

ANNUAL COMPREHENSIVE FINANCIAL REPORT



TYLER JUNIOR COLLEGE DISTRICT
FOR FISCAL YEARS ENDED
AUGUST 31, 2022 AND AUGUST 31, 2021



TYLER, TEXAS

**TYLER JUNIOR COLLEGE DISTRICT
TYLER TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
AUGUST 31, 2022 AND 2021**

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

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DISTRICT

INTRODUCTORY SECTION





DISTRICT



November 15, 2022

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

The following annual comprehensive financial report of the Tyler Junior College District (“the College” or “the District”) for the fiscal year ended August 31, 2022, is hereby submitted. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with the Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). The notes to the financial statements are provided in the financial section and are considered essential for fair and adequate disclosure of all information presented in this financial report. The independent auditor’s report is located at the front of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures the cost of the controls does not exceed the benefits derived. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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

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

PROFILE OF THE DISTRICT

The Tyler Junior College District facilities are located in Tyler, Texas, a city of approximately 107,000 located in East Texas. The District was created in 1926 as part of the Tyler public school system to serve the higher education needs of area citizens. In 1945, Tyler voters established the Tyler Junior College District as an independent local governmental entity with a publicly elected board of trustees and the authority to levy taxes in support of the District. The District is currently comprised of some or all of six independent school districts including Chapel Hill, Grand Saline, Lindale, Tyler, Van, and Winona school districts located in Smith and Van Zandt counties. The District is considered a special-purpose government engaged in business-type activities for financial reporting purposes.

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

Although the Tyler Junior College District is regional in concept, the District's 116 degree and certificate programs at relatively low cost attracts students from thirty-nine states and thirty-seven foreign countries. Annual fall unduplicated enrollment is approximately 12,097 academic and vocational students with an additional 686 unduplicated "non-credit" continuing education students. In addition to outstanding instructional programs, the District offers a broad array of campus activities, men's and women's intercollegiate athletic programs, marching band, Apache Belles precision dance team, and a strong performing arts program. Student and service clubs, campus housing, career guidance and counseling, endowed scholarships, federal financial aid, and a modern 145-acre campus round out the educational experience.

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

COMPONENT UNIT REPORTING

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

FINANCIAL PLANNING AND BUDGETING

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

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

An itemized budget covering the operation of the College must be approved on or before September 1 of each year for the fiscal year beginning on September 1 of each year. The adopted budget provides the authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the College District's approved purchasing procedures. The budget and expenditures are monitored by the President for the College District, the Vice President for Financial and Administrative Affairs/CFO, the Business Services staff and the Board. The Board may make adjustments to the operating budget at any time during the budget year upon recommendation by the President for the College District.

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

ECONOMIC CONDITION AND OUTLOOK

Tyler is located in Smith County in northeastern Texas approximately 100 miles east of Dallas and 100 miles west of Shreveport, Louisiana. Tyler is considered the advanced manufacturing, health care, educational, and retail center of East Texas. The population of the Tyler Metropolitan Statistical Area (MSA) is over 233,000. This is an increase from the 2010 Census count of approximately 11.3%. Population estimates for the Tyler MSA continue to show anticipated growth of slightly more than 1.0% annually for the next ten years.

Unemployment rates in Tyler continue to gradually decline as the disruption caused by the coronavirus pandemic eases. The unemployment rate reached a high of almost 12% in April 2020, decreased to 4.7% by August 2021, and has been steadily declining to a current low of 3.9% in August 2022. Unemployment rates are expected to remain low. Supply-chain challenges and heightened inflation may linger over the coming year, but the outlook for the state remains favorable with job growth drivers in the energy sector and the services sector including professional and business services, education, healthcare, accommodations, and food services. The Tyler MSA area has a strong base of healthcare and higher education which continue to support economic stability during this time. This has been further improved by the approval of a new medical school to be located in Tyler. The housing market in the Tyler area also remains relatively strong and has not seen as sharp of a decline as the rest of the nation.

Enrollment for academic year 2021-2022 slightly higher than the previous year despite continued increases in inflation and a slowdown in college enrollment overall. Although Fall 2021 enrollment was essentially flat as compared to Fall 2020, TJC fared relatively well as compared to other community colleges across the state of Texas. The District continued efforts to maintain enrollment into Fall 2022 and provide support and assistance to students to encourage their continued success. The College has continued to disburse funds to students under the Higher Education Emergency Relief Fund (HEERF) grant. These efforts led to a slight increase in Fall 2022 enrollment over Fall 2021.

State appropriations for fiscal year 2022 were higher by approximately 5.5% as compared to the prior year. The District reviews tuition and fee schedules annually and adjusts tuition and fee rates as necessary to mitigate the impact of reduced state funding from prior years and the uncertainty of future appropriations. No tuition or mandatory fee increases were recommended for academic years 2021-2022 or 2022-2023 due to the continued effects of the pandemic and the impact of increased inflation on the student population. The District strives to maintain a low cost tuition and fee structure to remain competitive and provide access to education for as many students as possible.

The District also relies on local tax revenues to support the ongoing maintenance of existing facilities and grounds plus any additional capital growth as a result of increased capacity needs. Tax revenues have continued to increase over the past several years due to an expanded tax base and increased property valuations. Property valuations of the District increased approximately 6% this past year with a net taxable valuation increase of approximately 6.4% after exemptions. The District maintained the maintenance and operation tax rate for 2021-2022 of \$.158000 per \$100 valuation and also maintained the associated debt tax rate of \$.041926 per \$100 valuation. The total tax rate for 2021-2022 for the District remained at \$.199926 per \$100 valuation. Currently, the residual impact of the pandemic and heightened inflation have had little effect on property valuations. Property valuations in the Tyler area have consistently been strong over the past several years as compared to the state and nation. The District will work with the surrounding tax authorities to monitor the valuations over the next year. The District is mindful of the relationship with the taxing district and strives to keep the tax rates at reasonable levels while still providing funds for the District to preserve existing infrastructure and provide for future capital growth. The District has maintained its total tax rate of \$.199926 since fiscal year 2013, but will reduce the rate to \$.188001 for calendar year 2022 which will effectively reduce the rate for the 2022-2023 fiscal year.

MAJOR INITIATIVES

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

TJC also commissioned a master plan developed by Freese and Nichols. The final plan was delivered to TJC in the fall of 2022. This plan will serve as a guide for the next ten years on building construction, renovations, and space utilization. It also encompassed a technology master plan with guidance for resource allocation priorities in the Office of Technology Services. The master plan will help ensure that TJC uses its resources in the most effective ways possible.

Lastly, in order to keep pace with changing market conditions, TJC performed a compensation study during 2022. The final report and suggestions will be delivered by the end of 2022. TJC hopes to use this to stay competitive regarding new talent and to ensure current employees are being fairly compensated for their hard work and dedication to TJC.

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

need for a skilled, knowledgeable, and prepared workforce is critical. The District believes this degree will fill a need within the East Texas area as well as throughout the state and nation.

Tyler Junior College is committed to and partnered with the community to provide educational opportunities to all students. The District continues to expand dual credit offerings with local independent school district partnerships. The TJC Promise program was launched five years ago and the first TJC Promise program high school graduates began attending TJC in Fall 2020. The program has been successful and continues to grow, and it has become a model for similar programs across the nation. TJC and the TJC Foundation are committed to this program's continued success in the future by adding success coaches and other administrative resources to the program while also making it a top priority for fundraising.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tyler Junior College District for its annual comprehensive financial report (ACFR) for the fiscal year ended August 31, 2021. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for preparation of a state and local government financial report.

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

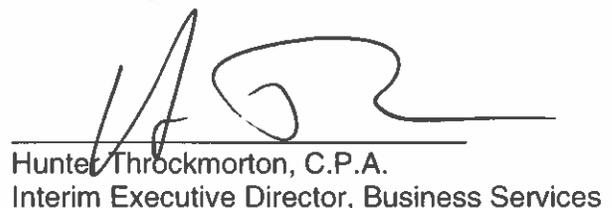
A Certificate of Achievement is valid for a period of one year only. The 2021 report was the twenty-sixth submission for the District, having earned its first Certificate of Achievement in 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,


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


Hunter Throckmorton, C.P.A.
Interim Executive Director, Business Services



DISTRICT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tyler Junior College District
Texas**

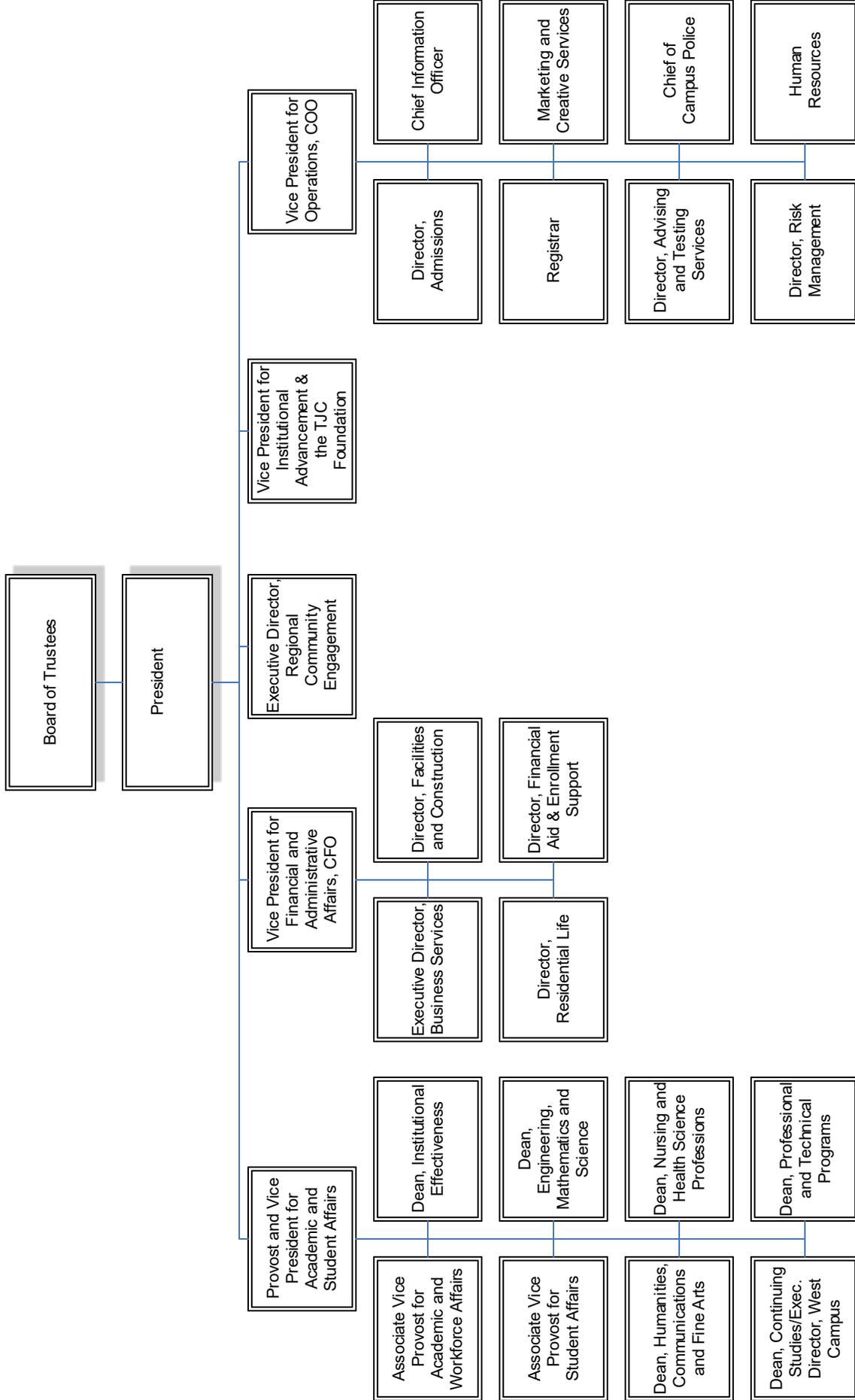
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morill

Executive Director/CEO

TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE





**ORGANIZATIONAL DATA FOR
the Fiscal Year 2022-2023**

Board of Trustees

Officers

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

Members

Term Expires

Rohn Boone	Tyler, Texas	May, 2026
Ann Brookshire	Tyler, Texas	May, 2026
Mike Coker	Tyler, Texas	May, 2024
John Hills	Tyler, Texas	May, 2024
Joe Prud'homme	Tyler, Texas	May, 2028
Clint Roxburgh	Tyler, Texas	May, 2028

Principal Administrative Officers

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



DISTRICT

FINANCIAL SECTION





DISTRICT

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Tyler Junior College District
Tyler, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the Tyler Junior College District as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Tyler Junior College District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Tyler Junior College District as of August 31, 2022 and 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tyler Junior College District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tyler Junior College District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tyler Junior College District's ability to continue as a going concern for a reasonable period of time.

We did not audit the financial statements of Tyler Junior College Foundation, a component unit of the District, which statements reflect total assets of \$100,211,574 and \$90,009,403 as of August 31, 2022 and 2021 and total revenues of \$(4,918,936) and \$18,979,949 for the years then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit in Exhibits 1-1 and 2-1, is based on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Required Supplementary Information

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

Supplementary Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2022, on our consideration of the Tyler Junior College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tyler Junior College District's internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
November 15, 2022



DISTRICT



DISTRICT

Tyler Junior College District

Management's Discussion and Analysis

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

Tyler Junior College District is proud to present its financial statements for fiscal year 2022. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

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

Statement of Net Position

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

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

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

unrestricted net position. Unrestricted net position is available to the institution for any appropriate purpose of the institution.

Condensed Statement of Net Position
(thousands of dollars)

	August 31			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Assets					
Current Assets	\$ 47,271	\$ 59,426	\$ 53,810	\$ (12,155)	\$ 5,616
Capital Assets, Net	215,665	208,947	202,367	6,718	6,580
Right of Use Asset, Net	1,651	0	0	1,651	0
Other Assets	10	11	970	(1)	(959)
Total Assets	<u>264,597</u>	<u>268,384</u>	<u>257,147</u>	<u>(3,787)</u>	<u>11,237</u>
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	6,540	14,982	10,444	(8,442)	4,538
Deferred Outflows Related to Other Post Employment Benefits	11,523	15,080	20,299	(3,557)	(5,219)
Total Deferred Outflows of Resources	<u>18,063</u>	<u>30,062</u>	<u>30,743</u>	<u>(11,999)</u>	<u>(681)</u>
Liabilities					
Current Liabilities	41,364	44,943	38,783	(3,579)	6,160
Noncurrent Liabilities	156,749	169,661	181,346	(12,912)	(11,685)
Total Liabilities	<u>198,113</u>	<u>214,604</u>	<u>220,129</u>	<u>(16,491)</u>	<u>(5,525)</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	11,050	12,142	7,589	(1,092)	4,553
Deferred Inflows Related to Other Post Employment Benefits	9,767	15,356	15,102	(5,589)	254
Total Deferred Inflows of Resources	<u>20,817</u>	<u>27,498</u>	<u>22,691</u>	<u>(6,681)</u>	<u>4,807</u>
Net Position					
Net Investment in Capital Assets	116,360	105,932	89,134	10,428	16,798
Restricted: Expendable	624	593	731	31	(138)
Unrestricted	(53,253)	(50,180)	(44,795)	(3,073)	(5,385)
Total Net Position	<u>\$ 63,731</u>	<u>\$ 56,345</u>	<u>\$ 45,070</u>	<u>\$ 7,386</u>	<u>\$ 11,275</u>

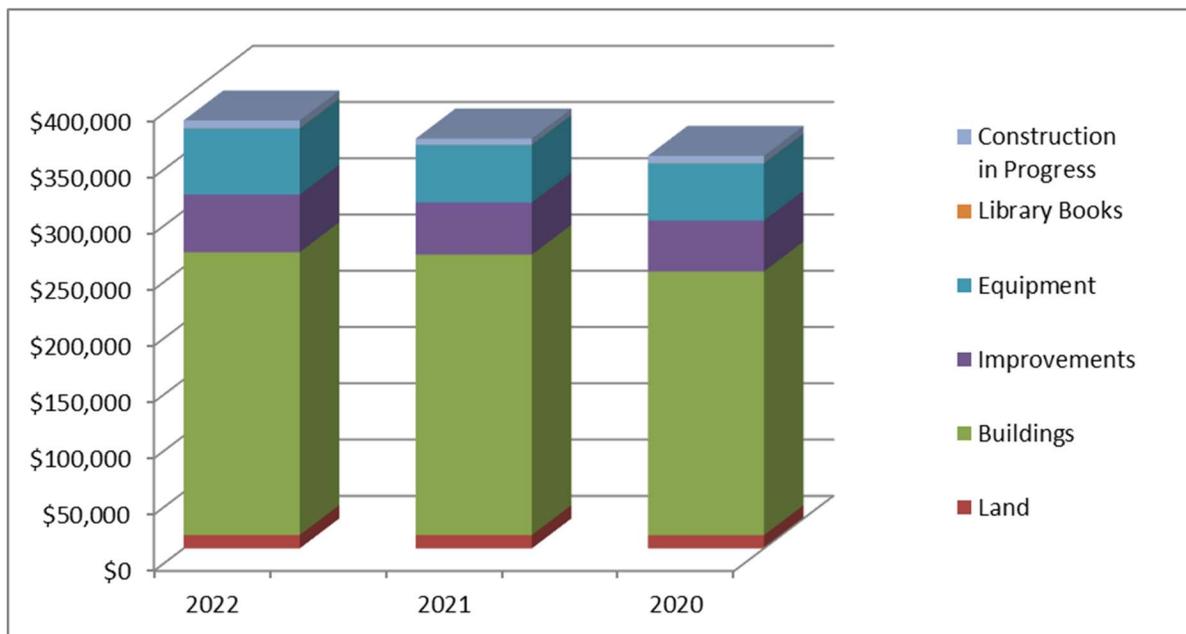
The \$264.6 million in assets includes cash and cash equivalents of \$24.3 million. This represents a \$1.7 million decrease compared to the cash and cash equivalents of \$26.0 million in FY2021. The majority of the decrease is a result of the spending of the proceeds from the issuance of \$20,140,000 of Maintenance Tax Notes, Series 2019, on September 26, 2019 for the repairs and renovations of existing campus projects. A review of the Statement of Net Position also reveals accounts receivable of \$22.6 million compared to \$27.5 million in FY2021 and \$20.4 million in FY2020. Approximately 70 percent of the accounts receivable are for student tuition and fees.

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

There was continued activity on campus during FY2022 regarding renovations and upgrades, as well as equipment purchases. Numerous buildings on the main campus as well as on the west campus received upgrades and renovations. Upgrades included air conditioning, flooring, lighting, wall coverings and fire protection systems. The Campus Police building was renovated to accommodate the growth in headcount and services. Preventative maintenance was conducted where needed on campus. Parking lot maintenance across campus was addressed during FY2022. Due to the continued need for enhanced online learning as a result of the global Coronavirus pandemic, technology upgrades and equipment purchases were made throughout 2022. More detailed information of capital asset activity and long-term debt activity is presented in the note disclosures Number 6 that details the capital assets, Number 7 that discloses the details pertaining to long-term liabilities and Number 8 that displays details of all outstanding bonds payable.

Capital Assets at Year End
(in thousands)

	August 31			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Capital Assets:					
Land	\$ 11,925	\$ 11,925	\$ 11,808	\$ -	\$ 117
Buildings	251,309	249,098	234,281	2,211	14,817
Improvements	51,227	46,404	45,264	4,823	1,140
Equipment	58,679	51,095	50,745	7,584	350
Library Books	277	303	344	(26)	(41)
Construction in Progress	6,932	5,424	6,444	1,508	(1,020)
Total Capital Assets	\$ 380,349	\$ 364,249	\$ 348,886	\$ 16,100	\$ 15,363



Based on the provisions of GASB Statement 68, the District must record Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions. Deferred Outflows of Resources totaling \$6,540,534 for FY2022 include the District's proportionate share of the differences between expected and actual economic experience, changes in actuarial assumptions, net difference between projected and actual investment earnings, changes in proportion and difference between the employer's contributions and the proportionate share of contributions, and contributions paid to Teacher Retirement System (TRS) subsequent to the measurement date of August 31, 2021. Deferred Inflows of Resources totaling \$11,050,140 for FY2022 include differences between expected and actual economic experience, changes in actuarial assumptions, net difference between projected and actual investment earnings, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The FY2021 Deferred Outflows of Resources and Deferred Inflows of Resources were \$14,981,845 and \$12,142,352 respectively. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 11, Employees' Retirement Plan, in the note disclosures, and Schedules 1 and 2 of the Required Supplementary Information.

