31%
Wal-Mart	1,500	1.33%	1,500	1.33%	1,257	1.23%	1,241	2.20%	1,241	2.15%
Tyler Junior College District	1,000	0.98%	-	0.00%	980	0.96%	967	1.72%	967	1.68%
City of Tyler	850	1.51%	-	0.00%	-	0.00%	-	0.00%	853	1.48%
Sanderson Farms	1,750	1.64%	1,850	1.64%	1,714	1.68%	1,692	3.00%	1,000	1.73%
Smith County	850	1.51%	-	0.00%	-	0.00%	-	0.00%	843	1.46%
	23,750	22.79%	21,150	18.79%	22,005	21.57%	21,722	38.54%	22,726	36.23%

Employer	2018		2017		2016		2015		2014	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
CHRISTUS Trinity Mother Frances	3,366	6.27%	3,523	6.56%	4,300	7.96%	4,300	7.96%	4,030	7.46%
UT Health East Texas	3,380	6.29%	3,460	6.44%	3,194	5.91%	3,194	5.91%	3,092	5.72%
Tyler Independent School District	2,360	4.40%	2,720	5.07%	2,115	3.91%	2,115	3.91%	2,359	4.37%
Brookshire Grocery Company	2,456	4.57%	2,058	3.83%	2,565	4.75%	2,565	4.75%	1,762	3.26%
UT Tyler	968	1.80%	1,661	3.09%	1,765	3.27%	1,765	3.27%	1,557	2.88%
Suddenlink/Altice USA	1,500	2.79%	1,500	2.79%	1,500	2.78%	1,500	2.78%	1,600	2.96%
UT Health Northeast/UT Health Science Center	1,414	2.63%	1,388	2.59%	1,130	2.09%	1,130	2.09%	1,050	1.94%
Trane Co.	1,744	3.25%	1,319	2.46%	1,538	2.85%	1,538	2.85%	1,500	2.78%
Wal-Mart	1,396	2.60%	1,191	2.22%	1,600	2.96%	1,600	2.96%	1,296	2.40%
Tyler Junior College District	947	1.76%	941	1.75%	841	1.56%	841	1.56%	935	1.73%
City of Tyler	813	1.51%	827	1.54%	853	1.58%	853	1.56%	-	0.00%
Sanderson Farms	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Smith County	860	1.60%	819	0.00%	807	1.49%	-	0.00%	-	0.00%
	21,204	37.89%	21,407	38.34%	22,208	41.10%	21,401	39.59%	19,181	35.50%

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 ACADEMIC YEARS (UNAUDITED)

Table 13

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Faculty										
Full-Time	321	334	323	321	320	316	311	310	309	296
Part-Time	339	299	349	349	309	310	309	307	355	306
Total	<u>660</u>	<u>633</u>	<u>672</u>	<u>670</u>	<u>629</u>	<u>626</u>	<u>620</u>	<u>617</u>	<u>664</u>	<u>602</u>
Percent										
Full-Time	48.64%	52.76%	48.07%	47.91%	50.87%	50.48%	50.16%	50.24%	46.54%	49.17%
Part-Time	51.36%	47.24%	51.93%	52.09%	49.13%	49.52%	49.84%	49.76%	53.46%	50.83%
Staff and Administrators										
Full-Time	385	355	374	372	375	367	365	365	352	348
Part-Time	165	166	141	268	230	298	297	294	226	264
Total	<u>550</u>	<u>521</u>	<u>515</u>	<u>640</u>	<u>605</u>	<u>665</u>	<u>662</u>	<u>659</u>	<u>578</u>	<u>612</u>
Percent										
Full-Time	70.00%	68.14%	72.62%	58.13%	61.98%	55.19%	55.14%	55.39%	60.90%	56.86%
Part-Time	30.00%	31.86%	27.38%	41.88%	38.02%	44.81%	44.86%	44.61%	39.10%	43.14%
FTSE per Full-Time Faculty	28.57	29.82	29.82	31.30	32.25	31.87	33.65	31.44	31.89	33.47
FTSE per Full-Time Staff Member	23.82	28.06	28.06	27.01	27.52	27.44	28.67	26.70	27.99	28.47
Average Annual Faculty Salary	\$60,099	\$52,094	\$52,176	\$56,500	\$56,800	\$54,657	\$54,179	\$53,939	\$51,309	\$50,217

