

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR FISCAL YEARS ENDED
AUGUST 31, 2020 AND AUGUST 31, 2019



TYLER, TEXAS

**TYLER JUNIOR COLLEGE DISTRICT
TYLER TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
AUGUST 31, 2020 AND 2019**

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



DISTRICT

**TYLER JUNIOR COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
AUGUST 31, 2020 AND 2019**

	<u>Exhibit/ Schedule</u>	<u>Page</u>
<u>INTRODUCTORY SECTION</u>		
Transmittal Letter		i-vi
GFOA Certificate of Achievement		vii
Organizational Chart		viii
Principal Officials		ix
<u>FINANCIAL SECTION</u>		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		6-20
Basic Financial Statements:		
Statements of Net Position	1	23
Statements of Financial Position – Tyler Junior College Foundation	1-1	24
Statements of Revenues, Expenses, and Changes In Net Position	2	25
Statements of Activities – Tyler Junior College Foundation	2-1	26
Statements of Cash Flows	3	27-28
Notes to the Financial Statements		29-54
Required Supplementary Information:		
Schedule of District's Share of Net Pension Liability	1	56
Schedule of District's Pension Contributions	2	57
Schedule of District's Proportionate Share of Net OPEB Liability	3	58
Schedule of District's OPEB Contributions	4	59
Notes to Required Supplementary Information		60
Supplemental Information:		
Schedule of Operating Revenues	A	62
Schedule of Operating Expenses by Object	B	63
Schedule of Non-Operating Revenues and Expenses	C	64
Schedule of Net Position by Source and Availability	D	65

**TYLER JUNIOR COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
AUGUST 31, 2020 AND 2019**

	<u>Table No.</u>	<u>Page</u>
<u>STATISTICAL SECTION (UNAUDITED)</u>		
Net Position by Component	1	69
Revenues by Source	2	70
Program Expenses by Function	3	71
Tuition and Fees	4	72-73
Assessed Value and Taxable Assessed Value of Property	5	74
State Appropriation per FTSE and Contact Hour	6	75
Principal Taxpayers	7	76-79
Property Tax Levies and Collections	8	80
Ratios of Outstanding Debt	9	81
Pledged Revenue Coverage	10	82
Demographic and Economic Statistics – Taxing District	11	83
Principal Employers	12	84-85
Faculty, Staff, and Administrators Statistics	13	86
Enrollment Details	14	87
Student Profile	15	88
Transfers to Senior Institutions	16	89
Capital Asset Information	17	90
Maturity Schedule for Bonded Debt	18	91
<u>SINGLE AUDIT SECTION</u>		
	<u>Schedule</u>	
Schedule of Expenditures of Federal Awards	E	94-95
Schedule of Expenditures of State Awards	F	96-97

**TYLER JUNIOR COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
AUGUST 31, 2020 AND 2019**

	<u>Schedule</u>	<u>Page</u>
<u>SINGLE AUDIT SECTION</u>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		98-99
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required By The Uniform Guidance		100-102
Schedule of Findings and Questioned Costs		103-106
Summary Schedule of Prior Audit Findings		107
Corrective Action Plan		108-109



DISTRICT

INTRODUCTORY SECTION





DISTRICT



November 16, 2020

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

The following comprehensive annual financial report of the Tyler Junior College District ("the College" or "the District") for the fiscal year ended August 31, 2020, 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 100,000 located in East Texas. The District was created in 1926 as part of the Tyler public school system to serve the higher education needs of area citizens. In 1945, Tyler voters established the Tyler Junior College District as an independent local governmental entity with a publicly elected board of trustees and the authority to levy taxes in support of the District. The District is currently comprised of some or all of six independent school districts including Chapel Hill, Grand Saline, Lindale, Tyler, Van, and Winona school districts located in Smith and Van Zandt counties. The District is considered a special-purpose government engaged in business-type activities for financial reporting purposes.

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

Although the Tyler Junior College District is regional in concept, the District's 117 degree and certificate programs at relatively low cost attracts students from forty-one states and thirty-two foreign countries. Annual fall unduplicated enrollment is approximately 12,150 academic and vocational students with an additional 1,000 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 Technologies and Medical Systems. 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 230,000 as of census projections in 2019. According to the Texas Demographic Center, this is an increase from the 2010 Census count of approximately 10.4%. Population estimates for the Tyler MSA continue to show anticipated growth of 1.0% annually. This is slightly less than the estimated population growth for the state of Texas, but more than projected growth for the United States.

Disruption caused by the coronavirus pandemic (COVID-19) caused unemployment in the Tyler area to increase during the past 12 months. The unemployment rate reached a high of 12% in April 2020 which is significantly higher than the September 2019 rate of 3.3%. Rates have been steadily declining since April to a low of 6% in August 2020. Unemployment rates are expected to continue to decline, but will be heavily dependent on the effects of the coronavirus during the next fiscal year. Dr. Ray Perryman of The Perryman Group projects continued job losses in the Tyler area as well as in the state through 2020. The Perryman Group forecasts there will be job additions in Tyler and the state during 2021, but projections indicate employment will not return to 2019 levels until 2022 assuming no additional shutdowns due to COVID-19. The Tyler MSA area has a strong base of healthcare and higher education which continues to support economic stability during this time. Prior to the economic instability created by COVID-19, projected industry growth in the Tyler area over

the next five (5) years was anticipated to increase in the areas of services, transportation and warehousing, mining, wholesale and retail trade, and finance, insurance and real estate. The housing market remains strong despite COVID-19. The long-term outlook remains positive for Texas and the Tyler area despite the challenges created by the pandemic.

Academic year 2019-2020 enrollment reached an all-time high in Fall 2019 with 12,585 students enrolled. Summer enrollment in 2020 increased as compared to 2019 due to monumental efforts by administrators, faculty and staff to offer face-to-face instruction during the pandemic while maintaining safety by following the Centers for Disease Control guidelines regarding masks and physical distancing. The District continued efforts to maintain enrollment into Fall 2020 and provide support and assistance to students as needed to encourage their continued success. Due to classroom space limitations caused by physical distancing requirements, face-to-face courses were limited for Fall 2020. This had an impact on enrollment leading to a decrease of approximately 4.6% as compared to Fall 2019. Compared to other institutions of higher education in the East Texas area, the state and the nation, the District fared relatively well. This enrollment decline was anticipated and cost saving measures were included in the fiscal year 2021 budget to offset potential enrollment declines. The District will continue to focus on its students and their needs during this time and make budget adjustments as necessary. Enrollment is expected to increase modestly in the future unless pandemic restrictions continue or increase.

State appropriations for fiscal year 2020 increased slightly over the prior year due to the increase in contact hour funding for the biennium. 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 2019-2020 or 2020-2021. 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 modestly 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 corresponding increase in property tax exemptions. The District maintained the maintenance and operation tax rate for 2019-2020 of \$.158000 per \$100 valuation and also maintained the associated debt tax rate of \$.041926 per \$100 valuation. The total tax rate for 2019-2020 for the District remained at \$.199926 per \$100 valuation. Currently, the impact of COVID-19 on property valuations is uncertain. Property valuations in the Tyler area have consistently been strong over the past several years as compared to the state and nation. The District will work with the surrounding tax authorities to monitor the valuations over the next year. The District is mindful of the relationship with the taxing district and strives to keep the tax rates at reasonable levels while still providing funds for the District to preserve existing infrastructure and provide for future capital growth. The District has maintained its total tax rate of \$.199926 since fiscal year 2013 and currently has no intent to increase this rate in the next year.

MAJOR INITIATIVES

The District began implementing strategic planning initiatives during the 2019-2020 academic year. The strategic plan for 2020-2026 was finalized and approved by the Board of Trustees in the summer of 2019. Broad-based involvement was sought to develop the new plan including the Board of Trustees, College administrators, faculty, and staff. The plan is expected to carry the District to its centennial celebration in 2026.

The College prepared for the decennial reaffirmation review by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) which occurred during 2020. The initial report was due to the Commission in March 2020. Due to the coronavirus pandemic, the District was not able to host the on-site committee review in October 2020. However, the Commission performed a virtual visit of the campus and is currently assessing reaffirmation for the District based on their review. Preliminary reports indicate the District is in compliance with all core requirements. The final report will be issued in June 2021 and the District is looking forward to a positive outcome and a successful reaffirmation process.

The Tyler Junior College Foundation initiated a capital campaign to raise funds for the renovation of Wise Auditorium which has been a landmark for TJC and East Texas performing arts programs since 1956. The TJC Campaign for the Performing Arts was launched in April 2018 to provide \$7.7 million in private funding to underwrite the construction. The estimated cost of the project is approximately \$13.2 million and funding for the remaining \$5.475 million will be provided by the District. The Rogers Palmer Performing Arts Center will feature 14,000 square feet in additional space including a new stage with state-of-the-art technology; a renovated auditorium with new seating, acoustical treatments and sound system; a new performance space and art gallery; a large main lobby with accessible box office, concession and event areas; spacious green room, rehearsal and dance studios; a presidential suite for hosting community guests and administrative offices. The new facility will ensure that TJC can continue to recruit exceptional talent, grow the College's arts programs and help build a thriving arts culture for East Texas by offering high quality and accessible programming. The Rogers Palmer Performing Arts Center is scheduled to be complete in January 2021.

The College issued \$20,140,000 in maintenance tax notes which were funded in September 2019. These funds have been, and will continue, to be used to perform needed renovations across campus. Renovation projects for 2020-2021 include the Wise Auditorium conversion to Rogers Palmer Performing Arts Center project; roof and window replacement and HVAC retrofit of the White Administrative Services Center building which has not been renovated since its construction in 1992; roof, ceiling, and floor repair to Rogers Student Center; and, renovation to legacy residence halls. Other maintenance, repairs and renovations include painting facilities, modernization of elevators, and bathroom renovations.

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) also 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. The Texas Higher Education Coordinating Board has approved the District to offer two baccalaureate degrees as of Fall 2018. The District is currently considering a third baccalaureate degree in Public Safety Management. The District will continue to review baccalaureate program possibilities and offer additional degrees as it identifies opportunities to meet the needs of both students and employers.

Tyler Junior College has committed to and partnered with the community to provide additional educational opportunities to all students in the taxing district who are willing to commit to their educational goals. The TJC Promise program was launched during fiscal year 2016-2017, the 90th anniversary of the District. The first TJC Promise program high school graduates of approximately 400 students began attending TJC in Fall 2020. These students are provided scholarships for their academic success in high school and their community service activities. The District is excited to offer this program and strongly believes it will provide students who are underserved the opportunity to obtain a higher education credential that may have been unattainable otherwise.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Tyler Junior College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2019. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standard for preparation of a state and local government financial report.

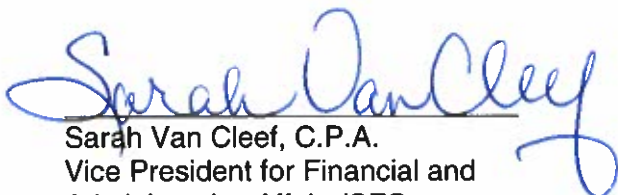
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

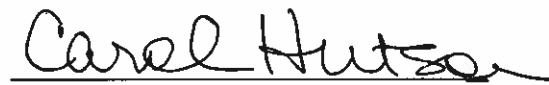
A Certificate of Achievement is valid for a period of one year only. The 2019 report was the twenty-fourth submission for the District, having earned its first Certificate of Achievement in 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

Respectfully submitted,


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


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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tyler Junior College
Texas**

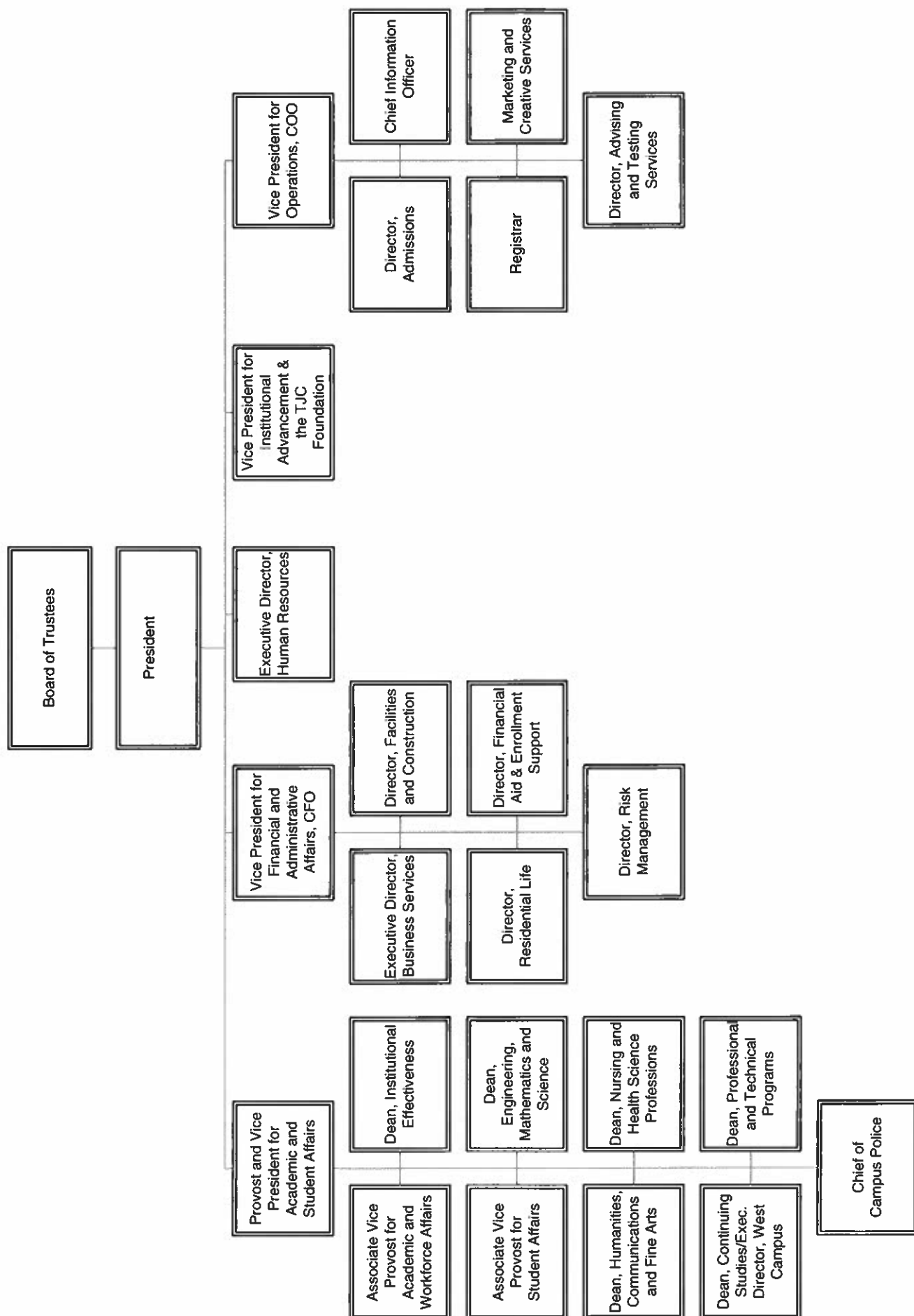
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

August 31, 2019

Christopher P. Morill

Executive Director/CEO

TYLER JUNIOR COLLEGE ORGANIZATIONAL STRUCTURE





ORGANIZATIONAL DATA
For the Fiscal Year 2020-2021

Board of Trustees

Officers

Rohn Boone	President
Peggy Smith	First Vice President
David Hudson	Second Vice President

Members

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

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	Vice President for Financial and Administrative Affairs, Chief Financial Officer
Kimberly Lessner	Vice President for Operations, Chief Operations Officer
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 Financial Statements

We have audited the accompanying basic financial statements of the Tyler Junior College District as of and for the years ended August 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Tyler Junior College District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of Tyler Junior College Foundation, a component unit of the District, which statements reflect total assets of \$87,883,065 and \$80,030,172 as of August 31, 2020 and 2019 and total revenues of \$12,695,528 and \$20,425,427 for the years then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit in Exhibits 1-1 and 2-1, is based on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the Tyler Junior College District as of August 31, 2020 and 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020, 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.



Certified Public Accountants

Tyler, Texas
November 16, 2020



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 2020. 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	
	2020	2019	2018	2019 to 2020	2018 to 2019
Assets					
Current Assets	\$ 53,810	\$ 35,777	\$ 38,829	\$ 18,033	\$ (3,052)
Capital Assets, Net	202,367	204,519	202,932	(2,152)	1,587
Other Assets	970	1,440	1,777	(470)	(337)
Total Assets	257,147	241,736	243,538	15,411	(1,802)
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	10,444	11,406	8,746	(962)	2,660
Deferred Outflows Related to Other Post Employment Benefits	20,299	20,382	1,031	(83)	19,351
Total Deferred Outflows of Resources	30,743	31,788	9,777	(1,045)	22,011
Liabilities					
Current Liabilities	38,783	39,489	40,241	(706)	(752)
Noncurrent Liabilities	181,346	162,188	154,285	19,158	7,903
Total Liabilities	220,129	201,677	194,526	18,452	7,151
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	7,589	6,977	4,937	612	2,040
Deferred Inflows Related to Other Post Employment Benefits	15,102	18,646	7,928	(3,544)	10,718
Total Deferred Inflows of Resources	22,691	25,623	12,865	(2,932)	12,758
Net Position					
Net Investment in Capital Assets	89,134	97,660	91,366	(8,526)	6,294
Restricted: Expendable	731	772	740	(41)	32
Unrestricted	(44,795)	(52,208)	(46,182)	7,413	(6,026)
Total Net Position	\$ 45,070	\$ 46,224	\$ 45,924	\$ (1,154)	\$ 300

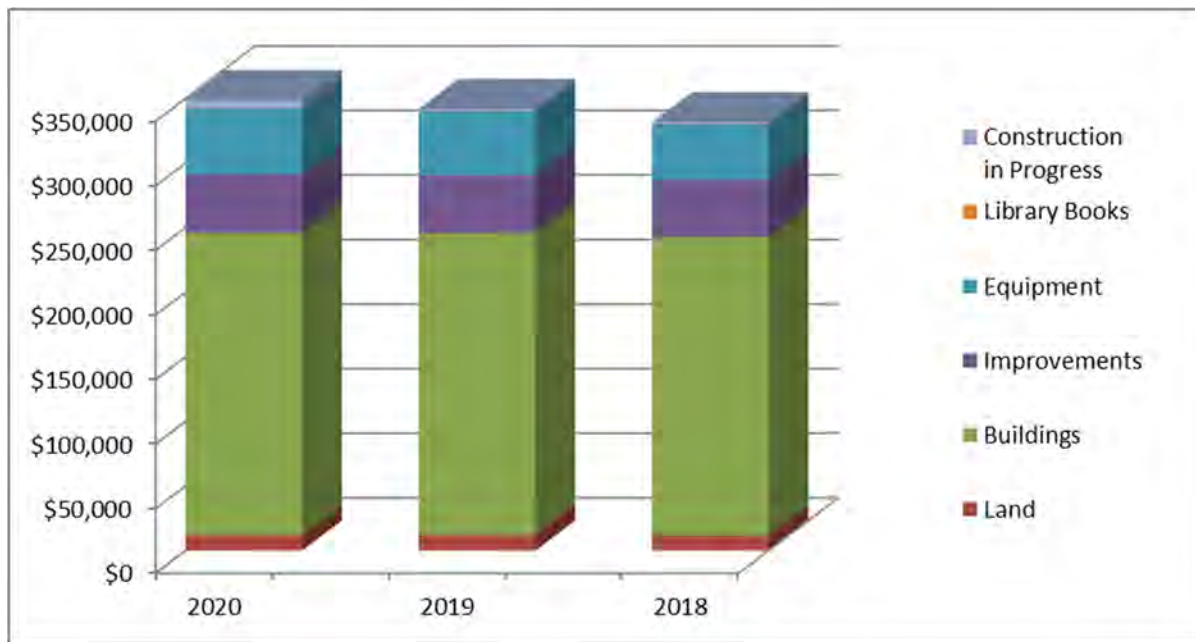
The \$257.1 million in assets includes cash and cash equivalents of \$34.0 million. This represents a \$18.4 million increase compared to the cash and cash equivalents of \$15.6 million in FY2019. The majority of the increase is a result of the proceeds from the issuance of \$20,140,000 of Maintenance 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 \$20.4 million compared to \$21.4 million in FY2019 and \$19.9 million in FY2018. Approximately 80 percent of the accounts receivable are for student tuition and fees.

