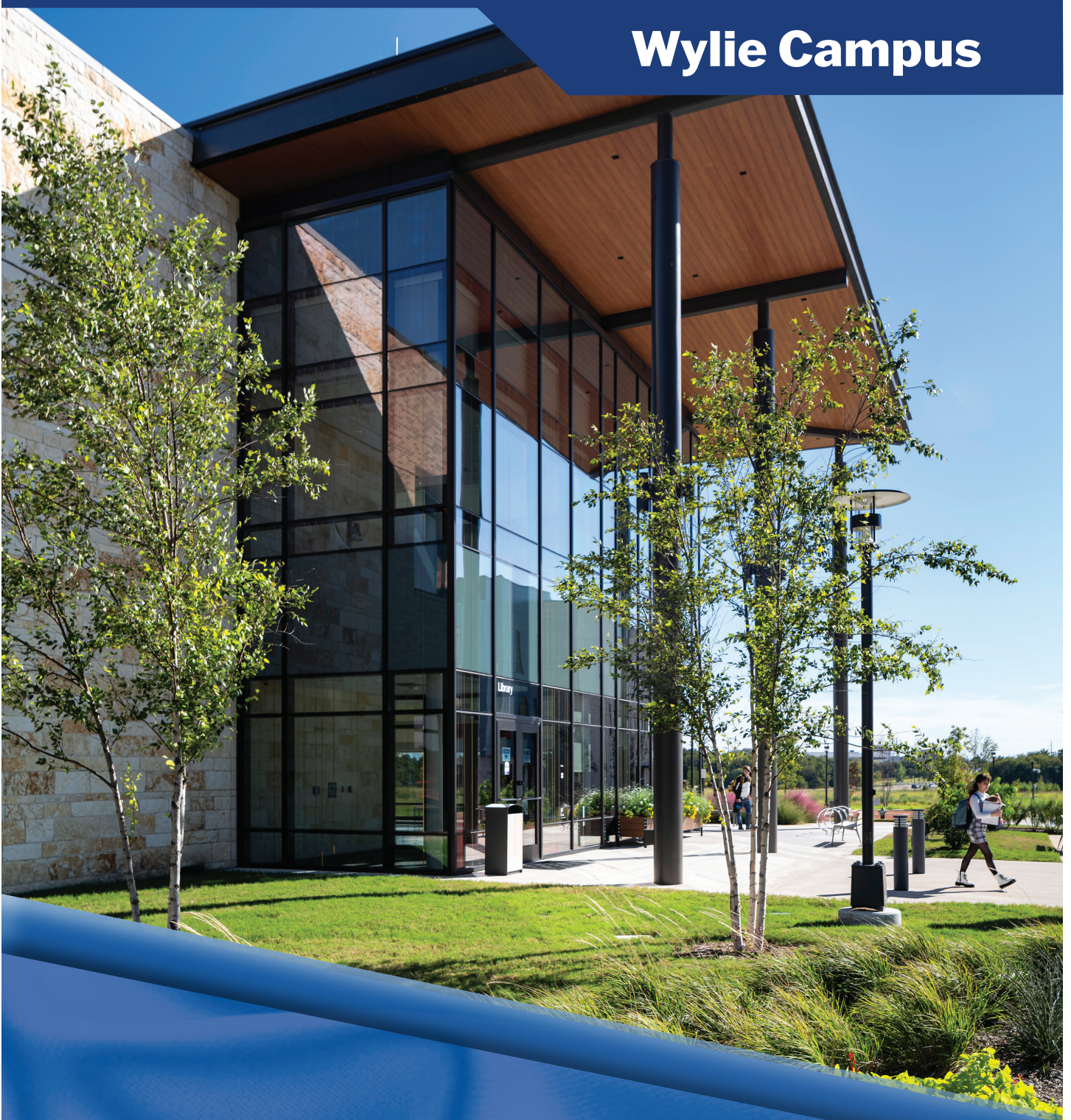


# Wylie Campus



## Annual Comprehensive Financial Report

*For the years Ending August 31, 2024 and 2023  
Collin County, Texas*



# **Collin County Community College District**

**Allen Celina Frisco  
Farmersville McKinney  
Plano Rockwall Wylie  
Texas**

**Annual Comprehensive  
Financial Report**

**For Fiscal Years Ended  
August 31, 2024 and 2023**

**Prepared by:  
Administrative Services**



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**  
**Annual Comprehensive Financial Report**  
**Fiscal Years Ended August 31, 2024 and 2023**

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# Introductory



To the Board of Trustees:

I am pleased to present you with the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024.

Thanks to your leadership and vision, students remain our top priority as well as our inspiration.

Whether they are high school, traditional, or nontraditional students who practice lifelong learning, they continue to accomplish amazing feats. Take dual credit student Taylor Carroll who was selected from more than 300 applicants from all Navy and Marine Corps JROTC programs nationwide and who filled one of only 26 spots to participate in the Naval Air Forces Private Pilot Scholarship Program. Or how about Nelson J. Wong, a 71-year-old retired dentist and lawyer who embarked on a new chapter focused on the culinary arts. Regardless of age or career aspiration, Collin College remains a pivotal launching pad of opportunities for all students from all walks of life.

Your innovative planning, showcased in the Master and Strategic plans, continues to be invaluable. As our dynamic communities evolve, the college is well poised to address our stakeholders' diverse needs.

Partnerships have always been key at this higher education institution, and this year was no exception. Two new endeavors – the Texas A&M Engineering Academy at Collin College and the Collin College Academic Alliance – launched with the goal to save students tens of thousands of dollars and provide new baccalaureate degree opportunities never before offered in our region.

A record-breaking 96 students comprised the inaugural class of the Texas A&M Engineering Academy at Collin College. This innovative co-enrollment collaboration was developed to address the state's growing need for engineers. Qualified students are admitted to the Texas A&M College of Engineering and can complete the first two years of coursework at Collin College as both Aggies and Collin Cougars.

Texas State University, The University of Texas at Dallas, and Collin College launched the Collin College Academic Alliance, providing area residents with the opportunity to earn an associate degree, seamlessly earn a bachelor's degree\*, and save thousands.

The college received several grants this year including: a Texas Workforce Commission (TWC) grant to expand adult education and literacy programs across Collin and Rockwall counties as well as a Skills Development Fund grant, a U.S. Department of Commerce Economic Development Administration grant for building infrastructure improvements to support healthcare workforce training at the Plano Campus, and an Advanced Technological Education grant to develop robotic welding curriculum at the Technical Campus from the National Science Foundation.

Among the college's many accolades are two veteran awards. The Texas Veterans Commission honored our college with gold-level status for the fourth year in a row under its Veterans Education Excellence Recognition Award (VEERA) program. Collin College was also awarded a Military Friendly Schools rank of "Gold" among large community colleges for the 2024-25 awards list published by VIQOTORY, publisher of *G.I. Jobs*® magazine.

From new partnerships to new Continuing Education programs such as Esthetician, Medical Massage Therapy, online project management, and welding classes in Spanish, the college is continuing to meet the varied needs of its communities. Whether you are looking for solar eclipse watch parties, science under the stars, art exhibitions, or theater performances, there's something for everyone at Collin College.

Sincerely,



H. Neil Matkin, Ed.D.  
District President  
Collin College

*\*Pending approvals from the Texas Higher Education Coordinating Board and the Southern Association of Colleges and Schools Commission on Colleges*

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December 10, 2024

To: Dr. H. Neil Matkin, District President  
Members of the Board of Trustees, and  
The Citizens of Collin County Community College District

The following annual comprehensive financial report ("ACFR") of Collin County Community College District ("the District") for the fiscal years ended August 31, 2024, and 2023 is respectfully submitted for your review. This report aims to provide detailed information about the financial condition and performance of the District. Responsibility for data accuracy, completeness, and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material respects and reported in a manner designed to fairly present the District's financial position and results of operations. All disclosures necessary to enable the reader to understand the District's financial activities are included.

The District is a special-purpose government engaged solely in business-type activity (BTA). Adhering to the Governmental Accounting Standards Board (GASB) Statements 34 and 35, this financial reporting presentation combines all fund groups into a single column. It resembles the format of the corporate presentation, thus facilitating comparison.

State statutes require an annual audit by independent certified public accountants. The District's Board of Trustees selected the accounting firm of Whitley Penn, LLP. In addition to meeting the requirements outlined in state statutes, the audit meets the U.S. Office of Management and Budget (OMB) 2 Code of Federal Regulations (CFR) 200, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*. Information related to the single audit, including the schedule of federal expenditures of awards, the schedule of state expenditures of awards, and the auditor's reports on compliance and internal controls, are included in this report's single audit section.

As a recipient of federal, state, and local financial funds, the District is responsible for providing an adequate internal control structure to ensure compliance with applicable laws and regulations related to those award programs. This internal control structure is subject to periodic review or evaluation by management and the District's independent auditors. As a part of the District's single audit, tests determine the effectiveness of the internal control structure, including that portion related to significant federal and state financial award programs. It also determines that the District has complied with significant applicable laws and regulations.

The Administrative Services division establishes and maintains an internal control structure to protect the District's assets from loss, theft, or misuse. They are responsible for ensuring that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure provides reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely

to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

A narrative introduction, overview, and analysis accompany the basic financial statements in Management's Discussion and Analysis (MD&A), providing information on the District's financial activity and position. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. In addition to the transmittal letter and the MD&A, the Annual Comprehensive Financial Report (ACFR) consists of the following:

- Basic Financial Statements
- Required Supplemental Information
- Texas Higher Education Coordinating Board (THECB) Supplemental Schedules
- Statistical Section (Unaudited)
- Single Audit Section

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

## **PROFILE OF THE DISTRICT**

### **District Structure and Information**

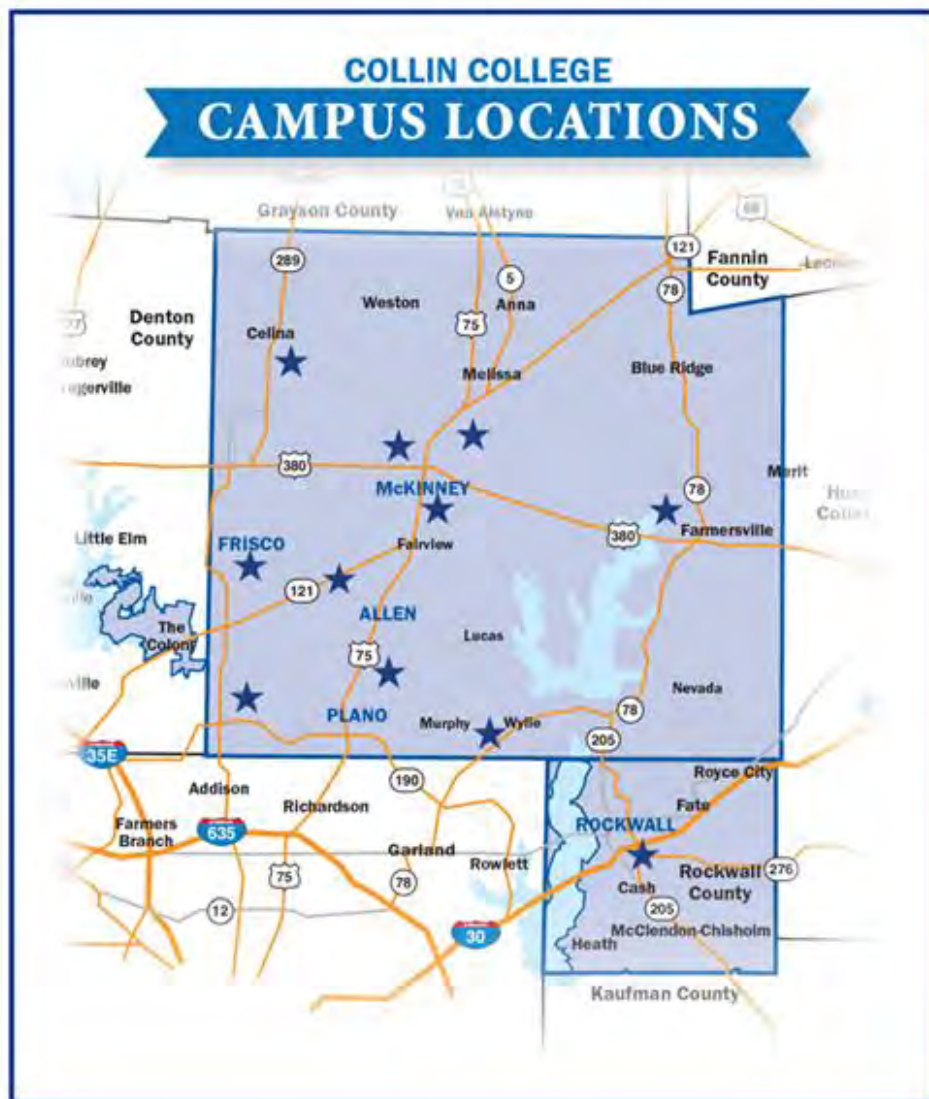
The District was established as a public community college in an election held in Collin County, Texas, on April 6, 1985. It operates as a community college district under the Constitution of the State of Texas and the Texas Education Code. The District is governed by a Board of Trustees (the "Board"). The Board is a nine-member governing board that serves without compensation and is elected at large for six-year terms of office by the voters of Collin County. The Board meets at least ten times yearly, and meetings are open to the public.

The Board manages and governs the District, provides policy direction, establishes goals, sets and collects tuition and fees, exercises fiduciary responsibilities in managing the District's funds, and appoints and evaluates the District President. The Board is also responsible for the levy, assessment, and collection of taxes, issuance of bonds, adopting an annual budget, and performing an annual audit. The Board sets campus admission standards consistent with the role and mission of the District.

Collin County Community College District is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award associate and baccalaureate degrees. Collin County Community College District also may offer credentials such as certificates and diplomas at approved degree levels. In June 2021, Governor Greg Abbott signed House Bill 3348, allowing Collin College to offer up to a total of five baccalaureate degrees. In 2020, the college began offering the Bachelor of Science in Nursing (BSN) and the Bachelor of Applied Technology (BAT) in Cybersecurity degrees. In 2022, the college added a third bachelor's degree in Construction Management, and in 2023, the college began offering its fourth baccalaureate degree, a Bachelor of Applied Science (BAS) in Clinical Operations Management. In January 2024, Collin College's Board of Trustees approved its support for the college's fifth baccalaureate degree, a Bachelor of Applied Technology (BAT). The college is currently seeking approval for the new degree from various regulatory agencies.

To maintain accreditation by SACSCOC, the District must complete a comprehensive compliance audit every ten years. This process requires extensive self-study, including completing a compliance certification document reflecting compliance with all the Principles of Accreditation. On June 11, 2015, SACSCOC reaffirmed Collin College's accreditation, and on June 13, 2019, SACSCOC accredited Collin College to offer bachelor's degrees. On June 17, 2021, SACSCOC continued Collin College's accreditation following a review of the college's Fifth-year Interim Report. Collin College is currently undergoing the process of reaffirmation of accreditation with SACSCOC. The College's Self-Study was submitted to SACSCOC in February 2024, and the College's Response to the findings of the Off-Site Review in August 2024. SACSCOC conducted an On-Site review in October 2024, with a final accreditation determination expected in June 2025.

The District's mission is to provide students with a community-centered institution committed to developing skills, strengthening character, and challenging the intellect. The student body is comprised of residents of Collin County and surrounding communities.



The District strives to offer affordable, small, personalized classes and an award-winning faculty in a safe and friendly environment, allowing students to fulfill their potential and achieve their goals. The college promotes life-long learning and allows its residents to further their education regardless of schedule, time, and distance constraints. The District continues to meet the community's needs in developing a professional workforce by expanding the educational opportunities available to its residents. The District provides training for the county's essential service positions, such as police officers, firefighters, emergency medical technicians, nurses, dental hygienists, and respiratory therapists.

The official service area of Collin County Community College, as defined by the Texas Legislature, is all of Collin and Rockwall counties, those portions of Denton County within the cities of Frisco and The Colony, and those portions of the county included within the Celina and Prosper school districts.

The District is in Collin County, in the Dallas metropolitan area of North Central Texas. The county consists of 886 square miles with a population density of approximately 1,308 residents per square mile in 2022. According to the U.S. Census Bureau, the population of Collin County was estimated to be about 1,195,359 in 2023.

Information provided by the U.S. Census Bureau as of 2023 shows an estimated 5.3% growth in the population of the United States since 2014. During those same ten years, Collin County has experienced an increase in population of 35%.



### Component Units

The Collin County Community College District Foundation, Inc. ("Foundation") has been discretely presented in the District's statements as a component unit by the inclusion of the statements and footnotes of the Foundation in the District's statements and footnotes. The Foundation is a non-profit organization established in 1987 to maintain, develop, increase, and extend the District's facilities and services and provide broader educational service opportunities to its students, staff, and faculty.

## **Inter-local Agreements and Partnerships**

The many partnerships with local cities and schools reflect the District's commitment to providing programs and services to its communities. Such agreements are efficient and cost-effective. A partial list of recent inter-local agreements and partnerships includes:

Allen ISD introduced the Associate Degree Pathway in the 2020-2021 school year. This project was started in Fall 2018 and is a partnership between Allen ISD, Collin College, and the University of North Texas (UNT).

The District joined forces with Texas State University and the University of Texas at Dallas to create the Collin College Academic Alliance. Located at the Collin College Technical Campus in Allen, students can co-enroll at Collin College and a partner university and earn an associate degree while seamlessly earning a bachelor's degree from Texas State University or The University of Texas at Dallas without leaving Collin County.

The Technical Campus in Allen houses the Texas A&M Engineering Academy. This unique program, offered in partnership with Texas A&M University's College of Engineering, allows students to pursue an engineering degree while co-enrolling at Texas A&M and Collin College. Students can save money during their first two years by taking Texas A&M engineering courses at Collin College before transitioning to Texas A&M.

A National Science Foundation grant totaling \$3.8 million was awarded to the District in September 2018, with an award period of 2018 through 2024. The \$3.8 million "Information Technology Skill Standards, 2020 and Beyond" award will create employer-led and verified Information Technology skill standards for high-demand job clusters.

The Department of Commerce – Economic Development Administration awarded the District a \$2.0 million grant in June 2024. The College has pledged \$500 thousand in matching funds. The grant will be used to cover construction costs at the District's Plano Campus to support vital healthcare programs, including Licensed Vocational Nurse (LVN), Certified Nurse's Aide (CNA), Patient Care Technician (PCT), Electrocardiograph Technician (EKG), and Phlebotomy Technician (PLT). This expansion aims to prepare hundreds of students for careers in the healthcare industry and stimulate economic growth in the broader North Texas region, particularly in rural counties.

The Texas Workforce Commission awarded the District a \$2.1 million Adult Education and Literacy Service Provider grant in July 2024, with an award period of 2024 through 2025. The grant will provide educational opportunities for individuals with barriers to employment to prepare them for in-demand careers in various employment sectors.



## **Budget**

Under the direction of the Chief Financial Officer, Administrative Services maintains the District's budgetary controls. These budgetary controls aim to ensure compliance with legal provisions embodied in the annual appropriate budget approved by the District's Board of Trustees. Activities of the unrestricted, auxiliary, restricted, building, bond, and debt service funds are included in the annual budget. The District also maintains an encumbrance accounting system that includes full-time payroll costs to accomplish budgetary control. Salary encumbrances lapse at year-end, while some encumbrances for outstanding purchase orders at year-end are carried over as part of the following year's budget.

## **ECONOMIC CONDITION**

### **Local Economy**

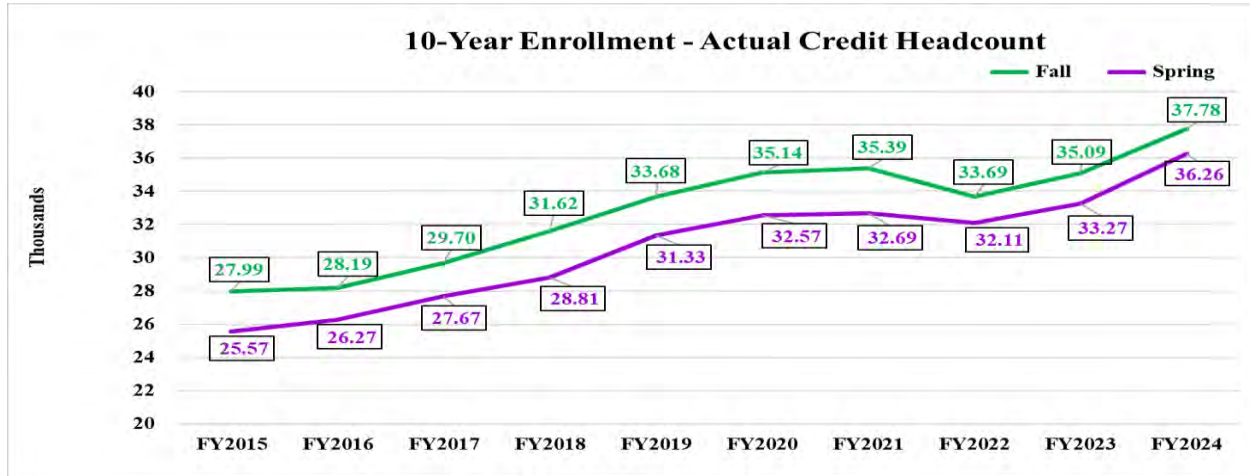
Collin County's major industries include finance, retail, computer technology, insurance, education, manufacturing, telecommunications, health care, and food. A well-educated workforce is critical to an area's ability to attract new businesses and maintain economic growth. Another crucial factor for a growing economy is the availability of workforce training. The District regularly consults with employers in the area to determine their needs and develops training to fulfill those needs. Given the area's readily accessible workforce training, the desirability of the location, the excellence of the school districts, the proximity of family entertainment (such as shopping, fine arts, professional sports, and entertainment parks), and the wealth of well-trained individuals, the District is optimistic that Collin County will continue to prosper.

According to the U.S. Bureau of Labor Statistics, Collin County's civilian-employed labor force as of September 2024 was 665,094, an increase of 2.8% over the prior year. According to the Bureau of Labor Statistics, the latest unemployment rate for Collin County as of September 2024 was 3.7%, compared to the State's rate of 4.2% and the national rate of 4.1%.

Community colleges are vital to the State's workforce and economic development. Economic development depends on the strength of having a trained and educated workforce. As the economy changes due to automation, increased productivity, and advanced technology, the demand for physical jobs decreases, and workers are under more pressure to learn new skills. According to the Texas Higher Education Coordinating Board, 677,921 students were enrolled in Texas public community colleges during the fall of 2023, compared to 676,467 at Texas public universities and 17,781 at Texas State Technical Colleges.

The District headcount for credit enrollment for fall and spring increased by 8.5% from 2022-23 to 2023-24.

Data Source: Collin College Workday and BANNER Student Information System



The District remains a valuable resource to the community in updating the skills necessary to obtain new jobs in the 21<sup>st</sup> century by providing training and degrees in growth industries, such as technology, health care, automotive, construction, HVAC, and welding.