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

Table 14

Student Classification	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	7,694	64.78%	7,613	63.99%	7,420	63.28%	7,939	64.59%	5,838	58.27%
31-60 hours	3,451	29.05%	3,495	29.37%	3,537	30.16%	3,675	29.90%	3,646	36.39%
>60 hours	718	6.04%	770	6.47%	751	6.40%	665	5.41%	532	5.31%
BAT	15	0.13%	20	0.17%	18	0.15%	12	0.10%	3	0.03%
Total	11,878	100%	11,898	100%	11,726	100%	12,291	100%	10,019	100%

Semester Hour Load	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Part-Time	6,414	54.00%	4,721	39.68%	4,680	39.91%	5,039	41.00%	3,810	38.03%
Full-Time	5,464	46.00%	7,177	60.32%	7,046	60.09%	7,252	59.00%	6,209	61.97%
Total	11,878	100%	11,898	100%	11,726	100%	12,291	100%	10,019	100%

Tuition Status	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	4,942	40.94%	4,823	40.54%	4,811	41.03%	4,994	40.63%	3,531	35.24%
Texas Resident (out-of-District)	6,658	55.15%	6,506	54.68%	6,244	53.25%	6,503	52.91%	5,257	52.47%
Non-Resident Tuition	472	3.91%	559	4.70%	403	3.44%	403	3.28%	380	3.79%
Tuition Exemption/Waiver	-	0.00%	-	0.00%	268	2.29%	391	3.18%	851	8.49%
Total	12,072	100%	11,888	100%	11,726	100%	12,291	100%	10,019	100%

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

Table 15

Gender	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	7,461	62.81%	7,439	62.52%	7,524	64.17%	7,684	62.52%	6,186	61.74%
Male	4,418	37.19%	4,459	37.48%	4,202	35.83%	4,607	37.48%	3,833	38.26%
Total	11,879	100%	11,898	100%	11,726	100%	12,291	100%	10,019	100%

Ethnic Origin	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	5,457	47.44%	5,467	45.95%	5,733	48.89%	6,065	49.35%	4,818	48.09%
Hispanic	3,242	28.21%	3,248	27.30%	3,069	26.17%	3,133	25.49%	2,530	25.25%
African American	1,919	16.98%	1,920	16.14%	1,968	16.78%	2,069	16.83%	1,987	19.83%
Asian	194	1.80%	194	1.63%	193	1.65%	200	1.63%	134	1.34%
Native American	61	0.60%	61	0.51%	63	0.54%	48	0.39%	34	0.34%
Other	1,006	4.99%	1,008	8.47%	700	5.97%	776	6.31%	516	5.15%
Total	11,879	100%	11,898	100%	11,726	100%	12,291	100%	10,019	100%

Age	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
16 or younger	1,531	12.89%	1,490	12.52%	1,252	10.68%	1,544	12.56%	336	3.35%
17	1,200	10.10%	1,115	9.37%	1,157	9.87%	1,133	9.22%	304	3.03%
18	1,950	16.42%	2,052	17.25%	2,169	18.50%	2,217	18.04%	2,080	20.76%
19-21	3,699	31.14%	3,748	31.50%	3,675	31.34%	3,819	31.07%	3,740	37.33%
22-24	1,172	9.87%	1,115	9.37%	1,079	9.20%	1,158	9.42%	1,143	11.41%
25-30	1,056	8.89%	1,065	8.95%	1,105	9.42%	1,114	9.06%	1,122	11.20%
31-35	512	4.31%	520	4.37%	529	4.51%	522	4.25%	496	4.95%
36-50	637	5.36%	683	5.74%	633	5.40%	629	5.12%	662	6.61%
51-64	115	0.97%	102	0.86%	120	1.02%	141	1.15%	123	1.23%
65 & over	7	0.06%	8	0.07%	7	0.06%	14	0.11%	13	0.13%
Total	11,879	100%	11,898	100%	11,726	100%	12,291	100%	10,019	100%