Based on the provisions of GASB Statement 75, the District must now record Deferred Outflows of Resources and Deferred Inflows of Resources related to other post-employment benefits (OPEB). Deferred Outflows of Resources totaling \$11,523,438 for FY2022 include the District's proportionate share of the net difference between projected and actual investment earnings, changes in proportion and difference between the employer's contributions and the proportionate share of contributions, and contributions paid to Employees Retirement System of Texas (ERS) subsequent to the measurement date of August 31, 2021. Deferred Inflows of Resources totaling \$9,767,037 for FY2022 include the differences between expected and actual economic experience, changes in actuarial assumptions, and changes in proportion and difference between the employer's contributions and the proportionate share of contributions. The FY2021 Deferred Outflows of Resources and Deferred Inflows of Resources were \$15,080,492 and \$15,355,548 respectively. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 17, Postemployment Benefits Other Than Pensions, in the note disclosures, and Schedules 3 and 4 of the Required Supplementary information.

Based on the provisions of GASB Statement 87, the District must now recognize certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under the Statement, a lessee is required to recognize a lease liability and an intangible right of use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Right of Use Asset, net of accumulated amortization, totaling \$1,651,555 for FY2022

is inclusive of the District's long-term operating leases for office space (TJC North), copy machines, and vehicles. The lease liability is broken out between current and noncurrent liabilities. For FY2022, the current portion of leases payable is \$394,651 and the noncurrent leases payable is \$1,288,168. Additional information regarding the treatment of finance agreements and leases may be found in Note 10, Leases.

Liabilities of \$198 million include debt of \$99 million, compensated absences of \$1.2 million, \$7.8 million for the District's net pension liability and \$56 million for the District's net other post-employment benefits liability. This compares to the liabilities in FY2021 of \$215 million with \$107 million of debt, \$1.3 million in compensated absences, \$16.2 million for the District's net pension liability and \$52 million for the District's net other post-employment benefits liability.

The assets plus deferred outflows less liabilities and deferred inflows result in a net position of \$63.7 million compared to the \$56.3 million in FY2021 and the \$45.1 million in FY2020. The District's FY2022 net investment in capital assets is \$116.4 million compared to \$105.9 million in FY2021.

The District had the opportunity to refund the General Obligation Bonds, Series 2012 on January 28, 2022. The refunding will shorten the debt and produce net present value savings of \$1,011,107 or 7.17% of the refunded bonds. The General Obligation Refunding Bonds, Series 2022, have an optional redemption date of February 15, 2031.

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

Statement of Revenues, Expenses and Changes in Net Position

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

Operating revenues are received for providing goods and services to the various customers and constituencies of the institution. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution. Nonoperating revenues are revenues received for which goods and services are not provided. For example, property taxes are nonoperating because the taxes are

paid by citizens without the citizens receiving any commensurate goods or services. Additionally, state appropriations and Title IV financial aid revenue are considered to be nonoperating revenues based on the reporting requirements set forth by the Texas Higher Education Coordinating Board.

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

	August 31			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Operating Revenues					
Tuition and Fees	\$ 20,285	\$ 21,408	\$ 21,359	\$ (1,123)	\$ 49
Federal Grants and Contracts	26,966	21,870	5,437	5,096	16,433
State Grants and Contracts	1,212	1,497	934	(285)	563
Local Grants and Contract	659	727	540	(68)	187
Sales and Service of Educational Activities	116	143	105	(27)	38
Auxiliary Enterprises	5,241	4,558	4,561	683	(3)
Miscellaneous	3,200	13,315	2,659	(10,115)	10,656
Total Operating Revenues	<u>57,679</u>	<u>63,518</u>	<u>35,595</u>	<u>(5,839)</u>	<u>27,923</u>
Operating Expenses					
Instruction	37,523	35,253	35,981	2,270	(728)
Public Service	623	1,034	507	(411)	527
Academic Support	4,501	4,022	3,824	479	198
Student Service	8,902	8,960	9,154	(58)	(194)
Institutional Support	23,649	33,247	23,339	(9,598)	9,908
Operation and Maintenance of Plant	10,228	9,777	8,124	451	1,653
Scholarship and Fellowships	17,493	10,673	7,641	6,820	3,032
Auxiliary Enterprises	10,889	9,889	8,957	1,000	932
Depreciation	9,665	9,297	9,229	368	68
Total Operating Expenses	<u>123,473</u>	<u>122,152</u>	<u>106,757</u>	<u>1,321</u>	<u>15,395</u>
Operating Loss	(65,794)	(58,634)	(71,162)	(7,160)	12,528
Non-Operating Revenues (Expenses)	<u>73,180</u>	<u>69,909</u>	<u>70,008</u>	<u>3,271</u>	<u>(99)</u>
Increase (Decrease) in Net Position	7,386	11,275	(1,154)	(3,889)	12,429
Net Position					
Net Position, Beginning of Year	56,345	45,070	46,224	11,275	(1,154)
Prior Period Adjustment	-	-	-	0	0
Net Position, End of Year	<u>\$ 63,731</u>	<u>\$ 56,345</u>	<u>\$ 45,070</u>	<u>\$ 7,386</u>	<u>\$ 11,275</u>

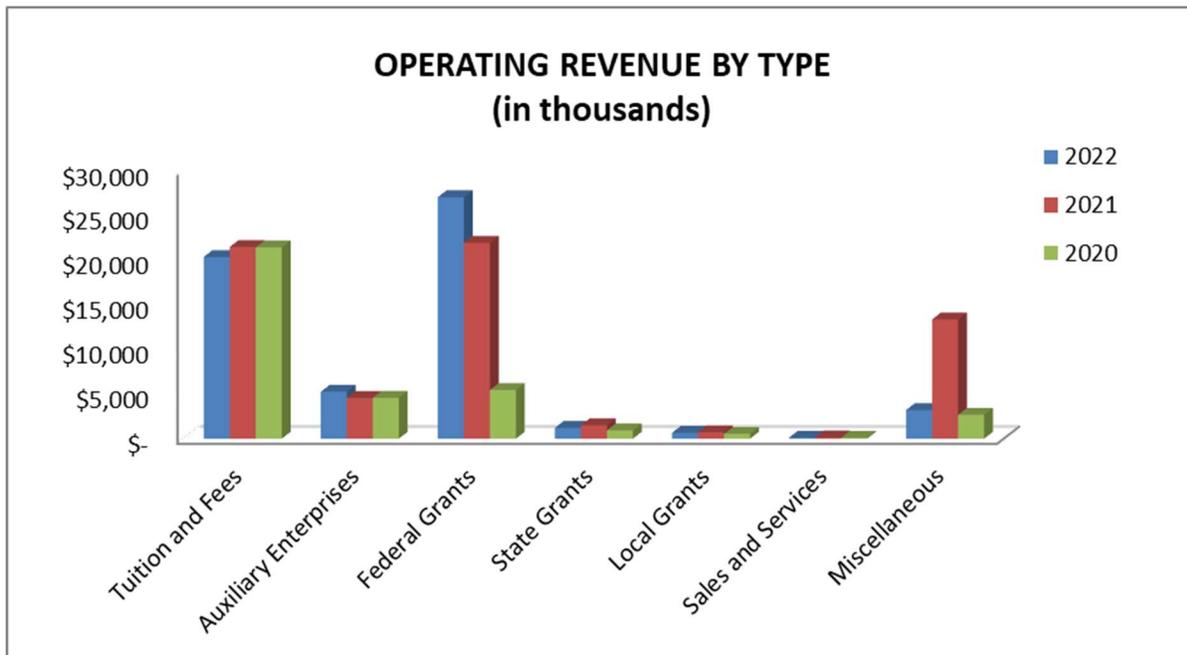
The nonoperating revenues (expenses) are comprised of \$25.0 million state educational contracts, \$30.4 million property taxes, \$20.9 million in Title IV financial assistance, investment income of \$208,478 and \$3.2 million interest paid on capital related debt. These numbers compare to FY2021 nonoperating revenues (expenses) of \$23.8 million state educational contracts, \$29.0 million property taxes, \$20.6 million in Title IV financial assistance, \$110,965 investment income and \$3.6 million interest paid on capital related debt. The total for nonoperating revenues

(expenses) increased 4.7% from FY2021. Significant contributors to the increase were state appropriations and property taxes, with increase during the year of \$1.2 million and \$1.4 million, respectively.

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

Operating Revenue by Type
(thousands of dollars)

	August 31			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Operating Revenues					
Tuition and Fees	\$ 20,285	\$ 21,408	\$ 21,359	\$ (1,123)	\$ 49
Auxiliary Enterprises	5,241	4,558	4,561	683	(3)
Federal Grants and Contracts	26,966	21,870	5,437	5,096	16,433
State Grants and Contracts	1,212	1,497	934	(285)	563
Local Grants and Contract	659	727	540	(68)	187
Sales and Service of Educational Activities	116	143	105	(27)	38
Miscellaneous	3,200	13,315	2,659	(10,115)	10,656
Total Operating Revenues	\$ 57,679	\$ 63,518	\$ 35,595	\$ (5,839)	\$ 27,923



The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Federal grants and contracts represent the largest type of operating

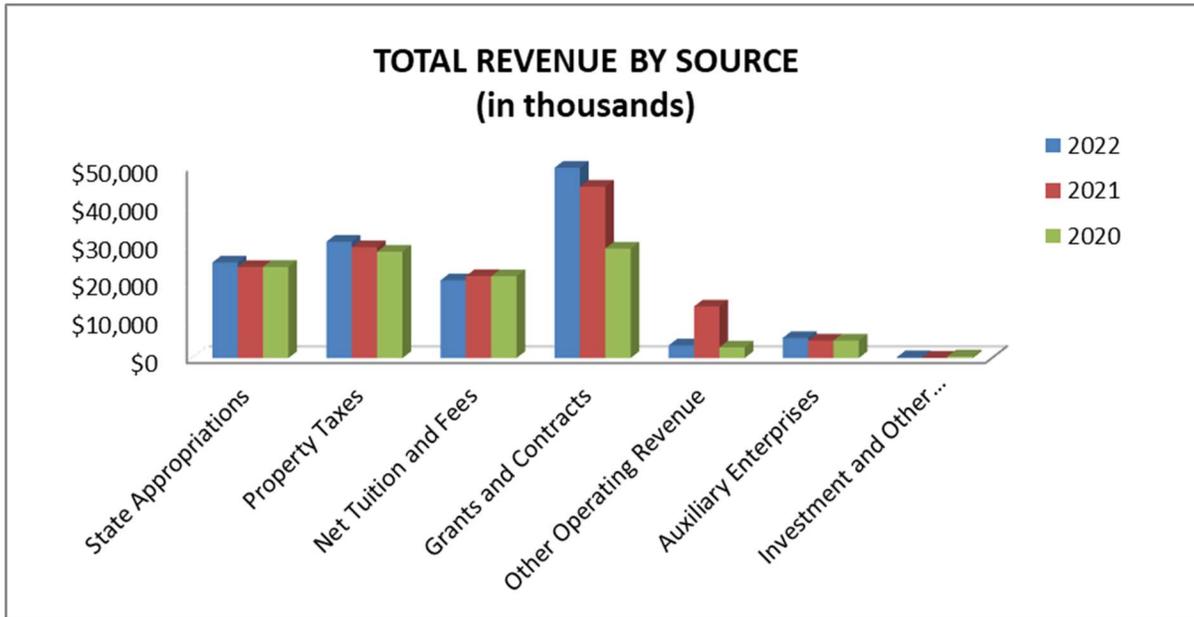
revenue followed closely by student tuition and fees, and auxiliary enterprises. All other types of revenue represent approximately 9.0% of the total operating revenue. A significant element in the increase of operating revenue in FY2022 is the increase in Federal Grants and Contracts of \$5.1 million which is primarily due to the Higher Education Emergency Relief Fund (HEERF) awards for the student portion. Additionally, the \$10.1 million decrease in miscellaneous income is primarily due to the declining contributions from the Tyler Junior College Foundation toward capital construction projects, as the contributions are almost paid in full. There were decreases in tuition and fees, state grants and contracts, local grants and contracts, and interest on student loans totaling approximately \$1.5 million cumulatively from FY2021 to FY2022. These decreases were offset by an increase in auxiliary enterprises revenue which increased a total of \$683,000 from FY2021 to FY2022.

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

The District relies equally on operating revenue as well as nonoperating revenue. When all of the revenues by source are combined, the District experienced a slight decrease in total revenue from FY2021 to FY2022 of approximately 2.1% from \$137 million in FY2021 to \$134 million in FY2022. The Grants and Contracts source is the largest contributor in FY2022 at 37.1% compared to 32.7% and 26.2% for FY2021 and FY2020, respectively. This source is restricted in nature and includes the federal CARES and HEERF Act funding and Pell grant awards that pass through the District directly to the students. The Property Taxes source is the second largest contributor in FY2022 at 22.7% compared to 21.1% and 25.4% for FY2021 and FY2020, respectively. This source is derived from the tax payers residing in one of the six independent school districts including Chapel Hill, Grand Saline, Lindale, Tyler, Van, and Winona school districts located in Smith and Van Zandt counties. Property valuations increased throughout the district resulting in the increased revenue. The State Appropriations contribution has remained relatively consistent over the last three years even though State Appropriations account for a significant portion of the District's revenue. For the year 2022, the State Appropriations were 18.6% of the total revenue for the District at \$25.0 million, compared to 17.3% in FY2021 at \$23.8 million and 21.8% in FY2020 at \$23.8 million. Other Operating Revenue represents 2.5% of the total revenue for FY2022 compared to 9.8% and 2.5% of the total revenue for FY2021 and FY2020, respectively.

Total Revenues by Source
(thousands of dollars)

	August 31			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Revenue Sources:					
State Appropriations	\$ 24,950	\$ 23,758	\$ 23,798	\$ 1,192	\$ (40)
Property Taxes	30,374	28,950	27,773	1,424	1,177
Net Tuition and Fees	20,285	21,408	21,359	(1,123)	49
Grants and Contracts	49,705	44,740	28,581	4,965	16,159
Other Operating Revenue	3,316	13,458	2,764	(10,142)	10,694
Auxiliary Enterprises	5,241	4,558	4,561	683	(3)
Investment and Other Income	208	111	430	97	(319)
Total Revenue	\$ 134,079	\$ 136,983	\$ 109,266	\$ (2,904)	\$ 27,717

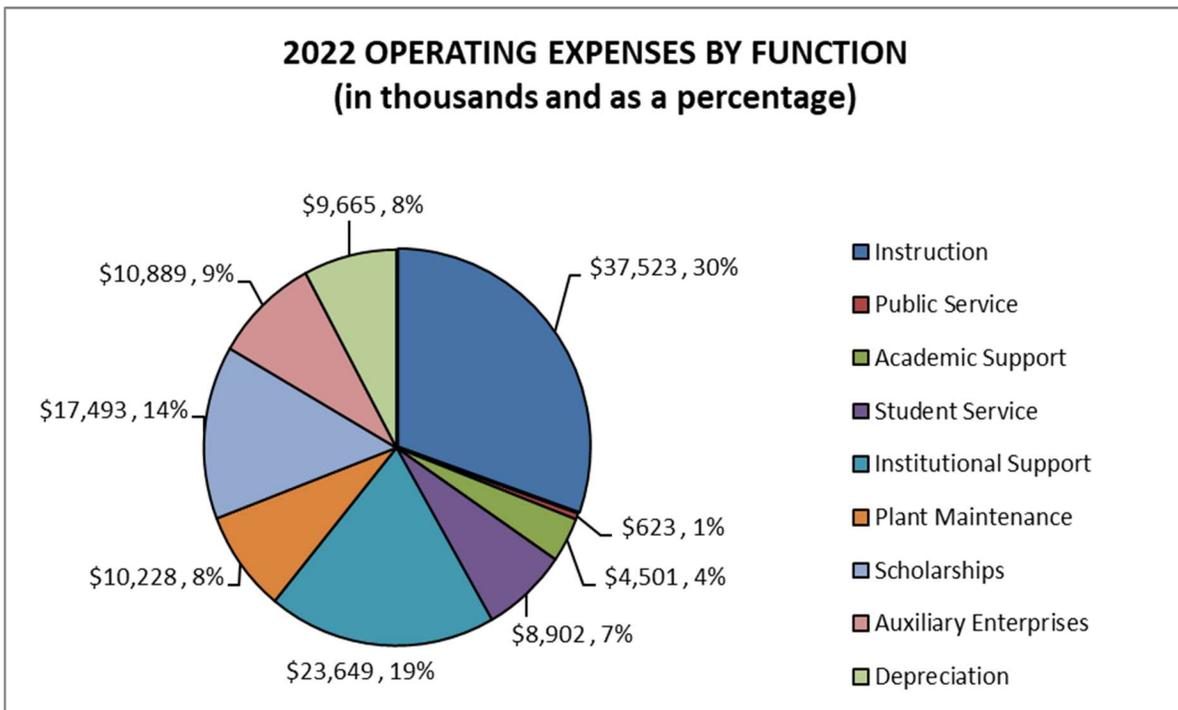
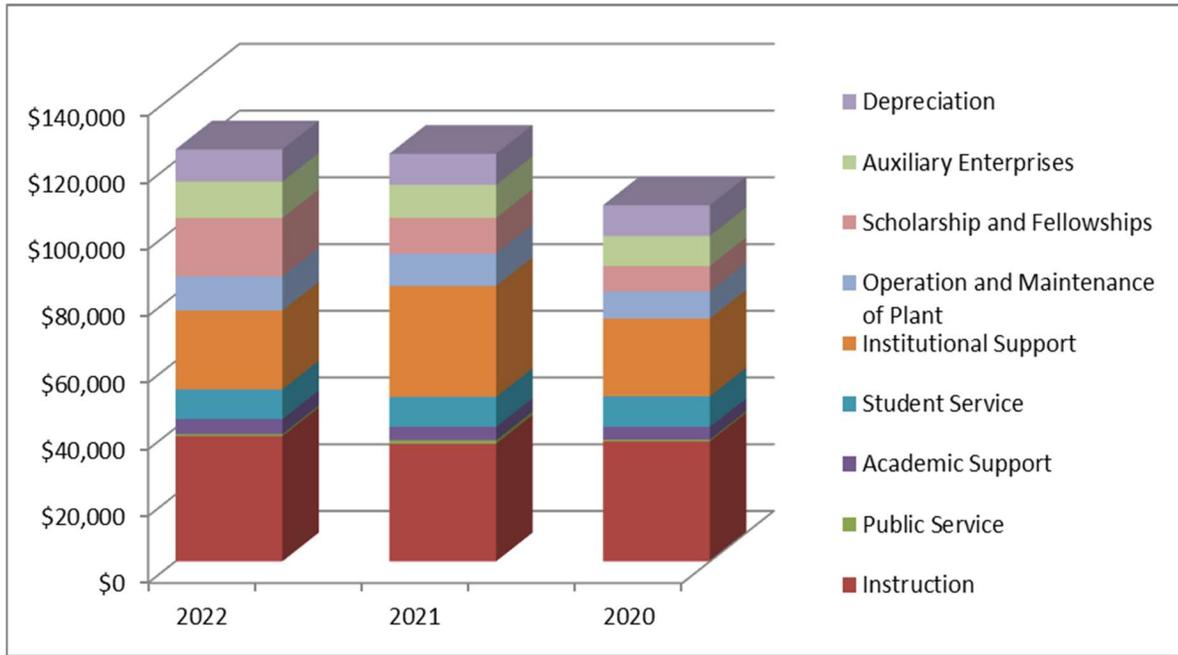


While the District experienced a slight decrease in total revenue for FY2022 of 2.1%, or approximately \$2.9 million, the operating expenses slightly increased for FY2022 by 1.08%, or approximately \$1.3 million. Costs to maintain enrollment at the District remained strong at \$37.5 million for FY2022. There was an increase in Instruction cost of 6.4% or \$2.3 million for FY2022 to total \$37.5 million as compared to \$35.3 million in FY2021 and \$36.0 million in FY2020. Public Service expenses decreased \$411,000 from FY2021 to FY2022. Academic Support expenses experienced an increase from FY2021 to FY2022 of \$479,000. Student Service expenses decreased slightly from FY2021 to FY2022 by \$58,000. The expenses for Institutional Support experienced a decrease of \$9.6 million or 29% in FY2022 to total \$23.6 million compared to an increase of \$9.9 million or 42% in FY2021 to total \$33.2 million and an increase of \$2.9 million or 14% in FY2020 to total \$23.3 million. This decrease is attributable to the lack of additional

expenses incurred due to the coronavirus pandemic paid with the institutional portion of the HEERF awards that were present in FY2021. Operations and Maintenance of Plant increased by \$451,000 or 5% to total \$10.2 million in FY2022 compared to an increase of \$1.7 million in FY2021. Scholarships and Fellowships increased by \$6.8 million to \$17.5 million for FY2022 compared to \$10.7 million in FY2021 and \$7.6 million for FY2020. This increase is primarily due to the federal grants and contracts via the HEERF awards dedicated to student support of approximately \$7 million. With the completion of capital renovation projects and new assets, such as the Campus Police Building Renovation and the 1st and 2nd floors of White Administrative Services Center Building Renovations, being placed into service, these additions offset older District assets that are now fully depreciated; thus, there is very little change in depreciation expense between FY2022 and FY2021. The increase equates to a total depreciation expense of \$9.7 million for FY2022 as compared to \$9.3 million in FY2021 and \$9.2 million in FY2020.