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

There was an increase in activity on campus during FY2020 regarding renovations and upgrades, as well as equipment purchases. Numerous buildings on the main campus as well as on the west campus received upgrades and renovations including elevator modernization, fire protection system upgrades and implementation and needed preventative maintenance. Parking lot maintenance across campus was addressed during FY2020. Due to the need to pivot classroom instruction due to the global Coronavirus pandemic to online learning, many technology upgrades and equipment purchases were made in the spring of 2020. A comprehensive renovation of the existing Wise Auditorium into a state of the art performing arts center including an additional 14,000 square feet was underway during all of 2020. 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	
	2020	2019	2018	2019 to 2020	2018 to 2019
Capital Assets:					
Land	\$ 11,808	\$ 11,808	\$ 11,706	\$ -	\$ 102
Buildings	234,281	234,170	231,303	111	2,867
Improvements	45,264	44,491	44,044	773	447
Equipment	50,745	49,613	42,865	1,132	6,748
Library Books	344	390	451	(46)	(61)
Construction in Progress	6,444	1,397	1,295	5,047	102
Total Capital Assets	<u>\$ 348,886</u>	<u>\$ 341,869</u>	<u>\$ 331,664</u>	<u>\$ 7,017</u>	<u>\$ 10,205</u>



Based on the provisions of GASB Statement 68, the District must record Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions. Deferred Outflows of Resources totaling \$10,443,788 for FY2020 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, 2019. Deferred Inflows of Resources totaling \$7,589,207 for FY2020 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 FY2019 Deferred Outflows of Resources and Deferred Inflows of Resources were \$11,406,018 and \$6,977,679, respectively. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 10, Employees' Retirement Plan, in the note disclosures, and Schedules 1 and 2 of the Required Supplementary Information.

Based on the provisions of GASB Statement 75, the District must now record Deferred Outflows of Resources and Deferred Inflows of Resources related to other post-employment benefits (OPEB). Deferred Outflows of Resources totaling \$20,299,326 for FY2020 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, 2019. Deferred Inflows of Resources totaling

\$15,102,300 for FY2020 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 FY2019 Deferred Outflows of Resources and Deferred Inflows of Resources were \$20,382,237 and \$18,645,657 respectively. Additional information regarding deferred outflows and deferred inflows of resources may be found within Note 17, Postemployment Benefits Other Than Pensions, in the note disclosures, and Schedules 3 and 4 of the Required Supplementary information.

Liabilities of \$220 million include debt of \$116 million, compensated absences of \$1.3 million, \$15.4 million for the District's net pension liability and \$55 million for the District's net other post-employment benefits liability, as a result of the implementation of GASB Statement 75, as of the end of the 2020 fiscal year. This compares to the liabilities in FY2019 of \$202 million with \$103 million of debt, \$1.4 million in compensated absences, \$15.5 million for the District's net pension liability and \$48.2 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 \$45.1 million compared to the \$46.2 million in FY2019 and the \$45.9 million in FY2018. The District's FY2020 net investment in capital assets is \$89.1 million compared to \$97.7 million in FY2019.

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	
	2020	2019	2018	2019 to 2020	2018 to 2019
Operating Revenues					
Tuition and Fees	\$ 21,359	\$ 21,843	\$ 19,825	\$ (484)	\$ 2,018
Federal Grants and Contracts	5,437	1,328	2,734	4,109	(1,406)
State Grants and Contracts	934	1,320	1,410	(386)	(90)
Local Grants and Contract	540	1,005	543	(465)	462
Sales and Service of Educational Activities	105	110	121	(5)	(11)
Auxiliary Enterprises	4,561	4,856	4,882	(295)	(26)
Miscellaneous	2,659	2,366	2,106	293	260
Total Operating Revenues	<u>35,595</u>	<u>32,828</u>	<u>31,621</u>	<u>2,767</u>	<u>1,207</u>
Operating Expenses					
Instruction	35,981	36,651	34,185	(670)	2,466
Public Service	507	589	2,402	(82)	(1,813)
Academic Support	3,824	4,097	4,267	(273)	(170)
Student Service	9,154	9,425	8,972	(271)	453
Institutional Support	23,339	20,446	15,988	2,893	4,458
Operation and Maintenance of Plant	8,124	7,344	8,540	780	(1,196)
Scholarship and Fellowships	7,641	4,388	4,925	3,253	(537)
Auxiliary Enterprises	8,957	9,747	9,481	(790)	266
Depreciation	9,229	8,697	8,432	532	265
Total Operating Expenses	<u>106,757</u>	<u>101,385</u>	<u>97,192</u>	<u>5,372</u>	<u>4,193</u>
Operating Loss	(71,162)	(68,556)	(65,571)	(2,606)	(2,985)
Non-Operating Revenues (Expenses)	<u>70,008</u>	<u>67,186</u>	<u>64,231</u>	<u>2,822</u>	<u>2,955</u>
Increase (Decrease) in Net Position	(1,154)	(1,370)	(1,340)	216	(30)
Net Position					
Net Position, Beginning of Year	46,224	45,923	89,120	301	(43,197)
Prior Period Adjustment	-	1,671	(41,856)	(1,671)	43,527
Net Position, End of Year	<u>\$ 45,070</u>	<u>\$ 46,224</u>	<u>\$ 45,924</u>	<u>\$ (1,154)</u>	<u>\$ 300</u>

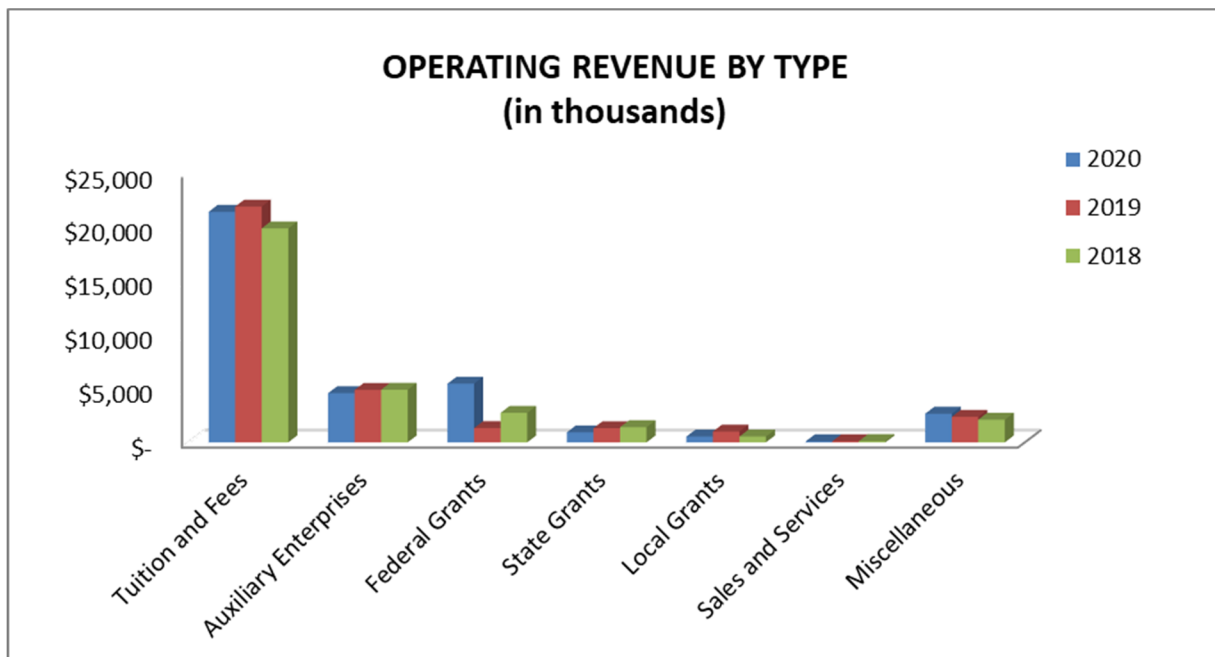
The nonoperating revenues (expenses) are comprised of \$23.8 million state educational contracts, \$27.8 million property taxes, \$21.6 million in Title IV financial assistance, investment income of \$430,407 and \$3.7 million interest paid on capital related debt. These numbers compare to FY2019 nonoperating revenues (expenses) of \$22.3 million state educational contracts, \$26.1 million property taxes, \$21.6 million in Title IV financial assistance, \$510,673 investment income and \$3.3 million interest paid on capital related debt. The total for nonoperating revenues (expenses) increased approximately 4.0% from FY2019. Significant contributors to the increase

were state appropriation funding and property tax revenue, with increases during the year of \$1.5 million and \$1.7 million, respectively.

The Statement of Revenues, Expenses, and Changes in Net Position reflects a positive year with a decrease 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
(thousnds of dollars)

	August 31			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Operating Revenues					
Tuition and Fees	\$ 21,359	\$ 21,843	\$ 19,825	\$ (484)	\$ 2,018
Auxiliary Enterprises	4,561	4,856	4,882	(295)	(26)
Federal Grants and Contracts	5,437	1,328	2,734	4,109	(1,406)
State Grants and Contracts	934	1,320	1,410	(386)	(90)
Local Grants and Contract	540	1,005	543	(465)	462
Sales and Service of Educational Activities	105	110	121	(5)	(11)
Miscellaneous	2,659	2,366	2,106	293	260
Total Operating Revenues	\$ 35,595	\$ 32,828	\$ 31,621	\$ 2,767	\$ 1,207



The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Student tuition and fees represent the largest type of operating revenue followed by federal grants and contracts, and auxiliary enterprises. All other types of

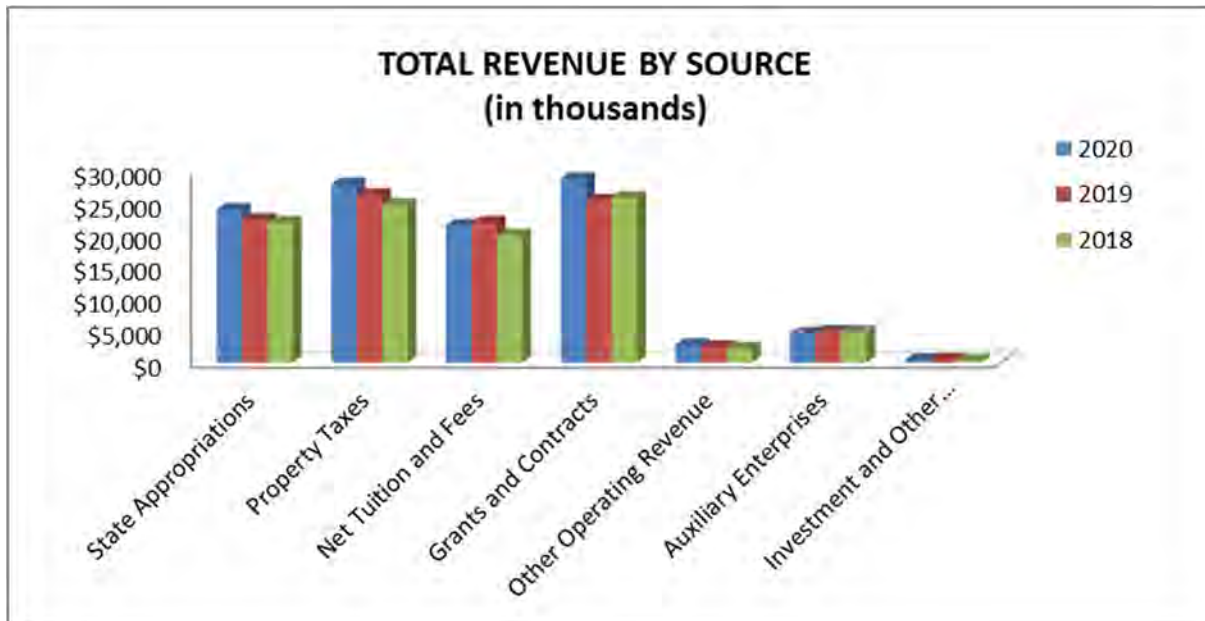
revenue represent approximately 12.0% of the total operating revenue. A significant element in the increase of operating revenue in FY2020 is the increase in Federal Grants and Contracts of \$4.1 million which is primarily due to the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. There were slight declines in tuition and fees, auxiliary enterprises, state grants and contracts, local grants and contracts and interest on student loans totaling approximately \$1.6 million cumulatively from FY2019 to FY2020. These declines were offset by increases in federal grants and contracts and miscellaneous operating revenues which increased in total \$4.4 million from FY2019 to FY2020.

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

The District relies equally on operating revenue as well as nonoperating revenue. When all of the revenues by source are combined, the District experienced an increase in total revenue from FY2019 to FY2020 of approximately 6.0% from \$103 million in FY2019 to \$109 million in FY2020. The Grants and Contracts source is the largest contributor in FY2020 at 26.2% compared to 24.2% and 25.9% for FY2019 and FY2018, respectively. This source is restricted in nature and includes the federal CARES 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 FY2020 at 25.4% compared to 25.4% and 24.7% for FY2019 and FY2018, 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 2020, the State Appropriations were 21.8% of the total revenue for the District at \$23.8 million, compared to 21.6% in FY2019 at \$22.3 million and 22.0% in FY2018 at \$21.8 million. Other Operating Revenue represents 2.5% of the total revenue for FY2020 compared to 2.4% and 2.2% of the total revenue for FY2019 and FY2018, respectively.

Total Revenues by Source
(thousands of dollars)

	August 31			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Revenue Sources:					
State Appropriations	\$ 23,798	\$ 22,268	\$ 21,841	\$ 1,530	\$ 427
Property Taxes	27,773	26,115	24,581	1,658	1,534
Net Tuition and Fees	21,359	21,843	19,825	(484)	2,018
Grants and Contracts	28,581	25,254	25,722	3,327	(468)
Other Operating Revenue	2,764	2,476	2,228	288	248
Auxiliary Enterprises	4,561	4,856	4,882	(295)	(26)
Investment and Other Income	430	511	297	(81)	214
Total Revenue	\$ 109,266	\$ 103,323	\$ 99,376	\$ 5,943	\$ 3,947

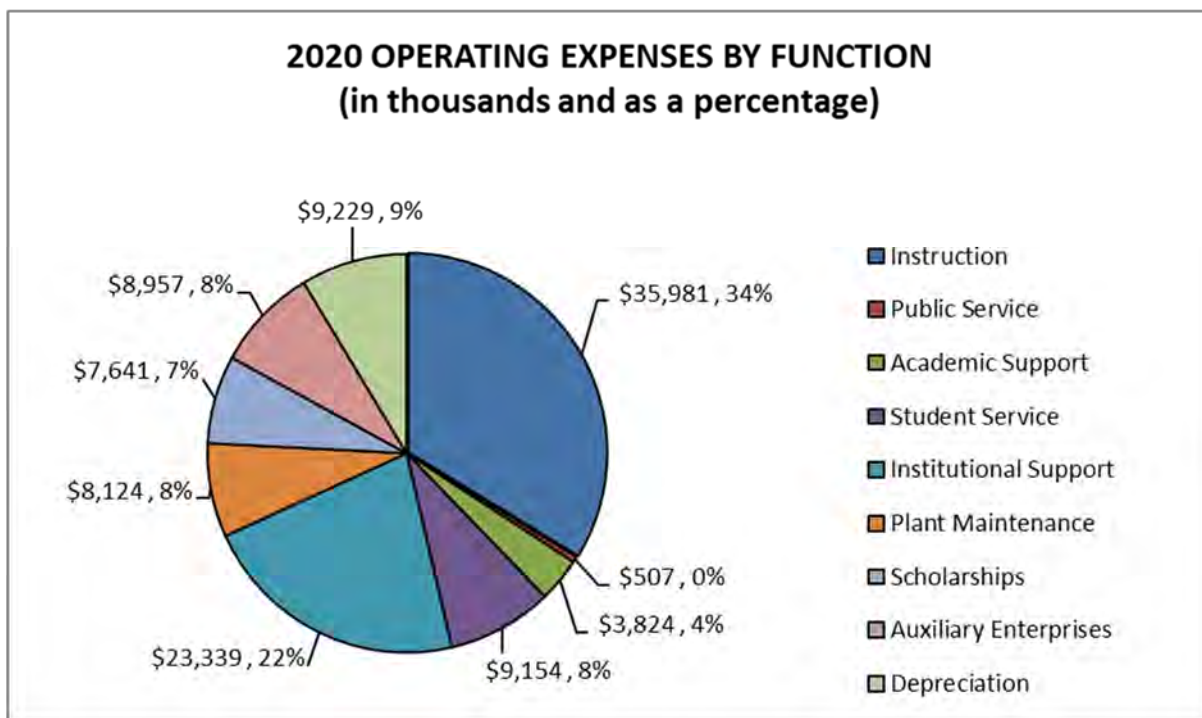
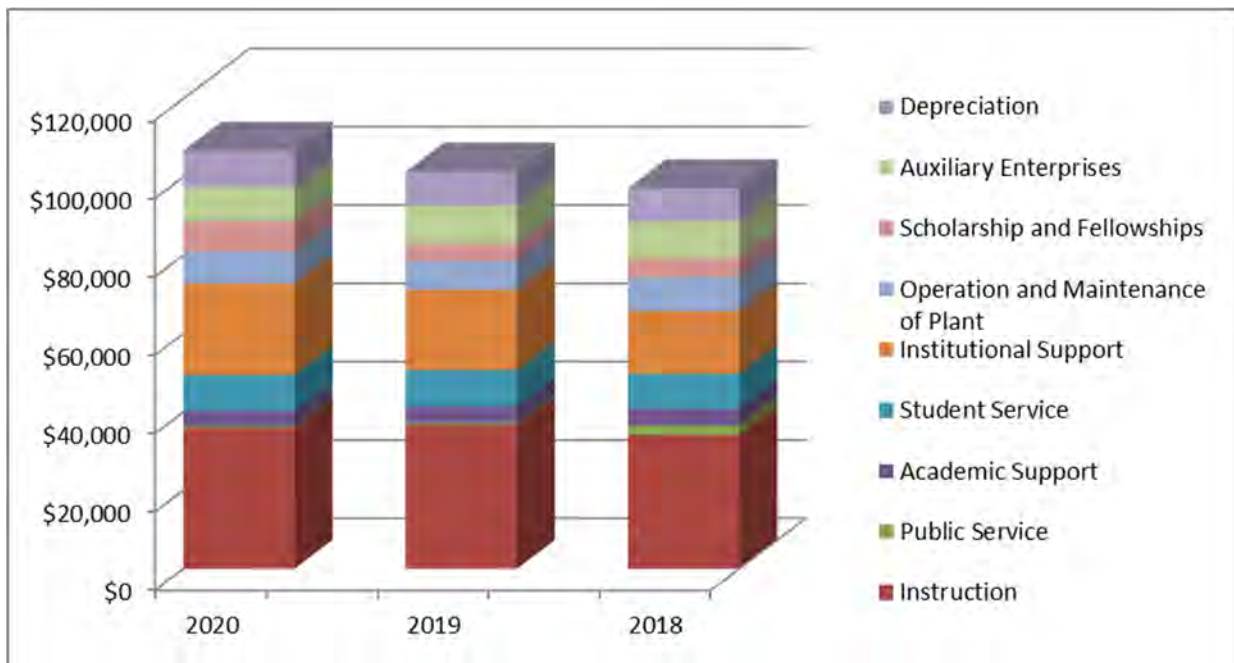