### Long-Term Financial Planning

Developing the Master & Strategic Plan is a collaborative process that drives critical decision-making for the District for seven years. Known as *Destination 2030*, the Master Plan is a comprehensive outlook for all college facilities and programming, and the accompanying Strategic Goals focus on objectives and stretch goals for future initiatives. Both plans work together to deliver a seven-year roadmap for the college. In August 2023, The District Board of Trustees adopted a 2023-2030 Master & Strategic Plan, as follows:

#### Master Plan Priorities

1. Ensure maximum utilization of college facilities, programs, and resources.
2. Expand college programs and facilities to accommodate growth and employment needs throughout the service area.
3. Enhance the college's university partnerships through the development of comprehensive pathways that enrich the student experience and support student completion with a focus on Collin College students.
4. Implement planned and new components of the college's comprehensive safety and emergency management plan.
5. Streamline the college's programs and systems by implementing efficient business processes that improve outcomes for students and employees.

## Strategic Plan Goals

1. Realign student completion and performance metrics to meet or exceed state and regional accreditation thresholds and goals.
2. Develop and implement strategies to become a national exemplar in program and student outcomes.
3. Create and implement comprehensive pathways to enrich student experience and support student completions.
4. Implement strategies to be recognized as an employer of choice to attract and retain top talent.
5. Expand educational access through a systemic approach with external partners and stakeholders.
6. Expand baccalaureate degree options.

## Relevant Financial Policies

**Investment Policy:** The District's investment policy is required by statute to be reviewed and updated annually. The Board approved the policy in June 2024. It is designed to provide the safety of the principal, liquidity to meet all operating requirements, and a reasonable market yield throughout the budgetary and economic cycles. Bank deposits were either insured by federal depository insurance or collateralized throughout the year.

**Fund Balance Designation:** Board policy dictates that the District maintain a minimum fund balance of 25% of educational expenses adjusted for reserves and allocations. In addition, the Board continues to maintain designations totaling \$24.75 million for stabilization of maintenance and operations if ad valorem tax revenues were to decline based on fluctuations in appraised values. During the current fiscal year, the Board of Trustees voted to undesignate the \$30 million health care reserve accumulated over the years since 2007.

## AWARDS AND ACKNOWLEDGEMENTS

### Awards

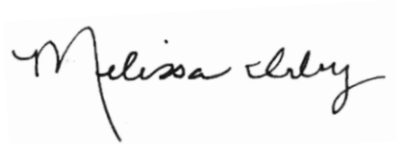
The Government Finance Officer Association (GFOA) awarded the District a Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the Fiscal Year ended August 31, 2023. This was the 27<sup>th</sup> consecutive year the District has achieved this prestigious award. A government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report to be awarded a Certificate of Achievement. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgments

This report was prepared using the efficient and dedicated services of the Administrative Services staff. We would also like to thank Whitley Penn, LLP's accounting firm, for their assistance and timely completion of the audit. Due credit should be given to the governing Board and District Leadership for their interest in responsibly planning and conducting the District's operations.

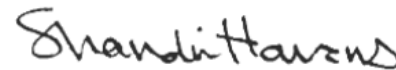
Respectfully submitted,

A handwritten signature in black ink that reads "Melissa Irby". The signature is written in a cursive style with a large initial "M".

Melissa Irby, CPA  
Chief Financial Officer

A handwritten signature in black ink that reads "Barbara Johnston". The signature is written in a cursive style with a large initial "B".

Barbara Johnston, CPA  
Deputy Chief Financial Officer

A handwritten signature in black ink that reads "Shandin Havens". The signature is written in a cursive style with a large initial "S".

Shandin Havens, CPA  
Executive Director Financial Services



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Collin County Community College District  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2023

*Christopher P. Morill*

Executive Director/CEO

## Board of Trustees



Andrew (Andy) Hardin  
Chairman, Place 9  
Frisco, Texas  
Term Expires:  
May 2027



Jay Saad  
Vice Chairman, Place 2  
Plano, Texas  
Term Expires:  
May 2029



Jim Orr  
Secretary, Place 7  
Lucas, Texas  
Term Expires:  
May 2027



Raj Menon, Ph.D.  
Treasurer, Place 5  
Plano, Texas  
Term Expires:  
May 2025



Stacy Anne Arias  
Member, Place 6  
Melissa, Texas  
Term Expires:  
May 2025



Cathie Alexander  
Member, Place 3  
Plano, Texas  
Term Expires:  
May 2029



J. Robert (Bob) Collins, Ph.D.  
Member, Place 8  
Farmersville, Texas  
Term Expires:  
May 2027



Greg Gomel  
Member, Place 4  
Plano, Texas  
Term Expires:  
May 2025



Megan Wallace  
Member, Place 1  
McKinney, Texas  
Term Expires:  
May 2029



## Principal Officers and Staff

### Administrative Officers

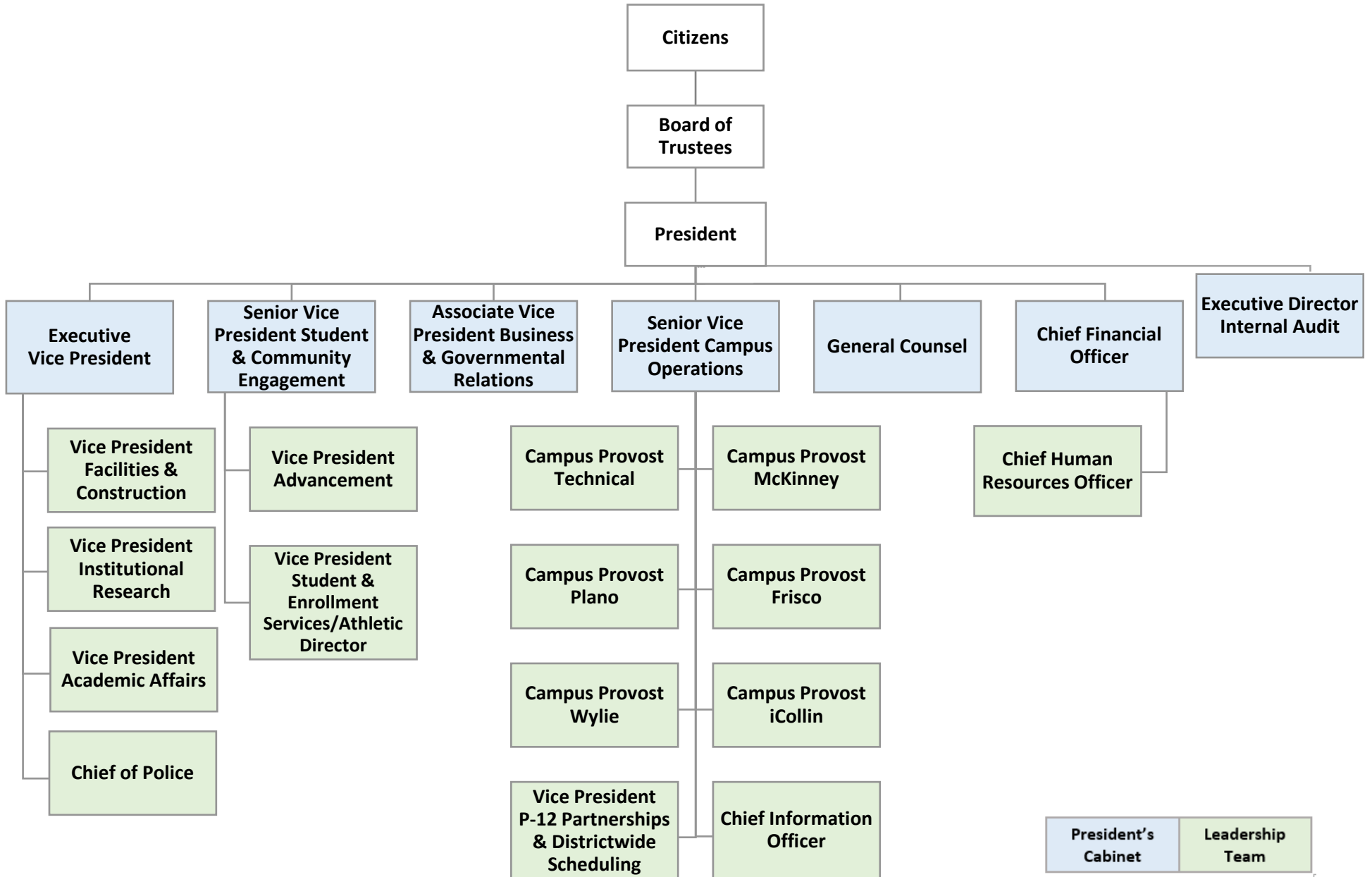
Neil Matkin, Ed. D.	District President
Bill King, Ph. D.	Executive Vice President
Jay Corwin, Ph. D.	Senior Vice President of Student and Community Engagement
Melissa Irby, CPA	Chief Financial Officer
Abe Johnson, Ed. D.	Senior Vice President Campus Operations
Mary McClure	Associate Vice President Business and Governmental Relations
Ali Subhani, CIA, CISA, CFE	Executive Director Internal Audit
Monica Velazquez, J.D.	General Counsel

### Financial Staff

Barbara Johnston, CPA	Deputy Chief Financial Officer
Shandin Havens, CPA	Executive Director Financial Services

# Collin County Community College District

## Organizational Chart





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# Financial

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Collin County Community College District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Collin County Community College District (the District), as of and for the years ended August 31, 2024 and 2023, 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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of August 31, 2024 and 2023 and the respective changes in financial position, and cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Collin County Community 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 audit 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

The District's 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Trustees  
Collin County Community College District

### ***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 District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District’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 management’s discussion and analysis, pension information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Schedule of Expenditures of State Awards as required by the State of Texas Grant Management Standards, are presented for additional analysis and are not a required part of the basic financial statements.

To the Board of Trustees  
Collin County Community College District

The Supplemental Schedules A through D, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedules A through D, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of State Awards 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 report. 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 10, 2024, on our consideration of the College’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College’s 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.

Handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Dallas, Texas  
December 10, 2024

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

### **Introduction**

Collin County Community College District ("the District"), founded in 1985, is proud to present its financial statements for fiscal years ended August 31, 2024 and 2023 which are in conformance with Governmental Accounting Standards Board (GASB) standards. The following Management's Discussion and Analysis (MD&A) reviews the District's financial activity during the fiscal years ended August 31, 2024, 2023, and 2022. The MD&A is based on currently known facts, decisions, and conditions having an impact on financial activities of the District and other key financial data as required by GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* . It should be read in conjunction with the transmittal letter, the District's basic financial statements, and the notes to the financial statements. Responsibility for the completeness and fairness of the information in this section rests with the District management.

In accordance with GASB Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34* , the District is including financial statements for the District's discrete component unit, Collin County Community College Foundation ("the Foundation"). The Foundation financial statements presented for fiscal years ending August 31, 2024 and 2023 are presented on separate pages behind the District's basic financial statements. The Foundation Notes may be found in Note 19 under Component Units.

### **Understanding the Financial Statements**

The Financial section of the Annual Comprehensive Financial Report (ACFR) consists of:

**Report of Independent Certified Public Accountants** presents an unmodified opinion rendered by an independent certified public accounting firm, Whitley Penn, LLP on the fairness (in all material respects) of the financial statements.

**Management's Discussion and Analysis** introduces the basic financial statements and provides an analytical overview of the District's financial activities.

#### **Basic Financial Statements:**

There are three basic financial statements presented: the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. The statements are prepared on an accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

**Statement of Net Position** presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the District as of the end of the fiscal year. It is a point in time financial statement. The purpose of the Statement of Net Position is to give financial statement readers a snapshot of the fiscal condition of the District.

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

**Statement of Revenues, Expenses, and Changes in Net Position** presents the revenues earned and expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenue and to carry out the District's mission. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as state appropriations, ad valorem taxes, and federal grants.

**Statement of Cash Flows** presents information related to cash inflows and outflows summarized by operating capital and non-capital financing, and investing activities. It provides relevant information when evaluating the financial viability of the District during the fiscal years ended August 31, 2024 and 2023. The Statement of Cash Flows can be used to assess the District's ability to meet current and future financial obligations.

**Notes to the Basic Financial Statements (Notes)** provide additional information to clarify and expand on the financial statements.

**Required Supplemental Information (RSI)** is required by GASB 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.

**Texas Higher Education Coordinating Board (THECB) Supplement Schedules** are required by THECB to provide comparative information on revenues, expenses and net position.

### **Fiscal Year 2024 Financial Highlights**

Some of the financial highlights of the fiscal year are as follows:

- Texas Legislature passed House Bill 8 in 2023 which established an outcomes-based formula for funding based primarily on specific outcomes that are aligned with the state's higher education strategic plan as well as regional and state workforce needs. Revenues from state appropriations, not including on-behalf benefits, increased \$6.9 million, from \$44.6 million to \$51.5 million in fiscal year 2023 and 2024, respectively.
- The District has maintained a total tax rate of \$0.081222 for the current and previous fiscal years since fiscal year 2019. Taxable Assessed Value increased from \$192.1 billion in fiscal year 2023 to \$202.1 billion in fiscal year 2024 resulting in an increase of \$4.0 million in ad valorem tax revenues collected compared to the prior year.
- The Board of Trustees passed a resolution increasing homestead exemptions for taxpayers over the age of 65 from \$30,000 to \$100,000, for disabled taxpayers from \$20,000 to \$100,000, and an increase in the percentage of a residence homestead exemption to the greater of \$5,000 or 20% of the appraised value compared to \$5,000 or 1% of the appraised value. As a result of this change, exemptions increased 89.4%, from \$49.1 billion in fiscal year 2023 to \$93.1 billion to fiscal year 2024.

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

- Investment income has increased throughout the previous three years, from \$11 thousand in fiscal year 2022, to \$16.9 million and \$22.3 million in fiscal years 2023 and 2024, respectively. The interest rate increases for fiscal years 2023 and 2024 have allowed the District to increase investment income earnings in addition to utilizing laddering investment strategies to manage cashflow.
- GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* reduced the District's net position by \$17.8 million. The Net Pension and OPEB Liabilities increased by \$4.9 million from fiscal year 2023 to 2024.

### **Fiscal Year 2023 Financial Highlights**

Some of the financial highlights of the fiscal year include:

- Tuition revenue increased more than \$4 million from \$41.5 million to \$45.6 million. The increase of approximately 9.8% is a result of an increase in both tuition per credit hour for all residencies, and an increase of total credit hours taken by students of about 5%.
- GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* reduced the District's net position by \$17.64 million.
- As required by the Governmental Accounting Standards Board (GASB), the District implemented Statement No. 96 – Subscription-Based Information Technology Arrangements (SBITA) which resulted in the retroactive capitalization net of accumulated amortization of SBITAs totaling \$14.7 million. A corresponding lease liability, both current and non-current was also recorded totaling \$14.5 million. GASB Statement No. 96 also resulted in an increase in net position totaling \$282,820, which was recorded as a restatement of prior year's net position.
- Coronavirus Aid, Relief, and Economic Security Act (CARES) grant funding awarded to the District totaled \$83.2 million since 2020, including funds passed through the Texas Higher Education Coordinating board as Governor's Emergency Education Relief (GEER) Fund. During fiscal year 2023 the District expensed \$18.4 million for institutional purposes from CARES funding received directly from the Department of Education. An additional amount expended for all other CARES funding totaled \$1.9 million.

The Condensed Statement of Net Position reflects the financial position of the District at the end of the fiscal year. The statement includes assets owned by the District, all liabilities owed by the District to others, the deferred outflows and inflows, and the resulting net position. Assets and liabilities are presented in order of their liquidity with noncurrent defined as greater than one year. The statement is prepared using the accrual basis of accounting, similar to the accounting used by most private sector institutions. Table 1 is a summary of the most recent three fiscal years' statements.



# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023

Net position is divided into three major categories.

- Net investment in capital assets: provides the District's equity in land, buildings and improvements, and equipment owned, and lease and SBITA assets, net of related debt,
- Restricted net position: these assets have external limitations on the way in which they may be used, and are not accessible for general use,
- Unrestricted net position: assets in this category are available to be used for any lawful purpose of the District at the direction of the Board of Trustees.

	Fiscal Year			Change	
	2024	2023	Restated 2022	2023 to 2024	2022 to 2023
<b>Assets:</b>					
Current assets	\$ 340.1	\$ 323.3	\$ 347.9	5.2 %	(7.1)%
Capital assets	825.7	839.3	846.7	(1.6)%	(0.9)%
Other noncurrent assets	94.7	97.6	74.1	(3.0)%	31.7 %
<b>Total assets</b>	<u>\$ 1,260.5</u>	<u>\$ 1,260.2</u>	<u>\$ 1,268.7</u>	0.0 %	(0.7)%
<b>Deferred Outflows of Resources:</b>	50.9	66.3	74.3	(10.8)%	(10.8)%
<b>Liabilities:</b>					
Current liabilities	\$ 78.1	\$ 72.4	\$ 72.7	7.9 %	(0.4)%
Noncurrent liabilities	656.0	678.0	689.2	(3.2)%	(1.6)%
<b>Total liabilities</b>	<u>\$ 734.1</u>	<u>\$ 750.4</u>	<u>\$ 761.9</u>	(2.2)%	(1.5)%
<b>Deferred Inflow of Resources:</b>	34.6	37.3	41.9	(7.2)%	(11.0)%
<b>Net position:</b>					
Net investment in capital assets	\$ 329.7	\$ 317.0	\$ 296.7	4.0 %	6.8 %
Restricted -- expendable	26.4	20.3	14.5	30.0 %	40.0 %
Unrestricted	186.5	201.5	228.0	(7.4)%	(11.6)%
<b>Total net position</b>	<u>\$ 542.6</u>	<u>\$ 538.8</u>	<u>\$ 539.2</u>	0.7 %	(0.1)%

Due to rounding, certain totals in this schedule may not tie precisely to corresponding statements.

Total assets of the District for the current fiscal year have remained fairly constant over the last three years as shown in Graph 1 from \$1.2687 billion in 2022 to \$1.2605 billion in the current fiscal year. Current assets consist primarily of cash and cash equivalents, short-term investments, and receivables. The increase in current assets of 5.2 % was offset by a corresponding decrease in both capital assets, (1.6%) and other noncurrent assets, (2.9%) in the current year. A decrease of (7.1%) in current assets from fiscal year 2022 to 2023 was a result of a reduction in short term investments and a corresponding increase in long term investments.

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

### **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

During the current fiscal year, cash decreased (7.3%) while short term investments increased 16.1%. Cash decreased by (23.7%) while short term investments increased about 28.6% and long-term investments increased 32.2% from fiscal year 2022 to 2023. Prepaids has steadily declined over the last three fiscal years from \$1.5 million, \$1.1 million, and \$0.6 million in fiscal years 2022, 2023, and 2024, respectively, as the threshold to classify transactions as prepaid increased from \$2,500 in fiscal year 2021 to \$10,000 in fiscal year 2022, resulting in fewer prepaids being recorded each year.

Cash resides in TexPool, TexStar, Texas Connect and Texas Range, all statewide investment pools and all are classified as cash equivalents with \$1 Net Asset Value daily liquidity. Proceeds received from the Series 2020 Limited Tax Bonds and debt service funds that are held in TexPool are recorded as Restricted Cash and Cash Equivalents. Short term investments consist of US Government Agencies, US Treasury Notes and Bills, Commercial Paper and Municipal Bonds with maturities less than one year. Five million dollars from the Series 2020 Limited Tax Bonds invested in commercial paper are classified as Restricted Short-Term Investments. See Note 3 Authorized Investments and Note 4 Deposits and Investments for additional information on cash and investments.

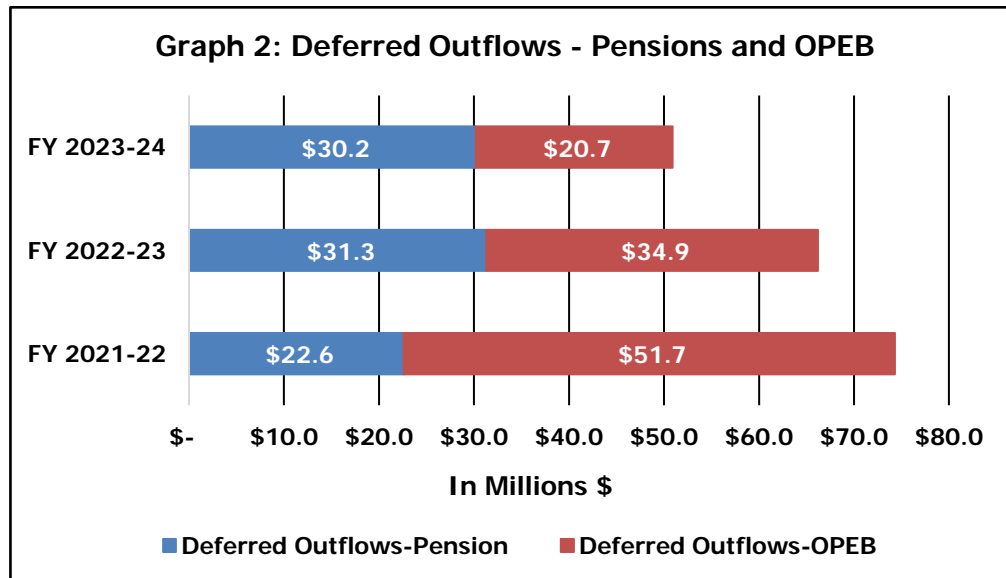
Capital assets make up the most significant balance of total assets, at 65.5% of total assets for the current year, 66.6% and 66.7% of total assets for fiscal years 2023 and 2022, respectively. Accumulated depreciation increased \$2.6 million, from \$27.2 million to \$29.8 million in the current year, resulting in a decrease of total capital assets. Noncurrent assets, assets with a life greater than a year, consists of long-term investments and leases receivables. Fiscal year 2022 to 2023 saw a 31.7 % increase in other noncurrent assets, primarily as a result of an increase in long term investments totaling \$2.8 million. See Note 5 for additional information on capital assets, and Note 4 for information on Deposits and Investments.

Between fiscal years 2022 and 2024, total depreciable assets increased from \$965.6 million to \$992.5 million, or \$26.9 million due in large part to Subscriptions -Based Information Technology Arrangements (SBITA) which requires the District to recognize an intangible right-to-use asset in the financial statements. See Note 7 for additional information on SBITAs.

Deferred outflow of resources is a consumption of net assets by the District that is applicable to future reporting periods. Deferred outflows of resources have fluctuated significantly from fiscal years ending 2022 to the current fiscal year, especially those related to Other Post-Employment Benefits (OPEB) as shown in Graph 2 and in Table 1: Condensed Statement of Net Position. Fluctuations in deferred outflows occurs as a result of recognizing the differences in projected and actual investment earnings at the plan level. Deferred outflows represent the District's proportionate share of pension and other post-employment benefits the District could make that will benefit employees in the future, but are not considered assets. See Note 10 Employees' Retirement Plan, and Note 14 Other Post-Employment Benefits for additional information on deferred outflows.

