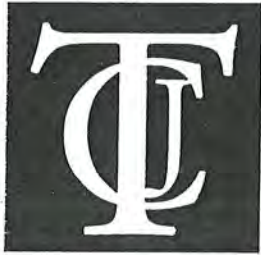


TYLER
JUNIOR
COLLEGE
DISTRICT



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the fiscal year ended
August 31, 2012

Tyler, Texas

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

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



TYLER
JUNIOR
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DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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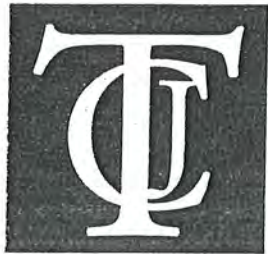
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TYLER
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INTRODUCTORY
SECTION



TYLER
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TYLER JUNIOR COLLEGE

A QUALITY EDUCATION • A VIBRANT STUDENT LIFE • COMMUNITY SERVICE

November 14, 2012

To the President of the Tyler Junior College District:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended August 31, 2012.

The District's financial staff bears the responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Gollob Morgan Peddy PC have issued an unqualified ("clean") opinion on the Tyler Junior College financial statements for the year ended August 31, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

TYLER JUNIOR COLLEGE PROFILE

The Tyler Junior College District facilities are located in Tyler, Texas, a city of approximately 100,000 located in East Texas. The District was created in 1926 as part of the Tyler public school system to serve the higher education needs of area citizens. In 1945, Tyler voters established the Tyler Junior College District as an independent local governmental entity with a publicly elected board of trustees and the authority to levy taxes in support of the District. The District is currently comprised of some or all of six independent school districts including Chapel Hill, Grand Saline, Lindale, Tyler, Van, and Winona school districts located in Smith and Van Zandt counties. The District is considered a special-purpose government engaged in business-type activities for financial reporting purposes.

In 1995, the 74th Texas Legislature defined the District's service area by adding the Yantis, Alba-Golden, Arp, Bullard, Hawkins, Jacksonville, Mineola, New Summerfield, Quitman, Rusk, Troup, and Whitehouse independent school districts to the existing six districts mentioned above. While not adding to the tax base, defining the service area clarifies the geographic boundaries within which the District may offer its courses and programs.

Although the Tyler Junior College District is regional in concept, the District's forty plus areas of study in the liberal arts and vocational fields at relatively low cost attracts students from forty-one states and thirty-six foreign countries. Annual fall unduplicated enrollment is approximately 11,500 academic and vocational students, with an additional 11,200 unduplicated "non-credit" continuing education students. In addition to outstanding instructional programs, the District offers a broad array of campus activities, men's and women's intercollegiate athletic programs, marching band, Apache Belles precision dance team, and a strong performing arts program. Student and service clubs, campus housing, career guidance and counseling, endowed scholarships, federal financial aid, and a modern 101 acre campus round out the educational experience.

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

COMPONENT UNIT REPORTING

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

BUDGETARY PROCESSES

State Requirements

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

Tyler Junior College Process

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

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

Budget Adoption

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

Monitoring of the Budget

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

Legal Level Budgetary Control

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

ASSESSING THE ECONOMIC CONDITION

Enrollment for the 2011-2012 academic year remained relatively flat compared to the 2010-2011 academic year. In order to encourage continued enrollment growth, the College increased course offerings at the satellite center in Lindale and expects to offer courses in the Quitman area in the Fall 2012 semester. The College also plans to expand partnerships with local businesses to offer trade specific programs at lower costs and in employee-convenient locations. Development of new programs in the health sciences, career and technical fields and other disciplines is ongoing.

The College recently completed renovations and repairs of several instructional buildings across campus with funds remaining from Maintenance Tax Notes issued in fiscal year 2009. Additional properties were purchased during the year to allow for future growth on the main campus. Property was purchased to secure a location for expansion of the baseball and anticipated softball program. Land was also purchased to secure the site of a new Nursing and Health Sciences Building. The College called a bond election during the fiscal year for a \$25 million general obligation bond to be used exclusively for the purpose of constructing this building. Total construction costs are expected to be approximately \$50 million. The additional \$25 million will be secured by student user fees (\$12.5 million) and private donations (\$12.5 million). The bond proposal was successful and Standard & Poor's reaffirmed the District's AA+ rating. Bonds were funded in late September and construction is set to begin during the new fiscal year.

State appropriations for 2012 decreased slightly as compared to 2011. Additionally, legislation enacted during the 2011 legislative session significantly reduces state support of employee benefits, reduces instructional formula funding and eliminates funding for enrollment growth for the biennium. The College enacted budget reduction measures to absorb some of the impact of these reductions in state funding. The College also imposed increases for several fees in the Fall 2011 semester including general education fees, out of district fees, health service fees, registration fees, laboratory fees and course specific fees. Increases in tuition and fee rates are possible in future years due to the continuing decline in state funding. Unfortunately, the College believes that continued increases in tuition and fees may deny access to some of its most deserving students and continuously seeks other opportunities to increase revenues.

For now and in the near future, the College must rely on local tax revenues to support capital growth and increased capacity needs. Tax revenues have increased over the past several years due to an expanded tax base and increased property valuations. With the slow emergence from the recent downturn in the federal, state and local economies, the property valuations of the District remained relatively flat this past year. The College did not increase the maintenance and operation tax rate for 2011-2012. It remained at \$.149870 per \$100 valuation. Additionally, with the issuance of the Maintenance Tax Notes in 2009, the District assessed the associated debt tax rate to cover the Maintenance Notes for 2011-2012 of \$.032306 per \$100 valuation. Thus, the total tax rate for 2011-2012 for the College is \$.182176 per \$100 valuation. As the economy recovers and property valuations increase, tax revenues are also expected to increase to help the College preserve the existing capital structures and allow for future capital growth.

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

TRENDS

Tyler is considered the advanced manufacturing, health care, educational, and retail center of East Texas. According to the 28th Annual Perryman Economic Outlook Conference report, the Tyler Metropolitan Statistical Area (MSA) "is predicted to see relatively strong economic performance, with growth surpassing most areas of the nation." The Tyler Economic Development Council (TEDC) shows workforce, real estate and retail activity trending upward slightly from 2010 to 2011. According to the Perryman report, the next five-year period should bring "particularly strong growth for the services segment, reflecting the area's large and growing base of health, education, and related business." The Tyler Metropolitan Statistical Area (MSA) population is expected to grow at a per-annum rate of 1.31% between 2011 and 2016. As population in the Tyler area grows along with the need for a skilled workforce in the growing areas of health, education and other sectors, the College anticipates continuing enrollment growth.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tyler Junior College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2011. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for preparation of a state and local government financial report.

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

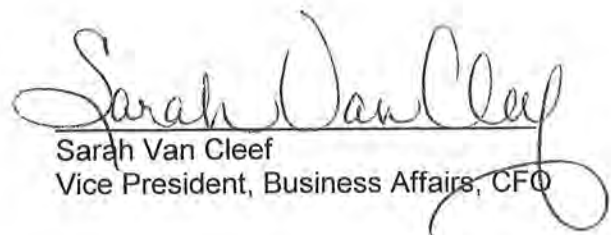
A Certificate of Achievement is valid for a period of one year only. The 2011 report was the sixteenth submission for the District, having earned its first Certificate of Achievement in 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,


Carol Hutson
Director, Accounting Services/Controller


Sarah Van Cleef
Vice President, Business Affairs, CFO



TYLER
JUNIOR
COLLEGE
DISTRICT

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tyler Junior College District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



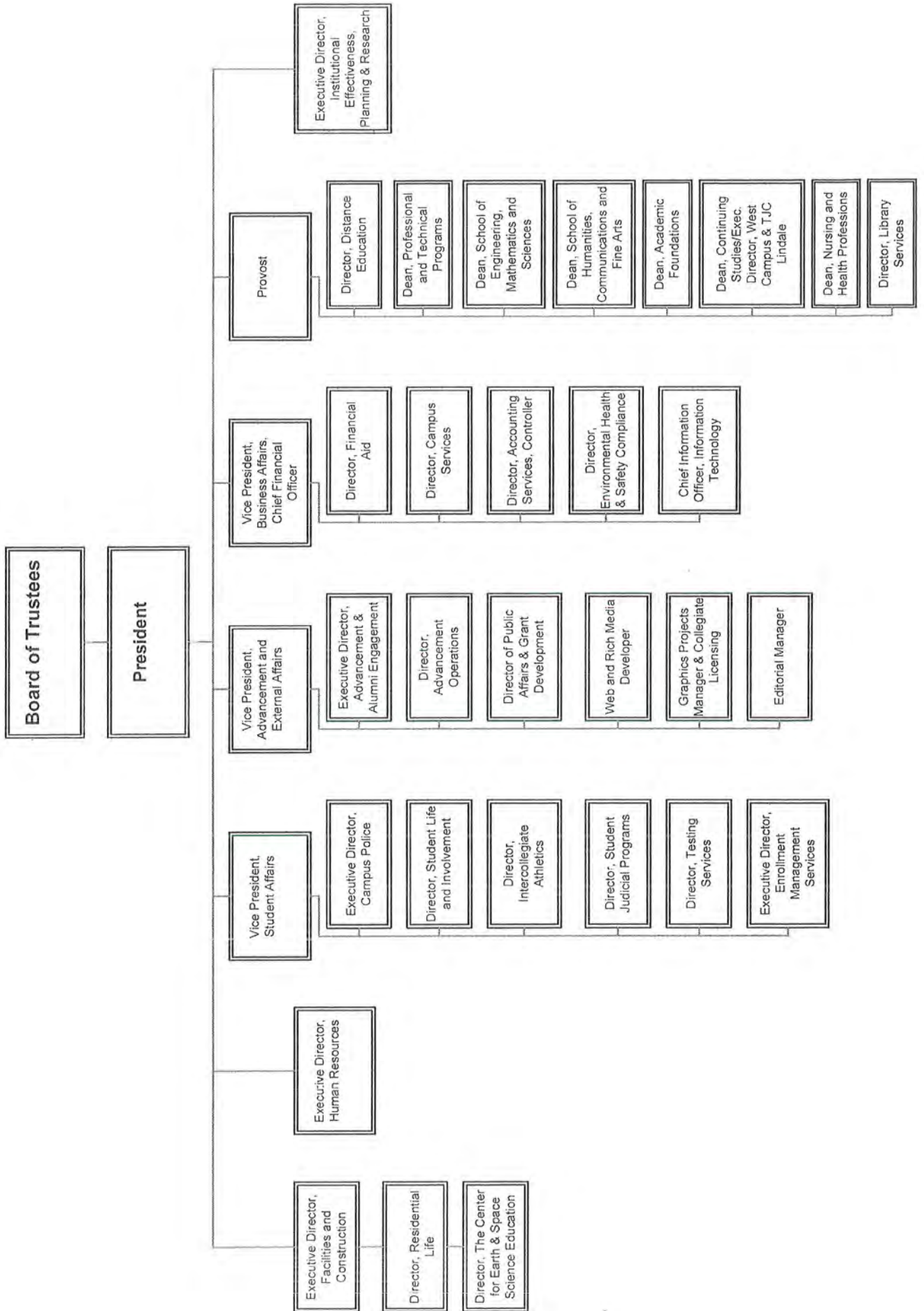
Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE



TYLER JUNIOR COLLEGE

**ORGANIZATIONAL DATA
For the Fiscal Year 2012-2013**

Board of Trustees

Officers

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

Members

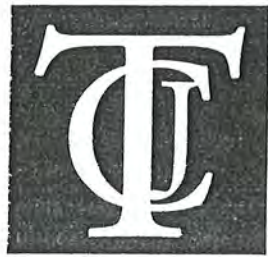
		Term Expires
		<u>May</u>
Rohn Boone	Tyler, Texas	2014
Mike Coker	Tyler, Texas	2018
David Hudson	Tyler, Texas	2014
Clint Roxburgh	Tyler, Texas	2016
Peggy Smith	Tyler, Texas	2016
Lonny Uzzell	Tyler, Texas	2018

Principal Administrative Officers

L. Michael Metke	President
Homer M. Hayes	Provost
Charles Florio	Interim V P, Student Affairs
Kim Russell	V P, Advancement/External Affairs
Sarah Van Cleef	V P, Business Affairs, CFO
W. Clayton Allen	Dean, Professional & Technical Programs
Lisa M. Harper	Dean, Academic Foundations
Paul R. Monagan	Dean, Nursing & Health Professions
Kenneth Murphy	Dean, Engineering, Mathematics and Sciences
Rosemary Reynolds-Sundet	Dean, Humanities, Communication and Fine Arts
Aubrey D. Sharpe	Dean, Continuing Studies/Executive Administrator, West Campus/TJC Lindale



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FINANCIAL
SECTION



TYLER
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Tyler Junior College District
Tyler, Texas

We have audited the accompanying basic financial statements of the Tyler Junior College District as of and for the year ended August 31, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Tyler Junior College Foundation, a component unit of the District, which statements reflect total assets of \$36,389,653 as of August 31, 2012 and total revenues of \$3,717,004 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the component unit in Exhibits 1-1 and 2-1, is based on the report of the other auditors.

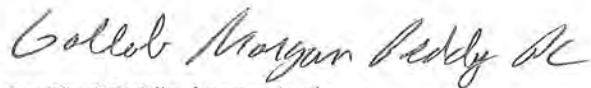
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Tyler Junior College District as of August 31, 2012 and 2011, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2012 on our consideration of the Tyler Junior College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD&A) on pages 3 through 17 is not a required part of the basic financial statements but is supplemental information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Tyler Junior College District's basic financial statements. The accompanying financial information listed as supplementary schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and by the Uniform Grant Management Standards (UGMS), and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Certified Public Accountants

Tyler, Texas
November 14, 2012

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 2012. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; 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 Assets

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

From the data presented, readers of the Statement of Net Assets 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 assets are divided into three major categories. The first category, invested in capital assets, net of debt, provides the institution's equity in property, plant and equipment owned by the institution. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets 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 assets. Unrestricted net assets are available to the institution for any appropriate purpose of the institution.

Condensed Statement of Net Assets
(thousands of dollars)

	August 31			Change	
	2012	2011	2010	2011 to 2012	2010 to 2011
Assets					
Current Assets	\$ 27,617	\$ 28,161	\$ 28,775	\$ (544)	\$ (614)
Capital Assets, Net	133,471	135,526	115,901	(2,055)	19,625
Other Assets	11,600	10,170	30,616	1,430	(20,446)
Total Assets	<u>172,688</u>	<u>173,857</u>	<u>175,292</u>	<u>(1,169)</u>	<u>(1,435)</u>
Liabilities					
Current Liabilities	27,830	27,956	29,906	(126)	(1,950)
Noncurrent Liabilities	55,738	63,043	72,569	(7,305)	(9,526)
Total Liabilities	<u>83,568</u>	<u>90,999</u>	<u>102,475</u>	<u>(7,431)</u>	<u>(11,476)</u>
Net Assets					
Invested in Capital Assets, Net of Debt	72,351	68,010	64,758	4,341	3,252
Restricted: Expendable	439	375	323	64	52
Unrestricted	16,330	14,473	7,736	1,857	6,737
Total Net Assets	<u>\$ 89,120</u>	<u>\$ 82,858</u>	<u>\$ 72,817</u>	<u>\$ 6,262</u>	<u>\$ 10,041</u>

The \$172.7 million in assets includes cash and cash equivalents of \$23.9 million. This represents a \$4.5 million increase over the cash and cash equivalents of \$19.4 million in FY2011. The expenditure of the remaining proceeds of the Maintenance Tax Notes, Series 2009, issued on October 22, 2009 for \$24,500,000 accounts for the majority of the decrease in investments. A review of the Statement of Net Assets also reveals accounts receivable of \$14 million compared to just over \$16 million in FY2011 and \$17 million in FY2010. Approximately 85 percent of the accounts receivable are for student loans and fees.

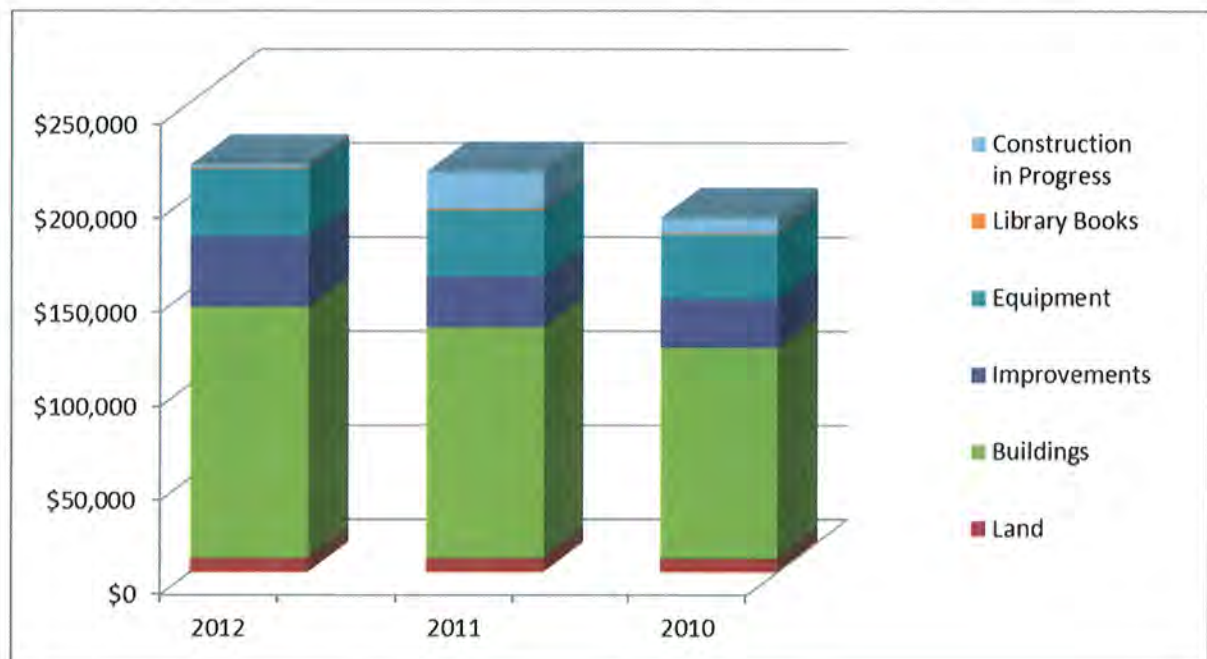
Capital assets display the result of the implementation of a policy to capitalize only those capital assets with an acquisition cost of \$5,000 or more. The consumption of assets follows the institutional philosophy to use available resources to acquire and improve all areas of the institution to better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

The completion of the remaining renovation projects funded in part by the maintenance tax note proceeds, private funds and institutional funds occurred throughout the year. These projects included renovations to the laboratories in the Genecov Building and academic classrooms in

The Center for Earth and Space Science Education. Additionally, the District completed upgrades on the West Campus to the welding lab and the surgical technology classroom. In response to the Quality Enhancement Plan (QEP), the Quest Center in the Vaughn Library was completed during the year. Other projects completed on the main campus included renovations of offices in the Grace Building as well as offices in Jenkins Hall. Several properties were acquired throughout the year that increased the footprint of the District. More detailed information of capital asset activity and long-term debt activity is presented in the note disclosures Number 6 that details the capital assets, Number 8 that discloses the details pertaining to long-term liabilities and Number 9 that displays details of all outstanding bonds payable.