Average Age	22	22	22	22	23
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TYLER JUNIOR COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
2020 FALL STUDENTS AS OF FALL 2021

Table 16

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Transfer Student Count CEU Graduates	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Angelo State University	3	-	-	-	3	0.20%
2 Lamar University	2	-	-	-	2	0.14%
3 Midwestern State University	8	-	-	-	8	0.54%
4 Prairie View A&M University	13	4	-	-	17	1.15%
5 Sam Houston State University	31	5	-	-	36	2.44%
6 Stephen F. Austin State University	121	13	-	-	134	9.07%
7 Sul Ross State University	1	-	-	-	1	0.07%
8 Sul Ross State University - Rio Grande College	-	-	-	-	-	0.00%
9 Tarleton State University	14	6	-	-	20	1.35%
10 Texas A&M International University	-	5	-	-	5	0.34%
11 Texas A&M University	102	-	-	-	102	6.90%
12 Texas A&M University - Central Texas	-	-	-	-	-	0.00%
13 Texas A&M University - Commerce	33	5	-	-	38	2.57%
14 Texas A&M University - Corpus Christi	8	-	-	-	8	0.54%
15 Texas A&M University - Kingsville	3	1	-	-	4	0.27%
16 Texas A&M University - San Antonio	-	-	-	-	-	0.00%
17 Texas A&M University - Texarkana	5	1	-	-	6	0.41%
18 Texas A&M University at Galveston	2	-	-	-	2	0.14%
19 Texas Southern University	12	-	-	-	12	0.81%
20 Texas State University	33	4	-	-	37	2.50%
21 Texas Tech University	37	7	-	-	44	2.98%
22 Texas Woman's University	9	2	-	-	11	0.74%
30 The University of Texas Permian Basin	5	-	-	-	5	0.34%
23 The University of Texas - Rio Grande Valley	2	-	-	-	2	0.14%
24 The University of Texas at Arlington	31	9	-	-	40	2.71%
25 The University of Texas at Austin	32	2	-	-	34	2.30%
26 The University of Texas at Dallas	14	4	-	-	18	1.22%
27 The University of Texas at El Paso	4	-	-	-	4	0.27%
28 The University of Texas at San Antonio	12	-	-	-	12	0.81%
29 The University of Texas at Tyler	626	172	-	-	798	53.99%
31 University of Houston	12	-	-	-	12	0.81%
32 University of Houston - Clear Lake	-	-	-	-	-	0.00%
33 University of Houston - Downtown	2	-	-	-	2	0.14%
34 University of Houston - Victoria	-	-	-	-	-	0.00%
35 University of North Texas	51	6	-	-	57	3.86%
36 University of North Texas at Dallas	3	-	-	-	3	0.20%
37 West Texas A&M University	1	-	-	-	1	0.07%
Totals	1,232	246	-	-	1,478	100%

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

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

Table 17

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Academic buildings	15	15	15	15	15	15	15	15	15	13
Square footage (in thousands)	673	673	673	657	657	657	657	657	657	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)	67	66	61	64	78	82	84	84	85	86
Administrative and support buildings	10	10	10	10	10	10	10	10	8	8
Square footage (in thousands)	178	178	178	178	178	178	178	178	170	170
Dormitories	10	10	10	10	10	10	10	10	10	9
Square footage (in thousands)	333	333	333	333	333	333	333	333	333	267
Number of Beds	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,248	1,062
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	2,022	1,989	1,978	1,683	2,117	2,015	2,083	1,962	1,915	1,745
Athletic Facilities	7	7	7	7	7	7	7	7	7	7
Square footage (in thousands)	526	480	480	480	480	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	3	3	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	6	14	16	16	19	17	19	17	13	17
Light Trucks/Vans	26	32	31	32	29	28	28	30	27	29
Heavy Trucks	-	-	1	1	1	1	1	1	1	1
Buses	1	1	1	1	1	1	1	1	1	1

