PRELIMINARY OFFICIAL STATEMENT

Dated April 15, 2024

Ratings:
S&P: "AA+"
(See "OTHER INFORMATION - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS - Tax Exemption" herein.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$17,540,000*
TYLER JUNIOR COLLEGE DISTRICT
(A political subdivision of the State of Texas located in Van Zandt and Smith Counties, Texas)
COMBINED FEE REVENUE REFUNDING BONDS, SERIES 2024

Dated Date: April 15, 2024 **Due: August 15, as shown on Page 2**
Interest Accrues from Date of Initial Delivery

PAYMENT TERMS . . . Interest on the $17,540,000* Tyler Junior College District Combined Fee Revenue Refunding Bonds, Series 2024 (the "Bonds") will accrue from the date of initial delivery of the Bonds (anticipated to be May 23, 2024), will be payable February 15 and August 15 of each year, commencing August 15, 2024 until maturity, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a stated maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar for the Bonds is BOKF, N.A., Dallas, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and the general laws of the State of Texas (the "State"), particularly Vernon's Texas Codes Annotated ("V.T.C.A."), Education Code, Sections 130.123 and 130.125, as amended, Chapter 1207 of the Texas Government Code, as amended, and a resolution (the "Resolution") passed by the Board of Trustees, and are special obligations of the Tyler Junior College District (the "District") payable solely from and secured by a lien on and pledge of the Pledged Revenues, as provided in the Resolution. **The District has not covenanted or obligated itself to pay the Bonds from monies raised or to be raised from taxation and holders of the Bonds are not entitled to demand payment of the Bonds from any money raised or to be raised by taxation** (see "THE BONDS - Authority for Issuance" and "- Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Bonds will be used for (i) refunding a portion of the District's debt as more particularly described in "SCHEDULE I – SCHEDULE OF REFUNDED BONDS" (the "Refunded Bonds"), and (ii) paying costs of issuance of the Bonds (see "PLAN OF FINANCING").

CUSIP PREFIX: 902307
MATURITYSCHEDULE & CUSIP SUFFIX
See Schedule on Page 2

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Purchaser and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas (see APPENDIX C, "Form of Bond Counsel's Opinion").

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on or about May 23, 2024.

BIDS DUE WEDNESDAY, APRIL 24, 2024 AT 1:30 PM, CENTRAL TIME

* Preliminary, subject to change (see "CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts" in the Notice of Sale and Bidding Instructions).

CUSIP Prefix: 902307 [1]

MATURITY SCHEDULE*

Principal Amount	Maturity August 15	Interest Rate	Initial Yield	CUSIP Suffix [1]
$ 2,225,000	2028			
2,310,000	2029			
2,405,000	2030			
2,500,000	2031			
2,595,000	2032			
2,700,000	2033			
2,805,000	2034			

(Interest accrues from the date of initial delivery)

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* Preliminary, subject to change (see "CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts" in the Notice of Sale and Bidding Instructions).

(1) CUSIP numbers are included solely for convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the District, the Purchaser of the Bonds nor the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.

NO OPTIONAL REDEMPTION . . . The Bonds are not subject to redemption prior to their stated maturity (see "THE BONDS – No Optional Redemption").

MANDATORY SINKING FUND REDEMPTION . . . In the event any of the Bonds are structured as "term" Bonds, such term Bonds will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Resolution, which provisions will be included in the final Official Statement.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended and in effect on the date hereof, this document constitutes a Preliminary Official Statement of the District with respect to the Bonds that has been "deemed final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Preliminary Official Statement, which includes the cover page, Schedule and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor or the District. This Preliminary Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

Neither the District nor the Purchaser makes any representation regarding the information contained in this Preliminary Official Statement regarding The Depository Trust Company or its book-entry-only system, as such information has been provided by DTC. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau, and are included solely for the convenience of the owners of the Bonds. Neither the District nor the Purchaser shall be responsible for the selection or correctness of the CUSIP numbers shown on the inside cover page.

TABLE OF CONTENTS

The cover page hereof, this page, the Schedule, the Appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Preliminary Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Preliminary Official Statement. No person is authorized to detach this summary from this Preliminary Official Statement or to otherwise use it without the entire Preliminary Official Statement.

THE DISTRICT............................ The Tyler Junior College District (the "District") is a body corporate and political subdivision of the State of Texas organized and existing under the laws of the State. The District was established in 1926 as part of the Tyler public school system to serve the higher education needs of area citizens. The District's boundaries are coterminous with some or all of Chapel Hill, Tyler, Lindale, Winona, Van, and Grand Saline school districts, located in Smith and Van Zandt counties.

THE BONDS................................ The $17,540,000* Tyler Junior College District Combined Fee Revenue Refunding Bonds, Series 2024 are issued as serial bonds maturing on August 15 of each year, commencing August 15, 2028 through and including August 15, 2034, unless the Purchaser designates one or more maturities as a Term Bond (see "THE BONDS - Description of the Bonds").

PAYMENT OF INTEREST .... Interest on the Bonds accrues from the date of initial delivery, and is payable August 15, 2024 and each February 15 and August 15 thereafter until maturity (see "THE BONDS - Description of the Bonds").

AUTHORITY FOR ISSUANCE......... The Bonds are issued pursuant to the Constitution and the general laws of the State of Texas (the "State"), particularly Vernon's Texas Codes Annotated ("V.T.C.A."), Education Code, Sections 130.123 and 130.125, as amended, Chapter 1207 of the Texas Government Code, as amended, and a resolution (the "Resolution") passed by the Board of Trustees (see "THE BONDS - Authority for Issuance").

SECURITY FOR THE BONDS .... The Bonds are special obligations of the Tyler Junior College District (the "District") payable solely from and secured by a lien on and pledge of the Pledged Revenues, as provided in the Resolution. **The District has not covenanted or obligated itself to pay the Bonds from monies raised or to be raised from taxation and holders of the Bonds are not entitled to demand payment of the Bonds from any money raised or to be raised by taxation** (see "THE BONDS - Authority for Issuance" and "- Security and Source of Payment").

NO OPTIONAL REDEMPTION ...... The Bonds are not subject to optional redemption prior to maturity (see "THE BONDS – No Optional Redemption").

TAX EXEMPTION........................ In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption "TAX MATTERS – Tax Exemption" herein, including the alternative minimum tax on corporations.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS........................... The Bonds will not be designated as "qualified tax-exempt obligations."

USE OF PROCEEDS .... Proceeds from the sale of the Bonds will be used for (i) refunding a portion of the District's debt as more particularly described in "SCHEDULE I – SCHEDULE OF REFUNDED BONDS" (the "Refunded Bonds"), and (ii) paying costs of issuance of the Bonds (see "PLAN OF FINANCING").

RATINGS .... The Bonds are rated "AA+" by S&P Global Ratings, a division of S&P Global Inc. ("S&P") (see "OTHER INFORMATION – Ratings").

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* Preliminary, subject to change (see "CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts" in the Notice of Sale and Bidding Instructions).

BOOK-ENTRY-ONLY SYSTEM .... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").

PAYMENT RECORD .... The District has never defaulted in the payment of its bonded indebtedness.

SELECTED FINANCIAL INFORMATION

	Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
Analytical Data					
Total Enrollment Headcount	30,141	30,491	31,121	33,299	33,059
Debt Service Coverage					
Total Pledged Revenues (1)	$ 46,771,953	$ 45,546,691	$ 45,866,179	$ 47,862,390	$ 47,932,964
Average Annual Debt Service Requirements	$ 4,810,525	$ 4,896,398	$ 4,971,553	$ 4,729,555	$ 5,172,749
Annual Debt Service Coverage (2)	7.86X	7.78X	7.44X	8.36X	7.64X

(1) Includes Pledged Tuition at 100%.
(2) Coverage based on Pledged Tuition at 25%.

For additional information regarding the District, please contact:

Sarah Van Cleef, CPA
Vice President for Financial and Administrative Affairs, CFO
Tyler Junior College District
P. O. Box 9020
Tyler, Texas 75711-9020
(903) 510-2569

or

Steven Adams, CFA
Paul Jasin
Specialized Public Finance Inc.
4925 Greenville Avenue, Suite 465
Dallas, Texas 75206
(214) 373-3911

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DISTRICT OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

Board of Trustees	Term Expires	Occupation
Peggy Smith President	May, 2028	Community Volunteer
David Hudson First Vice President	May, 2026	Attorney
Lonny Uzzell Second Vice President	May, 2024	Banker
Rohn Boone	May, 2026	Business Owner
Ann Brookshire	May, 2026	C.P.A.
Mike Coker	May, 2024	Attorney
John Hills	May, 2024	Petroleum Engineer
Joseph Prud'homme	May, 2028	Surgeon
Clint Roxburgh	May, 2028	C.P.A./Retired

APPOINTED OFFICIALS

Name	Position	Length of Service With District
Dr. Juan E. Mejia	President	10 1/2 Years
Sarah E. Van Cleef	Vice President for Financial and Administrative Affairs, CFO	24 1/2 Years

CONSULTANTS AND ADVISORS

Auditors..Whitley Penn LLP
Dallas, Texas

Bond Counsel..Norton Rose Fulbright US LLP
Dallas, Texas

Financial Advisor..Specialized Public Finance Inc.
Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT
RELATING TO

$17,540,000*
TYLER JUNIOR COLLEGE DISTRICT
COMBINED FEE REVENUE REFUNDING BONDS, SERIES 2024

INTRODUCTION

This Preliminary Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of $17,540,000* Tyler Junior College District Combined Fee Revenue Refunding Bonds, Series 2024. Capitalized terms used in this Preliminary Official Statement have the same meanings assigned to such terms in the resolution, which authorized the issuance of the Bonds (the "Resolution"), except as otherwise indicated herein (see "SELECTED PROVISIONS OF THE RESOLUTION").

The District is a body corporate and political subdivision of the State of Texas, located in Smith and Van Zandt Counties, Texas. The District is governed by a nine-member Board of Trustees (the "Board") who serve staggered six year terms with elections being held in each even numbered year. Policy-making and supervisory functions are the responsibility of, and are vested in, the Board. The Board delegates administrative responsibilities to the President of the College who is the chief administrative officer of the District. Support services are supplied by consultants and advisors. Tyler Junior College maintains two campuses to serve its students and community partners in the City of Tyler, Texas, and the campuses are sometimes referred to collectively as the "College".

There follows in this Official Statement descriptions of the Bonds and certain information regarding the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District's Financial Advisor, Specialized Public Finance Inc., Dallas, Texas.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used for (i) refunding a portion of the District's debt as more particularly described in "SCHEDULE I – SCHEDULE OF REFUNDED BONDS" (the "Refunded Bonds"), and (ii) paying costs of issuance of the Bonds.

REFUNDED BONDS . . . The Refunded Bonds and the interest due thereon are to be paid on the scheduled redemption date (the "Redemption Date") from funds to be deposited with BOKF, N.A., Dallas, Texas (the "Refunded Bonds Paying Agent"). The Resolution provides that from the proceeds of the sale of the Bonds to the initial purchaser of the Bonds (the "Purchaser"), the District will deposit with the Refunded Bonds Paying Agent the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on the Redemption Date. Such funds will be held in uninvested cash by the Refunded Bonds Paying Agent in a trust clearing account pending their disbursement to redeem the Refunded Bonds on the Redemption Date. The Refunded Bonds Paying Agent will certify as to the sufficiency of the amounts deposited to pay the principal of and interest on the Refunded Bonds when due on the Redemption Date. The cash in such trust clearing account is irrevocably pledged to the payment of principal of and interest on the Refunded Bonds and is not available to pay the principal of or interest on the Bonds.

By the deposit of the cash with the Refunded Bonds Paying Agent, the District will have effected the defeasance of the Refunded Bonds, pursuant to the terms of the resolution authorizing the issuance of the Refunded Bonds and in accordance with applicable law, including Chapter 1207, Texas Government Code, as amended. It is the opinion of Bond Counsel that, as a result of such defeasance, and in reliance on the sufficiency certificate of the Refunded Bonds Paying Agent, the Refunded Bonds will not be deemed as being outstanding obligations of the District payable from taxes or other revenues nor for the purpose of applying any limitation on the issuance of debt. The Refunded Bonds will be payable solely from the cash held in such trust clearing account by the Refunded Bonds Paying Agent and the District will have no further responsibility with respect to amounts available for the payment of such Refunded Bonds.

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* Preliminary, subject to change.

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated April 15, 2024 and mature on August 15 in each of the years and in the amounts shown on page two hereof. Interest will accrue from the date of delivery, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15 and August 15 of each year, commencing August 15, 2024 until maturity. The definitive Bonds will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "Book-Entry-Only System" herein.

Interest on the Bonds is payable to the registered owner appearing on the bond registration books of the Paying Agent/Registrar on the Record Date (as defined below) and such interest shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the bond register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The principal of the Bonds is payable at maturity, upon their presentation and surrender to the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein. If the date for any payment on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated corporate office of the Paying Agent/Registrar is located is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and the general laws of the State of Texas (the "State"), particularly V.T.C.A. Education Code, Sections 130.123 and 130.125, as amended, Chapter 1207 of the Texas Government Code, as amended, and a resolution (the "Resolution") passed by the Board of Trustees.