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

	August 31			Change	
	2012	2011	2010	2011 to 2012	2010 to 2011
Capital Assets:					
Land	\$ 7,245	\$ 7,241	\$ 6,989	\$ 4	\$ 252
Buildings	133,938	123,007	112,335	10,931	10,672
Improvements	37,282	26,927	25,781	10,355	1,146
Equipment	35,991	35,217	34,564	774	653
Library Books	692	713	725	(21)	(12)
Construction in Progress	1,621	19,966	8,159	(18,345)	11,807
Total Capital Assets	\$ 216,769	\$ 213,071	\$ 188,553	\$ 3,698	\$ 24,518



Liabilities of \$84 million include debt of \$59 million and compensated absences of \$1.2 million as of the end of the 2012 fiscal year. This compares to liabilities in FY2011 of \$91 million with \$65 million of debt and \$1.3 million in compensated absences. Also included in the liabilities are student deposits and deferred revenue in excess of \$17 million.

The assets less liabilities result in net assets of \$89.1 million compared to \$82.9 million in FY2011 and \$72.8 million in FY2010. A major portion of the net assets is the District's capital assets of \$74.6 million, and \$14.1 million in unrestricted resources.

The District reports as an enterprise activity and as such does not have a debt limit that impacts the financing of any planned facilities or services. Additional information that pertains to the District's long-term debt liability can be found in the notes to the financial statements, Numbers 9 and 10.

Statement of Revenues, Expenses and Changes in Net Assets

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

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

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

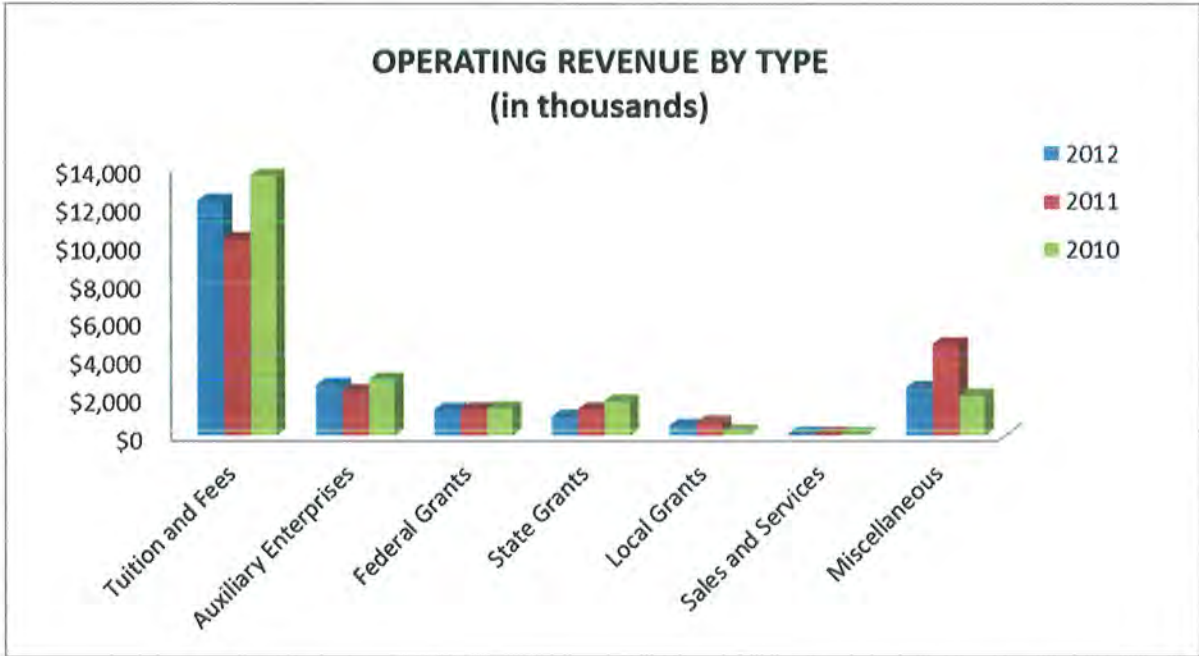
	August 31			Change	
	2012	2011	2010	2011 to 2012	2010 to 2011
Operating Revenues					
Tuition and Fees	\$ 12,266	\$ 10,301	\$ 13,604	\$ 1,965	\$ (3,303)
Federal Grants and Contracts	1,355	1,396	1,455	(41)	(59)
State Grants and Contracts	1,000	1,397	1,808	(397)	(411)
Local Grants and Contract	532	711	221	(179)	490
Sales and Service of Educational Activities	103	116	117	(13)	(1)
Auxiliary Enterprises	2,644	2,355	2,946	289	(591)
Miscellaneous	2,512	4,811	2,122	(2,299)	2,689
Total Operating Revenues	20,412	21,087	22,273	(675)	(1,186)
Operating Expenses					
Instruction	28,682	29,634	28,627	(952)	1,007
Public Service	1,388	1,399	1,151	(11)	248
Academic Support	2,486	2,821	2,894	(335)	(73)
Student Service	8,114	8,274	8,405	(160)	(131)
Institutional Support	11,433	10,777	9,791	656	986
Operation and Maintenance of Plant	6,216	5,054	5,081	1,162	(27)
Scholarship and Fellowships	2,824	3,122	2,818	(298)	304
Auxiliary Enterprises	6,723	6,311	6,166	412	145
Depreciation	5,820	4,967	4,348	853	619
Total Operating Expenses	73,686	72,359	69,281	1,327	3,078
Operating Loss	(53,274)	(51,272)	(47,008)	(2,002)	(4,264)
Non-Operating Revenues (Expenses)	59,536	61,313	53,657	(1,777)	7,656
Increase (Decrease) in Net Assets	6,262	10,041	6,649	(3,780)	3,392
Net Assets					
Net Assets, Beginning of Year	82,858	72,817	66,168	10,041	6,649
Net Assets, End of Year	\$ 89,120	\$ 82,858	\$ 72,817	\$ 6,262	\$ 10,041

The nonoperating revenues (expenses) are comprised of \$21.1 million state educational contracts, \$18.9 million property taxes, \$21.8 million in Title IV financial assistance, investment income of \$84,954 and \$2.4 million interest paid on capital related debt. The total for nonoperating revenues decreased approximately 3% from FY2011. The largest contributor to the decrease was the 43% decline in investment income, from \$150,086 in FY2011 to \$84,954 in FY2012. The decline is attributable to historically low interest rates coupled with the decreased amount of funds to invest due to the completion of the projects funded by the proceeds of the Maintenance Tax Notes, Series 2009.

The Statement of Revenues, Expenses, and Changes in Net Assets reflect a positive year with an increase in the net assets at the end of the year. Some highlights of the information presented on the Statement of Revenues, Expenses, and Changes in Net Assets are discussed in the following section.

Operating Revenue by Type
(thousands of dollars)

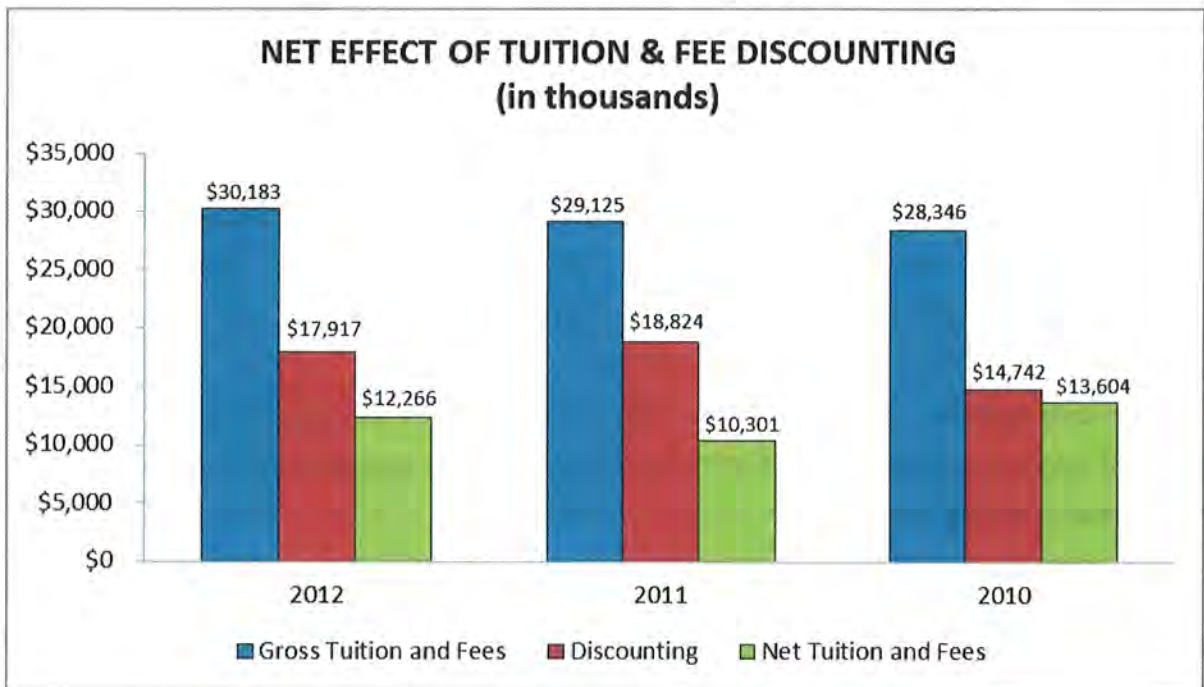
	August 31			Change	
	2012	2011	2010	2011 to 2012	2010 to 2011
Operating Revenues					
Tuition and Fees	\$ 12,266	\$ 10,301	\$ 13,604	\$ 1,965	\$ (3,303)
Auxiliary Enterprises	2,644	2,355	2,946	289	(591)
Federal Grants and Contracts	1,355	1,396	1,455	(41)	(59)
State Grants and Contracts	1,000	1,397	1,808	(397)	(411)
Local Grants and Contract	532	711	221	(179)	490
Sales and Service of Educational Activities	103	116	117	(13)	(1)
Miscellaneous	2,512	4,811	2,122	(2,299)	2,689
Total Operating Revenues	\$ 20,412	\$ 21,087	\$ 22,273	\$ (675)	\$ (1,186)



The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Student tuition and fees represent the largest type of revenue

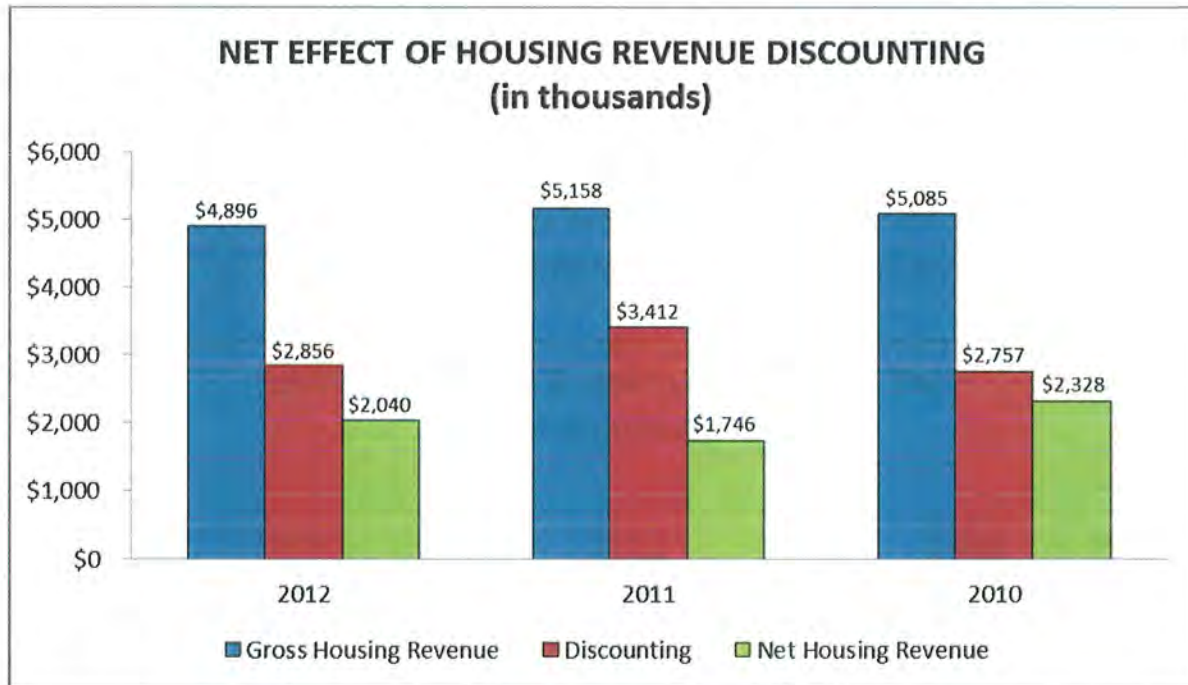
followed by auxiliary enterprises. All other types of revenue represent less than 28% of the total operating revenue.

An interesting item to note regarding student tuition and fees, as seen in the following chart, is the vitality of financial aid to the students of the District. While the tuition and fee discounting amount decreased less than 5% from \$18.8 million in FY2011 to \$17.9 million in FY2012, the impact of financial aid as a percentage of gross tuition and fees accounted for over 59%. That percentage of financial aid to gross tuition and fee revenue compares to 65% and 52% for FY2011 and FY2010, respectively. The decrease in financial aid from FY2010 to FY2011 was due to the inability of students to access Pell grants during the summer session, as it had been available by the Department of Education the two prior years. The following chart graphically illustrates the impact of financial aid (discounting) on tuition and fee revenue.



The income from residential housing contributes significantly as the major source of revenue for auxiliary enterprises. The number of students living on campus has remained relatively stable for the past three years. The gross housing revenue experienced a slight decrease in FY2012 of \$262 thousand for a total of \$4.9 million down from \$5.2 million in FY2011 and \$5.1 million in FY2010. Just as the discounting amount for tuition and fees decreased between FY2011 and FY2012, the discounting amount for residential housing also decreased between FY2011 and FY2012. The discounting amount decreased over 16% from \$3.4 million in FY2011 to \$2.9 million in FY2012. Due to the decrease in financial aid (discounting), the net housing revenue

actually experienced a 17% increase of \$294 thousand in FY2012. However, the impact of financial aid as a percentage of gross housing revenue is substantial for the District. Discounting or the use of financial aid accounted for 58% of gross housing revenue for FY2012 and 66% and 54% for FY2011 and FY2010, respectively. The following chart graphically illustrates the impact of financial aid (discounting) on housing revenue.



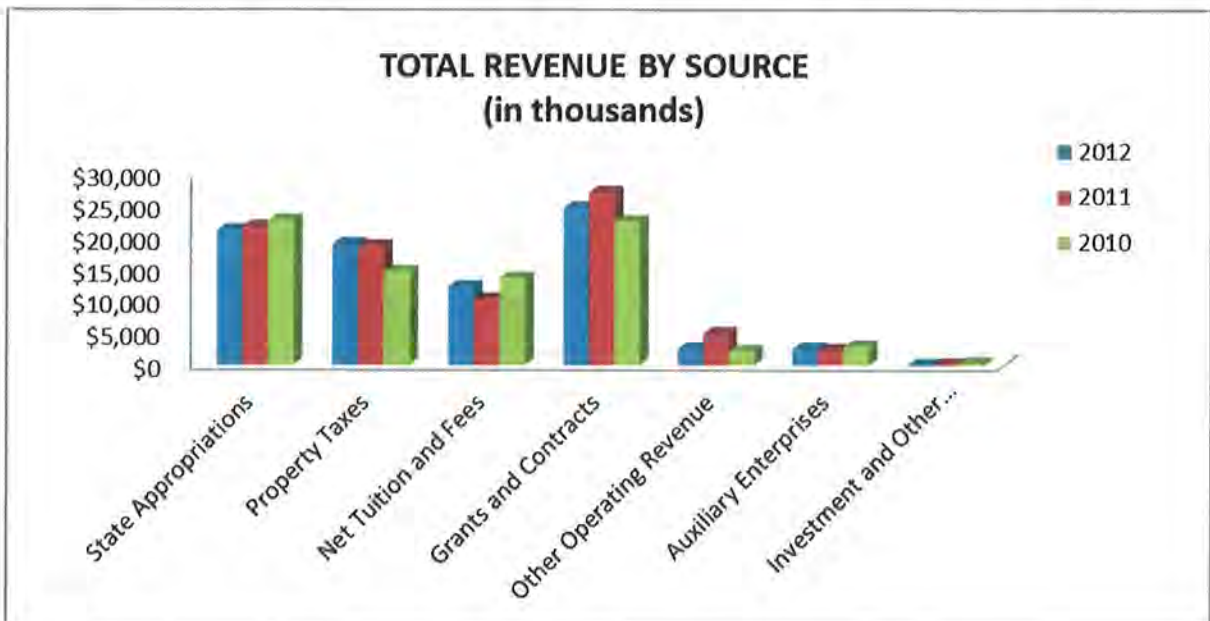
The auxiliary services, other than the residence halls, are not self-supporting activities. Two principal auxiliary services, athletics and student activities, are programmed to be supported by the general operating resources.