Note: Above table information comes from detailed schedule PB David Crenshaw

TYLER JUNIOR COLLEGE DISTRICT
MATURITY SCHEDULE FOR BONDED DEBT
August 31, 2023

Table 18

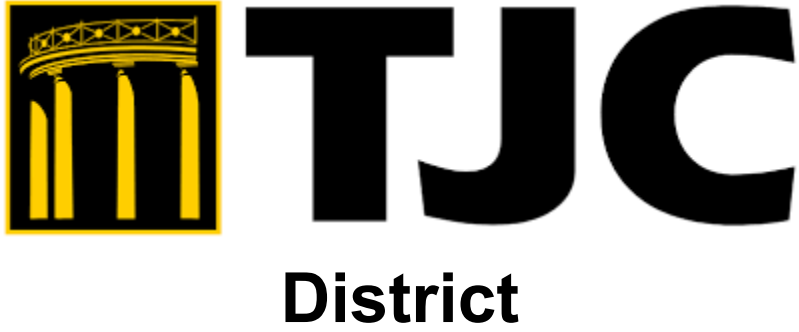
Fiscal Year	Series 2013 Combined Fee Revenue Bonds			Series 2014 Combined Fee Revenue			Series 2015 Combined Fee Revenue		
	Principal 2/15	Interest		Principal 2/15	Interest		Principal 2/15	Interest	
		2/15	8/15		2/15	8/15		2/15	8/15
2024	725,000	57,990	57,990	2,080,000	502,206	502,206	387,000	38,409	38,409
2025	745,000	48,021	48,021	2,140,000	471,006	471,006	397,000	33,340	33,340
2026	770,000	37,033	37,033	2,205,000	438,906	438,906	408,000	28,139	28,139
2027	790,000	25,483	25,483	2,275,000	404,453	404,453	418,000	22,794	22,794
2028	815,000	13,040	13,040	2,355,000	366,063	366,063	429,000	17,318	17,318
2029-2033	-	-	-	13,180,000	1,122,190	1,122,190	893,000	17,619	17,619
2034-2038	-	-	-	2,960,000	61,050	61,050	-	-	-
	<u>3,845,000</u>	<u>181,567</u>	<u>181,567</u>	<u>27,195,000</u>	<u>3,365,874</u>	<u>3,365,874</u>	<u>2,932,000</u>	<u>157,619</u>	<u>157,619</u>

Fiscal Year	Series 2015 Tax Notes			Series 2016 Tax Notes			Series 2019 Tax Notes		
	Principal 2/15	Interest		Principal 2/15	Interest		Principal 2/15	Interest	
		2/15	8/15		2/15	8/15		2/15	8/15
2024	257,000	22,315	19,346	1,650,000	50,550	34,050	1,515,000	243,050	227,900
2025	263,000	19,346	16,309	1,685,000	34,050	17,200	1,670,000	227,900	211,200
2026	269,000	16,309	13,202	1,720,000	17,200	-	1,825,000	211,200	192,950
2027	276,000	13,202	10,014	-	-	-	3,745,000	192,950	155,500
2028	282,000	10,014	6,757	-	-	-	3,740,000	155,500	80,700
2029-2033	585,000	10,176	3,419	-	-	-	4,035,000	80,700	-
2034-2038	-	-	-	-	-	-	-	-	-
	<u>1,932,000</u>	<u>91,362</u>	<u>69,047</u>	<u>5,055,000</u>	<u>101,800</u>	<u>51,250</u>	<u>16,530,000</u>	<u>1,111,300</u>	<u>868,250</u>

Fiscal Year	Series 2016 Refunding Bonds			Series 2022 Refunding Bonds			Total Aggregate Bonded Debt		
	Principal 2/15	Interest		Principal 2/15	Interest		Principal 2/15	Interest	
		2/15	8/15		2/15	8/15		2/15	8/15
2024	1,115,000	255,984	255,984	1,220,000	203,325	191,125	8,949,000	1,373,829	1,327,010
2025	1,160,000	233,684	233,684	1,255,000	191,125	172,300	9,315,000	1,258,472	1,203,060
2026	1,220,000	204,684	204,684	1,305,000	172,300	146,200	9,722,000	1,125,771	1,061,114
2027	1,265,000	180,284	180,284	1,365,000	146,200	118,900	10,134,000	985,366	917,428
2028	1,295,000	167,634	167,634	1,425,000	118,900	90,400	10,341,000	848,469	741,912
2029-2033	6,920,000	610,324	610,324	5,155,000	193,300	102,900	30,768,000	2,034,309	1,856,452
2034-2038	4,600,000	137,256	137,256	-	-	-	7,560,000	198,306	198,306
	<u>17,575,000</u>	<u>1,789,850</u>	<u>1,789,850</u>	<u>11,725,000</u>	<u>1,025,150</u>	<u>821,825</u>	<u>86,789,000</u>	<u>7,824,522</u>	<u>7,305,282</u>