Operating Expenses by Function
(in thousands)

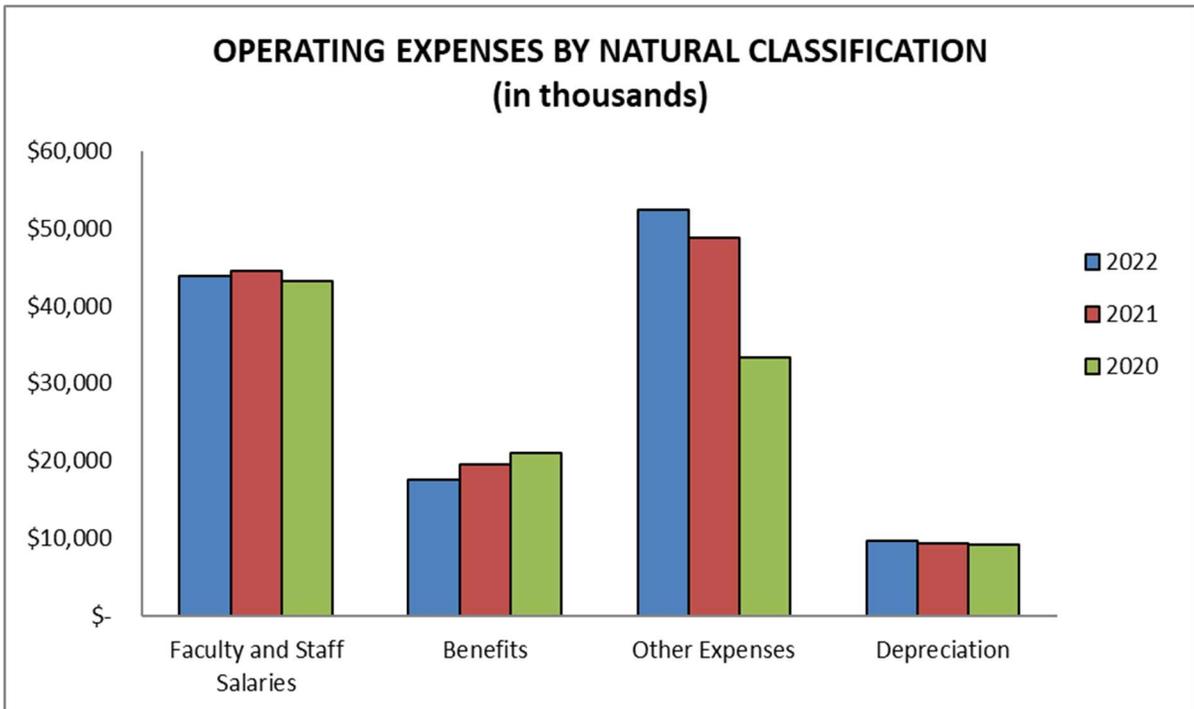
	<u>August 31</u>			<u>Change</u>	
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2021 to 2022</u>	<u>2020 to 2021</u>
Operating Expenses:					
Instruction	\$ 37,523	\$ 35,253	\$ 35,981	\$ 2,270	\$ (728)
Public Service	623	1,034	507	(411)	527
Academic Support	4,501	4,022	3,824	479	198
Student Service	8,902	8,960	9,154	(58)	(194)
Institutional Support	23,649	33,247	23,339	(9,598)	9,908
Operation and Maintenance of Plant	10,228	9,777	8,124	451	1,653
Scholarship and Fellowships	17,493	10,673	7,641	6,820	3,032
Auxiliary Enterprises	10,889	9,889	8,957	1,000	932
Depreciation	9,665	9,297	9,229	368	68
Total Operating Expenses	<u>\$ 123,473</u>	<u>\$ 122,152</u>	<u>\$106,757</u>	<u>\$ 1,321</u>	<u>\$ 15,395</u>



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

Operating Expenses by Natural Classification
(in thousands)

	August 31			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Operating Expenses:					
Salaries	\$ 43,885	\$ 44,515	\$ 43,155	\$ (630)	\$ 1,360
Benefits	17,506	19,592	21,002	(2,086)	(1,410)
Other Expenses	52,418	48,749	33,371	3,669	15,378
Depreciation	9,665	9,297	9,229	368	68
Total Operating Expenses	\$ 123,473	\$ 122,152	\$106,757	\$ 1,321	\$ 15,395



Approximately 35.5% of the District's \$123.5 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$61.4 million is 49.7% of the District's total operating expense as compared to 52.5% in FY2021 and 60.1% in FY2020. The second highest portion of the operating expenses is the \$52.4 million of operating expenses that the District paid in FY2022 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$48.7 million in FY2021 and \$33.4 million in FY2020. Depreciation expense increased in FY2022 to \$9.7 million up from \$9.3 million in FY2021 and \$9.2 million in FY2020.

Statement of Cash Flows

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

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

	<u>August 31</u>			<u>Change</u>	
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2021 to 2022</u>	<u>2020 to 2021</u>
Cash Provided (used) by:					
Operating Activities	\$ (46,362)	\$ (53,412)	\$ (53,285)	\$ 7,050	\$ (127)
Noncapital Financing Activities	70,803	64,996	67,287	5,807	(2,291)
Capital and Related Financing Activities	(26,311)	(19,804)	3,951	(6,507)	(23,755)
Investing Activities	205	111	430	94	(319)
Net Change in Cash	<u>(1,665)</u>	<u>(8,109)</u>	<u>18,383</u>	<u>6,444</u>	<u>(26,492)</u>
Cash, Beginning of Year	25,919	34,028	15,645	(8,109)	18,383
Cash, End of Year	<u>\$ 24,254</u>	<u>\$ 25,919</u>	<u>\$ 34,028</u>	<u>\$ (1,665)</u>	<u>\$ (8,109)</u>

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2022 totaled \$57.0 million as compared to \$56.1 million in FY2021, and \$35.5 million in FY2020. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$103.4 million in FY2022 as compared to \$109.5 million in FY2021, and \$88.7 million in FY2020. These receipts and cash outlay payments resulted in \$7.0 less net cash used by operating activities in FY2022. Other operating activities include the cash held in trust for others that was received and disbursed. Although funds held for others are both received and disbursed throughout the year, the amount received in FY2022 was \$562,987 less than the amount disbursed as compared to a greater amount received than the amount disbursed in FY2021 of \$1.9 million and a lesser amount received than disbursed in FY2020 of \$124,634.

State educational contracts were once the primary source of noncapital financing. Nonoperating federal revenue and property tax revenue are now the primary sources of noncapital financing. State educational contracts make up the third largest source of noncapital financing. These sources of revenue are categorized as noncapital even though the District's budget depends on them to continue the current level of operations. In FY2022, \$70.8 million was received as net cash provided by noncapital financing activities as compared to \$65.0 million in FY2021, and \$67.3 million in FY2020.

The capital and related financing activities in FY2022 included \$14.1 million expended for campus construction, improvements, and renovations. The capital and related financing activities in FY2021 included \$15.2 million expended for campus construction, improvements and renovations. This compares to \$6.3 million expended in FY2020 for campus construction, improvements and renovations. Financing outflows also include expenditures for debt service payments and related long-term debt interest. The long-term debt interest of \$3.1 million was \$461,314 less than the amount paid in FY2021.

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 FY2022 was approximately \$94,000 more than the amount received in FY2021.

Economic Outlook

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

Fall enrollment at the District increased slightly for the 2021-2022 academic year as compared to the enrollment for the 2020-2021 year. This compares with a decrease in enrollment for the 2020-2021 academic year when compared with the 2019-2020 year. Unemployment rates within the District boundaries continue to gradually decline as the disruption caused by the global coronavirus pandemic eases. Unemployment rates are expected to remain low. The District continued efforts to maintain enrollment into Fall 2022 and provide support and assistance to students to encourage their continued success. The College has continued the disbursement of funds to students under the Higher Education Emergency Relief Fund (HEERF) grant. These efforts led to a slight increase in Fall 22 enrollment hours over Fall 2021. The addition of new programs and certificates; the expansion of current classes; and the increased offerings of academic and technical dual credit to the local high school students continue to positively contribute to the District's enrollment.

The District's overall financial position is strong. The District underwent credit rating reviews with Standard & Poor's Rating Services during the 2022 year. Standard & Poor's assigned its 'AA+' long-term rating for the District's Series 2022 General Obligation Refunding Bonds, with a stable outlook. Even with the positive financial position, the District continues to work with the supply-chain challenges and heightened inflation that may linger over the coming year. The District is coping with the financial pressures by maintaining operating budget controls, addressing reserves, evaluation of new hires and capital expenditures and through the assessment of current processes and procedures to locate efficiencies.

Given the economic constraints at the local, state and national level, relatively strong ad-valorem tax valuation changes and the ability to adjust student fees, the District anticipates fiscal year 2023 will be comparable to fiscal year 2022 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.



DISTRICT



DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET POSITION
AS OF AUGUST 31, 2022 AND 2021

ASSETS	2022	2021
Current Assets		
Cash and Cash Equivalents	\$ 24,254,328	\$ 25,919,124
Accounts Receivable (net of allowance for doubtful accounts of \$8,758,355 and \$8,105,587 respectively)	22,594,331	27,508,304
Prepaid Expenses	422,288	5,998,825
Total Current Assets	47,270,947	59,426,253
Noncurrent Assets		
Cash and Cash Equivalents	-	-
Other Current Assets	10,016	11,349
Right of Use Asset (Net)	1,651,555	-
Capital Assets (Net)	215,664,845	208,946,872
Total Noncurrent Assets	217,326,416	208,958,221
TOTAL ASSETS	264,597,363	268,384,474
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	6,540,534	14,981,845
Deferred Outflows Related to Other Post Employment Benefits	11,523,438	15,080,492
Total Deferred Outflows of Resources	18,063,972	30,062,337
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	8,177,387	7,447,204
Unearned Revenues	23,105,791	28,191,310
Current Portion of Compensated Absences	124,274	125,602
Current Portion of Leases Payable	394,651	-
Current Portion of Financing Agreements	999,097	964,721
Current Portion of Bonds Payable	8,563,000	8,214,000
Total Current Liabilities	41,364,200	44,942,837
Noncurrent Liabilities		
Accrued Compensable Absences Payable	1,118,470	1,130,422
Net Pension Liability	7,760,512	16,214,896
Net Other Post Employment Benefits Liability	56,279,398	51,960,462
Leases Payable	1,288,168	-
Financing Agreements	93,747	1,092,864
Bonds Payable	90,208,626	99,262,218
Total Noncurrent Liabilities	156,748,921	169,660,862
TOTAL LIABILITIES	198,113,121	214,603,699
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	11,050,140	12,142,352
Deferred Inflows Related to Other Post Employment Benefits	9,767,037	15,355,548
Total Deferred Inflows of Resources	20,817,177	27,497,900
NET POSITION		
Net investment in capital assets	116,360,654	105,931,574
Restricted		
Expendable		
Financial Aid and Scholarships	623,677	593,512
Unrestricted	(53,253,294)	(50,179,874)
TOTAL NET POSITION	\$ 63,731,037	\$ 56,345,212

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,745,819	\$ 743,258
Pledges Receivable (net)	1,200,880	675,721
Deferred Construction Costs	387,831	-
Deferred Expenses and Scholarships	866,492	761,509
Total Current Assets	<u>4,201,022</u>	<u>2,180,488</u>
Non-Current Assets:		
Pledges Receivable (net)	2,467,191	3,066,745
Investments:		
Marketable Securities	80,922,178	92,464,251
Funds Held in Trust	214,207	543,043
Annuity Arbitrage	981,977	981,977
Charitable Gift Annuities	329,515	326,410
Other Investments	44,366	43,036
Real Estate and Mineral Interests	848,947	605,624
Total Investments	<u>83,341,190</u>	<u>94,964,341</u>
Total Non-Current Assets	<u>85,808,381</u>	<u>98,031,086</u>
 Total Assets	 <u>\$ 90,009,403</u>	 <u>\$ 100,211,574</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 47,340	\$ 55,620
Payable to Tyler Junior College	1,253,007	759,722
Accrued Interest	-	28,119
Deferred Revenue	75,212	92,120
Total Current Liabilities	<u>1,375,559</u>	<u>935,581</u>
Long-Term Liabilities:		
Line of Credit	<u>2,415,344</u>	<u>3,475,000</u>
Total Long-Term Liabilities	<u>2,415,344</u>	<u>3,475,000</u>
Total Liabilities	<u>3,790,903</u>	<u>4,410,581</u>
 NET ASSETS		
Without Donor Restrictions	13,745,145	28,159,766
With Donor Restrictions	<u>72,473,355</u>	<u>67,641,227</u>
Total Net Assets	<u>86,218,500</u>	<u>95,800,993</u>
 TOTAL LIABILITIES & NET ASSETS	 <u>\$ 90,009,403</u>	 <u>\$ 100,211,574</u>

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

TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

REVENUES	<u>2022</u>	<u>2021</u>
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$16,339,129 and \$16,918,702 in discounts)	\$ 20,284,470	\$ 21,408,216
Auxiliary Enterprises (net of \$3,222,606 and \$2,922,497 in discounts)	5,241,336	4,558,483
Federal Grants and Contracts	26,964,684	21,870,257
State Grants and Contracts	1,212,396	1,496,848
Local Grants and Contracts	659,387	726,872
Sales and Service of Educational Activities	116,174	143,254
Miscellaneous Operating Revenues	<u>3,200,427</u>	<u>13,314,675</u>
 Total Operating Revenues	 <u>57,678,874</u>	 <u>63,518,605</u>
 EXPENSES		
Operating expenses		
Instruction	37,522,741	35,252,771
Public Service	622,514	1,033,887
Academic Support	4,501,409	4,021,600
Student Services	8,902,253	8,960,017
Institutional Support	23,648,742	33,247,192
Operations and Maintenance of Plant	10,227,942	9,777,367
Scholarship and Fellowships (net of \$19,561,135 and \$19,841,199 in discounts)	17,493,431	10,673,662
Auxiliary Enterprises	10,889,315	9,888,795
Depreciation	<u>9,664,929</u>	<u>9,297,214</u>
 Total Operating Expenses	 <u>123,473,276</u>	 <u>122,152,505</u>
 Operating (Loss)	 <u>(65,794,402)</u>	 <u>(58,633,900)</u>
 NON-OPERATING REVENUES (EXPENSES)		
State Appropriations (non-capital)	24,949,997	23,757,500
Property Taxes	30,374,222	28,950,392
Federal Revenue, Non Operating	20,867,906	20,645,996
Investment Income	208,478	110,965
Interest on Capital Related Debt	<u>(3,220,376)</u>	<u>(3,556,016)</u>
 Total Non-Operating Revenues (Expenses)	 <u>73,180,227</u>	 <u>69,908,837</u>
 Increase (Decrease) in Net Position	 7,385,825	 11,274,937
 Net Position, Beginning of the Year	 <u>56,345,212</u>	 <u>45,070,275</u>
 Net Position, End of the Year	 <u>\$ 63,731,037</u>	 <u>\$ 56,345,212</u>

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2022 and 2021

	2022		2021			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support						
Contributions and Fund-Raising	\$ 237,570	\$ 4,896,925	\$ 5,134,495	\$ 242,966	\$ 2,848,903	\$ 4,013,855
Unrealized Gain (loss) on Investments	(13,679,082)	182,720	(13,496,362)	9,699,009	10,194	9,709,203
Realized Gain (Loss)	693,053	16,449	709,502	3,327,208	54,950	3,382,158
Investment Income	2,523,048	210,381	2,733,429	1,325,383	78,393	1,403,776
Income From Change in Estimate	-	-	-	144,932	-	144,932
Reimbursement From TJC	-	-	-	-	326,025	326,025
Donor Transfers	(3,589,303)	3,589,303	-	(4,077,986)	4,077,986	-
Total Revenues	<u>(13,814,714)</u>	<u>8,895,778</u>	<u>(4,918,936)</u>	<u>10,661,512</u>	<u>7,396,451</u>	<u>18,979,949</u>
Net Assets						
Released from Donor Restrictions	4,063,650	(4,063,650)	-	8,450,318	(8,450,318)	-
Expenses						
Program	4,406,300	-	4,406,300	8,596,641	-	8,596,641
General and Administrative	121,620	-	121,620	123,066	-	123,066
Fundraising	135,637	-	135,637	124,187	-	124,187
Total Expenses	<u>4,663,557</u>	<u>-</u>	<u>4,663,557</u>	<u>8,843,894</u>	<u>-</u>	<u>8,843,894</u>
Change in Net Assets	(14,414,621)	4,832,128	(9,582,493)	10,267,936	(1,053,867)	10,136,055
Net Assets, September 1	28,159,766	67,641,227	95,800,993	17,891,830	68,695,094	86,586,924
Net Assets, August 31	<u>\$ 13,745,145</u>	<u>\$ 72,473,355</u>	<u>\$ 86,218,500</u>	<u>\$ 28,159,766</u>	<u>\$ 67,641,227</u>	<u>\$ 96,722,979</u>

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

TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2022 AND 2021

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2022</u>	<u>2021</u>
Receipts from students and other customers	\$ 17,299,772	\$ 24,965,871
Receipt of state financial aid	1,212,396	1,496,848
Receipt of federal financial aid	29,717,768	16,868,152
Receipt of local grants and support	659,387	726,872
Receipt from sales and services of educational activities	116,174	143,254
Receipt from auxiliary enterprises	5,241,336	4,558,483
Receipt from other operating revenues	2,459,877	4,905,958
Receipts from student organizations	285,618	2,413,460
Payments to student organizations	(848,605)	(463,812)
Payments for salaries and benefits to employees	(54,773,002)	(53,075,147)
Payments to suppliers for goods and services	<u>(47,733,596)</u>	<u>(55,952,290)</u>
Net cash used in operating activities	<u>(46,362,875)</u>	<u>(53,412,351)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipt from state educational contracts	19,501,230	18,373,725
Receipts from non-operating federal revenue	30,434,290	25,976,652
Property tax revenues	<u>20,867,906</u>	<u>20,645,996</u>
Net cash provided by noncapital financing activities	<u>70,803,426</u>	<u>64,996,373</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets and construction costs	(14,125,030)	(15,153,394)
Bond proceeds	14,250,786	-
Bond acquisition costs	(125,400)	-
Payments on lease agreements	(336,155)	-
Principal payments on financing agreements	(964,741)	(995,711)
Principal payments on capital related debt	(22,666,621)	(8,518,000)
Interest on capital related debt	(3,084,214)	(3,545,528)
Contributions received for capital related financing	<u>737,550</u>	<u>8,408,717</u>
Net cash used in capital and related financing activities	<u>(26,313,825)</u>	<u>(19,803,916)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	<u>208,478</u>	<u>110,965</u>
Net cash provided by investing activities	<u>208,478</u>	<u>110,965</u>
Increase (decrease) in cash and cash equivalents	(1,664,796)	(8,108,929)
Cash and cash equivalents, September 1	<u>25,919,124</u>	<u>34,028,053</u>
Cash and cash equivalents, August 31	<u>\$ 24,254,328</u>	<u>\$ 25,919,124</u>
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 24,254,328	\$ 25,919,124
Cash and cash equivalents - noncurrent	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 24,254,328</u>	<u>\$ 25,919,124</u>
Summary of non-cash investing and financing activities:		
Equipment acquired through issuance of capital leases	<u>\$ -</u>	<u>\$ 233,360</u>