The District relies equally on operating revenue as well as nonoperating revenue. When all of the revenues by source are combined, the District experienced a slight decrease in total revenue from FY2011 to FY2012, approximately 3% from \$85 million in FY2011 to \$82.3 million in FY2012. A majority of the decline can be attributed to the decrease in the amount of Pell grants available to the students of the District. The decrease, \$2.4 million or approximately 9%, was the result of the unavailability of additional Pell grants by the Department of Education during the summer of 2012. The Grants and Contracts source is the largest contributor in FY2012 at 30% compared to 32% and 29% for FY2011 and FY2010, respectively. This source is restricted in nature and includes the federal Pell grant awards that pass through the District directly to the students. While Other Operating Revenue represents only 3% of the total revenue, there was a 47% decrease in the amount received by the District from \$4.9 million in FY2011 to \$2.6 million

in FY2012. Part of this decrease was a result of the Jacksonville Economic Development Council making the last of a three year financial contribution to the District for the Vocational Nursing Program that is housed in the Jacksonville East Texas Medical Center in FY2011. The State Appropriations contribution has steadily declined over the last three years. For the year 2012, the State Appropriations were 26% of the total revenue for the District at \$21.1 million, compared to 25% in FY2011 at \$21.6 million and 29% in FY2010 at \$22.7 million. The property taxes source is the third largest contributor to the total revenue received by the District. With the continued collection of the taxes for the maintenance tax notes, issued in October, 2009, property taxes account for 23% of total revenue for FY2012 or \$18.9 million. Property taxes accounted for 22% and 19% of total revenue for FY2011 and FY2010 or \$18.6 million and \$14.6 million, respectively.

Total Revenues by Source
(thousands of dollars)

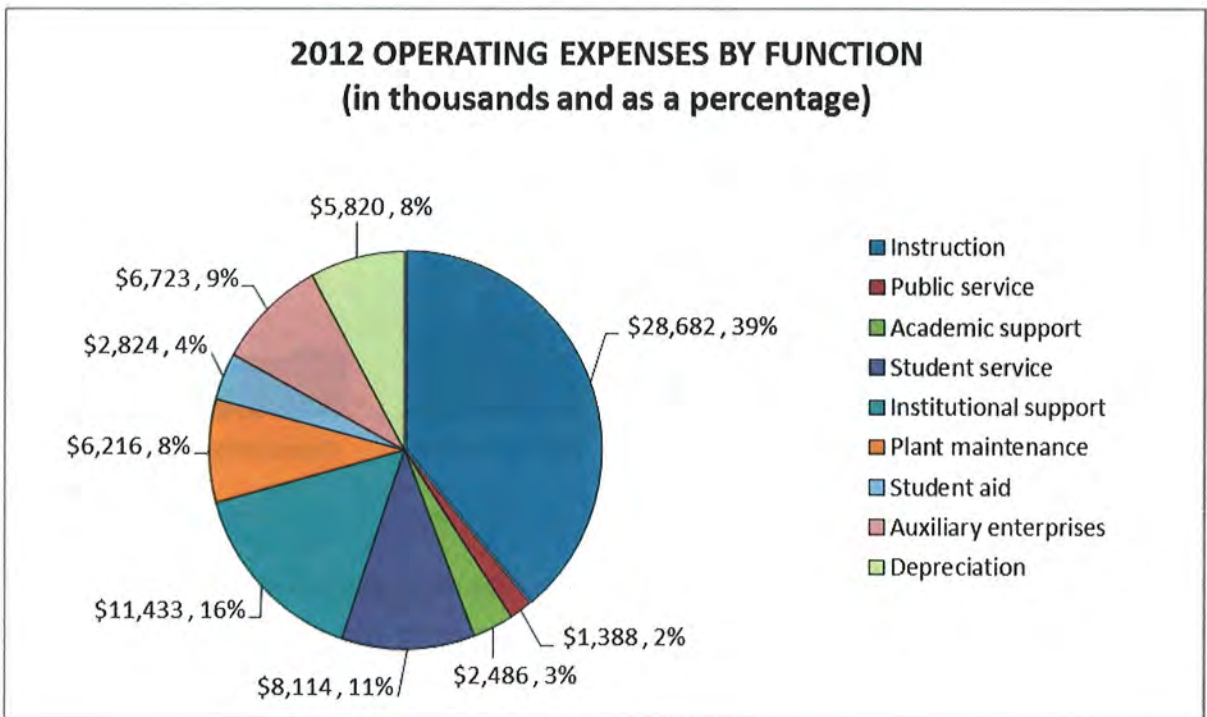
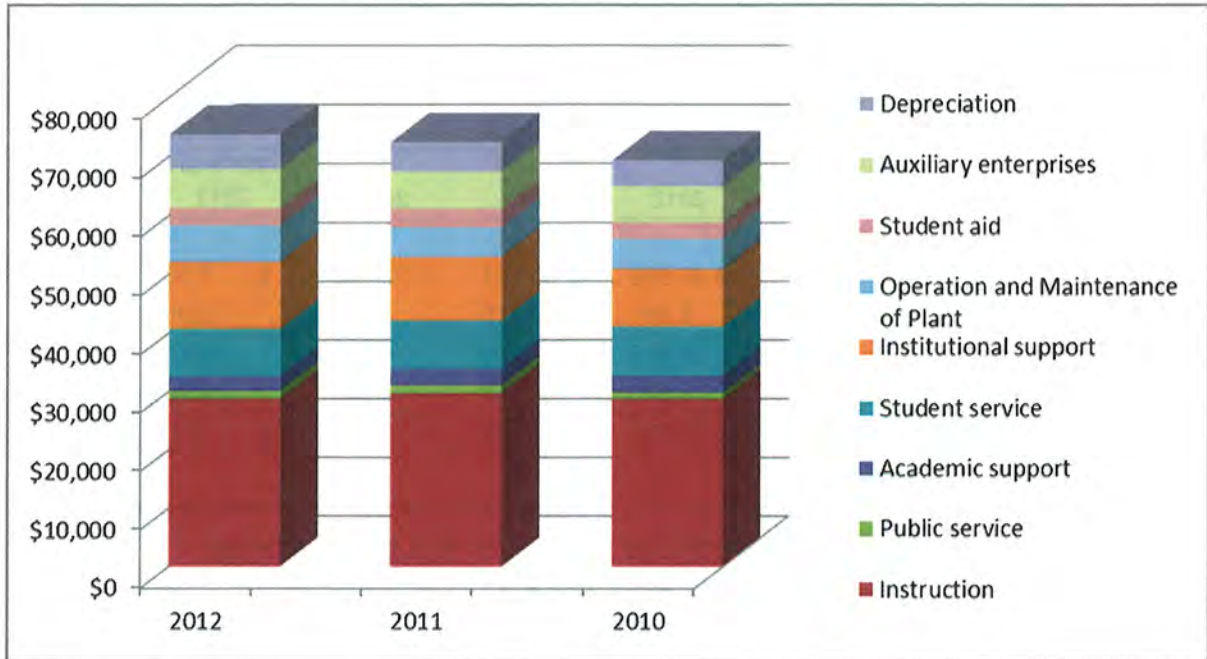
	August 31			Change	
	2012	2011	2010	2011 to 2012	2010 to 2011
Revenue Sources:					
State Appropriations	\$ 21,105	\$ 21,608	\$ 22,674	\$ (503)	\$ (1,066)
Property Taxes	18,937	18,638	14,638	299	4,000
Net Tuition and Fees	12,266	10,301	13,604	1,965	(3,303)
Grants and Contracts	24,649	27,046	22,503	(2,397)	4,543
Other Operating Revenue	2,615	4,927	2,239	(2,312)	2,688
Auxiliary Enterprises	2,644	2,355	2,946	289	(591)
Investment and Other Income	85	151	339	(66)	(188)
Total Revenue	\$ 82,301	\$ 85,026	\$ 78,943	\$ (2,725)	\$ 6,083



Even though the District experienced a slight decrease in total revenue for FY2012, the total expenses increased slightly. Costs to support enrollment growth at the District remained strong at over \$28 million for FY2012. There was a slight decrease in Instruction of 3 percent or \$952 thousand for FY2012 to total \$28.7 million as compared to \$29.6 million in FY2011 and \$28.6 million in FY2010. This slight reduction is attributable to the significant salary differences of retiring faculty and respective replacements. Academic Support and Student Service expenses both experienced decreases from FY2011 to FY2012 by approximately \$335,000 and \$160,000, respectively. Both of these areas actually saw slight declines in FY2011 from FY2010 of \$73,000 and \$131,000, correspondingly. This continued decline is attributable to the completion of several organizational realignments. An increase in Campus Police during FY2012 accounted for part of the 6% increase in Institutional Support. The decrease in Pell grant awards accounts for the 10% decrease in Student Aid to \$2.8 million for FY2012 compared to \$3.1 million in FY2011. With the many maintenance tax note funded projects being completed and depreciated for an entire year, the increase in Depreciation of 17% is reasonable. The increase equates to a total Depreciation of \$5.8 million for FY2012 as compared to \$4.9 million in FY2011 and \$4.3 million in FY2010.

Operating Expenses by Function
(in thousands)

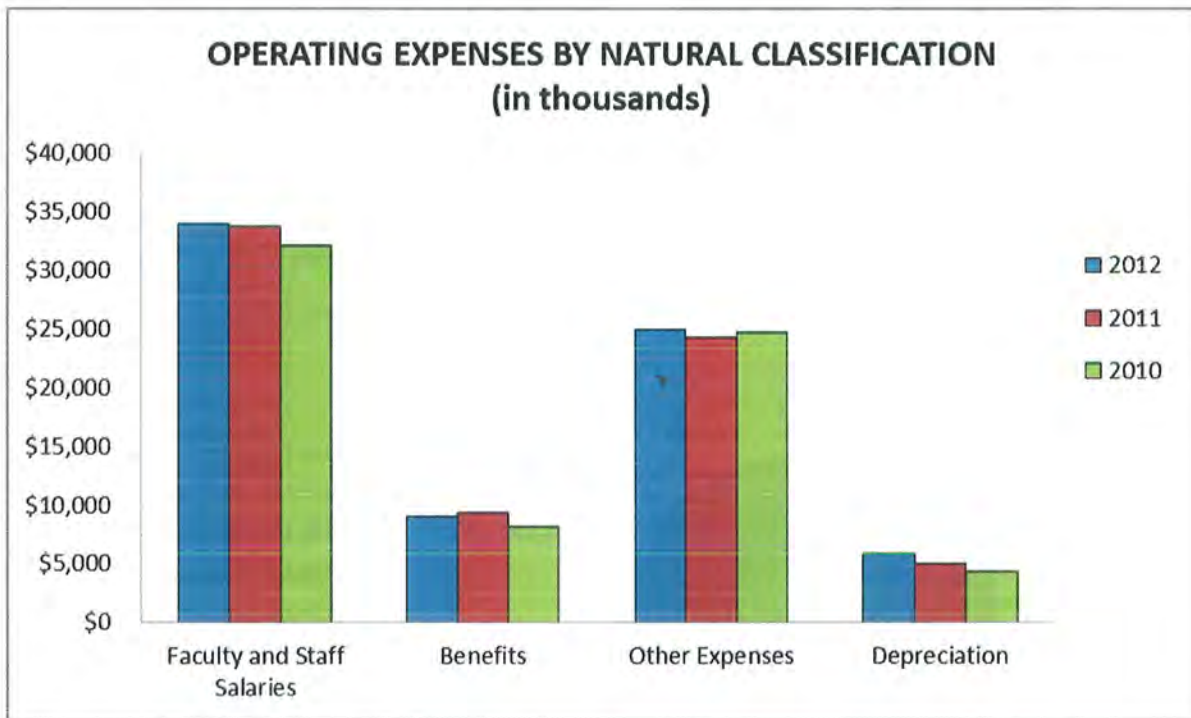
	August 31			Change	
	2012	2011	2010	2011 to 2012	2010 to 2011
Operating Expenses:					
Instruction	\$ 28,682	\$ 29,634	\$ 28,627	\$ (952)	\$ 1,007
Public service	1,388	1,399	1,151	(11)	248
Academic support	2,486	2,821	2,894	(335)	(73)
Student service	8,114	8,274	8,405	(160)	(131)
Institutional support	11,433	10,777	9,791	656	986
Operation and Maintenance of Plant	6,216	5,054	5,081	1,162	(27)
Student aid	2,824	3,122	2,818	(298)	304
Auxiliary enterprises	6,723	6,311	6,166	412	145
Depreciation	5,820	4,967	4,348	853	619
Total Operating Expenses	\$ 73,686	\$ 72,359	\$ 69,281	\$ 1,327	\$ 3,078



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

Operating Expenses by Natural Classification
(in thousands)

	August 31			Change	
	2012	2011	2010	2011 to 2012	2010 to 2011
Operating Expenses:					
Salaries	\$ 33,969	\$ 33,791	\$ 32,100	\$ 178	\$ 1,691
Benefits	8,961	9,319	8,171	(358)	1,148
Other Expenses	24,936	24,283	24,663	653	(380)
Depreciation	5,820	4,966	4,347	854	619
Total Operating Expenses	\$ 73,686	\$ 72,359	\$ 69,281	\$ 1,327	\$ 3,078



Approximately 46% of the District's \$73.7 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$42.9 million is 58% of the District's total operating expense as compared to 60% in FY2011 and 58% in FY2010. The decrease in Benefits is a result of the actions taken by the 82nd Legislature which reduced state support of employee benefits. The second highest portion of the operating expenses is the \$24.9 million of operating expenses that the District paid in FY2012 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$24.3 million in FY2011 and \$24.7 million in FY2010. Depreciation expense increased in FY2012 to \$5.8 million up from \$5 million in FY2011 and \$4.3 million in FY2010.

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 Assets.

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

	<u>August 31</u>			<u>Change</u>	
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2011 to 2012</u>	<u>2010 to 2011</u>
Cash Provided (used) by:					
Operating Activities	\$ (43,409)	\$ (41,965)	\$ (42,901)	\$ (1,444)	\$ 936
Noncapital Financing Activities	59,286	58,579	51,358	707	7,221
Capital and Related Financing Activities	(12,523)	(37,325)	3,712	24,802	(41,037)
Investing Activities	1,110	4,572	(5,624)	(3,462)	10,196
Net Change in Cash	<u>4,464</u>	<u>(16,139)</u>	<u>6,545</u>	<u>20,603</u>	<u>(22,684)</u>
Cash, Beginning of Year	19,418	35,557	29,012	(16,139)	6,545
Cash, End of Year	<u>\$ 23,882</u>	<u>\$ 19,418</u>	<u>\$ 35,557</u>	<u>\$ 4,464</u>	<u>\$ (16,139)</u>

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2012 totaled \$20.6 million as compared to \$20.6 million in FY2011 and \$16.9 million in FY2010. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$64 million in FY2012 as compared to \$62.6 million in FY2011 and \$59.9 million in FY2010. These receipts and cash outlay payments resulted in \$1.4 million more net cash used by operating activities in FY2012.

State educational contracts were once the primary source of noncapital financing. Property tax revenue is now the primary source of noncapital financing. Non-operating federal revenue and state educational contracts make up the second and third largest sources of noncapital financing

respectively. 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 FY2012, \$59.3 million was received as compared to \$58.6 million in FY2011 and \$51.4 million in FY2010. Other noncapital financing activity includes the cash held in trust for others that was received and disbursed. Although funds held for others are both received and disbursed throughout the year, \$134,499 was disbursed greater than the amount received in FY2012 as compared to \$145,288 disbursed greater than the amount received in FY2011 and \$1.6 million received greater than the disbursed amount in FY2010.

The capital and related financing activities in FY2012 included \$4.7 million expended for campus improvements and renovations. The FY2011 included \$25.5 million expended for campus improvements and renovations, in addition to the repair and renovations made possible by the proceeds from the issuance of the maintenance tax notes, for the District. This compares to \$12.7 million expended in FY2010 for campus improvements and renovations that included the expenses for the initial projects funded by the maintenance tax note proceeds. Financing outflows also include expenditures for debt service payments and related long-term debt interest. The long-term debt interest of \$2.4 million was \$274 thousand less than the amount paid in FY2011.

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 FY2012 was \$65 thousand less than the amount received in FY2011. There were \$1.5 million in investments, specifically certificates of deposits, which matured during FY2012 compared to \$4.4 million in investments, specifically certificates of deposits, which matured during FY2011. There were no investments that matured during FY2010. A GE Corporate Bond (Aa2 / AA+ rated) was purchased during FY2012 for \$500,000. The bond matures on May 1, 2013.

Economic Outlook

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

Enrollment at the District remained relatively flat for the 2012 year as compared to the enrollment for the 2011 year. The recovery from the national recession and the lower unemployment in the

region has played a significant part in the sustained enrollment as the numbers of displaced workers desiring to improve their skills or even obtain a new skill set has remained relatively the same from FY2011 to FY2012. The enrollment will continue to be stable as the fiscal year 2012 students continue their education. Current enrollment levels are expected for fiscal year 2013 as the local and national economies continue to recover.

