

Tyler Junior College

A-133 Audit

FY 8/31/2005

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2005

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:			
SEOG	84.007	--	\$ 150,792
Federal College Workstudy Program	84.033	--	48,478
Student Support Services Grant	84.042A	--	241,200
Federal Pell Grant Program	84.063	--	9,179,878
Pass Through From:			
Texas Education Agency			
Adult Basic Education	84.002	--	466,163
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Educational Programs - Perkins Grant	84.048	54252 and 51106	815,699
Leveraging Educational Assistance Partnership Grant (LEAP and SLEAP)	84.069	--	<u>11,502</u>
Total U. S. Department of Education			<u>10,913,712</u>
U.S. Department of Labor			
Pass Through From:			
East Texas Council of Governments/East Texas Workforce Board			
WIA Statewide Activities	17.255	TJC-SAFE-PY04-01	65,365
Texas Higher Education Coordinating Board			
WIA Incentive Grants - Section 503 Grants	17.267	--	<u>10,000</u>
Total U.S. Department of Labor			<u>75,365</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District			
Small Business Development Center	59.037	--	<u>89,688</u>
Total U.S. Small Business Administration (SBA)			<u>89,688</u>
U.S. Department of Health and Human Services			
Pass Through From:			
Texas Education Agency			
Temporary Aid for Needy Families	93.558	--	<u>32,980</u>
Total U.S. Department of Health and Human Services			<u>32,980</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,111,745</u>

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	\$11,197,044
Matching Contributions Included in Unrestricted Fund	<u>(85,299)</u>
 Total Federal Financial Assistance – Schedule E	 <u>\$11,111,745</u>

NOTE 3 – STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED – NOT INCLUDED IN SCHEDULE

<u>Federal Grantor CFDA Number/Program Name</u>	<u>New Loans Processed</u>	<u>Administrative Cost Recovered</u>	<u>Total Loans Processed and Administrative Cost Recovered</u>
Department of Education 84.032 Federal Family Education Loan Program	<u>\$8,860,839</u>	<u>\$ -</u>	<u>\$8,860,839</u>

NOTE 4 – 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 84.002 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)	\$450,808
Literacy Council of Tyler (TANF)	31,256

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2005

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 37,478
Public Student Incentive Grant	--	14,224
Certified Education Aide	--	24,246
Early High School Graduation	--	57,455
Financial Aid - LVN Nursing and Professional Nursing	--	3,961
Texas Grants - Initial and Renewal Funds	--	396,504
Texas Grant II - Initial and Renewal Funds	--	94,615
Dallas County Community College District		
Small Business Development Center	--	24,725
Texas Education Agency		
Adult Basic Education	50100017110035	46,507
Temporary Aid for Needy Families	50110017110032	11,599
Texas Association of Community Colleges		
MLAB (MLT) VCT Collaborative	MLAB-VCT04	12,574
VCT Online Child Development Collaborative	--	21,469
		<hr/>
Total Expenditures of State Awards		<u>\$ 745,357</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 – STUDENT LOANS PROCESSED AND ADMINISTRATIVE COSTS RECOVERED – NOT INCLUDED IN SCHEDULE

<u>State Grantor Program Name</u>	<u>New Loans Processed</u>	<u>Administrative Cost Recovered</u>	<u>Total Loans Processed and Administrative Cost Recovered</u>
Texas Higher Education Coordinating Board Texas B-On-Time Loan Program	<u>\$21,558</u>	<u>\$ -</u>	<u>\$21,558</u>

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**GOLLOB MORGAN
PEDDY & CO., P.C.**
Certified Public Accountants

Members American Institute of Certified Public Accountants and Private Companies Practice Section

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Robert Shane Rohrbach, CPA
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Teresa J. Campbell, CPA

**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

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of the Tyler Junior College District as of and for the year ended August 31, 2005, which collectively comprise Tyler Junior College District's basic financial statements, and have issued our report thereon dated November 18, 2005. 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

In planning and performing our audit, we considered Tyler Junior College District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

We have performed tests designed to verify Tyler Junior College District's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2005, no instances of noncompliance were found.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements 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 that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Tyler Junior College District in a separate letter dated November 18, 2005.

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

Certified Public Accountants

Tyler, Texas
November 18, 2005

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Tyler Junior College District
Tyler, Texas

Board of Trustees:

Compliance

We have audited the compliance of Tyler Junior College District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2005. 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.

As described in item 2005-1 in the accompanying schedule of findings and questioned costs, Tyler Junior College District did not comply with requirements regarding Return of Title IV Funds that are applicable to its Student Financial Assistance Programs. Compliance with such requirements is necessary, in our opinion, for Tyler Junior College District to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, Tyler Junior College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2005.

Internal Control Over Compliance

The 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 requirements that could have a direct

and material effect on a major federal program in order to determine our 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.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Tyler Junior College District's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2005-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

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.

Baldwin, Morgan, Peddy & Co., P.C.
Certified Public Accountants

Tyler, Texas
November 18, 2005

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2005

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified
that are not considered to be
material weaknesses? yes X none reported

Noncompliance material to financial
Statements noted? X yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified
that are not considered to be material
weakness(es)? X yes none reported

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

Any audit findings disclosed that are
required to be reported in accordance
with section 510(a) of Circular A-133? X 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
84.032	Federal Family Education Loan Program
84.002	Adult Basic Education
84.048	Carl Perkins Vocational Educational Programs - Perkins Grant

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2005

Section I (continued)

Dollar threshold used to distinguish
 Between type A and type B programs: \$333,352

Auditee qualified as low-risk auditee: _____ yes ___X___ no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

	<u>Questioned Costs</u>												
DEPARTMENT OF EDUCATION													
REPORTABLE CONDITION													
2005-1 Student Financial Assistance Programs													
- Part of Federally Mandated Cluster													
Statement of Condition/Criteria: Seventy-six instances were noted in which the return of Title IV funds was not performed within the required timeframe of no later than 30 days after the date the institution determined the student withdrew. This finding was noted for year ended 8-31-03 and 8-31-04 also.													
Population:													
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;"><u>Dollars</u></th> <th style="width: 20%; text-align: center;"><u>Number of Students</u></th> </tr> </thead> <tbody> <tr> <td>Population</td> <td style="text-align: right;">\$238,411</td> <td style="text-align: right;">465</td> </tr> <tr> <td>Sample</td> <td style="text-align: right;">66,495</td> <td style="text-align: right;">104</td> </tr> <tr> <td>Not in Compliance</td> <td style="text-align: right;">46,142</td> <td style="text-align: right;">76</td> </tr> </tbody> </table>		<u>Dollars</u>	<u>Number of Students</u>	Population	\$238,411	465	Sample	66,495	104	Not in Compliance	46,142	76	
	<u>Dollars</u>	<u>Number of Students</u>											
Population	\$238,411	465											
Sample	66,495	104											
Not in Compliance	46,142	76											
Questioned Costs	\$46,142												

Cause of Condition: Although procedures are in place to identify and return Title IV funds as required, circumstances still arise that cause the returns to be late.

Recommendation: Tyler Junior College District should revise and update procedures to identify and return Title IV funds within the required timeframe for unexpected circumstances encountered.

TYLER JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2005

DEPARTMENT OF EDUCATION

FINDING 2004-1: Student Financial Assistance Programs

Condition: Three instances were noted in which the return of Title IV funds was not performed within the required timeframe of no later than 30 days after the date the institution determined the student withdrew. This finding was noted for year ended 8-31-03 also.

Recommendation: It was recommended the Tyler Junior College District revise and update procedures to identify and return Title IV funds within the required timeframe for unexpected circumstances encountered.

Current Status: The Financial Aid Office strives to identify and return Title IV funds as required. However, instances of late returns occurred in fiscal year 2005. See Finding 2005-1.

FINDING 2004-2: Adult Basic Education

Reportable Condition: Tyler Junior College District is the fiscal and administrative agent for these grants. Literacy Council of Tyler serves as the program provider. Literacy Council of Tyler had an annual audit performed for their year ended 12-31-03. As a result of that audit, several findings were noted relating to the programmatic aspects of the grants. Part of Tyler Junior College District's responsibility is to monitor Literacy Council of Tyler's compliance with program regulations and quality.

Recommendation: It was recommended the Tyler Junior College District establish procedures to monitor the programmatic aspects of the Adult Education grants as the District is ultimately responsible for compliance with grant regulations.

Current Status: Tyler Junior College District monitored fiscal and programmatic aspects of the grants. No further comments are necessary.



TYLER JUNIOR COLLEGE

CORRECTIVE ACTION PLAN

December 7, 2005

Tyler Junior College respectfully submits the following corrective action plan for the year ended August 31, 2005.

Gollob, Morgan, Peddy, & Co., P.C.

Audit period:

The findings from the August 31, 2005 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS-FEDERAL AWARD PROGRAMS AUDIT REPORTABLE CONDITIONS

2005-1 Student Financial Assistance Programs

- Part of Federally Mandated Cluster

Statement of Condition/Criteria: Seven instances were noted in which the return of Title IV funds was not performed within the required timeframe of no later than 30 days after the date the institution determined the student withdrew. This finding was noted for year ended 8-31-03 and 8-31-04 also.

Recommendation: Tyler Junior College District should revise and update procedures to identify and return Title IV funds within the required timeframe for unexpected circumstances encountered.

Action Taken: We concur with the recommendation and have implemented corrective measures to this process.

Implementation timeline of Corrective Measures: Due to prior year, audit findings, changes were implemented in the Fall, 2004 semester to process Return to Title IV refunds every 30 days. Due to the length of time involved with the current manual process, the corrective measure was unsuccessful. A new corrective measure was implemented beginning with the Fall, 2005 semester. The Return to Title IV calculations are processed every two weeks. This measure seems to be successful, but further improvements are expected with the implementation of

a new financial aid management system-Banner. The Banner system is expected to "go live" beginning with the Fall, 2007 term.

If you have any questions regarding this plan, please call me at (903) 510-2646.

Sincerely,

Devon Wiggins
Director, Financial Aid



Interoffice Memo

DATE: December 12, 2005
TO: Dr. Crowe
FROM: Sarah Van Cleef *SVC*
SUBJECT: Responses to FY 2005 Audit Management Letter

Our auditors noted several matters that were opportunities to strengthen internal controls and operating efficiencies during their examination of our FY 2005 fiscal operations. This memo is our response to the matters noted.

Exit Counseling (Financial Aid)

The financial aid office experienced a backlog in the exit counseling reporting process during 2004 - 2005 fiscal year due to a vacant part time position which assisted the Loan Officer with the related tasks associated with the exit counseling process. This position has been filled and the backlog has been brought up to date.

Payment of Credit Balances (Financial Aid/Business Services)

All of the instances that were noted by the auditors involved loan funds for the fall semester that were awarded into the respective student's account after the Christmas holidays. There was not a scheduled check/print release date until later in the month of January to accommodate spring registration. Procedures have been put into place to facilitate a check/print release for loan funds posted in early January.