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

TYLER JUNIOR COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2022 AND 2021

Reconciliation of operating loss to net cash used by operating activities

Operating loss	\$ (65,794,402)	\$ (58,633,900)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	9,664,929	9,297,214
Amortization of right of use asset	367,419	-
Non-operating plant revenue	(740,550)	(8,408,717)
Amortization of deferred charges	(287,424)	(483,127)
Payments made directly by state for benefits	5,448,767	5,383,775
Receipts from student organizations	285,618	2,413,460
Payments to student organizations	(848,605)	(463,812)
(Increase) decrease in assets		
Receivables (net)	4,853,905	(7,133,869)
Prepaid expenses	5,576,537	(5,660,121)
Deferred outflows on pensions	8,441,311	(4,538,057)
Deferred outflows on other post employment benefits	3,557,054	5,218,834
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(972,284)	1,340,233
Unearned revenues	(5,085,519)	5,689,419
Deferred inflows on pensions	(1,092,212)	4,553,145
Deferred inflows on other post employment benefits	(5,588,511)	253,248
Pension liability	(8,454,384)	864,532
Other post employment benefits liability	4,318,396	(3,047,904)
Compensated absences	(12,920)	(56,704)
Net cash used in operating activities	<u>\$ (46,362,875)</u>	<u>\$ (53,412,351)</u>

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

TYLER JUNIOR COLLEGE DISTRICT
Notes to the Financial Statements

NOTE 1 — REPORTING ENTITY

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

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

During the year ended August 31, 2022 and 2021, the foundation distributed \$3,932,204 and \$8,480,485 in support and scholarships to the District. Complete financial statements for the foundation can be obtained from the foundation's offices in the White Administrative Services Center on the District's main campus or at <https://www.tjc.edu/downloads/20071/foundation>.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

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

Basis of Accounting

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

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

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tuition Discounting

Texas Public Education Grants

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

Title IV, Higher Education Act Program Funds

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

Other Tuition Discounts

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

Budgetary Data

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

Cash and Cash Equivalents

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

Investments

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

Deferred Outflows

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

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Doubtful Accounts

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

Capital Assets

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

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

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

Leases

Leases are defined by The District as the right to use an underlying asset. The District recognizes a lease liability and an intangible right-of-use asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate.

The District calculates the amortization of the discount rate on the lease liability and report that amount as outflow of resources. Payments are allocated first to accrued interest liability and then to the lease liability.

Pensions

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

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Postemployment Benefits Other than Pensions (OPEB)

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

Unearned Revenues

The District has recorded tuition and related fees as well as housing and related fees in the amount of \$23,105,791 and \$28,191,310 as of August 31, 2022 and 2021 in the statement of net position. These amounts represent revenues for the subsequent fall semesters that are recognized in revenues in the subsequent fiscal years.

Tax Abatements

The tax abatements for the district are less than 1.28% of total tax revenues and are considered to be immaterial to the financial statements.

Deferred Inflows

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

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

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

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle

Effective September 1, 2021, the District adopted GASB No. 87 – Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The standard requires that it is applied retroactively unless it is impractical to do so. Due to the number and types of leases the District has, it considered it impractical to apply to any previous period. As a result of this, there is no impact to the District's beginning net position in the current year. The leases of the District are described in more detail in Note 10.

NOTE 3 — AUTHORIZED INVESTMENTS

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

NOTE 4 — DEPOSITS AND INVESTMENTS

As of August 31, 2022 and August 31, 2021, the District had the following deposits and investments:

	August 31, 2022		August 31, 2021	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Depository Accounts				
Insured	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Collateral held by pledging bank's trust department in District's name	18,089,558	20,706,318	23,116,802	32,937,161
Total Deposits	18,589,558	21,206,318	23,616,802	33,437,161
Petty cash on hand	3,485	-	3,485	-
Texas Range Investment Program	-	-	278,181	278,181
Texpool Investments	5,661,285	5,661,285	2,020,656	2,020,656
Total Cash and Cash Equivalents	<u>\$24,254,328</u>	<u>\$26,867,603</u>	<u>\$25,919,124</u>	<u>\$35,735,998</u>

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

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

NOTE 5 — DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2022 and August 31, 2021, were as follows:

	<u>8-31-22</u>	<u>8-31-21</u>
Student tuition and fees receivable (net of allowance for doubtful accounts of \$5,851,501 and \$5,392,351, respectively)	\$ 15,843,111	\$ 13,002,066
Taxes receivable (net of allowance for doubtful accounts of \$820,138 and \$611,646, respectively)	686,451	746,519
Federal receivable	2,905,618	11,171,433
Student loans receivable (net of allowance for doubtful accounts of \$2,086,716 and \$2,101,590, respectively)	-	-
Other receivables	3,159,151	2,588,286
Total Receivables	<u>\$ 22,594,331</u>	<u>\$ 27,508,304</u>

Accounts payable and accrued liabilities at August 31, 2022 and August 31, 2021 were as follows:

	<u>8-31-22</u>	<u>8-31-21</u>
Vendors payable	\$ 7,319,125	\$ 5,768,282
Salaries and benefits payable	727,828	1,537,726
Interest payable	130,434	141,196
Total Accounts Payable and Accrued Liabilities	<u>\$ 8,177,387</u>	<u>\$ 7,447,204</u>

NOTE 6 — CAPITAL ASSETS

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

	Balance <u>September 1, 2021</u>	Additions	Reductions	Balance <u>August 31, 2022</u>
Non Depreciated Assets				
Land	\$ 11,925,438	\$ -	\$ -	\$ 11,925,438
Construction in progress	5,424,195	8,216,491	6,708,753	6,931,933
Subtotal	<u>17,349,633</u>	<u>8,216,491</u>	<u>6,708,753</u>	<u>18,857,371</u>
Other Capital Assets				
Buildings	249,098,325	2,210,418	-	251,308,743
Improvements	46,403,888	4,823,401	-	51,227,289
Library books	302,540	20,641	45,907	277,274
Equipment	51,094,966	7,820,704	237,177	58,678,493
Subtotal	<u>346,899,719</u>	<u>14,875,164</u>	<u>283,084</u>	<u>361,491,799</u>
Total Capital Assets	<u>364,249,352</u>	<u>23,091,655</u>	<u>6,991,837</u>	<u>380,349,170</u>
Accumulated Depreciation				
Buildings	80,351,358	5,782,233	-	86,133,591
Improvements	31,004,525	1,504,252	-	32,508,777
Library books	197,869	27,727	45,907	179,689
Equipment	43,748,728	2,350,717	237,177	45,862,268
Total Accumulated Depreciation	<u>155,302,480</u>	<u>9,664,929</u>	<u>283,084</u>	<u>164,684,325</u>
Net Capital Assets	<u>\$ 208,946,872</u>	<u>\$ 13,426,726</u>	<u>\$ 6,708,753</u>	<u>\$ 215,664,845</u>

NOTE 6 — CAPITAL ASSETS (continued)

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

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

NOTE 7 — LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds					
2013 Fee Revenue Bonds	\$ 5,240,000	\$ -	\$ 690,000	\$ 4,550,000	\$ 705,000
2014 Fee Revenue Bonds	31,283,147	-	1,948,909	29,334,238	2,000,000
2015 Fee Revenue Bonds	3,677,000	-	368,000	3,309,000	377,000
2016 Fee Refunding Revenue Bonds	20,346,245	-	1,089,855	19,256,390	1,060,000
Total Fee Revenue Bonds	<u>60,546,392</u>	<u>-</u>	<u>4,096,764</u>	<u>56,449,628</u>	<u>4,142,000</u>
2012 G.O. Bonds	15,358,625	-	15,358,625	-	-
2012 G.O. Refunding Bonds	-	14,131,413	-	14,131,413	1,195,000
2015 Tax Notes	2,429,000	-	246,000	2,183,000	251,000
2016 Tax Notes	8,369,727	-	1,624,445	6,745,282	1,620,000
2019 Tax Notes	20,772,474	-	1,510,171	19,262,303	1,355,000
Total Tax Notes	<u>31,571,201</u>	<u>-</u>	<u>3,380,616</u>	<u>28,190,585</u>	<u>3,226,000</u>
Total Bonds	<u>107,476,218</u>	<u>14,131,413</u>	<u>22,836,005</u>	<u>98,771,626</u>	<u>8,563,000</u>
Other Liabilities					
Compensable Absences	1,256,024	64,850	78,130	1,242,744	124,274
Finance Agreements	2,057,585	-	964,741	1,092,844	999,097
Net OPEB Liability	51,960,462	4,318,936	-	56,279,398	-
Net Pension Liability	16,214,896	-	8,454,384	7,760,512	-
Total Other Liabilities	<u>71,488,967</u>	<u>4,383,786</u>	<u>9,497,255</u>	<u>66,375,498</u>	<u>1,123,371</u>
Total Long-term Liabilities	<u>\$ 178,965,185</u>	<u>\$ 18,515,199</u>	<u>\$ 32,333,260</u>	<u>\$ 165,147,124</u>	<u>\$ 9,686,371</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds					
2013 Fee Revenue Bonds	\$ 5,915,000	\$ -	\$ 675,000	\$ 5,240,000	\$ 690,000
2014 Fee Revenue Bonds	33,193,504	-	1,910,357	31,283,147	1,925,000
2015 Fee Revenue Bonds	4,035,000	-	358,000	3,677,000	368,000
2016 Fee Refunding Revenue Bonds	22,022,176	-	1,675,931	20,346,245	1,015,000
Total Fee Revenue Bonds	<u>65,165,680</u>	<u>-</u>	<u>4,619,288</u>	<u>60,546,392</u>	<u>3,998,000</u>
2012 G.O. Bonds	16,523,317	-	1,164,692	15,358,625	1,175,000
2015 Tax Notes	2,669,000	-	240,000	2,429,000	246,000
2016 Tax Notes	9,975,807	-	1,606,080	8,369,727	1,590,000
2019 Tax Notes	22,145,314	-	1,372,840	20,772,474	1,205,000
Total Tax Notes	<u>34,790,121</u>	<u>-</u>	<u>3,218,920</u>	<u>31,571,201</u>	<u>3,041,000</u>
Total Bonds	<u>116,479,118</u>	<u>-</u>	<u>9,002,900</u>	<u>107,476,218</u>	<u>8,214,000</u>
Other Liabilities					
Compensable Absences	1,312,728	235,653	292,357	1,256,024	125,602
Finance Agreements	2,819,936	233,360	995,711	2,057,585	964,721
Net OPEB Liability	55,008,366	-	3,047,904	51,960,462	-
Net Pension Liability	15,350,364	864,532	-	16,214,896	-
Total Other Liabilities	<u>74,491,394</u>	<u>1,333,545</u>	<u>4,335,972</u>	<u>71,488,967</u>	<u>1,090,323</u>
Total Long-term Liabilities	<u>\$ 190,970,512</u>	<u>\$ 1,333,545</u>	<u>\$ 13,338,872</u>	<u>\$ 178,965,185</u>	<u>\$ 9,304,323</u>

NOTE 8 — BONDS PAYABLE

Bonds payable as of August 31, 2022 and August 31, 2021 are comprised of the following:

	<u>8-31-22</u>	<u>8-31-21</u>
General Obligation Bonds, Series 2012, issued to construct a new Nursing and Health Sciences Building, issued September 26, 2012 for \$25,000,000 plus premium of \$652,472; all authorized bonds have been issued. The source of revenues for debt service is designated property tax revenues.	\$ -	\$ 15,275,000
Combined Fee Revenue Bonds, Series 2013, issued to construct a new Energy Center on West Campus, issued December 19, 2013 for \$9,705,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	4,550,000	5,240,000
Combined Fee Revenue Bonds, Series 2014, issued to construct a new residence hall and complete the new Nursing and Health Sciences Building, issued February 27, 2014 for \$41,385,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	29,195,000	31,120,000
Maintenance Tax Notes, Series 2015, issued solely for repairs and renovations of existing campus projects, issued March 26, 2015 for \$4,684,000; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.	2,183,000	2,429,000
Combined Fee Revenue Bonds, Series 2015, issued to complete construction on a new residence hall, issued March 26, 2015 for \$5,316,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	3,309,000	3,677,000
Maintenance Tax Notes, Series 2016, issued solely for repairs and renovations of existing campus projects, issued September 22, 2016 for \$9,830,000; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.	6,675,000	8,265,000

NOTE 8 — BONDS PAYABLE (Continued)

	<u>8-31-22</u>	<u>8-31-21</u>
Combined Fee Revenue Refunding Bonds, Series 2016, issued to retire the remaining Series 2006 bonds, issued August 24, 2016 for \$27,325,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	18,635,000	19,650,000
General Obligation Refunding Bonds, Series 2022, issued to retire the remaining Series 2012 bonds, issued September 26, 2012 for \$12,920,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	12,920,000	-
Maintenance Tax Notes, Series 2019, issued solely for repairs and renovations of existing campus projects, issued September 26, 2019 for \$20,140,000; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.		
	<u>17,885,000</u>	<u>19,090,000</u>
Total	95,352,000	104,746,000
Plus: Unamortized Bond Premium	3,419,626	2,864,049
Less: Unamortized Bond Discount	-	(133,831)
Net Outstanding Bonds Payable	<u>\$ 98,771,626</u>	<u>\$ 107,476,218</u>

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

Debt service requirements at August 31, 2022 were as follows:

Year Ending	Principal Due 2/15 or 8/15	Interest Rates	Interest Due		Total Principal and Interest Requirements
			2/15	8/15	
8/31					
2023	\$ 8,563,000	1.50 - 5.00	\$ 1,500,008	\$ 1,460,584	\$ 11,523,592
2024	8,949,000	1.50 - 5.00	1,367,729	1,333,110	11,649,839
2025	9,315,000	2.00 - 5.00	1,249,060	1,212,472	11,776,532
2026	9,722,000	2.00 - 4.00	1,112,720	1,074,163	11,908,883
2027	10,134,000	2.00 - 5.00	971,716	931,078	12,036,794
2028-2032	36,809,000	2.00 - 4.00	2,618,939	2,448,476	41,876,415
2033-2036	11,860,000	3.125 - 3.20	405,172	405,172	12,670,344
	<u>\$ 95,352,000</u>		<u>\$ 9,225,344</u>	<u>\$ 8,865,055</u>	<u>\$ 113,442,399</u>

Pursuant to terms of the original issue of the bonds, a Reserve Fund was required to contain a Required Reserve Fund Amount. The District's Board of Trustees has adopted a resolution authorizing the substitution of a surety bond in lieu of cash and investments to satisfy the Required Reserve Fund Amount, as authorized by Section 130.125, Texas Education Code, as amended. Also, two of the bond issues require the District to maintain a Reserve Fund which has been established and is included as part of cash equivalents (current assets) in Exhibit 1. The District has also included a statistical table at Table 18 that reflects the maturity schedule for each debt obligation above in compliance with HB No. 1378.

NOTE 9 — FINANCE AGREEMENTS

The District had two separate finance agreements that were in existence as of the beginning of the year when the District adopted the provisions of GASB Statement No. 87. The District has evaluated both of these agreements and determined that they do not meet the criteria of a lease under GASB Statement No. 87 since there is transfer of ownership of the asset at the end of the payments terms, The following schedule shows the future minimum payments under these two agreements.

Future minimum payments as of August 31, 2022 were as follows:

Year Ending 8/31	Principal	Interest	Total
2023	\$ 999,097	\$ 36,439	\$ 1,035,536
2024	46,668	825	47,493
2025	47,079	414	47,493
	<u>\$ 1,092,844</u>	<u>\$ 37,678</u>	<u>\$ 1,130,522</u>

NOTE 10 — LEASES

The District has obtained office space, copy machines, and vehicles through long-term operating leases. The terms and conditions for the leases vary. All leases are fixed with periodic payments over the lease term, which ranges between 1-5 years.

As of August 31, 2022, leases consisted of the following:

	Balance September 1, 2021	Additions	Retirements	Transfers	Balance August 31, 2022
Leases					
Right of Use - Office space	\$ 1,242,335	\$ -	\$ -	\$ -	\$ 1,242,335
Right of Use - Copy machine	554,153	-	-	-	554,153
Right of Use - Vehicles	-	222,486	-	-	222,486
Total leases	1,796,488	222,486	-	-	2,018,974
Less accumulated amortization for:					
Right of Use - Office space	-	(155,901)	-	-	(155,901)
Right of Use - Copy machine	-	(201,510)	-	-	(201,510)
Right of Use - Vehicles	-	(10,008)	-	-	(10,008)
Total accumulated amortization	-	(367,419)	-	-	(367,419)
Leases, net	<u>\$ 1,796,488</u>	<u>\$ (144,933)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,651,555</u>

Principal and interest requirements to maturity for the lease liability at August 31, 2022 are as follows:

Year ended August 31,	Principal	Interest	Total
2023	\$ 394,651	\$ 30,902	\$ 425,553
2024	349,412	25,554	374,966
2025	202,823	20,285	223,108
2026	200,788	15,096	215,884
2027	165,655	10,643	176,298
Thereafter	369,490	8,917	378,407
Total	<u>\$ 1,682,819</u>	<u>\$ 111,397</u>	<u>\$ 1,794,216</u>

NOTE 11 — EMPLOYEES' RETIREMENT PLAN

Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

NOTE 11 — EMPLOYEES’ RETIREMENT PLAN (Continued)

Employee contribution rates are set in state statute, Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA), established the employer contribution rates for fiscal year 2021 and the 86th Texas Legislature, General Appropriations Act (GAA) for fiscal year 2022.

Contribution Rates

	<u>2022</u>	<u>2021</u>
Member	8.8%	7.7%
Non-Employer Contributing Entity (State)	7.75%	7.5%
Employers	7.75%	7.5%
FY 2022 Employer Contributions	\$1,300,447	
FY 2022 NECE On-behalf Contributions	\$1,002,009	

The District’s contributions to the TRS pension plan in fiscal year 2022 were \$1,300,447 as reported in the Schedule of District Contributions for pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year 2022 were \$1,002,009

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

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

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

NOTE 11 — EMPLOYEES' RETIREMENT PLAN (Continued)

Actuarial Assumptions

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

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return*	7.25%
Municipal Bond Rate*	1.95%*
Last year ending August 31 in the 2019 to 2120 Projection period (100 years)	2120
Inflation	2.30%
Payroll Growth Rate	3.00%
Salary Increases including inflation	3.05% to 9.05%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

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

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

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

NOTE 11 — EMPLOYEES' RETIREMENT PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 1.95 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments until the year 2047. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2047, and the municipal bond rate was applied to all benefit payments after that date. The long-term rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2021 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Expected Contribution to Long-Term Portfolio Return*
Global Equity			
U.S.	18.00%	3.60%	0.94%
Non-U.S Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.0%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Assets	15.00%	4.50%	1.00%
Energy and Natural Resources	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Asset Allocation Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.0	-0.50	0.03
Inflation Expectation			2.20%
Volatility Drag			-0.95%
Total	100.00%		6.90%

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2021 Comprehensive Annual Financial Report

NOTE 11 — EMPLOYEES’ RETIREMENT PLAN (Continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Tyler Junior College District’s proportionate share of the net pension liability	\$16,957,951	\$7,760,512	\$298,598

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

At August 31, 2022, the Tyler Junior College District reported a liability of \$7,760,512 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the Tyler Junior College District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

TJC District’s Proportionate share of the collective net pension liability	\$ 7,760,512
State’s proportionate share that is associated with TJC District	<u>5,979,563</u>
Total	<u>\$ 13,470,075</u>

The net pension liability was measured as of August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net pension liability was based on the employer’s contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At the measurement date of August 31, 2021, the employer’s proportion of the collective net pension liability was .03047 percent which was an increase of .0002 percent from its proportion measured as of August 31, 2020.