While the District experienced an increase in total revenue for FY2020 of 6.0%, or approximately \$5.95 million, the operating expenses also increased for FY2020 by 6.0%, or approximately \$5.4 million. Costs to maintain enrollment at the District remained strong at \$36 million for FY2020. There was a slight decrease in Instruction cost of 2% or \$670,000 for FY2020 to total \$36.0 million as compared to \$36.7 million in FY2019 and \$34.2 million in FY2018. Public Service expenses decreased \$82,000 from FY2019 to FY2020. Academic Support expenses experienced a slight decrease from FY2019 to FY2020 of \$273,000. Student Service expenses decreased from FY2019 to FY2020 by \$271,000. Decreases in instruction, public service, academic support and student service expenses are attributable to restrictions in place during Spring and Summer 2020 due to the coronavirus pandemic. Access to campus was limited to essential personnel for several months and on-campus student services were limited during this time. The expenses for

Institutional Support experienced an increase of \$2.9 million or 14% in FY2020 to total \$23.3 million compared to an increase of \$4.5 million or 28.0% in FY2019 to total \$20.4 million and an increase of \$1 million or 7.0% in FY2018 to total \$15.9 million. This increase is attributable to additional expenses incurred due to the coronavirus pandemic including the purchase of personal protective equipment for employees and students in certain programs, hand sanitizing stations throughout campus, and enhanced cleaning protocols. Continued implementation of GASB Statement 75 is also a contributing factor to this increase. Operations and Maintenance of Plant increased by \$780,000 or 11.0% to total \$8.1 million in FY2020 compared to a decrease of \$1.2 million in FY2019. Scholarships and Fellowships increased by \$3.2 million to \$9.0 million for FY2020 compared to \$4.4 million in FY2019 and \$4.9 million for FY2018. This increase is primarily due to the federal grants and contracts CARES Act funding dedicated to student support of \$2.5 million. With the completion of significant capital construction projects and other projects funded by donations, general obligation bonds and maintenance tax notes and several years of depreciation, the 6.0% increase in depreciation expense appears reasonable. The increase equates to a total depreciation expense of \$9.2 million for FY2020 as compared to \$8.7 million in FY2019 and \$8.4 million in FY2018.

Operating Expenses by Function
(in thousands)

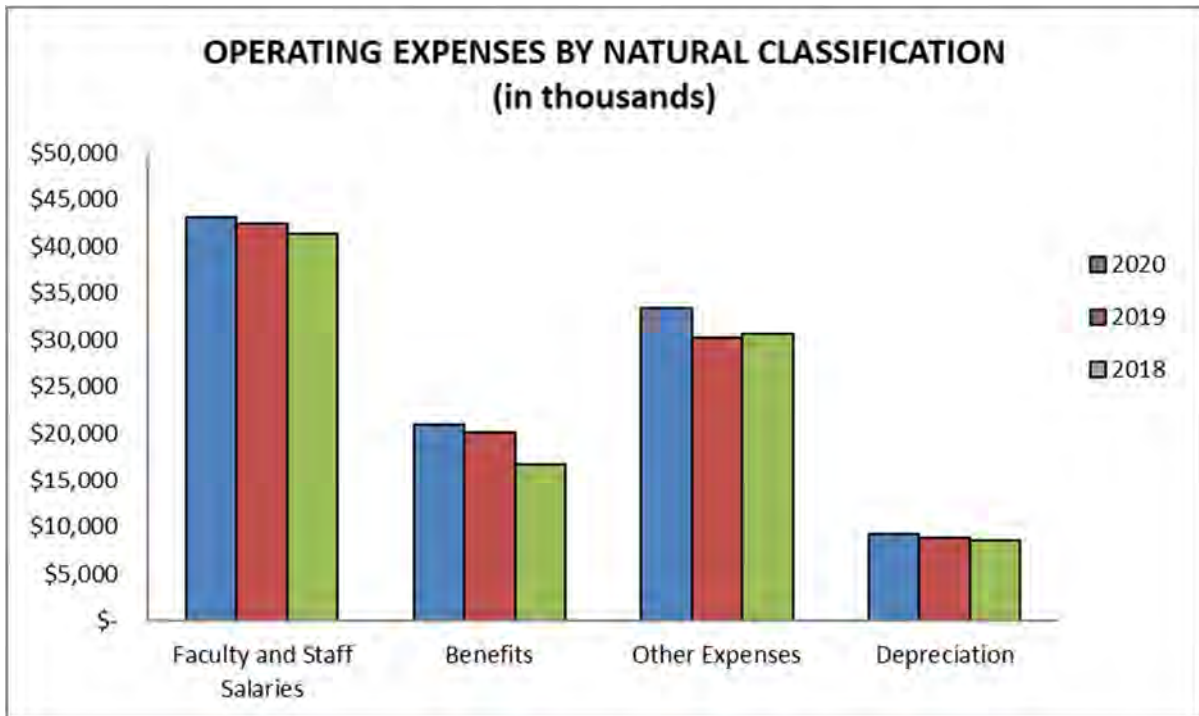
	August 31			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Operating Expenses:					
Instruction	\$ 35,981	\$ 36,651	\$ 34,185	\$ (670)	\$ 2,466
Public Service	507	589	2,402	(82)	(1,813)
Academic Support	3,824	4,097	4,267	(273)	(170)
Student Service	9,154	9,425	8,972	(271)	453
Institutional Support	23,339	20,446	15,988	2,893	4,458
Operation and Maintenance of Plant	8,124	7,344	8,540	780	(1,196)
Scholarship and Fellowships	7,641	4,388	4,925	3,253	(537)
Auxiliary Enterprises	8,957	9,747	9,481	(790)	266
Depreciation	9,229	8,697	8,432	532	265
Total Operating Expenses	<u>\$ 106,757</u>	<u>\$ 101,385</u>	<u>\$ 97,192</u>	<u>\$ 5,372</u>	<u>\$ 4,193</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	
	2020	2019	2018	2019 to 2020	2018 to 2019
Operating Expenses:					
Salaries	\$ 43,155	\$ 42,394	\$ 41,329	\$ 761	\$ 1,065
Benefits	21,002	20,109	16,757	893	3,352
Other Expenses	33,371	30,185	30,674	3,186	(489)
Depreciation	9,229	8,697	8,432	532	265
Total Operating Expenses	<u>\$ 106,757</u>	<u>\$ 101,385</u>	<u>\$ 97,192</u>	<u>\$ 5,372</u>	<u>\$ 4,193</u>



Approximately 40.4% of the District's \$106.8 million operating expenses are expended for salaries and wages. When the benefits are combined with the salaries and wages, the total of \$64.2 million is 60.1% of the District's total operating expense as compared to 61.6% in FY2019 and 59.8% in FY2018. The second highest portion of the operating expenses is the \$33.4 million of operating expenses that the District paid in FY2020 to its vendors to acquire supplies, goods and services. This amount expended to vendors compared to \$30.2 million in FY2019 and \$30.7 million in FY2018. Depreciation expense increased in FY2020 to \$9.2 million up from \$8.7 million in FY2019 and \$8.4 million in FY2018.

Statement of Cash Flows

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

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

	August 31			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Cash Provided (used) by:					
Operating Activities	\$ (53,160)	\$ (52,014)	\$ (50,493)	\$ (1,146)	\$ (1,521)
Noncapital Financing Activities	67,162	64,582	62,534	2,580	2,048
Capital and Related Financing Activities	3,951	(17,979)	(17,868)	21,930	(111)
Investing Activities	430	511	297	(81)	214
Net Change in Cash	18,383	(4,900)	(5,530)	23,283	630
Cash, Beginning of Year	15,645	20,545	26,075	(4,900)	(5,530)
Cash, End of Year	\$ 34,028	\$ 15,645	\$ 20,545	\$ 18,383	\$ (4,900)

The primary cash receipts from operating activities consist of tuition and fees and auxiliary enterprises. Operating cash receipts in FY2020 totaled \$34.9 million as compared to \$31.2 million in FY2019, and \$32.9 million in FY2018. Cash outlay payments for wages, benefits, supplies, utilities and scholarships totaled \$88.1 million in FY2020 as compared to \$83.2 million in FY2019, and \$83.4 million in FY2018. These receipts and cash outlay payments resulted in \$1.1 million more net cash used by operating activities in FY2020.

State educational contracts were once the primary source of noncapital financing. Property tax revenue and nonoperating federal revenue are now the primary sources of noncapital financing. State educational contracts make up the third largest source of noncapital financing. These sources of revenue are categorized as noncapital even though the District's budget depends on

them to continue the current level of operations. In FY2020, \$67.2 million was received as net cash provided by noncapital financing activities as compared to \$64.6 million in FY2019, and \$62.5 million in FY2018. Other noncapital financing activity includes the cash held in trust for others that was received and disbursed. Although funds held for others are both received and disbursed throughout the year, the amount received in FY2020 was \$124,634 less than the amount disbursed as compared to a lesser amount received than the amount disbursed in FY2019 of \$362,018 and a lesser amount received than disbursed in FY2018 of \$201,521.

The capital and related financing activities in FY2020 included \$6.3 million expended for campus construction, improvements, and renovations. The capital and related financing activities in FY2019 included \$6.0 million expended for campus construction, improvements and renovations. This compares to \$7.1 million expended in FY2018 for campus construction, improvements and renovations. Financing outflows also include expenditures for debt service payments and related long-term debt interest. The long-term debt interest of \$3.5 million was \$182,568 more than the amount paid in FY2019.

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 FY2020 was approximately \$80,266 less than the amount received in FY2019.

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 for the 2019-2020 academic year as compared to the enrollment for the 2018-2019 year. This compares with an increase in enrollment for the 2018-2019 academic year when compared with the 2017-2018 year. The disruption caused by the global coronavirus pandemic (COVID-19) caused unemployment within the District boundaries to increase during the past 12 months (6 months were within the FY2020 audit period). Unemployment rates have been steadily declining since April. Rates are expected to continue to decline, but will be heavily dependent on the effects of the coronavirus during the next fiscal year. The District continues to work with students to lessen the burdens of the financial impacts caused by the coronavirus and to provide support and assistance to students as needed to encourage their continued success. The impact of coronavirus on the Fall 2020 enrollment was approximately a 4.6% decline as compared to Fall 2019. The addition of new programs and certificates and the

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

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

Given the economic constraints at the local, state and national level, relatively stable ad-valorem tax valuation changes and the ability to adjust student fees, the District anticipates fiscal year 2021 will be comparable to fiscal year 2020 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, 2020 AND 2019

ASSETS	2020	2019
Current Assets		
Cash and Cash Equivalents	\$ 33,070,581	\$ 14,218,421
Accounts Receivable (net of allowance for doubtful accounts of \$8,222,511 and \$6,800,642 respectively)	20,400,695	21,438,341
Prepaid Expenses	338,704	120,154
Total Current Assets	53,809,980	35,776,916
Noncurrent Assets		
Cash and Cash Equivalents	957,472	1,426,143
Other Current Assets	12,789	14,339
Capital Assets (Net)	202,367,109	204,519,114
Total Noncurrent Assets	203,337,370	205,959,596
TOTAL ASSETS	257,147,350	241,736,512
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	10,443,788	11,406,018
Deferred Outflows Related to Other Post Employment Benefits	20,299,326	20,382,237
Total Deferred Outflows of Resources	30,743,114	31,788,255
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	6,656,279	6,228,186
Unearned Revenues	22,501,891	23,552,613
Current Portion of Compensated Absences	131,273	137,751
Current Portion of Capital Leases	975,331	1,051,552
Current Portion of Bonds Payable	8,518,000	8,519,000
Total Current Liabilities	38,782,774	39,489,102
Noncurrent Liabilities		
Accrued Compensable Absences Payable	1,181,455	1,239,761
Net Pension Liability	15,350,364	15,488,233
Net Other Post Employment Benefits Liability	55,008,366	48,172,013
Capital Leases	1,844,605	2,727,657
Bonds Payable	107,961,118	94,560,707
Total Noncurrent Liabilities	181,345,908	162,188,371
TOTAL LIABILITIES	220,128,682	201,677,473
Deferred Inflows of Resources		
Deferred Inflows Related to Pensions	7,589,207	6,977,679
Deferred Inflows Related to Other Post Employment Benefits	15,102,300	18,645,657
Total Deferred Inflows of Resources	22,691,507	25,623,336
NET POSITION		
Net investment in capital assets	89,134,384	97,660,198
Restricted		
Expendable		
Financial Aid and Scholarships	731,207	771,808
Unrestricted	(44,795,316)	(52,208,048)
TOTAL NET POSITION	\$ 45,070,275	\$ 46,223,958

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,151,522	\$ 2,427,243
Pledges Receivable (net)	727,941	525,873
Deferred Construction Costs	564,595	-
Deferred Expenses and Scholarships	597,217	624,159
Total Current Assets	<u>3,041,275</u>	<u>3,577,275</u>
Non-Current Assets:		
Investments	78,957,728	70,932,013
Funds Held in Trust	449,485	450,223
Pledges Receivable (net)	3,476,937	4,006,197
Annuity Arbitrage	981,977	-
Charitable Gift Annuities	323,305	295,505
Other Investments	42,004	42,669
Real Estate and Mineral Interests	610,354	726,290
Total Non-Current Assets	<u>84,841,790</u>	<u>76,452,897</u>
Total Assets	<u>\$ 87,883,065</u>	<u>\$ 80,030,172</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 49,916	\$ 47,453
Payable to Tyler Junior College	1,159,384	621,959
Deferred Revenue	86,845	100,869
Total Current Liabilities	<u>1,296,145</u>	<u>770,281</u>
NET ASSETS		
Without Donor Restrictions	17,891,826	13,057,501
With Donor Restrictions	68,695,094	66,202,390
Total Net Assets	<u>86,586,920</u>	<u>79,259,891</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 87,883,065</u>	<u>\$ 80,030,172</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, 2020 AND 2019

REVENUES	<u>2020</u>	<u>2019</u>
Operating revenues		
Pledged Revenues:		
Tuition and Fees (net of \$17,617,538 and \$17,740,143 in discounts)	\$ 21,359,174	\$ 21,843,430
Auxiliary Enterprises (net of \$2,926,696 and \$3,185,446 in discounts)	4,561,187	4,856,213
Federal Grants and Contracts	5,436,572	1,328,454
State Grants and Contracts	934,116	1,319,879
Local Grants and Contracts	539,874	1,005,025
Sales and Service of Educational Activities	104,779	109,944
Interest on Student Loans	83,100	119,520
Miscellaneous Operating Revenues	<u>2,576,473</u>	<u>2,245,836</u>
Total Operating Revenues	<u>35,595,275</u>	<u>32,828,301</u>
 EXPENSES		
Operating expenses		
Instruction	35,981,694	36,651,081
Public Service	506,735	589,073
Academic Support	3,823,982	4,097,261
Student Services	9,154,361	9,425,168
Institutional Support	23,339,284	20,446,063
Operations and Maintenance of Plant	8,123,768	7,343,705
Scholarship and Fellowships (net of \$20,544,234 and \$20,925,589 in discounts)	7,640,607	4,388,279
Auxiliary Enterprises	8,957,554	9,747,202
Depreciation	<u>9,229,084</u>	<u>8,697,020</u>
Total Operating Expenses	<u>106,757,069</u>	<u>101,384,852</u>
Operating (Loss)	<u>(71,161,794)</u>	<u>(68,556,551)</u>
 NON-OPERATING REVENUES (EXPENSES)		
State Appropriations (non-capital)	23,798,197	22,268,263
Property Taxes	27,773,130	26,115,573
Federal Revenue, Non Operating	21,673,743	21,600,574
Investment Income	430,407	510,673
Interest on Capital Related Debt	<u>(3,667,366)</u>	<u>(3,308,896)</u>
Total Non-Operating Revenues (Expenses)	<u>70,008,111</u>	<u>67,186,187</u>
Decrease in Net Position	<u>(1,153,683)</u>	<u>(1,370,364)</u>
Net Position, Beginning of the Year (as originally stated)	46,223,958	45,923,547
Prior Period Adjustment	<u>-</u>	<u>1,670,775</u>
Net Position, Beginning of the Year (as restated)	<u>46,223,958</u>	<u>47,594,322</u>
Net Position, End of the Year	<u><u>\$ 45,070,275</u></u>	<u><u>\$ 46,223,958</u></u>