SECURITY FOR PAYMENT . . . The Bonds are special obligations of the Tyler Junior College District (the "District") payable solely from and secured by a lien on and pledge of the Pledged Revenues, as provided in the Resolution.

NO OPTIONAL REDEMPTION . . . The Bonds are not subject to redemption prior to maturity.

MANDATORY SINKING FUND REDEMPTION . . . In the event any of the Bonds are structured as "term" Bonds, such term Bonds will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Resolution, which provisions will be included in the final Official Statement.

RATE COVENANT . . . The Board covenants to establish and maintain Pledged Revenues which will equal at least 110% of the average annual debt service of the Outstanding Parity Bonds (see "SELECTED PROVISIONS OF THE RESOLUTION" herein).

RESERVE FUND . . . The Reserve Fund is established for the benefit of the Bonds Similarly Secured. See "SELECTED PROVISIONS OF THE RESOLUTION – Reserve Fund Requirements."

THE BONDS ARE NOT A GENERAL OBLIGATION OF THE DISTRICT, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, AND THE BONDHOLDERS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR ANY SOURCES OTHER THAN THOSE SPECIFIED IN THE RESOLUTION.

See "SELECTED PROVISIONS OF THE RESOLUTION" for further information regarding the Bonds, including the Flow of Funds and Events of Default and Remedies.

FLOW OF FUNDS . . . Under the Resolution, all Pledged Revenues will be credited to the Revenue Fund upon receipt and will be further deposited to the Interest and Sinking Fund and the Reserve Fund, if necessary, on the dates and in amounts required as described in the Resolution.

ADDITIONAL BONDS . . . The District has reserved the right and power in the Resolution at any time and from time to time, and in one or more series or issues, to authorize, issue, and deliver additional parity revenue bonds, Additional Bonds, in any amounts, for any lawful purpose (including the refunding of any Outstanding Parity Bonds). Such Additional Bonds, if and when authorized, issued and delivered in accordance with the Resolution, will be secured and payable equally and ratably on a parity with the Bonds, and all other Outstanding Previously Issued Bonds and Additional Bonds, by a first and prior lien on and pledge of the Pledged Revenues.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Bonds are to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments on the Bonds to the Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement . . . In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

Information concerning DTC and the Book-Entry Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the District or the Purchaser.

Effect of Termination of Book-Entry Only System . . . In the event that the Book-Entry Only System is discontinued, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution and summarized under "THE BONDS - Transfer, Exchange and Registration" below.

So long as Cede & Co. is the registered owner of the Bonds, the District will have no obligation or responsibility to the Direct Participants or Indirect Participants, or the persons for which they act as nominees, with respect to the payment to or providing of notice to such Direct Participants, Indirect Participants or the persons for which they act as nominees.

Paying Agent/Registrar . . . The initial Paying Agent/Registrar for the Bonds is BOKF, N.A., Dallas, Texas. In the Resolution, the District retains the right to replace the Paying Agent/Registrar. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Transfer, Exchange and Registration . . . In the event the Book-Entry-Only System is discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar, and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate designated amount as the Bonds surrendered for exchange or transfer. See "THE BONDS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

PAYMENTS ON THE BONDS . . . Interest on the Bonds shall be paid to the registered owners whose names appear on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (defined below), and such interest shall be paid (i) by check sent United States mail, first class postage prepaid to the address of each registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to each registered owner at their stated maturity or upon prior redemption upon their presentation and surrender to the Designated Payment/Transfer Office of the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized to be closed, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the last Business Day of the month next preceding each interest payment date.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

BONDHOLDERS' REMEDIES . . . The Resolution does not provide for specific events of default. If the District defaults in the payment of principal, interest or redemption price, as applicable, on the Bonds when due, or if it fails to make payments into any fund or funds created in the Resolution, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Resolution, the registered owners may seek a writ of mandamus to compel District officials to carry out their legally imposed duties with respect to the Bonds if there is no other available remedy at law to compel performance of the Bonds or the Resolution and the District's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so it rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Resolution does not provide for the appointment of a trustee to represent the interest of the holders of the Bonds upon any failure of the District to perform in accordance with the terms of the Resolution, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court has ruled in Tooke v. City of Mexia, 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the District's sovereign immunity from a suit for money damages, holders of the Bonds may not be able to bring such a suit against the District for breach of the Bonds or the Resolution covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Bonds of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Resolution and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

DEFEASANCE . . . The Resolution provides for the defeasance of Bonds when the payment of the principal of and premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar or an authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities, certified by an independent accounting or consulting firm to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The Resolution provides that "Government Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent. The District has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid and will cease to be outstanding obligations secured by the Resolution or treated as debt of the District for purposes of taxation or applying any limitation on the District's ability to issue debt or for any other purpose.

After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

AMENDMENTS . . . The District may amend the Resolution without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the District may, with the written consent of the holders of a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of the Resolution; provided that, without the consent of all registered owners of all the Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by registered owners for consent to any such amendment, addition, or rescission.

SOURCES AND USES OF FUNDS . . . Proceeds from the sale of the Bonds will be applied approximately as follows:

Sources		
Par Amount of Bonds	$	-
Net Bid Premium		-
District Transfers from Prior Issue Debt Service Funds		-
District Transfers from Prior Issue Debt Service Reserve Funds		-
Total Sources of Funds	$	-
Uses		
Deposit to Escrow Fund	$	-
Costs of Issuance/Rounding Amount		-
Total Uses of Funds	$	-

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BOND INSURANCE

The District has applied for municipal bond insurance on the Bonds. The District shall notify the Purchaser upon obtaining a commitment from a municipal bond insurance company (the "Bond Insurer") concerning the Bonds. The premium for a municipal bond insurance policy (the "Policy") shall be paid by the District. The final Official Statement shall disclose, to the extent necessary, any relevant information relating to the Bond Insurer and the Policy.

BOND INSURANCE RISKS

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. The District has yet to determine whether any insurance will be purchased with the Bonds. If a Policy is purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bond by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received by the Paying Agent/Registrar pursuant to the Resolution. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bond are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "BOND INSURANCE" herein.

The obligations of an insurer are contractual obligations and in an event of default by an insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the District nor the Initial Purchaser have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of any insurer, particularly over the life of the investment.

CLAIMS-PAYING ABILITY AND FINANCIAL STRENGTH OF MUNICIPAL BOND INSURERS . . . Standard & Poor's Global Ratings, a division of Standard & Poor's Financial Services LLC, Moody's Investor Services, Inc., and Fitch Ratings (the "Rating Agencies") have downgraded the claims-paying ability and financial strength of most providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers are possible. In addition, certain events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims paying ability of such bond insurers, including the Bond Insurer.

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DEBT INFORMATION

TABLE 1 – PRO-FORMA DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 8/31	Outstanding Debt (1)			The Bonds (2)			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2024	$ 4,307,000	$ 1,343,117	$ 5,650,117	$ -	$ 159,809	$ 159,809	$ 5,809,926
2025	4,442,000	839,978	5,281,978	-	701,600	701,600	5,983,578
2026	4,603,000	685,399	5,288,399	-	701,600	701,600	5,989,999
2027	4,748,000	533,903	5,281,903	-	701,600	701,600	5,983,503
2028	2,539,000	395,985	2,934,985	2,225,000	701,600	2,926,600	5,861,585
2029	1,761,000	332,765	2,093,765	2,310,000	612,600	2,922,600	5,016,365
2030	1,802,000	291,511	2,093,511	2,405,000	520,200	2,925,200	5,018,711
2031	1,380,000	245,919	1,625,919	2,500,000	424,000	2,924,000	4,549,919
2032	1,415,000	211,419	1,626,419	2,595,000	324,000	2,919,000	4,545,419
2033	1,455,000	174,275	1,629,275	2,700,000	220,200	2,920,200	4,549,475
2034	1,495,000	134,263	1,629,263	2,805,000	112,200	2,917,200	4,546,463
2035	1,535,000	93,150	1,628,150	-	-	-	1,628,150
2036	1,570,000	47,100	1,617,100	-	-	-	1,617,100
	$ 33,052,000	$ 5,328,783	$ 38,380,783	$ 17,540,000	$ 5,179,409	$ 22,719,409	$ 61,100,192

(1) Excludes the Refunded Bonds. Preliminary, subject to change.
(2) Interest on the Bonds has been calculated as of the posted date of the Preliminary Official Statement for purposes of illustration. Preliminary, subject to change.

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PLEDGED REVENUES

TUITION PLEDGE . . . The Tuition Pledge is that portion of the tuition charges now or hereafter required or permitted by law to be collected from all regularly enrolled students at the College (except those exempt by Chapter 54, Texas Education Code) for each regular semester and summer term pledged as payment of the Bonds, currently not to exceed 25% of tuition charges collected. This amount is allocated from regular tuition charges, as of Fall 2023, $32.00 per semester hour for Texas residents and $56.00 per semester hour for Non-Texas residents.

GENERAL FEE . . . The General Fee is a special fee to be charged and collected from all students (except those exempt by Chapter 54, Texas Education Code) enrolled in the College for the general use and availability of the College. The current rate charged is $42.00 per semester credit hour for each regular fall and spring semester and for each term of the summer session.

BUILDING USE FEE . . . The Building Use Fee is a special fee to be fixed, charged and collected from all students (except those exempt by Chapter 54, Texas Education Code) in the College for the use and availability of the College to the extent provided in the Bond Resolution. The District currently does not have a Building Use Fee.

SPECIAL DISTRICT USE FEE . . . The Special District Use Fee is a special fee to be fixed, charged, and collected from all students (except those exempt by Chapter 54, Texas Education Code) enrolled in the College who are not residents of the District for the use and availability of the College. The current rate charged is $60.00 per semester for each regular fall and spring semester and for each term of the summer session.

Auxiliary Enterprises are student tuition surcharges, athletics, cafeteria, and other food services, bookstores, vending, dormitories and other enterprises undertaken by the College.

OTHER PLEDGED REVENUES . . . Pledged Revenues also include any interest income and any additional revenues, income, receipts or other resources, including any grants, donations or income received from the United States Government, or any other public or private source which may be pledged to the payment of the Bonds and any Additional Bonds. Other local revenues include a $35.00 per semester Health Service Fee, a $45.00 per semester Registration Fee, and a $40.00 per semester Campus Security Fee as of Fall 2023.

TABLE 2 – HISTORICAL PLEDGED REVENUES AND COVERAGE BY PLEDGED REVENUES

	Fiscal Year Ended August 31,					
	2023	2022	2021	2020	2019	2018
Pledged Tuition and Fees [1]	$38,072,208	$37,082,749	$38,385,199	$40,374,507	$39,891,305	$36,796,238
Auxiliary Enterprise	8,699,745	8,463,942	7,480,980	7,487,883	8,041,659	8,227,493
Total	$46,771,953	$45,546,691	$45,866,179	$47,862,390	$47,932,964	$45,023,731
Average Annual Debt Service Requirements	$ 4,810,525	$ 4,896,398	$ 4,971,553	$ 4,729,555	$ 5,172,749	$ 5,256,328
Coverage by Pledged Revenues [2]	7.86X	7.78X	7.44X	8.36X	7.64X	7.06X
Maximum Annual Debt Service Requirements	$ 6,022,110	$ 6,022,110	$ 6,023,726	$ 6,059,922	$ 6,684,921	$ 6,684,921
Coverage by Pledged Revenues [2]	6.27X	6.33X	6.14X	6.52X	5.91X	5.55X

(1) Includes Pledged Tuition at 100%.
(2) Coverage based on Pledged Tuition at 25%.

DESCRIPTION OF THE TYLER JUNIOR COLLEGE DISTRICT

THE DISTRICT . . . The District, created in 1926 as part of the Tyler public school system to serve the higher education needs of area citizens, 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. 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. While not adding to the tax base, defining the service area clarified the geographic boundaries within which the District may offer its courses and programs.

Although the Tyler Junior College District is regional in concept, the District's forty plus areas of study in the liberal arts and vocational fields at relatively low cost attracts students from 35 states and over 35 foreign countries. Annual enrollment is approximately 11,000 academic and vocational students, with an additional 5,700 "non-credit" continuing education students. The District is committed to maintaining its strong "junior college" academic heritage of the first two years of a four-year baccalaureate degree education. 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 strong performing arts programs. Student and service clubs, campus housing, career guidance and counseling, endowed scholarships, federal financial aid, and a modern 80-acre campus round out the educational experience.

GOVERNANCE . . . 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. Each of the nine trustees serves a six year term with local elections staggered every other year. The District is considered a special-purpose, primary government engaged in business-type activities for financial reporting purposes.

THE CAMPUS . . . The campus facilities are located in Tyler, an east Texas city of approximately 100,000. The District is committed to preserving a traditional campus experience by maintaining a modern 101-acre campus including housing for students, student life activities, and intercollegiate athletic programs.