The District's overall financial position is strong. However, the District continues to deal with the lingering effects of the slow economy. The District is surviving the financial pressures by maintaining operating budget controls, addressing reserves, evaluation of new hires and capital expenditures and assessment of current processes and procedures to locate efficiencies. As a result of the increased enrollment over the past several years and the continued stagnant economy, the District is operating with proportionally less staff and an increased workload. The 82nd Texas Legislature made significant budget decisions during the 2011 session which are impacting community colleges throughout the state for the current 2012-2013 biennium and will for years to come. Given the economic constraints at the local, state and national level, flat ad-valorem tax valuation changes and student fee increases, the District anticipates fiscal year 2013 will be comparable to fiscal year 2012 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.



TYLER
JUNIOR
COLLEGE
DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
STATEMENT OF NET ASSETS
AS OF AUGUST 31, 2012 AND 2011

ASSETS	2012	2011
Current Assets		
Cash and Cash Equivalents	\$ 12,976,190	\$ 9,923,120
Investments	514,760	1,540,103
Accounts Receivable (net of allowance for doubtful accounts of \$4,760,399 and \$4,236,852 respectively)	14,020,060	16,667,922
Prepaid Expenses	106,251	30,023
Total Current Assets	27,617,261	28,161,168
Noncurrent Assets		
Cash and Cash Equivalents	10,905,909	9,495,220
Deferred Charges	694,456	674,905
Capital Assets (Net)	133,470,916	135,525,549
	145,071,281	145,695,674
TOTAL ASSETS	\$ 172,688,542	\$ 173,856,842
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 4,162,643	\$ 4,024,367
Deferred Revenues	17,113,812	17,481,077
Current Portion of Compensated Absences	117,193	128,544
Current Portion of Bonds Payable	5,540,000	5,385,000
Current Portion of Notes Payable	896,729	936,637
Total Current Liabilities	27,830,377	27,955,625
Noncurrent Liabilities		
Accrued Compensable Absences Payable	1,054,735	1,156,900
Bonds Payable	53,354,068	59,204,368
Notes and Loans Payable	1,329,483	2,681,908
Total Noncurrent Liabilities	55,738,286	63,043,176
TOTAL LIABILITIES	83,568,663	90,998,801
NET ASSETS		
Invested in capital assets, net of related debt Restricted	72,350,636	68,009,970
Expendable		
Financial Aid and Scholarships	439,077	375,381
Unrestricted	16,330,166	14,472,690
TOTAL NET ASSETS	89,119,879	82,858,041
TOTAL LIABILITIES AND NET ASSETS	\$ 172,688,542	\$ 173,856,842

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and Cash Equivalents (Note 5)	2,458,115	3,296,232
Investments (Notes 2 and 5)	31,644,761	28,452,035
Funds Held in Trust	264,464	258,861
Charitable Gift Annuities (Note 2)	266,414	260,930
Other Assets	53,798	52,761
Total Invested Funds	34,687,552	32,320,819
Contributions Receivable	66,885	265,074
Real Estate	1,064,193	1,064,193
Deferred Expense	571,023	725,394
Total Assets	\$ 36,389,653	\$ 34,375,480
LIABILITIES		
Accounts Payable - Tyler Junior College (Note 3)	683,454	724,393
Deferred Revenue	89,079	54,545
Total Liabilities	772,533	778,938
NET ASSETS		
Unrestricted	5,995,647	4,935,451
Temporarily Restricted (Note 6)	4,643,038	4,383,144
Permanently Restricted (Note 6)	24,978,435	24,277,947
Total Net Assets	35,617,120	33,596,542
TOTAL LIABILITIES & NET ASSETS	\$ 36,389,653	\$ 34,375,480

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

TYLER JUNIOR COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011

REVENUES	<u>2012</u>	<u>2011</u>
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$17,917,367 and \$18,824,062 in discounts)	\$ 12,266,066	\$ 10,301,101
Auxiliary Enterprises (net of \$2,855,748 and \$3,412,170 in discounts)	2,643,800	2,354,905
Federal Grants and Contracts	1,355,015	1,396,514
State Grants and Contracts	999,893	1,396,955
Local Grants and Contracts	532,168	711,217
Sales and Service of Educational Activities	103,019	116,134
Interest on Student Loans	32,920	15,725
Miscellaneous Operating Revenues	<u>2,478,619</u>	<u>4,794,824</u>
Total Operating Revenues	<u>20,411,500</u>	<u>21,087,375</u>
 EXPENSES		
Operating expenses		
Instruction	28,681,895	29,633,824
Public Service	1,388,391	1,398,852
Academic Support	2,486,289	2,821,105
Student Services	8,114,349	8,274,507
Institutional Support	11,432,943	10,777,224
Operations and Maintenance of Plant	6,215,438	5,054,499
Scholarship and Fellowships (net of \$20,773,115 and \$22,236,232 in discounts)	2,824,070	3,122,074
Auxiliary Enterprises	6,722,866	6,310,926
Depreciation	<u>5,819,654</u>	<u>4,966,820</u>
Total Operating Expenses	<u>73,685,895</u>	<u>72,359,831</u>
Operating (Loss)	<u>(53,274,395)</u>	<u>(51,272,456)</u>
 NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	21,105,328	21,608,189
Property taxes	18,937,231	18,638,057
Federal Revenue, Non Operating	21,761,914	23,541,831
Investment Income	84,954	150,086
Interest on Capital Related Debt	<u>(2,353,194)</u>	<u>(2,624,414)</u>
Total Non-Operating Revenues (Expenses)	<u>59,536,233</u>	<u>61,313,749</u>
Increase in Net Assets	6,261,838	10,041,293
Net Assets, Beginning of the Year	<u>82,858,041</u>	<u>72,816,748</u>
Net Assets, End of the Year	<u>\$ 89,119,879</u>	<u>\$ 82,858,041</u>

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2012 and 2011

	2012			2011				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Other Support:								
Contributions and Fund-raising	196,350	1,288,578	605,838	2,090,766	180,729	1,491,314	556,668	2,228,711
Unrealized Gain (loss)								
on Investments	1,105,461	12,241	5,484	1,123,186	785,620	30,175	-	815,795
Net Gain (loss) on Sales	(333,612)	-	-	(333,612)	1,085,516	-	-	1,085,516
Investment Income	739,167	7,405	90,092	836,664	359,832	3,528	81,054	444,414
Donor Transfers	(501,418)	498,344	3,074	-	(1,137,320)	451,445	685,875	-
Net Assets								
Released from Restrictions	1,550,674	(1,546,674)	(4,000)	-	1,477,600	(1,395,600)	(82,000)	-
Total Revenues	2,756,622	259,894	700,488	3,717,004	2,751,977	580,862	1,241,597	4,574,436
Administrative	17,480	-	-	17,480	16,155	-	-	16,155
Fund-Raising								
Golf Tournament	41,500	-	-	41,500	34,597	-	-	34,597
Other	338	-	-	338	21,214	-	-	21,214
Real Estate	5,522	-	-	5,522	5,678	-	-	5,678
Scholarships & Awards								
Support of TJC	720,442	-	-	720,442	866,554	-	-	866,554
Scholarships	887,608	-	-	887,608	715,102	-	-	715,102
Other Awards	23,536	-	-	23,536	18,215	-	-	18,215
Total Expenditures	1,696,426	-	-	1,696,426	1,677,515	-	-	1,677,515
Change in Net Assets	1,060,196	259,894	700,488	2,020,578	1,074,462	580,862	1,241,597	2,896,921
Net Assets, September 1	4,935,451	4,383,144	24,277,947	33,596,542	3,860,989	3,802,282	23,036,350	30,699,621
Net Assets, August 31 (Note 6)	\$ 5,995,647	\$ 4,643,038	\$ 24,978,435	\$ 35,617,120	\$ 4,935,451	\$ 4,383,144	\$ 24,277,947	\$ 33,596,542

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

TYLER JUNIOR COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2012 AND 2011

CASH FLOWS FROM OPERATING ACTIVITIES	2012	2011
Receipts from students and other customers	\$ 13,305,762	\$ 10,118,617
Receipt of state financial aid	999,893	1,396,955
Receipt of federal financial aid	1,355,015	1,396,514
Receipt of local grants and support	532,168	711,217
Receipt from sales and services of educational activities	103,019	116,134
Receipt from auxiliary enterprises	2,643,800	2,354,905
Receipt of interest on student loans	32,920	15,725
Receipt from other operating revenues	1,647,642	4,451,824
Collections on student loans	2,262	48,093
Payments for salaries and benefits to employees	(39,421,624)	(37,968,527)
Payments to suppliers for goods and services	(24,609,953)	(24,606,098)
	<u>(43,409,096)</u>	<u>(41,964,641)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipt from state educational contracts	17,482,955	16,390,798
Receipts from Non Operating Federal Revenue	18,944,900	23,784,431
Property tax revenues	22,992,884	18,549,310
Receipts from student organizations	1,574,852	1,878,550
Payments to student organizations	(1,709,351)	(2,023,838)
	<u>59,286,240</u>	<u>58,579,251</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets and construction costs	(4,127,959)	(25,494,208)
Principal payments on capital related debt	(6,857,779)	(9,531,372)
Interest on capital related debt	(2,368,921)	(2,643,014)
Contributions received for capital related financing	830,977	343,000
	<u>(12,523,682)</u>	<u>(37,325,594)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	84,954	150,086
Maturity of investments	1,540,103	4,422,135
Purchases of investments	(514,760)	-
	<u>1,110,297</u>	<u>4,572,221</u>
Increase (decrease) in cash and cash equivalents	4,463,759	(16,138,763)
Cash and cash equivalents, September 1	<u>19,418,340</u>	<u>35,557,103</u>
Cash and cash equivalents, August 31	\$ 23,882,099	\$ 19,418,340
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 12,976,190	\$ 9,923,120
Cash and cash equivalents - noncurrent	10,905,909	9,495,220
Total cash and cash equivalents	\$ 23,882,099	\$ 19,418,340

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

Reconciliation of operating loss to net cash used by operating activities

Operating loss	\$	(53,274,395)	\$	(51,272,456)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation		5,819,654		4,966,820
Non-operating plant revenue		(830,977)		(343,000)
Amortization of deferred charges		(249,405)		(158,489)
Payments made directly by state for benefits		3,622,373		5,217,391
(Increase) decrease in assets				
Receivables (net)		1,409,223		183,202
Prepaid expenses		(76,228)		69,618
Increase (decrease) in liabilities				
Accounts payable and accrued liabilities		651,440		281,905
Deferred revenues		(367,265)		(833,376)
Compensated absences		(113,516)		(76,256)
		<u> </u>		<u> </u>
Net cash used in operating activities	\$	<u>(43,409,096)</u>	\$	<u>(41,964,641)</u>

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

TYLER JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements

NOTE 1 — REPORTING ENTITY

The Tyler Junior College District was established in 1926 in accordance with the laws of the State of Texas, to serve the educational needs of Tyler and surrounding communities. The District is governed by an elected nine member Board of Trustees which has oversight responsibility over all District activities. The District consists of the areas of six Independent School Districts located in Smith and Van Zandt Counties, Texas. The Tyler Junior College District is considered to be a special purpose, primary government according to the definition in *Governmental Accounting Standards Board (GASB) Statement 14* and as amended by *(GASB) Statement 39*. 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, 2012, the foundation distributed \$1,281,157 in support and scholarships to the District. Complete financial statements for the foundation can be obtained from the foundation's offices in the White Administrative Building on the District's main campus.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Report Guidelines

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges. These requirements are in conformity with U.S. generally accepted accounting principles as set forth by the Governmental Accounting Standards Board, and the American Institute of Certified Public Accountants.

Basis of Accounting

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

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

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

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

Tuition Discounting

Texas Public Education Grants

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

Title IV, Higher Education Act Program Funds

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

Other Tuition Discounts

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

Budgetary Data

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

Capital Assets

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

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

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

Use of Estimates

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

Cash and Cash Equivalents

The District defines cash and cash equivalents to be deposits held in banks plus cash on hand. Also, cash equivalents include funds maintained at Texpool which is an overnight investment pool and the funds held there can be readily converted to cash on a daily basis.

Investments

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

Capitalized Interest

The District has capitalized a portion of the interest paid on its debt as construction in progress in relation to the portion of debt used to fund construction projects during the current year.

Allowance for Doubtful Accounts

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

Deferred Charges

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

Change in Presentation

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

NOTE 3 — AUTHORIZED INVESTMENTS

Tyler Junior College District is authorized to invest in obligations and instruments as defined in the *Public Funds Investment Act* (Chapter 2256.001 Texas Government Code). Such

<u>Investment</u>	<u>% of Total Deposits and Investments</u>	
	<u>8-31-12</u>	<u>8-31-11</u>
Texpool	14.98%	21.98%
Certificates of deposit	-	7.35%

NOTE 5 — ACCOUNTS RECEIVABLE

Accounts receivable at August 31, 2012 and August 2011, are the following:

	<u>8-31-12</u>	<u>8-31-11</u>
Student tuition and fees receivable (net of allowance for doubtful accounts of \$2,074,181 and \$1,546,219, respectively)	\$ 11,887,828	\$ 13,184,007
Taxes receivable (net of allowance for doubtful accounts of \$419,928 and \$381,350 respectively)	564,886	572,555
Federal receivable	259,682	1,490,652
Student loans receivable (net of allowance for doubtful accounts of \$2,266,290 and \$2,309,283 respectively)	36,697	16,999
Other receivables	1,270,967	1,403,709
	<u>\$ 14,020,060</u>	<u>\$ 16,667,922</u>

NOTE 6 — CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable assets				
Land	\$ 7,241,094	\$ 3,932	\$ -	\$ 7,245,026
Construction in progress	19,965,605	2,408,359	20,753,420	1,620,544
Total nondepreciable capital assets	<u>27,206,699</u>	<u>2,412,291</u>	<u>20,753,420</u>	<u>8,865,570</u>
Depreciable capital assets				
Buildings	123,007,625	10,930,487	-	133,938,112
Improvements	26,927,316	10,354,688	-	37,282,004
Library books	713,208	45,907	67,250	691,865
Equipment	35,216,573	775,068	-	35,991,641
Total depreciable capital assets	<u>185,864,722</u>	<u>22,106,150</u>	<u>67,250</u>	<u>207,903,622</u>
Total Capital Assets	<u>213,071,421</u>	<u>24,518,441</u>	<u>20,820,670</u>	<u>216,769,192</u>
Less accumulated depreciation				
Buildings	34,738,189	3,071,464	-	37,809,653
Improvements	13,534,563	1,564,506	-	15,099,069
Library books	383,654	69,186	67,250	385,590
Equipment	28,889,466	1,114,498	-	30,003,964
Total accumulated depreciation	<u>77,545,872</u>	<u>5,819,654</u>	<u>67,250</u>	<u>83,298,276</u>
Net Capital Assets	<u>\$ 135,525,549</u>	<u>\$ 18,698,787</u>	<u>\$ 20,753,420</u>	<u>\$ 133,470,916</u>

NOTE 7 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at August 31, 2012 and August 31, 2011 were the following:

	8-31-12	8-31-11
Vendors payable	\$ 1,767,231	\$ 1,877,242
Salaries and benefits payable	2,284,914	2,020,900
Interest payable	110,498	126,225
Total Accounts Payable and Accrued Liabilities	<u>\$ 4,162,643</u>	<u>\$ 4,024,367</u>

NOTE 8 — LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes					
Bonds payable	\$ 64,589,368	\$ -	\$ 5,695,300	\$ 58,894,068	\$ 5,540,000
Notes payable					
Energy project B	2,428,301	-	534,729	1,893,572	564,089
Training center	1,072,064	-	739,424	332,640	332,640
Phone system	118,180	-	118,180	-	-
Total notes payable	<u>3,618,545</u>	<u>-</u>	<u>1,392,333</u>	<u>2,226,212</u>	<u>896,729</u>
Total bonds and notes payable	<u>68,207,913</u>	<u>-</u>	<u>7,087,633</u>	<u>61,120,280</u>	<u>6,436,729</u>
Other liabilities					
Compensated absences	1,285,444	-	113,516	1,171,928	117,193
Total other liabilities	<u>1,285,444</u>	<u>-</u>	<u>113,516</u>	<u>1,171,928</u>	<u>117,193</u>
Total Long-term Liabilities	<u>\$ 69,493,357</u>	<u>\$ -</u>	<u>\$ 7,201,149</u>	<u>\$ 62,292,208</u>	<u>\$ 6,553,922</u>

NOTE 9 — BONDS PAYABLE

Bonds payable as of August 31, 2012 and August 31, 2011 are comprised of the following:

	8-31-12	8-31-11
Maintenance Tax Notes, Series 2009, issued solely for repairs and renovations of existing campus infrastructure, issued October 22, 2009 for \$24,500,000, plus premium of \$1,624,703: all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.	\$ 20,020,000	\$ 22,275,000
Combined Fee Revenue Bonds, Series 2006, issued to construct a new satellite plant and student housing, issued October 26, 2006 for \$39,675,000, plus premium of \$941,611: all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	33,005,000	34,110,000

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

Total	4,270,000	6,295,000
	<u>57,295,000</u>	<u>62,680,000</u>
Plus: Unamortized Bond Premium	1,599,068	1,909,368
Net Outstanding Bonds Payable	<u>\$ 58,894,068</u>	<u>\$ 64,589,368</u>

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

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

Year Ending 8/31	Principal Due 2/15 or 8/15	Interest Rates	Interest Due		Total Principal and Interest Requirements
			2/15	8/15	
2013	\$ 5,540,000	2.00 - 4.00	1,179,006	1,156,106	\$ 7,875,112
2014	5,700,000	2.00 - 4.00	1,097,406	1,074,056	7,871,462
2015	3,625,000	2.00 - 4.00	1,012,181	964,481	5,601,662
2016	3,735,000	4.00	939,681	890,781	5,565,462
2017	3,870,000	4.00 - 5.00	858,531	808,231	5,536,762
2018-2022	15,035,000	4.00	3,131,963	2,970,963	21,137,926
2023-2027	5,635,000	4.25	2,161,363	2,161,363	9,957,726
2028-2032	7,095,000	5.00	1,431,750	1,431,750	9,958,500
2033-2037	<u>7,060,000</u>	5.00	<u>451,875</u>	<u>451,875</u>	<u>7,963,750</u>
	<u>\$ 57,295,000</u>		<u>\$ 12,263,756</u>	<u>\$ 11,909,606</u>	<u>\$ 81,468,362</u>

Pursuant to terms of the original issue of the bonds, a Reserve Fund was required to contain a Required Reserve Fund Amount. The District's Board of Trustees has adopted a resolution authorizing the substitution of a surety bond in lieu of cash and investments to satisfy the Required Reserve Fund Amount, as authorized by Section 130.125, Texas Education Code, as amended.