Waiver of match requirement – Supplemental Education Opportunity Grant (SEOG) and Federal College Work-Study (CWS) Programs (Business Services/Financial Aid)

The District was made aware that the notification process for the waiver application had been distributed solely electronically sometime during 2004 - 2005. The original electronic notification was not routed to the appropriate personnel in the District. Procedures have been put into place whereby the Director of Financial Aid and the Grant Accountant will both monitor the "Information for Financial Aid Professionals" website to watch for the announcement that the electronic waiver application is available for completion.

Subrecipient Monitoring – Adult Basic Education Grants (Business Services)

The District will continue the subrecipient monitoring process inclusive of any Special Requirements that are documented in these grants.

Drawdown of Federal Funds – Pell Grant (Business Services)

The District will review the timeline of the federal funds drawdown at the end of the fiscal year. The Director of Financial Aid and the Grant Accountant will set time aside in September to reconcile the Pell Grant revenues and expenditures.

Carl Perkins Grant – Tracking of Equipment Purchased

The District is currently implementing an integrated software system that will more easily facilitate the tracking and tagging of equipment regardless of cost. The District will review its current policies and modify as appropriate.

Tyler Junior College

Annual Audit

FY 8/31/2005

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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, 2005 and 2004, 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 \$22,792,808 as of August 31, 2005, and total revenues of \$8,451,548 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, 2005 and 2004, 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 18, 2005 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 10 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 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.

Gallett Morgan, Peddy & Co., P.C.

Certified Public Accountants

Tyler, Texas
November 18, 2005

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 2005. 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.

Statement of Net Assets (thousands of dollars)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assets:			
Current assets	\$ 13,291	\$ 12,349	\$16,287
Capital assets, net	60,126	57,558	59,286
Other assets	<u>9,637</u>	<u>9,643</u>	<u>3,829</u>
Total Assets	<u>83,054</u>	<u>79,550</u>	<u>79,402</u>
Liabilities			
Current liabilities	14,250	13,347	13,115
Noncurrent Liabilities	<u>26,057</u>	<u>26,490</u>	<u>28,403</u>
Total Liabilities	<u>40,307</u>	<u>39,837</u>	<u>41,518</u>
Net Assets			
Invested in capital assets, net of debt	33,186	30,458	30,442
Restricted – expendable	439	456	422
Restricted – nonexpendable	-	-	-
Unrestricted	<u>9,123</u>	<u>8,799</u>	<u>7,020</u>
Total Net Assets	<u>\$ 42,748</u>	<u>\$ 39,713</u>	<u>\$37,884</u>

The \$83 million in assets includes cash and cash equivalents of \$11.7 million and investments of \$2.9 million. A review of the Statement of Net Assets also reveals accounts receivable of just over \$7.6 million. Over 50 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.

Completed projects included renovations to the Wagstaff Gym, the Health and Physical Education Center, the RTDC, the White Administrative Center, and various dormitory and parking lot upgrades and renovations. Additionally, the software and hardware were purchased for the campus wide enterprise information system, SCT Banner, implementation. 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 Note 9 that displays details of all outstanding bonds payable.

Liabilities of \$40.3 million include long-term debt of \$26.9 million and compensated absences of \$1.4 million as of the end of the 2005 fiscal year. Also included in the liabilities are student deposits and deferred revenue in excess of \$9.2 million.

The assets less liabilities result in net assets of \$42.7 million. A major portion of the net assets is the District's capital assets \$33.2 million equity, and \$9.1 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 notes to the financial statement 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 non-operating, and the expenses paid by the institution, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the institution.

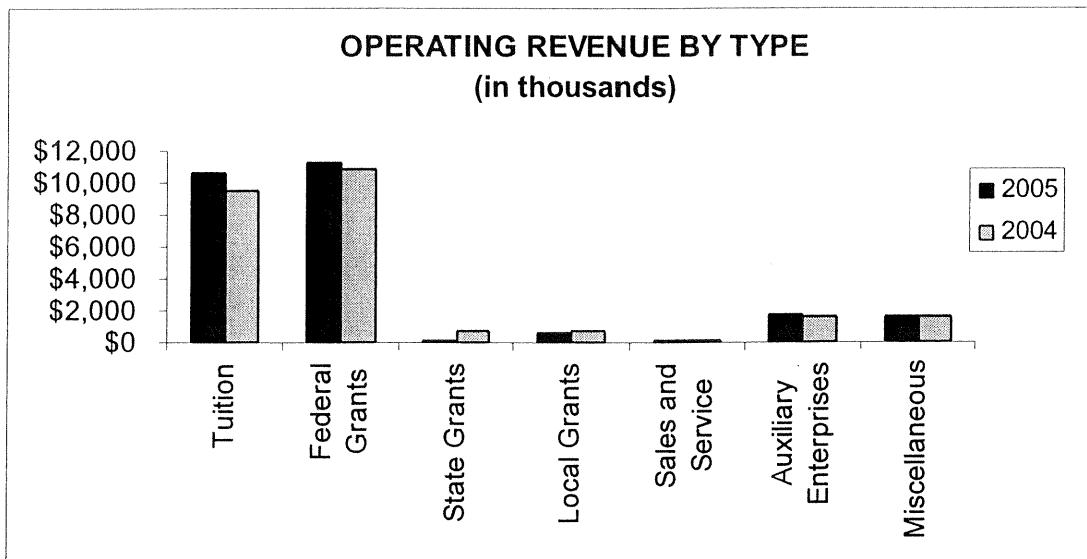
Operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution.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

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

	2005	2004	2003
Operating revenues			
Tuition and fees	\$ 10,596	\$ 9,515	\$ 7,880
Federal grants and contracts	11,197	10,898	10,116
State grants and contracts	170	781	1,652
Local grants and contracts	646	690	640
Sales and service of educational activities	119	117	105
Auxiliary enterprises	1,704	1,675	1,630
Miscellaneous	1,586	1,569	1,434
Total Operating Revenues	26,018	25,245	23,457
Operating expenses			
Instruction	20,117	19,579	19,763
Public service	852	755	891
Academic support	2,390	2,541	2,661
Student services	4,861	4,712	4,934
Institutional support	6,945	6,465	5,808
Operation and maintenance of plant	4,978	4,393	4,225
Scholarship and fellowships	4,687	3,552	3,734
Auxiliary enterprises	2,493	3,091	2,952
Depreciation	3,892	4,551	4,492
Total Operating Expenses	51,215	49,639	49,460
Operating Loss	(25,197)	(24,394)	(26,003)
Nonoperating revenues and expenses	28,003	26,223	26,532
Income (loss) before other revenues, Expenses, gains or losses	2,806	1,828	529
Increase in net assets	2,806	1,828	529
Net Assets at beginning of year	39,713	37,885	37,520
Prior period adjustment	229		(164)
Net assets at end of year	<u>\$ 42,748</u>	<u>\$ 39,713</u>	<u>\$ 37,885</u>

The nonoperating revenues (expenses) are comprised of \$18.8 million state educational contracts, \$9.9 million property taxes, investment income of \$0.4 and the \$1.1 million interest paid on capital related debt. These amounts differ from FY 2004 by some \$1.0 million additional property tax revenue that resulted from an increase in the property listed on the tax rolls and approximately \$0.3 million increase in investment income. The \$18.8 million in state educational contracts has previously been recorded as operating revenue.

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 the following.



The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Federal grants represent the largest type of revenue followed closely by student tuition and fees. All other types of revenue represent less than 16.5 percent of the total operating revenue.

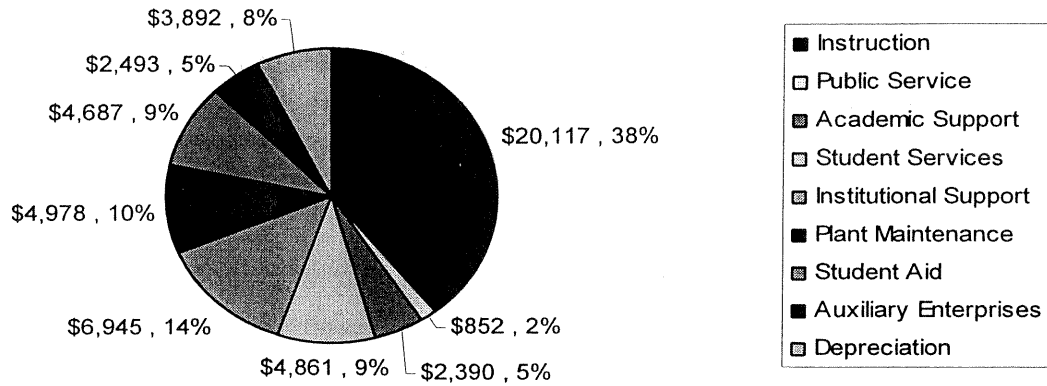
Pell, work-study and other student financial aid grants comprise \$9.2 million of the \$11.2 million received from federal grants and contracts. The remaining \$2 million of the grants was comprised of \$0.3 million Adult Learning Center grant to support students to promote and instill success in their educational activities, \$0.2 million TRIO, \$0.8 million of Perkins support for students and \$0.7 million of miscellaneous training and educational support grants.

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

The \$51.2 million in operating expenses by function (displayed in thousands) are displayed in the following exhibit.

Although comparative information is not presented in the graph, several changes in expenses from prior years are worth noting. Continued costs to support the online student and registration system is but a small part of the \$6.9 million expended for institutional support.

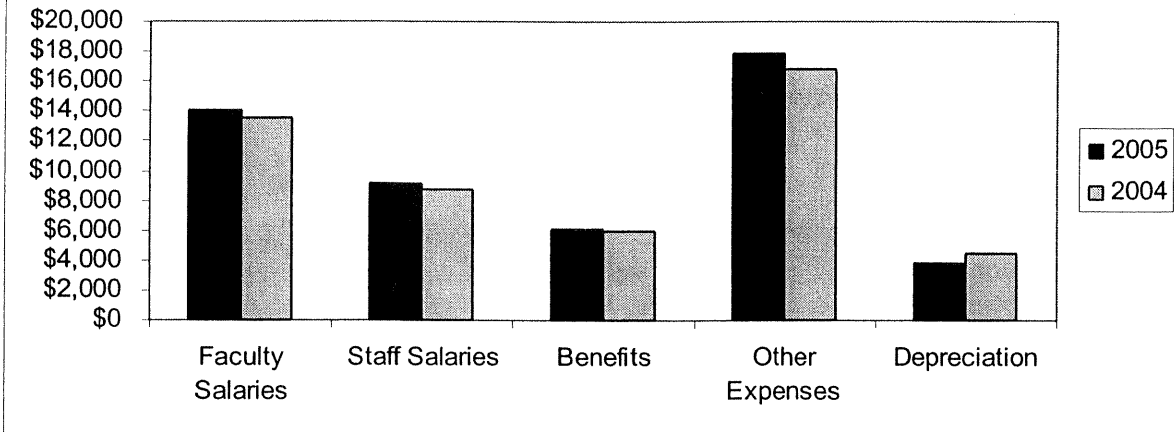
2005 OPERATING EXPENSES BY FUNCTION
(in thousands and as a percent)



Although the District's operating expenses are reported by functional classification, the operating expenses restated by their natural classification is interesting 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)



Approximately forty-six percent of District's \$51.2 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total (\$29.4 million) is 57 percent of the District's total operating expense as compared to 55 percent in 2004. The second highest portion of the operating expenses is the \$17.3 million of operating expenses that the District paid in 2005 to its vendors to acquire supplies, goods and services.