MISSION AND PHILOSOPHY STATEMENT . . . Tyler Junior College is a comprehensive community college committed to meeting the needs of East Texas by providing excellence in an environment which broadens the mind, challenges the spirit, and maximizes human potential. The College provides open access and equal opportunity to all qualified individuals for pursuit of their aspirations and goals in areas of academic endeavor and workforce preparation. As an integral part of the community, the College is also committed to meeting the needs of business and industry in a changing global environment and to providing opportunities for lifelong learning.

The College will fulfill its mission and pursue its philosophy within prevailing fiscal and legal constraints by:

- maintaining a high standard of excellence in education through…
  - providing transferable academic courses and programs, technical education, developmental education and continuing education.
  - meeting the needs of students with different learning styles.
  - promoting higher-order thinking skills.
  - recognizing scholarship among students and faculty.
  - facilitating faculty and staff professional development to enhance their academic, intellectual and societal effectiveness.
  - freeing faculty from unnecessary internal and external restraints which may impede effective instruction.
  - encouraging innovations in teaching.
  - incorporating advanced technology.
  - encouraging faculty and students to work together to forge a competitive, high quality learning outcome.

- creating environment in which development of human potential is the highest priority through…
  - sustaining an atmosphere of cooperation, respect, dignity, and equality which transcends racial, ethnic, cultural and global boundaries.
  - promoting sound, moral and ethical standards that permeate all aspects of college life.
  - providing a nonrestrictive climate that facilitates intellectual and experiential growth and development of students.
  - guiding students toward accepting responsibility for self-directed learning.
  - providing programs for physical development and competitive sports.
  - cultivating avenues for development of student leadership and citizenship.

- offering open access and equal opportunity for all qualified students through…
  - maintaining a tuition and fee structure and administering financial support programs which encourage broad participation in higher education.
  - advising to enable academic success.
  - providing counseling and support services for those with special needs and capabilities.
  - providing a developmental education program to meet the needs of under-prepared students with academic potential.
  - providing distance learning and off-campus instructional programs.
  - recruiting individuals who might not otherwise be aware of their own potential or of the educational opportunities which the College provides.

- meeting the needs of business and industry for competency in a global marketplace through…
  - offering college credit programs in technical areas.
  - providing continuing education opportunities for entry level competencies and for updating professional skills.
  - tailoring training and retraining programs to prepare the work force for current and future technology.
  - supporting local and regional economic development.

- providing service to the community and opportunity for lifelong learning through…
  - expanding awareness and appreciation of and increasing sensitivity to our multicultural society.
  - offering college expertise and facilities for community members and their organizations.
  - opening college activities to community participation.
  - encouraging student and faculty involvement in community public service projects.
  - fostering appreciation of the arts, humanities and sciences.
  - cultivating an awareness of and participation in efforts toward preserving the environment.
  - providing opportunities for social, spiritual and recreational development.
  - nurturing development of intellectual and ethical standards.
  - providing abundant opportunities for personal enrichment.

STATE APPROPRIATIONS . . . State law provides for a system of biennial appropriations of State money for community and junior colleges to supplement local funds for the operation and maintenance of such colleges. The sum appropriated is required to be on the basis of contact hours within categories developed by the Texas Higher Education Coordinating Board. Among other requirements for eligibility to receive appropriations, a community or junior college must collect tuition and fees from each full-time and part-time student in an amount specified by State law and grant properly applied for scholarships and tuition exemptions which are prescribed by State law. The State is not obligated to provide a specific appropriation in any year.

TAX INCREMENT FINANCING AGREEMENT . . . 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"). The Reinvestment Zone was created for the purpose of financing the construction of the District-owned Regional Skills Training Center. The District and two other taxing entities pledged their incremental tax collections on growth in the appraised value, above a base level established when the Reinvestment Zone was created in 1998, to the financing of the facility. No proceeds of the tax have been, or may be, pledged to secure the Bonds. See also "Other Obligations".

COORDINATING BOARD . . . The District is subject to the supervisory powers of the Texas Higher Education Coordinating Board (the "Coordinating Board"). The Coordinating Board is an agency of the State established to promote the efficient use of State resources by providing coordination and leadership for the State's higher education systems, institutions and governing boards. The Coordinating Board is the highest authority in the State in matters of public higher education and exercises general control of the public junior colleges of Texas. The Coordinating Board has the responsibility for adopting policies, enacting regulations, and establishing general rules necessary for carrying out the duties with respect to public junior colleges as prescribed by the Legislature. The Coordinating Board periodically reviews all degree and certificate programs offered by the State's junior colleges and annually reviews the academic courses offered by such institutions.

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FACULTY STATISTICS

	Fiscal Year 2023
Faculty	
Full-Time	321
Part-Time	339
Total	660
Percent	
Full-Time	48.64%
Part-Time	51.36%
Staff and Administrators	
Full-Time	385
Part-Time	165
Total	550
Percent	
Full-Time	70.00%
Part-Time	30.00%

Source: the District.

ACCREDITATION AND STANDING . . . The College is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the associate in arts degree, the associate in applied science degree and certificates of proficiency.

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TABLE 3 – ENROLLMENT

The following tables reflect the actual and full time equivalent ("FTE") enrollment at the District for the years August 31, 2019 through August 31, 2023.

Fiscal Year Ending 8/31	Number of Students				
	Fall Semester	Spring Semester	Summer Session I&II	Total	Unduplicated Total
2019	10,222	14,480	8,357	33,059	16,273
2020	12,291	13,785	7,223	33,299	16,485
2021	11,726	13,389	6,006	31,121	15,807
2022	11,989	12,778	5,724	30,491	15,854
2023	11,878	12,646	5,617	30,141	15,647

Fiscal Year Ending 8/31	Full-Time Equivalent Students				
	Fall Semester	Spring Semester	Summer Session I & II	Total	Semester Credit Hours
2019	8,562	9,356	6,370	24,288	253,226
2020	9,559	9,134	5,534	24,227	257,519
2021	8,966	8,892	4,456	22,314	233,626
2022	9,456	8,619	4,198	22,273	242,099
2023	9,147	8,709	4,175	22,031	239,312

Fiscal Year Ending 8/31	Contact Hours		
	Academic	Technical	Total
2019	3,764,760	1,567,440	5,332,200
2020	3,809,632	1,628,000	5,437,632
2021	3,772,216	1,633,824	5,406,040
2022	3,534,344	1,469,936	5,004,280
2023	3,535,160	1,558,702	5,093,862

Source: the District.

State Appropriations per FTSE	
Fiscal Year	Appropriations
2019	$ 1,625
2020	1,800
2021	1,753
2022	1,916
2023	2,081

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

TABLE 4 - TUITION COLLECTIONS

	Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
In-District Resident	$ 2,789,168	$ 2,805,194	$ 2,898,602	$ 3,248,822	$ 3,263,808
Out-of-District Resident	5,119,983	5,041,755	4,989,947	5,375,002	5,170,874
Texas Public Education Grants	499,769	438,503	451,723	487,081	480,336
Non-Resident	745,185	666,716	596,751	627,643	586,406
Continuing Education	657,189	531,561	889,866	801,629	786,692
Non-State Funded CE	631,888	407,698	427,459	555,276	912,332
Total Tuition	$ 10,443,182	$ 9,891,427	$ 10,254,348	$ 11,095,453	$ 11,200,448

Source: the District's Annual Comprehensive Financial Reports.

TABLE 5 – TUITION AND FEES (EFFECTIVE FALL 2023 SEMESTER)

	Residents of Texas		
Credit Hours	Total In-District Students	Total Out-of-District Students	Total Out-of-State/ International Students
1	$ 216	$ 279	$ 304
2	312	438	488
3	408	597	672
4	504	756	856
5	600	915	1,040
6	696	1,074	1,224
7	792	1,233	1,408
8	888	1,392	1,592
9	984	1,551	1,776
10	1,080	1,710	1,960
11	1,176	1,869	2,144
12	1,272	2,028	2,328
13	1,368	2,187	2,512
14	1,462	2,344	2,694
15	1,556	2,501	2,876
16	1,650	2,658	3,058
17	1,744	2,815	3,240
18	1,838	2,972	3,422
19	1,932	3,129	3,604
20	2,026	3,286	3,786
21	2,120	3,443	3,968
22	2,214	3,600	4,150

Source: the District.

	Residents of the District	Texas Residents out of District	Non-Residents of Texas
Method of Computation:	$ 37/hr tuition	$40/hr tuition	$65/hr tuition
plus		$60/hr surcharge	$60/hr surcharge
plus	$42/hr general education fee	$42/hr general education fee	$42/hr general education fee
plus	$2/hr student life fee ($26 max)	$2/hr student life fee ($26 max)	$2/hr student life fee ($26 max)
plus	$15/hr technology fee	$15/hr technology fee	$15/hr technology fee
plus	$35 health service fee	$35 health service fee	$35 health service fee
plus	$45 registration fee	$45 registration fee	$45 registration fee
plus	$40 campus security fee	$40 campus security fee	$40 campus security fee

Other Fees:

In addition to the rates shown, the following fees are charged:

Laboratory Fees (per course-specified courses only)	$20/hour
High Cost Vo Tech Course Fee (per course-specified courses only)	$28/hour
High Cost Health Prof Course fee (per course-specified courses only)	$28/hour
3000/4000 Level Course Fee	$30/hour
Individual Music Instruction (1 lesson/week)	$85
Individual Music Instruction (2 lessons/week)	$110
Distance Ed Fee	$10/hour
Non-Course Based Option (NCBO) Fee	$85
Non-Funded Course Fee	$100/hour
Returned Check Fee (Registration)	$30
Posting Fee (for posting credit by examination (CLEP, etc.) to permanent records	$25
Replacement ID Fee	$15
Payment Plan Admin Fee	$30
Payment Plan Late Fee	$30
Reinstatement Fee	$100/occurrence
Dual Credit Late Processing Fee	$100/course
Differential Fee	Varies

Source: the District.

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FINANCIAL INFORMATION

TABLE 6 – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
OPERATING REVENUES					
Tuition and Fees	$ 21,974,427	$ 20,284,470	$ 21,408,216	$ 21,359,174	$ 21,843,430
Federal grants and contracts	4,691,590	26,964,684	21,870,257	5,436,572	1,328,454
State Grants and contracts	1,339,751	1,212,396	1,496,848	934,116	1,319,879
Local grants and contracts	745,581	659,387	726,872	539,874	1,005,025
Auxiliary enterprises	5,606,221	5,241,336	4,558,483	4,561,187	4,856,213
Sales and Service of Educational Activities	100,160	116,174	143,254	104,779	109,944
Interest on Student Loans	16,823	-	-	83,100	119,520
Miscellaneous	3,076,456	3,200,427	13,314,675	2,576,473	2,245,836
Total Operating Revenues	$ 37,551,009	$ 57,678,874	$ 63,518,605	$ 35,595,275	$ 32,828,301
EXPENDITURES					
Instruction	$ 38,637,436	$ 37,522,741	$ 35,252,771	$ 35,981,694	$ 36,651,081
Public Service	680,971	622,514	1,033,887	506,735	589,073
Academic Support	5,060,902	4,501,409	4,021,600	3,823,982	4,097,261
Student Services	10,130,608	8,902,253	8,960,017	9,154,361	9,425,168
Institutional Support	20,455,589	23,648,742	33,247,192	23,339,284	20,446,063
Operation and Maintenance of Plant	11,870,715	10,227,942	9,777,367	8,123,768	7,343,705
Scholarships and Fellowships	8,437,952	17,493,431	10,673,662	7,640,607	4,388,279
Auxiliary Enterprises	9,537,804	10,889,315	9,888,795	8,957,554	9,747,202
Depreciation	11,115,692	9,664,929	9,297,214	9,229,084	8,697,020
Total Operating Expenses	$115,927,669	$123,473,276	$122,152,505	$106,757,069	$101,384,852
Operating Loss	$ (78,376,660)	$ (65,794,402)	$ (58,633,900)	$ (71,161,794)	$ (68,556,551)
Non-Operating revenues and expenses	$ 81,704,482	$ 73,180,227	$ 69,908,837	$ 70,008,111	$ 67,186,187
Increase in Net Position	$ 3,327,822	$ 7,385,825	$ 11,274,937	$ (1,153,683)	$ (1,370,364)
Net Position, Beginning of Year	$ 63,699,297 (1)	$ 56,345,212	$ 45,070,275	$ 46,223,958	$ 47,594,322
Net Position, End of Year	$ 67,027,119	$ 63,731,037	$ 56,345,212	$ 45,070,275	$ 46,223,958

(1) Restated.

OTHER OBLIGATIONS . . . See APPENDIX B, "Excerpts from the District's Annual Financial Report" – Note #10.