SINGLE AUDIT SECTION





TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2023

Schedule E

Federal Grantor / Pass-through Grantor / Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures
U.S. Department of Education			
Direct:			
Student Financial Aid Cluster:			
SEOG	84.007	--	\$ 386,731
Federal College Workstudy Program	84.033	--	128,269
Federal Pell Grant Program	84.063	--	21,172,003
Direct Student Loans	84.268	--	<u>15,254,184</u>
Total Student Financial Aid Cluster (84.007, 84.033, 84.063, 84.268)			<u>36,941,187</u>
TRIO Cluster:			
Student Support Services Grant	84.042	--	291,960
Educational Opportunity Centers	84.066	--	<u>261,953</u>
Total TRIO Cluster (ALN 84.042, 84.066)			<u>553,913</u>
Education Stabilization Fund:			
HEERF Student Portion	84.425E	P425E200646	(20,146)
HEERF Institutional Portion	84.425F	P425F200186	2,460,950
Passed through from Texas Higher Education Coordination Board:			
COVID-19 Governor's Emergency			
Education Relief Funding	84.425C	28345	<u>181,066</u>
Total Education Stabilization Fund (ALN 84.425)			<u>2,621,870</u>
Passed through from Texas Higher Education Coordination Board:			
Career and Technical Education -			
Basic Grants to States	84.048	27672	<u>1,585,497</u>
Total U.S. Department of Education			<u>41,702,467</u>
National Science Foundation			
Research and Development Cluster:			
Passed through from University of Texas at El Paso:			
Education and Human Resources	47.076	226100996F	10,525
Passed through from Iowa State University of Science and Technology:			
Education and Human Resources	47.076	019533B	<u>31,802</u>
Total Research and Development Cluster (47.076)			<u>42,327</u>
Total National Science Foundation			<u>42,327</u>
U.S. Small Business Administration (SBA)			
Passed through from Dallas County Community College District:			
Small Business Development Center	59.037	SBAHQ-22-B-0006	104,848
Small Business Development Center	59.037	SBAHQ-23-B-0053	<u>168,936</u>
Total U.S. Small Business Administration (SBA)			<u>273,784</u>
U.S. Department of Health and Human Services			
477 Cluster:			
Passed 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	04161C31	<u>18,299</u>
Total 477 Cluster (93.596)			<u>18,299</u>
Total U.S. Department of Health and Human Services			<u>18,299</u>
Total Schedule of Expenditures of Federal Awards			<u>\$ 42,036,877</u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2023

Note 1 - Significant Accounting Policies Used in Preparing the Schedule

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2023 and is presented on the 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 on the schedule represent funds which have been expended by the District for the purposes of the award. The expenditures 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 Assistance Reconciliation

Federal Grants and Contracts Revenue (Schedule A)	\$ 4,581,734
Non-Operating Federal Revenue (Schedule C)	<u>22,182,660</u>
Total Federal Revenues per Statement of Revenues, Expenses and Changes and Net Position	26,764,394
Add: Direct Students Loans	15,254,184
Add: Matching contributions included in Schedule E	<u>18,299</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u><u>\$ 42,036,877</u></u>

Note 3 – Indirect Cost Rates

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

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2023

Schedule F

<u>Grantor Agency / Program Title</u>	<u>Grantor / Project Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
<i>Texas College Work Study</i>	--	\$ 55,911
<i>Nursing Innovation Grant</i>	18031	(5,780)
<i>Professional Nursing Shortage Reduction Program</i>	--	406,761
<i>Texas Educational Opportunity Grant Program</i>	--	1,215,523
Dallas County Community College District		
<i>Small Business Development Center</i>	SBAHQ-22-B-0006	11,144
<i>Small Business Development Center</i>	SBAHQ-23-B-0053	59,648
Texas Workforce Commission		
<i>Jobs and Education for Texans Grant Program</i>	0818JET000	(2,475)
Total Expenditures of State Awards		<u><u>\$ 1,740,732</u></u>