For the year ended August 31, 2022, the Tyler Junior College District recognized pension expense of \$23,906 and revenue of \$23,906 for support provided by the State. Refer to the 2022 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 and 68.

NOTE 11 — EMPLOYEES’ RETIREMENT PLAN (Continued)

At August 31, 2022, the Tyler Junior College District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between the expected and actual economic experience	\$ -	\$ (533,359)
Changes in actuarial assumptions	1,547,394	-
Difference between projected and actual investment earnings	-	(6,507,088)
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	(279,152)
Contributions paid to TRS subsequent to the measurement date	1,262,599	
Total	\$ 2,809,993	\$ (7,319,599)

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

Year ended August 31:	Pension Expense Amount
2022	\$ (851,220)
2023	(1,077,841)
2024	(1,951,980)
2025	(1,858,483)
2023	(22,292)
Thereafter	(10,389)
	<u>\$ (5,772,205)</u>

NOTE 12 — OPTIONAL RETIREMENT PLAN – DEFINED CONTRIBUTION PLAN

Plan Description

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

Funding Policy

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

NOTE 12 — OPTIONAL RETIREMENT PLAN – DEFINED CONTRIBUTION PLAN (Continued)

The retirement expense to the state for the District was \$283,675 and \$284,771 for the fiscal years ended August 31, 2022 and 2021, respectively. This amount represents the portion of expensed appropriations made by the Legislature on behalf of the District. The total payroll for all District employees was \$41,786,905 and \$41,813,389 for fiscal years ended August 31, 2022 and 2021, respectively. The total payroll of employees covered by the TRS was \$31,138,041 and \$30,540,958, and the total payroll of employees covered by the Optional Retirement Program was \$8,752,495 and \$8,837,678 for the fiscal years ended August 31, 2022 and 2021, respectively.

NOTE 13 — DEFERRED COMPENSATION PLAN

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Texas Government Code 609.001. The employees' investments are held in tax-deferred annuity plans pursuant to Internal Revenue Code Section 403(b). Employees also have the option to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). As of August 31, 2022, the District had 21 employees participating in the 403(b) program and 6 employees participating in the 457 plan. A total of \$138,158 and \$22,807 in payroll deductions had been invested in the 403(b) and 457 approved plans, respectively, during the fiscal year.

Effective January 2013, the District developed an additional retirement plan for employees to elect to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). The District also created a 401(a) plan at the same time. As of September 1, 2013, the District contributes 4% of all eligible full-time employees' payroll to a retirement account in the employee's name whether the employee contributes or not. If the employee chooses to contribute a portion of their salary, the employee's contributions are deposited into a 457 plan in the employee's name. The District also contributes an additional matching percentage of up to 3% if the employee contributes. As of August 31, 2022, the District had 662 participants in the 401(a) plan and 556 participants in the 457 employee plan. The District contributed \$2,223,868 and employees contributed \$850,940 to this plan during the fiscal year.

NOTE 14 — COMPENSABLE ABSENCES

Full-time employees earn annual leave from 6.67 to 13.33 hours per month depending on the number of years employed by the District. The District's policy is that an employee may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with eight or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to 160 hours. The District recognized the accrued liability for the unpaid annual leave in the amount of \$1,242,744 and \$1,256,024 as of August 31, 2022 and 2021, respectively. Sick leave, which can be accumulated to a limit of 720 hours, is earned at the rate of eight hours per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

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

NOTE 15 — PENDING LAWSUITS AND CLAIMS

From time to time, the District is named as a defendant in legal actions arising out of the ordinary course of business. There were no such legal actions as of August 31, 2022 that are required to be disclosed in the financial statements.

NOTE 16 — RISK MANAGEMENT

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

	8-31-22	8-31-21
Liability, beginning of year	\$ 162,552	\$ 95,517
Incurred claims (including IBNRs)	137,873	123,869
Claim payment	(121,929)	(56,834)
Liability, end of year	\$ <u>178,495</u>	\$ <u>162,552</u>

NOTE 17 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The District participates in a cost-sharing, multiple-employer, other postemployment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least ten years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position

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

NOTE 17 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefits Provided

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

Contributions

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

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

Maximum monthly contribution by the employer for fiscal year 2021 are as follows:

Retiree only	\$ 624.82
Retiree & Spouse	1,339.90
Retiree & Children	1,103.58
Retiree & Family	1,818.66

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

	<u>08/31/22</u>	<u>08/31/21</u>
Employer Contributions	\$ 1,202,737	\$ 1,176,760
Member (Employee) Contributions	301,868	361,897
NECE On-behalf Contributions	61,477	59,339

NOTE 17 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Assumptions

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

Valuation Date	August 31, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not Applicable
Actuarial Assumptions:	
Discount Rate	2.14%
Inflation	2.30%
Salary Increases including inflation	2.30% to 9.05%
Healthcare Cost Trend Rates	5.25% for FY23, 5.15% for FY24, 5.00% for 2025, 4.75% for 2026, 4.60 for 2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY30 and later years
Ad hoc Post-employment Benefit Changes	None
Mortality assumptions:	
Service retirees, survivors, and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018.
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a three year set forward and minimum mortality rates of four per one hundred male members and two per one hundred female members.
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Source: FY 2021 ERS Report except for mortality assumptions obtained from ERS FY 2021 GASB 75 Actuarial Valuation

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

Investment Policy

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

NOTE 17 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%, which amounted to a decrease of 0.06%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with twenty years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corporation's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the District's proportionate share of collective net OPEB liability if the discount rate used was 1% greater than the discount rate that was used (2.14%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.14%)	Current Discount Rate (2.14%)	1% Increase in Discount Rate (3.14%)
Tyler Junior College District's Proportional Share of the Net OPEB Liability	\$66,999,528	\$56,279,398	\$47,867,802

Healthcare Trend Rate Sensitivity Analysis

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

	1% Decrease (4.25% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (5.25% decreasing to 4.30%)	1% Increase (6.25% decreasing to 5.30%)
Tyler Junior College District's Proportional Share of the Net OPEB Liability	\$47,127,373	\$56,279,398	\$67,705,438

NOTE 17 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

At August 31, 2022, the Tyler Junior College District reported a liability of \$56,279,398 for its proportionate share of the ERS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Tyler Junior College District were as follows:

TJC District Proportionate share of the collective net OPEB liability	\$ 56,279,398
State's proportionate share that is associated with TJC District	<u>48,713,369</u>
Total	<u>\$ 104,992,767</u>

The net OPEB liability was measured as of August 31, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period of September 1, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was .15687416%, which was .00036912% less than the proportion measured as of August 31, 2020.

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

- Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumed rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- Assumed expenses, assumed per capita health benefit costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.
- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- The discount rate was changed from 2.20% to 2.14% as a result of requirements by GASB No. 75 to reflect the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

NOTE 17 — POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

At August 31, 2022, the Tyler Junior College District reported its proportionate share of the ERS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between the expected and actual economic experience	\$ -	\$ (5,167,599)
Changes in actuarial assumptions	5,159,017	-
Net difference between projected and actual investment earnings	4,970	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,050,736	-
Contributions paid to ERS subsequent to the measurement date	709,277	-
Total	\$ 6,924,000	\$ (5,167,599)

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

Year ended August 31:	OPEB Expense Amount
2022	\$ 836,797
2023	1,036,339
2024	(681,877)
2025	(299,236)
2026	155,101
Thereafter	-
	\$ 1,047,124

NOTE 18 — PROPERTY TAXES

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

As of August 31:

Assessed Valuation of the District	\$ 21,987,358,735
Less: Exemptions	5,537,268,889
Net Taxable Valuation of the District	\$ 16,450,089,846

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

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

NOTE 18 — PROPERTY TAXES (Continued)

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

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

Taxes levied for the years ended August 31, 2022 and 2021 amounted to \$30,040,343 and \$28,950,582, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

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

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$23,606,013	\$6,111,622	\$29,717,635
Delinquent taxes collected	219,067	58,212	277,279
Penalties and interest collected	317,091	62,217	379,308
Total Collections	\$24,142,171	\$6,232,051	\$30,374,222

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

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

Tax collections for the year ended August 31, 2022 and 2021 were approximately 98.93 percent and 97.96 percent, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

NOTE 19 — INCOME TAXES

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc. Organizations*. The District had no material unrelated business income tax liability for the years ended August 31, 2022 and 2021.

NOTE 20 — CONTRACTUAL AGREEMENTS

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

NOTE 20 — CONTRACTUAL AGREEMENTS (Continued)

The District also has an agreement for the operation and management of the campus bookstore. The manager owns all inventories of merchandise and has the sole and exclusive right to sell this inventory. In consideration for the use of campus space, the manager pays the greater of a yearly fee as stated in the contract, or a percentage of all gross revenues in a contract year as outlined in the contract. The District's contract runs through August 31, 2023. The terms of the agreement call for a 13.75% commission to the District on the first \$4 million in sales and a 14.75% commission on all sales above \$4 million.

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

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

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

The District has a contract with a local hospital to provide on-campus medical care. The health care provider maintains a clinic in the Rogers Nursing and Health Sciences Center on the main campus. The new contract was effective September 1, 2020 and calls for an annual payment of \$295,800. The contract expires on August 31, 2023 with an option to renew for two one year periods.

The District also has a contract for custodial services with an outside company. The contract was renewed beginning September 1, 2014, to include additional buildings. This contract was amended in October 2017 to split out the Residential Life and Housing (RLH) building from the main campus. Beginning in August 2022, the monthly contract amount is \$28,206 and \$120,708 for the RLH buildings and the main campus, respectively. The current contract is under a renewal through July 31, 2023 with four one year renewal options.

During a prior year, the District entered into two separate agreements to provide educational opportunities at satellite centers. The first agreement was a joint effort with a local hospital and a neighboring Economic Development Corporation to provide nursing classes in a renovated wing of an existing hospital. Under this agreement, the District received funding from the hospital and the Economic Development Corporation over a three year period to assist in building improvements and the operations of the nursing program. This contract was renewed for another three years ending on July 31, 2020 with two one year options for renewal. The contract was extended under the third one year renewal ending on July 31, 2023.

NOTE 20 — CONTRACTUAL AGREEMENTS (Continued)

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

The District entered into a new agreement beginning September 1, 2020 with a local orthopedic hospital to provide sports medicine and rehabilitation services for the District's athletic department. As part of the agreement the facility will provide scholarship funds for the Sports Medicine Training Program and the District will pay for graduate assistant trainers under a schedule within the agreement. The agreement ended on August 31, 2022 and calls for an annual payment of \$128,000. This agreement allows for the Contractor to receive advertising opportunities and make annual payments of \$73,000 to the District.

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

NOTE 21 – TUITION AND FEES

Tuition and fees are the student component of the Texas public junior college funding model, the other components consisting of state contracts and local district property taxes. Tuition and fees are set by the Board of Trustees and account for approximately 34% of total current Unrestricted Fund revenues for the year ended August 31, 2021. The decrease from the prior year in the percentage of total current Unrestricted Fund revenues attributable to tuition and fees is due to an inflow of Higher Education Emergency Relief Funds (HEERF) received and disbursed to student accounts.

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

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

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

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

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

Registration Fee - \$45 per Semester

Defrays increased labor and processing expenses during registration.

Laboratory Fee - \$20 per Semester Hour

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

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

Defrays the cost of private lessons.

NOTE 21 – TUITION AND FEES (Continued)

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

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

Technology Fee - (\$15) per Semester Hour

Defrays the cost of instruction based technology improvements.

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

Defrays the costs for certain programs with higher instructional costs.

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

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

Campus Security Fee – (\$40) per Semester

Designated for use in constructing and maintaining parking facilities.

Health Service Fee – (\$35) per semester

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

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

Charged to students for on campus extracurricular activities.

NOTE 22 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 15, 2022, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION





DISTRICT

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
 TEACHERS RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Fiscal year ending August 31,								
TRS net position as percentage of total pension liability	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
Tyler Junior College District's proportionate share of collective net pension liability (%)	0.0304735%	0.0302754%	0.0285404%	0.0281490%	0.0446525%	0.0285649%	0.0285649%	0.0315846%
Tyler Junior College District's proportionate share of collective net pension liability (\$)	7,760,512	16,214,896	15,350,364	15,488,233	14,271,801	10,773,352	10,097,312	8,436,684
Portion of NECE's total proportionate share of NPL associated with TJC District	5,979,563	12,722,871	12,088,534	12,560,378	2,043,051	8,301,832	7,643,641	6,586,151
Total	13,740,075	28,937,767	27,438,898	28,048,611	16,314,852	19,075,184	17,740,953	15,022,835
Tyler Junior College District covered payroll	26,653,324	29,507,378	27,506,400	25,642,270	23,705,217	22,381,142	20,706,283	21,411,900
Ratio of ER Proportionate share of collective NPL/ER's covered payroll amount	29.12%	54.85%	55.81%	60.40%	60.21%	48.14%	48.76%	39.40%

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

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
 TEACHERS RETIREMENT SYSTEM OF TEXAS
 FOR THE YEAR ENDED AUGUST 31, 2022

Fiscal year ending August 31,	2022	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	1,300,447	1,249,172	1,033,949	948,268	1,463,447	905,822	845,819	800,758
Actual contributions	1,300,447	1,249,172	1,033,949	948,268	1,463,447	905,822	845,819	800,758
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Tyler Junior College District covered payroll	30,792,206	26,653,324	29,507,378	27,506,400	25,642,270	23,705,217	22,381,142	20,706,283
Ratio of: Actual contributions/ER covered payroll amount	4.22%	4.69%	3.50%	3.45%	5.71%	3.82%	3.78%	3.87%

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

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
FISCAL YEAR ENDED AUGUST 31, 2022

Fiscal year ending August 31	2022	2021	2020	2019	2018
Plan fiduciary net position as a percentage of the total OPEB liability	0.38%	0.32%	0.17%	1.27%	2.04%
Tyler Junior College District's proportion share of the collective net OPEB liability (%)	0.15687416%	0.15724328%	0.15915541%	0.16253604%	0.10523754%
Tyler Junior College District's proportionate share of collective net OPEB liability (\$)	56,279,398	51,960,462	55,008,366	48,172,013	35,857,598
Portion of NECE's total proportionate share of NPL associated with TJC District	48,713,369	44,859,463	45,926,923	38,689,680	31,015,819
Total	104,992,767	96,819,925	100,935,289	86,861,693	66,873,417
Tyler Junior College District covered payroll	35,514,174	34,823,635	34,096,458	31,696,391	30,290,491
District's proportionate share of the net OPEB liability as a percentage of its covered payroll amount	158.47%	149.21%	161.33%	151.98%	118.38%

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

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
 EMPLOYEES RETIREMENT SYSTEM OF TEXAS
 FISCAL YEAR ENDED AUGUST 31, 2022

Fiscal year ending August 31	2022	2021	2020	2019	2018
Statorily required contributions	1,202,737	1,176,760	638,667	499,032	937,388
Actual contribution	1,202,737	1,176,760	638,667	499,032	937,388
Annual contribution deficiency (excess)	-	-	-	-	-
Tyler Junior College District covered payroll	35,597,343	35,514,174	34,823,635	34,096,458	30,397,963
Actual contributions as a percentage of covered payroll	3.38%	3.31%	1.83%	1.46%	3.08%

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

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED AUGUST 31, 2022

Changes Since the Prior Actuarial Valuation for TRS Pension:

Demographic Assumptions

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

Economic Assumptions

- The discount rate remained unchanged as of August 31, 2021 at 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 2.33 percent.
- Economic assumptions, including rates of salary increase for individual participants was updated based on the experience study performed for TRS for the period ending August 31, 2017.
- The long term assumed rate of return remain unchanged at 7.25 percent.
- HB 3 in the 2019 Legislative session created a new mechanism for salary increases to be provided from the State. It is our understanding that approximately \$825 million was budgeted to provide salary increases to teachers, librarians, counselors, and nurses with at least 5 years of service. To estimate the impact in this valuation, we have assumed the \$825 million would be provided uniformly to all members in the data with the applicable position codes and at least 5 years of service. This averages to a \$2,700 increase for members impacted. In addition, we have assumed aggregate covered payroll for Fiscal Year 2020 would be \$825 million more than the typical 3% annual growth from actual Fiscal Year 2019 payroll. Finally, we have assumed half of the \$825 million would be eligible for the supplemental contribution from employers. All assumptions are then assumed to continue thereafter without adjustment. This increased the UAAL in this valuation by approximately \$1.4 billion and increased the funding period by 1 year.
- The actual data collected as of August 31, 2020 will provide the actual amount and distribution of the salary increases, as well as the actual increase in aggregate payroll and the portion eligible for supplemental contributions, meaning the 2020 valuation will provide much clarity on the actual impact from the HB 3 as the school districts do have discretion on how the actual increases are distributed. In addition, the true ultimate cost of the increases will not be fully known until the valuations for the following years are completed as it is possible that future salary decisions by employers are impacted by this one large decision. We believe it is possible that overall salary increases for the next few valuation cycles could be dampened compared to current assumptions and thus believe the proposed approach to projecting the impact is more likely to overestimate the impact than underestimate, but given the lack of detail from how local employers will distribute the increases and how it may impact future decisions, we believe the methods used in this valuation are appropriate and reasonable.

Other

- A change was made in the measurement date of the total pension liability for the current fiscal year. The actuarial valuation was performed as of August 31, 2020. Updated procedures were used to roll forward the total pension liability to August 31, 2021.