Financial aid is included in the other expenses and is the third highest expense percent. In 2005, \$4.6 million was expended in financial aid as compared to only \$3.5 million in 2004. Depreciation expense decreased from 2004's \$4.55 million to 2005's \$3.89 million.

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.

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

	2005	2004	2003
Cash provided (used) by:			
Operating activities	\$ (21,710)	\$ (18,904)	\$ (21,503)
Noncapital financing activities	28,586	27,668	27,714
Capital and related financing activities	(7,242)	(5,416)	(5,783)
Investing activities	452	(2,089)	616
Net change in cash	86	1,259	1,044
Cash, beginning of year	11,671	10,412	9,368
Cash, end of year	\$ 11,757	\$ 11,671	\$ 10,412

The primary cash receipts from operating activities consist of tuition and fees, grants and contracts. Operating cash receipts in 2005 totaled \$25 million as compared to \$26.8 million in 2004. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$46.7 million in 2005 as compared to \$45.7 million in 2004 that resulted in \$2.8 million more net cash used by operating activities in 2005.

State educational contracts are the primary source of noncapital financing. Ad-valorem taxes are the second largest source of noncapital financing. These sources of revenue are categorized as noncapital even though the District's budget depends on them to continue the current level of operations. In 2005, \$28.6 million was received as compared to \$27.6 million in 2004. 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, \$13 thousand was received greater than that disbursed in 2005.

The capital and related financing activities in 2005 included \$6.2 million expended for campus improvements and renovations and the implementation of a campus wide enterprise information system. This compares to the \$2.8 million expended in 2004 for parking lots improvements and campus improvements and renovations. Financing outflows also include expenditures for debt service payments and related long-term debt interest. In 2005, the District's outstanding bonds were refinanced due to an advantageous interest rate. The long-term debt interest of \$1.1 million was \$359 thousand less than the amount paid in 2004.

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 2005 was greater than that received in 2004. There were no additional investments purchased in 2005.

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.

During the current fiscal year, the District was petitioned by its taxpayers to conduct a rollback election. As a result of this election, the District was forced to rollback its proposed tax rate from \$.1623 to \$.127169 per \$100 valuation. The additional revenue from the tax increase was to be set aside for capital improvements and did not have an impact on the District's current year operations.

Enrollment growth at the District continues at a steady rate even with the tuition and fee increases implemented during the past fiscal years. The enrollment will continue to be stable as the fiscal year 2005 students continue their education. As in prior years, a small enrollment growth is expected for fiscal year 2006.

The District's overall financial position is strong. However, the District continues to deal with the lingering effects of the slow economy from recent years. The District is surviving the financial pressures by maintaining operating budget controls, addressing reserves, evaluation of new hires and reducing administrative overhead. As a result, the District is operating with less staff but with the same amount of work. Although state appropriations were slightly higher than in the previous year, it was not enough to help alleviate the financial pressures of the District. Given these economic constraints, ad-valorem tax valuation changes and student fee increases, the District anticipates fiscal year 2006 will be comparable to fiscal year 2005 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
STATEMENT OF NET ASSETS
AS OF AUGUST 31, 2005 AND 2004

ASSETS	2005	2004
Current Assets		
Cash and Cash Equivalents	\$ 5,413,883	\$ 5,428,397
Accounts Receivable (net of allowance for doubtful accounts of \$1,897,484 and \$1,723,255, respectively)	7,684,788	6,673,192
Prepaid Expenses	192,247	247,410
Total Current Assets	13,290,918	12,348,999
Noncurrent Assets		
Cash and Cash Equivalents	6,342,907	6,242,810
Investments	2,941,096	2,966,835
Deferred Charges	353,705	432,942
Capital Assets (Net)	60,125,847	57,558,320
Total Noncurrent Assets	69,763,555	67,200,907
TOTAL ASSETS	\$ 83,054,473	\$ 79,549,906
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 2,706,167	\$ 2,679,439
Deferred Revenues	9,232,065	8,686,130
Current Portion of Compensated Absences	142,932	137,120
Current Portion of Bonds Payable	1,695,000	1,315,000
Current Portion of Notes Payable	473,593	530,032
Total Current Liabilities	14,249,757	13,347,721
Noncurrent Liabilities		
Accrued Compensable Absences Payable	1,286,386	1,234,081
Bonds Payable	15,704,172	15,715,000
Notes and Loans Payable	9,066,596	9,540,170
Total Noncurrent Liabilities	26,057,154	26,489,251
TOTAL LIABILITIES	40,306,911	39,836,972
NET ASSETS		
Invested in capital assets, net of related debt Restricted	33,186,486	30,458,118
Expendable		
Financial Aid and Scholarships	438,572	455,848
Unrestricted	9,122,504	8,798,968
TOTAL NET ASSETS	42,747,562	39,712,934
TOTAL LIABILITIES AND NET ASSETS	\$ 83,054,473	\$ 79,549,906

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

THE TYLER JUNIOR COLLEGE FOUNDATION
Statement of Financial Position
August 31, 2005

<u>ASSETS</u>		
Cash and cash equivalents		\$ 1,190,770
Contributions receivable		277,311
Investments		18,320,416
Charitable gift annuities		675,553
Real estate and equipment, net		2,178,041
Deferred expense		105,476
Other assets		<u>45,241</u>
TOTAL ASSETS		<u><u>\$ 22,792,808</u></u>
<u>LIABILITIES</u>		
Accounts payable - Tyler Junior College		\$ 103,561
Charitable gift annuity - payable		272,794
Other liabilities		<u>4,920</u>
Total liabilities		381,275
<u>NET ASSETS</u>		
Unrestricted	\$ 4,415,301	
Temporarily restricted	2,407,335	
Permanently restricted	<u>15,588,897</u>	
Total net assets		<u>22,411,533</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 22,792,808</u></u>

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, 2005 AND 2004

REVENUES	<u>2005</u>	<u>2004</u>
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$6,527,411 and \$6,222,091 in discounts)	\$ 10,595,736	\$ 9,515,381
Auxiliary Enterprises (net of \$799,705 and \$867,557 in discounts)	1,704,214	1,675,119
Federal Grants and Contracts	11,197,044	10,898,288
State Grants and Contracts	169,575	780,501
Local Grants and Contracts	645,900	689,770
Sales and Service of Educational Activities	119,095	116,882
Interest on Student Loans	10,627	26,395
Miscellaneous Operating Revenues	<u>1,575,653</u>	<u>1,542,982</u>
Total Operating Revenues	<u>26,017,844</u>	<u>25,245,318</u>
 EXPENSES		
Operating expenses		
Instruction	20,116,719	19,578,850
Public Service	851,994	754,664
Academic Support	2,390,014	2,541,825
Student Services	4,861,229	4,711,533
Institutional Support	6,944,575	6,465,459
Operations and Maintenance of Plant	4,978,443	4,393,280
Scholarship and Fellowships (net of \$7,327,116 and \$7,086,648 in discounts)	4,686,891	3,551,692
Auxiliary Enterprises	2,492,706	3,091,061
Depreciation	<u>3,892,193</u>	<u>4,551,096</u>
Total Operating Expenses	<u>51,214,764</u>	<u>49,639,460</u>
Operating Income (Loss)	<u>(25,196,920)</u>	<u>(24,394,142)</u>
 NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	18,751,833	18,719,793
Property taxes	9,944,249	8,852,688
Investment Income	426,392	129,188
Interest on Capital Related Debt	<u>(1,119,570)</u>	<u>(1,479,031)</u>
Total Non-Operating Revenues (Expenses)	<u>28,002,904</u>	<u>26,222,638</u>
Increase in Net Assets	<u>2,805,984</u>	<u>1,828,496</u>
Net Assets, Beginning of the Year (as originally stated)	39,712,934	37,884,438
Prior Period Adjustment	<u>228,644</u>	<u>-</u>
Net Assets, Beginning of the Year (as restated)	<u>39,941,578</u>	<u>37,884,438</u>
Net Assets, End of the Year	<u>\$ 42,747,562</u>	<u>\$ 39,712,934</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, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and Other Support:				
Contributions and fund-raising	\$ 352,173	\$ 626,463	\$ 5,548,700	\$ 6,527,336
Unrealized gain (loss) on investments	1,357,930	-	(2,703)	1,355,227
Net gain (loss) on sales	35,144	-	-	35,144
Investment income	347,821	61,660	123,760	533,241
Real estate income	600	-	-	600
Restricted and unrestricted funds endowed	(2,267,676)	2,481,482	(213,806)	-
Net assets released from restrictions	1,106,561	(1,106,561)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	932,553	2,063,044	5,455,951	8,451,548
Administrative	25,180	-	-	25,180
Fund-raising				
Special events	28,228	-	-	28,228
Other	13,003	-	-	13,003
Real estate	1,600	-	-	1,600
Scholarships & Awards				
Support of TJC	771,077	-	-	771,077
Scholarships	347,156	-	-	347,156
Other awards	18,950	-	-	18,950
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,205,194	-	-	1,205,194
Changes in Net Assets	(272,641)	2,063,044	5,455,951	7,246,354
Net Assets, September 1, 2004	4,687,942	344,291	10,132,946	15,165,179
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets, August 31, 2005	<u>\$ 4,415,301</u>	<u>\$ 2,407,335</u>	<u>\$ 15,588,897</u>	<u>\$ 22,411,533</u>

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, 2005 AND 2004

CASH FLOWS FROM OPERATING ACTIVITIES	2005	2004
Receipts from students and other customers	\$ 9,740,155	\$ 10,689,588
Receipt of state financial aid	169,575	780,501
Receipt of federal financial aid	11,082,772	11,229,123
Receipt of local grants and support	645,900	689,770
Receipt from sales and services of educational activities	119,095	116,882
Receipt from auxiliary enterprises	1,709,642	1,644,469
Receipt of interest on student loans	10,627	26,395
Receipt from other operating revenues	1,187,358	911,988
Loans from (to) students	306,526	696,802
Payments for salaries and benefits to employees	(29,353,019)	(32,362,797)
Payments to suppliers for goods and services	(17,328,662)	(13,327,144)
	<u>(21,710,031)</u>	<u>(18,904,423)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipt from state educational contracts	18,751,833	18,719,793
Property tax revenues	9,820,402	8,906,142
Receipts from student organizations	611,125	532,628
Payments to student organizations	(597,727)	(490,465)
	<u>28,585,633</u>	<u>27,668,098</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets and construction costs	(6,231,077)	(2,823,610)
Bond proceeds	19,158,947	-
Bond acquisition costs	(158,733)	-
Principal payments on capital related debt	(19,280,013)	(1,743,281)
Interest on capital related debt	(1,119,570)	(1,479,031)
Contributions received for capital related financing	388,295	630,994
	<u>(7,242,151)</u>	<u>(5,414,928)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	452,132	146,943
Proceeds from sales of investments	-	749,375
Purchases of investments	-	(2,985,688)
	<u>452,132</u>	<u>(2,089,370)</u>
Increase in cash and cash equivalents	85,583	1,259,377
Cash and cash equivalents, September 1	<u>11,671,207</u>	<u>10,411,830</u>
Cash and cash equivalents, August 31	<u>\$ 11,756,790</u>	<u>\$ 11,671,207</u>
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 5,413,883	\$ 5,428,397
Cash and cash equivalents - noncurrent	<u>6,342,907</u>	<u>6,242,810</u>
Total cash and cash equivalents	<u>\$ 11,756,790</u>	<u>\$ 11,671,207</u>