DEFINED BENEFIT PENSION PLAN . . . In lieu of Federal Social Security benefits, the District has chosen to participate in the Teacher Retirement System of Texas or an approved optional retirement program to provide retirement income. All full-time employees of the District are legally required to participate in the TRS unless they have previously elected to join an optional retirement plan. For more detailed information concerning the retirement plan, see APPENDIX B, "Excerpts from the District's Annual Financial Report" – Note #12.

INVESTMENTS

The District invests its investable funds in investments authorized by State law in accordance with investment policies approved by the Board of Trustees of the District. Both State law and the District's investment policies are subject to change.

LEGAL INVESTMENTS . . . Available District funds are invested as authorized by Texas law and in accordance with investment policies approved by the Board of Trustees of the District. Both State law and the District's investment policies are subject to change. Under State law, the District is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in the State of Texas that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in the State of Texas that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, or are secured by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for District deposits, or (ii) where (a) the funds are invested by the District in a certificate of deposit through (I) a broker that has its main office or a branch office in the State of Texas and is selected by the District as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the District; (b) the broker or the depository institution selected by the District arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the District appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the District with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) which are pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a bank organized under the laws of the United States or any state, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for District funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, District investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the District shall submit an investment report detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest District funds without express written authority from the Board of Trustees.

ADDITIONAL PROVISIONS . . . Under Texas law the District is additionally required to: (1) annually review its adopted policies and strategies and adopt a rule, order, ordinance, or resolution stating that it has reviewed its investment policy and investment strategies and record any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance, or resolution; (2) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Board of Trustees; (3) require the registered principal of firms seeking to sell securities to the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) perform an annual audit of the management controls on investments and adherence to the District's investment policy; (5) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (6) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (7) restrict its investment in mutual funds in the aggregate to no more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and to invest no portion of bond proceeds, reserves and funds held for debt service, in mutual funds; (8) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (9) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions of the District.

TABLE 7 - CURRENT INVESTMENTS

As of February 29, 2024, the District's investable funds were invested in the following categories:

Investment Description	Book Value	% of Total
Cash in Checking Accounts	$ 8,767,735	43.38%
TexPool	3,742,381	18.51%
Money Market	7,702,626	38.11%
	$ 20,212,742	100.00%

SELECTED PROVISIONS OF THE RESOLUTION

The following are selected provisions of the Resolution. These excerpts should be qualified by reference to the exact terms of the Resolution. Unless otherwise indicated, any references to sections listed below are to sections contained in the Resolution and section headings contained in the following excerpts are to sections contained in the Resolution.

SECTION 12. Definitions. For all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds and the pledge and appropriation of revenues for the payment of the Bonds, the following definitions are provided:

(a) The term "Additional Bonds" shall mean the additional parity obligations which the District reserves the right to issue or incur in accordance with the terms and conditions prescribed in this Resolution.

(b) The term "Auxiliary Enterprises" shall mean student tuition surcharges, athletics, cafeteria and other food services, bookstores, vending, dormitories, and any other enterprise now or hereafter undertaken by the District incident and related to ownership or operation of the College.

(c) The term "Board" shall mean the Board of Trustees of Tyler Junior College District.

(d) The term "Bonds" shall mean the Bonds authorized to be issued and delivered by this Resolution.

(e) The term "Bonds Similarly Secured" shall mean the Bonds, the Previously Issued Bonds and Additional Bonds.

(f) The term "Building Use Fee" shall mean the gross collections of a fee or fees to be fixed, charged and collected from all students (excepting those now exempt by Chapter 54, Texas Education Code) enrolled in the College, for the use and availability of the College in the manner and to the extent provided in this Resolution, and as authorized by Texas Education Code, Section 130.123, as amended.

(g) The term "College" shall mean Tyler Junior College, which is owned by the District and operated by the Board, located in the City of Tyler, Texas.

(h) The term "Fiscal Year" shall mean the twelve-month period ending August 31 of each year, provided that, the Fiscal Year may be changed once in any three calendar year period.

(i) The term "General Fee" shall mean the gross collections of the fee to be fixed, charged, and collected from all students (excepting those now exempt by Texas Education Code, Chapter 54, as amended) enrolled at the College for the general use and availability of the College, in the manner and to the extent provided in this Resolution, as authorized by Texas Education Code, Section 130.123, as amended.

(j) The term "Government Obligations" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the District are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

(k) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds, as of the date of determination, all Bonds theretofore issued and delivered, except:

(1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds deemed to be duly paid in accordance with the provisions of Section 25 hereof; and

(3) those Bonds that have been mutilated, destroyed, lost or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 32 hereof.

(l) The term “Pledged Revenues” shall mean collectively (a) the Building Use Fee, (b) the General Fee, (c) the Tuition Pledge, (d) the Special District Use Fee and (e) any additional revenues, income, receipts or other resources, including, without limitation, gross revenues from Auxiliary Enterprises (before deducting any amounts to pay maintenance or operating expenses) and any unrestricted grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter may be pledged to the payment of the Bonds, but excluding any revenues received by the District pursuant to appropriation by the State the pledging of which to the payment of the Bonds would impose upon the District any requirement for approval of the Coordinating Board or any similar entity.

(m) The term "Previously Issued Bonds" shall mean the

(i) “Tyler Junior College District Combined Fee Revenue Bonds, Series 2013," dated December 1, 2013;

(ii) “Tyler Junior College District Combined Fee Revenue Bonds, Series 2014," dated January 15, 2014 (a portion of which will be refunded by the Bonds);

(iii) “Tyler Junior College District Combined Fee Revenue Bonds, Series 2015," dated March 1, 2015; and

(iv) “Tyler Junior College District Combined Fee Revenue Refunding Bonds, Series 2016," dated July 15, 2016.

(n) The term “Special District Use Fee” shall mean the gross collections of a fee to be fixed, charged and collected from all students enrolled in the College (excepting those now exempt by Texas Education Code, Chapter 54, as amended), for the use and availability of the College, in the manner and to the extent provided in this Resolution, and as authorized by Texas Education Code, Section 130.123, as amended.

(o) The term “Tuition Pledge” shall mean that portion of the tuition charges now or hereafter required or permitted by law to be collected from all regularly enrolled students at the College (excepting those now exempt by Texas Education Code, Chapter 54, as amended) for each regular semester and summer term that is permitted to be pledged to the payment of the Bonds, currently not to exceed 25% of the tuition charges so collected, as permitted and established by law, and being hereinafter pledged to the payment of the Bonds as permitted by Texas Education Code, Section 130.123, as amended.

SECTION 13. Pledge of Revenues. (a) The District hereby covenants and agrees that the Pledged Revenues, with the exception of those in excess of the amounts required for the payment and security of the Bonds Similarly Secured and subject to the provisions of this Resolution, are hereby irrevocably pledged, to the payment and security of the Bonds, the Previously Issued Bonds and Additional Bonds, if issued, including the establishment and maintenance of the special funds created and established by this Resolution, all as hereinafter provided, and such pledge shall constitute a first lien on the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the District.

(b) Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds and the pledge of the Pledged Revenues securing the Bonds, and such pledge, is therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the District agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

SECTION 14. Building Use Fee. (a) The District hereby reserves the right to fix, levy, charge and collect a Building Use Fee, at any regular fall and spring semester and at each term of any summer session, for the use and availability of the College, or any building or buildings thereof, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured.

(b) Currently the District does not fix, levy, charge or collect a Building Use Fee; if, however, such a Building Use Fee is ever so fixed, levied, charged and collected, the Board shall establish, and subsequently may increase or decrease, the Building Use Fee at an amount which, together with all other Pledged Revenues, shall be sufficient to provide the money for making all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured. The establishment of a Building Use Fee, and any such changes in the Building Use Fee, shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions hereof.

SECTION 15. General Fee. (a) The District does hereby fix, levy and charge the General Fee on a uniformly applied basis from each student (excepting those now exempt by Texas Education Code, Chapter 54, as amended) enrolled in the College at each regular fall and spring semester and at each term of each summer session, for the use and availability of the District, in such amounts, without limitation whatsoever, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making when due all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured.

(b) The General Fee shall be collected and pursuant to resolution of the Board shall be increased if and when required by this Resolution, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making when due all deposits specified or required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured. All changes in the General Fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

SECTION 16. Special District Use Fee. (a) The District does hereby fix, levy and charge the Special District Use Fee on a uniformly applied basis from each student (excepting those now exempt by Texas Education Code, Chapter 54, as amended) who is enrolled in the College at each regular fall and spring semester and at each term of each summer session, for the use and availability of the District, in such amounts, without limitation whatsoever, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making when due all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured.

(b) The Special District Use Fee shall be collected and pursuant to resolution of the Board shall be increased if and when required by this Resolution, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making when due all deposits specified or required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured. All changes in the Special District Use Fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

SECTION 17. Revenue Fund. The District hereby confirms the creation and establishment on the books of the District of a separate account known as the "Revenue Fund". All collections of Pledged Revenues shall be credited to the Revenue Fund.

SECTION 18. Interest and Sinking Fund. To pay the principal of and interest on the Bonds Similarly Secured, as the same come due, the District hereby confirms the creation and establishment at an official depository of the District of a separate fund entitled the "Interest and Sinking Fund".

SECTION 19. Reserve Fund. The District hereby confirms the creation and establishment at an official depository of the District of a separate fund entitled the "Reserve Fund". The Reserve Fund shall be used finally in retiring the last of the Bonds Outstanding, or for paying principal of and interest on any Bonds Similarly Secured, when and to the extent the amount in the Interest and Sinking Fund is insufficient for such purpose.

SECTION 20. Funds Investment. (a) Money in any fund created by this Resolution may, at the option of the District, be invested in any investment authorized by the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper times or times. Such investments shall be valued in terms of current market value as of the last day of each Fiscal Year. Interest and income derived from such deposits and investments shall be credited to the fund from which the deposit or investment was made. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

(b) Money in all funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the District.

SECTION 21. Deposits to Interest and Sinking Fund. (a) Immediately after the issuance and delivery of the Bonds any premium received from the purchaser shall be deposited to the credit of the Interest and Sinking Fund, and shall be used for paying interest on the Bonds.

(b) The District shall transfer from the Pledged Revenues in the Revenue Fund and deposit to the credit of the Interest and Sinking Fund the amounts, at the times, as follows:

(1) on or before February 5, 2017, and semiannually on or before each February 5 and August 5 thereafter, an amount which will be sufficient, together with any other moneys then on hand therein and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds Similarly Secured on the next interest payment date following such August 5 or February 5; and

(2) on or before August 5, 2017, an amount which will be sufficient, together with any other moneys then on deposit therein and available for such purpose to pay the principal scheduled to mature and come due on the Bonds Similarly Secured on August 15, 2017, and on or before February 5 and August 5 thereafter, an amount equal to one-half of the principal scheduled to mature and come due on the Outstanding Bonds Similarly Secured maturing on August 15 next following such payments.

SECTION 22. Reserve Fund Requirements. The amount to be held or accumulated in the Reserve Fund, hereafter referred to as the Required Reserve Fund Amount, shall be one-half of the average annual requirements (on a Fiscal Year basis, with a fractional Fiscal Year being treated as an entire Fiscal Year) for the payment of the principal of and interest on the Bonds Similarly Secured, as determined on the date of the delivery of the last series of bonds which are being issued on a parity with the Bonds, the Previously Issued Bonds and any Additional Bonds.

On the date of delivery of the Bonds to the initial purchaser(s), the appropriate officials of the District shall determine the Required Reserve Fund Amount and shall deposit that amount into the Reserve Fund from the proceeds received from the sale of the Bonds or from other lawfully available funds deposited to the Reserve Fund or, in lieu of or in addition to any such deposits, such officials may satisfy the Required Reserve Fund Amount by entering into a credit agreement meeting the requirements of applicable law to provide the Required Reserve Fund Amount. Immediately following the delivery of a series of Additional Bonds the appropriate officials of the District shall determine the Required Reserve Fund Amount as well as the amount then on hand in the Reserve Fund and the amount of such difference shall be deposited in the said Reserve Fund in not more than sixty (60) equal monthly payments, the initial payment to be made on or before the fifteenth (15th) day of the month next following the month in which such Additional Bonds are delivered or such difference shall be satisfied by entering into a credit agreement or amending any existing credit agreement to meet the Required Reserve Fund Amount which agreement shall permit the District to draw thereunder for any disbursement required from the Reserve Fund as a result of insufficient amounts in the Interest and Sinking Fund.

In the event money in the said Reserve Fund is used for the purpose for which the same was established, or in the event there is not sufficient money to make the monthly payment required in the preceding paragraph, then the amount required to make up the deficiency shall be added to that required to be made in the following month or months until the Required Reserve Fund Amount is on deposit in said Reserve Fund.

The portion of the Required Reserve Fund Amount relating to the "Tyler Junior College District Combined Fee Revenue Refunding Bonds, Series 2016" is funded with surety bond coverage provided by a surety bond issued by Assured Guaranty Municipal Corp. The portion of the Required Reserve Fund Amount relating to the Bonds, the "Tyler Junior College District Combined Fee Revenue Bonds, Series 2013," the "Tyler Junior College District Combined Fee Revenue Bonds, Series 2014" (a portion of which will be refunded by the Bonds) and the "Tyler Junior College District Combined Fee Revenue Bonds, Series 2015" is funded with cash that is currently on deposit in the Reserve Fund.