TYLER JUNIOR COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED AUGUST 31, 2022

Changes Since the Prior Actuarial Valuation for ERS OPEB:

Demographic Assumptions

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

Economic Assumptions

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

Other Inputs

- The discount rate was changed from 2.20% to 2.14% as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

SUPPLEMENTAL INFORMATION



TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2022
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/22	Total 8/31/21
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 2,805,194	\$ -	\$ 2,805,194	\$ -	\$ 2,805,194	\$ 2,898,602
Out-of-District Resident Tuition	5,041,755	-	5,041,755	-	5,041,755	4,989,947
TPEG **	438,503	-	438,503	-	438,503	451,723
Non-Resident Tuition	666,716	-	666,716	-	666,716	596,751
Continuing Education	531,561	-	531,561	-	531,561	889,866
Non-State Funded Continuing Education	407,698	-	407,698	-	407,698	427,459
Total Tuition	<u>9,891,427</u>	<u>-</u>	<u>9,891,427</u>	<u>-</u>	<u>9,891,427</u>	<u>10,254,348</u>
Fees						
General Education Fee	8,874,867	-	8,874,867	-	8,874,867	9,127,699
Out-of-District Fee	8,185,593	-	8,185,593	-	8,185,593	8,214,535
Laboratory Fee	1,404,114	-	1,404,114	-	1,404,114	1,404,241
Registration Fee	1,078,025	-	1,078,025	-	1,078,025	1,111,287
Student Life Fee	-	-	-	359,689	359,689	407,957
Health Service Fee	-	-	-	776,019	776,019	754,023
Other	6,513,015	-	6,513,015	-	6,513,015	7,111,109
Total Fees	<u>26,055,614</u>	<u>-</u>	<u>26,055,614</u>	<u>1,135,708</u>	<u>27,191,322</u>	<u>28,130,851</u>
Allowances and Discounts						
Bad Debt Allowance	(391,389)	-	(391,389)	(67,761)	(459,150)	(58,281)
Federal Grants to Students	(11,204,551)	-	(11,204,551)	-	(11,204,551)	(11,609,370)
TPEG Allowances	(266,281)	-	(266,281)	-	(266,281)	(285,823)
State Grants to Students	(988,281)	-	(988,281)	-	(988,281)	(1,129,283)
Contributions	(261,436)	-	(261,436)	-	(261,436)	(272,323)
Scholarships and Performance Grants	(871,080)	-	(871,080)	-	(871,080)	(907,647)
Waivers and Exemptions	(2,747,500)	-	(2,747,500)	-	(2,747,500)	(2,714,256)
Total Scholarship Allowances and Discounts	<u>(16,730,518)</u>	<u>-</u>	<u>(16,730,518)</u>	<u>(67,761)</u>	<u>(16,798,279)</u>	<u>(16,976,983)</u>
Net Tuition and Fees	<u>19,216,523</u>	<u>-</u>	<u>19,216,523</u>	<u>1,067,947</u>	<u>20,284,470</u>	<u>21,408,216</u>
Additional Operating Revenues						
Federal Grants and Contracts	162,824	26,801,860	26,964,684	-	26,964,684	21,870,257
State Grants and Contracts	-	1,212,396	1,212,396	-	1,212,396	1,496,848
Local Grants and Contracts	-	659,387	659,387	-	659,387	726,872
Sales and Service of Educational Activities	116,174	-	116,174	-	116,174	143,254
Interest on Student Loans	-	-	-	-	-	-
Other	3,200,427	-	3,200,427	-	3,200,427	13,314,675
Total Additional Operating Revenues	<u>3,479,425</u>	<u>28,673,643</u>	<u>32,153,068</u>	<u>-</u>	<u>32,153,068</u>	<u>37,551,906</u>
Auxiliary Enterprises						
Housing and Meals	-	-	-	7,569,397	7,569,397	6,630,569
Scholarship Allowances and Discounts	-	-	-	(3,222,006)	(3,222,006)	(2,922,497)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,347,391</u>	<u>4,347,391</u>	<u>3,708,072</u>
Bookstore Commissions	-	-	-	506,829	506,829	541,184
Other Auxiliary Revenues	-	-	-	387,116	387,116	309,227
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,241,336</u>	<u>5,241,336</u>	<u>4,558,483</u>
Total Operating Revenues	<u>\$ 22,695,948</u>	<u>\$ 28,673,643</u>	<u>\$ 51,369,591</u>	<u>\$ 6,309,283</u>	<u>\$ 57,678,874</u>	<u>\$ 63,518,605</u>

** In accordance with Education Code 56.033, \$438,503 and \$451,723 for years August 31, 2022 and 2021, respectively, of tuition was set aside for Texas Public Education Grants.

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF OPERATING EXPENSES BY OBJECT
 FOR THE YEAR ENDED AUGUST 31, 2022
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)

	Salaries and Wages	Benefits		Other Expenses	Total 8/31/22	Total 8/31/21
		State	Local			
<u>Unrestricted - Educational Activities</u>						
Instruction	\$ 25,657,844	\$ -	\$ 1,628,808	\$ 6,001,473	\$ 33,288,125	\$ 31,177,550
Public Service	1,200	-	-	34,720	35,920	50,692
Academic Support	3,199,479	-	322,270	562,645	4,084,394	3,596,759
Student Services	4,041,293	-	415,459	1,811,610	6,268,362	6,050,999
Institutional Support	7,428,855	-	8,499,789	1,245,670	17,174,314	19,632,488
Operation and Maintenance of Plant	1,025,514	-	397,320	8,805,108	10,227,942	9,777,367
Scholarships and Fellowships	-	-	-	3,242,529	3,242,529	2,992,730
Total Unrestricted	<u>41,354,185</u>	<u>-</u>	<u>11,263,646</u>	<u>21,703,755</u>	<u>74,321,586</u>	<u>73,278,585</u>
<u>Restricted - Education and General</u>						
Instruction	250,023	3,809,758	34,359	140,476	4,234,616	4,075,221
Public Service	281,573	32,540	82,563	189,918	586,594	983,195
Academic Support	-	404,943	-	12,072	417,015	424,841
Student Services	365,083	633,240	139,141	1,496,427	2,633,891	2,909,018
Institutional Support	98,840	568,286	35,618	5,771,684	6,474,428	13,614,704
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	167,245	-	-	14,083,657	14,250,902	7,680,932
Total Restricted	<u>1,162,764</u>	<u>5,448,767</u>	<u>291,681</u>	<u>21,694,234</u>	<u>28,597,446</u>	<u>29,687,911</u>
Total Educational and General	42,516,949	5,448,767	11,555,327	43,397,989	102,919,032	102,966,496
Auxiliary Enterprises	1,368,470	-	500,990	9,019,855	10,889,315	9,888,795
Depreciation Expense - Buildings and Improvements	-	-	-	7,286,485	7,286,485	6,840,943
Depreciation Expense - Equipment	-	-	-	2,350,717	2,350,717	2,426,017
Depreciation Expense - Library Books	-	-	-	27,727	27,727	30,254
Total Operating Expenses	<u>\$ 43,885,419</u>	<u>\$ 5,448,767</u>	<u>\$ 12,056,317</u>	<u>\$ 62,082,773</u>	<u>\$ 123,473,276</u>	<u>\$ 122,152,505</u>

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2022
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)

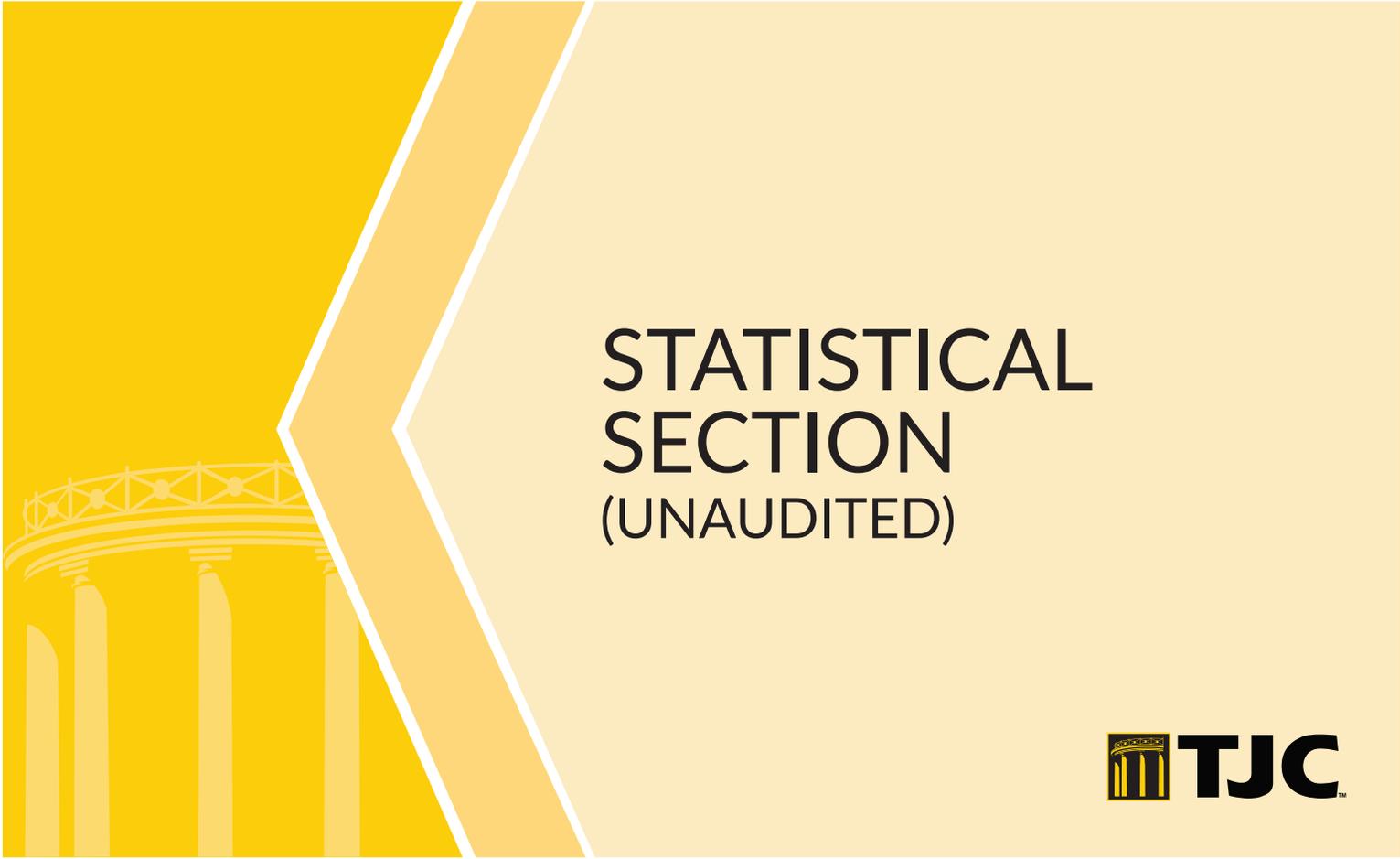
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/22</u>	<u>Total 8/31/21</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 19,086,154	\$ -	\$ -	\$ 19,086,154	\$ 18,085,823
State Group Insurance	-	4,103,703	-	4,103,703	4,080,997
State Retirement Matching	-	1,345,064	-	1,345,064	1,302,778
Professional Nursing Shortage Reduction	-	415,076	-	415,076	287,902
Total State Appropriations	<u>19,086,154</u>	<u>5,863,843</u>	<u>-</u>	<u>24,949,997</u>	<u>23,757,500</u>
Property Taxes	30,374,222	-	-	30,374,222	28,950,392
Federal Revenue, Non Operating	-	20,867,906	-	20,867,906	20,645,996
Investment Income	<u>208,478</u>	<u>-</u>	<u>-</u>	<u>208,478</u>	<u>110,965</u>
Total Non-Operating Revenues	49,668,854	26,731,749	-	76,400,603	73,464,853
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	<u>3,220,376</u>	<u>-</u>	<u>-</u>	<u>3,220,376</u>	<u>3,556,016</u>
Total Non-Operating Expenses	<u>3,220,376</u>	<u>-</u>	<u>-</u>	<u>3,220,376</u>	<u>3,556,016</u>
Net Non-Operating Revenues	<u>\$ 46,448,478</u>	<u>\$ 26,731,749</u>	<u>\$ -</u>	<u>\$ 73,180,227</u>	<u>\$ 69,908,837</u>

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
FOR THE YEAR ENDED AUGUST 31, 2022
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021)

	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	9,207,662	-	-	-	9,207,662	9,207,662	-
Restricted	-	623,677	-	-	623,677	623,677	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(914,026)	-	-	-	(914,026)	-	(914,026)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	(61,546,930)	-	-	-	(61,546,930)	-	(61,546,930)
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	116,360,654	116,360,654	-	116,360,654
Total Net Position, August 31, 2022	(53,253,294)	623,677	-	116,360,654	63,731,037	9,831,339	53,899,698
Total Net Position, August 31, 2021	(50,179,874)	593,512	-	105,931,574	56,345,212	9,401,174	46,944,038
Net Increase (Decrease) in Net Position	\$ (3,073,420)	\$ 30,165	\$ -	\$ 10,429,080	\$ 7,385,825	\$ 430,165	\$ 6,955,660



DISTRICT



STATISTICAL SECTION (UNAUDITED)



**TYLER JUNIOR COLLEGE DISTRICT
TYLER, TEXAS**

**STATISTICAL SECTION
(UNAUDITED)**

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

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

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

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

Table 1

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

	For the Fiscal Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Position By Component:										
Net investment in capital assets	\$ 116,360,654	\$ 105,931,574	\$ 89,134,384	\$ 97,660,198	\$ 91,365,869	\$ 84,186,085	\$ 88,796,058	\$ 85,846,676	\$ 81,012,927	\$ 79,832,528
Restricted - expendable	623,677	593,512	731,207	771,808	740,216	791,116	748,134	720,685	597,996	511,271
Unrestricted	(53,253,294)	(50,179,874)	(44,795,316)	(52,208,048)	(46,182,538)	4,143,017	(273,975)	1,738,951	4,181,739	12,727,957
Total primary government net position	\$ 63,731,037	\$ 56,345,212	\$ 45,070,275	\$ 46,223,958	\$ 45,923,547	\$ 89,120,218	\$ 89,270,217	\$ 88,306,312	\$ 85,792,662	\$ 93,071,756
Change in Net Position:										
Total Operating and Non-Operating Revenues	\$ 134,079,477	\$ 136,983,458	\$ 109,270,752	\$ 103,323,384	\$ 99,376,076	\$ 98,338,888	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508	\$ 84,729,114
Total Operating and Non-Operating Expenses	126,693,652	125,708,521	110,424,435	104,693,748	100,716,433	98,488,887	93,805,866	90,891,107	83,715,804	80,547,397
Prior Period Adjustment	7,385,825	11,274,937	(1,153,683)	(1,370,364)	(1,340,357)	(149,999)	963,905	2,513,650	2,279,704	4,181,717
Change in Net Position	7,385,825	11,274,937	(1,153,683)	300,411	(43,196,671)	(149,999)	963,905	2,513,650	(7,279,094)	4,181,717
Beginning Net Position	56,345,212	45,070,275	46,223,958	45,923,547	89,120,218	89,270,217	88,306,312	85,792,662	93,071,756	88,890,039
Ending Net Position	\$ 63,731,037	\$ 56,345,212	\$ 45,070,275	\$ 46,223,958	\$ 45,923,547	\$ 89,120,218	\$ 89,270,217	\$ 88,306,312	\$ 85,792,662	\$ 93,071,756

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

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

	For the Fiscal Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tuition and fees (net of discounts)	\$ 20,284,470	\$ 21,408,216	\$ 21,359,174	\$ 21,843,430	\$ 19,825,016	\$ 20,240,101	\$ 16,754,371	\$ 14,977,980	\$ 12,241,079	\$ 13,880,102
Governmental grants and contracts	26,964,684	21,870,257	5,436,572	1,328,454	2,733,709	3,035,760	4,270,172	3,842,958	2,382,222	2,178,556
Federal grants and contracts	1,212,396	1,496,848	934,116	1,319,879	1,409,514	1,572,225	1,654,043	1,767,315	1,702,178	1,083,295
State grants and contracts	659,387	726,872	539,874	1,005,025	542,659	474,774	459,730	432,759	585,280	1,022,395
Local grants and contracts	116,174	143,254	104,779	109,944	120,861	109,681	106,163	113,873	111,083	83,075
Sales and services of educational activities	5,241,336	4,558,483	4,561,187	4,856,213	4,882,536	5,147,261	5,103,155	3,665,385	3,077,997	3,049,065
Auxiliary enterprises	3,200,427	13,314,675	2,659,573	2,365,356	2,107,063	3,357,245	3,484,470	5,610,819	2,528,234	2,117,809
Other operating revenues										
Total Operating Revenues	57,678,874	63,518,605	35,595,275	32,828,301	31,621,358	33,937,047	31,832,104	30,411,089	22,628,073	23,414,297
State appropriations	24,949,997	23,757,500	23,798,197	22,268,263	21,841,248	21,441,989	21,197,433	21,051,274	21,462,893	20,337,298
Property taxes	30,374,222	28,950,392	27,773,130	26,115,573	24,581,128	23,551,272	22,952,007	22,233,785	21,554,921	20,322,138
Federal Revenue, Non Operating	20,867,906	20,645,996	21,673,743	21,600,574	21,035,479	19,260,848	18,713,030	19,605,018	20,210,574	19,766,591
Investment income	208,478	110,965	430,407	510,673	296,863	147,732	75,197	103,591	139,047	188,790
Total Non-Operating Revenue	76,400,603	73,464,853	73,675,477	70,495,083	67,754,718	64,401,841	62,937,667	62,993,668	63,367,435	61,314,817
Total Revenues	\$ 134,079,477	\$ 136,983,458	\$ 109,270,752	\$ 103,323,384	\$ 99,376,076	\$ 98,338,888	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508	\$ 84,729,114

	For the Fiscal Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tuition and fees (net of discounts)	15.13%	15.63%	19.55%	21.14%	19.95%	20.58%	17.68%	16.04%	14.23%	16.38%
Governmental grants and contracts	20.11%	15.97%	4.98%	1.29%	2.75%	3.09%	4.51%	4.11%	2.77%	2.57%
Federal grants and contracts	0.90%	1.09%	0.85%	1.28%	1.42%	1.60%	1.75%	1.89%	1.98%	1.28%
State grants and contracts	0.49%	0.53%	0.49%	0.97%	0.55%	0.48%	0.49%	0.46%	0.68%	1.21%
Local grants and contracts	0.09%	0.10%	0.10%	0.11%	0.12%	0.11%	0.11%	0.12%	0.13%	0.10%
Sales and services of educational activities	3.91%	3.33%	4.17%	4.70%	4.91%	5.23%	5.38%	3.92%	3.58%	3.60%
Sales and services of auxiliary enterprises	2.39%	9.72%	2.43%	2.29%	2.12%	3.41%	3.68%	6.01%	2.94%	2.50%
Other operating revenues										
Total Operating Revenues	43.02%	46.37%	32.58%	31.77%	31.82%	34.51%	33.59%	32.56%	26.31%	27.63%
State appropriations	18.61%	17.34%	21.78%	21.55%	21.98%	21.80%	22.37%	22.54%	24.96%	24.00%
Property taxes	22.65%	21.13%	25.42%	25.28%	24.74%	23.95%	24.22%	23.80%	25.07%	24.81%
Federal Revenue, Non Operating	15.56%	15.07%	19.83%	20.91%	21.17%	19.59%	19.75%	20.99%	23.50%	23.33%
Investment income	0.16%	0.08%	0.39%	0.49%	0.30%	0.15%	0.08%	0.11%	0.16%	0.22%
Total Non-Operating Revenue	56.98%	53.63%	67.42%	68.23%	68.18%	65.49%	66.41%	67.44%	73.69%	72.37%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

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

For the Fiscal Year Ended August 31.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
\$	37,522,741	35,252,771	35,981,694	36,651,081	34,184,631	32,714,778	31,740,018	31,823,349	30,301,247	29,123,820
Instruction	622,514	1,033,887	506,735	589,073	2,402,243	2,885,121	2,850,500	2,564,089	1,154,083	1,242,178
Public service	4,501,409	4,021,600	3,823,982	4,097,261	4,266,794	3,834,827	3,454,246	3,240,998	3,065,891	2,681,755
Academic support	8,902,253	8,960,017	9,154,361	9,425,168	8,971,741	8,511,418	7,878,226	8,368,551	9,132,262	8,295,712
Student services	23,648,742	33,247,192	23,339,284	20,446,063	15,988,109	14,944,628	14,363,329	13,395,614	13,361,329	12,957,310
Institutional support	10,227,942	9,777,367	8,123,768	7,343,705	8,539,806	9,447,957	7,941,044	7,695,539	7,989,169	7,139,979
Operation and maintenance of plant	17,493,431	10,673,662	7,640,607	4,388,279	4,925,497	4,334,539	3,725,898	3,718,928	1,922,592	2,964,736
Scholarships and fellowships	10,889,315	9,888,795	8,957,554	9,747,202	9,481,305	9,507,972	9,016,053	8,083,988	7,732,876	6,902,087
Auxiliary enterprises	9,664,929	9,297,214	9,229,084	8,697,020	8,432,343	8,545,269	8,323,527	7,542,729	6,602,578	6,443,662
Depreciation										
Total Operating Expenses	123,473,276	122,152,505	106,757,069	101,384,852	97,192,469	94,726,509	89,292,841	86,433,785	81,262,027	77,651,239
Interest on capital related debt	3,220,376	3,556,016	3,308,896	3,523,964	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158	2,353,194
Total Non-Operating Expenses	3,220,376	3,556,016	3,308,896	3,523,964	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158	2,353,194
Total Expenses	\$ 126,693,652	\$ 125,708,521	\$ 110,065,965	\$ 104,908,816	\$ 100,954,847	\$ 99,239,534	\$ 93,750,163	\$ 88,887,562	\$ 84,158,185	\$ 80,004,433