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	\$ (25,196,920)	\$ (24,394,142)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	3,892,193	4,551,096
Write off of student loans	(321,513)	(240,703)
Change in deposits of student organizations	(35,983)	(42,163)
Non-operating plant revenue	(388,295)	(630,994)
Amortization of deferred charges	542,293	44,302
(Increase) decrease in assets		
Receivables (net)	(887,729)	1,848,172
Prepaid expenses	55,163	(101,953)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	26,708	(455,744)
Deferred revenues	545,935	594,375
Compensated absences	58,117	(76,669)
	<u> </u>	<u> </u>
Net cash used in operating activities	\$ <u>(21,710,031)</u>	\$ <u>(18,904,423)</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. 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, 2005, the foundation distributed \$1,118,233 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 December 1, 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-section guidance.

The District distinguishes operating revenues and expenses from nonoperating 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 federal grants and contracts. The major non-operating revenues are state appropriations and property tax collections. 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.

Accounting Change

During the year, the District revised its capitalization policy in regards to its library books. This change reflects the decision of the Texas Higher Education Coordinating regarding library books being included as a depreciable capital asset. In connection with this change, the District has recorded a prior period adjustment of \$228,644 to restate beginning net assets at September 1, 2004.

Change in Presentation

For the fiscal year ended August 31, 2005, the District has reported state appropriations as non-operating revenues in accordance with guidelines set by the Texas Higher Education

Coordinating Board. In connection with this reporting, prior year amounts have been reclassified to conform to the change in presentation.

NOTE 3 — AUTHORIZED INVESTMENTS

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

NOTE 4 — DEPOSITS AND INVESTMENTS

As of August 31, 2005, the District had the following deposits and investments:

	August 31, 2005		August 31, 2004	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Depository Accounts				
Insured	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Collateral held by pledging bank's trust department in District's name	4,780,258	6,884,236	3,239,832	3,936,857
Total Deposits	4,980,258	7,084,236	3,439,832	4,136,857
Petty cash on hand	2,550	-	2,550	-
Texpool Investments	6,773,982	6,773,982	8,228,825	8,228,825
Total Cash and Cash Equivalents	11,756,790	<u>\$ 13,858,218</u>	11,671,207	<u>\$ 12,365,682</u>

	August 31, 2005		August 31, 2004	
	Fair Value	Maturity Date	Fair Value	Maturity Date
Investments				
FHLB 3%	485,000	7/9/08	489,527	7/9/08
FHLB 2.25%	496,405	8/13/08	500,442	8/13/08
FHLB 3.75%	492,030	4/29/09	497,617	4/29/09
FNMA 3.21%	487,970	7/23/08	492,987	7/23/08
FNMA 3.25%	485,315	4/22/09	488,052	4/22/09
FNMA 4%	494,376	10/29/09	498,210	10/29/09
Total Investments	2,941,096		2,966,835	
Total Cash and Cash Equivalents and Investments	<u>\$ 14,697,886</u>		<u>\$ 14,638,042</u>	

Interest Rate Risk – The District's investment policy allows for portfolio maturities to be structured to meet the obligations of the District first, and then to achieve the highest return of interest. The maximum allowable stated maturity of any individual investment of the District is ten years.

Credit Risk – The District’s investment pool with Texpool has a AAAM rating with Standard and Poor’s. The Federal Home and Land Bank (FHLB) investments and the investments in Federal National Mortgage Association (FNMA) securities carry a Aaa rating with Moody’s and a AAA rating with Standard and Poor’s.

Concentration of Credit Risk – The District’s investment policy does not place a limit on the amount the District may invest in any one insurer. The District’s three largest investments as of August 31, 2005 and 2004 are as follows:

<u>Investment</u>	<u>% of Total Deposits and Investments</u>	
	<u>8-31-05</u>	<u>8-31-04</u>
Texpool	46.09%	56.22%
FHLB Investments	10.02%	10.16%
FNMA Investments	9.99%	10.00%

NOTE 5 — ACCOUNTS RECEIVABLE

Accounts receivable at August 31, 2005 and August 31, 2004, are the following:

	<u>8-31-05</u>	<u>8-31-04</u>
Student tuition and fees receivable (net of allowance for doubtful accounts of \$182,718 and \$157,375, respectively)	\$5,550,389	\$3,884,613
Taxes receivable (net of allowance for doubtful accounts of \$343,807 and \$516,434, respectively)	346,334	222,487
Federal receivable	460,342	346,070
Student loans receivable (net of allowance for doubtful accounts of \$1,370,959 and \$1,049,446, respectively)	620,828	1,248,867
Interest receivable	-	5,625
Other receivables	706,895	965,530
	<u>\$7,684,788</u>	<u>\$6,673,192</u>

NOTE 6 — CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable capital assets				
Land	\$2,205,673	\$292,787	\$ -	\$2,498,460
Construction in progress	<u>1,062,357</u>	<u>5,791,091</u>	<u>5,458,845</u>	<u>1,394,603</u>
Total nondepreciable capital assets	<u>3,268,030</u>	<u>6,083,878</u>	<u>5,458,845</u>	<u>3,893,063</u>
Depreciable capital assets				
Buildings	62,074,727	3,166,178	-	65,240,905
Improvements	19,355,014	255,591	-	19,610,605
Library books	1,160,611	75,186	-	1,235,827
Equipment	<u>24,761,652</u>	<u>2,109,088</u>	-	<u>26,870,740</u>
Total depreciable capital assets	<u>107,352,034</u>	<u>5,606,043</u>	-	<u>112,958,077</u>
Total Capital Assets	<u>110,620,064</u>	<u>11,689,921</u>	<u>5,458,845</u>	<u>116,851,140</u>
Less accumulated depreciation:				
Buildings	22,998,012	1,215,980	-	24,213,992
Improvements	5,790,566	974,140	-	6,764,707
Library books	931,997	123,583	-	1,055,580

Equipment	<u>23,112,525</u>	<u>1,578,490</u>	<u>-</u>	<u>24,691,005</u>
Total accumulated Depreciation	<u>52,833,100</u>	<u>3,892,193</u>	<u>-</u>	<u>56,725,293</u>
Net Capital Assets	<u>\$57,786,964</u>	<u>\$7,797,728</u>	<u>\$5,458,845</u>	<u>\$60,125,847</u>

NOTE 7 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at August 31, 2005 and August 31, 2004 were the following:

	<u>8-31-05</u>	<u>8-31-04</u>
Vendors payable	\$1,626,827	\$1,904,331
Salaries and benefits payable	973,658	679,391
Interest payable	50,104	45,567
Deposits payable	<u>55,578</u>	<u>50,150</u>
Total Accounts Payable and Accrued Liabilities	<u>\$2,706,167</u>	<u>\$2,679,439</u>

NOTE 8 — LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Bonds and notes					
Bonds payable	\$17,030,000	\$19,158,947	\$18,789,775	\$17,399,172	\$1,695,000
Notes payable					
Energy project A	149,901	-	119,311	30,590	30,590
Energy project B	5,476,085	-	369,536	5,106,549	389,605
Training Center	<u>4,444,216</u>	-	<u>41,166</u>	<u>4,403,050</u>	<u>53,398</u>
Total notes payable	<u>10,070,202</u>	-	<u>530,013</u>	<u>9,540,189</u>	<u>473,593</u>
Total bonds and notes payable	<u>27,100,202</u>	<u>19,158,947</u>	<u>19,319,788</u>	<u>26,939,361</u>	<u>2,168,593</u>
Other liabilities					
Compensated absences	<u>1,371,201</u>	<u>231,141</u>	<u>173,024</u>	<u>1,429,318</u>	<u>142,932</u>
Total other liabilities	<u>1,371,201</u>	<u>231,141</u>	<u>173,024</u>	<u>1,429,318</u>	<u>142,932</u>
Total Long-term Liabilities	<u>\$28,471,403</u>	<u>\$19,390,088</u>	<u>\$19,492,812</u>	<u>\$28,368,679</u>	<u>\$2,311,525</u>

NOTE 9 — BONDS PAYABLE

Bonds payable as of August 31, 2005 and August 31, 2004 are comprised of the following:

	<u>8-31-05</u>	<u>8-31-04</u>
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	\$17,195,000	\$ -

Combined Fee Improvement and Revenue and Refunding Bonds, Series 1994, issued to refund Series 1989, 1991 and 1992, retire Series 1993, and to construct and renovate

campus facilities. Issued June 1, 1994 for \$26,935,000; 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.

	-	<u>17,030,000</u>
Total Bonds Payable	17,195,000	17,030,000
Plus: Unamortized Bond Premium	<u>204,172</u>	-
Net Outstanding Bonds Payable	<u>\$17,399,172</u>	<u>\$17,060,000</u>

The 2004 bond issue will result in the District saving approximately \$2,301,019 in debt service payments on such indebtedness and provides a net present value savings to the district of approximately \$1,946,124.