The District may withdraw and transfer monies in the Reserve Fund that are in excess of the Required Reserve Fund Amount to the Revenue Fund; provided that, to the extent such monies constitute bond proceeds, including interest and income derived therefrom, such amounts shall be deposited to the Interest and Sinking Fund.

SECTION 23. Fund Deposits and Surplus. (a) If on any date there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Sinking Fund and the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues.

(b) Following each required deposit from the Revenue Fund to the credit of the Interest and Sinking Fund and the Reserve Fund, as required by this Resolution, or any resolution authorizing the issuance of Additional Bonds, all remaining Pledged Revenues then on deposit to the credit of the Revenue Fund may be used by the District for any lawful purpose.

SECTION 24. Payment of Bonds. On or before the fifth day of August, 2024, and semiannually on or before each February 5 and August 5 thereafter while any of the Bonds Similarly Secured are Outstanding, the District shall cause to be transferred to the Paying Agent/Registrar, out of the Interest and Sinking Fund and/or the Reserve Fund, money sufficient to pay interest on and such principal of the Bonds Similarly Secured as will mature or come due on Bonds Similarly Secured on the August 15 or February 15 immediately following such transfer.

SECTION 25. Satisfaction of Obligation of District. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of Pledged Revenues pursuant to this Resolution and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting or consulting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof. The District covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the District be remitted to the District against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds to the District shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 26. Special Obligations. The Bonds, and the interest thereon, constitute special obligations of the District payable solely from the Pledged Revenues, and the Holders of the Bonds shall never have the right to demand payment out of funds raised or to be raised by taxation.

SECTION 27. Additional Bonds. The District shall have the right and power at any time and from time to time, and in one or more series or issues, to authorize, issue and deliver additional parity revenue bonds (herein called "Additional Bonds"), in any amounts, for any lawful purpose (including the refunding of any Outstanding Bonds). Such Additional Bonds, if and when authorized, issued and delivered in accordance with this Resolution, shall be secured and payable equally and ratably on a parity with the Bonds, and all other Outstanding Previously Issued Bonds and Additional Bonds, by a first lien on and pledge of the Pledged Revenues.

SECTION 28. Additional Bonds Funding Requirements. (a) The Interest and Sinking Fund and the Reserve Fund shall secure and be used to pay all Bonds Similarly Secured. Each resolution under which Additional Bonds are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of any other resolution or resolutions authorizing Additional Bonds to be deposited to the credit of the Interest and Sinking Fund, the District shall transfer from the Pledged Revenues and deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same comes due, and that the District shall transfer from said Pledged Revenues and deposit to the credit of the Reserve Fund the amounts required to be deposited thereto by Section 22.

(b) The principal of all Additional Bonds must be scheduled to be paid or mature on August 15 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on February 15 and August 15.

SECTION 29. Additional Bonds Conditions. Additional Bonds shall be issued only in accordance with this Resolution, but notwithstanding any provisions of this Resolution to the contrary, no installment, Series or issue of Additional Bonds shall be issued or delivered unless:

(a) The senior financial officer of the District signs a written certificate to the effect that the District is not in default as to any covenant, condition or obligation in connection with all Outstanding Bonds Similarly Secured, and the resolutions authorizing same, and that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein.

(b) (1) The District has obtained a written certificate from a certified public accountant to the effect that, during either the next preceding Fiscal Year, or any twelve consecutive calendar month period ending not more than ninety days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, the Pledged Revenues were at least equal to 1.10 times the average annual principal and interest requirements of all then Outstanding Bonds Similarly Secured and the proposed Additional Bonds and (2) the senior financial officer of the District signs a written certificate to the effect that during each Fiscal Year while any Bonds Similarly Secured, including the proposed Additional Bonds, are scheduled to be Outstanding, beginning with the Fiscal Year next following the date of the then proposed Additional Bonds, the Pledged Revenues estimated to be received during each such Fiscal Year (taking into consideration in making such estimate all fees proposed to be imposed during each such Fiscal Year whether imposed previously or not), respectively, will be at least equal to 1.10 times the principal and interest requirements, during each such Fiscal Year, of all Bonds Similarly Secured to be Outstanding after the issuance of the then proposed Additional Bonds.

TAX MATTERS

TAX EXEMPTION . . . The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A proposed form of Bond Counsel’s opinion for the Bonds is reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinion, Bond Counsel will rely upon representations and certifications of the District made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the District with the provisions of the Resolution subsequent to the issuance of the Bonds. The Resolution contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of the proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel’s opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel’s opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the District as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

The Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer’s applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN BONDS . . . The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes on a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease in the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the District has made the following agreement for the benefit of the holders and registered owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA").

ANNUAL REPORTS . . . The District will provide certain updated financial information and operating data to certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables numbered 1 through 7 and APPENDIX B. The District will update and provide this information within six months after the end of each fiscal year ending in and after 2024.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Website or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements, if the District commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX B or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation.

The District's current fiscal year end is August 31. Accordingly, it must provide updated information by the last day of February in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The District will also provide timely notices of certain events to the MSRB. The District will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional Paying Agent/Registrar or the change of name of a Paying Agent/Registrar, if material; (15) incurrence of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the District, or a guarantee of any such debt obligation or derivative instrument, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the District, any of which reflect financial difficulties. In addition, the District will provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

AVAILABILITY OF INFORMATION FROM MSRB . . . The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . In previous continuing disclosure undertakings, the District has agreed to supply financial information and operating data with respect to the District of the general type of information contained in specified tables of the applicable Official Statement. The annual financial information filings made by the District as a result of these undertakings for each of the last five years have consisted of the related District's Annual Comprehensive Financial Report (ACFR), which the District believes contains the information of the general type of information contained in the specified tables. Please note that certain information in the specified tables is not presented explicitly in the ACFRs but can be calculated from information in the ACFRs.

OTHER INFORMATION

RATINGS . . . The Bonds are rated "AA+" by S&P Global Ratings, a division of S&P Global Inc. ("S&P"). An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the view of such organization and the District makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

LITIGATION . . . It is the opinion of the District's Attorney and District Staff that there is no pending litigation against the District that would have a material adverse financial impact upon the District or its operations. At the time of the initial delivery of the Bonds, the District will provide the Purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE . . . The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (V.T.C.A., Government Code, Chapter 2256), the Bonds may have to be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. No review by the District has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL OPINIONS AND NO-LITIGATION CERTIFICATE . . . Issuance of the Bonds is subject to the approving legal opinions of the Attorney General of Texas to the effect that the Initial Bond is a valid and binding obligation of the District and payable from the Pledged Revenues. Issuance of the Bonds is also subject to the legal opinion of Norton Rose Fulbright US LLP ("Bond Counsel"), based upon examination of a transcript of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel's legal opinion will also address the matters described under "TAX MATTERS – Tax Exemption." Such opinion will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provision made for their payment or security or in any manner questioning the validity of the Bonds will also be furnished.

In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the District. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Notice of Sale, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement to verify that such description conforms to the provisions of the Resolution. Such firm has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the information contained herein. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of Bonds actually issued, sold and delivered, and therefore, such fees are contingent upon the sale and delivery of the Bonds. The legal opinion of Bond Counsel will be printed on, or will accompany the definitive Bonds and the form of such opinion is attached hereto as APPENDIX C.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL ADVISOR . . . Specialized Public Finance Inc. is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Specialized Public Finance Inc., in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

INITIAL PURCHASER . . . After requesting competitive bids for the Bonds, the District accepted the bid of ____________, or its successor interest (the "Purchaser") to purchase the Bonds at the interest rates shown on the inside cover of the Official Statement at a price of 100% of par plus a cash premium of $____________. The Purchaser can give no assurance that any trading market will be developed for the Bonds after their sale by the District to the Purchaser. The District has no control over the prices at which the Bonds are subsequently sold and the initial yields at which the Bonds will be priced and reoffered will be established by and will be the responsibility of the Purchaser.

CERTIFICATION OF THE OFFICIAL STATEMENT . . . At the time of payment for and delivery of the Bonds, the District will furnish the Purchaser a certificate, executed by an authorized representative of the District, acting in such person's representative capacity, to the effect that to the best of such person's knowledge and belief: (a) the descriptions and statements of or pertaining to the District contained in the Official Statement, and any addenda, supplement or amendment thereto, on the date of the Official Statement, on the date of sale of the Bonds and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the District, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the District believes to be reliable and the District has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the District since the date of the last audited financial statements of the District.

FORWARD-LOOKING STATEMENTS DISCLAIMER . . . The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. The District's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS . . . The financial data and other information contained herein have been obtained from the District's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The District provides and publishes a variety of information concerning its affairs, including information provided on the District's website. Such information, however, is not generally prepared for the benefit of investors or in connection with the offering of securities by the District. No such public information is incorporated herein by reference.

The Resolution authorizing the issuance of the Bonds will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and will authorize its further use in the reoffering of the Bonds by the Purchaser.

____

President, Board of Trustees
Tyler Junior College District

ATTEST:

____

Secretary, Board of Trustees
Tyler Junior College District

SCHEDULE I

SCHEDULE OF REFUNDED BONDS*

Combined Fee Revenue Bonds, Series 2014

Original Dated Date	Maturity Date	Interest Rate		Principal Amount
1/15/2014	8/15/2028	3.625%		$ 2,355,000
	8/15/2029	3.750%		2,440,000
	8/15/2030	4.000%	(1)	2,530,000
	8/15/2031	4.000%	(1)	2,630,000
	8/15/2032	4.000%		2,735,000
	8/15/2033	4.125%		2,845,000
	8/15/2034	4.125%		2,960,000
				$ 18,495,000

Redemption Date: 5/30/2024
Redemption Price: 100%

*Preliminary, subject to change.
(1) Term Bond maturing 8/15/2031.

APPENDIX A

GENERAL INFORMATION REGARDING THE DISTRICT

GENERAL INFORMATION REGARDING THE DISTRICT

LOCATION AND GENERAL DESCRIPTION . . . The City of Tyler, the county seat of Smith County, is an important East Texas commercial and industrial center located on U.S. Highway 69 just south of Interstate 20. The City is located an equal distance (approximately 100 miles) from the cities of Dallas, Texas and Shreveport, Louisiana. The City encompasses approximately 52.75 square miles. The 2010 Census population was 96,900, which was a 15.84% increase from the 2000 Census population of 83,650. The 2023 estimated population was 209,174.

The City is commonly referred to as the City of Roses primarily for its large municipal rose garden and the numerous rose and other garden festivals held annually. Economic activity within the City is diverse, consisting of medical, educational, manufacturing, oil and gas, agricultural, tourism and general trade activities.

MEDICAL CENTER . . . Tyler is the medical center of East Texas, with seven hospitals and 66 clinics. Including nursing homes and retirement centers there are more than 2,000 beds available in health care facilities. There are more than 400 medical doctors and 95 dentists in Tyler. Included in the array of medical-related services in Tyler is a three-year professional training course offered by Texas Eastern School of Nursing and a baccalaureate degree in nursing offered by University of Texas at Tyler.

MANUFACTURING . . . Tyler has a diversified industrial base with approximately 250 manufacturers, distributors and processors in the Tyler/Smith County area. Some of the products manufactured, processed or distributed in the area include: air conditioning units, cast iron pipe, life jackets, guncases, baking products, milk products, petrochemical processing equipment, petrochemical products, brass products, manufacturing and processing equipment, meat products, corrugated boxes, exercise equipment, furniture, printing, medical supplies, silk flowers, acetylene, various rubber products, adhesives, fishing lures, candy, lumber treating and many others.

Major employers in the Tyler area are:

Company	Product	Estimated Number of Employees
UT Health East Texas *	Medical Care	4,497
Trinity Mother Frances *	Medical Care	4,149
Tyler Independent School District	School District	2,673
Sanderson Farms	Food Processing	1,714
Brookshire Grocery Company *	Grocery Distribution	1,641
University of Texas at Tyler	Education	1,459
Trane Company *	Air Conditioning	1,348
Wal-Mart	Retail	1,257
Suddenlink *	Cable, Internet & Phone	1,165
UT Health Northeast/ UT Health Science Center	Medical Care/Research	1,122
Tyler Junior College	Education	980
		22,005

*Company has headquarters in Tyler, Texas.

LABOR FORCE . . . Employment figures for the Tyler Metropolitan Statistical Area ("MSA") are as follows:

	January	Average Annual			
	2024	2023	2022	2021	2020
Civilian Labor Force	115,657	115,419	112,049	110,700	108,544
Total Employed	111,202	111,221	107,882	104,979	101,201
Total Unemployed	4,455	4,198	4,167	5,721	7,343
Unemployment Rate	3.9%	3.6%	3.7%	5.2%	6.8%

Source: Labor Market Information.