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

THE TYLER JUNIOR COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support						
Contributions and Fund-raising	\$ 402,538	\$ 4,275,662	\$ 4,678,200	\$ 262,997	\$ 16,843,185	\$ 17,106,182
Unrealized Gain (loss) on Investments	5,949,826	(63,696)	5,886,130	(347,836)	(1,452)	(349,288)
Realized Gain (Loss)	519,473	8,224	527,697	1,869,681	5,382	1,875,063
Investment Income	1,562,572	40,929	1,603,501	1,727,427	66,043	1,793,470
Donor Transfers	(2,912,984)	2,912,984	-	(1,800,862)	1,800,862	-
Net Assets						
Released from Restrictions	4,681,399	(4,681,399)	-	4,252,450	(4,252,450)	-
Total Revenues	10,202,824	2,492,704	12,695,528	5,963,857	14,461,570	20,425,427
Expenses						
Program	5,179,283	-	5,179,283	4,252,924	-	4,252,924
General and Administrative	127,125	-	127,125	79,362	-	79,362
Fundraising	62,091	-	62,091	121,313	-	121,313
Total Expenses	5,368,499	-	5,368,499	4,453,599	-	4,453,599
Change in Net Assets	4,834,325	2,492,704	7,327,029	1,510,258	14,461,570	15,971,828
Net Assets, September 1	13,057,501	66,202,390	79,259,891	11,547,243	51,740,820	63,288,063
Net Assets, August 31	\$ 17,891,826	\$ 68,695,094	\$ 86,586,920	\$ 13,057,501	\$ 66,202,390	\$ 79,259,891

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, 2020 AND 2019

CASH FLOWS FROM OPERATING ACTIVITIES

	2020	2019
Receipts from students and other customers	\$ 21,931,834	\$ 21,192,093
Receipt of state financial aid	934,116	1,319,879
Receipt of federal financial aid	5,436,572	1,328,454
Receipt of local grants and support	539,874	681,978
Receipt from sales and services of educational activities	104,779	109,944
Receipt from auxiliary enterprises	4,561,187	4,856,213
Receipt of interest on student loans	83,100	119,520
Receipt from other operating revenues	1,324,168	1,578,086
Payments for salaries and benefits to employees	(54,021,181)	(53,280,718)
Payments to suppliers for goods and services	(34,054,509)	(29,919,913)
Net cash used in operating activities	<u>(53,160,060)</u>	<u>(52,014,464)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipt from state educational contracts	18,425,412	17,167,391
Receipts from non-operating federal revenue	27,777,974	26,053,778
Property tax revenues	21,083,163	21,723,195
Receipts from student organizations	534,689	856,498
Payments to student organizations	(659,323)	(1,218,516)
Net cash provided by noncapital financing activities	<u>67,161,915</u>	<u>64,582,346</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets and construction costs	(6,320,161)	(5,974,543)
Bond proceeds	22,151,488	-
Bond acquisition costs	(151,488)	-
Principal payments on capital leases	(959,273)	(1,088,031)
Principal payments on capital related debt	(8,519,000)	(8,264,000)
Interest on capital related debt	(3,502,644)	(3,320,076)
Contributions received for capital related financing	1,252,305	667,750
Net cash used in capital and related financing activities	<u>3,951,227</u>	<u>(17,978,900)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>430,407</u>	<u>510,673</u>
Net cash provided by investing activities	<u>430,407</u>	<u>510,673</u>
Increase (decrease) in cash and cash equivalents	18,383,489	(4,900,345)
Cash and cash equivalents, September 1	<u>15,644,564</u>	<u>20,544,909</u>
Cash and cash equivalents, August 31	\$ <u>34,028,053</u>	\$ <u>15,644,564</u>
Reconciliation of cash on Exhibit 1:		
Cash and cash equivalents - current	\$ 33,070,581	\$ 14,218,421
Cash and cash equivalents - noncurrent	<u>957,472</u>	<u>1,426,143</u>
Total cash and cash equivalents	\$ <u>34,028,053</u>	\$ <u>15,644,564</u>
Summary of non-cash investing and financing activities:		
Equipment acquired through issuance of capital leases	\$ -	\$ 4,868,240
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, 2020 AND 2019

Reconciliation of operating loss to net cash used by operating activities

Operating loss	\$ (71,161,794)	\$ (68,556,551)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	9,229,084	8,697,020
Non-operating plant revenue	(1,252,305)	(667,750)
Amortization of deferred charges	(228,029)	(16,300)
Payments made directly by state for benefits	5,372,785	5,100,872
(Increase) decrease in assets		
Receivables (net)	1,623,382	(1,607,290)
Prepaid expenses	(218,550)	32,397
Deferred outflows on pensions	962,230	(2,660,218)
Deferred outflows on other post employment benefits	82,911	(19,351,087)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(220,923)	289,473
Unearned revenues	(1,050,722)	632,906
Deferred inflows on pensions	611,528	2,041,137
Deferred inflows on other post employment benefits	(3,543,357)	10,717,369
Pension liability	(137,869)	1,216,432
Other post employment benefits liability	6,836,353	12,314,415
Compensated absences	(64,784)	(197,289)
Net cash used in operating activities	<u>\$ (53,160,060)</u>	<u>\$ (52,014,464)</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, 2020 and 2019, the foundation distributed \$4,978,927 and \$3,222,647 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.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

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

Basis of Accounting

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

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

Tuition Discounting

Texas Public Education Grants

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

Title IV, Higher Education Act Program Funds

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

Other Tuition Discounts

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

Budgetary Data

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

Cash and Cash Equivalents

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

Investments

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

Deferred Outflows

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

Allowance for Doubtful Accounts

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

Capital Assets

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

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

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

Capitalized Interest

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

Pensions

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

Postemployment Benefits Other than Pensions (OPEB)

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

Prior Year Restatement

During the current year, the District determined that prior contributions from the foundation had been recorded as unearned revenues but were never recognized as revenues in the subsequent years. The net effect of this error is that deferred revenue was overstated and contribution revenue was understated each year which compounded over time and necessitated a prior period adjustment to properly adjust and record the revenues for prior years.

Beginning net position	\$ 45,923,547
Prior period adjustment	1,670,775
Beginning net position, as restated	<u>\$ 47,594,322</u>

Unearned Revenues

The District has recorded tuition and related fees as well as housing and related fees in the amount of \$22,501,891 and \$23,552,613 as of August 31, 2020 and 2019 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 1.65% of total tax revenues and are considered to be immaterial to the financial statements.

Deferred Inflows

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

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

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

NOTE 3 — AUTHORIZED INVESTMENTS

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

investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute. The fair value of the District's position in Texpool is the same as the value of the pool shares.

NOTE 4 — DEPOSITS AND INVESTMENTS

As of August 31, 2020 and August 31, 2019, the District had the following deposits and investments:

	August 31, 2020		August 31, 2019	
	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	31,295,545	39,336,408	13,094,849	15,396,836
Total Deposits	31,795,545	39,836,408	13,594,849	15,896,836
Petty cash on hand	3,335	-	3,350	-
TexasTERM Investments	278,000	278,000	274,839	274,839
Texpool Investments	1,951,173	1,951,173	1,771,526	1,771,526
Total Cash and Cash Equivalents	<u>\$ 34,028,053</u>	<u>\$ 42,065,581</u>	<u>\$ 15,644,564</u>	<u>\$ 17,943,201</u>

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

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

NOTE 5 — DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2020 and August 31, 2019, were as follows:

	8-31-20	8-31-19
Student tuition and fees receivable (net of allowance for doubtful accounts of \$5,517,659 and \$4,139,458, respectively)	\$ 16,238,882	\$ 18,119,257
Taxes receivable (net of allowance for doubtful accounts of \$590,539 and \$533,205, respectively)	772,779	777,623
Federal receivable	831,411	240,831
Student loans receivable (net of allowance for doubtful accounts of \$2,114,313 and \$2,127,979, respectively)	-	-
Other receivables	2,557,623	2,300,630
Total Receivables	<u>\$ 20,400,695</u>	<u>\$ 21,438,341</u>

Accounts payable and accrued liabilities at August 31, 2020 and August 31, 2019 were as follows:

	8-31-20	8-31-19
Vendors payable	\$ 4,524,646	\$ 3,892,684
Salaries and benefits payable	1,979,949	2,197,052
Interest payable	151,684	138,450
Total Accounts Payable and Accrued Liabilities	<u>\$ 6,656,279</u>	<u>\$ 6,228,186</u>

NOTE 6 — CAPITAL ASSETS

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

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

Capital asset activity for the year ended August 31, 2019 was as follows:

	Balance September 1, 2018	Additions	Reductions	Balance August 31, 2019
Non Depreciated Assets				
Land	\$ 11,705,806	\$ 102,488	\$ -	\$ 11,808,294
Construction in progress	1,295,356	3,563,751	3,461,682	1,397,425
Subtotal	13,001,162	3,666,239	3,461,682	13,205,719
Other Capital Assets				
Buildings	231,302,791	2,867,639	-	234,170,430
Improvements	44,043,912	446,980	-	44,490,892
Library books	451,315	16,561	78,134	389,742
Equipment	42,864,560	6,748,121	-	49,612,681
Subtotal	318,662,578	10,079,301	78,134	328,663,745
Total Capital Assets	331,663,740	13,745,540	3,539,816	341,869,464
Accumulated Depreciation				
Buildings	64,043,090	5,420,858	-	69,463,948
Improvements	27,030,208	1,286,893	-	28,317,101
Library books	294,080	38,974	78,134	254,920
Equipment	37,364,086	1,950,295	-	39,314,381
Total Accumulated Depreciation	128,731,464	8,697,020	78,134	137,350,350
Net Capital Assets	\$ 202,932,276	\$ 5,048,520	\$ 3,461,682	\$ 204,519,114

NOTE 7 — LONG-TERM LIABILITIES

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

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

Long-term liability activity for the year ended August 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds					
2013 Fee Revenue Bonds	\$ 7,220,000	\$ -	\$ 645,000	\$ 6,575,000	\$ 660,000
2014 Fee Revenue Bonds	36,798,410	-	1,768,084	35,030,326	1,810,000
2015 Fee Revenue Bonds	4,724,000	-	340,000	4,384,000	349,000
2016 Fee Refunding Revenue Bonds	25,291,989	-	1,622,702	23,669,287	1,560,000
Total Fee Revenue Bonds	74,034,399	-	4,375,786	69,658,613	4,379,000
2012 G.O. Bonds	18,780,896	-	1,116,785	17,664,111	1,125,000
2009 Tax Notes	5,560,371	-	2,766,297	2,794,074	2,780,000
2015 Tax Notes	3,133,000	-	229,000	2,904,000	235,000
2016 Tax Notes	10,099,876	-	40,967	10,058,909	-
Total Tax Notes	18,793,247	-	3,036,264	15,756,983	3,015,000
Total Bonds	111,608,542	-	8,528,835	103,079,707	8,519,000
Other Liabilities					
Compensable Absences	1,574,801	-	197,289	1,377,512	137,751
Capital Leases	-	4,868,240	1,089,031	3,779,209	1,051,552
Net OPEB Liability	35,857,598	12,314,415	-	48,172,013	-
Net Pension Liability	14,271,801	1,216,432	-	15,488,233	-
Total Other Liabilities	51,704,200	18,399,087	1,286,320	68,816,967	1,189,303
Total Long-term Liabilities	\$ 163,312,742	\$ 18,399,087	\$ 9,815,155	\$ 171,896,674	\$ 9,708,303

NOTE 8 — BONDS PAYABLE

Bonds payable as of August 31, 2020 and August 31, 2019 are comprised of the following:

	8-31-20	8-31-19
Maintenance Tax Notes, Series 2009, issued solely for repairs and renovations of existing campus infrastructure, issued October 22, 2009 for \$24,500,000, plus premium of \$1,624,703; all authorized notes have been issued. The source of revenues for debt service is designated property tax revenues.	\$ -	\$ 2,780,000
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.	16,425,000	17,550,000
Combined Fee Revenue Bonds, Series 2013, issued to construct a new Energy Center on West Campus, issued December 19, 2013 for \$9,705,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.	5,915,000	6,575,000
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.	33,005,000	34,815,000
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.	2,669,000	2,904,000
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.	4,035,000	4,384,000
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.	9,830,000	-

Combined Fee Revenue Refunding Bonds, Series 2016, issued to retire the remaining Series 2006 bonds, issued August 24, 2016 for \$27,325,000; all authorized bonds have been issued. The source of revenues for debt service is Pledged Revenues consisting of certain tuition, fees and auxiliary revenues.

21,245,000 22,805,000

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.

	20,140,000	-
Total	113,264,000	101,643,000
Plus: Unamortized Bond Premium	3,372,464	1,620,230
Less: Unamortized Bond Discount	(157,346)	(183,523)
Net Outstanding Bonds Payable	\$ 116,479,118	\$ 103,079,707

Bonds are due in annual principal installments varying from \$240,000 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, 2020 were as follows:

Year Ending 8/31	Principal Due 2/15 or 8/15	Interest Rates	Interest Due		Total Principal and Interest Requirements
			2/15	8/15	
2021	\$ 8,518,000	1.50 - 5.00	\$ 1,744,362	\$ 1,696,852	\$ 11,959,214
2022	8,214,000	1.50 - 5.00	1,623,755	1,579,313	11,417,068
2023	8,578,000	2.00 - 5.00	1,501,818	1,447,270	11,527,088
2024	8,974,000	2.00 - 4.00	1,366,490	1,313,197	11,653,687
2025	9,345,000	2.00 - 5.00	1,244,658	1,188,796	11,778,454
2026-2030	46,385,000	2.00 - 4.00	4,109,853	3,758,195	54,253,048
2031-2035	21,680,000	3.125 - 3.20	1,089,154	1,038,067	23,807,221
2036-2040	1,570,000	3.00	23,550	23,550	1,617,100
	<u>\$ 113,264,000</u>		<u>\$ 12,703,640</u>	<u>\$ 12,045,240</u>	<u>\$ 138,012,880</u>

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

NOTE 9 — CAPITAL LEASES

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

Technology equipment	\$ 4,868,240
Less: accumulated depreciation	<u>(1,616,148)</u>
	<u>\$ 3,252,092</u>

The future minimum lease obligations as of August 31, 2020 were as follows:

Year Ending 8/31	Total Payments
2021	\$ 1,073,511
2022	988,043
2023	<u>988,043</u>
Total minimum lease payments	3,049,597
Less: Interest costs	<u>(229,661)</u>
Present value of minimum lease payments	<u>\$ 2,819,936</u>

NOTE 10 — EMPLOYEES' RETIREMENT PLAN

Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for

members who are grandfathered, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA), established the employer contribution rates for fiscal year 2019 and the 86th Texas Legislature, General Appropriations Act (GAA) for fiscal year 2020.

Contribution Rates

	<u>2020</u>	<u>2019</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	6.8%
Employers	7.5%	6.8%
FY 2020 Employer Contributions	\$1,033,949	
FY 2020 NECE On-behalf Contributions	\$813,909	

The District's contributions to the TRS pension plan in fiscal year 2020 were \$1,033,949 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 2020 were \$813,909

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general or local funds.

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return*	7.25%
Municipal Bond Rate*	2.63%*
Last year ending August 31 in the 2016 to 2115 Projection period (100 years)	2116
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, 2019 was developed using a roll-forward method from the August 31, 2018 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 changed from 6.907 percent as of August 31, 2018 to 7.25 percent as of August 31, 2019.
- The long-term assumed rate of return remained unchanged at 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 2.63 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 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, 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, 2019 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%	5.70%	1.04%
Non-U.S Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.95%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.32%
Stable Value			
U. S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	0.00%	0.00%	0.00%
Stable Value Hedge Funds	4.00%	3.09%	0.12%
Cash	1.00%	-0.30%	0.00%
Real Return			
Global Inflation Linked Bonds	3.00%	0.70%	0.02%
Real Assets	14.00%	5.21%	0.73%
Energy and Natural Resources	5.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility Drag			-0.79%
Total	100.00%		7.25%

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

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	\$23,604,425	\$15,350,364	\$8,673,210

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

At August 31, 2020, the Tyler Junior College District reported a liability of \$15,350,364 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	\$ 15,350,364
State's proportionate share that is associated with TJC District	12,088,534
Total	<u>\$ 27,438,898</u>

The net pension liability was measured as of August 31, 2019, 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, 2018 thru August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net pension liability was .029540 percent which was an increase of .001391 percent from its proportion measured as of August 31, 2018.

For the year ended August 31, 2020, the Tyler Junior College District recognized pension expense of \$1,898,938 and revenue of \$1,898,938 for support provided by the State. Refer to the 2020 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 and 68.

At August 31, 2020, 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	\$ -	\$ (468,676)
Changes in actuarial assumptions	2,795,401	-
Difference between projected and actual investment earnings	154,192	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	(737,228)
Contributions paid to TRS subsequent to the measurement date	1,110,892	
Total	\$ 4,060,485	\$ (1,205,904)

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
2020	\$ 372,351
2021	240,666
2022	850,239
2023	624,641
2024	(232,784)
Thereafter	(111,424)
	<u>\$ 1,743,689</u>

NOTE 11 — OPTIONAL RETIREMENT PLAN – DEFINED CONTRIBUTION PLAN

Plan Description

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

Funding Policy

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

The retirement expense to the state for the District was \$307,106 and \$298,398 for the fiscal years ended August 31, 2020 and 2019, 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 \$39,102,338 and \$37,588,247 for fiscal years ended August 31, 2020 and 2019, respectively. The total payroll of employees covered by the TRS was \$29,507,378 and

respectively. The total payroll of employees covered by the TRS was \$29,507,378 and \$27,506,400, and the total payroll of employees covered by the Optional Retirement Program was \$9,521,960 and \$10,081,847 for the fiscal years ended August 31, 2020 and 2019, respectively.

NOTE 12 — DEFERRED COMPENSATION PLAN

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Texas Government Code 609.001. The employees' investments are held in tax-deferred annuity plans pursuant to Internal Revenue Code Section 403(b). Employees also have the option to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). As of August 31, 2020, the District had 27 employees participating in the 403(b) program and 8 employees participating in the 457 plan. A total of \$185,870 and \$46,880 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, 2020, the District had 695 participants in the 401(a) plan and 579 participants in the 457 employee plan. The District contributed \$2,276,747 and employees contributed \$1,135,116 to this plan during the fiscal year.

NOTE 13 — COMPENSABLE ABSENCES

Full-time employees earn annual leave from 6.67 to 13.33 hours per month depending on the number of years employed by the District. The District's policy is that an employee may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with eight or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to 160 hours. The District recognized the accrued liability for the unpaid annual leave in the amount of \$1,312,728 and \$1,377,512 as of August 31, 2020 and 2019, respectively. Sick leave, which can be accumulated to a limit of 720 hours, is earned at the rate of eight hours per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

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

NOTE 14 — PENDING LAWSUITS AND CLAIMS

From time to time, the District is named as a defendant in legal actions arising out of the ordinary course of business. There were no such legal actions as of August 31, 2020 that are required to be disclosed in the financial statements.