Bonds are due in annual principal installments varying from \$1,695,000 to \$2,170,000 with interest rates from 2.50% to 3.75% with the final installment due in 2014. Bonds maturing on or after August 15, 2012 are subject to redemption prior to maturity, at the option of the District, on August 15, 2011 or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

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	Principal	Interest	Interest	Interest	Total Amount
Ending 8/31	Due 8/15	Rates	Due 2/15	Due 8/15	Principal and Interest Requirements
2006	\$ 1,695,000	2.500	\$ 273,481	\$ 273,481	\$ 2,241,962
2007	1,740,000	2.500	252,294	252,294	2,244,588
2008	1,785,000	3.000	230,544	230,544	2,246,088
2009	1,830,000	3.000	203,769	203,769	2,237,538
2010	1,890,000	3.750	176,319	176,319	2,242,638
2011-2014	<u>8,255,000</u>	3.250 – 5.500	<u>359,112</u>	<u>359,113</u>	<u>8,973,225</u>
TOTAL	<u>\$17,195,000</u>		<u>\$1,495,519</u>	<u>\$1,495,520</u>	<u>\$20,186,039</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, 2005 be disclosed:

<u>POLICY</u>	<u>COVERAGE</u>	<u>PREMIUM</u>	<u>POLICY TERM</u>
<u>Commercial Package</u>		<u>\$116,900</u>	<u>9/1/04 – 9/1/05</u>
Building and Contents	\$75,409,747		
Dwellings	125,000		
Mobile equipment	500,267		
Electronic data processing	2,584,525		
Musical instruments	765,102		
General Liability:			
General aggregate	2,000,000		
Products comp/op aggregate	2,000,000		
Personal and advertising injury	1,000,000		
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>		62,028	9/1/04 – 9/1/05
General aggregate	15,000,000		
Products and completed			
Ops	15,000,000		
Each occurrence	15,000,000		
Retained limit	10,000		
<u>Business Automobile</u>		39,270	9/1/04 – 9/1/05
Combined single limits	1,000,000		
Medical payments	5,000		
Underinsured motorist	1,000,000		
<u>Medicare Malpractice Liability</u>		21,234	9/1/04 – 9/1/05
Each incident	2,000,000		
Aggregate	4,000,000		
<u>School Board Legal Liability</u>		43,690	9/1/04 – 9/1/05
Each occurrence	1,000,000		
Aggregate	1,000,000		
<u>Law Enforcement Professional Liability</u>		7,793	9/1/04 – 9/1/05
Each person	1,000,000		
Aggregate	1,000,000		
Each occurrence	1,000,000		
<u>Worker's Compensation</u>		138,610	9/1/04 – 9/1/05
No limit/no deductible			

NOTE 10 – NOTES PAYABLE

The District has the following loans at August 31, 2005 and August 31, 2004:

	<u>8-31-05</u>	<u>8-31-04</u>
<u>State Energy Conservation Office:</u>		
For expansion of existing plant chilled water system and replacement of lighting system in campus buildings; original loan amount of \$833,894, payable in quarterly installments of \$30,893.62 including interest at 4.04%, unsecured.	\$ 30,590	\$ 149,901
<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 11/5/01, unsecured.	5,106,549	5,476,085
<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, 2019; secured by building and real estate.	<u>4,403,050</u>	<u>4,444,216</u>
Total	<u>\$9,540,189</u>	<u>\$10,070,202</u>

Maturities of the notes payable for years subsequent to August 31, 2005 are as follows:

Fiscal Year	State Energy Conservation Office		Southside Bank		Southside Bank		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 30,950	\$ 304	\$ 389,605	\$ 226,686	\$ 53,398	\$ 236,602	\$ 473,593	\$ 463,592
2007	-	-	410,763	208,412	66,268	233,732	477,031	442,144
2008	-	-	432,462	189,579	79,198	230,802	511,660	420,381
2009	-	-	456,575	168,667	124,084	225,916	580,659	394,583
2010	-	-	481,349	147,147	205,752	219,248	687,101	366,395
2011-2015	-	-	2,828,049	370,167	1,853,192	881,798	4,681,241	1,251,965
2016-2019	-	-	107,746	625	2,021,158	244,714	2,128,904	245,339
Totals	<u>\$ 30,590</u>	<u>\$ 304</u>	<u>\$5,106,549</u>	<u>\$1,311,283</u>	<u>\$4,403,050</u>	<u>\$2,272,812</u>	<u>\$9,540,189</u>	<u>\$3,584,399</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, 2005 and August 31, 2004, \$4,410,000 and \$5,000,000 of bonds outstanding are considered defeased. The issues and amounts of outstanding defeased bonds are as follows:

Bond Issue	Year Refunded	Par Value Outstanding 8-31-05	Par Value Outstanding 8-31-04
Combined Fee Improvement Revenue Bonds, Series 1991	1994	\$1,960,000	\$2,280,000
Combined Fee Improvement Revenue Bonds, Series 1992	1994	<u>2,450,000</u>	<u>2,720,000</u>
TOTAL		<u>\$4,410,000</u>	<u>\$5,000,000</u>

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 \$1,429,318. 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 7.31 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.trstate.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 \$1,184,214 (\$606,657 for the Teacher Retirement System and \$577,557 for the Optional Retirement Plan) for the fiscal year ended August 31, 2005. This amount represents the portion of expended contracts made by the State Legislature on behalf of the District and has been recognized as revenue and expenditures by the District in the financial statements. Participants contributed \$1,284,348 (\$644,222 for the Teacher Retirement System and \$640,126 for the Optional Retirement Program). The District contributed \$157,231 to the Optional Retirement Program to cover the 2.50% referenced above.

Total payroll expense for fiscal year 2005 was approximately \$22,470,083. Of this total, approximately \$10,065,957 was covered under the Teacher Retirement System and approximately \$9,625,958 was covered under the Optional Retirement Program.

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 2005, 2004, and 2003 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, 2003, 2004 and 2005 for the District was \$1,457,893, \$1,395,622, and \$1,374,914 which consisted of \$609,116 (41.78%), \$580,161 (41.57%) and \$577,577 (42.01%) from the state; \$173,673 (11.91%), \$163,864 (11.74%), and \$157,231 (11.44%) from the District and \$675,104 (46.31%), and \$651,597 (46.69%), and \$640,126 (46.55%) 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 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, 2005, the District had 89 employees participating in the program. A total of \$380,878 in payroll deductions had been invested in approved plans during the fiscal year.

The District also has an "Executive Deferred Compensation Agreement" with its President. The agreement is considered a non-qualified or ineligible plan. The agreement established an amount of deferred compensation, which, along with future earnings or losses, will be paid in ten annual installments upon termination of employment with the District, subject to the terms of the agreement. The District shall retain title to and beneficial ownership of all assets, which it may earmark to pay the deferred compensation specified in the agreement.

NOTE 16 — PENDING LAWSUITS AND CLAIMS

On August 31, 2005, there were no lawsuits filed against the District nor were there any claims involving the District which were pending.

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, 2005	Year Ended August 31, 2004
Unrestricted Current Funds	<u>\$487,400</u>	<u>\$487,400</u>
Total	<u>\$487,400</u>	<u>\$487,400</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>8-31-05</u>	<u>8-31-04</u>
Liability, beginning of year	\$ 13,361	\$ 18,106
Incurred claims (including IBNRs)	-	-
Claim payments	<u>(5,917)</u>	<u>(4,745)</u>
Liability, end of year	<u>\$ 7,444</u>	<u>\$ 13,361</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 \$446 per month for the year ended August 31, 2005. The state cost of providing those benefits for all employees totaled \$2,463,105 with \$768,108 for 184 retirees and \$1,694,997 for 530 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	\$9,167,164,546
Less: Exemptions	<u>1,585,529,662</u>
Net Taxable Valuation of the District	<u>\$7,581,634,884</u>

	Current Operations	Debt Service	Total
Tax rate per \$100 valuation for authorized	\$.2880	-	\$.2880
Tax rate per \$100 valuation for assessed	\$.127169	-	\$.127169

Taxes levied for the year ended August 31, 2005 amounted to \$9,641,489.

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$9,518,350	-	\$9,518,350
Delinquent taxes collected	246,465	-	246,465
Penalties and interest collected	179,434	-	179,434
Total Collections	\$9,944,249	-	\$9,944,249

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, 2005 were approximately 98.72% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

NOTE 21 — DEFERRED REVENUES AND EXPENDITURES

Revenues received and expenditures 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 unrelated business income tax liability for the year ended August 31, 2005.

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 was entered into with a food service provider effective August 5, 2002 through July 31, 2005 and was renewed through July 31, 2006. Under the new 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. This agreement is in its sixth year of a seven-year contract.

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 in effect through October 24, 2003 but has been extended through October 24, 2005.

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, 2008.

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, to the financing of the facility construction.

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 runs from September 1, 2004 through August 31, 2005 and the District has exercised the annual renewal option through August 31, 2006.

The District currently has two major construction projects that are in progress as of August 31, 2005. These projects deal with the construction of parking lot facilities and new tennis courts to be located on the northeast section of the District's main campus. Both projects are expected to be completed during the current fiscal year. The District is also in the planning stages of projects to construct a new band hall and new residence housing.

The District entered into a contract with the College President which was effective December 1, 2002 and is for a ten-year period.

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 ad valorem taxes. Tuition and fees are set by the Board of Trustees and account for approximately 39% 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 - \$20 per Semester Hour for Texas residents, \$30/per semester hour non-Texas residents.

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

General Education Fee - \$26/\$32 per Semester Hour

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

Registration Fee - \$15 per Semester

Defrays increased labor and processing expenses during registration.

Laboratory Fee - \$25 per Laboratory Course

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

Music Fees - \$75-\$100 for Private Lessons

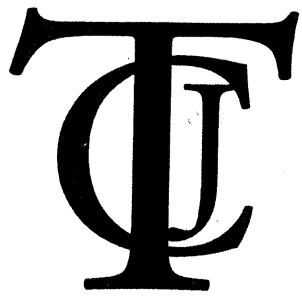
Defrays the cost of private lessons.

Out of District Surcharge - \$32 per Semester Hour

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

Parking Fee - \$15/\$25 per Semester

Designated for use in constructing and maintaining parking facilities.