The 2004 Series Bond indenture also requires that the following information concerning insurance coverage as of August 31, 2012 be disclosed:

<u>POLICY</u>	<u>COVERAGE</u>	<u>PREMIUM</u>	<u>POLICY TERM</u>
<u>Commercial Package</u>		\$181,147	9/1/11 - 9/1/12
Building and Contents	\$141,384,213		
Dwellings	250,000		
Mobile equipment	543,403		
Electronic data processing	3,568,402		
Musical instruments	858,341		
<u>General Liability:</u>			
General aggregate	3,000,000		
Products comp/op aggregate	2,000,000		
Personal and advertising injury	2,000,000		
Employee benefits	1,000,000		

Tenants legal liability	1,000,000		
Each occurrence	1,000,000		
Medical expense (any one person)	5,000		
<u>Commercial Umbrella</u>			
General aggregate	15,000,000	59,915	9/1/11– 9/1/12
Products and completed			
Ops	15,000,000		
Each occurrence	15,000,000		
Employee occupational disease	15,000,000		
Retained limit	1,000,000		
<u>Business Automobile</u>			
Combined single limits	1,000,000	48,326	9/1/11 – 9/1/12
Medical payments	5,000		
Underinsured motorist	1,000,000		
<u>Medical Malpractice Liability</u>			
Each incident	2,000,000	18,770	9/1/11 – 9/1/12
Aggregate	4,000,000		
<u>School Board Legal Liability</u>			
Each occurrence	1,000,000	30,997	9/1/11 – 9/1/12
Aggregate	1,000,000		
<u>Law Enforcement Professional Liability</u>			
Each person	1,000,000	11,587	9/1/11 – 9/1/12
Aggregate	1,000,000		
Each occurrence	1,000,000		
<u>Worker's Compensation</u>			
No limit/no deductible		28,380	9/1/11 – 9/1/12

NOTE 10 – NOTES PAYABLE

The District has the following loans at August 31, 2012 and August 31, 2011:

	<u>8-31-12</u>	<u>8-31-11</u>
<u>Southside Bank:</u>		
For energy conservation project; original loan amount of \$6,420,664, interest at 5.3% beginning 11/5/99; with monthly installments of \$54,240.80 beginning 11/5/00 principal payments to begin 11/05/01, unsecured.	\$ 1,893,572	\$ 2,428,301
<u>Southside Bank:</u>		
For construction of Regional Skills Training Center in the City of Tyler Reinvestment Zone #1; annual payments including interest at 5.30% due beginning August 15, 2002; annual payments vary from \$250,000 to \$680,000; final payment due August 15, 2013; secured by building and real estate.	332,640	1,072,064
<u>Chase Equipment Leasing:</u>		
For campus wide phone system; original loan amount of \$750,000; interest of 4.10% beginning 07/28/06 with monthly installments of \$11,845.64, including interest beginning 09/28/07; secured by equipment.	-	118,180
Total	\$ <u>2,226,212</u>	\$ <u>3,618,545</u>

Maturities of the notes payable for years subsequent to August 31, 2012 are as follows:

Fiscal Year	Southside Bank		Southside Bank		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 564,089	\$ 75,336	\$ 332,640	\$ 17,630	\$ 896,729	\$ 92,966
2014	594,723	48,748	-	-	594,723	48,748
2015	627,020	20,716	-	-	627,020	20,716
2016	107,740	625	-	-	107,740	625
2017	-	-	-	-	-	-
Totals	<u>\$ 1,893,572</u>	<u>\$ 145,425</u>	<u>\$ 332,640</u>	<u>\$ 17,630</u>	<u>\$ 2,226,212</u>	<u>\$ 163,055</u>

NOTE 11 — DEFEASED BONDS OUTSTANDING

The District has defeased certain bonds by placing the proceeds of other bond issues in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At August 31, 2012 and August 31, 2011, \$-0- and \$420,000 of bonds outstanding are considered defeased. The issues and amounts of outstanding defeased bonds are as follows:

Bond Issue	Year Refunded	Par Value Outstanding 8-31-12	Par Value Outstanding 8-31-11
Combined Fee Improvement Revenue Bonds, Series 1992	1994	\$ -	\$ 420,000

NOTE 12 — COMPENSATED ABSENCES

Full-time employees earn annual leave from 6.67 to 13.33 hours per month depending on the number of years employed by the District. The District's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with eight or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to 160 hours. The District recognized the accrued liability for the unpaid annual leave for \$1,171,928. Sick leave, which can be accumulated to a limit of 720 hours, is earned at the rate of eight hours per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

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

NOTE 13 — EMPLOYEES' RETIREMENT PLAN

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

their salary to an approved insurance company, the District pays 2.50 percent, and the state pays 6.00 percent.

Plan Description

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

Types of Employees Covered

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

The retirement expense to the State of Texas for the District was \$1,594,050 and \$1,876,702 for the fiscal years ended August 31, 2012 and 2011. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District and has been recognized as revenue and expenses by the District in the financial statements. Participants contributed \$1,828,330 (\$1,156,025 for the Teacher Retirement System and \$672,305 for the Optional Retirement Program). The District contributed \$138,231 to the Optional Retirement Program to cover the 2.50% referenced above.

Total payroll for the District's employees was \$33,969,065 and \$33,790,686 for the fiscal years ended August 31, 2012 and 2011, respectively. Total payroll of employees covered by the Teacher Retirement System was \$18,062,892 and \$17,863,191, and the total payroll of employees covered by the Optional Retirement System was \$10,109,855 and \$10,779,245 for the fiscal years ended August 31, 2012 and 2011, respectively.

Benefit Provisions

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

TRS Service Retirement

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

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

Funding Policy

State law provides for a state contribution rate for fiscal years 2012, 2011, and 2010 of 6.0% and a member contribution rate of 6.4%. These rates are set by state statutes. In certain instances, the reporting district is required to make all or a portion of the state's 6.0% contribution.

Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system during that fiscal year. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. The contribution requirement for the fiscal years ended August 31, 2010, 2011 and 2012 for the District was \$2,162,971, \$2,231,811 and \$2,239,799 which consisted of \$970,969 (44.89%), \$1,044,381 (44.98%) and \$964,150 (43.05%) from the state; \$130,747 (6.04%), \$134,185 (5.78%) and \$119,624 (5.34%) from the District and \$1,061,255 (49.07%), \$1,143,245 (49.24%), and \$1,156,025 (51.61%) from employees.

NOTE 14 — EMPLOYEE BENEFIT PLANS

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

NOTE 15 — DEFERRED COMPENSATION PLAN

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted by Government Code 609.001 and in Senate Bill No. 872 of the 63rd Legislature. The employees' investments are held in tax-deferred annuity plans pursuant to Internal Revenue Code Section 403(b). As of August 31, 2012, the District had 77 employees participating in the program. A total of \$425,720 in payroll deductions had been invested in approved plans during the fiscal year.

During the current year, the District extended its executive deferred compensation agreement with its president. The original agreement was for a three year period and called for the District to set aside \$37,500 each year which will be paid out in accordance with the completion of employment by the president for each year under the agreement. The extension goes for an additional three year period with the same terms.

NOTE 16 — PENDING LAWSUITS AND CLAIMS

On August 31, 2012, there were no lawsuits filed against the District nor were there any claims involving the District which were pending.

Texas Constitution article 16, section 6(b)(3) provides that the State of Texas must contribute "not less than six percent nor more than ten percent of the aggregate compensation paid to individuals participating in the system," referring to the State's Teacher Retirement System (TRS) including the related faculty Optional Retirement Program (ORP). During the 2011 legislative session, the Texas Legislature appropriated retirement funds for various types of educational institutions other

than community and junior colleges in satisfaction of this requirement, but the community college appropriations restricted the State's contribution to TRS/ORP on behalf of community colleges to only six percent of each district's unrestricted general revenue appropriation for each year of the biennium state budget.

There is no pending litigation concerning this issue to construe the constitutional funding requirements; or to hold that the State biennium appropriations satisfy those requirements; or to attempt to collect any shortfall contributions from any community college district.

The college has calculated that as of August 31, 2012 the contribution that has not been paid to TRS on behalf of the college employees is \$514,564.

NOTE 17 — OPERATING LEASE COMMITMENTS

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

<u>Fund Group</u>	Year Ended August 31, 2012	Year Ended August 31, 2011
Unrestricted Current Funds	<u>\$648,201</u>	<u>\$612,694</u>
Total	<u>\$648,201</u>	<u>\$612,694</u>

NOTE 18 — 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:

	<u>8-31-12</u>	<u>8-31-11</u>
Liability, beginning of year	\$ -	\$ -
Incurred claims (including IBNRs)	-	-
Claim payments	-	-
Liability, end of year	<u>\$ -</u>	<u>\$ -</u>

NOTE 19 — POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was \$648 per month for the year ended August 31, 2012. The state cost of providing those benefits for all employees totaled \$1,994,919 with \$1,128,077 for 206 retirees and \$866,842 for 603 active employees.

NOTE 20 — PROPERTY TAXES

Property taxes are levied each October 1 on the assessed value of property in the taxing district as of the prior January 1. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

Assessed Valuation of the District	\$ 14,268,554,562
Less: Exemptions	3,487,383,051
Net Taxable Valuation of the District	\$ <u>10,781,171,511</u>

	Current Operations	Debt Service	Total
Tax rate per \$100 valuation for authorized (Maximum per enabling legislation)	\$.2800	-	\$.2800
Tax rate per \$100 valuation for assessed	\$.149870	\$.032306	\$.182176

Taxes levied for the year ended August 31, 2012 amounted to \$18,589,719.

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$14,992,046	\$3,312,205	\$18,304,251
Delinquent taxes collected	295,954	-	295,954
Penalties and interest collected	279,200	18,801	298,001
Total Collections	\$15,567,200	\$3,331,006	\$18,937,231

The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures. Tax collections for the year ended August 31, 2012 were approximately 98.88% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

NOTE 21 — DEFERRED REVENUES AND EXPENSES

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

NOTE 22 — 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 year ended August 31, 2012.

NOTE 23 — CONTRACTUAL AGREEMENTS

The District has a contract for the District's food services for students, faculty, staff, employees and invited guests. The contract is currently under renewal through July 31, 2013. Under the agreement, the food service provider bills the District weekly for service based on day rates per

residents under resident meal plans plus other special events. In consideration of the right to operate the campus dining service, the District is paid a 9% commission on adjusted gross sales. Food service commissions are remitted monthly to the District.

The District also has an agreement for the operation and management of the campus bookstore. The manager owns all inventories of merchandise and has the sole and exclusive right to sell this inventory. In consideration for the use of campus space, the manager pays the greater of a yearly fee as stated in the contract, or a percentage of all gross revenues in a contract year as outlined in the contract. The District recently awarded a new contract to the same manager beginning September 1, 2012 through August 31, 2022. The terms of the new agreement calls for a 13.75% commission to the District on the first 4 million in sales and a 14.75% commission on all sales above 4 million.

The District has entered into a contract with a company to provide beverage and food vending services to its main campus and to its Regional Training and Development Center (RTDC) complex. The District is paid a commission for vending sales based on the products sold at varying commission rates as set forth in the agreement. This agreement was recently renewed through August 31, 2014.

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

The District participates in a tax increment financing agreement under Chapter 311 of the Texas Tax Code through the City of Tyler Reinvestment Zone #1. The Reinvestment Zone was created for the purpose of financing the construction of a District-owned educational facility. The District and two other taxing entities pledged their incremental tax collections on growth in the appraised values, above a base level established when the Reinvestment Zone was created in 1998, for the construction of a new facility.

The District has a contract with a local hospital to provide on-campus medical care. The health care provider maintains a clinic in the student center on the main campus. The contract is currently under an annual renewal option through August 31, 2013.

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

During a prior year, the District entered into two separate agreements to provide educational opportunities at satellite centers. The first agreement was a joint effort with a local hospital and a neighboring Economic Development Corporation to provide nursing classes in a renovated wing of an existing hospital. Under this agreement, the District received funding from the hospital and the Economic Development Corporation over a three year period to assist in building improvements and the operations of the nursing program.

The other agreement is similar and provides financial assistance from another local Economic Development Council to provide classes in a rented facility within the District. The lease on the classroom space is for five years. There was also an initial contribution of \$49,800 to go towards renovations for the classrooms. The agreement was renewed effective March 1, 2011 through November 31, 2012 to add additional classroom space and change the monthly lease payment.

The District entered into an agreement beginning June 1, 2010 with a local orthopedic hospital to provide sports medicine and rehabilitation services for the District's athletic department. As part of

the agreement the facility will provide scholarship funds for the Sports Medicine Training Program and the District will pay for graduate assistant trainers under a schedule within the agreement. The agreement is for a two year period with two one year extensions.

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

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

During the prior year, the District purchased some property adjoining its main campus. As part of this purchase, the District signed a lease agreement with the property owner in which the District will receive \$10 per month during the lease period. The lease period began June 2, 2011 and ended on February 29, 2012. During the current year, the building located on the property was demolished and the property is now vacant.

NOTE 24 – TUITION AND FEES

Tuition and fees are the student component of the Texas public junior college funding model, the other components consisting of state contracts and local district property taxes. Tuition and fees are set by the Board of Trustees and account for approximately 60% of total current Unrestricted Fund revenues.

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

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

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

General Education Fee – (\$37) per Semester Hour

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

Registration Fee - \$35 per Semester

Defrays increased labor and processing expenses during registration.

Laboratory Fee - \$32/\$75 per Laboratory Course

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

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

Defrays the cost of private lessons.

Out of District Surcharge – (\$46) per Semester Hour

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

Campus Security Fee – \$15/\$30 per Semester

Designated for use in constructing and maintaining parking facilities.

Health Service Fee – \$15/\$35 per semester
Charged to students for use of on-campus medical care facility.

Student Life Fee - \$2 per Semester Hour (max of \$26)
Charged to students for on campus extracurricular activities.

NOTE 25 – SUBSEQUENT EVENTS

During the current year, the District acquired a piece of property adjacent to existing property owned by the District for the purpose of future construction of a new Nursing and Health Science Building. The property was determined to be possibly contaminated from underground fuel storage tanks on the property at the time of purchase. The purchase did not include the tanks; title to the tanks and/or tank system remained with the property owner. Preliminary testing has shown that there is contamination in the adjacent property and testing done on the recently purchased property subsequent to year end is being evaluated by the Texas Commission on Environmental Quality to determine the extent of the contamination. In accordance with GASB Statement No. 49, the District will recognize a liability for potential remediation when the costs can be reasonably estimable. However, TJC is not the owner of the tanks and will not be legally responsible for remediation. TJC is contractually obligated to the prior owner/seller of the property to remediate the property as their agent for up to \$100,000.

Also, in connection with the construction mentioned above, the District issued \$25,000,000 in general obligation bonds subsequent to year end.

Subsequent events have been evaluated through November 14, 2012, the date which the financial statements were available to be issued.