NOTE 15 — OPERATING LEASE COMMITMENTS

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

<u>Fund Group</u>	Year Ended August 31, 2020	Year Ended August 31, 2019
Unrestricted Current Funds	<u>\$573,604</u>	<u>\$636,216</u>
Total	<u>\$573,604</u>	<u>\$636,216</u>

Future commitments under operating leases in effect as of August 31, 2020 are as follows:

Year Ended August 31, 2021	\$372,516
Year Ended August 31, 2022	\$41,824
Year Ended August 31, 2023	\$20,792
Year Ended August 31, 2024	\$20,792

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

Future commitments for lease income under this agreement as of August 31, 2020 are as follows:

Year Ended August 31, 2021	\$12,000
Year Ended August 31, 2022	\$12,000
Year Ended August 31, 2023	\$12,000
Year Ended August 31, 2024	\$12,000
Year Ended August 31, 2025	\$12,000
Thereafter	\$220,000

NOTE 16 — RISK MANAGEMENT

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

	8-31-20	8-31-19
Liability, beginning of year	\$ 90,505	\$ 147,039
Incurred claims (including IBNRs)	30,737	19,797
Claim payment	(25,725)	(76,331)
Liability, end of year	\$ 95,517	\$ 90,505

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 (CAFR) 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.

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 2019 are as follows:

Retiree only	\$ 624.82
Retiree & Spouse	982.82
Retiree & Children	864.52
Retiree & Family	1,222.52

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

	08/31/20	08/31/19
Employer Contributions	\$ 638,667	\$ 499,032
Member (Employee) Contributions	333,966	330,148
NECE On-behalf Contributions	32,122	26,957

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2019
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not Applicable
Actuarial Assumptions:	
Discount Rate	2.97%
Inflation	2.50%
Salary Increases including inflation	2.50% to 9.50%
Healthcare Cost Trend Rates	7.30% for FY21, 7.40% for FY22, 7.00% for FY23, decreasing 0.50% per year to an ultimate rate of 4.50% for FY 28 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 2019 ERS CAFR except for mortality assumptions obtained from ERS FY 2019 GASB 74 Actuarial Valuation

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

Investment Policy

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

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.96%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was

2.97%, which amounted to a decrease of 0.99%. 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 (2.97%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.97%)	Current Discount Rate (2.97%)	1% Increase in Discount Rate (3.97%)
Tyler Junior College District's Proportional Share of the Net OPEB Liability	\$65,642,091	\$55,008,366	\$46,826,102

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 7.30% and the ultimate rate is 4.50%. 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 (6.30% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (7.30% decreasing to 4.50%)	1% Increase (8.30% decreasing to 5.50%)
Tyler Junior College District's Proportional Share of the Net OPEB Liability	\$46,190,039	\$55,008,366	\$66,531,902

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

At August 31, 2020, the Tyler Junior College District reported a liability of \$55,008,366 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	\$ 55,008,366
State's proportionate share that is associated with TJC District	45,926,923
Total	<u>\$ 100,935,289</u>

The net OPEB liability was measured as of August 31, 2019 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, 2018 through August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net OPEB liability was .15915541%, which was .00338063% less than the proportion measured as of August 31, 2018.

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:

- Demographics assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the TRS Trustees. These new assumptions were adopted to reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary.
- 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.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future male retirees assumed to be married and electing coverage for their spouse.
- The percentage of future retirees and future retiree spouses assumed to use tobacco.

Changes in Benefit Terms Since Prior Measurement Date – The following benefit revisions have been adopted since the prior valuation:

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary.

These minor benefit changes have been reflected in the fiscal year 2020 assumed per capita health benefit costs.

At August 31, 2020, the Tyler Junior College District reported its proportionate share of the ERS's 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	\$ -	\$ (1,233,467)
Changes in actuarial assumptions	-	(4,646,650)
Net difference between projected and actual investment earnings	17,310	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	10,337,711	-
Contributions paid to ERS subsequent to the measurement date	722,122	-
Total	\$ 11,077,143	\$ (5,880,117)

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
2021	\$ 240,435
2022	240,435
2023	1,748,711
2024	1,976,426
2025	268,897
Thereafter	-
	<u>\$ 4,474,904</u>

NOTE 18 — PROPERTY TAXES

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

As of August 31:

Assessed Valuation of the District	\$ 19,271,132,107
Less: Exemptions	4,570,675,566
Net Taxable Valuation of the District	<u>\$ 14,700,456,541</u>

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

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

The authorized rates for the year ended August 31, 2019 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, 2020 and 2019 amounted to \$27,761,934 and \$26,179,363, 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, 2020 were as follows:

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

Tax collections for the year ended August 31, 2019 were as follows:

Taxes Collected	Current Operations	Debt Service	Total
Current taxes collected	\$20,131,204	\$5,370,972	\$25,502,176
Delinquent taxes collected	225,414	68,870	294,284
Penalties and interest collected	253,105	66,008	319,113
Total Collections	\$20,609,723	\$5,505,850	\$26,115,573

Tax collections for the year ended August 31, 2020 and 2019 were approximately 97.85 percent and 98.15 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, 2020 and 2019.

NOTE 20 — CONTRACTUAL AGREEMENTS

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

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

The District has entered into a contract with a company to provide beverage and food vending services to its main campus and to its Regional Training and Development Center (RTDC) complex. The District is paid a commission for vending sales based on the products sold at varying commission rates as set forth in the agreement. This agreement was effective August 1, 2016 through July 31, 2019. In 2019, the District exercised a one year option to extend the agreement through July 31, 2020, and elected to do the same in 2020 extending the contract through July 31, 2021 with no change in terms.

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 student center on the main campus. This contract calls for an annual payment of \$298,200 and is under a one year renewal through August 31, 2020 at which point it expired.

As of September 1, 2020, the District has entered into a new contract with a local hospital to provide on campus medical care. The health care provider maintains a clinic in the student center on the main campus. The contract expires on August 31, 2022 with an option to renew for three one year periods. The new contract calls for an annual payment of \$295,800.

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 Rogers Nursing and Health Science (RLH) building from the main campus. Beginning in October 2017, the monthly contract amount is \$18,743 and \$105,590 for the RLH building and the main campus, respectively, and the current contract is under a renewal through July 31, 2021.

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 first one year renewal ending on July 31, 2021.

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 beginning January 1, 2016 through December 31, 2020 for \$10,853 per month.

The District entered into a new agreement beginning June 1, 2018 with a local orthopedic hospital to provide sports medicine and rehabilitation services for the District's athletic department. As part of the agreement the facility will provide scholarship funds for the Sports Medicine Training Program and the District will pay for graduate assistant trainers under a schedule within the agreement. The agreement is for a four year period ending May 31, 2022 and calls for an annual payment of \$128,000. This agreement was terminated as of August 31, 2020. The District entered into a new two year contract effective September 1, 2020 with the local orthopedic hospital to provide orthopedic, sports medicine, and rehabilitative services to all of the District's athletes. As part of the agreement, the Contractor will 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..

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 67% of total current Unrestricted Fund revenues.

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

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

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

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

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

Registration Fee - \$45 per Semester

Defrays increased labor and processing expenses during registration.

Laboratory Fee - \$20 per Semester Hour

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

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

Defrays the cost of private lessons.

Distance Education Fee (\$10) per Semester Hour

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

Technology Fee (\$15) per Semester Hour

Defrays the cost of instruction based technology improvements.

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

Defrays the costs for certain programs with higher instructional costs.

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

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

Campus Security Fee – (\$40) per Semester

Designated for use in constructing and maintaining parking facilities.

Health Service Fee – (\$35) per semester

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

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

Charged to students for on campus extracurricular activities.

NOTE 22 – CHANGE IN PRESENTATION

Certain amounts in the 2019 financial statements have been changed to conform to the 2020 financial statement presentation.

NOTE 23 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 16, 2020, the date which the financial statements were available to be issued.



REQUIRED SUPPLEMENTAL INFORMATION



TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2020

Fiscal year ending August 31,	2020	2019	2018	2017	2016	2015
TRS net position as percentage of total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%
Tyler Junior College District's proportionate share of collective net pension liability (%)	0.0295404%	0.0281490%	0.0446525%	0.0285649%	0.0285649%	0.0315846%
Tyler Junior College District's proportionate share of collective net pension liability (\$)	15,350,364	15,488,233	14,271,801	10,773,352	10,097,312	8,436,684
Portion of NECE's total proportionate share of NPL associated with TJC District	12,088,534	12,560,378	2,043,051	8,301,832	7,643,641	6,586,151
Total	27,438,898	28,048,611	16,314,852	19,075,184	17,740,953	15,022,835
Tyler Junior College District covered payroll	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	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, 2020

Fiscal year ending August 31,	2020	2019	2018	2017	2016	2015
Legally required contributions	1,033,949	948,268	1,463,447	905,822	845,819	800,758
Actual contributions	1,033,949	948,268	1,463,447	905,822	845,819	800,758
Contribution deficiency (excess)	-	-	-	-	-	-
Tyler Junior College District covered payroll	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	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, 2020

Fiscal year ending August 31	2020	2019	2018
Plan fiduciary net position as a percentage of the total OPEB liability	0.17%	1.27%	2.04%
Tyler Junior College District's proportion share of the collective net OPEB liability (%)	0.15915541%	0.16253604%	0.10523754%
Tyler Junior College District's proportionate share of collective net OPEB liability (\$)	55,008,366	48,172,013	35,857,598
Portion of NECE's total proportionate share of NPL associated with TJC District	45,926,923	38,689,680	31,015,819
Total	100,935,289	86,861,693	66,873,417
Tyler Junior College District covered payroll	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	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, 2020

Fiscal year ending August 31	2020	2019	2018
Statutorily required contributions	638,667	499,032	937,388
Actual contribution	638,667	499,032	937,388
Annual contribution deficiency (excess)	-	-	-
Tyler Junior College District covered payroll	34,823,635	34,096,458	30,397,963
Actual contributions as a percentage of covered payroll	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, 2020

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 changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018. 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 3.69 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 changed from 8.0 percent to 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, 2017. Updated procedures were used to roll forward the total pension liability to August 31, 2018. This is the first year using roll forward procedures.

Changes Since the Prior Actuarial Valuation for ERS OPEB:

Changes to Benefit Terms

- Benefit revisions have been adopted since the prior valuation. The only benefit change for HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,650 to \$6,750 for individuals and from \$13,300 to \$13,500 for families in order to remain consistent with Internal Revenue Service maximums. This minor benefit change is provided for in the FY2020 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

Demographic Assumptions

- Demographics assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the TRS Trustees. These new assumptions were adopted to reflect an experience study on the TRS retirement plan performed by the TRS retirement plan actuary.
- 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.
- Percentage of future male retirees assumed to be married and electing coverage for their spouse.
- Percentage of future retirees and future retiree spouses assumed to use tobacco.

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 discount rate was changed from 3.96% to 2.97% 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.

SUPPLEMENTAL INFORMATION



SCHEDULE A

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
FOR THE YEAR ENDED AUGUST 31, 2020
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Activities	Total 8/31/20	Total 8/31/19
Tuition						
State Funded Courses						
In-District Resident Tuition	\$ 3,248,822	\$ -	\$ 3,248,822	\$ -	\$ 3,248,822	\$ 3,263,808
Out-of-District Resident Tuition	5,375,002	-	5,375,002	-	5,375,002	5,170,874
TPEG **	487,081	-	487,081	-	487,081	480,336
Non-Resident Tuition	627,643	-	627,643	-	627,643	586,406
Continuing Education	801,629	-	801,629	-	801,629	786,692
Non-State Funded Continuing Education	555,276	-	555,276	-	555,276	912,332
Total Tuition	<u>11,095,453</u>	<u>-</u>	<u>11,095,453</u>	<u>-</u>	<u>11,095,453</u>	<u>11,200,448</u>
Fees						
General Education Fee	9,522,121	-	9,522,121	-	9,522,121	9,388,406
Out-of-District Fee	8,775,009	-	8,775,009	-	8,775,009	8,538,239
Laboratory Fee	1,811,093	-	1,811,093	-	1,811,093	1,796,487
Registration Fee	1,132,859	-	1,132,859	-	1,132,859	1,089,416
Student Life Fee	-	-	-	423,142	423,142	420,126
Health Service Fee	-	-	-	767,628	767,628	753,326
Other	6,847,202	-	6,847,202	-	6,847,202	6,704,857
Total Fees	<u>28,088,284</u>	<u>-</u>	<u>28,088,284</u>	<u>1,190,770</u>	<u>29,279,054</u>	<u>28,690,857</u>
Allowances and Discounts						
Bad Debt Allowance	(1,397,795)	-	(1,397,795)	-	(1,397,795)	(307,732)
Federal Grants to Students	(12,401,669)	-	(12,401,669)	-	(12,401,669)	(12,469,323)
TPEG Allowances	(312,731)	-	(312,731)	-	(312,731)	(307,461)
State Grants to Students	(817,070)	-	(817,070)	-	(817,070)	(1,095,983)
Contributions	(264,400)	-	(264,400)	-	(264,400)	(336,498)
Scholarships and Performance Grants	(921,003)	-	(921,003)	-	(921,003)	(1,002,505)
Waivers and Exemptions	(2,900,665)	-	(2,900,665)	-	(2,900,665)	(2,528,373)
Total Scholarship Allowances and Discounts	<u>(19,015,333)</u>	<u>-</u>	<u>(19,015,333)</u>	<u>-</u>	<u>(19,015,333)</u>	<u>(18,047,875)</u>
Net Tuition and Fees	<u>20,168,404</u>	<u>-</u>	<u>20,168,404</u>	<u>1,190,770</u>	<u>21,359,174</u>	<u>21,843,430</u>
Additional Operating Revenues						
Federal Grants and Contracts	93,807	5,342,765	5,436,572	-	5,436,572	1,328,454
State Grants and Contracts	-	934,116	934,116	-	934,116	1,319,879
Local Grants and Contracts	-	539,874	539,874	-	539,874	1,005,025
Sales and Service of Educational Activities	104,779	-	104,779	-	104,779	109,944
Interest on Student Loans	83,100	-	83,100	-	83,100	119,520
Other	2,576,473	-	2,576,473	-	2,576,473	2,245,836
Total Additional Operating Revenues	<u>2,858,159</u>	<u>6,816,755</u>	<u>9,674,914</u>	<u>-</u>	<u>9,674,914</u>	<u>6,128,658</u>
Auxiliary Enterprises						
Housing and Meals	-	-	-	6,707,174	6,707,174	7,162,941
Scholarship Allowances and Discounts	-	-	-	(2,926,696)	(2,926,696)	(3,185,446)
Net Housing and Meals	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,780,478</u>	<u>3,780,478</u>	<u>3,977,495</u>
Bookstore Commissions	-	-	-	519,691	519,691	485,989
Other Auxiliary Revenues	-	-	-	261,018	261,018	392,729
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,561,187</u>	<u>4,561,187</u>	<u>4,856,213</u>
Total Operating Revenues	<u>\$ 23,026,563</u>	<u>\$ 6,816,755</u>	<u>\$ 29,843,318</u>	<u>\$ 5,751,957</u>	<u>\$ 35,595,275</u>	<u>\$ 32,828,301</u>

** In accordance with Education Code 56.033, \$487,081 and \$480,336 for years August 31, 2020 and 2019, respectively, of tuition was set aside for Texas Public Education Grants.

SCHEDULE B

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF OPERATING EXPENSES BY OBJECT
FOR THE YEAR ENDED AUGUST 31, 2020
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)

	Salaries and Wages	Benefits		Other Expenses	Total 8/31/20	Total 8/31/19
		State	Local			
<u>Unrestricted - Educational Activities</u>						
Instruction	\$ 25,440,660	\$ -	\$ 1,794,930	\$ 4,595,137	\$ 31,830,727	\$ 32,533,104
Public Service	33,696	-	-	45,938	79,634	93,768
Academic Support	2,541,518	-	287,554	597,945	3,427,017	3,723,074
Student Services	4,427,321	-	487,558	1,724,902	6,639,781	6,571,100
Institutional Support	7,450,869	-	11,916,077	1,972,225	21,339,171	19,987,957
Operation and Maintenance of Plant	1,094,151	-	427,930	6,601,687	8,123,768	7,343,705
Scholarships and Fellowships	-	-	-	3,551,125	3,551,125	3,223,516
Total Unrestricted	<u>40,988,215</u>	<u>-</u>	<u>14,914,049</u>	<u>19,088,959</u>	<u>74,991,223</u>	<u>73,476,224</u>
<u>Restricted - Education and General</u>						
Instruction	260,290	3,798,419	55,758	36,500	4,150,967	4,117,977
Public Service	224,190	31,899	59,585	111,427	427,101	495,305
Academic Support	-	396,965	-	-	396,965	374,187
Student Services	376,062	620,764	148,287	1,369,467	2,514,580	2,854,068
Institutional Support	-	524,738	-	1,475,375	2,000,113	458,106
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	217,225	-	-	3,872,257	4,089,482	1,164,763
Total Restricted	<u>1,077,767</u>	<u>5,372,785</u>	<u>263,630</u>	<u>6,865,026</u>	<u>13,579,208</u>	<u>9,464,406</u>
Total Educational and General	42,065,982	5,372,785	15,177,679	25,953,985	88,570,431	82,940,630
Auxiliary Enterprises	1,089,193	-	451,266	7,417,095	8,957,554	9,747,202
Depreciation Expense - Buildings and Improvements	-	-	-	6,733,891	6,733,891	6,707,751
Depreciation Expense - Equipment	-	-	-	2,460,754	2,460,754	1,950,295
Depreciation Expense - Library Books	-	-	-	34,439	34,439	38,974
Total Operating Expenses	<u>\$ 43,155,175</u>	<u>\$ 5,372,785</u>	<u>\$ 15,628,945</u>	<u>\$ 42,600,164</u>	<u>\$ 106,757,069</u>	<u>101,384,852</u>

SCHEDULE C

TYLER JUNIOR COLLEGE DISTRICT
 SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2020
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)