TYLER
JUNIOR
COLLEGE
DISTRICT

SUPPLEMENTAL
INFORMATION

SCHEDULE A

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF OPERATING REVENUES
 FOR THE YEAR ENDED AUGUST 31, 2005
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2004)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/05	Total 8/31/04
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 1,523,527	\$ -	\$ 1,523,527	\$ -	\$ 1,523,527	\$ 1,311,273
Out-of-District Resident Tuition	1,987,492	-	1,987,492	-	1,987,492	1,651,759
TPEG **	234,653	-	234,653	-	234,653	196,704
Non-Resident Tuition	221,786	-	221,786	-	221,786	235,755
Continuing Education	1,698,829	-	1,698,829	-	1,698,829	1,596,537
Non-State Funded Continuing Education	288,481	-	288,481	-	288,481	267,758
Total Tuition	<u>5,954,768</u>	<u>-</u>	<u>5,954,768</u>	<u>-</u>	<u>5,954,768</u>	<u>5,259,786</u>
Fees						
General Education Fee	5,661,429	-	5,661,429	-	5,661,429	5,655,376
Out-of-District Fee	3,394,871	-	3,394,871	-	3,394,871	3,038,332
Laboratory Fee	661,104	-	661,104	-	661,104	617,664
Registration Fee	351,976	-	351,976	-	351,976	238,423
Health Service Fee	-	-	-	584,414	584,414	586,314
Other	514,585	-	514,585	-	514,585	341,577
Total Fees	<u>10,583,965</u>	<u>-</u>	<u>10,583,965</u>	<u>584,414</u>	<u>11,168,379</u>	<u>10,477,686</u>
Scholarship Allowances and Discounts						
Federal Grants to Students	(5,014,028)	-	(5,014,028)	-	(5,014,028)	(4,799,305)
TPEG Allowances	(128,167)	-	(128,167)	-	(128,167)	(104,920)
State Grants to Students	(183,886)	-	(183,886)	-	(183,886)	(336,653)
Contributions	(283,873)	-	(283,873)	-	(283,873)	(270,766)
Scholarships and Performance Grants	(754,822)	-	(754,822)	-	(754,822)	(582,412)
Waivers and Exemptions	(162,635)	-	(162,635)	-	(162,635)	(128,035)
Total Scholarship Allowances and Discounts	<u>(6,527,411)</u>	<u>-</u>	<u>(6,527,411)</u>	<u>-</u>	<u>(6,527,411)</u>	<u>(6,222,091)</u>
Net Tuition and Fees	<u>10,011,322</u>	<u>-</u>	<u>10,011,322</u>	<u>584,414</u>	<u>10,595,736</u>	<u>9,515,381</u>
Other Operating Revenues						
Federal Grants and Contracts	85,299	11,111,745	11,197,044	-	11,197,044	10,898,288
State Grants and Contracts	-	169,575	169,575	-	169,575	780,501
Local Grants and Contracts	-	645,900	645,900	-	645,900	689,770
Sales and Service of Educational Activities	119,095	-	119,095	-	119,095	116,882
Interest on Student Loans	10,627	-	10,627	-	10,627	26,395
Other	1,575,653	-	1,575,653	-	1,575,653	1,542,982
Total Other Operating Revenues	<u>1,790,674</u>	<u>11,927,220</u>	<u>13,717,894</u>	<u>-</u>	<u>13,717,894</u>	<u>14,054,818</u>
Auxiliary Enterprises						
Housing and Meals	-	-	-	2,026,240	2,026,240	2,105,247
Scholarship Allowances and Discounts	-	-	-	(799,705)	(799,705)	(864,557)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226,535</u>	<u>1,226,535</u>	<u>1,240,690</u>
Bookstore Commissions						
Other Auxiliary Revenues	-	-	-	308,421	308,421	298,896
Total Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,258</u>	<u>169,258</u>	<u>135,533</u>
Total Operating Revenues	<u>\$ 11,801,996</u>	<u>\$ 11,927,220</u>	<u>\$ 23,729,216</u>	<u>\$ 2,288,628</u>	<u>\$ 26,017,844</u>	<u>\$ 25,245,318</u>

** In accordance with Education Code 56.033, \$234,653 of tuition was set aside for Texas Public Education Grants (TPEG).

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF OPERATING EXPENSES BY OBJECT
 FOR THE YEAR ENDED AUGUST 31, 2005
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2004)

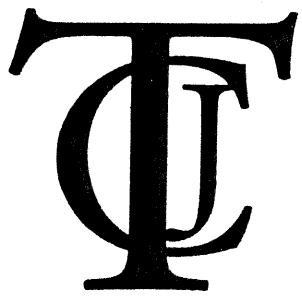
	Salaries and Wages	Benefits		Other Expenses	Total 8/31/05	Total 8/31/04
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 14,097,592	\$ -	\$ 830,899	\$ 3,479,580	\$ 18,408,071	\$ 16,841,844
Public Service	34,749	-	24,156	39,997	98,902	69,700
Academic Support	1,534,541	-	174,983	412,599	2,122,123	2,271,324
Student Services	2,172,563	-	113,772	1,510,010	3,796,345	3,357,538
Institutional Support	2,618,601	-	705,341	2,137,119	5,461,061	5,918,797
Operation and Maintenance of Plant	1,230,490	-	589,910	3,158,043	4,978,443	4,393,279
Scholarships and Fellowships	-	-	-	(5,615,643)	(5,615,643)	(6,544,416)
Total Unrestricted	<u>21,688,536</u>	<u>-</u>	<u>2,439,061</u>	<u>5,121,705</u>	<u>29,249,302</u>	<u>26,308,066</u>
Restricted - Education and General						
Instruction	6,250	1,642,225	-	60,173	1,708,648	2,737,006
Public Service	579,807	47,744	-	125,541	753,092	684,964
Academic Support	13,627	234,611	-	19,653	267,891	270,501
Student Services	381,098	224,865	-	458,921	1,064,884	1,353,995
Institutional Support	7,705	1,394,062	-	81,747	1,483,514	546,662
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	115,387	-	-	10,187,147	10,302,534	10,096,109
Total Restricted	<u>1,103,874</u>	<u>3,543,507</u>	<u>-</u>	<u>10,933,182</u>	<u>15,580,563</u>	<u>15,689,237</u>
Total Educational and General	22,792,410	3,543,507	2,439,061	16,054,887	44,829,865	41,997,303
Auxiliary Enterprises	514,401	-	121,757	1,856,548	2,492,706	3,091,061
Depreciation Expense - Buildings and Improvements	-	-	-	2,190,121	2,190,121	2,085,508
Depreciation Expense - Equipment	-	-	-	1,702,072	1,702,072	2,465,588
Total Operating Expenses	<u>\$ 23,306,811</u>	<u>\$ 3,543,507</u>	<u>\$ 2,560,818</u>	<u>\$ 21,803,628</u>	<u>\$ 51,214,764</u>	<u>\$ 49,639,460</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2005
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2004)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/05</u>	<u>Total 8/31/04</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 15,208,326	\$ -	\$ -	\$ 15,208,326	\$ 15,214,997
State Group Insurance	-	2,370,219	-	2,370,219	2,376,407
State Retirement Matching	-	1,173,288	-	1,173,288	1,128,389
Total State Appropriations	<u>15,208,326</u>	<u>3,543,507</u>	<u>-</u>	<u>18,751,833</u>	<u>18,719,793</u>
Property Taxes	9,944,249	-	-	9,944,249	8,852,688
Investment Income	426,392	-	-	426,392	129,188
Total Non-Operating Revenues	10,370,641	-	-	10,370,641	8,981,876
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	<u>1,119,570</u>	<u>-</u>	<u>-</u>	<u>1,119,570</u>	<u>1,479,031</u>
Total Non-Operating Expenses	<u>1,119,570</u>	<u>-</u>	<u>-</u>	<u>1,119,570</u>	<u>1,479,031</u>
Net Non-Operating Revenues	<u>\$ 24,459,397</u>	<u>\$ 3,543,507</u>	<u>\$ -</u>	<u>\$ 28,002,904</u>	<u>\$ 26,222,638</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY
 FOR THE YEAR ENDED AUGUST 31, 2005
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2004)

	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	2,407,663	-	-	-	2,407,663	2,407,663	-
Restricted	-	438,572	-	-	438,572	438,572	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(296,212)	-	-	-	(296,212)	-	(296,212)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	7,011,053	-	-	-	7,011,053	-	7,011,053
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	-	-	-	-
				33,186,486	33,186,486	-	33,186,486
Total Net Assets, August 31, 2005	9,122,504	438,572	-	33,186,486	42,747,562	2,846,235	39,901,327
Total Net Assets, August 31, 2004	8,798,968	455,848	-	30,458,118	39,712,934	2,463,511	37,249,423
Net Increase (Decrease) in Net Assets	\$ 323,536	\$ (17,276)	\$ -	\$ 2,728,368	\$ 3,034,628	\$ 382,724	\$ 2,651,904



TYLER
JUNIOR
COLLEGE
DISTRICT

STATISTICAL
SECTION

(unaudited)

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

<u>Fiscal Year</u>	<u>Instruction</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>
1995-96	\$ 10,089,778	\$ 962,536	\$ 1,793,844	\$ 1,730,816	\$ 3,800,141
1996-97	\$ 11,522,871 (2)	\$ 124,932 (2)	\$ 1,693,519	\$ 2,212,810	\$ 3,742,162
1997-98	\$ 13,050,671 (2)	\$ 119,448 (2)	\$ 1,815,663	\$ 2,454,247	\$ 3,918,464
1998-99	\$ 14,120,633	\$ 122,393	\$ 1,822,141	\$ 2,712,106	\$ 3,918,735
1999-00	\$ 15,204,401	\$ 130,085	\$ 2,004,290	\$ 2,723,356	\$ 4,429,839
2000-01	\$ 15,960,882	\$ 113,399	\$ 2,072,462	\$ 3,173,034	\$ 4,364,663
2001-02 (3)	\$ 15,328,265	\$ 127,986	\$ 2,181,091	\$ 3,322,898	\$ 5,188,829
2002-03 (3)	\$ 16,218,301	\$ 119,765	\$ 2,059,856	\$ 3,253,851	\$ 5,231,678
2003-04 (3)	\$ 16,712,512	\$ 82,361	\$ 2,163,793	\$ 3,378,637	\$ 6,025,764
2004-05 (3)	\$ 17,526,432	\$ 88,159	\$ 1,971,464	\$ 3,704,956	\$ 6,438,020

(1) Includes capitalized interest.

(2) Reflects reclassification of Continuing Education from Public Service to Instruction.

(3) Amounts listed in this year are for the Unrestricted Current Fund only and do not agree to the basic financial statements presented as a business type activity in accordance with GASB Statement No. 35.

Table 1

<u>Operation And Maintenance of Plant</u>	<u>Scholarships And Fellowships</u>	<u>Auxiliary Enterprises</u>	<u>Debt Service</u> (1)	<u>Totals</u>
\$ 2,917,187	\$ 70,355	\$ 2,300,727	\$ 2,463,884	\$ 26,129,268
\$ 2,931,005	\$ 106,641	\$ 2,224,707	\$ 2,500,496	\$ 27,059,139
\$ 3,107,954	\$ 136,092	\$ 2,491,671	\$ 2,470,911	\$ 29,565,117
\$ 3,253,873	\$ 87,473	\$ 2,724,337	\$ 2,433,098	\$ 31,194,789
\$ 3,470,908	\$ 118,074	\$ 2,845,381	\$ 2,678,170	\$ 33,604,504
\$ 3,630,488	\$ 149,591	\$ 2,908,886	\$ 2,756,193	\$ 35,129,598
\$ 3,187,296	\$ 219,906	\$ 3,092,631	\$ 3,316,168	\$ 35,965,070
\$ 3,078,949	\$ 280,038	\$ 2,952,246	\$ 3,307,490	\$ 36,502,174
\$ 3,565,317	\$ 542,232	\$ 3,091,061	\$ 3,262,949	\$ 38,824,626
\$ 4,180,781	\$ 911,769	\$ 3,292,411	\$ 3,465,704	\$ 41,579,696

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

<u>Fiscal Year</u>	<u>State Appropriations</u>	<u>Tuition</u>	<u>Fees</u>	<u>Taxes For Current Operations</u>	<u>Grants and Contracts</u>
1995-96	\$ 11,797,896	\$ 3,280,243	\$ 3,796,855	\$ 5,711,450	\$ 37,786
1996-97	\$ 11,794,792	\$ 3,422,136	\$ 3,929,633	\$ 5,938,185	\$ 54,574
1997-98	\$ 13,724,163	\$ 3,849,618	\$ 4,127,002	\$ 6,199,039	\$ 90,210
1998-99	\$ 14,247,537	\$ 4,131,930	\$ 4,055,894	\$ 6,622,687	\$ 111,860
1999-00	\$ 15,127,137	\$ 4,413,675	\$ 4,272,227	\$ 6,817,314	\$ 97,625
2000-01	\$ 15,522,425	\$ 4,244,825	\$ 4,224,628	\$ 7,363,880	\$ 97,706
2001-02 (2)	\$ 16,327,842	\$ 4,517,504	\$ 6,442,255	\$ 7,967,718	\$ 151,052
2002-03 (2)	\$ 15,194,940	\$ 5,232,708	\$ 7,676,370	\$ 8,488,547	\$ 187,219
2003-04 (2)	\$ 15,214,997	\$ 5,259,786	\$ 9,891,372	\$ 8,852,688	\$ 162,803
2004-05 (2)	\$ 15,208,326	\$ 5,954,768	\$ 10,583,965	\$ 9,944,249	\$ 85,299

(1) Excludes proceeds from advanced refunding paid to refunding escrow agent

(2) Amounts listed in this year are for the Unrestricted Current Fund only and do not agree to the basic financial statements presented as a business type activity in accordance with GASB Statement No. 35.