TYLER
JUNIOR
COLLEGE
DISTRICT

SUPPLEMENTAL
INFORMATION

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/12	Total 8/31/11
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 2,821,312	\$ -	\$ 2,821,312	\$ -	\$ 2,821,312	\$ 2,767,808
Out-of-District Resident Tuition	3,997,402	-	3,997,402	-	3,997,402	3,961,734
TPEG **	476,382	-	476,382	-	476,382	462,124
Non-Resident Tuition	600,266	-	600,266	-	600,266	542,610
Continuing Education	1,514,710	-	1,514,710	-	1,514,710	1,399,135
Non-State Funded Continuing Education	372,473	-	372,473	-	372,473	230,757
Total Tuition	<u>9,782,545</u>	<u>-</u>	<u>9,782,545</u>	<u>-</u>	<u>9,782,545</u>	<u>9,364,168</u>
Fees						
General Education Fee	9,405,599	-	9,405,599	-	9,405,599	9,153,792
Out-of-District Fee	6,680,869	-	6,680,869	-	6,680,869	6,423,074
Laboratory Fee	1,582,895	-	1,582,895	-	1,582,895	1,202,985
Registration Fee	959,600	-	959,600	-	959,600	733,899
Student Life Fee	-	-	-	451,722	451,722	480,687
Health Service Fee	-	-	-	755,455	755,455	703,112
Other	1,097,514	-	1,097,514	-	1,097,514	1,579,229
Total Fees	<u>19,726,477</u>	<u>-</u>	<u>19,726,477</u>	<u>1,207,177</u>	<u>20,933,654</u>	<u>20,276,778</u>
Allowances and Discounts						
Bad Debt Allowance	(369,897)	-	(369,897)	(162,868)	(532,765)	(515,783)
Federal Grants to Students	(14,547,451)	-	(14,547,451)	-	(14,547,451)	(15,218,183)
TPEG Allowances	(323,801)	-	(323,801)	-	(323,801)	(311,540)
State Grants to Students	(684,938)	-	(684,938)	-	(684,938)	(1,043,486)
Contributions	(221,770)	-	(221,770)	-	(221,770)	(225,768)
Scholarships and Performance Grants	(1,515,864)	-	(1,515,864)	-	(1,515,864)	(1,518,018)
Waivers and Exemptions	(623,544)	-	(623,544)	-	(623,544)	(507,067)
Total Scholarship Allowances and Discounts	<u>(18,287,265)</u>	<u>-</u>	<u>(18,287,265)</u>	<u>(162,868)</u>	<u>(18,450,133)</u>	<u>(19,339,845)</u>
Net Tuition and Fees	<u>11,221,757</u>	<u>-</u>	<u>11,221,757</u>	<u>1,044,309</u>	<u>12,266,066</u>	<u>10,301,101</u>
Additional Operating Revenues						
Federal Grants and Contracts	24,311	1,330,704	1,355,015	-	1,355,015	1,396,514
State Grants and Contracts	-	999,893	999,893	-	999,893	1,396,955
Local Grants and Contracts	118,785	413,383	532,168	-	532,168	711,217
Sales and Service of Educational Activities	103,019	-	103,019	-	103,019	116,134
Interest on Student Loans	32,920	-	32,920	-	32,920	15,725
Other	2,478,619	-	2,478,619	-	2,478,619	4,794,824
Total Additional Operating Revenues	<u>2,757,654</u>	<u>2,743,980</u>	<u>5,501,634</u>	<u>-</u>	<u>5,501,634</u>	<u>8,431,369</u>
Auxiliary Enterprises						
Housing and Meals	-	-	-	4,895,682	4,895,682	5,158,325
Scholarship Allowances and Discounts	-	-	-	(2,855,748)	(2,855,748)	(3,412,170)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,039,934</u>	<u>2,039,934</u>	<u>1,746,155</u>
Bookstore Commissions	-	-	-	312,613	312,613	350,141
Other Auxiliary Revenues	-	-	-	291,253	291,253	258,609
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,643,800</u>	<u>2,643,800</u>	<u>2,354,905</u>
Total Operating Revenues	<u>\$ 13,979,411</u>	<u>\$ 2,743,980</u>	<u>\$ 16,723,391</u>	<u>\$ 3,688,109</u>	<u>\$ 20,411,500</u>	<u>\$ 21,087,375</u>

** In accordance with Education Code 56.033, \$476,382 and \$462,124 for years August 31, 2012 and 2011, respectively, of tuition was set aside for Texas Public Education Grants.

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING EXPENSES BY OBJECT
FOR THE YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)

	Salaries and Wages	Benefits		Other Expenses	Total 8/31/12	Total 8/31/11
		State	Local			
<u>Unrestricted - Educational Activities</u>						
Instruction	\$ 20,233,351	\$ -	\$ 851,035	\$ 5,131,817	\$ 26,216,203	\$ 25,733,649
Public Service	45,003	-	3,478	29,543	78,024	76,930
Academic Support	2,168,575	-	14,092	-	2,182,667	2,397,265
Student Services	3,527,921	-	124,616	2,987,311	6,639,848	6,390,433
Institutional Support	4,929,877	-	3,634,905	2,392,284	10,957,066	10,070,846
Operation and Maintenance of Plant	968,348	-	313,041	4,934,049	6,215,438	5,054,499
Scholarships and Fellowships	-	-	-	1,338,049	1,338,049	1,330,893
Total Unrestricted	<u>31,873,075</u>	<u>-</u>	<u>4,941,167</u>	<u>16,813,053</u>	<u>53,627,295</u>	<u>51,054,515</u>
<u>Restricted - Education and General</u>						
Instruction	2,003	2,448,540	-	15,149	2,465,692	3,900,175
Public Service	907,855	81,676	23,144	297,692	1,310,367	1,321,922
Academic Support	-	303,622	-	-	303,622	423,840
Student Services	145,829	312,658	46,510	969,504	1,474,501	1,884,074
Institutional Support	-	475,877	-	-	475,877	706,378
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	141,007	-	-	1,345,014	1,486,021	1,791,181
Total Restricted	<u>1,196,694</u>	<u>3,622,373</u>	<u>69,654</u>	<u>2,627,359</u>	<u>7,516,080</u>	<u>10,027,570</u>
Total Educational and General	33,069,769	3,622,373	5,010,821	19,440,412	61,143,375	61,082,085
Auxiliary Enterprises	899,296	-	328,222	5,495,348	6,722,866	6,310,926
Depreciation Expense - Buildings and Improvements	-	-	-	4,635,970	4,635,970	3,857,148
Depreciation Expense - Equipment	-	-	-	1,114,498	1,114,498	1,038,351
Depreciation Expense - Library Books	-	-	-	69,186	69,186	71,321
Total Operating Expenses	<u>\$ 33,969,065</u>	<u>\$ 3,622,373</u>	<u>\$ 5,339,043</u>	<u>\$ 30,755,414</u>	<u>\$ 73,685,895</u>	<u>\$ 72,359,831</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2012
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)

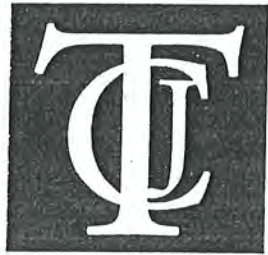
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/12</u>	<u>Total 8/31/11</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 17,475,155	\$ -	\$ -	\$ 17,475,155	\$ 16,239,896
State Group Insurance	-	1,994,919	-	1,994,919	3,517,763
State Retirement Matching	-	1,627,454	-	1,627,454	1,699,628
Professional Nursing Shortage Reduction	-	7,800	-	7,800	150,902
Total State Appropriations	<u>17,475,155</u>	<u>3,630,173</u>	<u>-</u>	<u>21,105,328</u>	<u>21,608,189</u>
Property Taxes	18,937,231	-	-	18,937,231	18,638,057
Federal Revenue, Non Operating	-	21,761,914	-	21,761,914	23,541,831
Investment Income	<u>84,954</u>	<u>-</u>	<u>-</u>	<u>84,954</u>	<u>150,086</u>
Total Non-Operating Revenues	36,497,340	25,392,087	-	61,889,427	63,938,163
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	<u>2,353,194</u>	<u>-</u>	<u>-</u>	<u>2,353,194</u>	<u>2,624,414</u>
Total Non-Operating Expenses	<u>2,353,194</u>	<u>-</u>	<u>-</u>	<u>2,353,194</u>	<u>2,624,414</u>
Net Non-Operating Revenues	<u>\$ 34,144,146</u>	<u>\$ 25,392,087</u>	<u>\$ -</u>	<u>\$ 59,536,233</u>	<u>\$ 61,313,749</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY
 FOR THE YEAR ENDED AUGUST 31, 2012
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted Expendable	Non-Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:							
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board Designated	5,207,662	-	-	-	5,207,662	5,207,662	-
Restricted	-	439,077	-	-	439,077	439,077	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(1,552,996)	-	-	-	(1,552,996)	-	(1,552,996)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	10,433,475	-	-	-	10,433,475	-	10,433,475
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	74,592,661	74,592,661	-	74,592,661
Total Net Assets, August 31, 2012	14,088,141	439,077	-	74,592,661	89,119,879	5,646,739	83,473,140
Total Net Assets, August 31, 2011	762,043	375,381	-	81,720,617	82,858,041	5,183,043	77,674,998
Net Increase (Decrease) in Net Assets	\$ 13,326,098	\$ 63,696	\$ -	\$ (7,127,956)	\$ 6,261,838	\$ 463,696	\$ 5,798,142



TYLER
JUNIOR
COLLEGE
DISTRICT



TYLER
JUNIOR
COLLEGE
DISTRICT

STATISTICAL
SECTION

(unaudited)

**TYLER JUNIOR COLLEGE DISTRICT
TYLER, TEXAS**

**STATISTICAL SECTION
(UNAUDITED)**

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

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

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

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

Table 1

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

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Assets By Component:										
Invested in capital assets, net of related debt	\$ 72,350,536	\$ 68,009,970	\$ 64,757,406	\$ 53,315,039	\$ 50,438,514	\$ 44,698,637	\$ 37,494,060	\$ 33,186,486	\$ 30,458,118	\$ 30,442,322
Restricted - expendable	439,077	375,381	322,993	390,206	279,879	254,967	514,813	438,572	455,848	422,443
Restricted - nonexpendable										
Unrestricted	16,330,166	14,472,690	7,736,349	12,462,921	11,472,105	12,035,888	10,293,674	9,122,504	8,798,968	7,019,673
Total primary government net assets	\$ 89,119,879	\$ 82,858,041	\$ 72,816,748	\$ 66,168,166	\$ 62,190,498	\$ 56,989,492	\$ 48,302,547	\$ 42,747,562	\$ 39,712,934	\$ 37,884,438

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Change in Net Assets:										
Total Operating and Non-Operating Revenues	\$ 82,300,927	\$ 85,025,538	\$ 78,942,754	\$ 69,844,418	\$ 63,823,903	\$ 64,848,306	\$ 55,148,882	\$ 55,140,318	\$ 52,945,987	\$ 51,580,396
Total Operating and Non-Operating Expenses	76,039,089	74,984,245	72,294,172	65,866,750	59,874,027	56,161,361	52,593,897	52,334,334	51,118,491	51,051,951
Prior Period Adjustment	6,261,838	10,041,293	6,648,582	3,977,668	4,949,876	8,686,945	5,554,985	2,805,984	1,828,496	528,445
					251,130			228,644		(163,614)
Change in Net Assets	6,261,838	10,041,293	6,648,582	3,977,668	5,201,006	8,686,945	5,554,985	3,034,628	1,828,496	364,831
Beginning Net Assets	82,858,041	72,816,748	66,168,166	62,190,498	56,989,492	48,302,547	42,747,562	39,712,934	37,884,438	37,519,607
Ending Net Assets	\$ 89,119,879	\$ 82,858,041	\$ 72,816,748	\$ 66,168,166	\$ 62,190,498	\$ 56,989,492	\$ 48,302,547	\$ 42,747,562	\$ 39,712,934	\$ 37,884,438

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

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

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	\$ 12,286,066	\$ 10,301,101	\$ 13,604,236	\$ 14,088,899	\$ 12,617,864	\$ 11,730,292	\$ 10,977,104	\$ 10,595,736	\$ 9,515,381	\$ 7,879,631
Governmental grants and contracts	1,355,015	1,396,514	1,454,506	1,212,034	1,212,570	10,160,145	10,223,670	11,197,044	10,898,288	10,115,577
Federal grants and contracts	999,893	1,396,955	1,808,213	1,163,946	879,500	761,238	759,512	169,575	780,501	1,652,128
State grants and contracts	532,168	711,217	220,893	1,084,404	639,049	3,859,709	1,483,700	645,900	689,770	640,839
Local grants and contracts	103,019	116,134	117,104	117,582	117,432	120,413	127,001	119,095	116,882	105,007
Sales and services of educational activities	2,643,800	2,354,905	2,945,922	3,669,051	2,155,663	1,913,423	1,882,595	1,704,214	1,675,119	1,629,803
Auxiliary enterprises	2,511,539	4,810,549	2,121,555	2,083,271	1,638,187	1,527,841	1,483,781	1,586,280	1,569,377	1,433,650
Other operating revenues	20,411,500	21,087,375	22,272,429	23,420,187	19,260,265	30,073,061	26,937,363	26,017,844	25,245,318	23,456,435
Total Operating Revenues	21,105,328	21,608,189	22,673,865	21,455,637	21,245,681	20,508,466	20,224,347	18,751,833	16,719,793	19,459,363
State appropriations	18,937,231	18,638,057	14,638,019	13,062,824	12,646,609	11,540,450	10,368,973	9,944,249	8,852,688	8,488,547
Property taxes	21,761,914	23,541,831	19,019,795	11,586,985	9,426,159	-	-	-	-	-
Federal Revenue, Non Operating	84,954	150,086	338,646	308,785	1,245,209	2,726,329	628,199	426,392	129,188	176,051
Investment income	61,889,427	63,938,163	56,670,325	46,424,231	44,563,638	34,775,245	31,211,519	29,122,474	27,701,669	28,123,961
Total Non-Operating Revenue	\$ 82,300,927	\$ 85,025,538	\$ 78,942,754	\$ 69,844,418	\$ 63,823,903	\$ 64,848,306	\$ 58,148,882	\$ 55,140,318	\$ 52,946,887	\$ 51,580,396

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	14.90%	12.12%	17.23%	20.17%	19.77%	18.09%	18.88%	19.22%	17.97%	15.28%
Governmental grants and contracts	1.65%	1.64%	1.64%	1.74%	1.90%	15.67%	17.58%	20.31%	20.58%	19.61%
Federal grants and contracts	1.21%	1.64%	2.29%	1.67%	1.38%	1.17%	1.31%	0.31%	1.47%	3.20%
State grants and contracts	0.65%	0.84%	0.28%	1.55%	1.00%	5.95%	2.55%	1.17%	1.30%	1.24%
Local grants and contracts	0.13%	0.14%	0.15%	0.17%	0.18%	0.19%	0.22%	0.22%	0.22%	0.20%
Sales and services of educational activities	3.21%	2.77%	3.73%	5.25%	3.38%	2.95%	3.24%	3.09%	3.16%	3.16%
Sales and services of auxiliary enterprises	3.05%	5.66%	2.69%	2.98%	2.57%	2.36%	2.55%	2.88%	2.96%	2.78%
Other operating revenues	24.80%	24.80%	28.21%	33.53%	30.18%	46.37%	46.32%	47.18%	47.68%	45.48%
Total Operating Revenues	25.64%	25.41%	28.72%	30.72%	33.29%	31.63%	34.78%	34.01%	35.36%	37.73%
State appropriations	23.01%	21.92%	18.54%	18.70%	19.81%	17.80%	17.81%	18.03%	16.72%	16.46%
Property taxes	26.44%	27.68%	24.09%	16.60%	14.77%	0.00%	0.00%	0.00%	0.00%	0.00%
Federal Revenue, Non Operating	0.10%	0.18%	0.43%	0.44%	1.95%	4.20%	1.08%	0.77%	0.24%	0.34%
Investment income	75.20%	75.20%	71.79%	66.47%	69.82%	53.63%	53.68%	52.82%	52.32%	54.52%
Total Non-Operating Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: During the 2009 year, a change in reporting requirements by the Texas Higher Education Co-Board reclassified the reporting of Title IV funds as non-operating. Only the 2008 through 2011 amounts have been changed in the above table to correspond with the amounts reported on Schedule C

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

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$28,681,895	\$29,633,824	\$28,626,927	\$23,422,228	\$22,710,169	\$21,567,887	\$21,503,321	\$20,116,719	\$19,578,850	\$19,762,849
Public service	1,388,391	1,398,852	1,151,093	937,675	766,819	853,108	795,946	851,994	754,664	890,950
Academic support	2,486,289	2,821,105	2,893,825	2,288,336	2,792,468	2,743,044	2,288,222	2,390,014	2,541,825	2,660,863
Student services	8,114,349	8,274,507	8,404,501	7,623,631	6,652,637	5,903,966	5,814,380	4,861,229	4,711,533	4,934,453
Institutional support	11,432,943	10,777,224	9,790,843	9,429,124	8,005,762	7,660,364	7,244,061	6,944,575	6,465,459	5,807,847
Operation and maintenance of plant	6,215,438	5,054,499	5,080,838	6,695,457	4,568,476	4,292,141	4,404,959	4,978,443	4,393,280	4,224,911
Scholarships and fellowships	2,824,070	3,122,074	2,818,571	2,680,538	3,375,802	3,608,328	4,291,640	4,686,891	3,551,692	3,733,966
Auxiliary enterprises	6,722,866	6,310,926	6,165,791	6,132,424	4,731,450	4,544,006	2,742,029	2,492,706	3,081,061	2,952,246
Depreciation	5,819,654	4,966,820	4,348,266	4,125,569	3,128,316	2,812,021	2,670,266	3,892,193	4,551,096	4,492,292
Total Operating Expenses	73,685,895	72,359,831	69,280,655	63,334,982	56,731,899	53,984,865	51,724,824	51,214,764	49,639,460	49,460,377
Interest on capital related debt										
Write off of prior year donation	2,353,194	2,624,414	3,013,517	2,531,768	2,142,128	2,176,496	869,073	1,119,570	1,479,031	1,591,574
Total Non-Operating Expenses	2,353,194	2,624,414	3,013,517	2,531,768	2,142,128	2,176,496	869,073	1,119,570	1,479,031	1,591,574
Total Expenses	\$76,039,089	\$74,984,245	\$72,294,172	\$65,866,750	\$58,874,027	\$56,161,361	\$52,593,897	\$52,334,334	\$51,118,491	\$51,051,951