APPENDIX B

EXCERPTS FROM THE TYLER JUNIOR COLLEGE DISTRICT
ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2023

The information contained in this Appendix consists of excerpts from the Tyler Junior College District Audited Financial Statements for the Year Ended August 31, 2023, and is not intended to be a complete statement of the District's financial condition. Reference is made to the complete Report for further information.

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Tyler Junior College District

Report on the Audit of the Financial Statements

Opinions

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

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

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

Basis for Opinions

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

Other Matter

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Board of Trustees
Tyler Junior College District

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Whitley Penn LLP

Dallas, Texas
December 7, 2023

TJC

District

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

Tyler Junior College District is proud to present its financial statements for fiscal year 2023. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

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

Statement of Net Position

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

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

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

Condensed Statement of Net Position
(thousands of dollars)

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

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

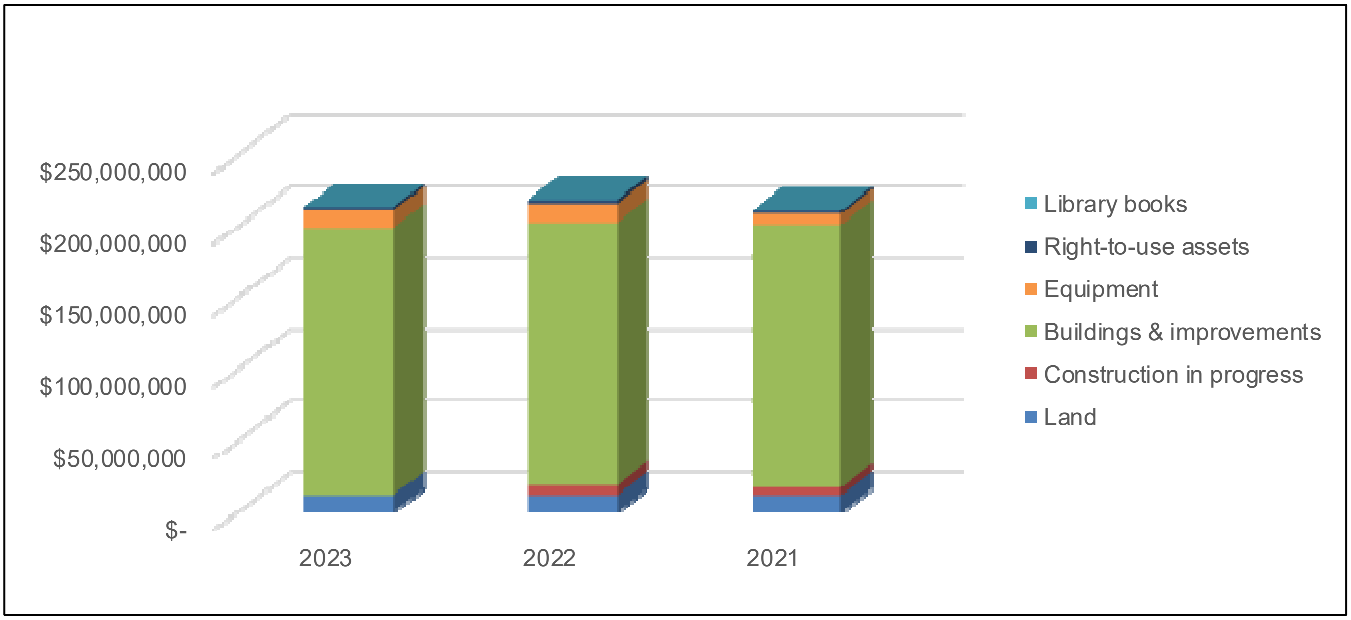
The $258.2 million in assets includes cash and cash equivalents of $20.2 million. This represents a decrease of $4.0 million compared to the cash and cash equivalents of $24.3 million at the end of the previous fiscal year. The majority of the decrease is a result of the final spend down of the proceeds from the issuance of $20,140,000 of Maintenance Tax Notes, Series 2019, on September 26, 2019 for the repairs and renovations of existing campus projects. Accounts receivable of $24.6 million increased by $2.1 million when compared to the previous fiscal year end total of $22.6 million. Approximately 70% of the accounts receivable are for student tuition and fees.

Capital assets display the result of the implementation of a policy to capitalize only those capital assets with an acquisition cost of $5,000 or more. The consumption of assets follows the institutional philosophy to use available resources to acquire and improve all areas of the institution to better serve the instruction and public service missions of the institution. There was continued activity on campus during FY 2023 regarding renovations and upgrades, as well as equipment purchases. Preventative maintenance was performed where needed on campus. Parking lot maintenance across campus was addressed during FY 2023. More detailed information of capital asset activity and long-term debt activity is presented in the note disclosures Number 6 that details the capital assets, Number 7 that discloses the details pertaining to long-term liabilities and Number 8 that displays details of all outstanding bonds payable.

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

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

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



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

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

Long-Term Liabilities

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

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

Impact of Pension/OPEB Amounts on Net Position
(thousands of dollars)

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

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

Statement of Revenues, Expenses and Changes in Net Position

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

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

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

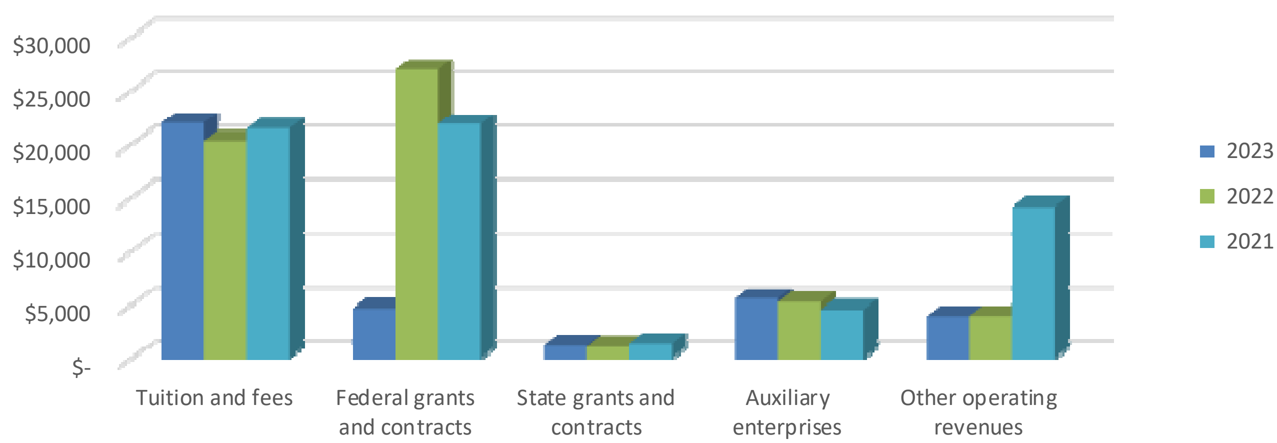
	Fiscal Year			Change	
	2023	**2022**	**2021**	**2022 to 2023**	**2021 to 2022**
Operating Revenues:					
Tuition and fees	$ 21,974	$ 20,284	$ 21,408	$ 1,690	$ (1,124)
Federal grants and contracts	4,692	26,965	21,870	(22,273)	5,095
State grants and contracts	1,340	1,212	1,497	128	(285)
Auxiliary enterprises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

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

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

Operating Revenue by Type
(thousands of dollars)

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



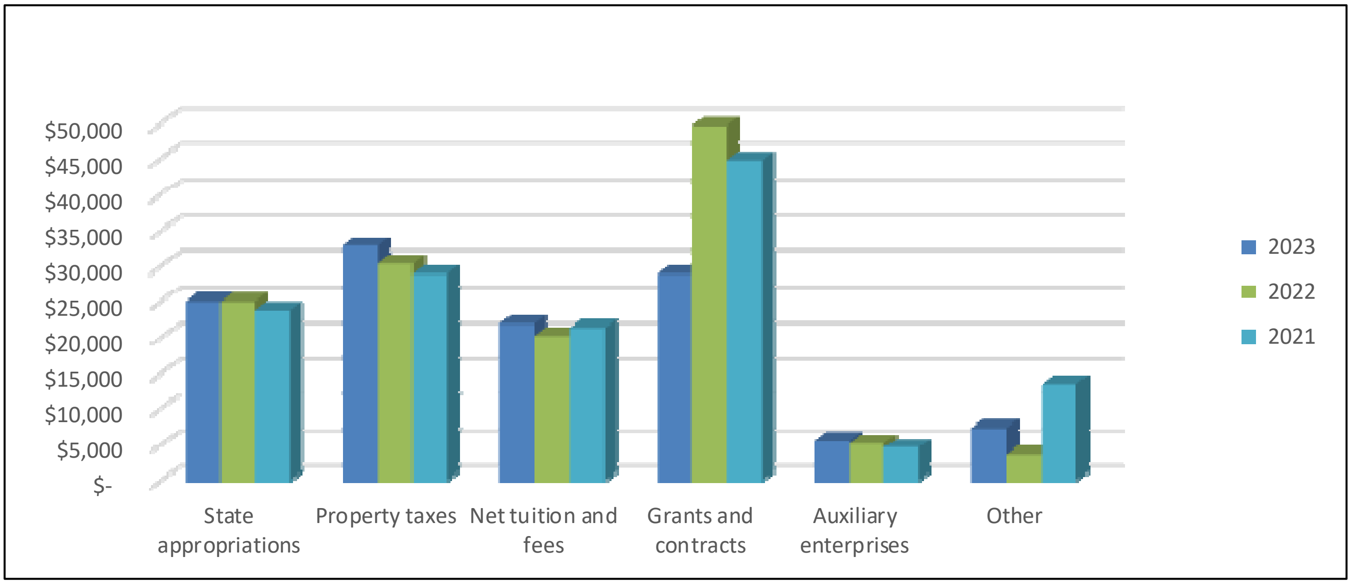
The above chart displays, in thousands of dollars, the operating revenues by type and their relationship with one another. Student tuition and fees increased by $1.7 million due to the increase in student headcount. Federal grants and contracts decreased by $22.3 million due to a decline in the Higher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

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

The District relies equally on operating revenue as well as nonoperating revenue. When all of the revenues by source are combined, the District experienced a decrease of $12.4 million in total revenue from 2022 to 2023.

Total Revenues by Source
(thousands of dollars)

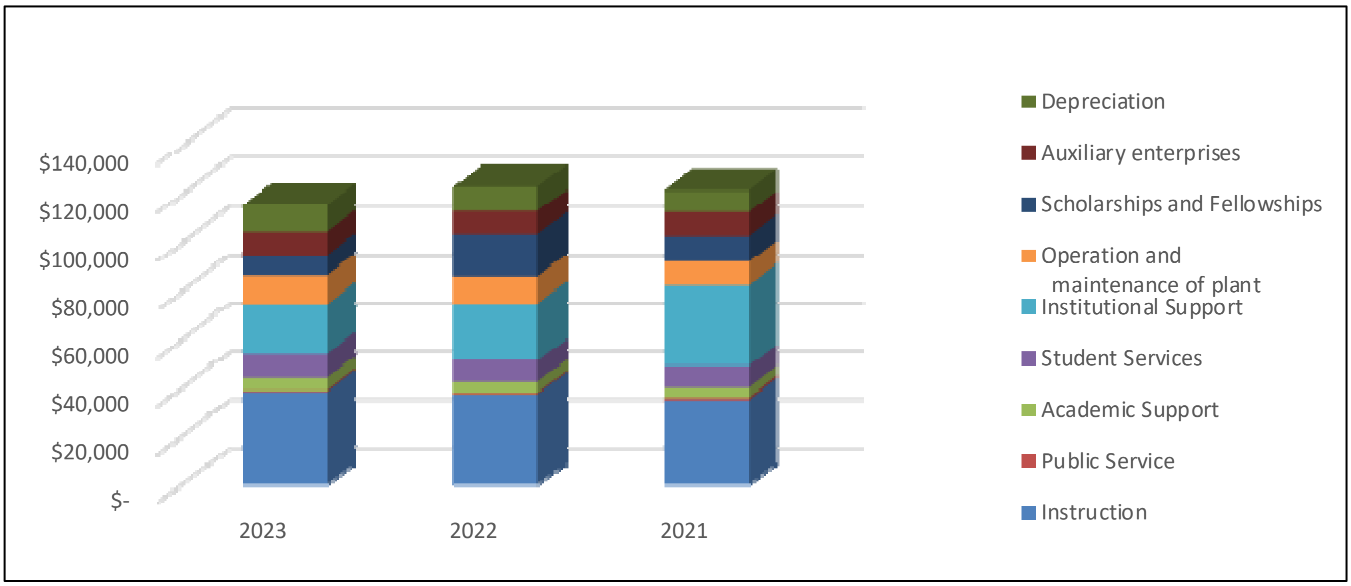
	Fiscal Year			Change	
	2023	**2022**	**2021**	**2022 to 2023**	**2021 to 2022**
State appropriations	$ 25,011	$ 24,950	$ 23,758	$ 61	$ 1,192
Property taxes	32,756	30,374	28,950	2,382	1,424
Net tuition and fees	21,974	20,284	21,408	1,690	(1,124)
Grants and contracts	28,960	49,704	44,740	(20,744)	4,964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