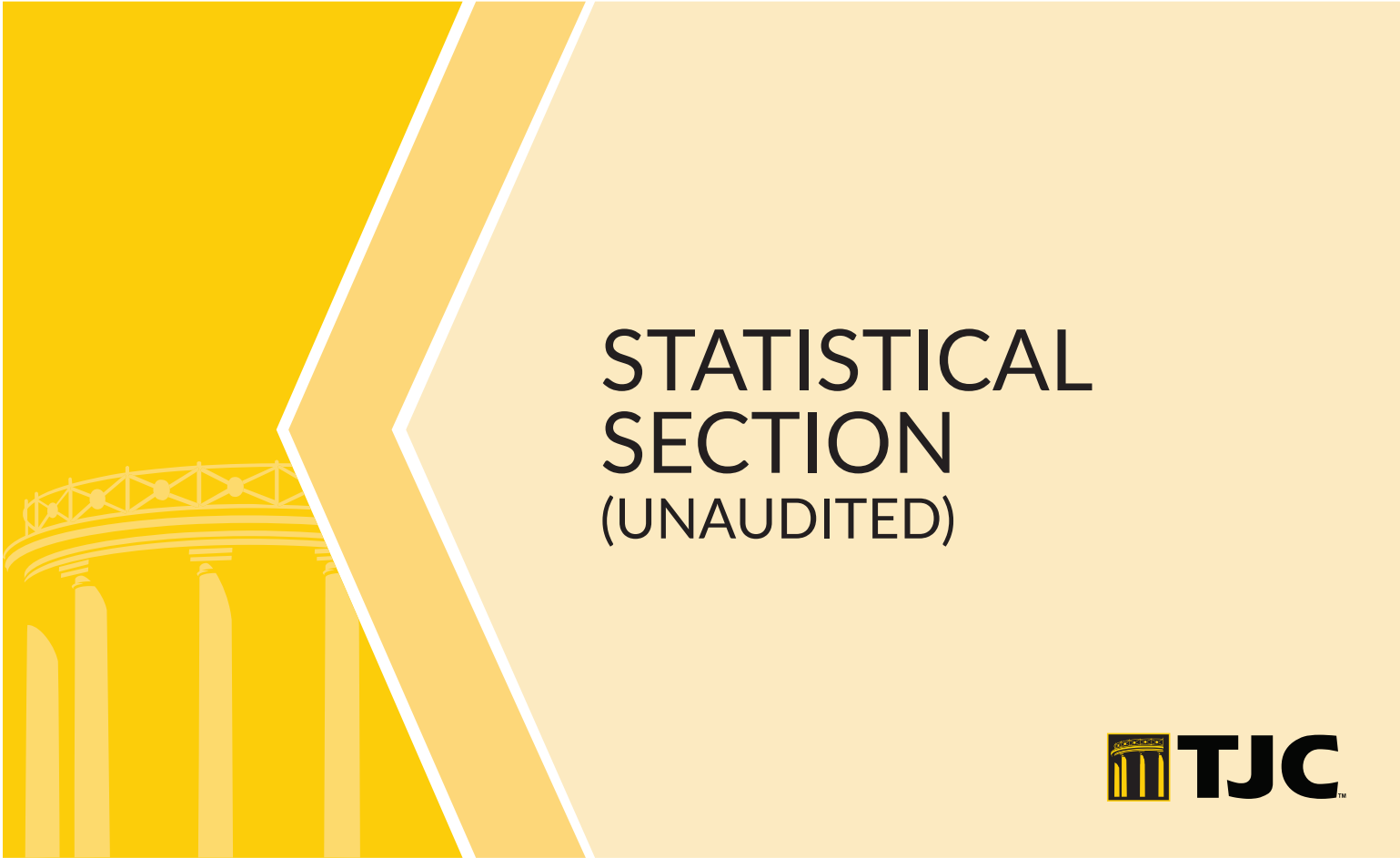
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 8/31/20</u>	<u>Total 8/31/19</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 18,086,935	\$ -	\$ -	\$ 18,086,935	\$ 16,775,052
State Group Insurance	-	4,083,352	-	4,083,352	3,939,853
State Retirement Matching	-	1,289,433	-	1,289,433	1,161,019
Professional Nursing Shortage Reduction	-	338,477	-	338,477	392,339
Total State Appropriations	<u>18,086,935</u>	<u>5,711,262</u>	<u>-</u>	<u>23,798,197</u>	<u>22,268,263</u>
Property Taxes	27,773,130	-	-	27,773,130	26,115,573
Federal Revenue, Non Operating	-	21,673,743	-	21,673,743	21,600,574
Investment Income	<u>430,407</u>	<u>-</u>	<u>-</u>	<u>430,407</u>	<u>510,673</u>
Total Non-Operating Revenues	46,290,472	27,385,005	-	73,675,477	70,495,083
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	<u>3,667,366</u>	<u>-</u>	<u>-</u>	<u>3,667,366</u>	<u>3,308,896</u>
Total Non-Operating Expenses	<u>3,667,366</u>	<u>-</u>	<u>-</u>	<u>3,667,366</u>	<u>3,308,896</u>
Net Non-Operating Revenues	<u>\$ 42,623,106</u>	<u>\$ 27,385,005</u>	<u>\$ -</u>	<u>\$ 70,008,111</u>	<u>\$ 67,186,187</u>

TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
FOR THE YEAR ENDED AUGUST 31, 2020
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)

	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	8,407,662	-	-	-	8,407,662	8,407,662	-
Restricted	-	731,207	-	-	731,207	731,207	-
Auxiliary Enterprises	-	-	-	-	-	-	-
Loan	(1,030,646)	-	-	-	(1,030,646)	-	(1,030,646)
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life Income Contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Plant:							
Unrestricted	-	-	-	-	-	-	-
Board Designated	(52,172,332)	-	-	-	(52,172,332)	-	(52,172,332)
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	89,134,384	89,134,384	-	89,134,384
Total Net Position, August 31, 2020	(44,795,316)	731,207	-	89,134,384	45,070,275	9,138,869	35,931,406
Total Net Position, August 31, 2019	(52,208,048)	771,808	-	97,660,198	46,223,958	8,779,470	37,444,488
Net Increase (Decrease) in Net Position	\$ 7,412,732	\$ (40,601)	\$ -	\$ (8,525,814)	\$ (1,153,683)	\$ 359,399	\$ (1,513,082)



DISTRICT



STATISTICAL SECTION (UNAUDITED)



**TYLER JUNIOR COLLEGE DISTRICT
TYLER, TEXAS**

**STATISTICAL SECTION
(UNAUDITED)**

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

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

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

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

Table 1

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

For the Fiscal Year Ended August 31,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Position By Component:										
Net investment in capital assets	\$ 89,134,384	\$ 97,660,198	\$ 91,365,869	\$ 84,186,085	\$ 88,796,058	\$ 85,846,676	\$ 81,012,927	\$ 79,832,528	\$ 72,350,636	\$ 68,009,970
Restricted - expendable	731,207	771,808	740,216	791,116	748,134	720,685	597,996	511,271	439,077	375,381
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(44,795,316)	(52,208,048)	(46,182,538)	4,143,017	(273,975)	1,738,951	4,181,739	12,727,957	16,100,326	14,472,690
Total primary government net position	\$ 45,070,275	\$ 46,223,958	\$ 45,923,547	\$ 89,120,218	\$ 89,270,217	\$ 88,306,312	\$ 85,792,662	\$ 93,071,756	\$ 88,890,039	\$ 82,858,041
For the Fiscal Year Ended August 31,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Change in Net Position:										
Total Operating and Non-Operating Revenues	\$ 109,270,752	\$ 103,323,384	\$ 99,376,076	\$ 98,338,888	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508	\$ 84,729,114	\$ 82,300,927	\$ 85,025,538
Total Operating and Non-Operating Expenses	110,424,435	104,693,748	100,716,433	98,488,887	93,805,866	90,891,107	83,715,804	80,547,397	76,013,521	74,984,245
Prior Period Adjustment	(1,153,683)	(1,370,364)	(1,340,357)	(149,999)	963,905	2,513,650	2,279,704	4,181,717	6,287,406	10,041,293
	-	1,670,775	(41,856,314)	-	-	-	(9,558,798)	-	(255,408)	-
Change in Net Position	(1,153,683)	300,411	(43,196,671)	(149,999)	963,905	2,513,650	(7,279,094)	4,181,717	6,031,998	10,041,293
Beginning Net Position	46,223,958	45,923,547	89,120,218	89,270,217	88,306,312	85,792,662	93,071,756	88,890,039	82,858,041	72,816,748
Ending Net Position	\$ 45,070,275	\$ 46,223,958	\$ 45,923,547	\$ 89,120,218	\$ 89,270,217	\$ 88,306,312	\$ 85,792,662	\$ 93,071,756	\$ 88,890,039	\$ 82,858,041

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,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Tuition and fees (net of discounts)	\$ 21,359,174	\$ 21,843,430	\$ 19,825,016	\$ 20,240,101	\$ 16,754,371	\$ 14,977,980	\$ 12,241,079	\$ 13,880,102	\$ 12,266,066	\$ 10,301,101
Governmental grants and contracts										
Federal grants and contracts	5,436,572	1,328,454	2,733,709	3,035,760	4,270,172	3,842,958	2,382,222	2,178,556	1,355,015	1,396,514
State grants and contracts	934,116	1,319,879	1,409,514	1,572,225	1,654,043	1,767,315	1,702,178	1,083,295	999,893	1,396,955
Local grants and contracts	539,874	1,005,025	542,659	474,774	459,730	432,759	585,280	1,022,395	532,168	711,217
Sales and services of educational activities	104,779	109,944	120,861	109,681	106,163	113,873	111,083	83,075	103,019	116,134
Auxiliary enterprises	4,561,187	4,856,213	4,882,536	5,147,261	5,103,155	3,665,385	3,077,997	3,049,065	2,643,800	2,354,905
Other operating revenues	2,659,573	2,365,356	2,107,063	3,357,245	3,484,470	5,610,819	2,528,234	2,117,809	2,511,539	4,810,549
Total Operating Revenues	35,595,275	32,828,301	31,621,358	33,937,047	31,832,104	30,411,089	22,628,073	23,414,297	20,411,500	21,087,375
State appropriations	23,798,197	22,268,263	21,841,248	21,441,989	21,197,433	21,051,274	21,462,893	20,337,298	21,105,328	21,608,189
Property taxes	27,773,130	26,115,573	24,581,128	23,551,272	22,952,007	22,233,785	21,554,921	21,022,138	18,937,231	18,638,057
Federal Revenue, Non Operating	21,673,743	21,600,574	21,035,479	19,260,848	18,713,030	19,605,018	20,210,574	19,766,591	21,761,914	23,541,831
Investment income	430,407	510,673	296,863	147,732	75,197	103,591	139,047	188,790	84,954	150,086
Total Non-Operating Revenue	73,675,477	70,495,083	67,754,718	64,401,841	62,937,667	62,993,668	63,367,435	61,314,817	61,889,427	63,938,163
Total Revenues	\$ 109,270,752	\$ 103,323,384	\$ 99,376,076	\$ 98,338,888	\$ 94,769,771	\$ 93,404,757	\$ 85,995,508	\$ 84,729,114	\$ 82,300,927	\$ 85,025,538

For the Fiscal Year Ended August 31,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Tuition and fees (net of discounts)	19.55%	21.14%	19.95%	20.58%	17.68%	16.04%	14.23%	16.38%	14.90%	12.12%
Governmental grants and contracts										
Federal grants and contracts	4.98%	1.29%	2.75%	3.09%	4.51%	4.11%	2.77%	2.57%	1.65%	1.64%
State grants and contracts	0.85%	1.28%	1.42%	1.60%	1.75%	1.89%	1.98%	1.28%	1.21%	1.64%
Local grants and contracts	0.49%	0.97%	0.55%	0.48%	0.49%	0.46%	0.68%	1.21%	0.65%	0.84%
Sales and services of educational activities	0.10%	0.11%	0.12%	0.11%	0.11%	0.12%	0.13%	0.10%	0.13%	0.14%
Sales and services of auxiliary enterprises	4.17%	4.70%	4.91%	5.23%	5.38%	3.92%	3.58%	3.60%	3.21%	2.77%
Other operating revenues	2.43%	2.29%	2.12%	3.41%	3.68%	6.01%	2.94%	2.50%	3.05%	5.66%
Total Operating Revenues	32.58%	31.77%	31.82%	34.51%	33.59%	32.56%	26.31%	27.63%	24.80%	24.80%
State appropriations	21.78%	21.55%	21.98%	21.80%	22.37%	22.54%	24.96%	24.00%	25.64%	25.41%
Property taxes	25.42%	25.28%	24.74%	23.95%	24.22%	23.80%	25.07%	24.81%	23.01%	21.92%
Federal Revenue, Non Operating	19.83%	20.91%	21.17%	19.59%	19.75%	20.99%	23.50%	23.33%	26.44%	27.69%
Investment income	0.39%	0.49%	0.30%	0.15%	0.08%	0.11%	0.16%	0.22%	0.10%	0.18%
Total Non-Operating Revenue	67.42%	68.23%	68.18%	65.49%	66.41%	67.44%	73.69%	72.37%	75.20%	75.20%
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 2009 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,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	\$ 35,981,694	\$ 36,651,081	\$ 34,184,631	\$ 32,714,778	\$ 31,740,018	\$ 31,823,349	\$ 30,301,247	\$ 29,123,820	\$ 28,681,895	\$ 29,633,824
Public service	506,735	589,073	2,402,243	2,885,121	2,850,500	2,564,089	1,154,083	1,242,178	1,388,391	1,398,852
Academic support	3,823,982	4,097,261	4,266,794	3,834,827	3,454,246	3,240,998	3,065,891	2,681,755	2,486,289	2,821,105
Student services	9,154,361	9,425,168	8,971,741	8,511,418	7,878,226	8,368,551	9,132,262	8,295,712	8,114,349	8,274,507
Institutional support	23,339,284	20,446,063	15,988,109	14,944,628	14,363,329	13,395,614	13,361,329	12,957,310	11,432,943	10,777,224
Operation and maintenance of plant	8,123,768	7,343,705	8,539,806	9,447,957	7,941,044	7,695,539	7,989,169	7,139,979	6,189,870	5,054,499
Scholarships and fellowships	7,640,607	4,388,279	4,925,497	4,334,539	3,725,898	3,718,928	1,922,592	2,964,736	2,824,070	3,122,074
Auxiliary enterprises	8,957,554	9,747,202	9,481,305	9,507,972	9,016,053	8,083,988	7,732,876	6,802,087	6,722,866	6,310,926
Depreciation	9,229,084	8,697,020	8,432,343	8,545,269	8,323,527	7,542,729	6,602,578	6,443,662	5,819,654	4,966,820
Total Operating Expenses	106,757,069	101,384,852	97,192,469	94,726,509	89,292,841	86,433,785	81,262,027	77,651,239	73,660,327	72,359,831
Interest on capital related debt	3,667,366	3,308,896	3,523,964	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158	2,353,194	2,624,414
Total Non-Operating Expenses	3,667,366	3,308,896	3,523,964	3,762,378	4,513,025	4,457,322	2,453,777	2,896,158	2,353,194	2,624,414
Total Expenses	\$ 110,424,435	\$ 104,693,748	\$ 100,716,433	\$ 98,488,887	\$ 93,805,866	\$ 90,891,107	\$ 83,715,804	\$ 80,547,397	\$ 76,013,521	\$ 74,984,245

For the Fiscal Year Ended August 31,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	32.58%	35.01%	33.94%	33.22%	33.84%	35.01%	36.20%	36.16%	37.73%	39.52%
Public service	0.46%	0.56%	2.39%	2.93%	3.04%	2.82%	1.38%	1.54%	1.83%	1.87%
Academic support	3.46%	3.91%	4.24%	3.89%	3.68%	3.57%	3.66%	3.33%	3.27%	3.76%
Student services	8.29%	9.00%	8.91%	8.64%	8.40%	9.21%	10.91%	10.30%	10.67%	11.03%
Institutional support	21.14%	19.53%	15.87%	15.17%	15.31%	14.74%	15.96%	16.09%	15.04%	14.37%
Operation and maintenance of plant	7.36%	7.01%	8.48%	9.59%	8.47%	8.47%	9.54%	8.86%	8.14%	6.74%
Scholarships and fellowships	6.92%	4.19%	4.89%	4.40%	3.97%	4.09%	2.30%	3.68%	3.72%	4.16%
Auxiliary enterprises	8.11%	9.31%	9.41%	9.65%	9.61%	8.89%	9.24%	8.44%	8.84%	8.42%
Depreciation	8.36%	8.31%	8.37%	8.68%	8.87%	8.30%	7.89%	8.00%	7.66%	6.62%
Total Operating Expenses	96.68%	96.84%	96.50%	96.18%	95.19%	95.10%	97.07%	96.40%	96.90%	96.50%
Interest on capital related debt	3.32%	3.16%	3.50%	3.82%	4.81%	4.90%	2.93%	3.60%	3.10%	3.50%
Total Non-Operating Expenses	3.32%	3.16%	3.50%	3.82%	4.81%	4.90%	2.93%	3.60%	3.10%	3.50%
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		
2019	\$ 45	32	\$ 92	\$ 42	\$ 35	\$ 40	\$ 40	\$ 2	\$ 15			
2018	45	32	92	42	35	40	40	2	15			
2017	35	32	90	42	35	36	36	2	10			
2016	35	30	85	42	35	36	36	2	7			
2015	35	30	77	40	35	30	30	2	5			
2014	35	30	77	40	35	30	30	2	-			
2013	35	30	77	40	35	30	30	2	-			
2012	35	30	76	37	35	30	30	2	-			
2011	35	30	76	37	35	30	30	2	-			
2010	25	28	69	34	30	25	25	2	-			

Table 4
(Continued)

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

NON-RESIDENT
Fees per Semester Credit Hour (SCH)

Academic (Fall)	Registration Student)	Non-Resident Out-of-State	Non-Resident International	General Education Fees	Health Service		Campus Security Fee (Per Student)	Student Life Fee	Technology Fee	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
					(Per Student)	Fee							
2019	\$ 45	\$ 116	\$ 116	\$ 42	\$ 35	\$ 40	\$ 2	\$ 15	15	2,220	2,220	0.00%	0.00%
2018	45	116	116	42	35	40	2	15	15	2,220	2,220	4.62%	4.62%
2017	35	114	114	42	35	36	2	7	7	2,122	2,122	5.36%	5.36%
2016	35	108	108	42	35	36	2	7	7	2,014	2,014	6.00%	6.00%
2015	35	108	108	40	35	30	2	-	-	1,900	1,900	7.47%	7.47%
2014	35	97	97	40	35	30	2	-	-	1,768	1,768	0.00%	0.00%
2013	35	97	97	40	35	30	2	-	-	1,768	1,768	2.79%	2.79%
2012	35	96	96	37	35	30	2	-	-	1,720	1,720	0.00%	0.00%
2011	35	96	96	37	35	30	2	-	-	1,720	1,720	8.86%	8.86%
2010	25	89	89	34	30	25	2	-	-	1,580	1,580	2.33%	2.33%

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

Table 5

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

Fiscal Year	Assessed Valuation of Property		Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate	
	Real Property	Personal Property				Maintenance & Operations	
2019-20	15,416,905,686	3,854,226,421	4,570,675,566	14,700,456,541	76.28%	\$	0.158000
2018-19	14,541,852,947	3,635,463,237	4,421,486,925	13,755,829,259	75.68%	\$	0.158000
2017-18	13,447,443,210	3,361,860,802	3,887,826,484	12,921,477,528	76.87%	\$	0.154160
2016-17	12,921,189,381	3,230,297,345	3,779,243,544	12,372,243,182	76.60%	\$	0.149298
2015-16	11,815,445,048	2,953,861,262	2,825,618,729	11,943,687,581	80.87%	\$	0.147119
2014-15	11,478,394,557	2,869,598,639	2,797,095,957	11,550,897,239	80.51%	\$	0.152999
2013-14	11,384,487,770	2,846,121,942	2,977,426,083	11,253,183,629	79.08%	\$	0.151417
2012-13	11,557,529,195	2,889,382,299	3,443,579,922	11,003,331,572	76.16%	\$	0.150647
2011-12	11,414,843,649	2,853,710,913	3,487,383,051	10,781,171,511	75.56%	\$	0.149870
2010-11	10,857,836,630	2,714,459,158	2,892,627,861	10,679,667,927	78.69%	\$	0.149870