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023



Current liabilities consist of accounts payable and accrued liabilities, unearned revenues, and the current portions of lease and SBITA liabilities, bonds payable, and OPEB liability, primarily. Current liabilities totaling \$78.1 in fiscal year 2024 increased 7.9% from \$72.4 million in fiscal year 2023 with unearned revenues increasing \$3.6 million. Minimal change occurred in current liabilities from fiscal year 2022 to 2023. The liability related to GASB Statement No. 96 *Subscription Based Information Technology Arrangements (SBITAs)* has stabilized at about \$3.8 million, with minimal changes in fiscal year 2022 and 2023. Lease and SBITA liabilities are combined on the statement of net position. GASB Statement No. 87 *Leases* was implemented in fiscal year 2022 and pertains to the District's copier and equipment leases that exceed more than one current fiscal year. Lease liability makes up approximately 12.1% of the combined lease and SBITA liability with the remaining 87.9% pertaining to the SBITA portion. A liability is considered to be current if it is due within one year. This percentage is consistent with liability recorded in fiscal years 2022 and 2023. See Notes 6 and 7 for additional information on leases and SBITAs.

Unearned revenue and current portion of bonds payable make up more than 70.0%, 69.1%, and 64.5% of current liabilities for fiscal years 2024, 2023, and 2022, respectively. Unearned revenue primarily consists of student tuition and fees for future terms and represents a larger portion of current liabilities in the current fiscal year due to an increase in tuition rates per credit hours for all residencies of approximately 8% beginning in the upcoming fall term 2024, or for fiscal year 2025. Tuition rates did not change from fiscal year 2022 to 2023, however credit hours increased from fiscal year 2022 to 2023 resulting in a slight increase in unearned revenue of 2.2%, for fiscal year 2023.

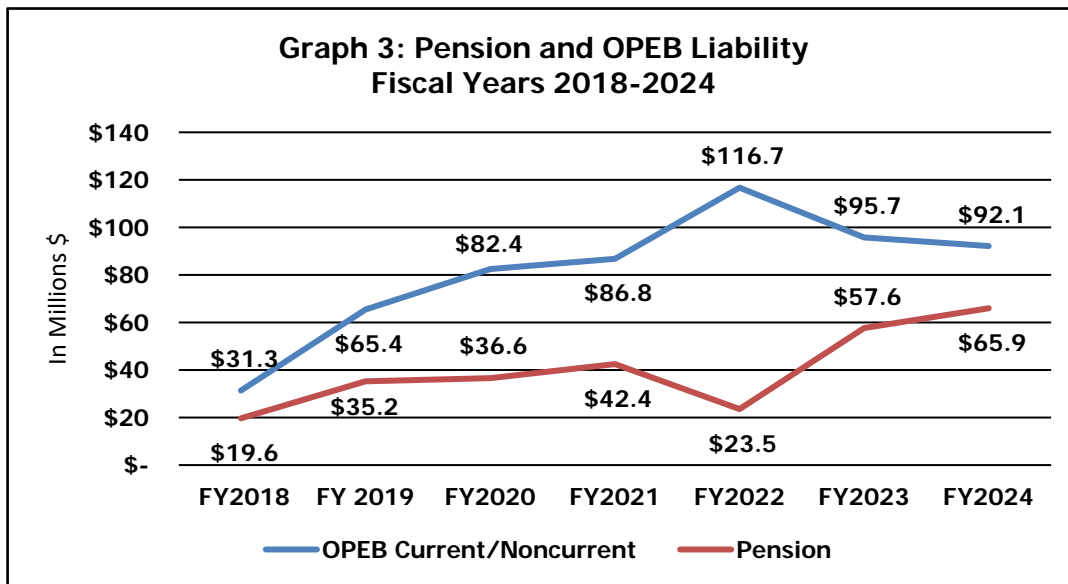
The current portion of bonds payable increased 5.5%, from \$20.5 million in fiscal year 2023 to \$21.6 million in fiscal year 2024. A 12.5% increase occurred from fiscal year 2022 to 2023, totaling approximately \$2.4 million. See Note 8 for additional information on long-term liabilities, and Note 9 for additional information on bonds payable.

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023

For fiscal years 2024, 2023, and 2022, noncurrent liabilities make up a significant portion of total liabilities, at 89.4%, 90.3%, and 90.5%, respectively. The primary components making up noncurrent liabilities include net pension liability, net OPEB liability, and noncurrent portion of bonds payable.

Total noncurrent liabilities declined (3.2%) from \$678.0 million in fiscal year 2023 to \$656.0 million in fiscal year 2024. A smaller decline of (1.0%) occurred from 2022 to 2023 totaling \$11.2 million. The overall decrease is attributable to the decrease in bonds payable totaling (\$24.9) million in fiscal year 2024 from 2023 and a decrease of (\$23.8) million in fiscal year 2023 from 2022. A similar decrease in net OPEB liability over the last three years has occurred, decreasing from \$114.2 million to \$93.2, and \$89.7 for fiscal years 2022, 2023, and 2024, respectively. The overall decreases in bonds payable, and net OPEB liability have been more substantial than the increase in net pension liability which explains the net decrease in noncurrent liabilities, and in total liabilities. Pension liability increased 145.6% from fiscal year 2022 to 2023, going from \$23.4 million to \$57.6, and increasing 14.5% to \$65.9 million in fiscal year 2024. See Graph 3 for Pension and OPEB liabilities since fiscal year 2018 until the current year. While it's significant to note the fluctuations resulting from OPEB and Pension accounting impact liabilities, deferred inflows and outflows and expenses, there is no cash impact on the District. The primary objective of the GASB statements is to improve accounting and financial reporting for OPEB and Pensions. Additional information on noncurrent liabilities may be found in Note 7 SBITAs, Note 10 for Pensions and Note 14 for OPEB.



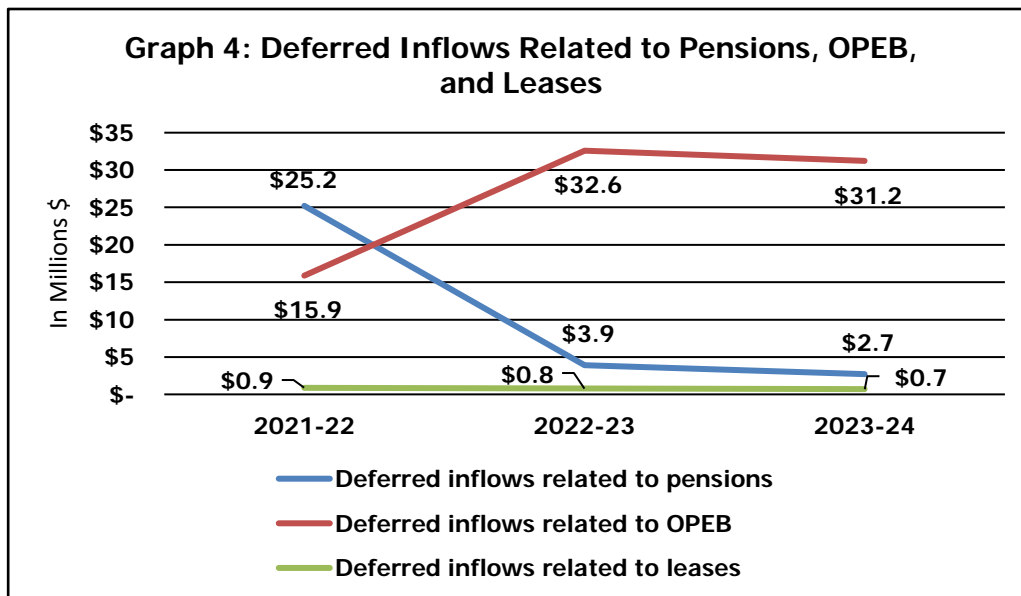
Deferred inflows of resources are resources that represent an acquisition of net position related to future periods as required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits, Other than Pensions (OPEB)* and GASB Statement No. 87 *Leases*. Graph 4 Deferred Inflows Related to Pensions, OPEB, and Leases demonstrates the fluctuations from Deferred

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023

Inflows for Pensions and OPEBs for the last three years ending fiscal year 2024. Statement No. 75 *Other Post-Employment Benefits* was issued (OPEB) to provide more transparent reporting of the liability and useful information about the liability and costs of post-employment benefits other than pensions. The District participates in a cost-sharing OPEB and has recorded a liability, equal to our proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. OPEBs pertain to all post-employment healthcare benefits, death benefits, life insurance, disability and long- term care benefits. See Note 10 Employees' Retirement Plan, and Note 14 Other Post-Employment Benefits (OPEB) for additional information. See Graph 4 for an illustration of fluctuations in deferred inflows from fiscal years 2022 to the current fiscal year.

Deferred inflows related to Leases represents future revenue the District is expected to receive for cell tower leases, and has remained steady since its implementation in fiscal year 2022, with retroactive implementation to Fiscal year 2021. Deferred inflows for fiscal years 2020-21 and 2021-22 was \$1 million and \$ 907 thousand, respectively, and \$817 thousand for the current fiscal year. The deferred inflow is calculated as the lease receivable plus any payments made at or prior to the commencement of the lease term that relate to future periods. See Note 6 Leases for additional information.

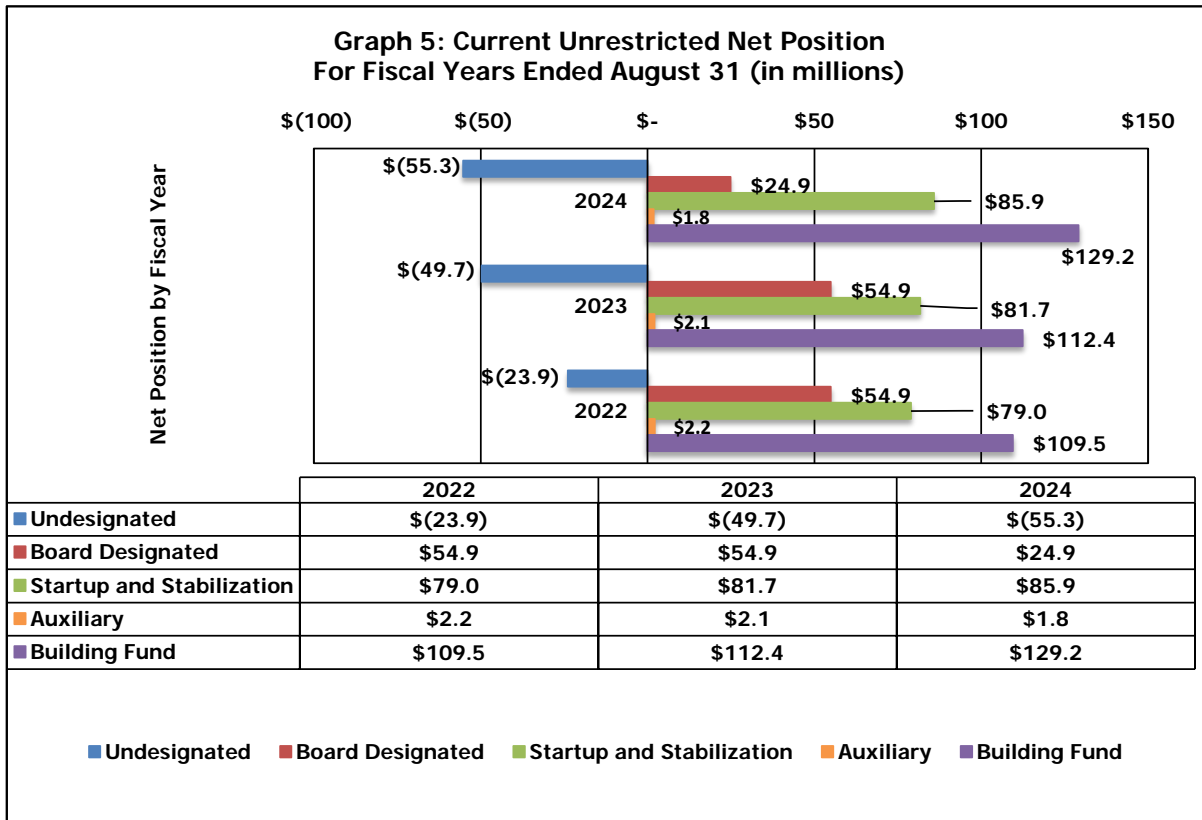


Net position represents the District's equity, some of which is restricted for certain uses and some of which is unrestricted. The current fiscal year saw a 0.7 % increase in total net position of \$3.9 million from the prior year. Fiscal year 2023 saw a decrease in total net position of approximately (\$0.4) million, from \$539.2 million in fiscal year 2022 to \$538.8 million in fiscal year 2023. Unrestricted net position has fluctuated over the most recent three fiscal years as shown in Graph 5 and in Table 1, both illustrations of Statement of Net Positions. There was a decline of (\$26.5) million in unrestricted net position from fiscal year 2022 to 2023, and from 2023 to 2024 there has been an increase in total unrestricted net position of \$43.3 The inverse changes occurred in net investment in capital assets, fluctuating from \$296.7 million, to 317.0 million, to 259.0 million

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023

in fiscal years 2022, 2023, and 2024, respectively. The changes have occurred most notably due to the implementation of GASB Statements 87 – Leases, and GASB 96 – SBITA's.



During the current fiscal year, the Board of Trustees voted to undesignate the \$30 million health care reserve accumulated over the years since 2007. The District budgets a transfer from unrestricted current funds to debt service to fund debt service payments. The transfers for the last three years from unrestricted current funds to debt service have been \$34.3 million, \$27.2 million, and \$27.2 million for fiscal years 2022, 2023, and 2024, respectively. The District's debt tax rate increased in fiscal year 2023 to \$.00622/\$100 from \$.002122/\$100 of taxable assessed value in fiscal year 2022. The debt rate for the current year remained at \$.00622/\$100 of taxable assessed value, but is still not sufficient to cover annual debt service requirements, thus requiring the transfer. For additional information, see THECB Supplemental Schedules, Schedule D for a breakdown of net position, and Note 2 - Summary of Significant Accounting Policies-Board Designations for information on board designated unrestricted net position.

### Statement of Revenues, Expenses and Changes in Net Position

The purpose of the Statement of Revenues and Expenses, and Changes in Net Position is to present the revenues earned and expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the District. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenue and to carry out the District's mission. Non-operating revenues

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023

include activities that have the characteristics of non-exchange transactions, such as ad valorem taxes, state appropriations, and investment income. See Table 2 for a comparative Condensed Statement of Revenues, Expenses, and Changes in Net Position for fiscal years 2023-24, 2022-23, and 2021-22.

	Fiscal Year			Change	
	2024	2023	2022	2023 to 2024	2022 to 2023
<b>Operating revenues:</b>					
Tuition and Fees (Net)	\$ 46.5	\$ 45.6	\$ 41.6	2.0 %	9.6 %
Grants and Contracts	5.1	23.6	17.7	(78.4)%	33.3 %
Auxiliary enterprises	4.7	4.6	3.9	2.2 %	17.9 %
Other operating revenues	1.4	1.2	1.3	16.7 %	(7.7)%
Total operating revenues	<u>57.7</u>	<u>75.0</u>	<u>64.5</u>	<u>(23.1)%</u>	<u>16.3 %</u>
<b>Operating expenses:</b>					
Instruction	125.3	114.4	106.8	9.5 %	7.1 %
Public service	0.6	0.6	0.7	0.0 %	(14.3)%
Academic support	35.9	34.0	29.9	5.6 %	13.7 %
Student services	24.7	22.5	20.7	9.8 %	8.7 %
Institutional support	50.3	62.8	51.3	(19.9)%	22.4 %
Operation and maintenance of plant	26.3	27.8	23.6	(5.4)%	17.8 %
Scholarships	24.0	18.9	36.9	27.0 %	(48.8)%
Auxiliary enterprises	5.8	5.7	4.5	1.8 %	26.7 %
Depreciation	29.8	27.2	22.8	9.6 %	19.3 %
Total operating expenses	<u>322.7</u>	<u>313.9</u>	<u>297.2</u>	<u>2.8 %</u>	<u>5.6 %</u>
<b>Operating loss</b>	(265.0)	(238.9)	(232.7)	10.9 %	2.7 %
<b>Non-operating revenues (expenses):</b>					
State appropriations	65.9	53.6	50.7	22.9 %	5.7 %
Ad-valorem taxes (Net)	158.6	154.2	132.5	2.9 %	16.4 %
Federal/State revenue, Non-operating	39.4	31.9	45.8	23.5 %	(30.3)%
Gifts	0.1	0.1	0.1	0.0 %	0.0 %
Interest on capital related debt	(17.5)	(18.4)	(18.8)	(4.9)%	(2.1)%
Investment income	22.3	16.8	0.0	32.7 %	167900.0 %
Other non-operating revenues, net	0.2	0.3	0.3	0.0 %	0.0 %
Other non-operating expenses, net	(0.1)	-	(0.4)	100.0 %	0.0 %
Net non-operating revenues	<u>268.9</u>	<u>238.5</u>	<u>210.2</u>	<u>12.7 %</u>	<u>13.5 %</u>
<b>Increase (decrease) in net position</b>	<u>3.9</u>	<u>(0.4)</u>	<u>(22.5)</u>	<u>(1075.0)%</u>	<u>(98.2)%</u>
<b>Net position - beginning of year</b>	538.8	539.2	561.5	(0.1)%	(4.0)%
<b>Cumulative effect of change in accounting principle</b>	-	-	0.2		
<b>Net position - beginning of year-restated</b>	-	-	561.7		
<b>Net position - ending of year</b>	<u>\$ 542.7</u>	<u>\$ 538.8</u>	<u>\$ 539.2</u>	<u>0.7 %</u>	<u>(0.1)%</u>

Due to rounding, certain totals in this schedule may not tie exactly to their corresponding statements.

The District's primary sources for revenues are from tuition and fees, state appropriations, and ad-valorem taxes. Operating revenues include tuition, while state appropriations and ad-valorem taxes are reported as non-operating revenues. State appropriations, and ad valorem taxes, combined make up 65.2%, 62.6%, and 62.3% of total District revenues in the current year, and fiscal years ended 2023, and 2022, respectively. The District's operating loss of (\$265.0) million, (\$238.9) million and (\$232.7) million for fiscal years 2024, 2023, and 2022, respectively, is expected since the majority of revenues are reported as non-operating revenues. Additionally,

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

since depreciation on capital assets is reported as an operating expense, it also contributes to the operating loss.

Operating revenues consists of tuition and fees, net of discounts, grants and contracts, auxiliary revenues, and other operating revenues. As shown in Table 2 Condensed Statement of Revenues, Expenses and Changes in Net Position, total operating revenues decreased (23.2%) or approximately (\$17.4) million as a result a decrease in federal revenues, specifically for COVID related grants that ended in fiscal year 2023. From fiscal year 2022 to 2023, there was a 42.8% increase in federal grants, specifically related to COVID related grants provided through the U.S. Department of Education. No other significant fluctuations occurred in operating revenues besides that noted for a those occurring with COVID funded federal grants for the three years ending 2024.

Tuition and fees make up approximately 80.5% of total operating revenues for the current year, 60.8% and 64.5%, respectively for fiscal years 2023 and 2022. See Table 3 - Tuition Table below for the tuition per credit hour rates for the last three years. Tuition and fees did not change from fiscal year 2023 to 2024. Other factors impacting tuition includes enrollment, scholarship allowances, and TPEG. While cost per credit hour remained stable from fiscal year 2023 to 2024, total credit hours taken by students increased by 77,802 credit hours, or 13.9% increase. Other factors effecting recorded tuition besides tuition rates by residency, and hours taken by student include scholarship allowances and Texas Public Education Grants. See Schedule A Schedule of Operating Revenues for detailed information on various components effecting tuition. See Statistical Supplements 4 and 15, Tuition and Fees, and Enrollment Details, respectively, for additional information on tuition and enrollment details.

<b>Fiscal Year</b>	<b>In county resident/credit hour</b>	<b>Out of county resident/credit hour</b>	<b>Out of state &amp; country resident/credit hour</b>
2021-22	\$55	\$101	\$168
2022-23	\$60	\$115	\$185
2023-24	\$60	\$115	\$185

As noted above, federal grants and contracts decreased from fiscal year 2023 to 2024 by (83.5%) due to the end of COVID funding in fiscal year 2023, while the noted increase of about 42.8% or \$6.6 million occurred from fiscal year 2022 to 2023 due to the utilization of COVID funds. Revenue is recognized to the extent expenses are incurred.

As summarized in Table 4, scholarship allowances and discounts were \$25.3 million, \$21.6 million, and \$18.1 million for fiscal years ended 2023-24, 2022-23, and 2021-2022, respectively. Scholarship allowances reduce tuition revenue for amounts paid to students from financial aid or sources other than the student or third parties making payments on behalf of the student. The major components of scholarship allowances include remissions and exemptions, TPEG awarded, and Federal and State Grants awarded to students. The largest component of scholarship allowances is federal grants, primarily Pell grants, which makes up 61.8%, 63.8%, and 64.4% of total scholarship allowances for fiscal years 2024, 2023, and 2022, respectively. Pell grants increased 21.0%, from \$28.9 million to \$34.9 million from 2023 to 2024. Along with an increase



# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023

in student enrollment, maximum Pell awards to students increased from \$6,895 to \$7,395 from fiscal year 2023 to 2024, which helps explain the increase in total Pell awarded. The increase in scholarship allowances from fiscal year 2022 to 2023 is due to an increase in remissions and exemptions totaling approximately \$1.4 million, and an increase related to federal grants, and more specifically Pell grants totaling \$1.9 million. About 68.6% of remissions and exemptions in the current year can be attributable to dual credit exemptions for students eligible for free and reduced lunches and for waiving tuition for students living out of district/state to in-county rates. This corresponds to 66.2% and 61.9% for fiscal years 2023, and 2022, respectively. Schedule A Schedule of Operating Revenues within the Texas Higher Education Coordinating Board Supplemental Schedules for a breakdown of Tuition, Fees, and Scholarship allowances and discounts.