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

Operating Expenses by Function
(thousands of dollars)

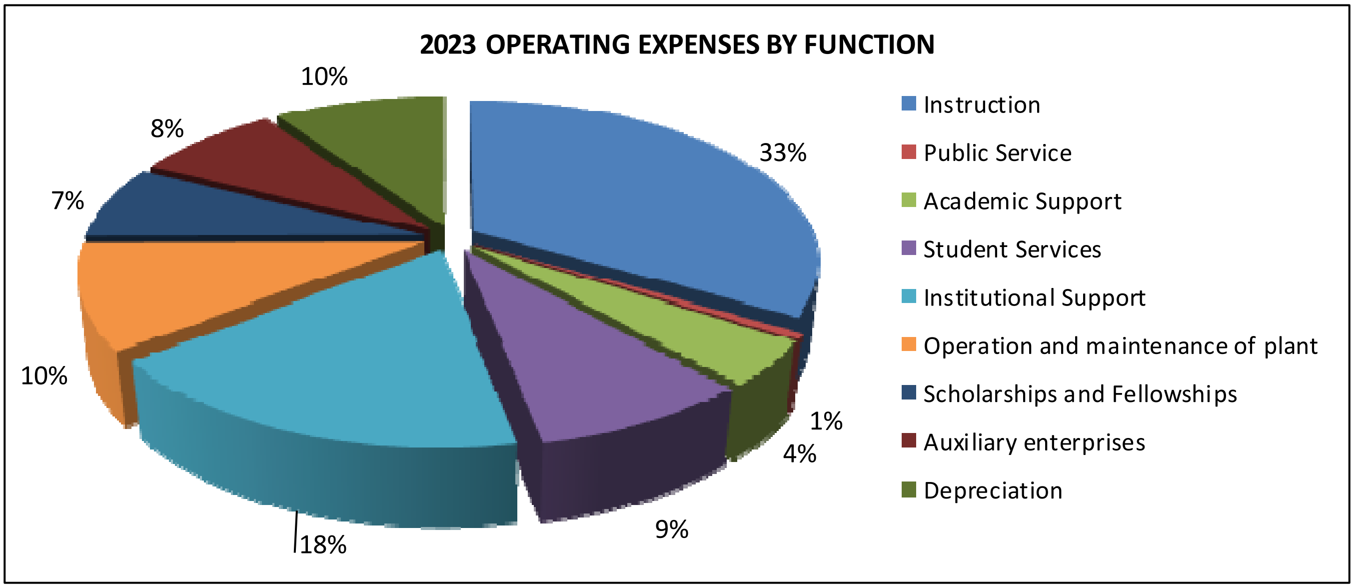
	Fiscal Year			Change	
	2023	**2022**	**2021**	**2022 to 2023**	**2021 to 2022**
Instruction	$ 38,637	$ 37,523	$ 35,253	$ 1,114	$ 2,270
Public Service	681	623	1,034	58	(411)
Academic Support	5,061	4,501	4,022	560	479
Student Services	10,131	8,902	8,960	1,229	(58)
Institutional Support	20,456	23,649	33,247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



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

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

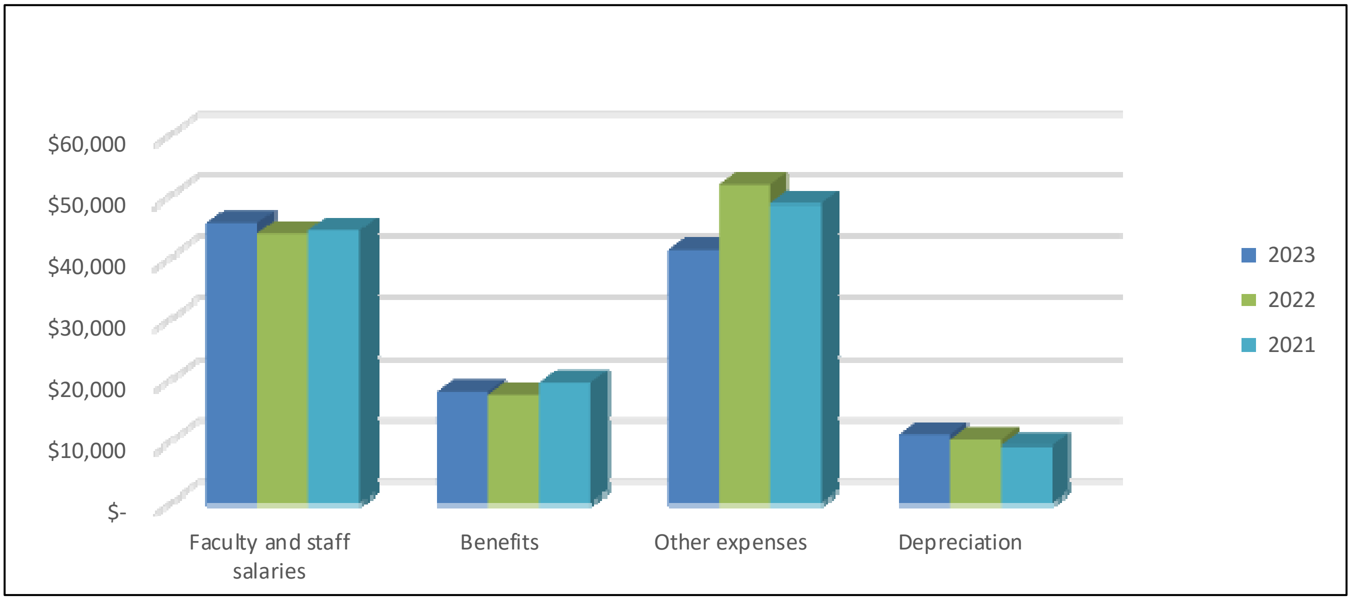
The District's operating expenses are reported by function for fiscal year 2023 as follows:



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

Operating Expenses by Natural Classification
(thousands of dollars)

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



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

Statement of Cash Flows

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

Condensed Statement of Cash Flows
(thousands of dollars)

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

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

State educational contracts were once the primary source of noncapital financing. Nonoperating federal revenue and property tax revenue are now the primary sources of noncapital financing. State educational contracts make up the third largest source of noncapital financing. These sources of revenue are categorized as noncapital even though the District's budget depends on them to continue the current level of operations. In FY 2023, $79.9 million was received as net cash provided by noncapital financing activities as compared to $70.8 million in FY 2022.

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

Investing activities reflect purchases, sales, and interest income earned on investments. Investments identified in the cash flow statement investing activities include both short and long- term investments. The total amount of investment income received in FY 2023 was an increase of $1.0 million when compared to FY 2022.

Economic Outlook

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

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

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

Even with the positive financial position, the District continues to work with the supply- chain challenges and heightened inflation that may linger over the coming year. The District is coping with the financial pressures by maintaining operating budget controls, addressing reserves, evaluation of new hires and capital expenditures and through the assessment of current processes and procedures to locate efficiencies.

Given the economic constraints at the local, state, and national level, strong ad-valorem tax valuation changes and the ability to adjust student fees, the District anticipates fiscal year 2024 will be comparable to fiscal year 2024 and will keep a close watch over resources to maintain the District's ability to react to unknown internal and external issues.

BASIC FINANCIAL STATEMENTS

TJC

TJC

District

TYLER JUNIOR COLLEGE DISTRICT

Exhibit 1

STATEMENT OF NET POSITION

August 31, 2023 and 2022

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

TYLER JUNIOR COLLEGE DISTRICT

Exhibit 1-1

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

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

TYLER JUNIOR COLLEGE DISTRICT

Exhibit 2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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

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

TYLER JUNIOR COLLEGE DISTRICT

Exhibit 2-1

STATEMENTS OF ACTIVITIES

Tyler Junior College Foundation

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

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

TYLER JUNIOR COLLEGE DISTRICT

Exhibit 3

STATEMENT OF CASH FLOWS

For the Fiscal Years Ended August 31, 2023 and 2022

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

Note 1 — Reporting Entity

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

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

During the year ended August 31, 2023 and 2022, the foundation distributed $5,378,851 and $4,096,943 in support and scholarships to the District. Complete financial statements for the foundation can be obtained from the foundation's offices in the White Administrative Services Center on the District's main campus or at https://foundation.tjc.edu/s/1945/bp21/interior.aspx?sid=1945&gid=2&pgid=544.

Note 2 — Summary Of Significant Accounting Policies

<u>Reporting Guidelines</u>

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.

Note 2 — Summary Of Significant Accounting Policies (continued)

Basis of Accounting

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

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

Tuition Discounting

Texas Public Education Grants

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

Title IV, Higher Education Act Program Funds

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

Other Tuition Discounts

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

Note 2 — Summary Of Significant Accounting Policies (continued)

Budgetary Data

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

Cash and Cash Equivalents

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

Investments

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

Deferred Outflows

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

Note 2 — Summary Of Significant Accounting Policies (continued)

Allowance for Doubtful Accounts

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

Capital Assets

Capital assets include land, infrastructure, buildings, improvements, equipment, the intangible right-to-use lease assets, and the intangible right to use subscription-based information technology arrangements (“SBITAs” or “subscription assets”) . The District’s board voted to set a capitalization policy for tangible assets with a unit cost of $5,000 and an estimated useful life of greater than one year for tangible assets. Such assets are recorded at cost at the date of acquisition, or fair value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or significantly extend an asset’s useful life are charged to expense when incurred. Costs incurred for capital projects are included in construction in progress until the project is completed at which time the asset is properly categorized and depreciated over its estimated useful life. The capitalization policy for intangible assets with a unit cost of $200,000 and an estimated useful life of greater than one year. The measurement of the intangible right-to-use assets and SBITAs are discussed in their respective sections of this note.

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

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

Note 2 — Summary Of Significant Accounting Policies (continued)

Leases and Subscription-Based Information Technology Arrangements (SBITAs)

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

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

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

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

Pensions

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

Note 2 — Summary Of Significant Accounting Policies (continued)

Postemployment Benefits Other than Pensions (OPEB)

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

Unearned Revenues

The District has recorded tuition and related fees as well as housing and related fees in the amount of $24,168,237 and $23,105,791 as of August 31, 2023 and 2022 in the statement of net position. These amounts represent revenues for the subsequent fall semesters that are recognized in revenues in the subsequent fiscal years.

Tax Abatements

The tax abatements for the district are less than 2.00% of total tax revenues and are considered to be immaterial to the financial statements.

Deferred Inflows

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

Estimates

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

Note 2 — Summary Of Significant Accounting Policies (continued)

Operating and Non-Operating Revenue and Expense Policy

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

Implementation of New Standards

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

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

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

Note 3 — Authorized Investments

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

Note 4 — Deposits And Investments

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

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

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

Interest Rate Risk – The District's investment policy allows for portfolio maturities to be structured to meet the obligations of the District first, and then to achieve the highest return of interest. The maximum allowable stated maturity of any individual investment of the District is ten years. The average rate of maturity for the District's investment in TexPool cannot exceed 60 days with the weighted average being 23 days.

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

Note 5 — Disaggregation Of Receivables And Payables Balances

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

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

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

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

Note 6 — Capital Assets

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

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

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

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

Note 7 — Long-Term Liabilities

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

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

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

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

Note 8 — Bonds Payable

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

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

Note 8 — Bonds Payable (continued)

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

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

Note 9 — Financing Agreements

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

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

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

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

Note 10 — Leases

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

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

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

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

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

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

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

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

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

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

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

Note 12 — Employees' Retirement Plan

Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Note 12 — Employees' Retirement Plan (continued)

Benefits Provided

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

Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year.

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

	Fiscal Year	
	2023	**2022**
Member	8.00%	8.00%
Non-employer contributing agency	8.00%	7.75%
Employers	8.00%	7.75%

Note 12 — Employees' Retirement Plan (continued)

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

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

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

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

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

Note 12 — Employees' Retirement Plan (continued)

Actuarial Assumptions

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

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

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

Discount Rate

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

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

Note 12 — Employees' Retirement Plan (continued)

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

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

Asset Class	Target Allocation[2]	Long-Term Expected Geometric Real Rate of Return[3]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity[1]	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return[1]	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources & Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag[4]			-0.91%
Expected Return	100.00%		8.21%

[1] Absolute Return includes Credit Sensitive Investments.
[2] Target allocations are based on the fiscal year 2022 policy model.
[3] Capital Market Assumptions come from Aon Hewitt as of August 31, 2022.
[4] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 12 — Employees' Retirement Plan (continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (7.00%) in measuring the Net Pension Liability.