Sources: Local Appraisal Districts

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Table 6

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

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriations	FTSE	State Appropriations Per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
2019-20	18,086,935	10,046	1,800.41	3,809,632	1,628,000	5,437,632	3.33
2018-19	16,775,052	10,320	1,625.49	3,764,760	1,567,440	5,332,200	3.15
2017-18	16,756,085	10,071	1,663.80	3,640,424	1,525,072	5,165,496	3.24
2016-17	16,653,999	10,464	1,591.55	3,679,464	1,406,416	5,085,880	3.27
2015-16	16,627,654	9,746	1,706.10	3,566,264	1,318,800	4,885,064	3.40
2014-15	16,788,037	9,853	1,703.85	3,540,592	1,381,008	4,921,600	3.41
2013-14	16,788,037	9,907	1,694.56	3,686,616	1,352,312	5,038,928	3.33
2012-13	16,477,885	9,291	1,773.53	3,619,672	1,430,192	5,049,864	3.26
2011-12	17,475,155	9,135	1,912.99	3,842,120	1,518,752	5,360,872	3.26
2010-11	16,239,896	8,622	1,883.54	4,033,512	1,508,800	5,542,312	2.93

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 2015-2019
(UNAUDITED)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2019	2018	2017	2016	2015
Brookshire Grocery Company	Supermarkets; distribution facilities	155,146,941	161,395,516	176,151,119	64,961,471	76,087,378
Oncor Electric / TXU	Electric utility	162,720,239	144,418,384	128,985,546	117,562,026	133,216,887
WalMart/Sam's	Retail	98,150,729	99,971,177	90,941,086	-	-
McWane Inc./ Ranson Industries	Pipe manufacturer	-	-	-	42,837,272	47,914,499
Sanderson Farms Inc.	Poultry farming	155,919,949	-	-	-	-
Dayton Hudson Corp.	Retail; distribution facilities	119,743,699	105,478,615	106,022,319	110,683,226	96,041,307
Delek Refining LTD / Crown / LaGloria	Refinery	275,276,092	259,134,664	246,264,747	240,250,644	231,928,942
Cebridge Acquisition LP	Commercial property	60,122,238	50,153,996	43,418,639	-	-
Carrier / Tytex	Air conditioning manufacturer	-	-	-	-	-
Union Oil Company	Oil & Gas	-	16,345,769	16,345,769	12,114,272	22,252,184
Genecov Investment Group	Commercial property	54,517,783	55,895,348	54,517,783	-	-
East Texas Medical Center	Hospital	-	-	-	94,348,545	94,352,150
Mother Frances Hospital	Hospital	-	-	192,899,297	166,671,499	166,671,499
University of Texas Health Center	Hospital	-	-	-	68,717,190	68,717,190
Simon Property Group	Commercial property	42,328,250	42,328,250	44,882,250	43,575,000	43,575,000
Tyler Regional Hospital	Hospital	248,056,435	241,006,785	-	-	-
BreitBurn Operating	Oil & Gas	43,674,208	-	-	-	-
Totals		\$ 1,415,656,563	\$ 1,176,128,504	\$ 1,100,428,555	\$ 961,721,145	\$ 980,757,036
Total Taxable Assessed Value		\$ 14,700,456,541	\$ 13,755,829,259	\$ 12,921,477,528	\$ 12,372,243,182	\$ 11,943,687,581

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2015-2019
(UNAUDITED)

Taxpayer (1)	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2019	2018	2017	2016	2015
Brookshire Grocery Company	Supermarkets; distribution facilities	1.06%	1.17%	1.36%	0.53%	0.64%
Oncor Electric / TXU	Electric utility	1.11%	1.05%	1.00%	0.95%	1.12%
WalMart/Sam's	Retail	0.67%	0.73%	0.70%	0.00%	0.00%
McWane Inc./ Ranson Industries	Pipe manufacturer	0.00%	0.00%	0.00%	0.35%	0.40%
Sanderson Farms Inc.	Poultry farming	1.06%	0.00%	0.00%	0.00%	0.00%
Dayton Hudson Corp.	Retail; distribution facilities	0.81%	0.77%	0.82%	0.89%	0.80%
Delek Refining LTD / Crown / LaGloria	Refinery	1.87%	1.88%	1.91%	1.94%	1.94%
Cebridge Acquisition LP	Commercial property	0.41%	0.36%	0.34%	0.00%	0.00%
Carrier / Tytex	Air conditioning manufacturer	0.00%	0.00%	0.00%	0.00%	0.00%
Union Oil Company	Oil & Gas	0.00%	0.00%	0.00%	0.00%	0.00%
Genecov Investment Group	Commercial property	0.37%	0.41%	0.42%	0.00%	0.00%
East Texas Medical Center	Hospital	0.00%	0.00%	0.00%	0.76%	0.79%
Mother Frances Hospital	Hospital	0.00%	0.00%	1.49%	1.35%	1.40%
University of Texas Health Center	Hospital	0.00%	0.00%	0.00%	0.56%	0.58%
Simon Property Group	Commercial property	0.29%	0.31%	0.35%	0.35%	0.36%
Tyler Regional Hospital	Hospital	1.69%	1.75%	0.00%	0.00%	0.00%
BreitBurn Operating	Oil & Gas	0.30%	0.00%	0.00%	0.00%	0.00%
Totals		9.63%	8.43%	8.39%	7.68%	8.03%

Source: Smith and Van Zandt County Appraisal Districts

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2010-2014
(UNAUDITED)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2014	2013	2012	2011	2010
Brookshire Grocery Company	Supermarkets; distribution facilities	70,542,484	60,855,905	62,387,213	129,231,040	129,333,680
Oncor Electric / TXU	Electric utility	112,195,234	85,243,137	80,476,227	83,859,047	84,193,564
WalMart/Sam's	Retail	-	-	-	81,793,017	81,793,018
McWane Inc./ Ranson Industries	Pipe manufacturer	42,265,341	48,259,908	56,096,738	51,853,668	51,853,668
Southwestern Bell Telephone	Telephone utility	-	-	-	-	-
Dayton Hudson Corp.	Retail; distribution facilities	96,708,766	96,708,766	70,140,546	107,880,844	107,880,844
Delek Refining LTD / Crown / LaGloria	Refinery	269,547,365	260,276,054	253,727,697	175,112,792	175,112,792
Simon Property Group	Commercial property	-	-	-	52,761,861	52,761,861
Carrier / Tytex	Air conditioning manufacturer	-	-	-	44,952,878	44,952,878
Union Oil Company	Oil & Gas	37,360,851	40,346,436	51,930,937	50,981,554	50,865,245
Genecov Investment Group	Commercial property	-	-	-	81,754,531	81,754,531
East Texas Medical Center	Hospital	94,355,755	94,362,965	94,366,570	-	-
Mother Frances Hospital	Hospital	166,671,499	159,840,819	93,272,964	-	-
University of Texas Health Center	Hospital	68,717,190	68,717,190	68,364,930	-	-
Simon Property Group	Commercial Property	42,815,000	42,815,000	42,850,000	-	-
Tyler Regional Hospital	Hospital	-	-	-	-	-
BreitBurn Operating	Oil & Gas	-	-	-	-	-
Totals		\$ 1,001,179,485	\$ 957,426,180	\$ 873,613,822	\$ 860,181,232	\$ 860,502,081
Total Taxable Assessed Value		\$ 11,550,897,239	\$ 11,253,183,629	\$ 11,003,331,572	\$ 10,781,171,511	\$ 10,679,667,927

Table 7
(Continued)

TYLER JUNIOR COLLEGE DISTRICT
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
YEARS 2010-2014

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

Source: Smith and Van Zandt County Appraisal Districts

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

Fiscal Year Ended August	Total Tax Levy (1)	Percent of		Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
		Current Tax Levy Collected	Current Tax Collections			
2020	\$ 27,761,934	97.78%	\$ 27,144,246	\$ 20,261	\$ 27,164,507	97.85%
2019	\$ 26,171,725	97.44%	\$ 25,502,176	\$ 186,382	\$ 25,688,558	98.15%
2018	\$ 24,504,733	97.74%	\$ 23,951,233	\$ 55,480	\$ 24,006,713	97.97%
2017	\$ 23,356,528	98.25%	\$ 22,948,703	\$ 76,149	\$ 23,024,852	98.58%
2016	\$ 22,705,595	98.43%	\$ 22,349,789	\$ 52,100	\$ 22,401,889	98.66%
2015	\$ 21,803,240	98.72%	\$ 21,523,382	\$ 11,292	\$ 21,534,674	98.77%
2014	\$ 21,269,434	98.36%	\$ 20,921,516	\$ -	\$ 20,921,516	98.36%
2013	\$ 20,721,317	98.52%	\$ 20,414,731	\$ 135,585	\$ 20,550,316	99.17%
2012	\$ 18,589,719	98.46%	\$ 18,304,251	\$ 49,486	\$ 18,353,737	98.73%
2011	\$ 18,409,311	98.29%	\$ 18,093,950	\$ 28,245	\$ 18,122,195	98.44%
2010	\$ 14,208,183	99.21%	\$ 14,095,963	\$ 17,868	\$ 14,113,831	99.34%

(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									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other Debt											
Bonded debt	\$	116,479,118	\$ 103,079,707	\$ 111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,770,000	\$ 120,050,000	\$ 75,695,000	\$ 57,295,000	\$ 62,680,000
Notes	-	-	-	-	-	-	122,155	830,602	1,469,185	2,226,212	3,618,545
Total Outstanding Debt		\$ 116,479,118	\$ 103,079,707	\$ 111,566,407	\$ 119,824,813	\$ 116,297,000	\$ 124,892,155	\$ 120,880,602	\$ 77,164,185	\$ 59,521,212	\$ 66,298,545
Total Outstanding Debt Ratios											
Per Capita	\$	505.94	\$ 491.53	\$ 533.37	\$ 479.90	\$ 531.42	\$ 570.70	\$ 559.43	\$ 287.12	\$ 223.78	\$ 258.45
Per FTSE	11,595	9,988	11,078	10,332	11,933	12,676	12,676	12,202	8,305	6,516	7,689
As a percentage of Taxable Assessed Value	0.67%	0.75%	0.86%	0.87%	1.01%	1.08%	1.08%	1.07%	0.70%	0.55%	0.62%

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

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

Fiscal Year Ended August 31	Pledged Revenues			Debt Service Requirements			
	Tuition and Fees	Auxiliary Enterprise	Total	Principal	Interest	Total	Coverage Ratio
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
2012	30,716,199	5,499,548	36,215,747	5,385,000	2,618,703	8,003,703	4.52
2011	29,640,946	5,767,075	35,408,021	5,790,000	3,170,314	8,960,314	3.95

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

<u>Fiscal Year</u>	<u>District Population</u>	<u>District Personal Income (thousands of dollars)</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2019-20	230,221	\$ 12,714,831	\$ 55,229	3.6%
2018-19	209,174	10,748,612	47,200	3.4%
2017-18	209,174	11,232,199	49,857	3.7%
2016-17	225,290	11,196,702	49,699	4.5%
2015-16	222,936	9,464,715	42,455	4.5%
2014-15	218,842	9,199,272	42,036	5.2%
2013-14	216,080	8,889,117	41,138	6.5%
2012-13	214,617	8,218,435	38,293	7.0%
2011-12	212,891	7,671,125	36,033	7.8%
2010-11	209,714	6,956,342	33,171	7.8%

Sources:

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

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission

Table 12

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

Employer	2020			2019			2018			2017			2016		
	Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment	
CHRISTUS Trinity Mother Frances	4,095	7.27%		4,095	7.10%		3,366	6.27%		3,523	6.56%		4,300	7.96%	
UT Health East Texas	4,439	7.88%		4,439	7.70%		3,380	6.29%		3,460	6.44%		3,194	5.91%	
Tyler Independent School District	2,639	4.68%		2,639	4.58%		2,360	4.40%		2,720	5.07%		2,115	3.91%	
Brookshire Grocery Company	1,620	2.87%		1,620	2.81%		2,456	4.57%		2,058	3.83%		2,565	4.75%	
UT Tyler	1,440	2.56%		1,440	2.50%		968	1.80%		1,661	3.09%		1,765	3.27%	
Suddenlink/Alice USA	1,150	2.04%		1,150	1.99%		1,500	2.79%		1,500	2.79%		1,500	2.78%	
UT Health Northeast/UT Health Science Center	1,108	1.97%		1,108	1.92%		1,414	2.63%		1,388	2.59%		1,130	2.09%	
Trane Co.	1,331	2.36%		1,331	2.31%		1,744	3.25%		1,319	2.46%		1,538	2.85%	
Wal-Mart	1,241	2.20%		1,241	2.15%		1,396	2.60%		1,191	2.22%		1,600	2.96%	
Tyler Junior College District	967	1.72%		967	1.68%		947	1.76%		941	1.75%		841	1.56%	
City of Tyler	-	0.00%		853	1.48%		813	1.51%		827	1.54%		853	1.58%	
Sanderson Farms	1,692	3.00%		1,000	1.73%		-	0.00%		-	0.00%		-	0.00%	
Smith County	-	0.00%		843	1.46%		860	1.60%		819	0.00%		807	1.49%	
	21,722	38.54%		22,726	36.23%		21,204	37.89%		21,407	38.34%		22,208	41.10%	

Table 12
(Continued)

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

Employer	2015			2014			2013			2012			2011		
	Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment	
CHRISTUS Trinity Mother Frances	4,300	7.96%		4,030	7.46%		3,775	7.02%		4,000	5.82%		3,884	5.65%	
UT Health East Texas	3,194	5.91%		3,092	5.72%		3,153	5.86%		3,238	4.71%		3,725	5.42%	
Tyler Independent School District	2,115	3.91%		2,359	4.37%		2,468	4.59%		2,449	3.56%		2,464	3.59%	
Brookshire Grocery Company	2,565	4.75%		1,762	3.26%		2,599	4.83%		2,522	3.67%		2,524	3.67%	
UT Tyler	1,765	3.27%		1,557	2.88%		1,121	2.08%		1,094	1.59%		-	0.00%	
Suddenlink	1,500	2.78%		1,600	2.96%		1,500	2.79%		1,500	2.18%		1,197	1.74%	
UT Health Northeast	1,130	2.09%		1,050	1.94%		925	1.72%		865	1.26%		849	1.24%	
Trane Co.	1,538	2.85%		1,500	2.78%		1,500	2.79%		1,500	2.18%		1,575	2.29%	
Wal-Mart	1,600	2.96%		1,296	2.40%		1,311	2.44%		1,711	2.49%		1,711	2.49%	
Tyler Junior College District	841	1.56%		935	1.73%		862	1.60%		811	1.18%		786	1.14%	
Carrier Corporation	-	0.00%		-	0.00%		-	0.00%		-	0.00%		795	1.16%	
City of Tyler	853	1.58%		-	0.00%		-	0.00%		-	0.00%		-	0.00%	
	21,401	39.61%		19,181	35.50%		19,214	35.72%		19,690	28.66%		19,510	28.40%	

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Faculty										
Full-Time	321	320	316	311	310	309	296	295	282	280
Part-Time	349	309	310	309	307	355	306	305	323	298
Total	670	629	626	620	617	664	602	600	605	578
Percent										
Full-Time	47.91%	50.87%	50.48%	50.16%	50.24%	46.54%	49.17%	49.17%	46.61%	48.44%
Part-Time	52.09%	49.13%	49.52%	49.84%	49.76%	53.46%	50.83%	50.83%	53.39%	51.56%
Staff and Administrators										
Full-Time	372	375	367	365	365	352	348	339	329	319
Part-Time	268	230	298	297	294	226	264	255	210	194
Total	640	605	665	662	659	578	612	594	539	513
Percent										
Full-Time	58.13%	61.98%	55.19%	55.14%	55.39%	60.90%	56.86%	57.07%	61.04%	62.18%
Part-Time	41.88%	38.02%	44.81%	44.86%	44.61%	39.10%	43.14%	42.93%	38.96%	37.82%
FTSE per Full-Time Faculty	31.30	32.25	31.87	33.65	31.44	31.89	33.47	31.49	32.39	30.79
FTSE per Full-Time Staff Member	27.01	27.52	27.44	28.67	26.70	27.99	28.47	27.41	28.64	27.03
Average Annual Faculty Salary	\$ 56,500	\$ 56,800	\$ 54,657	\$ 54,179	\$ 53,939	\$ 51,309	\$ 50,217	\$ 51,120	\$ 50,065	\$ 50,848

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

Student Classification	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	7,939	64.59%	5,838	58.27%	5,643	58.85%	5,700	59.88%	5,382	57.91%
31-60 hours	3,675	29.90%	3,646	36.39%	3,441	35.88%	2,554	26.83%	2,654	28.56%
>60 hours	665	5.41%	532	5.31%	505	5.27%	1,265	13.29%	1,258	13.54%
BAT	12	0.10%	3	0.03%	0	0.00%	0	0.00%	0	0.00%
Total	12,291	100%	10,019	100%	9,589	100%	9,519	100%	9,294	100%

Semester Hour Load	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Part-Time	5,039	41.00%	3,810	38.03%	3,746	39.07%	3,605	37.87%	4,183	45.01%
Full-Time	7,252	59.00%	6,209	61.97%	5,843	60.93%	5,914	62.13%	5,111	54.99%
Total	12,291	100%	10,019	100%	9,589	100%	9,519	100%	9,294	100%

Tuition Status	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	4,994	40.63%	3,531	35.24%	3,744	39.04%	3,549	37.28%	3,967	42.68%
Texas Resident (out-of-District)	6,503	52.91%	5,257	52.47%	5,102	53.21%	5,025	52.79%	4,957	53.34%
Non-Resident Tuition	403	3.28%	380	3.79%	332	3.46%	359	3.77%	370	3.98%
Tuition Exemption/Waiver	391	3.18%	851	8.49%	411	4.29%	586	6.16%	0	0.00%
Total	12,291	100%	10,019	100%	9,589	100%	9,519	100%	9,294	100%

Table 15

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

	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	7,684	62.52%	6,186	61.74%	5,827	60.77%	5,914	62.13%	5,537	59.58%
Male	4,607	37.48%	3,833	38.26%	3,762	39.23%	3,605	37.87%	3,757	40.42%
Total	12,291	100%	10,019	100%	9,589	100%	9,519	100%	9,294	100%

	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	6,065	49.35%	4,818	48.09%	4,700	49.01%	4,780	50.22%	5,314	57.18%
Hispanic	3,133	25.49%	2,530	25.25%	2,211	23.06%	1,970	20.70%	1,108	11.92%
African American	2,069	16.83%	1,987	19.83%	2,005	20.91%	2,133	22.41%	2,180	23.46%
Asian	200	1.63%	134	1.34%	120	1.25%	96	1.01%	122	1.31%
Native American	48	0.39%	34	0.34%	41	0.43%	48	0.50%	125	1.34%
Other	776	6.31%	516	5.15%	512	5.34%	492	5.17%	445	4.79%
Total	12,291	100%	10,019	100%	9,589	100%	9,519	100%	9,294	100%