For the Fiscal Year Ended August 31.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
29.62%	97.17%	97.17%	96.99%	96.64%	96.27%	95.45%	95.25%	97.24%	96.56%	97.06%
0.49%	2.83%	2.83%	3.01%	3.36%	3.73%	4.55%	4.75%	2.76%	3.44%	2.94%
3.55%	2.83%	3.01%	3.36%	3.73%	4.55%	4.75%	4.75%	2.76%	3.44%	2.94%
7.03%	2.83%	3.01%	3.36%	3.73%	4.55%	4.75%	4.75%	2.76%	3.44%	2.94%
18.67%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8.07%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
13.81%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
8.59%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
7.63%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Operating Expenses	97.46%	97.17%	96.99%	96.64%	96.27%	95.45%	95.25%	97.24%	96.56%	97.06%
Interest on capital related debt	2.54%	2.83%	3.01%	3.36%	3.73%	4.55%	4.75%	2.76%	3.44%	2.94%
Total Non-Operating Expenses	2.54%	2.83%	3.01%	3.36%	3.73%	4.55%	4.75%	2.76%	3.44%	2.94%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 4

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

RESIDENT
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per Student)	In-District Tuition	Out-of-District Tuition	General Education Fees	Health Service Fee (Per Student)	Campus Security Fee (Per Student)	Student Life Fee	Technology Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2021	\$ 45	\$ 32	\$ 92	\$ 42	\$ 35	\$ 40	\$ 2	\$ 15	1,212	1,932	0.00%	0.00%
2020	45	32	92	42	35	40	2	15	1,212	1,932	0.00%	0.00%
2019	45	32	92	42	35	40	2	15	1,212	1,932	0.00%	0.00%
2018	45	32	92	42	35	40	2	15	1,212	1,932	6.50%	5.34%
2017	35	32	90	42	35	36	2	10	1,138	1,834	5.57%	5.52%
2016	35	30	85	42	35	36	2	7	1,078	1,738	5.27%	9.45%
2015	35	30	77	40	35	30	2	5	1,024	1,588	6.22%	3.93%
2014	35	30	77	40	35	30	2	-	964	1,528	0.00%	0.00%
2013	35	30	77	40	35	30	2	-	964	1,528	3.88%	3.24%
2012	35	30	76	37	35	30	2	-	928	1,480	0.00%	0.00%

Table 4
(Continued)

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

Academic (Fall)	Registration Student)	Non-Resident Out-of-State	Non-Resident International	General Education Fees	Health Service Fee (Per Student)		Campus Security Fee (Per Student)	Student Life Fee	Technology Fee	Cost for 12 SCH		Increase from Prior Year Out-of-State	Increase from Prior Year International
					\$	\$				Out-of-State	International		
2021	45	\$ 116	\$ 116	42	\$ 35	\$ 40	40	\$ 2	\$ 15	2,220	2,220	0.00%	0.00%
2020	45	116	116	42	35	40	40	2	15	2,220	2,220	0.00%	0.00%
2019	45	116	116	42	35	40	40	2	15	2,220	2,220	0.00%	0.00%
2018	45	116	116	42	35	40	40	2	15	2,220	2,220	4.62%	4.62%
2017	35	114	114	42	35	36	36	2	10	2,122	2,122	5.36%	5.36%
2016	35	108	108	42	35	36	36	2	7	2,014	2,014	6.00%	6.00%
2015	35	108	108	40	35	30	30	2	-	1,900	1,900	7.47%	7.47%
2014	35	97	97	40	35	30	30	2	-	1,768	1,768	0.00%	0.00%
2013	35	97	97	40	35	30	30	2	-	1,768	1,768	2.79%	2.79%
2012	35	96	96	37	35	30	30	2	-	1,720	1,720	0.00%	0.00%

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

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

Fiscal Year	Assessed Valuation of Property		Less: Exemptions	Taxable Assessed Value (TAV) (a)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations
	Real Property	Personal Property				
2021-22	17,589,886,988	4,397,471,747	5,537,268,889	16,450,089,846	74.82%	\$ 0.158000
2020-21	16,579,733,378	4,144,933,344	5,263,893,230	15,460,773,492	74.60%	\$ 0.158000
2019-20	15,416,905,686	3,854,226,421	4,570,675,566	14,700,456,541	76.28%	\$ 0.158000
2018-19	14,541,852,947	3,635,463,237	4,421,486,925	13,755,829,259	75.68%	\$ 0.158000
2017-18	13,447,443,210	3,361,860,802	3,887,826,484	12,921,477,528	76.87%	\$ 0.154160
2016-17	12,921,189,381	3,230,297,345	3,779,243,544	12,372,243,182	76.60%	\$ 0.149298
2015-16	11,815,445,048	2,953,861,262	2,825,618,729	11,943,687,581	80.87%	\$ 0.147119
2014-15	11,478,394,557	2,869,598,639	2,797,095,957	11,550,897,239	80.51%	\$ 0.152999
2013-14	11,384,487,770	2,846,121,942	2,977,426,083	11,253,183,629	79.08%	\$ 0.151417
2012-13	11,557,529,195	2,889,382,299	3,443,579,922	11,003,331,572	76.16%	\$ 0.150647

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

Table 6

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

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour				State Appropriation per Contact Hour
	State Appropriations	FTSE	State Appropriations Per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	State	
2021-22	19,086,154	9,961	1,916.09	3,534,344	1,469,936	5,004,280	3.81	
2020-21	18,085,823	10,320	1,752.50	3,772,216	1,633,824	5,406,040	3.35	
2019-20	18,086,935	10,046	1,800.41	3,809,632	1,628,000	5,437,632	3.33	
2018-19	16,775,052	10,320	1,625.49	3,764,760	1,567,440	5,332,200	3.15	
2017-18	16,756,085	10,071	1,663.80	3,640,424	1,525,072	5,165,496	3.24	
2016-17	16,653,999	10,464	1,591.55	3,679,464	1,406,416	5,085,880	3.27	
2015-16	16,627,654	9,746	1,706.10	3,566,264	1,318,800	4,885,064	3.40	
2014-15	16,788,037	9,853	1,703.85	3,540,592	1,381,008	4,921,600	3.41	
2013-14	16,788,037	9,907	1,694.56	3,686,616	1,352,312	5,038,928	3.33	
2012-13	16,477,885	9,291	1,773.53	3,619,672	1,430,192	5,049,864	3.26	

Notes:

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

Table 7

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2017-2021
(UNAUDITED)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2021	2020	2019	2018	2017
Brookshire Grocery Company	Supermarkets; distribution facilities	151,768,509	157,867,395	155,146,941	161,395,516	176,151,119
Oncor Electric / TXU	Electric utility	259,542,273	187,627,045	162,720,239	144,418,384	128,985,546
WalMart/Sam's	Retail	53,590,084	53,671,779	98,150,729	99,971,177	90,941,086
McWane Inc./ Ranson Industries	Pipe manufacturer	-	-	-	-	-
Sanderson Farms Inc.	Poultry farming	197,372,730	195,151,351	155,919,949	-	-
Dayton Hudson Corp. (Target)	Retail, distribution facilities	118,873,592	70,731,929	119,743,699	105,478,615	106,022,319
Delek Refining LTD / Crown / LaGloria	Refinery	223,766,504	248,199,350	275,276,092	259,134,664	246,264,747
Cebridge Acquisition LP	Commercial property	60,510,797	65,711,389	60,122,238	50,153,996	43,418,639
Carrier / Tytex	Air conditioning manufacturer	-	-	-	-	-
Union Oil Company	Oil & Gas	-	-	-	16,345,769	16,345,769
Genecov Investment Group	Commercial property	59,560,824	58,135,729	54,517,783	55,895,348	54,517,783
East Texas Medical Center	Hospital	-	-	-	-	-
Mother Frances Hospital	Hospital	-	-	-	-	192,899,297
University of Texas Health Center	Hospital	-	-	-	-	-
Simon Property Group	Commercial property	44,463,300	-	42,328,250	42,328,250	44,882,250
Tyler Regional Hospital	Hospital	252,158,800	250,955,355	248,056,435	241,006,785	-
BreitBurn Operating	Oil & Gas	-	43,545,000	43,674,208	-	-
Totals		\$ 1,421,607,413	\$ 1,331,596,322	\$ 1,415,656,563	\$ 1,176,128,504	\$ 1,100,428,555
Total Taxable Assessed Value		\$ 16,450,089,846	\$ 15,460,773,942	\$ 14,700,456,541	\$ 13,755,829,259	\$ 12,921,477,528

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2017-2021
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2021	2020	2019	2018	2017
Brookshire Grocery Company	Supermarkets; distribution facilities	0.92%	1.02%	1.06%	1.17%	1.36%
Oncor Electric / TXU	Electric utility	1.58%	1.21%	1.11%	1.05%	1.00%
WalMart/Sam's	Retail	0.33%	0.35%	0.67%	0.73%	0.70%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Sanderson Farms Inc.	Poultry farming	1.20%	1.26%	1.06%	0.00%	0.00%
Dayton Hudson Corp. (Target)	Retail; distribution facilities	0.72%	0.46%	0.81%	0.77%	0.82%
Delek Refining LTD / Crown / LaGloria	Refinery	1.36%	1.61%	1.87%	1.88%	1.91%
Cebridge Acquisition LP	Commercial property	0.37%	0.43%	0.41%	0.36%	0.34%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%
Genecov Investment Group	Commercial property	0.36%	0.38%	0.37%	0.41%	0.42%
East Texas Medical Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Mother Frances Hospital	Hospital	0.00%	0.00%	0.00%	0.00%	1.49%
University of Texas Health Center	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
Simon Property Group	Commercial property	0.27%	0.00%	0.29%	0.31%	0.35%
Tyler Regional Hospital	Hospital	1.53%	1.62%	1.69%	1.75%	0.00%
BreitBurn Operating	Oil & Gas	0.00%	0.28%	0.30%	0.00%	0.00%
Totals		8.64%	8.61%	9.63%	8.43%	8.39%

Source: Smith and Van Zandt County Appraisal Districts

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2012-2016
(UNAUDITED)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2016	2015	2014	2013	2012
Brookshire Grocery Company	Supermarkets; distribution facilities	64,961,471	76,087,378	70,542,484	60,855,905	62,387,213
Oncor Electric / TXU	Electric utility	117,562,026	133,216,887	112,195,234	85,243,137	80,476,227
WalMart/Sam's	Retail	-	-	-	-	-
McWane Inc./ Ranson Industries	Pipe manufacturer	42,837,272	47,914,499	42,265,341	48,259,908	56,096,738
Sanderson Farms Inc.	Poultry farming	-	-	-	-	-
Dayton Hudson Corp. (Target)	Retail; distribution facilities	110,683,226	96,041,307	96,708,766	96,708,766	70,140,546
Delek Refining LTD / Crown / LaGloria	Refinery	240,250,644	231,928,942	269,547,365	260,276,054	253,727,697
Simon Property Group	Commercial property	-	-	-	-	-
Carrier / Tytex	Air conditioning manufacturer	-	-	-	-	-
Union Oil Company	Oil & Gas	12,114,272	22,252,184	37,360,851	40,346,436	51,930,937
Genecov Investment Group	Commercial property	-	-	-	-	-
East Texas Medical Center	Hospital	94,348,545	94,352,150	94,355,755	94,362,965	94,366,570
Mother Frances Hospital	Hospital	166,671,499	166,671,499	166,671,499	159,840,819	93,272,964
University of Texas Health Center	Hospital	68,717,190	68,717,190	68,717,190	68,717,190	68,364,930
Simon Property Group	Commercial Property	43,575,000	43,575,000	42,815,000	42,815,000	42,850,000
Tyler Regional Hospital	Hospital	-	-	-	-	-
BreitBurn Operating	Oil & Gas	-	-	-	-	-
Totals		\$ 961,721,145	\$ 980,757,036	\$ 1,001,179,485	\$ 957,426,180	\$ 873,613,822
Total Taxable Assessed Value		\$ 12,372,243,182	\$ 11,943,687,581	\$ 11,550,897,239	\$ 11,253,183,629	\$ 11,003,331,572

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2012-2016

Taxpayer (1)	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2016	2015	2014	2013	2012
Brookshire Grocery Company	Supermarkets; distribution facilities	0.53%	0.64%	0.61%	0.54%	0.57%
Oncor Electric / TXU	Electric utility	0.95%	1.12%	0.97%	0.76%	0.73%
WalMart/Sam's	Retail	0.00%	0.00%	0.00%	0.00%	0.00%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.35%	0.40%	0.37%	0.43%	0.51%
Sanderson Farms Inc.	Poultry farming	0.00%	0.00%	0.00%	0.00%	0.00%
Dayton Hudson Corp. (Target)	Retail; distribution facilities	0.89%	0.80%	0.84%	0.86%	0.64%
Delek Refining LTD / Crown / LaGloria	Refinery	1.94%	1.94%	2.33%	2.31%	2.31%
Cebridge Acquisition LP	Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.10%	0.19%	0.32%	0.36%	0.47%
Genecov Investment Group	Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%
East Texas Medical Center	Hospital	0.76%	0.79%	0.82%	0.84%	0.86%
Mother Frances Hospital	Hospital	1.35%	1.40%	1.44%	1.42%	0.85%
University of Texas Health Center	Hospital	0.56%	0.58%	0.59%	0.61%	0.62%
Simon Property Group	Commercial property	0.35%	0.36%	0.37%	0.38%	0.39%
Tyler Regional Hospital	Hospital	0.00%	0.00%	0.00%	0.00%	0.00%
BreitBurn Operating	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		7.77%	8.21%	8.67%	8.51%	7.94%

Source: Smith and Van Zandt County Appraisal Districts

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

Fiscal Year Ended August	Total Tax Levy (1)	Percent of		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
		Current Tax Levy Collected	Total Tax Collections			
2022	\$ 30,040,343	\$ 29,717,635	98.93%	\$ 25,632	\$ 29,743,267	99.01%
2021	\$ 28,950,582	\$ 28,310,228	97.79%	\$ 50,171	\$ 28,360,399	97.96%
2020	\$ 27,761,934	\$ 27,144,246	97.78%	\$ 20,261	\$ 27,164,507	97.85%
2019	\$ 26,171,725	\$ 25,502,176	97.44%	\$ 186,382	\$ 25,688,558	98.15%
2018	\$ 24,504,733	\$ 23,951,233	97.74%	\$ 55,480	\$ 24,006,713	97.97%
2017	\$ 23,356,528	\$ 22,948,703	98.25%	\$ 76,149	\$ 23,024,852	98.58%
2016	\$ 22,705,595	\$ 22,349,789	98.43%	\$ 52,100	\$ 22,401,889	98.66%
2015	\$ 21,803,240	\$ 21,523,382	98.72%	\$ 11,292	\$ 21,534,674	98.77%
2014	\$ 21,269,434	\$ 20,921,516	98.36%	\$ -	\$ 20,921,516	98.36%
2013	\$ 20,721,317	\$ 20,414,731	98.52%	\$ 135,585	\$ 20,550,316	99.17%

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

Table 9

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

	For the Fiscal Year Ended August 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Other Debt										
Bonded debt	\$ 98,771,626	\$ 107,476,218	\$ 116,479,118	\$ 103,079,707	\$ 111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,770,000	\$120,050,000	\$ 75,695,000
Capital Leases (per GASB 87)	-	2,057,585	2,819,936	3,779,209	-	-	-	-	-	-
Notes & Other Financing Agreements	1,092,844	-	-	-	-	-	-	122,155	830,602	1,469,185
Total Outstanding Debt	\$ 99,864,470	\$ 109,533,803	\$ 119,299,054	\$ 106,858,916	\$ 111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,892,155	\$120,880,602	\$ 77,164,185
Total Outstanding Debt Ratios										
Per Capita	\$ 424.37	\$ 461.76	\$ 505.94	\$ 491.53	\$ 533.37	\$ 479.90	\$ 531.42	\$ 570.70	\$ 559.43	\$ 287.12
Per FTSE	9,916	10,414	11,595	9,988	11,078	10,332	11,933	12,676	12,202	8,305
As a percentage of Taxable Assessed Value	0.64%	0.70%	0.67%	0.75%	0.86%	0.87%	1.01%	1.08%	1.07%	0.70%

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

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

Fiscal Year Ended August 31	Pledged Revenues			Debt Service Requirements			Coverage Ratio
	Tuition and Fees	Auxiliary Enterprise	Total	Principal	Interest	Total	
2022	\$ 37,082,749	\$ 8,494,491	\$ 45,577,240	\$ 8,214,000	\$ 3,193,667	\$ 11,407,667	4.00
2021	\$ 38,385,199	\$ 7,480,980	\$ 45,866,179	\$ 8,518,000	\$ 3,556,016	\$ 12,074,016	3.80
2020	\$ 40,374,507	\$ 7,487,883	\$ 47,862,390	\$ 8,519,000	\$ 3,772,340	\$ 12,291,340	3.89
2019	\$ 39,891,305	\$ 8,041,659	\$ 47,932,964	\$ 8,264,000	\$ 3,308,896	\$ 11,572,896	4.14
2018	\$ 36,796,238	\$ 8,227,493	\$ 45,023,731	\$ 8,040,000	\$ 3,523,964	\$ 11,563,964	3.89
2017	\$ 35,456,328	\$ 8,249,300	\$ 43,705,628	\$ 8,180,000	\$ 3,762,378	\$ 11,942,378	3.66
2016	\$ 31,899,817	\$ 8,612,739	\$ 40,512,556	\$ 7,668,000	\$ 4,568,147	\$ 12,236,147	3.31
2015	\$ 30,674,433	\$ 6,590,091	\$ 37,264,524	\$ 5,280,000	\$ 5,269,180	\$ 10,549,180	3.53
2014	\$ 30,414,955	\$ 6,276,034	\$ 36,690,989	\$ 5,700,000	\$ 3,168,722	\$ 8,868,722	4.14
2013	\$ 30,569,314	\$ 5,785,185	\$ 36,354,499	\$ 5,540,000	\$ 3,058,107	\$ 8,598,107	4.23

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

Fiscal Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2021-22	235,806	\$ 13,458,913	\$ 57,076	3.7%
2020-21	232,751	13,102,118	56,292	6.2%
2019-20	230,221	12,714,831	55,229	3.6%
2018-19	209,714	10,748,612	47,200	3.4%
2017-18	209,714	11,232,199	49,857	3.7%
2016-17	225,290	11,196,702	50,224	4.5%
2015-16	222,936	9,464,715	42,455	4.5%
2014-15	218,842	9,199,272	42,036	5.2%
2013-14	216,080	8,889,117	41,138	6.5%
2012-13	214,617	8,218,435	38,293	7.0%

Sources:

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

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from U.S. Bureau of Labor Statistics

Table 12

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

Employer	2022		2021		2020		2019		2018	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
CHRISTUS Trinity Mother Frances	5,000	4.44%	4,149	4.07%	4,095	7.27%	4,095	7.10%	3,366	6.27%
UT Health East Texas	3,550	3.15%	4,497	4.41%	4,439	7.88%	4,439	7.70%	3,380	6.29%
Tyler Independent School District	2,550	2.27%	2,673	2.62%	2,639	4.68%	2,639	4.58%	2,360	4.40%
Brookshire Grocery Company	1,450	1.29%	1,641	1.61%	1,620	2.87%	1,620	2.81%	2,456	4.57%
UT Tyler	1,200	1.07%	1,459	1.43%	1,440	2.56%	1,440	2.50%	968	1.80%
Suddenlink/Alice USA	1,150	1.02%	1,165	1.14%	1,150	2.04%	1,150	1.99%	1,500	2.79%
UT Health Northeast/UT Health Science Center	1,450	1.29%	1,122	1.10%	1,108	1.97%	1,108	1.92%	1,414	2.63%
Trane Co.	1,450	1.29%	1,348	1.32%	1,331	2.36%	1,331	2.31%	1,744	3.25%
Wal-Mart	1,500	1.33%	1,257	1.23%	1,241	2.20%	1,241	2.15%	1,396	2.60%
Tyler Junior College District	-	0.00%	980	0.96%	967	1.72%	967	1.68%	947	1.76%
City of Tyler	-	0.00%	-	0.00%	-	0.00%	853	1.48%	813	1.51%
Sanderson Farms	1,850	1.64%	1,714	1.68%	1,692	3.00%	1,000	1.73%	-	0.00%
Smith County	-	0.00%	-	0.00%	-	0.00%	843	1.46%	860	1.60%
	21,150	18.79%	22,005	21.57%	21,722	38.54%	22,726	36.23%	21,204	37.89%