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	37.72%	39.52%	39.60%	35.56%	38.57%	38.40%	40.89%	38.44%	38.30%	38.71%
Public service	1.83%	1.87%	1.59%	1.42%	1.30%	1.52%	1.51%	1.63%	1.48%	1.75%
Academic support	3.27%	3.76%	4.00%	3.47%	4.74%	4.88%	4.29%	4.57%	4.97%	5.21%
Student services	10.67%	11.03%	11.63%	11.57%	11.30%	10.51%	11.06%	9.29%	9.22%	9.67%
Institutional support	15.04%	14.37%	13.54%	14.32%	13.60%	13.64%	13.77%	13.27%	12.65%	11.38%
Operation and maintenance of plant	8.17%	6.74%	7.03%	10.17%	7.76%	7.64%	8.38%	9.51%	8.59%	8.28%
Scholarships and fellowships	3.71%	4.16%	3.90%	4.07%	5.73%	6.42%	8.16%	8.96%	6.95%	7.31%
Auxiliary enterprises	8.84%	8.42%	8.53%	9.31%	8.04%	8.09%	5.21%	4.76%	6.05%	5.78%
Depreciation	7.65%	6.62%	6.01%	6.26%	5.31%	5.01%	5.08%	7.44%	8.90%	8.80%
Total Operating Expenses	96.81%	96.50%	95.83%	96.16%	96.36%	96.12%	98.35%	97.86%	97.11%	96.88%
Interest on capital related debt	3.09%	3.50%	4.17%	3.84%	3.64%	3.88%	1.65%	2.14%	2.89%	3.12%
Write off of prior year donation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	3.09%	3.50%	4.17%	3.84%	3.64%	3.88%	1.65%	2.14%	2.89%	3.12%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 4

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

RESIDENT
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per Student)	In-District Tuition	Out-of-District Tuition	General Education Fees	Health Service Fee	Parking Fee	Student Life Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2011	35	30	76	37	35	30	2	928	1,480	12.62%	12.46%
2010	25	28	69	34	30	25	2	824	1,316	0.00%	0.92%
2009	25	28	68	34	30	25	-	824	1,304	17.05%	16.01%
2008	25	23	58	29	30	25	-	704	1,124	11.39%	10.63%
2007	25	20	52	26	30	25	-	632	1,016	0.00%	0.00%
2006	25	20	52	26	30	25	-	632	1,016	1.61%	0.99%
2005	15	20	52	26	30	25	-	622	1,006	4.01%	6.34%
2004	15	18	47	26	30	25	-	598	946	8.33%	9.49%
2003	10	15	41	26	30	20	-	552	864	20.79%	21.86%
2002	10	15	36	21	-	15	-	457	709	11.74%	7.26%

Table 4

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

NON-RESIDENT
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per Student)	Non-Resident Tuition		General Education Fees	Health Service Fee	Parking Fee	Student Life Fee	Cost for 12 SCH		Cost for 12 SCH International	Increase from	
		Out-of-State	International					Out-of-State	International		Prior Year	Out-of-State International
2011	35	96	96	37	35	30	2	1,720	1,720	1,720	10.54%	10.54%
2010	25	89	89	34	30	25	2	1,556	1,556	1,556	0.78%	0.78%
2009	25	88	88	34	30	25	-	1,544	1,544	1,544	8.43%	8.43%
2008	25	83	83	29	30	25	-	1,424	1,424	1,424	5.33%	5.33%
2007	25	80	80	26	30	25	-	1,352	1,352	1,352	0.00%	0.00%
2006	25	80	80	26	30	25	-	1,352	1,352	1,352	20.07%	20.07%
2005	15	62	62	26	30	25	-	1,126	1,126	1,126	5.63%	5.63%
2004	15	57	57	26	30	25	-	1,066	1,066	1,066	8.33%	8.33%
2003	10	51	51	26	30	20	-	984	984	984	18.70%	18.70%
2002	10	46	46	21	-	15	-	829	829	829	6.15%	6.15%

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

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

Fiscal Year	Assessed Valuation of Property			Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate
	Real Property	Personal Property	Less: Exemptions			Maintenance & Operations
2011-12	11,414,843,649	2,853,710,913	3,487,383,051	10,781,171,511	75.56%	\$ 0.182176
2010-11	10,857,836,630	2,714,459,158	2,892,627,861	10,679,667,927	78.69%	\$ 0.182926
2009-10	10,327,623,767	2,581,905,942	2,232,799,703	10,676,730,006	82.70%	\$ 0.136950
2008-09	10,178,050,422	2,544,512,605	2,200,462,417	10,522,100,610	82.70%	\$ 0.127169
2007-08	9,547,089,846	2,386,772,462	2,064,050,730	9,869,811,578	82.70%	\$ 0.127169
2006-07	8,634,022,801	2,158,505,700	1,866,648,513	8,925,879,988	82.70%	\$ 0.127169
2005-06	7,869,230,281	1,967,307,570	1,701,302,781	8,135,235,070	82.70%	\$ 0.127169
2004-05	7,333,731,637	1,833,432,909	1,585,529,662	7,581,634,884	82.70%	\$ 0.127169
2003-04	6,864,955,156	1,716,238,789	1,475,701,067	7,105,492,878	82.80%	\$ 0.122300
2002-03	6,659,172,328	1,664,793,082	1,588,777,491	6,735,187,919	80.91%	\$ 0.122300

Sources: Local Appraisal Districts

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

Table 6

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

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriations	FTSE	State Appropriations Per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
2011-12	17,475,155	9,135	1,912.99	3,842,120	1,518,752	5,360,872	3.26
2010-11	16,239,896	8,622	1,883.54	4,033,512	1,508,800	5,542,312	2.93
2009-10	17,573,735	8,504	2,066.53	4,009,464	1,423,012	5,432,476	3.23
2008-09	16,487,452	8,603	1,916.48	3,520,200	1,223,616	4,743,816	3.48
2007-08	16,487,450	8,357	1,972.89	3,254,392	1,070,864	4,325,256	3.81
2006-07	15,995,148	8,697	1,839.16	3,311,376	1,044,496	4,355,872	3.67
2005-06	15,995,148	8,817	1,814.13	3,304,816	1,090,094	4,394,910	3.64
2004-05	15,208,326	9,155	1,661.20	3,388,880	1,136,880	4,525,760	3.36
2003-04	15,214,997	10,518	1,446.57	3,402,672	1,138,976	4,541,648	3.35
2002-03	15,194,940	8,795	1,727.68	3,260,174	1,123,584	4,383,758	3.47

Notes:

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

Table 7

TYLER JUNIOR COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN TAX YEARS
 YEARS 2007-2011
 (UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2011	2010	2009	2008	2007
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 129,231,040	\$ 129,333,680	\$ 127,334,915	\$ 126,996,710	\$ 128,587,944
Oncor Electric / TXU	Electric utility	83,859,047	84,193,564	80,760,107	83,481,339	78,305,667
Walmart/Sam's	Retail	81,793,017	81,793,018	87,589,929	91,792,684	88,589,408
Kelly Springfield Tire Company	Tire Manufacturer	-	-	-	-	46,333,329
McWane Inc./ Ranson Industries	Pipe manufacturer	51,853,668	51,853,668	45,240,001	61,156,799	87,476,491
Southwestern Bell Telephone	Telephone utility	-	-	47,638,032	51,854,412	58,519,119
Dayton Hudson Corp.	Retail; distribution facilities	107,880,844	107,880,844	86,634,554	62,265,652	53,942,611
Delek Refining LTD / Crown / LaGloria	Refinery	175,112,792	175,112,792	118,688,302	245,122,365	154,833,482
Cebridge Acquisition LP (Simon)	Commercial property	52,761,861	52,761,861	56,707,130	47,620,545	46,559,890
Eastman Chemical Company	Storage facility	-	-	-	-	-
Carrier / Tytex	Air conditioning manufacturer	44,952,878	44,952,878	47,468,281	-	-
Union Oil Company	Oil & Gas	50,981,554	50,865,245	56,741,270	85,339,960	85,339,960
Genecov Investment Group	Commercial property	81,754,531	81,754,531	56,766,576	57,475,537	-
Totals		\$ 860,181,232	\$ 860,502,081	\$ 811,569,097	\$ 913,106,003	\$ 828,487,901
Total Taxable Assessed Value		\$ 10,781,171,511	\$10,679,667,927	\$10,676,730,006	\$ 10,522,100,610	\$ 9,869,811,578

TYLER JUNIOR COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN TAX YEARS
 YEARS 2007-2011
 (UNAUDITED)

Taxpayer (1)	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2011	2010	2009	2008	2007
Brookshire Grocery Company	Supermarkets; distribution facilities	1.20%	1.21%	1.19%	1.21%	1.30%
Oncor Electric / TXU	Electric utility	0.78%	0.79%	0.76%	0.79%	0.79%
Walmart/Sam's	Retail	0.76%	0.77%	0.82%	0.87%	0.90%
Kelly Springfield Tire Company	Tire Manufacturer	0.00%	0.00%	0.00%	0.00%	0.47%
Ransom Industries/ Tyler Pipe	Pipe manufacturer	0.48%	0.49%	0.42%	0.58%	0.89%
Southwestern Bell Telephone	Telephone utility	0.00%	0.00%	0.45%	0.49%	0.59%
Dayton Hudson Corp.	Retail; distribution facilities	1.00%	0.00%	0.81%	0.59%	0.55%
Delek Refining LTD / Crown / LaGloria	Refinery	0.00%	1.64%	1.11%	2.33%	1.57%
Simon Property Group	Commercial property	0.00%	0.49%	0.53%	0.45%	0.47%
Eastman Chemical Company	Storage facility	0.00%	0.00%	0.00%	0.00%	0.00%
Carrier / Tytex	Air conditioning manufacturer	0.42%	0.42%	0.44%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.47%	0.48%	0.53%	0.81%	0.86%
Genecov Investment Group	Commercial property	0.76%	0.77%	0.53%	0.55%	0.00%
Totals		5.86%	7.05%	7.60%	8.68%	8.39%

Source: Smith and Van Zandt County Appraisal Districts

Table 7

TYLER JUNIOR COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN TAX YEARS
 YEARS 2002-2006
 (UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2006	2005	2004	2003	2002
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 128,115,834	\$ 121,885,885	\$ 102,768,239	\$ 110,463,759	\$ 103,443,849
Oncor Electric / TXU	Electric utility	85,452,857	73,318,620	70,977,210	75,757,970	78,022,760
Walmart/Sam's	Retail	88,589,408	69,145,699	47,037,901	44,266,043	34,293,190
Kelly Springfield Tire Company	Tire Manufacturer	46,333,329	65,095,085	79,769,554	88,151,758	92,860,848
Ransom Industries/ Tyler Pipe	Pipe manufacturer	87,476,491	64,036,599	71,628,617	70,991,512	66,458,141
Southwestern Bell Telephone	Telephone utility	58,519,119	59,428,191	59,428,191	104,846,328	76,664,242
Dayton Hudson Corp.	Retail; distribution facilities	53,942,611	57,982,468	63,984,486	62,172,264	46,538,542
Delek Refining LTD / Crown / LaGloria	Refinery	154,833,482	53,535,963	39,978,208	38,685,396	46,484,031
Simon Property Group	Commercial property	46,559,890	44,440,521	42,528,468	42,585,683	39,603,335
Eastman Chemical Company	Storage facility	-	44,143,960	-	-	-
Carrier / Tytex	Air conditioning manufacturer	-	-	39,016,403	41,337,720	41,905,308
Union Oil Company	Oil & Gas	65,685,590	62,889,200	61,057,476	59,279,103	57,552,527
Genecov Investment Group	Commercial property	-	-	-	-	-
Totals		\$ 815,508,611	\$ 715,902,191	\$ 678,174,753	\$ 738,537,536	\$ 683,826,773
Total Taxable Assessed Value		\$ 8,925,879,988	\$ 8,135,235,070	\$ 7,581,634,844	\$ 7,105,492,878	\$ 6,735,187,919

TYLER JUNIOR COLLEGE DISTRICT
 PRINCIPAL TAXPAYERS
 LAST TEN TAX YEARS
 YEARS 2002-2006
 (UNAUDITED)

Taxpayer (1)	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2006	2005	2004	2003	2002
Brookshire Grocery Company	Supermarkets: distribution facilities	1.44%	1.50%	1.36%	1.55%	1.54%
Oncor Electric / TXU	Electric utility	0.96%	0.90%	0.94%	1.07%	1.16%
Walmart/Sam's	Retail	0.99%	0.85%	0.62%	0.62%	0.51%
Kelly Springfield Tire Company	Tire Manufacturer	0.52%	0.80%	1.05%	1.24%	1.38%
Ransom Industries/ Tyler Pipe	Pipe manufacturer	0.98%	0.79%	0.94%	1.00%	0.99%
Southwestern Bell Telephone	Telephone utility	0.66%	0.73%	0.78%	1.48%	1.14%
Dayton Hudson Corp.	Retail, distribution facilities	0.60%	0.71%	0.84%	0.87%	0.69%
Delek Refining LTD / Crown / LaGloria	Refinery	1.73%	0.66%	0.53%	0.54%	0.69%
Simon Property Group	Commercial property	0.52%	0.55%	0.56%	0.60%	0.59%
Eastman Chemical Company	Storage facility	0.00%	0.54%	0.00%	0.00%	0.00%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.51%	0.58%	0.62%
Union Oil Company	Oil & Gas	0.74%	0.77%	0.81%	0.83%	0.85%
Genecov Investment Group	Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		9.14%	8.80%	8.94%	10.39%	10.15%

Source: Smith and Van Zandt County Appraisal Districts

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

Fiscal Year Ended August	Total Tax Levy	(1)	Percent of		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
			Current Tax Levy Collected	Current Tax Collections			
2012	\$ 18,589,719	\$ 18,304,251	98.88%	\$ 327,821	\$ 18,632,072	100.23%	
2011	\$ 18,409,311	\$ 18,093,950	98.29%	\$ 274,334	\$ 18,368,284	99.78%	
2010	\$ 14,208,183	\$ 14,095,963	99.21%	\$ 290,005	\$ 14,385,968	101.25%	
2009	\$ 13,125,823	\$ 12,593,167	95.94%	\$ 227,804	\$ 12,820,971	97.68%	
2008	\$ 12,352,363	\$ 12,188,832	98.68%	\$ 229,089	\$ 12,417,921	100.53%	
2007	\$ 11,235,178	\$ 11,074,241	98.57%	\$ 223,780	\$ 11,298,021	100.56%	
2006	\$ 10,280,296	\$ 9,927,548	96.57%	\$ 210,029	\$ 10,137,577	98.61%	
2005	\$ 9,641,489	\$ 9,518,350	98.72%	\$ 246,465	\$ 9,764,815	101.28%	
2004	\$ 8,690,018	\$ 8,427,327	96.98%	\$ 218,917	\$ 8,646,244	99.50%	
2003	\$ 8,237,135	\$ 8,027,180	97.45%	\$ 271,426	\$ 8,298,606	100.75%	

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

Table 9

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

	For the Fiscal Year Ended August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other Debt										
Revenue bonds	\$57,295,000	\$62,680,000	\$68,470,000	\$47,395,000	\$50,700,000	\$52,965,000	\$15,500,000	\$17,195,000	\$17,030,000	\$18,290,000
Notes	2,226,212	3,618,545	7,267,915	9,018,497	8,511,126	9,226,409	9,816,776	9,540,189	10,072,202	10,563,483
Total Outstanding Debt	\$59,521,212	\$66,298,545	\$75,737,915	\$56,413,497	\$59,211,126	\$62,191,409	\$25,316,776	\$26,735,189	\$27,102,202	\$28,843,483

Total Outstanding Debt Ratios										
Per Capita	\$ 223.78	\$ 258.45	\$ 319.34	\$ 237.86	\$ 259.65	\$ 283.62	\$ 120.19	\$ 130.81	\$ 137.91	\$ 152.64
Per FTSE	6.516	7.689	8.804	6.557	7.085	6.808	2.871	2.920	2.577	3.280
As a percentage of Taxable Assessed Value	0.55%	0.62%	0.54%	0.54%	0.60%	0.66%	0.31%	0.35%	0.38%	0.43%

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

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

Fiscal Year Ended August 31	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Tuition and Fees	Auxiliary Enterprise	Total	Principal	Interest	Total	
2012	\$ 30,716,199	\$ 5,499,548	\$ 36,215,747	\$ 5,385,000	\$ 2,618,703	\$ 8,003,703	4.52
2011	29,640,946	5,767,075	35,408,021	5,790,000	3,170,314	8,960,314	3.95
2010	28,346,513	5,702,778	34,049,291	3,425,000	3,231,007	6,656,007	5.12
2009	22,587,429	5,569,035	28,156,464	3,305,000	3,038,286	6,343,286	4.44
2008	19,137,027	3,848,897	22,985,924	2,265,000	2,648,646	4,913,646	4.68
2007	17,902,805	3,269,541	21,172,346	2,210,000	2,667,491	4,877,491	4.34
2006	16,791,612	3,392,584	20,184,196	1,695,000	1,003,737	2,698,737	7.48
2005	16,538,733	3,088,333	19,627,066	1,720,000	1,215,691	2,935,691	6.69
2004	15,151,158	3,125,990	18,277,148	1,250,000	1,519,668	2,769,668	6.60
2003	12,909,078	2,580,292	15,489,370	1,190,000	1,656,279	2,846,279	5.44

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

Fiscal Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2011-12	265,980	\$ 7,671,125 (a)	\$ 28,841	7.8%
2010-11	256,520	6,956,342	27,118	7.8%
2009-10	246,654	7,227,898	29,304	7.6%
2008-09	237,167	7,323,724	30,880	5.0%
2007-08	228,045	6,982,403	30,619	4.2%
2006-07	219,274	6,539,102	29,822	4.7%
2005-06	210,638	6,070,117	28,818	4.8%
2004-05	204,381	5,962,908	29,175	5.3%
2003-04	196,520	5,562,405	28,305	4.9%
2002-03	188,962	5,241,452	27,738	4.6%

Sources:

Population from U. S. Bureau of the Census and is estimated for the District
 Personal income from U.S. Bureau of Economic Analysis
 Unemployment rate from Texas Workforce Commission

Notes:

(a) Personal income amounts for 2011-2012

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

Employer	2012		2011		2010		2009	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Trinity Mother Frances	4,000	5.82%	3,884	5.65%	3,652	5.32%	3,567	5.19%
East Texas Medical Center	3,238	4.71%	3,725	5.42%	3,620	5.27%	3,650	5.31%
Brookshire Grocery Company	2,522	3.67%	2,524	3.67%	2,213	3.22%	2,190	3.19%
Tyler Independent School District	2,449	3.56%	2,464	3.59%	2,501	3.64%	2,572	3.74%
Wal-Mart	1,711	2.49%	1,711	2.49%	1,697	2.47%	1,670	2.43%
Trane Co.	1,500	2.18%	1,575	2.29%	1,520	2.21%	1,949	2.84%
Suddenlink	1,500	2.18%	1,197	1.74%	1,138	1.66%	1,057	1.54%
UT Health Center at Tyler	865	1.26%	849	1.24%	-	0.00%	-	0.00%
Carrier Corporation	-	0.00%	795	1.16%	659	0.96%	1,201	1.75%
Tyler Junior College District	811	1.18%	786	1.14%	586	0.85%	572	0.83%
UT Tyler	1,094	1.59%	-	0.00%	568	0.83%	556	0.81%
	<u>19,690</u>	<u>22.84%</u>	<u>19,510</u>	<u>22.75%</u>	<u>18,154</u>	<u>21.11%</u>	<u>18,984</u>	<u>22.44%</u>

Source:

Tyler Economic Development Council - Community Profile

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Faculty										
Full-Time	282	280	278	272	255	251	255	248	249	243
Part-Time	323	298	270	258	258	235	237	233	235	207
Total	605	578	548	530	513	486	492	481	484	450
Percent										
Full-Time	46.61%	48.44%	50.73%	51.32%	49.71%	51.65%	51.83%	51.56%	51.45%	54.00%
Part-Time	53.39%	51.56%	49.27%	48.68%	50.29%	48.35%	48.17%	48.44%	48.55%	46.00%
Staff and Administrators										
Full-Time	329	319	322	310	269	259	260	270	283	280
Part-Time	210	194	200	170	151	141	146	139	180	180
Total	539	513	522	480	420	400	406	409	463	460
Percent										
Full-Time	62.30%	62.18%	61.69%	64.58%	64.05%	64.75%	64.04%	66.01%	61.12%	60.87%
Part-Time	37.89%	37.82%	38.31%	35.42%	35.95%	35.25%	35.96%	33.99%	38.88%	39.13%
FTSE per Full-Time Faculty	32.39	30.79	30.95	31.63	32.77	34.65	34.58	36.92	42.24	36.19
FTSE per Full-Time Staff Member	28.64	27.03	31.86	33.34	32.39	37.01	37.20	33.91	44.76	31.41
Average Annual Faculty Salary	\$ 50,065	\$50,848	\$51,047	\$ 49,100	\$ 46,764	\$ 45,303	\$ 45,213	\$43,973	\$ 43,050	\$41,376

Table 14

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

Student Classification	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	7,531	65.26%	7,973	67.92%	7,624	69.03%	6,784	68.33%	5,014	61.00%
31-60 hours	2,207	19.12%	2,332	19.87%	2,152	19.48%	2,202	22.18%	2,282	27.76%
>60 hours	1,802	15.62%	1,433	12.21%	1,269	11.49%	942	9.49%	924	11.24%
Total	11,540	100%	11,738	100%	11,045	100%	9,928	100%	8,220	100%

Semester Hour Load	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Part-Time	5,143	44.57%	6,234	53.11%	6,186	56.01%	3,829	38.57%	3,314	40.32%
Full-Time	6,397	55.43%	5,504	46.89%	4,859	43.99%	6,099	61.43%	4,906	59.68%
Total	11,540	100%	11,738	100%	11,045	100%	9,928	100%	8,220	100%

Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	5,117	44.34%	5,242	44.66%	4,939	44.72%	4,506	45.39%	3,585	43.61%
Texas Resident (out-of-District)	5,989	51.90%	6,077	51.77%	5,751	52.07%	5,061	50.98%	4,395	53.47%
Non-Resident Tuition	434	3.76%	419	3.57%	355	3.21%	337	3.39%	240	2.92%
Tuition Exemption/Waiver	0	0.00%	0	0.00%	0	0.00%	24	0.24%	0	0.00%
Total	11,540	0%	11,738	100%	11,045	100%	9,928	100%	8,220	100%

Table 15

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

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	6,809	59.00%	6,952	59.23%	6,495	58.80%	5,811	58.53%	4,802	58.42%
Male	4,731	41.00%	4,786	40.77%	4,550	41.20%	4,117	41.47%	3,418	41.58%
Total	11,540	100%	11,738	100%	11,045	100%	9,928	100%	8,220	100%

	Fall 2009		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	6,939	60.13%	7,297	62.17%	6,992	63.30%	6,484	65.31%	5,386	65.52%
Hispanic	1,297	11.24%	1,320	11.25%	1,230	11.14%	1,063	10.71%	910	11.07%
African American	2,666	23.10%	2,642	22.51%	2,421	21.92%	2,045	20.60%	1,707	20.77%
Asian	176	1.53%	184	1.57%	170	1.54%	132	1.33%	104	1.27%
Native American	78	0.68%	57	0.49%	62	0.56%	60	0.60%	51	0.62%
Other	384	3.33%	238	2.03%	170	1.54%	144	1.45%	62	0.75%
Total	11,540	100%	11,738	100%	11,045	100%	9,928	100%	8,220	100%

	Fall 2009		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
16 or younger	590	5.11%	616	5.25%	315	2.85%	304	3.06%	18	0.22%
17	765	6.63%	752	6.41%	641	5.80%	562	5.66%	124	1.51%
18	1,917	16.61%	2,083	17.75%	1,525	13.81%	1,555	15.66%	1,115	13.56%
19-21	3,608	31.27%	3,627	30.90%	4,095	37.08%	3,724	37.51%	3,543	43.10%
22-24	1,320	11.44%	1,358	11.57%	1,412	12.78%	1,266	12.75%	1,119	13.61%
25-30	1,322	11.46%	1,324	11.28%	1,285	11.63%	1,125	11.33%	980	11.92%
31-35	721	6.25%	687	5.85%	624	5.65%	483	4.87%	451	5.49%
36-50	1,075	9.32%	1,065	9.07%	942	8.53%	743	7.48%	715	8.70%
51-64	216	1.87%	219	1.87%	199	1.80%	157	1.58%	142	1.73%
65 & over	6	0.05%	7	0.06%	7	0.06%	9	0.09%	13	0.16%
Total	11,540	100%	11,738	100%	11,045	100%	9,928	100%	8,220	100%

Average Age	23	23	23	23	23
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Table 16

TYLER JUNIOR COLLEGE DISTRICT
 TRANSFERS TO SENIOR INSTITUTIONS
 2010 FALL STUDENTS AS OF FALL 2011
 (Includes only public senior colleges in Texas)
 (UNAUDITED)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep	3U Graduat		
1 Angelo State University	3	0	0	0	3	0.16%
2 Lamar University Institute of Technology	6	2	0	0	8	0.43%
3 Midwestern State University	4	2	0	0	6	0.32%
4 Prairie View A&M University	3	0	0	0	3	0.16%
5 Sam Houston State University	25	8	0	0	33	1.76%
6 Stephen F. Austin State University	124	14	0	0	138	7.37%
7 Sul Ross State University	0	0	0	0	0	0.00%
8 Tarleton State University	12	1	0	0	13	0.69%
9 Texas A&M International University	1	0	0	0	1	0.05%
10 Texas A&M University - College Station	191	4	0	0	195	10.41%
11 Texas A&M University - Commerce	34	2	1	0	37	1.98%
12 Texas A&M University - Corpus Christi	4	0	0	0	4	0.21%
13 Texas A&M University - Galveston	2	0	0	0	2	0.11%
14 Texas A&M University - Kingsville	1	0	0	0	1	0.05%
15 Texas A&M University System Health Science Cente	4	0	0	0	4	0.21%
16 Texas A&M University - Texarkana	6	2	0	0	8	0.43%
17 Texas Southern University	9	3	0	0	12	0.64%
18 Texas State University	36	6	0	0	42	2.24%
19 Texas Tech University	50	2	0	0	52	2.78%
20 Texas Tech University Health Science Center	2	1	0	0	3	0.16%
21 Texas Women's University	19	6	1	0	26	1.39%
22 University of Texas - Pan America	0	0	0	0	0	0.00%
23 University of Texas (Houston) - University Park	0	0	0	0	0	0.00%
24 University of North Texas	89	6	0	0	95	5.07%
25 University of North Texas at Dallas	1	0	0	0	1	0.05%
26 University of North Texas Health Science Center	2	0	0	0	2	0.11%
27 University of Texas - Arlington	58	10	0	0	68	3.63%
28 University of Texas - Austin	55	2	0	0	57	3.04%
29 University of Texas - Brownsville	0	0	0	0	0	0.00%
30 University of Texas - Dallas	14	0	0	0	14	0.75%
31 University of Texas - El Paso	4	0	0	0	4	0.21%
32 University of Texas - Permian Basin	0	0	0	0	0	0.00%
33 University of Texas - San Antonio	6	0	0	0	6	0.32%
34 University of Texas - Tyler	873	125	0	1	999	53.34%
35 University of Texas Health Science Center at Houstc	2	1	0	0	3	0.16%
36 University of Texas Health Science Center at San Ar	1	0	0	0	1	0.05%
37 University of Texas Health Science M.D. Anderson C	1	0	0	0	1	0.05%
38 University of Texas Medical Branch at Galveston	8	1	0	0	9	0.48%
39 University of Texas Southwestern Medical Center	0	1	0	0	1	0.05%
40 University of Houston	9	3	0	0	12	0.64%
41 University of Houston - Clear Lake	1	0	0	0	1	0.05%
42 University of Houston - Downtown	2	0	0	0	2	0.11%
43 University of Houston - Victoria	2	0	0	0	2	0.11%
44 West Texas A&M University	3	1	0	0	4	0.21%
Totals	1,667	203	2	1	1,873	100.00%

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

Table 17

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Academic buildings	13	13	13	13	13	13	13	13	13	13
Square footage (in thousands)	430	430	430	430	430	430	430	430	430	430
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	41	41	41	41	41	41	41	41	41	41
Number of Volumes (in thousands)	88	100	104	104	104	98	98	99	98	96
Administrative and support buildings	8	8	8	8	8	8	6	6	6	6
Square footage (in thousands)	168	168	161	161	161	161	150	150	150	150
Dormitories	9	9	9	9	9	8	8	8	8	8
Square footage (in thousands)	267	267	267	267	267	115	115	115	115	115
Number of Beds	1062	1062	1062	1062	1062	600	600	600	600	600
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	4	4	4	4	4	4	4	4	4	4
Average daily customers	3872	3543	2758	2500	2500	2,000	2,000	2,000	2,000	2,000
Athletic Facilities	7	7	7	7	7	6	6	6	6	6
Square footage (in thousands)	445	445	436	436	436	425	425	425	420	420
Stadiums	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness Centers	2	2	2	2	2	2	2	2	2	2
Tennis Court	2	2	2	2	2	1	1	1	1	1
Plant facilities	2	2	2	2	2	1	1	1	1	1
Square footage (in thousands)	27	27	27	27	27	17	17	17	17	17
Transportation										
Cars	15	10	6	15	6	6	10	13	15	15
Light Trucks/Vans	27	22	21	21	42	39	24	32	32	32
Heavy Trucks	1	1	1	2	1	1	1	1	1	1



TYLER
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TYLER
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SINGLE AUDIT
SECTION

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2012

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
SEOG	84.007	--	\$ 188,951
Federal College Workstudy Program	84.033	--	95,350
Federal Pell Grant Program	84.063	--	21,243,877
Direct Student Loans	84.268	--	30,722,543
TRIO Cluster			
Student Support Services Grant	84.042A	--	233,776
Pass Through From:			
Texas Education Agency			
Adult Basic Education	84.002	124100017110414	550,364
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Educational Programs - Basic	84.048	1242020671200001	557,466
Tech-Prep Education	84.243	1142120771200002	16,694
Total U. S. Department of Education			<u>53,609,021</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District			
Small Business Development Center	59.037	--	179,012
Total U.S. Small Business Administration (SBA)			<u>179,012</u>
U.S. Department of Energy			
Pass Through From:			
West Virginia University Research Corporation			
ARRA - Renewable Energy Research and Development	81.067	--	2,500
Total U.S. Department of Energy			<u>2,500</u>
U.S. Department of Health and Human Services			
Pass Through From:			
Texas Education Agency			
Temporary Aid for Needy Families	93.558	123625017110389	22,516
Workforce Solutions East Texas Board and East Texas Council of Governments			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	04161C21	11,019
Total U.S. Department of Health and Human Services			<u>33,535</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 53,824,068</u>

See Notes to Schedule on following page.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

NOTE 2 – FEDERAL FINANCIAL ASSISTANCE RECONCILIATION

Federal Grants and Contracts per Schedule A	\$ 1,330,704
Non Operating Revenue From Schedule C	21,761,914
Direct Student Loans	30,722,543
Matching Contributions Included in Schedule E	<u>8,907</u>
 Total Federal Financial Assistance – Schedule E	 <u>\$53,824,068</u>

NOTE 3 – AMOUNTS PASSED THROUGH BY THE DISTRICT

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

Literacy Council of Tyler (Adult Basic Education)	\$488,993
Literacy Council of Tyler (TANF)	22,516

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2012

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 48,084
STAAR Study	--	7,800
Early High School Graduation	--	21,267
Adult Basic Education Innovation Grant	07049	95,308
Intensive College Readiness	06085	94,000
TEXAS Grants - Initial and Renewal Funds	--	437,068
Texas Educational Opportunity Grant Program	--	120,960
Top Ten Percent	--	170,000
Dallas County Community College District		
Small Business Development Center	--	61,892
Texas Comptroller of Public Accounts		
Jobs and Education for Texans (JET) Program - Equipment and Other	4814-9	1,282
Texas Education Agency		
Adult Basic Education	120100017110414	96,439
Texas Workforce Commission		
Skills Development Fund	0811SDF001	<u>31,489</u>
 Total Expenditures of State Awards		 <u>\$ 1,185,589</u>

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

NOTE 2 – STATE FINANCIAL ASSISTANCE RECONCILIATION

State Grants and Contracts per Schedule A	\$ 999,893
Professional Nursing Shortage Reduction reported on Schedule C	7,800
Matching Contributions Included in Schedule F	<u>177,896</u>
Total State Financial Assistance – Schedule F	<u>\$1,185,589</u>

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

Board of Trustees
Tyler Junior College District
Tyler, Texas

Board of Trustees:

We have audited the financial statements of the Tyler Junior College District as of and for the year ended August 31, 2012, and have issued our report thereon dated November 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Tyler Junior College District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Tyler Junior College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tyler Junior College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tyler Junior College District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tyler Junior College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, (including the Texas Public Funds Investment Act of 1995), regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

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

This report is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Tyler, Texas
November 14, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditors' Report

Board of Trustees
Tyler Junior College District
Tyler, Texas

Board of Trustees:

Compliance

We have audited Tyler Junior College District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tyler Junior College District's major federal programs for the year ended August 31, 2012. Tyler Junior College District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Tyler Junior College District's management. Our responsibility is to express an opinion on Tyler Junior College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tyler Junior College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Tyler Junior College District's compliance with those requirements.

In our opinion, Tyler Junior College 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 programs for the year ended August 31, 2012.

Internal Control Over Compliance

Management of Tyler Junior College District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Tyler Junior College District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tyler Junior College District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their

assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Board of Trustees, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Tyler, Texas
November 14, 2012

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2012

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unqualified*

Internal control over financial reporting:

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

Noncompliance material to financial Statements noted? yes no

Federal Awards

Internal control over major programs:

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

Type of auditors’ report issued on compliance for major programs: *Unqualified*

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
	Student Financial Assistance Programs:
	Part of Federally Mandated Cluster
84.063	Federal Pell Grant Program
84.007	Federal Supplemental Educational Opportunity Grant Program
84.033	Federal College Workstudy Program
84.268	Federal Direct Student Loans
84.375	Academic Competitiveness Grant Program
84.002	Adult Basic Education
84.048	Carl Perkins Vocational Educational Programs-Basic

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2012

Section I (continued)

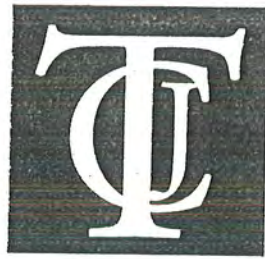
None noted.

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.



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TYLER JUNIOR COLLEGE

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED AUGUST 31, 2012

The following is an update of prior audit findings and is prepared in accordance with Office of Management and Budget Circular A-133, Section .315(b) and .320(c).

Prior Audit Finding 2011-1

Department of Education, Adult Basic Education

Summary of prior audit finding: No monitoring of the programmatic aspects of the Adult Basic Education grants was completed during the year.

Current Status: Corrective action has been taken and this issue has been fully resolved. Written procedures were developed and incorporated into the grant procedures manual and monitoring was completed during fiscal year 2012. A staff member has been hired to fill one of the key positions vacated during fiscal year 2011 responsible for grant financial management and reporting. This staff member has been assigned responsibility for ensuring future monitoring occurs as necessary.

Prior Audit Finding 2011-2

Department of Education (DOE), Student Financial Assistance Program, Part of Federally Mandated Cluster

Summary of prior audit finding: Several instances were noted in which the return of Title IV funds was not performed within the required timeframe of no later than 45 days after the date the institution determined the student withdrew.

Current Status: Corrective action has been taken and we expect this issue has been resolved. The Director, Financial Aid, the Financial Aid Manager and the Director, Accounting Services/Controller developed and implemented procedures to ensure all steps related to the Title IV return calculation process are complete and returns remitted timely. The process was revised during the year to include review by personnel other than the Financial Aid Manager. Beginning with FY13, this review will be formalized to include documentation of the review by the personnel responsible other than the Financial Aid Manager.