	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
16 or younger	1,544	12.56%	336	3.35%	279	2.91%	197	2.07%	52	0.56%
17	1,133	9.22%	304	3.03%	161	1.68%	163	1.71%	135	1.45%
18	2,217	18.04%	2,080	20.76%	1,995	20.81%	1,960	20.59%	1,928	20.74%
19-21	3,819	31.07%	3,740	37.33%	3,561	37.14%	3,625	38.08%	3,492	37.57%
22-24	1,158	9.42%	1,143	11.41%	1,155	12.05%	1,112	11.68%	1,109	11.93%
25-30	1,114	9.06%	1,122	11.20%	1,100	11.47%	1,099	11.55%	1,125	12.10%
31-35	522	4.25%	496	4.95%	507	5.29%	532	5.59%	486	5.23%
36-50	629	5.12%	662	6.61%	669	6.98%	676	7.10%	750	8.07%
51-64	141	1.15%	123	1.23%	153	1.60%	150	1.58%	210	2.26%
65 & over	14	0.11%	13	0.13%	9	0.09%	5	0.05%	7	0.08%
Total	12,291	100%	10,019	100%	9,589	100%	9,519	100%	9,294	100%

Average Age	22	23	23	23	24
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Table 16

TYLER JUNIOR COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS
2018 FALL STUDENTS AS OF FALL 2019
(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	1,378	148	7	0	1,533	0.97%
2 Lamar University	1,156	208	10	0	1,374	0.87%
3 Midwestern State University	1,049	172	6	0	1,227	0.77%
4 Prairie View A&M University	1,100	91	7	0	1,198	0.76%
5 Sam Houston State University	5,998	366	61	2	6,427	4.06%
6 Stephen F. Austin State University	2,780	274	60	3	3,117	1.97%
7 Sul Ross State University	129	13	2	0	144	0.09%
8 Sul Ross State University - Rio Grande College	298	2	0	0	300	0.19%
9 Tarleton State University	3,643	462	38	1	4,144	2.62%
10 Texas A&M University International University	1,412	172	23	0	1,607	1.01%
11 Texas A&M University	19,003	945	69	2	20,019	12.64%
12 Texas A&M University - Central Texas	797	65	43	0	905	0.57%
13 Texas A&M University - Commerce	2,301	308	9	1	2,619	1.65%
14 Texas A&M University - Corpus Christi	1,841	178	16	0	2,035	1.28%
15 Texas A&M University - Kingsville	852	166	5	0	1,023	0.65%
16 Texas A&M University - San Antonio	2,475	354	1	0	2,830	1.79%
17 Texas A&M University - Texarkana	488	26	0	1	515	0.33%
18 Texas A&M University at Galveston	450	38	2	0	490	0.31%
19 Texas Southern University	1,086	122	6	0	1,214	0.77%
20 Texas State University	8,632	677	204	0	9,513	6.01%
21 Texas Tech University	7,734	774	55	1	8,564	5.41%
22 Texas Women's University	3,403	557	39	1	4,000	2.53%
23 University of Texas - Rio Grande Valley	3,945	394	1	0	4,340	2.74%
24 University of Texas - Arlington	10,440	1,833	68	5	12,346	7.79%
25 University of Texas - Austin	10,779	891	83	0	11,753	7.42%
26 University of Texas - Dallas	6,186	1,187	29	0	7,402	4.67%
27 University of Texas - El Paso	3,258	95	59	1	3,413	2.15%
28 University of Texas - San Antonio	7,357	428	35	1	7,821	4.94%
29 University of Texas - Tyler	1,882	267	12	2	2,163	1.37%
30 University of Texas of the Permian Basin	831	71	18	1	921	0.58%
31 University of Houston	10,412	557	19	0	10,988	6.94%
32 University of Houston - Clear Lake	2,943	212	1	0	3,156	1.99%
33 University of Houston - Downtown	3,960	312	8	0	4,280	2.70%
34 University of Houston - Victoria	1,051	120	15	0	1,186	0.75%
35 University of North Texas	9,138	1,174	39	1	10,352	6.53%
36 University of North Texas at Dallas	1,402	277	0	0	1,679	1.06%
37 West Texas A&M University	1,689	79	47	1	1,816	1.15%
Totals	143,278	14,015	1,097	24	158,414	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									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Academic buildings	15	15	15	15	15	15	13	13	13	13
Square footage (in thousands)	657	657	657	657	657	657	430	430	430	430
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	41	41	41	41	41	41	41	41	41	41
Number of Volumes (in thousands)	64	78	82	84	84	85	86	87	88	100
Administrative and support buildings	10	10	10	10	10	8	8	8	8	8
Square footage (in thousands)	178	178	178	178	178	170	170	170	170	168
Dormitories	10	10	10	10	10	10	9	9	9	9
Square footage (in thousands)	333	333	333	333	333	333	267	267	267	267
Number of Beds	1248	1248	1248	1248	1248	1248	1062	1062	1062	1062
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	4	4	4	4	4	4	4	4	4	4
Average daily customers	1683	2117	2015	2083	1962	1915	1745	3678	3872	3543
Athletic Facilities	7	7	7	7	7	7	7	7	7	7
Square footage (in thousands)	480	480	445	445	445	445	445	445	445	445
Stadiums	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness Centers	2	2	2	2	2	2	2	2	2	2
Tennis Court	3	3	2	2	2	2	2	2	2	2
Plant facilities	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	27	27	27	27	27	27	27	27	27	27
Transportation										
Cars	16	19	17	19	17	13	17	17	15	10
Light Trucks/Vans	32	29	28	28	30	27	29	27	27	22
Heavy Trucks	1	1	1	1	1	1	1	1	1	1
Buses	1	1	1	1	1	1	1	1	0	0

TYLER JUNIOR COLLEGE DISTRICT
MATURITY SCHEDULE FOR BONDED DEBT
AUGUST 31, 2020

FYE	2012 Series			2013 Series			2014 Series		
	General Obligation (mat 2/15/26)			Combined Fee Revenue (mat 8/15/28)			Combined Fee Revenue (mat 8/15/34)		
	Prin	2/15	Interest 8/15	Prin	2/15	Interest 8/15	Prin	2/15	Interest 8/15
2021	1,150,000	245,986	228,736	675,000	84,398	84,398	1,885,000	600,970	600,970
2022	1,175,000	228,736	211,110	690,000	76,129	76,129	1,925,000	580,706	580,706
2023	1,210,000	211,110	195,986	705,000	67,331	67,331	2,000,000	542,206	542,206
2024	1,245,000	195,986	177,311	725,000	57,990	57,990	2,080,000	502,206	502,206
2025	1,285,000	177,311	158,036	745,000	48,021	48,021	2,140,000	471,006	471,006
2026-2030	7,130,000	583,628	476,678	2,375,000	75,555	75,555	11,805,000	1,810,428	1,810,428
2031-2035	3,230,000	77,406	26,320	-	-	-	11,170,000	582,235	582,235
2036-2040	-	-	-	-	-	-	-	-	-
Total	16,425,000	1,720,162	1,474,177	5,915,000	409,424	409,424	33,005,000	5,089,758	5,089,758

FYE	2015 Series			2015 Tax Notes (mat 2/15/30)			2016 Series Refunding (mat 8/15/36)		
	Combined Fee Revenue (mat 8/15/30)			Interest			Interest		
	Prin	2/15	Interest 8/15	Prin	2/15	Interest 8/15	Prin	2/15	Interest 8/15
2021	358,000	52,859	52,859	240,000	30,827	28,055	1,595,000	347,734	347,734
2022	368,000	48,169	48,169	246,000	28,055	25,214	1,015,000	307,860	307,860
2023	377,000	43,348	43,348	251,000	25,214	22,315	1,060,000	282,484	282,484
2024	387,000	38,409	38,409	257,000	22,315	19,346	1,115,000	255,984	255,984
2025	397,000	33,340	33,340	263,000	19,346	16,309	1,160,000	233,684	233,684
2026-2030	2,148,000	85,871	85,871	1,412,000	49,700	33,391	6,450,000	847,122	847,122
2031-2035	-	-	-	-	-	-	7,280,000	429,513	429,512
2036-2040	-	-	-	-	-	-	1,570,000	23,550	23,550
Total	4,035,000	301,995	301,995	2,669,000	175,456	144,630	21,245,000	2,727,931	2,727,931

FYE	2016 Tax Notes (mat 2/15/26)			2019 Tax Notes (mat 2/15/2029)			Total Aggregate Bonded Debt		
	Interest			Interest			Interest		
	Prin	2/15	Interest 8/15	Prin	2/15	Interest 8/15	Prin	2/15	Interest 8/15
2021	1,565,000	90,413	78,675	1,050,000	291,175	275,425	8,518,000	1,744,362	1,696,852
2022	1,590,000	78,675	66,750	1,205,000	275,425	263,375	8,214,000	1,623,755	1,579,313
2023	1,620,000	66,750	50,550	1,355,000	263,375	243,050	8,578,000	1,501,818	1,447,270
2024	1,650,000	50,550	34,050	1,515,000	243,050	227,900	8,974,000	1,366,490	1,313,197
2025	1,685,000	34,050	17,200	1,670,000	227,900	211,200	9,345,000	1,244,658	1,188,796
2026-2030	1,720,000	17,200	-	13,345,000	640,350	429,150	46,385,000	4,109,853	3,758,195
2031-2035	-	-	-	-	-	-	21,680,000	1,089,154	1,038,067
2036-2040	-	-	-	-	-	-	1,570,000	23,550	23,550
Total	9,830,000	337,638	247,225	20,140,000	1,941,275	1,650,100	113,264,000	12,703,640	12,045,240

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, 2020**

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	--	\$ 326,755
Federal College Workstudy Program	84.033	--	164,113
Federal Pell Grant Program	84.063	--	20,647,834
Direct Student Loans	84.268	--	19,671,344
Total Student Financial Assistance Cluster			<u>40,810,045</u>
TRIO Cluster			
Student Support Services Grant	84.042	--	272,740
Educational Opportunity Centers	84.066	--	261,870
Total TRIO Cluster			<u>534,610</u>
COVID-19 Emergency Acts Funding			
HEERF Student Portion	84.425E	P425E200646	2,545,000
HEERF Institutional Portion	84.425F	P425F200186	1,475,375
			<u>4,020,375</u>
Pass Through From:			
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	184252	<u>1,113,040</u>
Total U. S. Department of Education			<u>46,478,070</u>
National Science Foundation			
Research and Development Cluster			
Pass Through From:			
University of Texas at El Paso			
Education and Human Resources	47.076	226100996F	<u>11,132</u>
Total National Science Foundation			<u>11,132</u>
U.S. Small Business Administration (SBA)			
Pass Through From:			
Dallas County Community College District			
Small Business Development Center	59.037	SBAHQ-19-B-0021	17,892
Small Business Development Center	59.037	SBAHQ-20-B-0014	181,533
Small Business Development Center/CARES Act	59.037	SBAHQ-20-C-0059	6,742
Total U.S. Small Business Administration (SBA)			<u>206,168</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	04161C11	<u>12,000</u>
Total U.S. Department of Health and Human Services			<u>12,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 46,707,370</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, 2020**

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, 2020 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	\$ 5,342,765
Non Operating Revenue From Schedule C	21,673,743
Direct Student Loans	19,671,344
Matching Contributions Included in Schedule E	<u>19,518</u>
Total Federal Financial Assistance – Schedule E	<u>\$ 46,707,370</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, 2020

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Texas College Work Study	--	\$ 57,589
Nursing Innovation Grant	18031	-
Professional Nursing Shortage Reduction Program	--	338,477
Texas Educational Opportunity Grant Program	--	802,458
60X30TX	21993	5,000
Dallas County Community College District		
Small Business Development Center	SBAHQ-19-B-0021	72,304
Texas Workforce Commission		
Skills Development	0818SSD000	2,940
		<hr/>
Total Expenditures of State Awards		\$ <u><u>1,278,768</u></u>

**TYLER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2020**

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, 2020. 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	\$ 934,115
Professional Nursing Shortage Reduction reported on Schedule C	338,477
Matching Contributions Included in Schedule F	<u>6,176</u>
Total State Financial Assistance – Schedule F	<u>\$1,278,768</u>

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

Board of Trustees
Tyler Junior College District
Tyler, Texas

Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Tyler Junior College District as of and for the year ended August 31, 2020, 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 16, 2020.

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.

Gollob Morgan Peddy PC
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Members American Institute of Certified Public Accountants and Private Companies Practice Section

member of

CPAmerica International
Member  Crowe Global™

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.



Certified Public Accountants

Tyler, Texas
November 16, 2020

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

Board of Trustees
Tyler Junior College District
Tyler, Texas

Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Tyler Junior College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tyler Junior College District's major federal programs for the year ended August 31, 2020. Tyler Junior College District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Basis for Qualified Opinion on Student Financial Assistance Cluster

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

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2020-001	84.268, 84.063,	Federal Direct Student Loans and Federal Pell Grant Program (Student Financial Assistance Cluster)	Special Tests and Provisions – Return of Title IV Funds

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

Qualified Opinion on Student Financial Assistance Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Tyler Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Student Financial Assistance Cluster for the year ended August 31, 2020.

Unmodified Opinion on Each Other Major Federal Programs

In our opinion, Tyler Junior College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended August 31, 2020.

Report on Internal Control Over Compliance

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

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

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. . We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a significant deficiency.

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

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
November 16, 2020

.TYLER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2020

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.007	Student Financial Assistance Programs:
	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

Finding 2020-001:

Information on the Federal Program: CFDA 84.063 - Federal Pell Grant Program, and 84.268 – Federal Direct Student Loans. *Compliance Requirements:* Special Tests and Provisions – Return of Title IV Funds. *Type of Finding:* Significant deficiency.

Criteria: Program requirements state that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs as outlined in this section and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal. Per program requirements, the school has 45 days to return the funds to the DOE.

Condition: For each student in the sample selection, GMP determined if they had withdrawn from all classes by viewing the SHATERM screen. If the student's account showed charges for classes and SHATERM did not show attempted hours, GMP viewed their schedule under ROAENRL and noted the credit hours enrolled and billed for. GMP checked for grades on the SFASTCA screen and did not note any grades. GMP then checked for a R2T4 calculation on RPITIVC but did not note one. After speaking with the Director of Financial Aid and Enrollment Support, it was determined that summer R2T4 calculations are completed outside of banner.

Questioned Costs: \$9,420

Context: One student in the eligibility testing process did not have an R2T4 calculation performed for the Summer II session. The Financial Aid Office identified 21 more students who did not have the calculation performed and money will be returned to the Department of Education.

Effect or Potential Effect: Money was not returned to the department of Education within the required time frame.

Cause: The banner system does not calculate R2T4 calculations for summer terms, as a result these calculations are done outside of the system and manually in the DOE's COD system.

Repeat Finding: Not a repeat finding.

Recommendation: The Financial Aid Office should implement an internal control process/procedure to ensure that all students that take courses during the summer terms are considered in the R2T4 calculation for possible refund to DOE.

Views of Responsible Official: The student was registered in 6 hours for Summer II. We treat the 4 summer terms as a single aid period so hours were frozen on June 4th which is the Pell recalculation date for the entire Summer payment period (all terms combined). The student dropped classes before the ORD for Summer II so the hours do not show as attempted according to Registrar policies. The student was not reported as a no show indicating attendance and, therefore, eligibility for the disbursement of Pell.

Since the student withdrew, an R2T4 calculation should be done. All Summer payment period R2T4 calculations must be done in the Department of Education's Common Origination and

Disbursement (COD) program. This process is manual and it was discovered that the student's calculation was not done in COD as it should have been. We also identified another 21 students affected. We have provided a list of those students. The required calculations have now been completed and we are in the process of returning the required aid funds.

Corrective Action Plan: A process will be developed that will compare all withdrawn financial aid students to all R2T4 calculations. This R2T4 list of calculations will be compiled from all Banner calculations and all COD calculations for the period. This process will be performed monthly and should find any student without a required R2T4 calculation.

**TYLER JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2020**

There were no findings reported in the prior audit as of August 31, 2019.



CORRECTIVE ACTION PLAN

November 16, 2020

Tyler Junior College respectfully submits the following corrective action plan for the year ended August 31, 2020.

Audit period:

The findings from the August 31, 2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – SECTION III – Federal Award Findings and Questioned Costs

Finding 2020-001

Information on the Federal Program: CFDA 84.063 – Federal Pell Grant Program, and 84.268 – Federal Direct Student Loans. *Compliance Requirements:* Special Test and Provisions – Return of Title IV Funds. *Type of Finding:* Significant deficiency.

Criteria: Program requirements state when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as part of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institutions determination that the student withdrew, the difference must be returned to the Title IV programs as outlined in this section and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal. Per program requirements, the school has 45 days to return funds to DOE.

Condition: For each student in the sample selection, GMP determined if they had withdrawn from all classes by viewing the SHATERM screen. If the student's account showed charges for classes and SHATERM did not show attempted hours, GMP viewed their schedule under ROAERNL and noted credit hours enrolled and billed for. GMP checked for grades on the SFASTCA screen and did not note any grades. GMP then checked for a R2T4 calculation on RPITIVC but did not note one. After speaking with the Director, Financial Aid and Enrollment Support Services it was determined that the summer R2T4 calculations are completed outside of banner.

Questioned Costs: \$9,420

Context: One student in the eligibility testing process did not have an R2T4 calculation performed for the Summer II session. The Financial Aid Office identified 21 more students who did not have the calculation performed and money will be returned to the Department of Ed.

Effect or Potential Effect: Money was not returned to the department of Education within the required time frame.



Cause: The banner system does not calculate R2T4 calculations for summer terms, as a result these calculations are done outside of the system and manually in DOE's COD system.

Repeat Finding: Not a repeat finding.

Recommendation: The Financial Aid Office should implement an internal control process/procedure to ensure that all students that take courses during summer terms are considered in the R2T4 calculation for possible refund to DOE.

View of Responsible Official: The student was registered in 6 hours for Summer II. We treat the 4 summer terms as a single aid period so hours were frozen on June 4th which is the Pell recalculation date for the entire Summer payment period (all terms combined). The student dropped classes before the ORD for Summer II so the hours do not show as attempted according to Registrar policies. The student was not reported as a no show indicating attendance and, therefore, eligible for the disbursement of Pell.

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Corrective Action Plan: A process will be developed that will compare all withdrawn financial aid students to all R2T4 calculations. This R2T4 list of calculations will be compiled from all Banner calculations and all COD calculations for the period. This process will be performed monthly and should find any student without a required R2T4 calculation.

Sincerely,

A handwritten signature in blue ink that reads "Devon Wiggins".

Devon Wiggins

Director, Financial Aid and Enrollment Support Services