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

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

At August 31, 2023, the Tyler Junior College District reported a liability of $17,116,303 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the Tyler Junior College District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

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

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

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

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

Note 12 — Employees' Retirement Plan (continued)

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

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

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

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

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

Note 13 — Optional Retirement Plan – Defined Contribution Plan

Plan Description

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

Funding Policy

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

The retirement expense to the state for the District was $288,416 and $283,675 for the fiscal years ended August 31, 2023 and 2022, respectively. This amount represents the portion of expensed appropriations made by the Legislature on behalf of the District. The total payroll for all District employees was $44,215,669 and $42,206,845 for fiscal years ended August 31, 2023 and 2022, respectively. The total payroll of employees covered by the TRS was $33,018,859 and $30,792,206, and the total payroll of employees covered by the Optional Retirement Program was $8,753,360 and $8,789,890 for the fiscal years ended August 31, 2023 and 2022, respectively.

Note 14 — Deferred Compensation Plan

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Texas Government Code 609.001. The employees' investments are held in tax-deferred annuity plans pursuant to Internal Revenue Code Section 403(b). Employees also have the option to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). As of August 31, 2023, the District had 20 employees participating in the 403(b) program and 6 employees participating in the 457 plan. A total of $140,053 and $21,450 in payroll deductions had been invested in the 403(b) and 457 approved plans, respectively, during the fiscal year.

Effective January 2013, the District developed an additional retirement plan for employees to elect to defer a portion of their earnings for tax treatment pursuant to IRC Section 457(g)(3). The District also created a 401(a) plan at the same time. As of September 1, 2013, the District contributes 4% of all eligible full-time employees' payroll to a retirement account in the employee's name whether the employee contributes or not. If the employee chooses to contribute a portion of their salary, the employee's contributions are deposited into a 457 plan in the employee's name. The District also contributes an additional matching percentage of up to 3% if the employee contributes. As of August 31, 2023, the District had 779 participants in the 401(a) plan and 604 participants in the 457 employee plan. The District contributed $2,352,955 and employees contributed $1,041,285 to this plan during the fiscal year.

Note 15 — Compensable Absences

Full-time employees earn annual leave from 6.67 to 13.33 hours per month depending on the number of years employed by the District. The District's policy is that an employee may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 240 for those employees with eight or more years of service. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to 160 hours. The District recognized the accrued liability for the unpaid annual leave in the amount of $1,273,753 and $1,242,744 as of August 31, 2023 and 2022, respectively. Sick leave, which can be accumulated to a limit of 720 hours, is earned at the rate of eight hours per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid an employee's estate is one-half of the employee's accumulated entitlement. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

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

Note 16 — Pending Lawsuits And Claims

From time to time, the District is named as a defendant in legal actions arising out of the ordinary course of business. There were no such legal actions as of August 31, 2023 that are required to be disclosed in the financial statements.

Note 17 — Risk Management

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

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

Note 18 — Postemployment Benefits Other Than Pensions

Plan Description

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

OPEB Plan Fiduciary Net Position

Detailed information about the GBP's fiduciary net position is available in a separately issued ERS Comprehensive Annual Financial Report that includes financial statements, notes to the financial statements, and required supplementary information. That report may be obtained online; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided

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

Note 18 — Postemployment Benefits Other Than Pensions (continued)

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of the ERS staff and consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated, and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

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

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

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

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

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

Note 18 — Postemployment Benefits Other Than Pensions (continued)

Actuarial Assumptions

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

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

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

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

Note 18 — Postemployment Benefits Other Than Pensions (continued)

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

Investment Policy

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

Discount Rate

Because the SRHP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bond rates. The discount rate used to determine the total OPEB liability as of the end of the measurement year was 3.59% to reflect the requirements of GASB 75. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA rating. Projected cash flows into the SRHP are equal to projected benefit payments out of the plan. Because SRHP operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the District's proportionate share of collective net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.59%) in measuring the net OPEB Liability.

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

Note 18 — Postemployment Benefits Other Than Pensions (continued)

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 5.60% and the ultimate rate is 4.30%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1% less than and 1% greater than the healthcare cost trend rate that was used in measuring the net OPEB Liability.

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

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

At August 31, 2023, the Tyler Junior College District reported a liability of $44,899,722 for its proportionate share of the ERS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Tyler Junior College District were as follows:

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

The net OPEB liability was measured as of August 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period of September 1, 2021 through August 31, 2022.

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

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

Note 18 — Postemployment Benefits Other Than Pensions (continued)

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

At August 31, 2023, the Tyler Junior College District reported its proportionate share of the ERS' deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

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

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

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

Note 19 – Property Taxes

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

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

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

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

	2023			2022		
	Current Operations	**Debt Service**	**Total**	**Current Operations**	**Debt Service**	**Total**
Authorized Tax Rate per $100 Valuation	$ 0.280000	$ -	$ 0.280000	$ 0.280000	$ -	$ 0.280000
Assessed Tax Rate per $100 Valuation	$ 0.152473	$ 0.035528	$ 0.188001	$ 0.159189	$ 0.040737	$ 0.199926

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

Taxes levied for the years ended August 31, 2023 and 2022 amounted to $32,291,974 and $30,040,343, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

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

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

Note 19 – Property Taxes (continued)

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

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

Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

Note 20 — Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc. Organizations*. The District had no material unrelated business income tax liability for the years ended August 31, 2023 and 2022.

Note 21 — Contractual Agreements

The District has a contract for the District's food services for students, faculty, staff, employees and invited guests. The District’s prior contract was awarded effective May 20, 2013, through May 19, 2023. Under the agreement, the food service provider billed the District weekly for service based on day rates per resident under resident meal plans plus other special events. In consideration of the right to operate the campus dining services, the District is paid 10% commission on retail and catering sales and a 15% commission on concessions. Food service commissions are remitted monthly to the District. Effective May 20, 2023, the District awarded a new contract to its existing food service provider, following a competitive solicitation. This new 10-year contract runs though May 20, 2033 and includes commission to the District of 10% on retail and catering sales and 15% on concessions.

Note 21 — Contractual Agreements (continued)

The District also has an agreement for the operation and management of the campus bookstore. The manager owns all inventories of merchandise and has the sole and exclusive right to sell this inventory. In consideration for the use of campus space, the manager pays the greater of a yearly fee as stated in the contract, or a percentage of all gross revenues in a contract year as outlined in the contract. The District's contract continued through June 30, 2023. The terms of the agreement called for a 13.75% commission to the District on the first $4 million in sales and a 14.75% commission on all sales above $4 million. Effective July 1, 2023, following a competitive solicitation, the District entered into a contract with a new provider for campus bookstore services. This contract, which runs through June 30, 2028 and includes a single 5-year renewal option, provides commission revenue to the District of 10.1% on all course material and general merchandise sales, and 5.1% on the sale of inclusive access and digital product.

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

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

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

The District has a contract with a local hospital to provide on-campus medical care. The health care provider maintains a clinic in the Rogers Nursing and Health Sciences Center on the main campus. The new contract was effective September 1, 2020 and calls for an annual payment of $307,750. The contract expires on August 31, 2024 with an option to renew for an additional 1-year period.

Note 21 — Contractual Agreements (continued)

The District also has a contract for custodial services with an outside company. The contract was renewed beginning September 1, 2014, to include additional buildings. This contract was amended in October 2017 to split out the Residential Life and Housing (RLH) building from the main campus. Beginning in August 2023, the monthly contract amount is $29,052 and $124,328 for the RLH buildings and the main campus, respectively. The current contract is under a renewal through July 31, 2024 with two 1-year renewal options remaining.

The District has two separate agreements to provide educational opportunities at satellite centers. The first agreement was a joint effort with a local hospital and a neighboring Economic Development Corporation to provide nursing classes in a renovated wing of an existing hospital. Under this agreement, the District received funding from the hospital and the Economic Development Corporation over a 3-year period to assist in building improvements and the operations of the nursing program. This contract was renewed for another three years ending on July 31, 2020 with two 1-year options for renewal. The contract was extended under the third 1-year renewal ending on July 31, 2023 and the term was extended through August 31, 2027.

The other agreement is similar and provides financial assistance from another local Economic Development Council to provide classes in a rented facility within the District. The lease on the classroom space is for five years. The agreement has been renewed through July 31, 2023 and includes the option for two additional 1-year terms.

The District entered into a new agreement beginning September 1, 2022 with a local orthopedic hospital to provide sports medicine and rehabilitation services for the District's athletic department. As part of the agreement the facility will provide scholarship funds for the Sports Medicine Training Program and the District will pay for graduate assistant trainers under a schedule within the agreement. The agreement runs through August 31, 2026 and includes one optional 4-year renewal.

Note 22 – Tuition And Fees

Tuition and fees are the student component of the Texas public junior college funding model, the other components consisting of state contracts and local district property taxes. Tuition and fees are set by the Board of Trustees and accounted for approximately 59% of total current operating revenues for the year ended August 31, 2023 as compared to 35% for the year ended August 31, 2022. The increase from the prior year in the percentage of total current operating revenues attributable to total operating revenues for the prior three years have included awards from the CARES Act Higher Education Emergency Relief Fund (HEERF). Total awards from Federal Grants and Contracts accounted for 12% of the total operating revenues for the year ended August 31, 2023, declining from 47% of total operating revenues the prior year.

Note 22 – Tuition And Fees (continued)

Tuition rates for Texas public junior colleges are authorized by state law with an $8 per semester credit hour minimum. Fees are established by the local governing board and are frequently used to designate, but not legally restrict, charges for certain purposes. An additional reason designated fees are levied, instead of increasing tuition rates, is the tendency of state legislators to focus on “tuition” when mandating set asides, waivers, exemptions, or otherwise restricting portions of local revenues available for college operations. The District’s tuition and fees for 2023 are listed below.

Tuition – ($32) per Semester Hour for Texas residents; ($56) per semester hour non-Texas residents
Contributes to the support of the District’s educational operations. Prudent fiscal management in an inflationary environment necessitated modest increases in tuition rates for the upcoming 2023-2024 academic year: ($37) per Semester Hour for district residents; $40 per Semester Hour for out-of-district residents, and ($65) per semester hour for non-Texas residents.

General Education Fee – ($42) per Semester Hour
Adopted to supplement state contracts in funding regularly scheduled academic functions.

Registration Fee - $45 per Semester
Defrays increased labor and processing expenses during registration.

Laboratory Fee - $20 per Semester Hour
Defrays the cost of supplies used in courses with laboratory sessions.

Music Fees - $85-$110 for Private Lessons
Defrays the cost of private lessons.

Distance Education Fee - ($10) per Semester Hour
Charged to students registered for online courses to help defray costs associated with technology costs.

Technology Fee - ($15) per Semester Hour
Defrays the cost of instruction-based technology improvements.

Differential Fee - ($7-$25) per Semester Hour
Defrays the costs for certain programs with higher instructional costs.

Note 22 – Tuition And Fees (continued)

Out of District Surcharge – ($60) per Semester Hour
Charged to students from outside the Tyler Junior College District taxing district to partially equalize operational costs borne by District taxpayers.

Campus Security Fee – ($40) per Semester
Designated for use in constructing and maintaining parking facilities.

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

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

Course Specific Fees (vary by program/major)
Defray the costs associated with specific course materials required to complete the course/program.

Note 22 – Subsequent Events

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

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

[Closing Date]

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IN REGARD to the authorization and issuance of the "Tyler Junior College District Combined Fee Revenue Refunding Bonds, Series 2024," dated April 15, 2024, in the principal amount of $______ (the "Bonds"), we have examined into their issuance by the Tyler Junior College District (the "District"), solely to express legal opinions as to the validity of the Bonds, the defeasance and discharge of the District's outstanding obligations being refunded by the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the District, the disclosure of any financial or statistical information or data pertaining to the District and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only and in denominations of $5,000 or any integral multiple thereof (within a maturity). The Bonds mature on August 15 in each of the years specified in a resolution adopted by the Board of Trustees of the District authorizing the issuance of the Bonds (the "Resolution"), without right of prior redemption. The Bonds accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Resolution.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Bonds, including the Resolution and an examination of the initial Bond executed and delivered by the District (which we found to be in due form and properly executed); (ii) certifications of officers of the District relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the District and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been duly authorized by the District and, when issued in compliance with the provisions of the Resolution, are valid, legally binding and enforceable obligations of the District and, together with the outstanding and unpaid "Previously Issued Bonds" (identified and defined in the Resolution), are payable solely from and equally and ratably secured by a first lien on and pledge of the Pledged Revenues (as defined in the Resolution), except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. The outstanding obligations refunded, discharged, paid and retired with the proceeds of the Bonds have been defeased and are regarded as being outstanding only for the

purpose of receiving payment from the funds held by the paying agent for the outstanding obligations being refunded (the “Refunded Bonds Paying Agent”) and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. In rendering this opinion, we have relied upon the certificate of the Refunded Bonds Paying Agent as to the sufficiency of cash deposited with the Refunded Bonds Paying Agent for the purposes of paying the outstanding obligations refunded and to be retired with the proceeds of the Bonds and the interest thereon.

3. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the District with the provisions of the Resolution relating to sections 141 through 150 of the Code, interest on the Bonds for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.