	<b>FY2024</b>	<b>FY2023</b>	<b>FY2022</b>
Remissions & Exemptions	\$ 5,959,175	\$ 5,432,929	\$ 4,070,796
TPEG	1,889,707	1,534,123	1,635,395
Federal Grants	15,627,273	13,793,935	11,631,853
State Grants	1,821,071	862,375	720,369
Total Scholarship Allowance	<u>\$ 25,297,226</u>	<u>\$ 21,623,362</u>	<u>\$ 18,058,413</u>

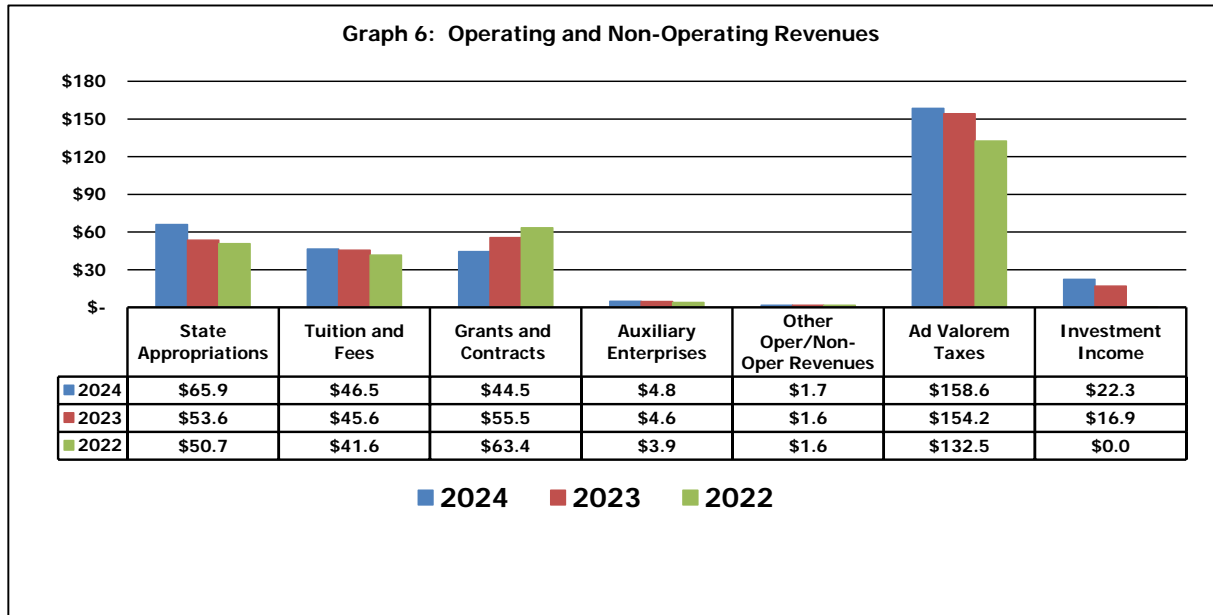
Non-operating revenues are non-exchange transactions where funds are received for goods and services provided to an entity, who are not the payors. The primary source of non-operating revenues are State appropriations, ad valorem taxes and federal revenues received from the Department of Education in the form of Title IV funds, i.e. Federal Pell Program, Federal Supplemental Educational Opportunity Grants and Federal Work-Study Program. During the current year, non-operating federal grants & contracts increased 17.2%, from \$30.6 million in fiscal year 2023 to \$35.8 million in 2024, with the increase due primarily to Pell grants. There was a (33.3%) decrease in Federal Grants – Non-operating from fiscal year ending 2022 to 2023. In fiscal year 2022, \$19.1 million was awarded to students from the Education Stabilization Fund – Emergency Grant Assistance for Students which exhausted all but \$35 thousand available to award to students in the current fiscal year. See Schedule E for additional information on federal grants.

Other non-operating revenues consist of net investment income, gifts, and other non-operating revenues. Investment income has fluctuated significantly in the last several years. During the current fiscal year, the District recognized \$22.3 million in investment income, or a 32.5% increase over the \$16.9 million earned in fiscal year 2023. In fiscal year 2022, the District earned \$2.1 million in interest income, but due to market conditions and mark to market adjustments, the financial statements reflected \$11 thousand. Based on the District's investment policy, the intention is always to hold all investments to their maturity. We are required to mark to market any investment with a maturity date greater than one year. The average yield for three-month treasury bills in September 2022 was 3.22%, increasing to 4.79% in February 2023, and 5.56% by August 2023. Throughout fiscal year 2024 interest rates for three-month treasuries have hovered around 5.3%. Maturity distribution has changed throughout the year to match cash inflows and outflows which allows the District to maximize investment earnings.

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023

Graph 6 displays a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal years ending 2021-22, 2022-23 and 2023-24.



As noted in the Highlights section for fiscal year 2024, the state funding model changed for community colleges when the Texas Legislature passed House Bill 8, which ties funding for community colleges to measurable student-focused outcomes including:

- The number of credentials of value awarded, including badges, certificates, and degrees, that position graduates for well-paying jobs.
- Credentials of value awarded in high-demand fields where employers are looking for skilled employees.
- Successful student transfers from community colleges to four-year universities.
- Completion of a sequence of dual credit courses, which are offered to high school students and can set them on early pathways to success.

Prior to the current fiscal year, funding was based on student contact hours, success points, and core operations. The State still continues to fund the District for a portion of employee benefits in the form of health insurance and state retirement matching (also known as on-behalf benefits). Not including on-behalf benefit funding, the District has received \$51.5 million, \$44.6 million, and \$44.6 million for state appropriations for fiscal years 2024, 2023, and 2022, respectively. See Schedule of Non-Operating Revenues and Expenses, Schedule C for additional information of state appropriations.

On behalf benefits are recorded as restricted revenues with the corresponding expenses allocated to the appropriate program code based on employee salaries. The State provides benefits at 50% for all eligible employees. The District pays 100% of benefits for employees not covered by the state, i.e. facilities and auxiliary employees. Benefits for grant employees are paid with grant

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

funds. Over the most recent three years, on-behalf benefits have been \$14.3 million, \$9.0 million, and \$6.1 million for fiscal years 2024, 2023, and 2022, respectively. Besides actual financial contributions from the state for health and retirement benefits, the state's proportionate share for pension and OPEB expenses is also included in on-behalf benefits. See Note 10 Employees' Retirement Plan and Note 13 Healthcare and Life Insurance Benefits for additional information on benefits.

Ad valorem taxes increased for maintenance and operations (M&O) 2.7% in the current year from \$142.3 million to \$146.1 million from fiscal year 2023 to 2024. A more significant increase occurred from 2022 to 2023 when M&O increased 10.4%, from \$128.9 in 2022 to \$142.3 million in 2023. The overall tax rate has remained the same since fiscal year 2019 at \$.081220 per \$100 valuation. The split between M&O and debt service changed from the 2022 to the 2023, with the rate going from \$0.002122/\$100 of assessed value to \$0.006220/\$100 of assessed value, respectively. M&O in the 2022 was \$.079100/\$100 valuation compared to 2023, the rate decreased to \$0.07500/\$100 of assessed value. Over the last three years, the taxable assessed property values (Assessed Valuation less Exemptions/Abatements) of the District for 2021-22, 2022-23, and 2023-24 was \$167.9, \$192.2, \$202.1 million, respectively. See Note 17 Property Tax and Tax Abatement and Statistical Supplement 5 for additional information on property taxes.

Auxiliary enterprise revenues are primarily generated from student housing, food and catering services, bookstore commissions, and facilities leasing. There was no significant fluctuation in auxiliary revenues from fiscal year 2023 to 2023. An 18.7% increase in revenues totaling more than \$700 thousand was generated from fiscal year 2022 to 2023, attributable primarily to food services and bookstore commissions.

### **Operating Expenses by Functional Classification**

As the District is considered a single governmental program business-type activity, the District is subcategorized into functional areas with direct expenses attributable to each area. A comparison of the District's functional operating expenses spanning fiscal years ending 2022 through 2024 may be found in Table 2. Graph 7 Fiscal Year 2023-24 Operating Expenses by Functional Classification highlights the percentage of total operating expenses each program represents of the total \$322.8 million. A graphical representation of operating expenses by functional classification for the three-year period of 2021-22, 2022-23, and 2023-24 is depicted in Graph 8.

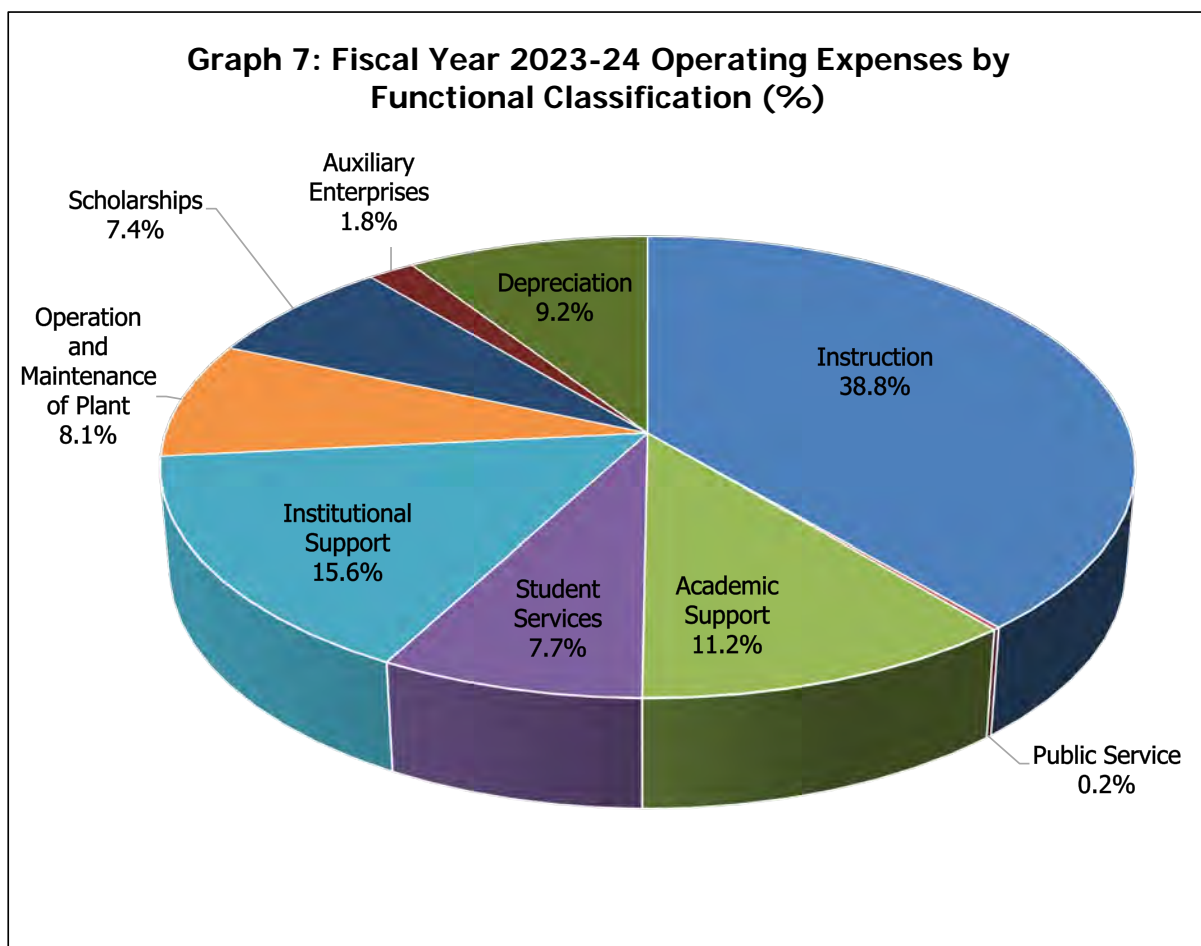
Overall operating expenses increased 5.6% and 2.8% from fiscal years 2022 to 2023 and from 2023 to 2024, respectively. The Board of Trustees approved an overall salary increase for all full time employees of 5%, as well as increases in salary schedule bases and new hire salary ranges by 4% in order to stay competitive in the job market. Salary increases of 3% for part time employees was also approved. In the prior two years, a 4% salary increase was approved for all full-time faculty and staff.

Benefits provided and expensed by the District include costs for health insurance, retirement expense, 403(b) tax sheltered retirement plan matching a percentage of salaries for participating employees, and the employer portion of Medicare. For fiscal year 2024, the Board of Trustees approved the 403b District matching portion increase to 4% from 3% in prior years. All benefits

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023

are charged to the appropriate program code based on the employee's position. Expenses for pension and OPEB are allocated to the appropriate program code based on the percentage of salaries for each program code. Total benefits expensed by the District for all employees, excluding grant paid employees totaled \$39.6 million in the current year, compared to \$38.0 million and \$32.9 million in fiscal years 2023 and 2022, respectively. Approximately 50.6% of benefits are for the typical employee benefits of medical insurance, pension expense paid by the District, District expense for Medicare and the District's matching percentage for the 403b deferred compensation plan. The District's proportionate share for pension and OPEB makes up most of the remaining balance of District benefits, which has no out of pocket impact. See Schedule B Schedule of Operating Expenses by Object for additional information on benefits.



Benefits and salaries make up 94.5% of total instructional expenses in the current fiscal year compared to 93.9% and 94.0% in fiscal years 2023 and 2022, respectively. There was an overall increase in instructional expenses totaling \$10.8 million which represents a 9.5% increase from fiscal year 2023. Part time faculty salaries increased in the current year compared to 2023 by almost \$5.1 million, or 15.1%. The increase in part time faculty salaries follows a trend from fiscal year 2022 to 2023 with part time salaries increasing almost \$4.0 million or 13.4%. Another factor contributing to the increase pertains to the proportionate share of pension expense totaling

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

### **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

\$3.2 million in the current year and the \$4.6 million increase from fiscal year 2022 being allocated to instruction based on salaries. Instructional benefits and salaries represent 53.9%, 53.6% and 54.1% of total District benefits and salaries for each of the fiscal years 2024, 2023, and 2022, respectively.

The public service functional expense category represents expenses for activities for non-instructional services beneficial to individuals and groups external to the District. Expenses in this classification primarily relate to services provided by the Small Business Development Center, and avocational courses, such as our Seniors Active in Learning (SAIL) classes offered through the District. For the most recent three years, public service has represented about 0.2% of the District's total operating expenses.

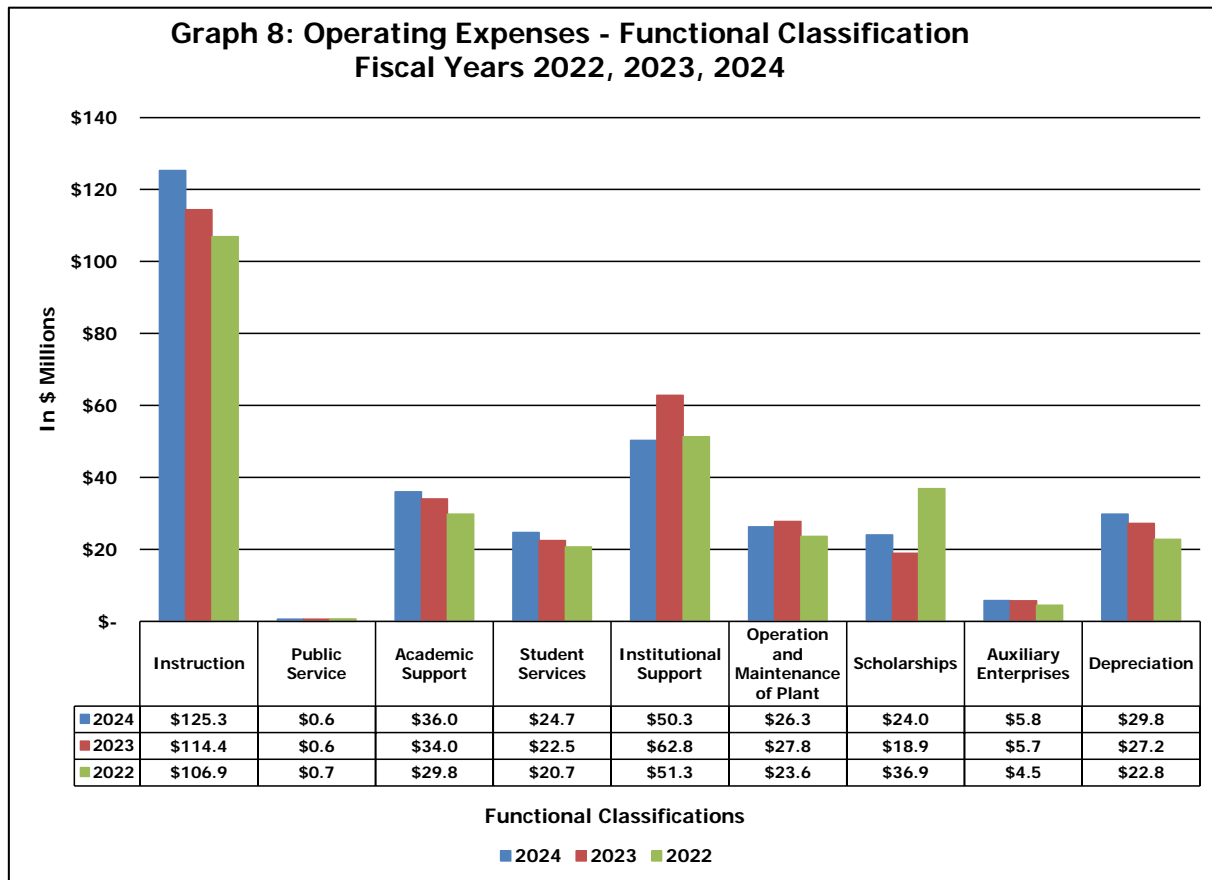
The academic support functional area includes expenses incurred to provide support services for the District's primary programs of instruction. It includes academic administration (provosts, academic deans and associate deans), and library services. During the current fiscal year academic support increased by \$1.9 million or 5.7% from the prior year. Much of the increase is attributable to an increase in salaries totaling \$2.8 million, while there was a \$0.9 million decrease in non-labor expenses.

There was an approximate 14.1% increase in academic support expenses totaling \$4.2 million during 2023 compared to the 2022, with 80.9% of the increase attributable to salaries and benefits. The impact from pension and OPEB expenses on academic support totaled \$2.7 million. Approximately \$600 thousand was spent to upgrade IT components.

Student services includes expenses incurred to provide assistance and support the needs and interests of the students including counseling, advising, financial aid, admissions, and career guidance among others. Student services expenses increased 10.1%, or \$2.2 million from 2023 to 2024, almost exclusively for salaries and benefits due to the 5% salary increase and the corresponding benefit increases. From fiscal year 2022 to 2023, there was an approximate 8.3% increase in student services expenses totaling \$1.7 million, with approximately 46% or almost \$800 thousand of the increase attributable to the impact of the pension and OPEB expense. Other fluctuations occurred in employee benefits administration for Teledoc services for students and for travel expenses related to both student and professional development.

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023



Institutional support expenses consist of the District’s executive management, fiscal operations, general administration, public relations and development, debt service and information technology. Total institutional support expenses decreased \$12.4 million from fiscal year 2023 to 2024 as a result of the ending of institutional funding in fiscal year 2023 provided through CARES grants. Non-labor expenses decreased \$15.3 million, while salaries and benefits increased \$2.8 million. During fiscal year 2023 total institutional expenses increased by \$11.4 million, for a total of \$62.7 million compared to \$51.3 million in fiscal year 2022. Salary and benefits make up approximately 53.5% of the total institutional expenses, including approximately \$3.1 million related to pension and OPEB expenses, compared with \$1.6 million in 2022. \$13.9 million of the increase in expenses was attributed to Department of Education – Emergency Grant Relief Institutional portion (CARES funding) expenses for replacement of HVAC system at the Plano campus. A decrease in software and licensing expenses, which has historically been categorized as contracted vendor services, occurred due to the implementation of GASB Statement No. 96 *Subscription Based Information Technology Arrangements (SBITAs)*, which requires the District to capitalize software when certain criteria is met, and establish liabilities in relation to the SBITA capitalization. See Notes 2 Summary of Significant Accounting Policies and Note 7 SBITAs for additional information on SBITAs.

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

### **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

Operating expenses make up 72.4% of operation and maintenance of plant functional total expenses. Utilities, custodial services, insurance, and repairs and maintenance are the major expenses incurred by operation and maintenance of plant. Total plant expenses decreased from fiscal year 2023 to 2024 by \$0.8 million primarily due to a decrease in repair and maintenance from 2023 to 2024. During 2023, operations and maintenance of plant increased \$4.3 million compared to 2022, attributable to an increase in salaries and benefits totaling about \$740 thousand. Another \$2.6 million or 59.7% of the increase was attributable to repairs and maintenance, including roof replacement at the McKinney campus totaling \$1.5 million that occurred in 2023.

Scholarships consists of both scholarships awarded directly to students and scholarship allowances, a contra expense. There has been great fluctuation in scholarship expense over the last three years; \$23.9 million, \$18.9 million, and \$36.8 million for fiscal years 2024, 2023, and 2022, respectively. The fluctuation, in large part is a result of the District receiving CARES grants to support students during the fiscal years 2020 through 2022. CARES scholarships to students were exhausted in fiscal year 2022, thus the \$17.9 million decrease from fiscal year 2022 to 2023. From 2023 to 2024, Pell grants increased by approximately \$6.0, and Texas Educational Opportunity Grants increased by \$2.1 million. While awards from CARES decreased significantly from fiscal year 2022 to 2023, an increase in Pell grants from \$25.9 million to \$28.8 million occurred in the 2023. The increase in Pell grants is due to both an increase in the total awards made from 6,985 students to 7,173, as well as an increase in the average payment given, from \$3,718 to \$4,019. Scholarship allowances, which reduces scholarship expense, was \$25.2 million, \$21.6 million and \$18.0 million for the fiscal years 2024, 2023, and 2022, respectively. See Schedule A – Schedule of Operating Revenues for additional information on scholarship allowances and discounts, Table 4 Scholarship Allowances, and Note 2 Summary of Significant Accounting Policies, specifically Other Tuition Discounts for additional information.

There was minimal change in auxiliary enterprises expenses from fiscal year 2023 to 2024, however from 2022 to 2023 total auxiliary expenses increased from \$4.5 million to \$5.7 million. Noncapital costs for exterior repairs on student housing totaling \$347 thousand at the Plano campus contributed to the increase in expenses from 2022 to 2023 as did an increase in contract labor expense totaling \$386 thousand, and an increase in cost of goods sold.

Depreciation expense has increased for the last three years from \$22.8 million in fiscal year 2022, to \$27.2 million in fiscal year 2023 to the current year's depreciation totaling \$29.8 million. There has not been any significant increase in capitalizable construction in the last three years. However, total capital assets from the completion of four new campuses from 2018 through 2021 increased the base upon which depreciation is calculated. In the current fiscal year, \$5.7 million of total amortization related to SBITA's. The \$4.3 million increase from fiscal year 2022 to 2023, or 19.1% was due in large part to the capitalization and related amortization of SBITAs totaling \$3.4 million. In 2022 the District implemented, GASB 87 – *Leases* which requires that long-term leases, any lease with a term of longer than one year, be amortized based on the length and term of the lease. A half year's depreciation is taken the year of capitalization for buildings and site improvements. Projects under construction are classified as construction in progress and no depreciation is taken until the construction is completed. See Note 2 Summary of Significant

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

Accounting Policies, Note 5 Capital Assets, and Note 7 SBITAs for additional information on capital assets and the District's capitalization and depreciation policies as well as SBITAs.

### **Capital Assets and Debt Administration**

During the current fiscal year, the District began remodeling several campuses including the Plano Campus, Courtyard, and Collin Higher Education Centers. Costs associated with the remodels are recorded as Construction in Progress. Other projects contained in construction in progress include security enhancements, and the beginning of construction of a 95,000 SF new health science building at the Frisco campus with an estimated completion of 2026. Workday-Student implementation, which began in fiscal year 2022, was completed and capitalized as a SBITA during the current fiscal year for a total of \$10.5 million. Approximately \$2.9 million in building expenses related to the Plano campus generator/ATS were capitalized in the current year. Expenses incurred relating to student implementation in the prior years were recorded as work in progress.