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2023

Note 1 - Significant Accounting Policies Used in Preparing the Schedule

The accompanying schedule of expenditures of federal awards includes the state grant activity of the District under programs of the state government for the year ended August 31, 2023 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the State of Texas Uniform Grant Management Standards (TxGMS). 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 are presented on the 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 TxGMS, wherein certain types of expenditures are not allowable or limited as to reimbursement.

Note 2 - State Assistance Reconciliation

State Grants and Contracts Revenue (Schedule A)	\$ 1,339,751
Professional Nursing Shortage Reduction (Schedule C)	<u>400,981</u>
Total State Financial Assistance (Schedule F)	<u><u>\$ 1,740,732</u></u>

**INDEPENDENT AUDITOR'S 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**

To the Board of Trustees
Tyler Junior College District

We have audited the financial statements of the business-type activities, and the discretely presented component unit of the of Tyler Junior College District (the "District"), as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements, and have issued our report thereon dated December 7, 2023. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of Tyler Junior College Foundation (the "Foundation") were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 College's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Trustees
Tyler Junior College District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, including the *Public Funds Investment Act* (Chapter 2256, Texas Government Code), noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Dallas, Texas
December 7, 2023

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE* AND THE *STATE OF TEXAS SINGLE AUDIT CIRCULAR*

To the Board of Trustees
Tyler Junior College District

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Program

We have audited Tyler Junior College District (the “District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended August 31, 2023. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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); and the Texas Grant Management Standards (TxGMS). Our responsibilities under those standards, the Uniform Guidance, and the TxGMS are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal and state programs.

To the Board of Trustees
Tyler Junior College District

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

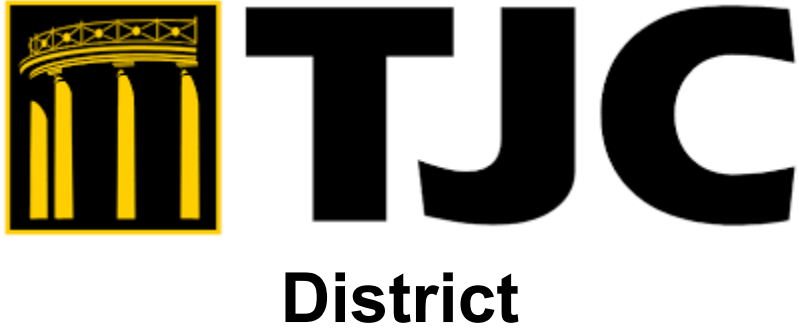
To the Board of Trustees
Tyler Junior College District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 and the TxGMS. Accordingly, this report is not suitable for any other purpose.

Whitley Penn LLP

Dallas, Texas
December 7, 2023



TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2023

I. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>ALN</u>
Education Stabilization Fund:	
HEERF Student Portion	84.425E
HEERF Institutional Portion	84.425F
HEERF DHSI Portion	84.425L
Governor's Emergency Education Relief Funding COVID-19	84.425C
Student Financial Aid Cluster:	
SEOG	84.007
Federal College Workstudy Program	84.033
Federal Pell Grant Program	84.063
Direct Student Loans	84.268
Career and Technical Education - Basic Grants to States	84.048

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$1,261,106
Auditee qualified as low risk auditee?	No

State Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>Texas Grant Management Standards (TxGMS)</i> ?	No

Identification of major programs:

<u>Name of State Program</u>	
Texas Educational Opportunity Grant Program	
Dollar Threshold Considered Between Type A and Type B State Programs	\$750,000
Auditee qualified as low risk auditee?	Yes

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2023

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.

TYLER JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended August 31, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

I. Prior Audit Findings

None Noted

TYLER JUNIOR COLLEGE DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2023

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, "At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports."

I. Corrective Action Plan

Not Applicable