Table 2

<u>Interest</u>	<u>Miscellaneous</u>	<u>Auxiliary Enterprises</u>	<u>Debt Service</u> (1)	<u>Totals</u>
\$ 312,731	\$ 587,785	\$ 1,870,872	\$ 21,052	\$ 27,416,670
\$ 378,561	\$ 609,013	\$ 1,917,196	\$ 24,861	\$ 28,068,951
\$ 388,728	\$ 615,544	\$ 1,984,493	\$ 55,046	\$ 31,033,843
\$ 399,432	\$ 935,682	\$ 2,131,559	\$ 33,378	\$ 32,669,959
\$ 442,388	\$ 830,234	\$ 2,126,812	\$ -	\$ 34,127,412
\$ 436,978	\$ 1,037,699	\$ 2,307,979	\$ -	\$ 35,236,120
\$ 287,166	\$ 941,621	\$ 2,381,006	\$ -	\$ 39,016,164
\$ 160,961	\$ 1,085,468	\$ 2,580,292	\$ -	\$ 40,606,505
\$ 125,549	\$ 911,988	\$ 3,125,990	\$ -	\$ 43,545,173
\$ 366,287	\$ 1,187,358	\$ 3,088,333	\$ -	\$ 46,418,585

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u> (1)	<u>Current Tax Collections</u>	<u>Percent of Current Tax Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
1995-96	\$ 5,632,702	\$ 5,468,612	97.09%	\$ 137,187	\$ 5,605,799
1996-97	\$ 5,729,974	\$ 5,653,565	98.67%	\$ 158,452	\$ 5,812,017
1997-98	\$ 6,102,253	\$ 5,917,506	96.97%	\$ 151,438	\$ 6,068,944
1998-99	\$ 6,484,442	\$ 6,289,444	96.99%	\$ 203,159	\$ 6,492,603
1999-00	\$ 6,757,781	\$ 6,502,138	96.22%	\$ 176,956	\$ 6,679,094
2000-01	\$ 7,271,155	\$ 7,004,480	96.33%	\$ 185,860	\$ 7,190,340
2001-02	\$ 7,934,671	\$ 7,626,464	96.12%	\$ 175,596	\$ 7,802,060
2002-03	\$ 8,237,135	\$ 8,027,180	97.45%	\$ 271,426	\$ 8,298,606
2003-04	\$ 8,690,018	\$ 8,427,327	96.98%	\$ 218,917	\$ 8,646,244
2004-05	\$ 9,641,489	\$ 9,518,350	98.72%	\$ 246,465	\$ 9,764,815

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

Table 3

<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
99.52%	\$ 597,055	10.60%
101.43%	\$ 600,996	10.49%
99.45%	\$ 618,408	10.13%
100.13%	\$ 697,064	10.75%
98.84%	\$ 733,434	10.85%
98.89%	\$ 749,064	10.30%
98.33%	\$ 821,079	10.35%
100.75%	\$ 734,743	8.92%
99.50%	\$ 730,565	8.41%
101.28%	\$ 690,142	7.16%

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

Fiscal Year	Real Property		Personal Property	
	Taxable Value (1)	Estimated Actual Value (1)	Taxable Value (1)	Estimated Actual Value (1)
1995-96	\$ 3,579,749,446	\$ 4,858,978,160	\$ 1,025,893,852	\$ 1,168,319,302
1996-97	\$ 3,616,365,894	\$ 5,045,050,468	\$ 1,068,812,896	\$ 1,202,126,896
1997-98	\$ 3,932,169,342	\$ 5,325,157,450	\$ 1,057,407,990	\$ 1,257,071,716
1998-99	\$ 4,209,864,534	\$ 5,605,314,392	\$ 1,092,213,790	\$ 1,279,766,046
1999-00	\$ 4,330,460,393	\$ 5,782,253,820	\$ 1,195,120,836	\$ 1,421,725,878
2000-01	\$ 4,724,978,146	\$ 6,297,867,238	\$ 1,220,365,331	\$ 1,413,145,380
2001-02	\$ 5,152,178,808	\$ 6,866,825,014	\$ 1,335,696,312	\$ 1,153,507,335
2002-03	\$ 5,344,109,086	\$ 7,122,629,729	\$ 1,391,078,833	\$ 1,201,335,680
2003-04	\$ 5,769,815,557	\$ 7,342,734,394	\$ 1,335,677,321	\$ 1,238,459,551
2004-05	\$ 6,064,770,132	\$ 7,844,136,240	\$ 1,516,864,752	\$ 1,323,028,306

(1) Smith and Van Zandt County Appraisal District. Taxable value equals estimated actual value less exemptions.

Table 4

Taxable Value	Total Estimated Actual Value	Ratio of Total Taxable To Total Estimated Actual Value
\$ 4,605,643,298	\$ 6,027,297,462	76.41%
\$ 4,685,178,790	\$ 6,247,177,364	75.00%
\$ 4,989,577,332	\$ 6,582,229,166	75.80%
\$ 5,302,078,324	\$ 6,885,080,438	77.01%
\$ 5,525,581,229	\$ 7,203,979,698	76.70%
\$ 5,945,343,477	\$ 7,711,012,618	77.10%
\$ 6,487,875,120	\$ 8,020,332,349	80.89%
\$ 6,735,187,919	\$ 8,323,965,410	80.91%
\$ 7,105,492,878	\$ 8,581,193,945	82.80%
\$ 7,581,634,884	\$ 9,167,164,546	82.70%

TYLER JUNIOR COLLEGE DISTRICT
PROPERTY TAX RATES-DIRECT AND OVERLAPPING (1)
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Tyler Junior College District (2)</u>	<u>Counties (Average)</u>	<u>Cities (Average)</u>	<u>Independent School Districts (Average)</u>	<u>Smith Co. Water/Fire Control District</u>	<u>Total</u>
1995-96	0.12230	0.37975	0.56993	1.40400	0.33093	2.80691
1996-97	0.12230	0.37730	0.58632	1.37884	0.33369	2.79845
1997-98	0.12230	0.36003	0.57962	1.38859	0.35040	2.80094
1998-99	0.12230	0.36003	0.50655	1.43966	0.29994	2.72848
1999-00	0.12230	0.36007	0.64009	1.46090	0.30756	2.89092
2000-01	0.12230	0.35300	0.47830	1.43170	0.26600	2.65130
2001-02	0.12230	0.33307	0.49608	1.50799	0.26600	2.72544
2002-03	0.12230	0.31896	0.49811	1.52868	0.38109	2.84914
2003-04	0.12230	0.34851	0.50153	1.54749	0.42799	2.94782
2004-05	0.12717	0.33850	0.49516	1.58436	0.40399	2.94918

(1) Smith and Van Zandt County Appraisal District.

(2) Operations and maintenance only; no tax assessed for debt service.

TYLER JUNIOR COLLEGE DISTRICT
 RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt	Available Debt Service Funds		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1995-96	134,856	\$ 4,605,643,298	\$ 25,530,000	\$ 762,520	(3)	\$ 24,767,480	0.54%	184
1996-97	135,655	\$ 4,685,178,790	\$ 24,630,000	\$ 1,997,528		\$ 22,632,472	0.48%	167
1997-98	136,441	\$ 4,989,577,332	\$ 23,690,000	\$ 1,277,856		\$ 22,412,144	0.45%	164
1998-99	138,365	\$ 5,302,078,324	\$ 22,710,000	\$ 266	(4)	\$ 22,709,734	0.43%	164
1999-00	140,676	\$ 5,525,581,229	\$ 21,680,000	\$ -	(4)	\$ 21,680,000	0.39%	154
2000-01	152,839	\$ 5,945,343,477	\$ 20,600,000	\$ -	(4)	\$ 20,600,000	0.35%	135
2001-02	165,002	\$ 6,487,875,120	\$ 19,470,000	\$ -	(4)	\$ 19,470,000	0.30%	118
2002-03	181,502	\$ 6,735,187,919	\$ 18,280,000	\$ -		\$ 18,280,000	0.27%	101
2003-04	199,652	\$ 7,105,492,878	\$ 17,030,000	\$ -		\$ 17,030,000	0.24%	85
2004-05	219,618	\$ 7,581,634,884	\$ 17,195,000	\$ -		\$ 17,195,000	0.23%	78

(1) Estimated

(2) Smith and Van Zandt County Appraisal Districts

(3) Bond acquired to cover reserve requirements

(4) Consists of cash and short-term investments

TYLER JUNIOR COLLEGE DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN
August 31, 2005
(UNAUDITED)

The amount of bond debt is limited by state statute to the extent that annual bond taxes in the District shall never exceed \$0.50 per \$100 valuation of taxable property in the District and the total rate shall never exceed \$1.00 per \$100 valuation of taxable property in the District.

The District has internally approved a maximum tax rate for all purposes not to exceed \$0.28 per \$100 valuation. The District's tax rate for the fiscal year ended August 31, 2005, was established at \$0.127169 per \$100 of taxable assessed valuation, which is 45% of the total tax allowed, and was allocated all to operations and maintenance.