An asset adjustment was made in the fiscal year 2023 to the McKinney Campus building totaling \$1.68 million, as well as \$1.52 million adjustment to the Frisco Campus. As mentioned earlier in the MD&A under Fiscal Year 2023 Financial Highlights section, the District implemented GASB No. 96 *Subscriptions-Based Information Technology Arrangements (SBITA)* during the current year which added \$19.3 million in SBITA assets with a corresponding accumulated amortization totaling \$6.1 million. Additional information may be found in Note 7 - SBITAs.

At the end of the fiscal year 2022, construction was completed that included renovations and expansions on the McKinney Campus adding a 38,426 square feet Welcome Center, replacing a parking lot, adding food service and expanding the dental hygiene clinic. Wayfinding for the McKinney Campus was also included in the renovations. The Frisco Campus additions and renovation project included site upgrades to the parking lot, additions to Alumni Hall and renovations to other Frisco Campus buildings. The Frisco Campus projects were also completed by the end of fiscal year 2022. In 2022, the District administration, with the approval of the Board of Trustees, also purchased a parcel of land for \$9 million in Anna, Texas for potential future development opportunities.



# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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	<u>2024</u>	<u>2023</u>	<u>2022*</u>
Land	\$ 53,676,366	\$ 53,676,366	\$ 53,676,366
Construction in progress/Work in progress	6,467,162	10,468,265	3,055,870
Buildings	844,732,340	841,759,984	838,176,877
Land improvements	22,114,129	21,200,169	21,183,673
Equipment/IT Equipment & Software	82,718,284	80,529,415	76,751,778
Library Books	9,740,673	10,308,950	10,222,432
Right of Use - Leased Buildings	-	-	278,030
Right of Use - Leased Equipment	2,456,959	2,456,959	1,573,185
Right of Use - SBITA	30,766,621	19,362,434	17,448,752
<b>Total Assets</b>	<u>1,052,672,534</u>	<u>1,039,762,542</u>	<u>1,022,366,963</u>
<b>Less: Accumulated Depreciation</b>	<u>(226,962,459)</u>	<u>(200,488,620)</u>	<u>(175,707,951)</u>
<b>Total Net Assets</b>	<u>\$ 825,710,075</u>	<u>\$ 839,273,922</u>	<u>\$ 846,659,012</u>

\* Restated for Change in Accounting Principle

The preceding table shows the capital assets for fiscal years ending August 31, 2024, 2023, and 2022. Additional information regarding capital assets may be found in Note 5 Capital Assets.

The District continues to pay for debt incurred related to bond issuances in 2018 and 2020 to fund the construction of four new campuses and additional buildings at existing campuses. No new debt has been added to the District's liabilities except as it relates to SBITA and lease liabilities totaling \$12.7 million for fiscal year 2024, a decrease of \$2.0 million from fiscal year 2023 of \$14.7 million.

Noted in Table 6 is the outstanding debt at the end of fiscal years 2022 through 2024. Interest on capital related debt for the last three years totals \$17.5 million, \$18.4 million, and \$18.7 million, for fiscal years 2024, 2023, and 2022, respectively. See Note 8 Long Term Liabilities, which includes lease and SBITA liabilities, and Note 9 Bonds Payable for information on debt service.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
General obligation bonds:			
Series 2018	\$ 199,263,607	\$ 209,556,723	\$ 219,399,838
Series 2020	311,922,774	325,433,259	337,123,744
<b>Total</b>	<u>\$ 511,186,381</u>	<u>\$ 534,989,982</u>	<u>\$ 556,523,582</u>

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

### **Economic Factors That Will Affect the Future**

The economic position of the District is closely tied to that of Collin County and the State of Texas. An increase in certifiable taxable assessed values from the prior year is anticipated to total 11.9%. Tax revenues are estimated to increase \$13.9 million or 9.1% for the 2024-25 fiscal year. Property tax estimates are based on the certified assessed property values estimated by the Collin County Appraisal District. The tax rate for maintenance and operations and for debt service for fiscal year ending 2025 are \$0.0750 and \$0.00622, respectively, for a total of \$0.08122. This rate has held steady since fiscal year ending 2019. In the previous year, the property tax exemption for the owner of a residence homestead was raised from an amount equal to the greater of \$5,000 or 1.0% to an amount equal to the greater of \$5,000 or 20.0%. The property tax exemption for residential homeowners over the age of 65 was raised from \$30,000 to \$100,000.

According to the Bureau of Labor Statistics, Collin County's civilian employed labor force as of September 2024 was 665,094, an increase of 2.8% over the prior year. The latest unemployment rate for Collin County as of September 2024 was at 3.7%, compared to the state's rate of 4.2% and a national rate of 4.1%.

The budgeted revenue from state appropriations is the amount of funds authorized by the Texas Legislature. House Bill 8, passed in 2023, established an outcomes-based formula based primarily on specific outcomes that are aligned with the state's higher education strategic plan as well as regional and state workforce needs. The outcomes driving this new model include:

- the number of high school students who complete 15 semester credit hours in dual credit or dual enrollment courses
- the number of community college students who transfer successfully to public four-year universities or complete 15 semester credit hours in a structured co-enrollment program
- the number of community college students who earn credentials of value, which offer purpose in the economy, value in the labor market, and opportunities for good jobs and meaningful careers

State Appropriations for fiscal year 2024-25 are estimated at \$62.3 million which is a 20.97% increase over fiscal year 2023-24.

The Board of Trustees approved a 5.0% increase for all full-time and part-time faculty and staff salaries at an estimated cost of \$9 million including benefits.

Enrollment is anticipated to grow 4.0%-5.0% for 2024-25 compared to the previous fiscal year. A tuition rate increase of \$5 per semester credit hour for in-district students, \$10 per semester credit hour for out-of-district students, and \$15 per semester credit hour for other residency classifications was approved by the Board of Trustees for the 2024-25 fiscal year. Budgeted tuition and fees increased by \$8.1 million.

In August 2024, the Board of Trustees authorized the issuance of Revenue bonds totaling \$185 million to fund construction and renovation projects at multiple campuses as outlined in the

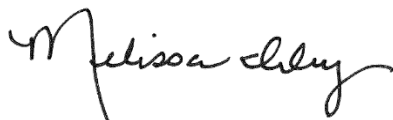
## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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### **Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2024 and 2023**

College's Master and Strategic plan. The projects include extensive renovations at the Plano campus and Courtyard campus, the construction of a new career and technical education building at the Wylie campus and a new health sciences building at the Frisco campus.

Financial information can be obtained from the Collin County Community College District Business Office via written request to 3452 Spur 399, McKinney, Texas 75069 or by visiting our website at [www.collin.edu](http://www.collin.edu) and selecting *Required Links* at the bottom of the home page and then selecting the *Financial Transparency* link.



Melissa Irby, CPA  
Chief Financial Officer



Barbara Johnston, CPA  
Deputy Chief Financial Officer



Shandin Havens, CPA  
Executive Director Financial Services

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# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Basic Financial Statements**

The basic financial statements and related notes provide a summary overview of the financial position and results of operations of the District and the Collin County Community College Foundation.

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# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Statements of Net Position As of August 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 134,027,084	\$ 144,642,877
Restricted cash and cash equivalents	41,839,439	44,564,820
Accounts receivable (net of allowance for doubtful accounts of \$295,471 and \$299,313, respectively)	21,630,583	17,035,683
Short term investments	136,316,351	115,397,865
Restricted short term investments	4,955,500	-
Tax receivable (net of allowance for doubtful accounts of \$1,460,075 and \$1,233,319, respectively)	696,770	653,613
Prepaid expenses	637,745	1,060,773
Total current assets	340,103,472	323,355,631
Noncurrent assets		
Long term investments	94,046,079	96,887,450
Lease receivable	646,944	740,392
Capital assets, net		
Not subject to depreciation	60,143,529	64,144,631
Subject to depreciation/amortization	765,566,547	775,129,291
Total noncurrent assets	920,403,099	936,901,764
Total assets	\$ 1,260,506,571	\$ 1,260,257,395
Deferred outflows of resources		
Deferred outflows related to pensions	\$ 30,264,099	\$ 31,383,949
Deferred outflows related to OPEB	20,726,322	34,968,451
Total deferred outflows of resources	\$ 50,990,421	\$ 66,352,400
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 13,698,490	\$ 14,177,602
Accrued interest	1,078,924	1,166,486
Funds held for others	444,787	368,519
Unearned revenue	33,076,545	29,488,661
Rebatable arbitrage liability	1,537,264	-
Accrued compensable absences payable - current portion	355,474	419,404
Lease and SBITA liabilities - current portion	3,767,974	3,868,940
Bonds payable - current portion	21,615,000	20,485,000
Net OPEB liability - current portion	2,580,438	2,486,437
Total current liabilities	78,154,896	72,461,049
Noncurrent liabilities		
Accrued compensable absences payable	1,882,950	1,865,657
Lease and SBITA liabilities	8,944,495	10,876,600
Net pension liability	65,943,440	57,614,710
Net OPEB liability	89,672,303	93,153,606
Bonds payable	489,571,381	514,504,982
Total noncurrent liabilities	656,014,569	678,015,555
Total liabilities	\$ 734,169,465	\$ 750,476,604
Deferred inflows of resources		
Deferred inflows related to pensions	\$ 2,717,438	\$ 3,931,695
Deferred inflows related to OPEB	31,251,894	32,580,802
Deferred inflows related to leases	688,171	817,287
Total deferred inflows of resources	\$ 34,657,503	\$ 37,329,784
<b>Net position</b>		
Net investment in capital assets	\$ 330,156,004	\$ 317,041,513
Restricted for:		
Expendable		
Student aid/non-governmental grants and contracts	2,810,529	2,223,752
Reserve for debt service	23,629,685	18,082,180
Unrestricted	186,073,806	201,455,962
Total net position (Schedule D)	\$ 542,670,024	\$ 538,803,407

See accompanying notes to basic financial statements.

**COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.****Statements of Financial Position  
As of August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 1,848,877	\$ 1,502,227
Accounts receivable	161,752	158,783
Pledges receivable, net of discount	839,526	1,005,165
Prepaid expenses	15,170	36,141
Investments	22,167,067	18,586,876
Total assets	<u>\$ 25,032,392</u>	<u>\$ 21,289,192</u>
Liabilities		
Accounts payable	<u>\$ 39,400</u>	<u>\$ 19,309</u>
Net Assets		
Without donor restrictions	\$ 1,846,296	\$ 1,502,093
With donor restrictions	23,146,696	19,767,790
Total net assets	<u>24,992,992</u>	<u>21,269,883</u>
Total liabilities and net assets	<u>\$ 25,032,392</u>	<u>\$ 21,289,192</u>

See accompanying notes to basic financial statements.

## COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Statements of Revenues, Expenses, and Changes in Net Position  
For the Years Ended August 31, 2024 and 2023**

	2024	2023
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$25,297,225 and \$21,623,362, respectively)	\$ 46,506,720	\$ 45,623,058
Federal grants and contracts	3,654,392	22,155,146
State grants and contracts	1,347,193	1,387,418
Non-governmental grants and contracts	136,861	40,548
Sales and services of educational activities	762,341	768,718
Auxiliary enterprises	4,764,534	4,630,279
Other operating revenues	604,162	467,892
Total operating revenues (Schedule A)	57,776,203	75,073,059
Expenses		
Operating expenses:		
Instruction	125,266,331	114,409,028
Public service	615,155	581,897
Academic support	35,942,014	34,027,636
Student services	24,712,256	22,451,275
Institutional support	50,336,233	62,751,782
Operation and maintenance of plant	26,346,933	27,884,075
Scholarships	23,949,038	18,940,360
Auxiliary enterprises	5,841,265	5,711,413
Depreciation	29,825,067	27,205,727
Total operating expenses (Schedule B)	322,834,292	313,963,193
Operating loss	(265,058,089)	(238,890,134)
Non-operating revenues (expenses):		
State appropriations	65,897,755	53,648,625
Ad-valorem taxes:		
Taxes for maintenance and operations	146,115,911	142,321,411
Taxes for general obligation bonds	12,494,914	11,860,729
Federal grants and contracts	35,823,290	30,566,088
State grants & contracts	3,548,220	1,307,369
Gifts	63,600	134,600
Investment income (net of investment expenses)	22,341,506	16,855,639
Interest on capital related debt	(17,541,826)	(18,461,878)
Other non-operating revenues	245,440	259,623
Other non-operating expenses	(64,104)	(700)
Net non-operating revenues (Schedule C)	268,924,706	238,491,506
Increase/(Decrease) in net position	3,866,617	(398,628)
Net position - beginning of year	538,803,407	539,202,035
Net position - end of year	\$ 542,670,024	\$ 538,803,407

See accompanying notes to basic financial statements.



**COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.****Statements of Activities  
For the Years Ended August 31, 2024 and 2023**

	2024	2023
<b>Changes in net assets without donor restrictions:</b>		
Revenues and other support:		
Donations and grants, net of adjustment to discount on pledges receivables	\$ -	\$ 4,799
Special events and fundraising	85,103	80,224
Less: cost of direct benefit to donors	(61,419)	(64,864)
Net investment returns	423,257	354,401
In-kind contributions	680,250	713,152
	<u>1,127,191</u>	<u>1,087,712</u>
Net assets released from restrictions	<u>1,183,368</u>	<u>1,327,152</u>
Total revenues and other support	2,310,559	2,414,864
Expenses:		
Program expenses	1,459,711	1,553,951
Supporting services:		
General and administrative	183,662	230,948
Fundraising	322,983	364,546
Total supporting activities	<u>506,645</u>	<u>595,494</u>
Total expenses	<u>1,966,356</u>	<u>2,149,445</u>
Change in net assets without donor restrictions	<u>344,203</u>	<u>265,419</u>
<b>Changes in net assets with donor restrictions:</b>		
Donations and grants, net of adjustment to discount on pledges receivables	1,657,199	1,498,968
Special events and fundraising	252,637	223,423
Net investment returns	2,652,438	1,051,420
	<u>4,562,274</u>	<u>2,773,811</u>
Net assets released from restrictions	<u>(1,183,368)</u>	<u>(1,327,152)</u>
Change in net assets with donor restrictions	<u>3,378,906</u>	<u>1,446,659</u>
Total change in net assets	3,723,109	1,712,078
Net assets at beginning of year	<u>21,269,883</u>	<u>19,557,805</u>
Net assets at end of year	<u>\$ 24,992,992</u>	<u>\$ 21,269,883</u>

See accompanying notes to basic financial statements.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**
**Statements of Cash Flows  
For the Years Ended August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 52,310,811	\$ 54,011,093
Receipts from grants and contracts	5,138,446	23,583,112
Other receipts	604,162	467,892
Payments to or on behalf of employees:		
Payments to employees	(164,921,267)	(152,476,607)
Payments for employee benefits	(22,252,061)	(22,120,237)
Payments to suppliers for goods and services	(49,251,508)	(70,721,377)
Payments for scholarships	(24,615,157)	(18,736,255)
Net cash provided/(used) by operating activities	<u>(202,986,574)</u>	<u>(185,992,379)</u>
Cash flows from non-capital financing activities		
Receipts from state appropriations	51,586,037	44,609,466
Receipts from ad valorem taxes	146,416,756	142,570,305
Receipts from gifts, grants and contracts (other than capital)	39,373,379	31,870,962
Receipts (payments) from student organizations and other agency transactions	76,268	(23,562)
Net cash provided by/(used) non-capital financing activities	<u>237,452,440</u>	<u>219,027,171</u>
Cash flows from capital and related financing activities		
Receipts from ad valorem taxes	12,396,352	12,047,771
Payments for capital assets	(16,259,475)	(19,786,037)
Payments on capital debt - principal	(25,836,672)	(21,704,751)
Payments on capital debt - interest	(17,633,588)	(18,541,935)
Receipts from gifts, grants and contracts - capital	-	100,000
Net cash provided/(used) by capital and related financing activities	<u>(47,333,383)</u>	<u>(47,884,952)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	170,060,455	91,060,569
Interest on investments	14,369,936	12,656,693
Purchase of investments	(184,904,049)	(136,585,029)
Net cash provided/(used) by investing activities	<u>(473,658)</u>	<u>(32,867,767)</u>
Change in cash and cash equivalents	(13,341,174)	(47,717,927)
Cash and cash equivalents - beginning of year	<u>189,207,697</u>	<u>236,925,624</u>
Cash and cash equivalents - end of year	<u>\$ 175,866,523</u>	<u>\$ 189,207,697</u>
Reconciliation of cash and cash equivalents to Exhibit 1:		
Cash and cash equivalents	\$ 134,027,084	\$ 144,642,877
Restricted cash and cash equivalents	41,839,439	44,564,820
	<u>\$ 175,866,523</u>	<u>\$ 189,207,697</u>

See accompanying notes to basic financial statements.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**
**Statements of Cash Flows - continued  
For the Years Ended August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Reconciliation of net operating loss to net cash provided (used)		
by operating activities:		
Operating loss	\$ (265,058,089)	\$ (238,890,134)
Adjustments to reconcile net operating loss to net cash		
provided (used) in operating activities:		
Depreciation expense	29,825,067	27,205,727
Payments made directly by state for benefits	15,932,098	11,185,471
Net OPEB expense	6,285,159	8,095,348
Pension expense	(8,234,323)	(4,189,104)
Changes in assets and liabilities		
Receivables, net	(3,275,001)	2,380,199
Lease receivables	93,448	66,768
Prepaid expenses	423,028	469,684
Deferred outflows related to pensions	9,354,173	(4,550,145)
Deferred outflows related to OPEB	6,336,590	6,491,550
Accounts payable & other accrued liabilities	(479,119)	(3,605,797)
Unearned revenue	3,587,885	631,560
Accrued salary and benefits	(46,637)	222,867
Pension liability	8,328,730	34,152,746
OPEB liability	(3,387,302)	(21,065,057)
Deferred inflows related to pensions	(1,214,257)	(21,224,393)
Deferred inflows related to OPEB	(1,328,908)	16,719,819
Deferred inflows related to leases	(129,116)	(89,488)
Net cash used by operating activities	<u>\$ (202,986,574)</u>	<u>\$ (185,992,379)</u>
Schedule for of non-cash investment, capital, and financing activities:		
Payments made directly by state for benefits	\$ 17,223,694	\$ 19,384,339
Increase (decrease) in fair value of investments	(2,807,361)	(523,687)
Donated capital asset	61,650	34,600
Net amortization of bond premiums and discounts	(3,318,601)	(3,318,601)
Net non-cash investment, capital, and financing activities	<u>\$ 11,159,382</u>	<u>\$ 15,576,651</u>

See accompanying notes to basic financial statements.

**NOTE 1. REPORTING ENTITY**

The Collin County Community College District (“the District”) was established in 1985, in accordance with the laws of the State of Texas, to serve the educational needs of the District. The District’s student body is comprised mainly of residents of Collin County and surrounding communities. The District is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*. While the District receives funding from local, state, and federal sources and must comply with these entities’ spending, reporting, and recordkeeping requirements, it is not a component unit of any other governmental entity.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, gives guidance in determining whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. It requires reporting as a component unit if the organization raises and holds economic resources for the direct benefit of the governmental unit, and the component unit is significant compared to the primary government. GASB Statement No. 61 has been applied as required in preparing these financial statements, and as such, the District is including the Collin County Community College District Foundation (the “Foundation”) as a component unit, as noted below. The Foundation’s Financial Statements included in the District’s Annual Comprehensive Financial Report include the Statements of Financial Position as of August 31, 2024 and 2023, and the Statement of Activities for the fiscal years ended August 31, 2024 and 2023.

The Foundation is a nonprofit organization with the sole purpose of supporting the education and other activities of the District. The District does not appoint a voting majority, nor is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as a coordinator of gifts made by other parties. The Foundation made restricted payments to or on behalf of the District in amounts totaling approximately \$1,482,899 and \$1,597,782 during the years ending August 31, 2024 and 2023, respectively. During the fiscal year, the District furnished certain services, such as office space, utilities, and staff assistance to the Foundation. District funds used to support the Foundation for the fiscal year ending August 31, 2024 and 2023 totaled \$670,209 and \$648,824, respectively. The costs of these services were not significant to the District. The financial position and results of operations of the Foundation are included in these financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*, and Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34* as an affiliated entity because the Foundation’s sole function is to fund the District and its students.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Guidelines**

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

**Tuition Discounting**

Texas Public Education Grants (TPEG)

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

Title IV, Higher Education Act Program Funds

Certain Title IV HEA Program funds (Pell grants and FSEOG) are received by the District and passed on to the student. These funds are initially received by the District and recorded as restricted revenue. When the student uses the award for tuition and fees, the amount is recorded as a tuition discount. If the amount is disbursed 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 qualified students. When these amounts are used for tuition and fees, the District records the amount as a tuition discount. If the amount is disbursed directly to the student, the District records the amount as scholarship expense.

**Basis of Accounting**

The financial statements of the District are reported using the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned, and all expenses are recorded when the liability is incurred and they have been reduced to a legal or contractual obligation to pay. However, debt service principal and interest expenditures on general long term debt, including lease liabilities and expenditures related to compensated absences, claims and judgments, post-employment benefits, and environmental obligations, are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long term debt and financing through leases are reported as other financing sources.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**Budgetary Data**

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1.

The District's Board of Trustees adopts the budget, which is prepared on an accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the THECB, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1. Board policy requires that the District maintain a minimum fund balance equal to 25% of educational expenses adjusted for reserves and allocations. For the years ended August 31, 2024 and 2023, respectively, the minimum unrestricted fund balance to be maintained was \$61,190,585 and \$58,243,075. The District exceeded this minimum required fund balance for both years.

**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. The District also considers funds on deposit with TexPool, Texas Range, TexSTAR and Texas Connect, which are statewide investment pools, as cash and cash equivalents.

**Investments**

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at the time of purchase. Long-term investments include investments with original maturities greater than one year at the time of purchase. The District intends to hold these investments until maturity.

**Capital Assets**

The District records capital assets at cost (except for SBITAs and intangible right-to-use lease assets, the measurement of which is discussed in Note 2, Leases, below) at the date of acquisition. Donated capital assets are recorded at acquisition value at the date of donation. The District's capitalization policy includes all assets with a purchase cost of \$5,000 or more, individually or in the aggregate if purchased in bulk, and an estimated useful life in excess of one year. The District charges costs of normal maintenance and repairs that do not add to the asset's value or materially extend the assets' lives to operating expenses in the year in which the expense is incurred. Intangible assets follow the same capitalization policy as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

Depreciation on buildings and site improvements is calculated using the half-year convention, straight-line method with a residual value of 10%. Depreciation on assets and right-to-use leased assets other than buildings and site improvements is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention and no residual value. Depreciation is not allocated to the functional expense categories. Expenditures for construction/work in progress are capitalized as incurred but are not depreciable until assets are put into service.