Table 12
(Continued)

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

Employer	2017		2016		2015		2014		2013	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
CHRISTUS Trinity Mother Frances	3,523	6.56%	4,300	7.96%	4,300	7.96%	4,030	7.46%	3,775	7.02%
UT Health East Texas	3,460	6.44%	3,194	5.91%	3,194	5.91%	3,092	5.72%	3,153	5.86%
Tyler Independent School District	2,720	5.07%	2,115	3.91%	2,115	3.91%	2,359	4.37%	2,468	4.59%
Brookshire Grocery Company	2,058	3.83%	2,565	4.75%	2,565	4.75%	1,762	3.26%	2,599	4.83%
UT Tyler	1,661	3.09%	1,765	3.27%	1,765	3.27%	1,557	2.88%	1,121	2.08%
Suddenlink/Alice USA	1,500	2.79%	1,500	2.78%	1,500	2.78%	1,600	2.96%	1,500	2.79%
UT Health Northeast/UT Health Science Center	1,388	2.59%	1,130	2.09%	1,130	2.09%	1,050	1.94%	925	1.72%
Trane Co.	1,319	2.46%	1,538	2.85%	1,538	2.85%	1,500	2.78%	1,500	2.79%
Wah-Mart	1,191	2.22%	1,600	2.96%	1,600	2.96%	1,296	2.40%	1,311	2.44%
Tyler Junior College District	941	1.75%	841	1.56%	841	1.56%	935	1.73%	862	1.60%
City of Tyler	827	1.54%	853	1.58%	853	1.56%	-	0.00%	-	0.00%
Sanderson Farms	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Smith County	819	0.00%	807	1.49%	-	0.00%	-	0.00%	-	0.00%
	21,407	38.34%	22,208	41.10%	21,401	39.59%	19,181	35.50%	19,214	35.72%

Source:
Tyler Economic Development Council - Community Profile

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

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty										
Full-Time	334	323	321	320	316	311	310	309	296	295
Part-Time	299	349	349	309	310	309	307	355	306	305
Total	633	672	670	629	626	620	617	664	602	600
Percent										
Full-Time	52.76%	48.07%	47.91%	50.87%	50.48%	50.16%	50.24%	46.54%	49.17%	49.17%
Part-Time	47.24%	51.93%	52.09%	49.13%	49.52%	49.84%	49.76%	53.46%	50.83%	50.83%
Staff and Administrators										
Full-Time	355	374	372	375	367	365	365	352	348	339
Part-Time	166	141	268	230	298	297	294	226	264	255
Total	521	515	640	605	665	662	659	578	612	594
Percent										
Full-Time	68.14%	72.62%	58.13%	61.98%	55.19%	55.14%	55.39%	60.90%	56.86%	57.07%
Part-Time	31.86%	27.38%	41.88%	38.02%	44.81%	44.86%	44.61%	39.10%	43.14%	42.93%
FTSE per Full-Time Faculty	29.82	29.82	31.30	32.25	31.87	33.65	31.44	31.89	33.47	31.49
FTSE per Full-Time Staff Member	28.06	28.06	27.01	27.52	27.44	28.67	26.70	27.99	28.47	27.41
Average Annual Faculty Salary	\$ 52,094	\$ 52,176	\$ 56,500	\$ 56,800	\$ 54,657	\$ 54,179	\$ 53,939	\$ 51,309	\$ 50,217	\$ 51,120

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

Student Classification	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	10,608	89.30%	7,420	63.28%	7,939	64.59%	5,838	58.27%	5,643	58.85%
31-60 hours	1,264	10.64%	3,537	30.16%	3,675	29.90%	3,646	36.39%	3,441	35.88%
>60 hours	7	0.06%	751	6.40%	665	5.41%	532	5.31%	505	5.27%
BAT	0	0.00%	18	0.15%	12	0.10%	3	0.03%	0	0.00%
Total	11,879	100%	11,726	100%	12,291	100%	10,019	100%	9,589	100%

Semester Hour Load	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Part-Time	4,714	39.68%	4,680	39.91%	5,039	41.00%	3,810	38.03%	3,746	39.07%
Full-Time	7,165	60.32%	7,046	60.09%	7,252	59.00%	6,209	61.97%	5,843	60.93%
Total	11,879	100%	11,726	100%	12,291	100%	10,019	100%	9,589	100%

Tuition Status	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	4,816	40.54%	4,811	41.03%	4,994	40.63%	3,531	35.24%	3,744	39.04%
Texas Resident (out-of-District)	6,495	54.68%	6,244	53.25%	6,503	52.91%	5,257	52.47%	5,102	53.21%
Non-Resident Tuition	568	4.78%	403	3.44%	403	3.28%	380	3.79%	332	3.46%
Tuition Exemption/Waiver	0	0.00%	268	2.29%	391	3.18%	851	8.49%	411	4.29%
Total	11,879	100%	11,726	100%	12,291	100%	10,019	100%	9,589	100%

Table 15

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

	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent								
Female	7,461	62.81%	7,524	64.17%	7,684	62.52%	6,186	61.74%	5,827	60.77%
Male	4,418	37.19%	4,202	35.83%	4,607	37.48%	3,833	38.26%	3,762	39.23%
Total	11,879	100%	11,726	100%	12,291	100%	10,019	100%	9,589	100%

Ethnic Origin	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent								
White	5,457	45.94%	5,733	48.26%	6,065	51.72%	4,818	39.20%	4,700	46.91%
Hispanic	3,242	27.29%	3,069	25.84%	3,133	26.72%	2,530	20.58%	2,211	22.07%
African American	1,919	16.15%	1,968	16.57%	2,069	17.64%	1,987	16.17%	2,005	20.01%
Asian	194	1.63%	193	1.62%	200	1.71%	134	1.09%	120	1.20%
Native American	61	0.51%	63	0.53%	48	0.41%	34	0.28%	41	0.41%
Other	1,006	8.47%	700	5.89%	776	6.62%	516	4.20%	512	5.11%
Total	11,879	100%	11,726	99%	12,291	105%	10,019	82%	9,589	96%

Age	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent								
16 or younger	1,531	12.89%	1,252	10.54%	1,544	13.17%	336	2.73%	279	2.78%
17	1,200	10.10%	1,157	9.74%	1,133	9.66%	304	2.47%	161	1.61%
18	1,950	16.42%	2,169	18.26%	2,217	18.91%	2,080	16.92%	1,995	19.91%
19-21	3,699	31.14%	3,675	30.94%	3,819	32.57%	3,740	30.43%	3,561	35.54%
22-24	1,172	9.87%	1,079	9.08%	1,158	9.88%	1,143	9.30%	1,155	11.53%
25-30	1,056	8.89%	1,105	9.30%	1,114	9.50%	1,122	9.13%	1,100	10.98%
31-35	512	4.31%	529	4.45%	522	4.45%	496	4.04%	507	5.06%
36-50	637	5.36%	633	5.33%	629	5.36%	662	5.39%	669	6.68%
51-64	115	0.97%	120	1.01%	141	1.20%	123	1.00%	153	1.53%
65 & over	7	0.06%	7	0.06%	14	0.12%	13	0.11%	9	0.09%
Total	11,879	100%	11,726	99%	12,291	105%	10,019	82%	9,589	96%

Average Age	22	22	22	23	23
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Table 16

TYLER JUNIOR COLLEGE DISTRICT
 TRANSFERS TO SENIOR INSTITUTIONS
 2020 FALL STUDENTS AS OF FALL 2021
 (Includes only public senior colleges in Texas)
 (UNAUDITED)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep	CEU Graduates		
1 Angelo State University	1,184	165	6	0	1,355	0.98%
2 Lamar University	1,109	254	12	0	1,375	1.00%
3 Midwestern State University	828	177	9	1	1,015	0.74%
4 Prairie View A&M University	1,067	109	5	0	1,181	0.86%
5 Sam Houston State University	5,403	349	33	1	5,786	4.20%
6 Stephen F. Austin State University	2,203	202	23	0	2,428	1.76%
7 Sul Ross State University	118	17	2	0	137	0.10%
8 Sul Ross State University - Rio Grande College	216	7	46	0	269	0.20%
9 Tarleton State University	3,519	515	36	0	4,070	2.96%
10 Texas A&M International University	1,195	82	31	0	1,308	0.95%
11 Texas A&M University	16,134	1,037	36	0	17,207	12.50%
12 Texas A&M University - Central Texas	652	113	9	1	775	0.56%
13 Texas A&M University - Commerce	1,514	188	4	1	1,707	1.24%
14 Texas A&M University - Corpus Christi	1,628	131	3	0	1,762	1.28%
15 Texas A&M University - Kingsville	685	153	2	0	840	0.61%
16 Texas A&M University - San Antonio	2,506	314	1	0	2,821	2.05%
17 Texas A&M University - Texarkana	412	35	2	0	449	0.33%
18 Texas A&M University at Galveston	518	25	102	1	646	0.47%
19 Texas Southern University	681	73	46	0	800	0.58%
20 Texas State University	7,735	593	15	0	8,343	6.06%
21 Texas Tech University	6,743	823	13	0	7,579	5.51%
22 Texas Woman's University	2,694	311	1	0	3,006	2.18%
30 The University of Texas Permian Basin	753	77	42	1	873	0.63%
23 The University of Texas - Rio Grande Valley	3,744	358	64	1	4,167	3.03%
24 The University of Texas at Arlington	9,655	1,606	19	4	11,284	8.20%
25 The University of Texas at Austin	8,721	626	55	0	9,402	6.83%
26 The University of Texas at Dallas	5,356	835	29	0	6,220	4.52%
27 The University of Texas at El Paso	2,583	90	6	0	2,679	1.95%
28 The University of Texas at San Antonio	7,492	496	15	1	8,004	5.81%
29 The University of Texas at Tyler	1,863	274	1	0	2,138	1.55%
31 University of Houston	9,159	472	3	0	9,634	7.00%
32 University of Houston - Clear Lake	1,950	156	5	0	2,111	1.53%
33 University of Houston - Downtown	3,349	300	16	0	3,665	2.66%
34 University of Houston - Victoria	947	101	46	0	1,094	0.79%
35 University of North Texas	7,943	1,030	45	0	9,018	6.55%
36 University of North Texas at Dallas	855	140	0	2	997	0.72%
37 West Texas A&M University	1,399	78	34	0	1,511	1.10%
Totals	124,513	12,312	817	14	137,656	100%

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

Table 17

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Academic buildings	15	15	15	15	15	15	15	15	13	13
Square footage (in thousands)	673	673	657	657	657	657	657	657	430	430
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	41	41	41	41	41	41	41	41	41	41
Number of Volumes (in thousands)	66	61	64	78	82	84	84	85	86	87
Administrative and support buildings	10	10	10	10	10	10	10	8	8	8
Square footage (in thousands)	178	178	178	178	178	178	178	170	170	170
Dormitories	10	10	10	10	10	10	10	10	9	9
Square footage (in thousands)	333	333	333	333	333	333	333	333	267	267
Number of Beds	1248	1248	1248	1248	1248	1248	1248	1248	1062	1062
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	4	4	4	4	4	4	4	4	4	4
Average daily customers	1989	1978	1683	2117	2015	2083	1962	1915	1745	3678
Athletic Facilities	7	7	7	7	7	7	7	7	7	7
Square footage (in thousands)	480	480	480	480	445	445	445	445	445	445
Stadiums	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness Centers	2	2	2	2	2	2	2	2	2	2
Tennis Court	3	3	3	3	2	2	2	2	2	2
Plant facilities	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Transportation										
Cars	14	16	16	19	17	19	17	13	17	17
Light Trucks/Vans	32	31	32	29	28	28	30	27	29	27
Heavy Trucks	0	1	1	1	1	1	1	1	1	1
Buses	1	1	1	1	1	1	1	1	1	1

TYLER JUNIOR COLLEGE DISTRICT
Maturity Schedule for Bonded Debt
August 31, 2022

FYE	2013 Series			2014 Series			2015 Series		
	Combined Fee Revenue (mat 8/15/28)			Combined Fee Revenue (mat 8/15/34)			Combined Fee Revenue (mat 8/15/30)		
	Prin	2/15	8/15	Prin	2/15	8/15	Prin	2/15	8/15
2023	705,000	67,331	67,331	2,000,000	542,206	542,206	377,000	43,348	43,348
2024	725,000	57,990	57,990	2,080,000	502,206	502,206	387,000	38,409	38,409
2025	745,000	48,021	48,021	2,140,000	471,006	471,006	397,000	33,340	33,340
2026	770,000	37,032	37,032	2,205,000	438,906	438,906	408,000	28,139	28,139
2027	790,000	25,483	25,483	2,275,000	404,453	404,453	418,000	22,794	22,794
2028-2032	815,000	13,040	13,040	12,690,000	1,368,525	1,368,525	1,322,000	34,938	34,938
2033-2036	-	-	-	5,805,000	180,778	180,778	-	-	-
Total	4,550,000	248,897	248,897	29,195,000	3,908,080	3,908,080	3,309,000	200,968	200,968

FYE	2015 Tax Notes (mat 2/15/30)			2016 Series Refunding (mat 8/15/36)			2016 Tax Notes (mat 2/15/26)		
	Interest			Interest			Interest		
	Prin	2/15	8/15	Prin	2/15	8/15	Prin	2/15	8/15
2023	251,000	25,214	22,315	1,060,000	282,484	282,484	1,620,000	66,750	50,550
2024	257,000	22,315	19,346	1,115,000	255,984	255,984	1,650,000	50,550	34,050
2025	263,000	19,346	16,308	1,160,000	233,684	233,684	1,685,000	34,050	17,200
2026	269,000	16,309	13,202	1,220,000	204,684	204,684	1,720,000	-	-
2027	276,000	13,202	10,014	1,265,000	180,284	180,284	-	-	-
2028-2032	867,000	20,189	10,176	6,760,000	690,822	690,822	-	-	-
2033-2036	-	-	-	6,055,000	224,394	224,394	-	-	-
Total	2,183,000	116,575	91,361	18,635,000	2,072,336	2,072,336	6,675,000	168,550	101,800

FYE	2019 Tax Notes (mat 2/15/2029)			2022 Refunding Bond (08/31/2032)			Total Aggregate Bonded Debt		
	Interest			Interest			Interest		
	Prin	2/15	8/15	Prin	2/15	8/15	Prin	2/15	8/15
2023	1,355,000	263,375	243,050	1,195,000	209,300	209,300	8,563,000	1,500,008	1,460,584
2024	1,515,000	243,050	227,900	1,220,000	197,225	197,225	8,949,000	1,367,729	1,333,110
2025	1,670,000	227,900	211,200	1,255,000	181,713	181,713	9,315,000	1,249,060	1,212,472
2026	1,825,000	211,200	192,950	1,305,000	159,250	159,250	9,722,000	1,112,720	1,074,163
2027	3,745,000	192,950	155,500	1,365,000	132,550	132,550	10,134,000	971,716	931,078
2028-2032	7,775,000	236,200	80,700	6,580,000	255,225	250,275	36,809,000	2,618,939	2,448,476
2033-2036	-	-	-	-	-	-	11,860,000	405,172	405,172
Total	17,885,000	1,374,675	1,111,300	12,920,000	1,135,263	1,130,313	95,352,000	9,225,344	8,865,055

Note: This table is submitted in order to comply with the provisions of HB No. 1378. All other information required is contained in Note 8 to the financial statements.



DISTRICT

SINGLE AUDIT SECTION



**TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Grantor's Number	Pass Through Disbursements and Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Assistance Cluster			
SEOG	84.007	--	\$ 337,500
Federal College Workstudy Program	84.033	--	111,572
Federal Pell Grant Program	84.063	--	19,924,793
Direct Student Loans	84.268	--	<u>15,439,945</u>
Total Student Financial Assistance Cluster			35,813,810
TRIO Cluster			
Student Support Services Grant	84.042	--	249,454
Educational Opportunity Centers	84.066	--	<u>236,494</u>
Total TRIO Cluster			485,948
COVID-19 Emergency Acts Funding			
HEERF Student Portion	84.425E	P425E200646	12,516,503
HEERF Institutional Portion	84.425F	P425F200186	12,457,236
HEERF DHSI Portion	84.425L	P425L200521	232,842
			<u>25,206,581</u>
Pass Through From:			
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	23716	<u>1,241,691</u>
Total U. S. Department of Education			<u>62,748,031</u>
National Science Foundation			
Research and Development Cluster			
Pass Through From:			
University of Texas at El Paso			
Education and Human Resources	47.076	226100996F	9,520
Total National Science Foundation			<u>9,520</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District			
Small Business Development Center	59.037	SBAHQ-20-B-0014	24,683
Small Business Development Center	59.037	SBAHQ-21-B-0038	192,024
Small Business Development Center/CARES Act	59.037	SBAHQ-20-C-0059	<u>78,727</u>
Total U.S. Small Business Administration (SBA)			<u>295,434</u>
U.S. Department of Health and Human Services			
Pass Through From:			
Workforce Solutions East Texas Board and East Texas Council of Governments			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	04161C21	<u>15,152</u>
Total U.S. Department of Health and Human Services			<u>15,152</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 63,068,137</u>

See Notes to Schedule on following page.

**TYLER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022**

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Tyler Junior College District under programs of the federal government for the year ended August 31, 2022 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

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

NOTE 2 — FEDERAL FINANCIAL ASSISTANCE RECONCILIATION

Federal Grants and Contracts per Schedule A	\$ 26,801,860
Non Operating Revenue From Schedule C	20,867,906
Direct Student Loans	15,439,945
Matching Contributions Included in Schedule E	<u>41,574</u>
Total Federal Financial Assistance – Schedule E	<u>\$ 63,068,137</u>

NOTE 3 — INDIRECT COST RATES

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

**TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 60,986
Professional Nursing Shortage Reduction Program	--	415,076
Texas Educational Opportunity Grant Program	--	1,032,165
Dallas County Community College District		
Small Business Development Center	SBAHQ-21-B-0038	5,281
Small Business Development Center	SBAHQ-22-B-0006	63,701
Texas Workforce Commission		
Skills Development COVID-19	0820COS004	<u>41,587</u>
Total Expenditures of State Awards		<u>\$ 1,618,796</u>

See Notes to Schedule on following page.

**TYLER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2022**

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The accompanying schedule of expenditures of state awards includes the state award activity of Tyler Junior College District, under programs of the state government for the year ended August 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas *Uniform Grant Management Standards* (UGMS). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basis financial statements.

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

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

NOTE 2 — STATE FINANCIAL ASSISTANCE RECONCILIATION

State Grants and Contracts per Schedule A	\$1,212,396
Professional Nursing Shortage Reduction reported on Schedule C	415,076
Prior Year Contributions Included in Schedule F	<u>(8,676)</u>
Total State Financial Assistance – Schedule F	<u>\$1,618,796</u>



DISTRICT

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

Board of Trustees
Tyler Junior College District
Tyler, Texas

Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Tyler Junior College District as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Tyler Junior College District's basic financial statements, and have issued our report thereon dated November 15, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tyler Junior College District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
November 15, 2022

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Independent Auditor's Report

Board of Trustees
Tyler Junior College District
Tyler, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tyler Junior College District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Tyler Junior College District's major federal programs for the year ended August 31, 2022. Tyler Junior College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tyler Junior College District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (continued)

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

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
November 15, 2022



DISTRICT

. TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED AUGUST 31, 2022

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee: _____ Yes X No

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

**TYLER JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2022**

Finding: 2021-001

Status: **(Corrected)** All automated chains for exit counseling were thoroughly reviewed and documented. Prompts were corrected and run schedules changed to correct the timing of each run. All corrections were made and the Low Enrollment Chain ran correctly after the changes. A Cognos report was created to run as a routinely internal audit process to pull students who are below 6 hours or who have graduated and who do not have DLEXIT posted for each term.