TYLER JUNIOR COLLEGE DISTRICT
 COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 August 31, 2005
 (UNAUDITED)

Jurisdiction	Bonded Debt Outstanding (1)	Percentage Applicable To District (2)	Amount Applicable To District
District:			
Tyler Junior College District	\$ 17,195,000	100.00%	\$ 17,195,000
Overlapping:			
Smith County	\$ 23,350,000	78.60%	\$ 18,353,100
Tyler ISD	\$ 61,384,654	100.00%	\$ 61,384,654
City of Tyler	\$ 59,990,000	95.25%	\$ 57,140,475
Chapel Hill ISD	\$ 9,670,000	81.12%	\$ 7,844,304
Lindale ISD	\$ 31,868,882	100.00%	\$ 31,868,882
City of Lindale	\$ 11,330,000	100.00%	\$ 11,330,000
Winona ISD	\$ 236,656	100.00%	\$ 236,656
City Of Winona	\$ -	100.00%	\$ -
Smith County WC & ID # 1	\$ 2,815,000	100.00%	\$ 2,815,000
Van Zandt County	\$ -	39.25%	\$ -
Van ISD	\$ 2,092,530	96.74%	\$ 2,024,314
City of Van	\$ 1,570,928	100.00%	\$ 1,570,928
Grand Saline ISD	\$ 7,720,000	100.00%	\$ 7,720,000
City of Grand Saline	\$ 2,655,000	100.00%	\$ 2,655,000
Total Overlapping Debt	<u>\$ 214,683,650</u>		<u>\$ 204,943,313</u>
Total Direct and Overlapping Debt	<u><u>\$ 231,878,650</u></u>		<u><u>\$ 222,138,313</u></u>

(1) Information from each respective taxing jurisdiction, except as noted.

(2) Percentages are estimated.

TYLER JUNIOR COLLEGE DISTRICT
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
 BONDED DEBT TO TOTAL GENERAL EXPENDITURES
 LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service (2)</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service To Total General Expenditures</u>
1995-96	\$ 860,000	\$ 1,431,106	\$ 2,291,106	\$ 26,129,268	8.77%
1996-97	\$ 900,000	\$ 1,394,795	\$ 2,294,795	\$ 27,059,143	8.48%
1997-98	\$ 940,000	\$ 1,383,463	\$ 2,323,463	\$ 29,565,121	7.86%
1998-99	\$ 980,000	\$ 1,340,615	\$ 2,320,615	\$ 31,194,789	7.44%
1999-00	\$ 1,030,000	\$ 1,262,653	\$ 2,292,653	\$ 33,604,504	6.82%
2000-01	\$ 1,080,000	\$ 1,212,323	\$ 2,292,323	\$ 35,129,598	6.53%
2001-02	\$ 1,130,000	\$ 1,159,198	\$ 2,289,198	\$ 35,965,070	6.37%
2002-03	\$ 1,190,000	\$ 1,656,279	\$ 2,846,279	\$ 36,502,174	7.80%
2003-04	\$ 1,250,000	\$ 1,519,668	\$ 2,769,668	\$ 38,824,626	7.13%
2004-05	\$ 1,720,000	\$ 1,215,691	\$ 2,935,691	\$ 41,579,696	7.06%

(1) Includes capitalized interest.

(2) Excludes payments to advance refunding escrow agent.

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
August 31, 2005
(UNAUDITED)

Taxpayer (1)	Type of Business	2004 Assessed Valuation (1)	Percentage Of Total Assessed Valuation
Brookshire Grocery Company	Supermarkets; distribution facilities	\$ 121,885,885	1.61%
TXU Electric	Electric utility	\$ 73,318,620	0.97%
WalMart/Sam's	Retail	\$ 69,145,699	0.91%
Kelly Springfield Tire Company	Tire Manufacturer	\$ 65,095,085	0.86%
Ransom Industries/ Tyler Pipe	Pipe manufacturer	\$ 64,036,599	0.84%
Southwestern Bell Telephone	Telephone utility	\$ 59,428,191	0.78%
Dayton Hudson Corp.	Retail; distribution facilities	\$ 57,982,468	0.76%
Delek Refining LTD	Refinery	\$ 53,535,963	0.71%
Simon Property Group	Commercial property	\$ 44,440,521	0.59%
Eastman Chemical Company	Storage facility	\$ 44,143,960	0.58%
		<u>\$ 653,012,991</u>	<u>8.61%</u>

(1) Smith and Van Zandt County Appraisal Districts

TYLER JUNIOR COLLEGE DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population (1)	Median Age (2)	Tyler MSA Unemployment Rate (3)	National Unemployment Rate (3)
1995-96	134,856	34.9	5.5%	5.1%
1996-97	135,655	35.0	6.4% (4)	4.9%
1997-98	136,441	35.4	6.2%	4.4%
1998-99	138,364	35.4	5.1%	4.2%
1999-00	140,676	36.0	4.3%	4.1%
2000-01	152,839	36.0	4.0%	4.9%
2001-02	165,002	36.0	4.1%	5.7%
2002-03	181,502	36.0	4.6%	6.1%
2003-04	199,652	36.0	4.9%	5.4%
2004-05	219,618	36.0	5.3%	5.1%

(1) Estimated

(2) Sales & Marketing Management Survey of Buying Power

(3) Texas Workforce Commission \ U.S. Department of Labor

(4) Tyler Chamber of Commerce for Smith County

TYLER JUNIOR COLLEGE DISTRICT
STUDENT ENROLLMENT
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Unduplicated Head Count</u>	<u>Full-Time Equivalents (FTEs)</u>
1995-96	10,701	6,924
1996-97	10,773	7,156
1997-98	11,208	7,552
1998-99	10,993	7,507
1999-00	11,335	7,809
2000-01	11,535	8,379
2001-02	12,012	8,717
2002-03	12,529	8,726
2003-04	13,153	8,948
2004-05	13,003	8,878

TYLER JUNIOR COLLEGE DISTRICT
STUDENT ENROLLMENT DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Attendance		Gender		Residency		
	Full Time	Part Time	Male	Female	In-District	Out of District	Out of State
1995-96	47%	53%	42%	58%	49%	47%	4%
1996-97	49%	51%	41%	59%	48%	48%	4%
1997-98	48%	52%	41%	59%	49%	48%	3%
1998-99	49%	51%	41%	59%	49%	48%	3%
1999-00	49%	51%	41%	59%	49%	48%	3%
2000-01	48%	52%	41%	59%	48%	49%	3%
2001-02	48%	52%	41%	59%	48%	49%	3%
2002-03	50%	50%	41%	59%	49%	48%	3%
2003-04	51%	49%	40%	60%	49%	48%	3%
2004-05	50%	50%	41%	59%	47%	50%	3%

Fiscal Year (1)	Average Age of Student	Student Ethnicity					
		Caucasian	Black	Hispanic	Asian or Pacific Islander	American Indian or Eskimo	Other
1995-96	25.4	79%	16%	3%	1%	0%	1%
1996-97	25.3	77%	17%	4%	1%	1%	0%
1997-98	24.8	75%	19%	4%	1%	0%	1%
1998-99	24.6	75%	19%	4%	1%	0%	1%
1999-00	24.4	75%	19%	4%	1%	0%	1%
2000-01	24.2	74%	19%	5%	1%	0%	1%
2001-02	24.1	73%	19%	6%	1%	0%	1%
2002-03	24.1	74%	18%	7%	1%	0%	1%
2003-04	24.1	73%	18%	7%	1%	1%	1%
2004-05	23.8	71%	18%	8%	1%	1%	1%

TYLER JUNIOR COLLEGE DISTRICT
TUITION AND FEE STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Cost for Full Time (12 Credit Hours) Tyler Junior College District Resident Student Per Semester:

Fiscal Year	Tuition	Student Fees	Total Cost	Percentage of Increase
1995-96	\$ 180	\$ 132	\$ 312	30%
1996-97	\$ 180	\$ 132	\$ 312	0%
1997-98	\$ 180	\$ 132	\$ 312	0%
1998-99	\$ 180	\$ 147	\$ 327	5%
1999-00	\$ 180	\$ 147	\$ 327	0%
2000-01	\$ 180	\$ 147	\$ 327	0%
2001-02	\$ 180	\$ 204	\$ 384	17%
2002-03	\$ 180	\$ 252	\$ 432	13%
2003-04	\$ 180	\$ 312	\$ 492	14%
2004-05	\$ 216	\$ 312	\$ 528	7%

In addition to the above, the following fees are required, as applicable:

Laboratory Fees	\$25 per course
Private Music Lessons	\$75 - \$100

TYLER JUNIOR COLLEGE DISTRICT
FACULTY STATISTICS
August 31, 2005
(UNAUDITED)

<u>Years of Experience</u>	<u>Number of Full Time Faculty</u>	<u>Percentage of Total</u>
0-4	46	19%
5-9	43	18%
10-14	29	12%
15-19	32	13%
20-24	18	8%
More than 25	<u>71</u>	<u>30%</u>
	<u>239</u>	<u>100%</u>

<u>Type of Degree</u>	<u>Number of Full Time Faculty</u>	<u>Percentage of Total</u>
No degree	0	0%
Certificate	5	2%
Associate's	9	4%
Bachelor's	58	24%
Master's	143	60%
Doctorate	<u>24</u>	<u>10%</u>
	<u>239</u>	<u>100%</u>

Note: This includes instructors in technical-vocational programs where the major emphasis for hiring is on skills and experience in the instructor's field of study.

TYLER JUNIOR COLLEGE DISTRICT
MISCELLANEOUS STATISTICS
August 31, 2005
(UNAUDITED)

Date of Formation:	1926
Form of Government:	State of Texas political subdivision governed by nine member Board of Trustees
Area of District:	780 square miles
Most Recent Bond Ratings:	
Moody's Investors Service	A2
Standard & Poor's Corporation	A+
Unauthorized But Unissued Bonds	None
Accredited by:	Commission on Colleges of the Southern Association of Colleges and Schools

TYLER JUNIOR COLLEGE DISTRICT
CONTACT HOURS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Academic</u>	<u>Technical</u>	<u>Total</u>
1995-96	2,319,504	1,281,250	3,600,754
1996-97	2,388,032	1,354,590	3,742,622
1997-98	2,527,576	1,383,828	3,911,404
1998-99	2,477,586	1,385,159	3,862,745
1999-00	2,604,944	1,338,480	3,943,424
2000-01	2,878,088	1,034,053	3,912,141
2001-02	3,038,448	1,076,582	4,115,030
2002-03	3,260,174	1,123,584	4,383,758
2003-04	3,402,672	1,138,976	4,541,648
2004-05	3,388,880	1,136,880	4,525,760

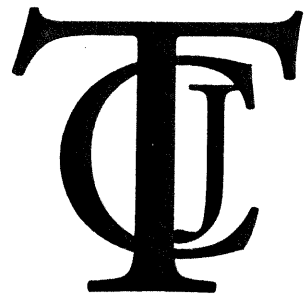
TYLER JUNIOR COLLEGE DISTRICT
STATE CONTRACT FUNDING PER
FULL-TIME STUDENT EQUIVALENT
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>State Appropriations Per FTSE</u>
1995-96	\$ 2,216.46
1996-97	\$ 2,059.88
1997-98	\$ 2,266.26
1998-99	\$ 2,366.14
1999-00	\$ 2,420.89
2000-01	\$ 2,480.33
2001-02	\$ 2,479.88
2002-03	\$ 2,167.49
2003-04	\$ 2,125.29
2004-05	\$ 2,141.32

Note: State Contract Funding includes only funds appropriated for Academic and Technical programs.

FTSE = Full-Time Student Equivalent

FTSE = $\frac{\text{Semester Credit Hours}}{30}$



TYLER
JUNIOR
COLLEGE
DISTRICT