The District reports capital assets net of accumulated depreciation. The following useful lives are used:

Buildings	50 years
Land Improvements	20 years
Library Books	15 years
Furniture, Equipment, and Vehicles	10 years
IT Equipment and Software	5 years
Right-to-use Lease Asset	term of the arrangement
Right-to-use SBITA Asset	term of the arrangement

**Deferred Outflows of Resources**

In addition to assets, the Statement of Net Position will include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows of resources in circumstances specifically authorized by the GASB. A typically deferred outflow of resources for community Districts is a deferred charge on refunding debt, pension, and OPEB deferred outflows.

**Other Post-Employment Benefits (OPEB)**

The fiduciary net position of the Employees Retirement System of Texas (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 are payable in accordance with the benefit terms.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued****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 benefit terms. Investments are reported at fair value.

**Supplemental Tax-Sheltered Retirement Plan**

Full-time, benefits-eligible employees may elect to participate in a district-sponsored supplemental tax-sheltered retirement plan that includes a dollar-for-dollar match of an employee's contributions to an individual tax-sheltered retirement account, up to a maximum of four percent of the employee's full-time salary.

**Unearned Revenues**

Unearned revenues primarily consist of tuition and fees related to academic terms in the next fiscal year. Unearned revenues related to grant funds pertain to funds received but not yet expended.

**Deferred Inflows of Resources**

In addition to liabilities, the Statement of Net Position will include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows of resources in circumstances specifically authorized by the GASB. In the government-wide financial statements, the District reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

**Estimates**

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those 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. The District reports as a business-type activity ("BTA") and a single proprietary fund. Operating revenues and expenses generally result from providing services connected to the District's principal ongoing operations. The principal operating revenues are tuition and related fees, auxiliary enterprises, and federal grants and contracts, excluding Title IV financial aid programs. The major non-operating revenues include state appropriations, property tax collections, federal grant revenue related to Title IV financial aid programs, and investment income. Operating expenses include providing educational services, administrative expenses, and depreciation on capital assets. Non-operating expenses consist of interest on capital-related debt.

**Related Party Disclosure Required by the U.S. Department of Education (Unaudited)**

To comply with the Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit regulation promulgated by the U.S Department of Education, the District Board of Trustees reports there were no related party transactions during the fiscal years ended August 31, 2024 and August 31, 2023.

**Reclassification**

Certain reclassifications have been made to the 2023 financial statements to make them conform with the 2024 financial statement format. The reclassifications had no effect on the change in net position.

**Income Tax Status**

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 significant unrelated business income tax liability for the years ended August 31, 2024 and 2023, and therefore, has not recorded a liability for income taxes.

**Board Designations**

The Board has set aside certain amounts in unrestricted net position. The Board has designated \$24,750,000 to provide maintenance and operations stabilization. Although maintenance and operations costs are budgeted yearly, this amount was set aside in case of decreased property values. The District also designated \$100,000 to cover insurance deductibles in the event of a catastrophic loss.

**Leases**

Lessee

The District is a lessee for a noncancelable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial individual value of \$25,000 or more.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is using interest rates ranging from 3.31% to 4.00%.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease 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 lease and will remeasure the lease asset and liability if certain changes occur that are expected to affect the amount of the lease liability significantly.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The District is a lessor related to third parties for cell tower usage. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate of 4% as the discount rate for leases when an interest rate is not stated in a lease.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Subscription-Based Information Technology Arrangements (SBITA)**

The District is under contracts for Subscription-Based Technology Arrangements (SBITA) for various educational, IT management, facilities management, and financial software agreements. The agreements/contracts are noncancellable, and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the financial statements. The District recognizes SBITA liabilities with an initial individual value of \$100,000 or more over the contract term.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of the SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over the useful life. Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses the interest rate the SBITA vendor charges as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITA. The District currently uses the incremental borrowing rate of 4% for SBITA.
- The SBITA term includes the noncancellable period of the SBITA, and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District does not intend to purchase any of the software at the end of the SBITA terms.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets, and SBITA liabilities are reported with long-term debt on the statement of net position.

**New Accounting Pronouncement-Implemented**

GASB Statement No. 99, Omnibus 2022.

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various topics and includes the following: Statement Nos. 34, 53, 63, 87, 96, and other topics. The application of this statement is expected to provide more comparable reporting and improve the consistency of authoritative literature.

GASB Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.

The primary objective of this statement is to enhance accounting and financial reporting related to accounting changes and error corrections. This statement: (1) defines accounting changes and describes the transactions or other events that constitute those changes, (2) addresses corrections of errors in previously issued financial statements, (3) prescribes the accounting and financial reporting for each type of accounting change and error corrections, (4) requires note disclosures, and (5) addresses how accounting changes and error corrections should be presented in required supplementary information (RSI) and supplementary information (SI). The application of this statement is intended to result in greater consistency and understandable, reliable, and relevant information.

GASB Implementation Guide No. 2021-1, Implementation Guidance Update—2021

This guidance provides clarification to prior GASB pronouncements and implementation guides. In particular, question 5.1 addresses a prior question regarding capitalization thresholds. Districts should determine the capitalization threshold for a group of assets, the individual cost of which does not exceed the capitalization threshold above but could be significant in the aggregate.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**Pending Pronouncements**

The following GASB pronouncements have been issued but not yet implemented by the District:

GASB Statement No. 101, *Compensated Absences*.

This statement aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Implementation of this Statement for community districts is planned for fiscal year 2025.

GASB Statement No. 102, *Certain Risk Disclosures*.

The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, GASB 102 requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If the criteria for disclosure have been met the government should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of substantial impact. Implementation of this Statement for community districts is planned for fiscal year 2025.

GASB Statement No. 103, *Financial Statement Reporting Model Improvements*.

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. This Statement addresses (1) management's discussion and analysis, (2) unusual or infrequent items, (3) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, (4) major component unit information, and (5) budgetary comparison information. Implementation of this Statement for community districts is planned for fiscal year 2026.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

GASB Statement No. 104, *Financial Statement Reporting Model Improvements*.

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. It also establishes requirements for capital assets held for sales, including additional disclosures for those capital assets. Implementation of this Statement for community districts is planned for fiscal year 2026.

**NOTE 3. AUTHORIZED INVESTMENTS**

The Board of Trustees of the District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Sec. 2256, Texas Government Code, the “Act”) as amended. This policy is reviewed and approved by the Board of Trustees annually. The policy allows the District to invest in selected investments authorized by the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include the following:

- Treasury bills, treasury notes, and treasury bonds of the United States and other direct obligations of the agencies and instrumentalities of the United States,
- FDIC insured or collateralized time or demand deposits issued by a state or national bank domiciled in this state that are guaranteed by the FDIC or secured by obligations described in the Public Funds Collateral Act, Chapter 2257,
- Fully collateralized repurchase agreements as expressly defined by Texas Government Code 2256.011,
- Local government investment pools approved by the College District’s Board, by resolution, with a continuous rating of no lower than AAA or an equivalent rating by at least one nationally recognized rate service, and striving to maintain a \$1 net asset value,
- No-load AAA-rated money market mutual funds as permitted by Texas Government Code 2256.014,
- Domestic commercial paper rated A1/P1 or equivalent with a maximum maturity of 270 days,
- Obligations of state, agencies, counties, cities, and other political subdivisions of any US state rated A or equivalent by a nationally recognized investment rating agency,
- FDIC insured, brokered certificates of deposit securities issued by any bank in the US delivered versus payment to the District’s safekeeping agent, and
- Share certificates of credit unions domiciled in the state insured by the National Credit Union Insurance Fund,
- Interest-bearing accounts in any bank in Texas that is FDIC insured or collateralized in accordance with this policy.

**NOTE 4. DEPOSITS AND INVESTMENTS**

On August 31, 2024 and 2023, the net carrying amount of the District's deposits were \$271,678 and \$154,837 after reclassifying overdrafts of \$2,599,853 and \$2,224,931, respectively. Bank balances up to \$250,000 are covered by the Federal Depository Insurance Corporation and the remainder was covered by collateral pledged in the District's name. The collateral was held in the District's name by the safekeeping department of the Federal Reserve Bank, which acts as the pledging bank's agent, and had a fair value of \$994,265 as of August 31, 2024. The District is subject to custodial credit risk in the event of the bank's nonperformance under the collateral agreement.

Cash and cash equivalents, as reported in Exhibit 1, Statements of Net Position, consist of the following items:

Cash and Cash Equivalents	As of August 31,	
	2024	2023
Petty Cash on Hand	\$ 38,025	\$ 38,275
Checking Account	271,678	154,837
TexPool	126,112,178	142,132,346
TexSTAR	3,664,961	41,497,994
Texas Range	5,678,624	5,384,245
Texas Connect	40,101,057	-
Total Cash and Cash Equivalents	<u>\$ 175,866,523</u>	<u>\$ 189,207,697</u>

In accordance with GASB Statement No. 79 – *Certain External Investment Pools and Pool Participants*, colleges may also report money market and other short-term, highly liquid investments at amortized cost, provided that the fair value is not significantly different. This GASB Statement considers U.S. Treasury and agency obligations with maturities of less than one year to be money market investments.

As of August 31, 2024, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			Rating
		Less than 1 Year	1 to 2 Years	2 to 3 Years	
US Treasury Notes and Bills	\$ 40,187,381	\$ 24,633,807	\$ 15,553,574	\$ -	AAA
US Government Agencies	140,699,947	62,207,442	45,062,925	33,429,580	AAA
Commercial Paper	54,228,763	54,228,763	-	-	A1/P1
AIG 457(f)	201,839	201,839	-	-	
Total Fair Value	<u>\$ 235,317,930</u>	<u>\$ 141,271,851</u>	<u>\$ 60,616,499</u>	<u>\$ 33,429,580</u>	

**NOTE 4. DEPOSITS AND INVESTMENTS-continued**

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statement of Net Position on August 31, 2024 and 2023 is as follows:

	As of August 31,	
	2024	2023
Total Cash and Cash Equivalents	\$ 175,866,523	\$ 189,207,697
Total Investments - Current	141,271,851	115,397,865
Total Investments - Noncurrent	94,046,079	96,887,450
Total	<u>\$ 411,184,453</u>	<u>\$ 401,493,012</u>

	As of August 31,	
Per Exhibit 1:	2024	2023
Cash and Cash Equivalents	\$ 134,027,084	\$ 144,642,877
Restricted Cash and Cash Equivalents	41,839,439	44,564,820
Short Term Investments	141,271,851	115,397,865
Long Term Investments	94,046,079	96,887,450
Total	<u>\$ 411,184,453</u>	<u>\$ 401,493,012</u>

Restricted cash and cash equivalents are comprised of \$27,878,730 in unspent proceeds from the 2020 bond issuance as well as \$13,960,709 in cash received from ad valorem taxes for debt service that is not yet spent. For additional information on the bond issuance, see Note 9 Bonds Payable.

**Credit Risk**

A primary stated objective of the District's Board-adopted Investment Policy is the safety of principal and avoidance of principal loss while meeting cash flow needs. Risk is controlled by investment only in the highest credit quality investments as defined by Policy. The primary objective of investments is to ensure that capital losses are avoided, whether from security defaults or erosion of market value.

Credit risk within authorized investments of the District's portfolio is represented by only:

- Certificates of deposit from Texas banks and negotiable certificates of deposit of any bank,
- Repurchase agreements,
- Brokered certificate of deposit securities,
- Commercial paper, and
- Obligations of any state of the United States or any political subdivision of any US state.

US Treasury and agency obligations are all AAA rated. The policy also includes a procedure for monitoring and liquidating any security which loses its required credit rating.



**NOTE 4. DEPOSITS AND INVESTMENTS-continued**

State law and the District's adopted Investment Policy restrict both time and demand deposits to those with banks doing business in the State of Texas, requiring full FDIC insurance and 102% collateralization above FDIC coverage on all deposits. Collateral is held in an independent third-party institution and is marked to market on a monthly basis as a contractual responsibility of the bank. Collateral is restricted to fully guaranteed obligations of the US Government, its agencies or instrumentalities and reported by the custodian monthly.

Repurchase agreements are limited to those with defined termination dates and executed only with a primary dealer (as defined by the Federal Reserve) or a Texas bank. The transaction requires an industry standard, a written master repurchase agreement, and a minimum 102% margin on collateral, as well as delivery versus payment settlement and independent safekeeping. Reverse repurchase securities must be matched to the underlying reverse maturity.

Commercial paper is restricted by Policy and state law to A1/P1 or equivalent by at least two nationally recognized rating agencies. Policy restricts the securities to 270 days to stated maturity.

The adopted Investment Policy restricts investment in money market mutual funds to those that are regulated by the SEC and comply with Rule 2a-7 of the SEC. The fund must be rated AAA or equivalent and strive to maintain a \$1 net asset value.

Local government investment pools are restricted by state law and policy. Pools for the District must strive to maintain a \$1 net asset value. Local government investment pools in Texas are required to be rated AAA, or equivalent by at least one nationally recognized rating agency.

Governmental debt of states, agencies, counties, cities, and other political subdivisions of any US state must be rated A or better by one national recognized credit rating agency.

Share certificates of credit unions in Texas must be insured by the National Credit Union Insurance Fund.

As of August 31, 2024, percentages of each investment type to the total portfolio:

- US Treasury obligation represented 9.78%,
- Commercial paper represented 13.21%,
- US agency obligations represented 34.21%,
- Investment in local government investment pools represented 42.76%,
- Depository demand and money market accounts represented 0.04%.

**Concentration of Credit Risk**

The District recognizes the over-concentration of assets by market sector or maturity as a risk to the portfolio. The adopted Investment Policy establishes diversification as a major objective of the investment program.

**NOTE 4. DEPOSITS AND INVESTMENTS-continued**

As of August 31, 2024, all funds were diversified, as shown above.

**Interest Rate Risk**

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum maturity limit of five (5) years. The maximum weighted average maturity (WAM) is restricted to thirty-six (36) months.

As of August 31, 2024, the portfolio contained:

- No holdings with a stated maturity date beyond 808 days,
- Holdings maturing beyond one year represented 22.91% of the total portfolio,
- The dollar weighted average maturity of the Pooled Funds portfolio was 183 days,

The portfolio contained two (2) callable agency notes, as shown below.

<b>Issuer</b>	<b>Par</b>	<b>Coupon</b>	<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Call Date</b>	<b>Structure</b>	<b>Book Value</b>	<b>Fair Value</b>
FHLB	5,000,000	1.000%	12/20/2021	12/20/2024	9/20/2024	Callable anytime w/ 5 business day notice	\$ 5,000,000	\$ 4,935,650
FHLMC	5,000,000	4.000%	7/14/2022	7/14/2025	10/14/2024	Callable anytime w/ 5 business day notice	5,000,000	4,960,250
Total							<u>\$ 10,000,000</u>	<u>\$ 9,895,900</u>

**Custodial Credit Risk**

To control custody and safekeeping risk, state law and the District's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the District and held in the District's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions. Repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of August 31, 2024, the portfolio:

- Contained no repurchase agreements,
- All bank deposits were fully insured and collateralized to 102%, and
- All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

**NOTE 4. DEPOSITS AND INVESTMENTS-continued**

Following is a list of the individual investments held and their respective credit ratings as of August 31, 2024:

Investment Type	Rating
U.S. Treasury Notes:	
T-Note	AAA
U.S. Government:	
FFCB	AAA
FAMCA	AAA
FHLMC	AAA
FNMA	AAA
FHLB	AAA
Commercial Paper:	
MUFG Bank	A1/P1
Barclays Bank PLC	A1/P1
BofA Securities, Inc.	A1/P1
Credit Agricole Corporate And Investment Bank, New	A1/P1

**Fair Value of Financial Instruments**

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to their fair value measurement of the instrument. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the District can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Because the District investments are restricted by Policy and state law to the active secondary market, the *market approach* is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The *exit* or fair market prices used for these market valuations of the portfolio are all Level 2 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

**NOTE 4. DEPOSITS AND INVESTMENTS-continued**

Fair Value Hierarchy of investments at August 31, 2024 and 2023:

	2024				2023
	Level 1	Level 2	Level 3	Total	Total
US Treasuries	\$ -	\$ 40,187,381	\$ -	\$ 40,187,381	\$ 21,284,596
US Government Agencies	-	140,789,744	-	140,789,744	122,480,312
Commercial Paper	-	54,138,966	-	54,138,966	68,415,444
Total Fair Value	\$ -	\$ 235,116,091	\$ -	\$ 235,116,091	\$ 212,180,352

**NOTE 5. CAPITAL ASSETS**

The following table summarizes changes in capital assets balances for the year ended August 31, 2024:

	Balance 8/31/2023	Increases	(Decreases) Adjustments	Balance 8/31/2024
<b>Not Depreciated:</b>				
Land	\$ 53,676,366	\$ -	\$ -	\$ 53,676,366
Construction/Work in Progress	10,468,265	10,741,181	(14,742,283)	6,467,163
Total Not Depreciated	64,144,631	10,741,181	(14,742,283)	60,143,529
<b>Depreciable Assets:</b>				
Buildings	841,759,984	2,972,357	-	844,732,341
Land Improvements	21,200,169	913,961	-	22,114,130
Equipment/IT Equipment & Software	80,529,415	2,665,981	(477,110)	82,718,286
Library Books	10,308,950	302,357	(870,634)	9,740,673
Right of Use - Leased Equipment	2,456,959	-	-	2,456,959
Right of Use - Subscription Asset	19,362,434	13,467,572	(2,063,384)	30,766,622
Total Depreciable Assets	975,617,911	20,322,228	(3,411,128)	992,529,011
<b>Accumulated Depreciation/Amortization:</b>				
Buildings	132,583,757	15,349,332	-	147,933,089
Land Improvements	15,099,877	578,502	-	15,678,379
Equipment/IT Equipment & Software	39,891,178	7,155,726	(477,110)	46,569,794
Library Books	6,617,898	518,818	(870,632)	6,266,084
Right of Use - Leased Equipment	209,194	461,245	-	670,439
Right of Use - Subscription Asset	6,086,716	5,761,444	(2,003,481)	9,844,679
Total Accumulated Depreciation/Amortization	200,488,620	29,825,067	(3,351,223)	226,962,464
Depreciable Assets, Net	775,129,291	(9,502,839)	(59,905)	765,566,547
Capital Assets, Net	\$ 839,273,922	\$ 1,238,342	\$ (14,802,188)	\$ 825,710,076

**NOTE 5. CAPITAL ASSETS-continued**

For comparison purposes, the following table summarizes changes in capital assets balances for the year ended August 31, 2023:

	Balance 8/31/2022	Increases	(Decreases) Adjustments	Balance 8/31/2023
Not Depreciated:				
Land	\$ 53,676,366	\$ -	\$ -	\$ 53,676,366
Construction/Work in Progress	3,055,870	11,926,255	(4,513,860)	10,468,265
Total Not Depreciated	<u>56,732,236</u>	<u>11,926,255</u>	<u>(4,513,860)</u>	<u>64,144,631</u>
Depreciable Assets:				
Buildings	838,176,877	3,583,107	-	841,759,984
Land Improvements	21,183,673	16,496	-	21,200,169
Equipment/IT Equipment & Software	76,751,778	4,543,937	(766,300)	80,529,415
Library Books	10,222,432	349,682	(263,164)	10,308,950
Right of Use - Leased Buildings	278,030	-	(278,030)	-
Right of Use - Leased Equipment	1,573,185	2,001,338	(1,117,564)	2,456,959
Right of Use - Subscription Asset	17,448,752	1,913,682	-	19,362,434
Total Depreciable Assets	<u>965,634,727</u>	<u>12,408,242</u>	<u>(2,425,058)</u>	<u>975,617,911</u>
Accumulated Depreciation/Amortization:				
Buildings	117,300,872	15,282,885	-	132,583,757
Land Improvements	14,505,426	594,451	-	15,099,877
Equipment/IT Equipment & Software	33,843,615	6,813,863	(766,300)	39,891,178
Library Books	6,331,222	549,840	(263,164)	6,617,898
Right of Use - Leased Buildings	190,650	87,380	(278,030)	-
Right of Use - Leased Equipment	878,722	448,036	(1,117,564)	209,194
Right of Use - Subscription Asset	2,657,444	3,429,272	-	6,086,716
Total Accumulated Depreciation/Amortization	<u>175,707,951</u>	<u>27,205,727</u>	<u>(2,425,058)</u>	<u>200,488,620</u>
Depreciable Assets, Net	<u>789,926,776</u>	<u>(14,797,485)</u>	<u>-</u>	<u>775,129,291</u>
Capital Assets, Net	<u>\$ 846,659,012</u>	<u>\$ (2,871,230)</u>	<u>\$ (4,513,860)</u>	<u>\$ 839,273,922</u>

**NOTE 6. LEASES**

**Lease Receivable**

The District currently leases building rooftop space to third parties for cell tower use. The remaining lease terms range from 6 to 12 years, and the District receives monthly payments of \$7,008 to \$8,555 related to these lease agreements. The District recognized \$82,884 in lease revenue and \$29,264 in interest revenue during the current fiscal year related to these leases. As of August 31, 2024, the District's receivable for lease payments was \$705,152. Also, the District has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of August 31, 2024, the balance of the deferred inflow of resources was \$688,171.

The present value of the future principal and interest lease payments as of August 31, 2024, were as follows:

August 31,	Principal	Interest	Total
2025	\$ 58,208	\$ 27,147	\$ 85,355
2026	60,579	24,775	85,354
2027	74,645	22,117	96,762
2028	79,132	19,028	98,160
2029	82,356	15,805	98,161
2030-34	244,272	43,135	287,407
2035-38	105,959	5,016	110,975
	<u>\$ 705,151</u>	<u>\$ 157,023</u>	<u>\$ 862,174</u>

**Lease Payable**

The District is currently entered into lease agreements as lessee for the use of copiers and a firetruck. As of August 31, 2024, the value of the lease liability for these leases was \$1,735,441. The District is required to make monthly principal and interest payments for a yearly total of \$515,928. The leases have interest rates ranging from 3.31% to 4.00%. The District does not intend to purchase the firetruck or copiers at the end of the lease term. The value of the right-to-use assets as of the end of the current fiscal year was \$2,456,959 and had accumulated amortization of \$670,439.

**NOTE 6. LEASES-continued**

The present value of the future principal and interest lease payments as of August 31, 2024, were as follows:

August 31,	Principal	Interest	Total
2025	\$ 454,482	\$ 61,447	\$ 515,929
2026	472,446	43,482	515,928
2027	414,109	24,803	438,912
2028	394,404	7,932	402,336
	<u>\$ 1,735,441</u>	<u>\$ 137,664</u>	<u>\$ 1,873,105</u>

**NOTE 7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

**SBITA Liabilities**

The District has a total of twenty subscription-based information technology arrangements (SBITA): 10 for educational software, 4 for IT management software, 3 for facilities management software, and 3 for financial software. As of August 31, 2024, the value of the SBITA liability, the yearly principal and interest payments, and the value of the right-to-use asset were as follows.

	Subscription Liability		Subscription Liability	
	Original Amount	Outstanding Balance	Value of Subscription Asset	Accumulated Amortization
Educational SBITAs	\$ 1,701,791	\$ 1,513,484	\$ 3,836,208	\$ 1,743,107
IT Management SBITAs	730,755	801,696	2,063,722	1,142,348
Facilities Management SBITAs	734,419	863,865	1,857,649	755,132
Financial SBITAs	9,405,950	7,797,983	23,009,043	6,204,092
	<u>\$ 12,572,915</u>	<u>\$ 10,977,027</u>	<u>\$ 30,766,622</u>	<u>\$ 9,844,679</u>

There are no variable payments for the SBITA agreements. The District uses the incremental borrowing rate of 4% as the interest rate for SBITAs. In addition, the District does not intend to purchase the software at the end of the SBITA terms. The estimated useful life of SBITAs ranges from 2-10 years.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Notes to Basic Financial Statements  
August 31, 2024 and 2023**

**NOTE 7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY  
ARRANGEMENTS (SBITA)-continued**

The future principal and interest SBITA payments as of August 31, 2024, were as follows:

August 31,	Principal	Interest	Total
2025	\$ 3,313,491	\$ 439,081	\$ 3,752,572
2026	2,573,020	306,541	2,879,561
2027	1,838,933	203,621	2,042,554
2028	1,744,836	130,063	1,874,899
2029	1,506,748	60,270	1,567,018
	<u>\$ 10,977,028</u>	<u>\$ 1,139,576</u>	<u>\$ 12,116,604</u>

**NOTE 8. LONG-TERM LIABILITIES**

The following table summarizes changes in long-term liabilities for the year ended August 31, 2024:

	Balance 9/1/2023	Additions	Reductions	Amortization of Premium	Amortization of Discount	Balance 8/31/2024	Current Portion	Non-Current Portion
Bonds:								
General Obligation Bonds:								
Series 2018	\$ 209,556,723	\$ -	\$ (9,405,000)	\$ (931,437)	\$ 43,321	\$ 199,263,607	\$ 9,875,000	\$ 189,388,607
Series 2020	325,433,259	-	(11,080,000)	(2,430,485)	-	311,922,774	11,740,000	300,182,774
Total Bonds	534,989,982	-	(20,485,000)	(3,361,922)	43,321	511,186,381	21,615,000	489,571,381
Accrued Compensable Absences	2,285,061	5,502,590	(5,549,227)	-	-	2,238,424	355,474	1,882,950
Lease and SBITA Liabilities	14,745,540	-	(2,033,071)	-	-	12,712,469	3,767,974	8,944,495
Net Pension Liability	57,614,710	13,263,412	(4,934,682)	-	-	65,943,440	-	65,943,440
Net OPEB Liability	95,640,043	14,546,246	(17,933,548)	-	-	92,252,741	2,580,438	89,672,303
Total	<u>\$ 705,275,336</u>	<u>\$ 33,312,248</u>	<u>\$ (50,935,528)</u>	<u>\$ (3,361,922)</u>	<u>\$ 43,321</u>	<u>\$ 684,333,455</u>	<u>\$ 28,318,886</u>	<u>\$ 656,014,569</u>

For comparison purposes, the following table summarizes changes in long-term liabilities for the year ended August 31, 2023:

	Balance 9/1/2022	Additions	Reductions	Amortization of Premium	Amortization of Discount	Balance 8/31/2024	Current Portion	Non-Current Portion
Bonds:								
General Obligation Bonds:								
Series 2018	\$ 219,399,838	\$ -	\$ (8,955,000)	\$ (931,437)	\$ 43,322	\$ 209,556,723	\$ 9,405,000	\$ 200,151,723
Series 2020	337,123,744	-	(9,260,000)	(2,430,485)	-	325,433,259	11,080,000	314,353,259
Total Bonds	556,523,582	-	(18,215,000)	(3,361,922)	43,322	534,989,982	20,485,000	514,504,982
Accrued Compensable Absences	2,062,194	5,107,051	(4,884,184)	-	-	2,285,061	419,404	1,865,657
Lease and SBITA Liabilities	14,916,690	2,143,282	(2,314,432)	-	-	14,745,540	3,868,940	10,876,600
Net Pension Liability	23,461,964	38,681,277	(4,528,531)	-	-	57,614,710	-	57,614,710
Net OPEB Liability	116,705,100	16,753,105	(37,818,162)	-	-	95,640,043	2,486,437	93,153,606
Total	<u>\$ 713,669,530</u>	<u>\$ 62,684,715</u>	<u>\$ (67,760,309)</u>	<u>\$ (3,361,922)</u>	<u>\$ 43,322</u>	<u>\$ 705,275,336</u>	<u>\$ 27,259,781</u>	<u>\$ 678,015,555</u>



**NOTE 9. BONDS PAYABLE**

Bonds payable as of August 31, 2024 and 2023 consisted of the following:

Bond Issue	Purpose	Date Issued	Amount Issued and Authorized	Revenue Source	Outstanding Balance	
					August 31, 2024	August 31, 2023
Series 2018 Limited Tax Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites	4/12/2018	\$ 252,308,336	Ad Valorem Taxes	\$ 199,263,607	\$ 209,556,723
Series 2020 Limited Tax Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites	4/7/2020	\$ 352,084,877	Ad Valorem Taxes	\$ 311,922,774	\$ 325,433,259
Total					<u>\$ 511,186,381</u>	<u>\$ 534,989,982</u>

Bonds payable are due in annual installments varying from \$17,448,206 to \$23,504,600 with interest rates of 3.00% to 5.00% and the final installments are due in 2040.

On January 23, 2018, the Board approved the sale of Limited Tax Bonds, Series 2018 with the following parameters:

- Maximum principal amount not to exceed \$250 million
- Maximum borrowing cost as measured by the True Interest Cost not to exceed 4.25%
- Final maturity on or before August 15, 2038

The sale of the bond issue closed on April 12, 2018 with an average coupon rate of 3.95%. Proceeds from the sale totaling \$252,308,336 included a net premium of \$18,058,336. The bonds are payable over 20 years, and the net premium is amortized over the life of the bonds using the straight-line method. The District paid and expensed as other non-operating expenses in fiscal year 2018 a total of \$2.3 million for bond issuance cost and underwriter’s discount in connection with the Series 2018 bond issuance.

On February 25, 2020, the Board approved the sale of Limited Tax Bonds, Series 2020 with the following parameters:

- Maximum principal amount not to exceed \$350 million
- Maximum borrowing cost as measured by the True Interest Cost not to exceed 4.0%
- Final maturity on or before August 15, 2040

The sale of the bond issue closed on April 7, 2020 with an average coupon rate of 4.11%. Proceeds from the sale totaling \$352,084,877 included a net premium of \$49,419,877. The bonds are payable over 20 years, and the net premium is amortized over the life of the bonds using the straight-line method. The District paid and expensed as Other non-operating expenses in fiscal year 2020, a total of \$2.1 million for bond issuance cost and underwriter’s discount in connection with the Series 2020 bond issuance.

**NOTE 9. BONDS PAYABLE-continued**

The tax rates authorized and assessed to pay principal and interest on the Series 2018 and Series 2020 bonds are discussed in Note 17.

**General Obligation Bonds Debt Schedule**

Debt service requirements as of August 31, 2024, were as follows:

Year Ending August 31,	General Obligation Bonds		
	Principal	Interest	Total
2025	\$ 21,615,000	\$ 19,338,906	\$ 40,953,906
2026	22,695,000	18,258,156	40,953,156
2027	23,825,000	17,123,406	40,948,406
2028	25,020,000	15,932,156	40,952,156
2029	26,275,000	14,681,156	40,956,156
2030-34	150,930,000	53,822,544	204,752,544
2035-39	166,685,000	20,631,794	187,316,794
2040	22,820,000	684,600	23,504,600
	<u>459,865,000</u>	<u>160,472,718</u>	<u>620,337,718</u>
Net Premium/Discount	51,321,381	-	51,321,381
	<u>\$ 511,186,381</u>	<u>\$ 160,472,718</u>	<u>\$ 671,659,099</u>

**NOTE 10. EMPLOYEES' RETIREMENT PLAN**

**Defined Benefit Plan**

**Plan Description**

The District participates in a multiple-employer cost-sharing defined benefit pension plan 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.

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

All employees of Texas public, state-supported educational institutions 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**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report, including financial statements and required supplementary information. That report may be obtained online at [TRS Annual Comprehensive Financial Report](#) or write to TRS at 1000 Red River Street, Austin, TX 78701-2698.

**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 grandfathered members; the three highest annual salaries are used. 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 the 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 ("COLAS"). 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% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

**Contribution Rates**

	<u>2024</u>	<u>2023</u>
Member	8.25%	8.00%
Non-Employer Contributing Entity (State) and Employer (District)	8.25%	8.00%
Member Contributions	\$ 9,959,780	\$ 8,907,595
District Contributions	\$ 5,523,399	\$ 4,905,086
State of Texas On-Behalf Contributions	\$ 3,910,823	\$ 3,604,344

The District's contributions to the TRS pension plan in fiscal year 2024 was \$5,523,399, as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year 2024 was \$4,571,812.

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 that 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 the 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% of the state contribution rate for certain instructional or administrative employees; and 100% 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 10. EMPLOYEES’ RETIREMENT PLAN-continued**

**Actuarial Assumptions**

The total pension liability in the August 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	8/31/2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.00%
Long-Term Expected Investment Rate of Return	7.00%
Municipal Bond Rate	4.13%
Last Year Ending August 31 in	
Projection Period (100 years)	2122
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Ad Hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions were selected by the board of trustees based on analysis and recommendations by the system’s actuary. The board of trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in determining the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions, please see the actuarial valuation report dated November 22, 2022.

**Discount Rate**

The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on pension 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% of payroll in fiscal year 2020 gradually increasing to 9.50% of payroll in fiscal year 2024 increasing to 9.56% in fiscal year 2025 and thereafter. 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 10. EMPLOYEES' RETIREMENT PLAN-continued**

The long-term expected 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 system's target asset allocation, are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.0%	1.0%
Non-U.S. Developed	13.0%	4.5%	0.9%
Emerging Markets	9.0%	4.8%	0.7%
Private Equity*	14.0%	7.0%	1.5%
Stable Value			
Government Bonds	16.0%	2.5%	0.5%
Absolute Return*	-	3.6%	-
Stable Value Hedge Funds	5.0%	4.1%	0.2%
Real Return			
Real Assets	15.0%	0.0%	1.1%
Energy, Natural Resources and Infrastructure	6.0%	4.8%	0.4%
Commodities	-	4.4%	-
Risk Parity	8.0%	4.5%	0.4%
Asset Allocation Leverage			
Cash	2.0%	3.7%	0.0%
Asset Allocation Leverage	-6.0%	4.4%	-0.1%
Inflation Expectation			2.3%
Volatility Drag****			-0.9%
Expected Return	<u>100.0%</u>		<u>8.0%</u>

\* Absolute Return includes Credit Sensitive Investments.

\*\* Target allocations are based on the FY2023 policy model.

\*\*\* Capital Market Assumptions come from Aon Hewitt (as of 6./0/2023).

\*\*\*\* The volatility drag results from the conversion between arithmetic and geometric mean returns.

**NOTE 10. 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 2024 Net Pension Liability:

	<b>2024</b>		
	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	\$ 98,589,095	\$ 65,943,440	\$ 38,798,561

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 2023 Net Pension Liability:

	<b>2023</b>		
	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	\$ 89,626,644	\$ 57,614,710	\$ 31,667,535

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

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

At August 31, 2024, the District reported a liability of \$65,943,440 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction in State pension support provided to the 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	\$ 65,943,440
State's proportionate share that is associated with the District	52,261,355
Total	<u>\$ 118,204,795</u>

The net pension liability was measured as of August 31, 2022, and rolled forward to August 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At the measurement date of August 31, 2023, the employer's proportion of the collective net pension liability was .0960010242% which was a decrease of .0010466527% from its proportion measured as of August 31, 2022.

**Changes Since the Prior Actuarial Valuation**

- The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions, please see the actuarial valuation report dated November 22, 2022.

For the year ended August 31, 2024, the District recognized pension expense of \$13,787,319 and an additional on-behalf revenue and expense of \$7,891,012 for support provided by the State. Refer to the fiscal year 2023 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.



**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

At August 31, 2024, the 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 economic experience	\$ 2,349,587	\$ 798,503
Changes in actuarial assumptions	6,236,958	1,526,326
Net differences between projected and actual investment earnings	9,596,373	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	6,557,782	392,609
Contributions paid to TRS subsequent to the measurement date	5,523,399	-
Total	<u>\$ 30,264,099</u>	<u>\$ 2,717,438</u>

At August 31, 2023, the 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 economic experience	\$ 835,409	\$ 1,256,110
Changes in actuarial assumptions	10,735,496	2,675,585
Net differences between projected and actual investment earnings	5,692,150	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	9,215,808	-
Contributions paid to TRS subsequent to the measurement date	4,905,086	-
Total	<u>\$ 31,383,949</u>	<u>\$ 3,931,695</u>

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

The net amounts of the employer's fiscal year 2024 balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending August 31:	Pension Expense Amount
2025	\$ 5,631,514
2026	3,972,605
2027	9,398,694
2028	2,832,928
2029	187,521
Thereafter	-
	\$ 22,023,262

The net amounts of the employer's fiscal year 2023 balances of deferred outflows and inflows of resources related to pensions will be recognized in pensions expense as follows:

Year ending August 31:	Pension Expense Amount
2024	\$ 6,233,491
2025	4,244,506
2026	2,571,102
2027	8,062,518
2028	1,435,551
Thereafter	-
	\$ 22,547,168

**Optional Retirement Plan-Defined Contribution Plan**

Plan Description

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

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

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 6.65% and 6.60%, respectively. The District contributes 1.75% for employees who were participating in the optional retirement. 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 (S.B.) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013 limits the amount of the State's contribution to 50% of eligible employees in the reporting District.

The retirement expense to the state for the District for ORP was \$672,084 and \$677,570 for fiscal years ended August 31, 2024 and 2023, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the District.

The total payroll for all college employees was \$165,377,693 and \$153,033,576 for fiscal years 2024 and 2023, respectively. The total payroll of employees covered by the TRS was \$120,724,606 and \$111,422,788, and the total payroll of employees covered by the Optional Retirement Program was \$20,366,185 and \$20,532,429 for fiscal years 2024 and 2023, respectively.

Other

Part-time employees of the District are required to participate in the Program for Extra Retirement Compensation (the PERC plan) unless exempt. The PERC plan, as established by the District under the provisions of the Omnibus Budget Reconciliation Act of 1990, requires participants to contribute 7.5% of their pay to a tax-sheltered annuity administered by Metropolitan Life Insurance Company. Contributions to the PERC plan are immediately 100% vested. The District makes no contributions to the PERC plan. Total payroll of participants in the PERC plan was \$18,828,257 and \$16,400,008 for the years ended August 31, 2024 and 2023, respectively.

**NOTE 11. DEFERRED COMPENSATION PROGRAM**

Employees of the District may elect to defer a portion of their earnings for income tax and investment purposes pursuant to the authority granted under Government Code 609.001.

Deferred Compensation Programs	2024	2023
403(b) Tax Sheltered Annuity (TSA)		
Number of Participants	1,116	1,005
Employee Contributions	\$ 6,036,054	\$ 5,188,119
Employer Contributions	\$ 2,851,680	\$ 2,036,478
Section 457 Deferred Compensation (DCP)		
Number of Participants	55	47
Employee Contributions	\$ 539,023	\$ 565,846
Section 457 Roth Deferred Compensation (DCP)		
Number of Participants	31	28
Employee Contributions	\$ 322,940	\$ 289,113

The District established the *Collin Invests Enhanced Retirement Savings Plan (The Plan)* and began offering benefits of The Plan beginning September 2019. The Plan allows for full-time benefits-eligible employees to participate in a College District-sponsored supplemental tax - sheltered retirement plan that includes a dollar-for-dollar match of an employee's contributions to an individual tax-sheltered retirement account (up to a maximum of four percent of the employee's full-time salary). Employer contributions are subject to budget availability. Employer expenses for the 403(b) District matching TSA recorded for fiscal year ending 2024 totaled \$2,851,680. Of the 1116 participants, 195 were not vested at year end. The vesting period is three years.

The District does not contribute to the Section 457 DCP. The DCP is not included in the basic financial statements because the programs' assets are assets of the plan participants and not of the District.

**NOTE 12. COMPENSABLE ABSENCES**

Vacation is earned in varying amounts up to a maximum of 21 days for employees with 11 years or more of service. Unused vacation leave carried forward from one year to the next is limited to 15 days for each employee. Upon termination, employees are paid for earned but unused vacation for the current year and up to the 10-day maximum allowed for unused vacation carried over from the prior year. The District recognized the accrued liability for the unpaid annual leave in the amounts of \$2,238,424 and \$2,285,061 for the years ended August 31, 2024 and 2023, respectively.

District employees are entitled to sick leave, which is accumulated, but does not vest. Therefore, no liability for accumulated sick leave has been recorded in the accompanying basic financial statements.

**NOTE 13. HEALTHCARE AND LIFE INSURANCE BENEFITS**

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. SB 1812, effective September 1, 2013, limits the amount of the state's contribution to fifty percent of eligible employees in the reporting district. The employee and the state/employer contributions per full time employee per month are noted below.

HealthSelect of Texas Plan	2024/2023	
	Employee Contribution	State/Employer Contribution
Member Only	\$ -	\$ 624.82
Member & Spouse	358.00	982.82
Member & Child(ren)	239.70	864.52
Member & Family	597.70	1,222.52

These on-behalf payments are recognized as revenues and expenses by the District in the period expended.

**NOTE 13. HEALTHCARE AND LIFE INSURANCE BENEFITS-continued**

In addition to the pension benefits described in Note 10, the State provides certain healthcare and life insurance benefits for active retired employees. Almost all of the employees may be eligible for those benefits if they reach normal retirement age with at least ten years of TRS/ORP eligible service credit while working for the State. See Note 14 for additional information on retiree benefits. The cost of retirees and active employees' health care is provided in the table below:

State/Employer Contribution for Health Care Insurance  
(includes basic life insurance rate)

<u>Cost of Providing Health Care Insurance</u>	<u>2024</u>	<u>2023</u>
Number of Retirees	368	338
Cost of Health Benefits for Retirees	\$ 3,172,340	\$ 2,970,971
Number of Active Full Time Employees	1,539	1,599
Cost of Health Benefits for Active Full Time Employees	\$ 13,643,766	\$ 13,442,099
State Appropriation for Health Insurance	\$ 7,369,002	\$ 6,114,179
District's Expense	\$ 9,528,812	\$ 10,362,878

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The District participates in a cost-sharing multiple-employer defined-benefit other post-employment 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 post-employment health care, life, 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 10 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 the separately issued ERS Annual Comprehensive Financial Report that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained online; by writing to ERS at: 200 East 18<sup>th</sup> Street, Austin, TX 78701; or by calling (877) 275-4377.

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**

**Benefits Provided**

Retiree health benefits offered through the 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 participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

**Contributions**

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its 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 retirees' health and basic life premium, which is based on a blended rate. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the state of Texas pays part of the premiums for the junior and community colleges.

**Maximum Monthly Employer Contribution  
Retiree Health and Basic Life Premium  
Fiscal Year 2024**

	2024
Retiree Only	\$ 624.82
Retiree & Spouse	\$ 1,340.82
Retiree & Children	\$ 1,104.22
Retiree & Family	\$ 1,820.22

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**

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

**Premium Contributions by Source  
Group Benefits Program Plan  
For the Years Ended August 31, 2024 and 2023**

	2024	2023
Employers	\$ 9,447,105	\$ 10,298,890
Members (Employees)	\$ 4,610,557	\$ 4,519,621
Nonemployer Contributing Entity (State of Texas)	\$ 7,369,002	\$ 6,114,179

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of August 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**Actuarial Assumptions  
ERS Group Benefits Program Plan**

Valuation Date	August 31, 2023
Actuarial Cost Method	Entry Age
Last Experience Study	<u>State Agency Members:</u> 5-year period from September 1, 2014 to August 31, 2019 <u>Higher Education Members:</u> 7-year period from September 1, 2010 to August 31, 2017
Discount Rate	3.81%
Projected Annual Salary Increase	2.30% to 8.95%, including inflation
Annual Healthcare Trend Rate	<u>Health Select:</u> 5.60% for FY25, 5.30% for FY26, 5.00% for FY27, 4.75% for FY28, 4.60% for FY29, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY32 and later years.  <u>Health Select Medicare Advantage:</u> 16.40% for FY25, 8.40% for FY26, 5.00% for FY27, 4.75% for FY28, 4.60% for FY29, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY32 and later years.  <u>Pharmacy:</u> 10.00% for FY25 and FY26, decreasing 100 basis points per year to 5.00% for FY31 and 4.30% for FY32 and later years.
Inflation Assumption Rate	2.30%
Ad Hoc Post-Employment Benefit Changes	None



**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**

**Actuarial Assumptions - Continued  
ERS Group Benefits Program Plan**

Mortality Rate

State Agency Members

- a. *Service Retirees, Survivors, and other inactive Members (Regular, Elected, CPO/CO and JRS I and II Employee Classes):* 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020.
- b. *Disability Retirees (Regular, Elected CPO/CO and JRS I and II Employee Classes):* 2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively.
- c. *Active Members:* Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP-2019 Projection Scale from the year 2010.

Higher Education Members

- a. *Service Retirees, Survivors, and other Inactive Members:* Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021.
- b. *Disability Retirees:* Tables based on TRS experience with Ultimate MP 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
- c. *Active Members:* Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP Projection Scale from the year 2010

**Investment Policy**

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The system's board of trustees amended the investment policy statement in August 2022 to require that all funds in the plan be invested in cash and equivalent securities.

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**

**Discount Rate**

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the *beginning* of the measurement year was 3.59%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.81%, which amounted to an increase of 0.22%. The source of the municipal bond rate was the Bond Buyer Index of tax-exempt general obligation bonds with 20 years to maturity with an average credit quality that is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go 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 the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.81%) in measuring the net OPEB Liability.

<b>2024</b>			
	1% Decrease in Discount Rate (2.81%)	Discount Rate (3.81%)	1% Increase in Discount Rate (4.81%)
District's proportionate share of the net OPEB liability	\$ 107,046,054	\$ 92,252,741	\$ 80,354,102
<b>2023</b>			
	1% Decrease in Discount Rate (2.59%)	Discount Rate (3.59%)	1% Increase in Discount Rate (4.59%)
District's proportionate share of the net OPEB liability	\$ 111,545,192	\$ 95,640,043	\$ 82,919,750

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-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 percent less than and 1 percent greater than the healthcare cost trend rate that was used (5.60% decreasing to 4.30%) in measuring the net OPEB Liability.

**2024**

	1% Decrease (HealthSelect: 4.60% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.60% decreasing to 4.30%)	1% Increase (HealthSelect: 6.60% decreasing to 5.30%)
District's proportionate share of the net OPEB liability	\$ 79,350,180	\$ 92,252,741	\$ 108,639,060

**2023**

	1% Decrease (HealthSelect: 4.60% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.25% decreasing to 4.30%)	1% Increase (HealthSelect: 6.25% decreasing to 5.30%)
District's proportionate share of the net OPEB liability	\$ 81,902,555	\$ 95,640,043	\$ 113,179,111

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**

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

At August 31, 2024, the District reported a liability of \$92,252,742 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction in State 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 District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 92,252,741
State's proportionate share of the collective net OPEB liability	54,777,448
Total	<u><u>\$ 147,030,189</u></u>

The net OPEB liability was measured as of August 31, 2023, 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 September 1, 2022 through August 31, 2023.

At the measurement date of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.34528919%.

For the year ended August 31, 2024, the District recognized OPEB expense of \$10,652,050 and a reduction in on-behalf revenue and expense of \$1,620,380 for support provided by the State.

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

- Percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and retirees' spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
- 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.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**

- The discount rate was changed from 3.59% as of August 31, 2022 to 3.81 % as of August 31, 2023 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

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

- Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY24, are provided for in the FY24 Assumed Per Capita Health Benefit Costs.

At August 31, 2024, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,440,134
Changes of assumptions	3,077,451	28,811,760
Net difference between projected and actual investment return	7,453	-
Effect of change in proportion and contribution difference	16,520,532	-
Contributions subsequent to the measurement date	1,120,886	-
Total	<u>\$ 20,726,322</u>	<u>\$ 31,251,894</u>

**NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**

At August 31, 2023, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,017,558
Changes of assumptions	5,619,234	29,563,243
Net difference between projected and actual investment return	16,496	-
Effect of change in proportion and contribution difference	28,266,984	-
Contributions subsequent to the measurement date	1,065,736	-
Total	<u>\$ 34,968,450</u>	<u>\$ 32,580,801</u>

Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

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:

<u>Fiscal Year 2024 OPEB Expense</u>		<u>Fiscal Year 2023 OPEB Expense</u>	
Year ended August 31:	OPEB Expense Amount	Year ended August 31:	OPEB Expense Amount
2025	\$ (866,265)	2024	\$ 5,631,439
2026	(2,090,011)	2025	825,335
2027	(3,708,906)	2026	(404,602)
2028	(4,295,605)	2027	(2,041,869)
2029	(685,671)	2028	(2,688,390)
Thereafter	-	Thereafter	-
	<u>\$ (11,646,458)</u>		<u>\$ 1,321,913</u>

**NOTE 15. DISAGGREGATION OF RECEIVABLES AND PAYABLES  
BALANCES**

Receivables on August 31 were as follows:

	<u>2024</u>	<u>2023</u>
Student Receivables	\$ 15,934,600	\$ 13,006,292
Federal and State Receivables	3,959,909	3,247,927
Interest Receivable	1,982,972	663,072
Other Receivables	48,573	417,705
	<u>21,926,054</u>	<u>17,334,996</u>
Less: Allowance for Doubtful Accounts	(295,471)	(299,313)
Accounts Receivable, Net	<u>\$ 21,630,583</u>	<u>\$ 17,035,683</u>
Taxes Receivable	\$ 2,156,845	\$ 1,886,932
Less: Allowance for Doubtful Accounts	(1,460,075)	(1,233,319)
Taxes Receivable, Net	<u>\$ 696,770</u>	<u>\$ 653,613</u>

An allowance for doubtful accounts estimated at \$295,471 has been established for student receivables based on the uncertainty of collectability. A corresponding bad debt expense has been recorded to institutional support. One hundred percent allowance was established for student receivables aged two or more years, and a seventy-five percent allowance was set up for student receivables more than one year but less than two years old. In August 2012, the District contracted with two collection agencies to provide collection services for outstanding student receivables. See the Student Receivables Placed with Collection Agencies Table below for additional information on student receivables.

<u>Student Receivables Placed with Collection Agencies</u>	<u>Balance at 8/31/2023</u>	<u>Addition</u>	<u>Collections</u>	<u>Adjustments</u>	<u>Returned to Collin College</u>	<u>Balance at 8/31/2024</u>
First Placement Collection Agency	\$ 391,437	\$ 245,909	\$ (80,974)	\$ 1,314	\$ (339,854)	\$ 217,832
Second Placement Collection Agency	3,494	187,765	(8,271)	(5,769)	(3,157)	174,062
Total Student Receivables Placed with Collections	<u>394,931</u>	<u>433,674</u>	<u>(89,245)</u>	<u>(4,455)</u>	<u>(343,011)</u>	<u>391,894</u>
Allowance for Doubtful Accounts	(299,313)	31,167	(28,931)	-	1,606	(295,471)
Receivables Placed with Collections, Net	<u>\$ 95,618</u>	<u>\$ 464,841</u>	<u>\$ (118,176)</u>	<u>\$ (4,455)</u>	<u>\$ (341,405)</u>	<u>\$ 96,423</u>

**NOTE 15. DISAGGREGATION OF RECEIVABLES AND PAYABLES  
BALANCES-continued**

Payables at August 31 were as follows:

	2024	2023
Vendors Payable	\$ 10,938,677	\$ 10,616,360
Salary and Benefits Payable	1,395,952	1,531,262
Students Payable	1,363,861	2,029,980
Total Accounts Payable	<u>\$ 13,698,490</u>	<u>\$ 14,177,602</u>

**NOTE 16. RISK MANAGEMENT**

GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, requires that a liability be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Accrued liabilities include provisions for claims reported and claims incurred but not reported.

The District pays a premium for fixed cost and the loss fund maximum to Deep East Texas, a guaranteed cost program within a workers' compensation self-insurance fund. Fixed costs are primarily affected by payroll; the loss costs, however, are determined by expected losses, which are determined primarily by historical loss experience. The fixed costs cover claims administration and loss control and are not recoverable by the District. Loss costs are only paid if the District experiences losses.

The District has other insurance coverage such as property, general liability, and automobile insurance. There were no significant reductions in coverage in the past fiscal year.

**NOTE 17. PROPERTY TAX AND TAX ABATEMENT**

The District's ad valorem 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. 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. Property taxes attach an automatic enforceable lien on property the first day of January. The lien is removed if taxes are paid by February 1.

Exemptions include \$100,000 for over age 65 and \$100,000 for disabled persons in addition to Homestead and Veteran exemptions. If a person who is disabled or is sixty-five (65) years of age or older receives a residence homestead exemption, the total amount of ad valorem taxes imposed by the District may not be increased while it remains the residence homestead of that person or that person's spouse who is disabled or sixty-five (65) years of age or older and receives the residence homestead exemption on the homestead. This tax limitation cannot be repealed or rescinded.



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Notes to Basic Financial Statements  
August 31, 2024 and 2023**

**NOTE 17. PROPERTY TAX AND TAX ABATEMENT-continued**

At August 31,	2024	2023
Assessed Valuation of the District	\$ 295,418,339,551	\$ 241,608,724,839
Less: Exemptions	(93,101,866,831)	(49,149,481,978)
Less: Abatements	(215,215,121)	(306,338,178)
Net Assessed Valuation of the District	202,101,257,599	192,152,904,683
Plus: Supplements through August 31	(41,505,330)	(70,883,788)
Adjusted Assessed Valuation	<u>\$ 202,059,752,269</u>	<u>\$ 192,082,020,895</u>

Tax rates for the years ended August 31, 2024 and 2023, are as follows:

Per \$100 valuation:	2024			2023		
	Operations	Debt Service	Total	Operations	Debt Service	Total
(Maximum per enabling	\$ 0.080000	\$ 0.120000	\$ 0.200000	\$ 0.080000	\$ 0.120000	\$ 0.200000
Assessed Tax Rate	\$ 0.075000	\$ 0.006220	\$ 0.081220	\$ 0.075000	\$ 0.006220	\$ 0.081220

Taxes levied for the years ended August 31, 2024 and 2023, were \$162,710,182 and \$158,111,555, 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 they were imposed.

	2024			2023		
	Operations	Debt Service	Total	Operations	Debt Service	Total
Current Taxes Collected	\$ 148,403,231	\$ 12,313,417	\$ 160,716,648	\$ 144,226,136	\$ 11,959,829	\$ 156,185,965
Delinquent Taxes Collected	662,400	56,544	718,944	644,827	52,254	697,081
Penalties & Interest Collected	454,302	22,919	477,221	651,210	39,161	690,371
Total Gross Collections	<u>149,519,933</u>	<u>12,392,880</u>	<u>161,912,813</u>	<u>145,522,173</u>	<u>12,051,244</u>	<u>157,573,417</u>
Tax Appraisal and Collection Fee	(1,622,687)	-	(1,622,687)	(1,518,850)	-	(1,518,850)
Bad Debt Expense	(13,529)	102,034	88,505	(31,146)	(190,515)	(221,661)
Total Net Collections	<u>\$ 147,883,717</u>	<u>\$ 12,494,914</u>	<u>\$ 160,378,631</u>	<u>\$ 143,972,177</u>	<u>\$ 11,860,729</u>	<u>\$ 155,832,906</u>

Tax collections for the year ended August 31, 2024 and 2023, were 99.07% and 99.22%, respectively, of the current tax levy. Allowances for uncollectible taxes are based on 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 17. PROPERTY TAX AND TAX ABATEMENT-continued**

The District participates in one tax incremental financing district (TIF). The following table summarizes the obligations of the District's involvement in the TIF:

TIF Title	Percentage of Incremental Tax Committed	Taxes Forgone in 2024	Taxes Forgone in 2023
City of Frisco TIF 1	100%	\$ 1,767,806	\$ 1,650,766

**Tax Abatement**

The District entered into a property tax abatement agreement with one entity as provided by Tax Code Chapter 312 Property Redevelopment and Tax Abatement Act. For fiscal year ending August 31, 2023, the District abated property taxes as noted in the table below.

Start Date	Agreement	Taxable Assessed Value	Tax Rate Per \$100 valuation	Taxes Abated
2014	Texas Instruments	\$ 215,215,121	0.081222	\$ 174,802

Based on the abatement agreement currently in place, the taxable assessed value of remaining abatements for fiscal year 2025 is anticipated to be \$170,471,722, resulting in abated taxes of \$138,461.

**NOTE 18. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with generally accepted accounting principles ("GAAP"). Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenses made under the provisions of the grant. Accordingly, when such funds are received in advance, they are recorded as unearned revenue until earned. Revenues recognized are presented on Exhibit 2 and Schedules A and C. Funds expended for federal and non-federal contract and grant awards, but not collected, are reported within accounts receivable on Exhibit 1 and in Note 15. Contract and grant awards that are not yet funded and for which the District has not yet performed services are not included in the basic financial statements.

**NOTE 18. CONTRACT AND GRANT AWARDS-continued**

Contract and grant award commitments, e.g., multi-year awards, or funds awarded for which no expenses have yet been incurred are noted in the table below.

	<u>2024</u>	<u>2023</u>
Federal Contracts and Grant Awards	\$ 6,568,922	\$ 5,946,360
State Contracts and Grant Awards	<u>2,623,876</u>	<u>1,920,412</u>
Total	<u>\$ 9,192,798</u>	<u>\$ 7,866,772</u>

**NOTE 19. COMPONENT UNITS**

Complete financial statements of **Collin County Community College District Foundation, Inc.** can be obtained from the Foundation's administrative offices.

**Related Party Disclosure Required by the U.S. Department of Education (Unaudited)**

To comply with the Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit regulation promulgated by the U.S Department of Education, the Foundation's Board of Directors reports there were no related party transactions during the fiscal years ended August 31, 2024 and August 31, 2023.

The following footnotes are excerpted from the Foundation's audited financial statements for the years ended August 31, 2024 and 2023.

**Organization and Nature of Activities**

Collin County Community College District Foundation, Inc., also commonly known as Collin College Foundation (the "Foundation"), is a Texas nonprofit corporation established to maintain, develop, increase, and extend the facilities and services of the Collin College District (the "District") and to provide broader educational service opportunities to its students, staff, and faculty. The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) as other than a private foundation.

**Significant Accounting Policies**

Basis of Accounting - The Foundation's financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the obligation is incurred. The financial statements have been prepared using accounting principles generally accepted in the United States of America ("U.S. GAAP").

**NOTE 19. COMPONENT UNITS-continued**

Adoption of New Accounting Standard - In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326)*, which replaced the existing incurred loss methodology used for establishing a provision against financial assets, including accounts receivable, with a forward-looking expected loss methodology for financial assets measured at amortized cost. Financial assets held by the Foundation that are subject to this guidance are accounts receivable and pledges receivable. ASU 2016-13 is to be applied using a cumulative effect adjustment for all financial assets measured at amortized costs and became effective for the Foundation on September 1, 2023. The adoption of the standard had no material impact on the Foundation's financial statements as of September 1, 2023.

Basis of Presentation - Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets are available for use in general operations and are not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues and Support - Revenues and support for the Foundation are primarily derived through contributions, grants, and fundraising activities.

Programs - The Foundation pursues its objectives through the execution of the following programs:

Scholarships - Student scholarships represent the largest fundraising priority for the Foundation. Thanks to the generosity of individual, corporate, foundation, and alumni donors, the Foundation is able to offer scholarships to outstanding students with financial need.

Scholarship reception - The Foundation hosts two scholarship receptions per year: a large event celebrating fall scholarships and a smaller event honoring spring recipients. At these receptions, donors meet the students who receive their scholarships and learn first-hand how their gifts are making a difference.

**NOTE 19. COMPONENT UNITS-continued**

Program enhancements - The Foundation also assists in securing support for strategic academic and technical programs for the District. To name just a few, past projects have included support for veteran center programming, career center initiatives, fire science equipment, IT lab equipment, health science camps, cybersecurity camps and more.

Cash and Cash Equivalents - The Foundation considers all bank deposits and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. Portfolio cash held by investment managers is excluded from cash and cash equivalents.

Accounts Receivables - For various reasons, some scholarship awards are not utilized by the award recipient, so the Collin College District refunds unused scholarships to the Foundation on an annual basis. Accounts receivable primarily consist of unused scholarship awards for the respective academic years concluded in the Summers of 2024 and 2023.

Pledges Receivable - Pledges receivable comprise uncollected pledges and are considered fully collectible as of August 31, 2024 and 2023.

Allowance for Credit Losses - Accounts receivable and pledges receivable are presented on the statements of financial position net of an allowance for credit losses. The allowance for credit losses is calculated over the life of the underlying receivable and is based on historical experience of losses based on the aging of receivables, any known trends or uncertainties related to account collectability, current economic conditions, and reasonable and supportable economic forecasts. The allowance for credit losses is applied to segregated risk pools based on the business segment that generated the receivable. Balances are charged against the allowance when it is determined the receivable will not be recovered. Based on management's analysis, there was no allowance for credit losses as of August 31, 2024.

Investments - Investments in marketable securities and mutual funds are carried at their fair values in the statements of financial position. Other investments with no readily determinable fair values are carried at cost or contract value. Net realized and unrealized gains and losses are included in the changes in net assets.

Donated Assets - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. It is the policy of the Foundation to liquidate such donations immediately upon receipt, or as soon thereafter as possible; however, some may be utilized by the Foundation when it would be more practical or beneficial.

Donated Services and Facilities - Individuals volunteer their time and perform various tasks that help the Foundation pursue its objectives. The value of these donated services is not reflected in the financial statements.

The District allows the Foundation to use designated office space, personnel, and equipment at no cost. The value of these in-kind contributions is included in revenues and expenses on the accompanying statements of activities.

**NOTE 19. COMPONENT UNITS-continued**

Use of Estimates - Management used estimates and assumptions in preparing these financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Functional Allocation of Expenses - The costs of the program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of estimates of time and effort.

Income Taxes - The Foundation follows the Income Taxes topic of the FASB ASC, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Foundation is unaware of any activities that would jeopardize its tax-exempt status and is unaware of any activities that are subject to tax on unrelated business income. As of August 31, 2024, the Foundation has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and does not expect this to change in the next twelve months. The 2021 through 2024 tax years remain subject to examination by the Internal Revenue Service.

Endowment Funds - The Foundation maintains endowment funds for the purpose of providing scholarships to students of the District. The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair values of the original donor-restricted gifts to the endowment funds, as of the gift dates, absent explicit donor stipulations to the contrary.

The Foundation has adopted an investment policy that seeks to make a reasonable effort to preserve capital and produce long-term results sufficient to meet the Foundation's objectives. Under this policy, endowment assets are primarily invested in marketable securities and exchange-traded mutual funds.

The majority of the Foundation's scholarship endowment agreements include a spending policy that allows for 80% of the earnings to be made available for scholarships, 10% of the earnings to be returned to the corpus of the endowment funds, and 10% of the earnings to be distributed to the operating fund for administrative purposes; however, the Foundation Board may increase the percentage allocation to scholarships at its discretion.

Reclassifications – Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 presentation.

Subsequent Events - Management has evaluated subsequent events for potential disclosure through November 14, 2024, which is the date the financial statements were available to be issued.

**NOTE 19. COMPONENT UNITS-continued**

**Liquidity and Availability of Resources**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use or without requiring specific action of the Board, within one year of the dates of the respective statements of financial position, are comprised of the following:

	2024	2023
Cash and Cash Equivalents	\$ 1,848,877	\$ 1,502,227
Accounts Receivable	161,752	158,783
Pledges Receivable, Net of Discount	839,526	1,005,165
Investments	<u>22,167,067</u>	<u>18,586,876</u>
	25,017,222	21,253,051
Less: Donor-Restricted Assets	<u>(23,146,696)</u>	<u>(19,765,175)</u>
Financial Assets Available to Meet General Expenditure Needs Within One Year	<u>\$ 1,870,526</u>	<u>\$ 1,487,876</u>

**Pledges Receivable**

Pledges are recognized as revenues in the period that they are made. Pledges due in one year or more have been discounted to present value using an 8.50% discount rate (Prime Rate as of August 31, 2024).

Pledges receivable as of August 31, 2024 and 2023 are summarized as follows:

	2024	2023
Pledges Receivable Within One Year	\$ 733,763	\$ 552,771
Pledges Due in One Year to Five Year	122,978	509,040
Less: Discount To Present Value	<u>(17,215)</u>	<u>(56,646)</u>
Pledges Receivable, Net of Discount	<u>\$ 839,526</u>	<u>\$ 1,005,165</u>

**Fair Value Measurements and Disclosures**

The Foundation follows the Fair Value Measurements topic of the FASB ASC for all financial assets and liabilities measured at fair value on a recurring basis. The topic establishes a framework for measuring fair value and enhances disclosure requirements for fair value measurements. The Fair Value Measurements topic of the FASB ASC defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The topic establishes market or observable inputs as the preferred sources of values, followed by assumptions based on hypothetical transactions in the absence of market inputs.

The topic establishes a hierarchy for grouping these assets and liabilities based on the significance level of the following inputs:

**NOTE 19. COMPONENT UNITS-continued**

Level I – Quoted prices in active markets for identical assets or liabilities.

Level II – Quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations whose inputs are observable or whose significant drivers are observable.

Level III – Significant inputs to the valuation model are unobservable.

The following is a listing of investments measured at fair value on a recurring basis and where they are classified within the hierarchy as of August 31, 2024 and 2023:

	2024			
	Level I	Level II	Level III	Total
Investments at Fair Value:				
Equity Securities and Funds	\$ 16,844,574	\$ -	\$ -	\$ 16,844,574
Fixed Income Funds	4,214,096	-	-	4,214,096
	<u>\$ 21,058,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,058,670</u>
Other Investments:				
Portfolio Cash and Accrued Income, at Cost				1,080,846
Alternative Investments, at Contract Value				27,551
Total Investments				<u>\$ 22,167,067</u>

	2023			
	Level I	Level II	Level III	Total
Investments at Fair Value:				
Equity Securities and Funds	\$ 11,301,974	\$ -	\$ -	\$ 11,301,974
Fixed Income Funds	6,158,204	-	-	6,158,204
	<u>\$ 17,460,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,460,178</u>
Other Investments:				
Portfolio Cash and Accrued Income, at Cost				1,099,983
Alternative Investments, at Contract Value				26,715
Total Investments				<u>\$ 18,586,876</u>

All of the Foundation's investments measured at fair value are classified within Level I of the hierarchy because they comprise marketable equity securities, institutional equity and fixed income mutual funds, as well as exchange-traded funds traded on internationally recognized securities exchanges with immediately available market values or with readily determinable fair values based upon daily redemption valuations.

Those investments not defined in the fair value hierarchy comprise portfolio cash and accrued income, which are carried at cost, and investments carried at contract value, which are published annually each June.



**NOTE 19. COMPONENT UNITS-continued**

**Net Assets With Donor Restrictions**

The balances of net assets with donor restrictions as of August 31, 2024 and 2023 relate to certain contributions for which donors have imposed restrictions. In accordance with Foundation policies, they are set forth as follows:

	<u>2024</u>	<u>2023</u>
Subject to Purpose Restrictions:		
Excellence Program	\$ 965,953	\$ 952,288
Non-Endowed Scholarships	<u>2,564,300</u>	<u>2,246,408</u>
	<u>3,530,253</u>	<u>3,198,696</u>
Endowments:		
Available for Scholarship Awards:		
Appropriated	1,829,727	1,803,315
Unappropriated	3,687,298	1,376,945
Subject to Spending Policy	<u>14,099,418</u>	<u>13,388,834</u>
	<u>19,616,443</u>	<u>16,569,094</u>
 Total	 <u>\$ 23,146,696</u>	 <u>\$ 19,767,790</u>

The Excellence program supports strategic academic and technical programs, as well as special achievement awards and scholarships. Non-endowed scholarships are those sourced by contributions that are not subject to the Foundation’s spending policy – instead, they are wholly expendable based upon discretionary policies.

Endowments subject to the Foundation’s spending policy include fully funded endowments as well as those that a) have not reached the minimum level required to award scholarships and/or do not yet have a signed endowment agreement and b) those that are controlled by the District’s Board of Trustees.

Endowment earnings are considered unappropriated until they are made available for distribution as scholarship awards.

**NOTE 19. COMPONENT UNITS-continued**

During the years ended August 31, 2024 and 2023, net assets were released from donor restrictions as follows:

	2024	2023
Purpose Restrictions Accomplished:		
Excellence Program Awards	\$ 311,510	\$ 271,306
Non-Endowed Scholarship Awards	622,310	672,261
	<u>933,820</u>	<u>943,567</u>
Endowed Scholarship Awards	<u>249,548</u>	<u>383,585</u>
 Total	 <u>\$ 1,183,368</u>	 <u>\$ 1,327,152</u>

The following is a summary of endowment activities for the years ended August 31, 2024 and 2023:

	Available for Scholarship Awards			
	Appropriated	Unappropriated	Subject to Spending Policy	Total
Balance at August 31, 2022	\$ 2,234,592	\$ 226,312	\$ 13,055,701	\$ 15,516,605
Contributions	-	-	384,654	384,654
Net Investment Return	(47,692)	1,150,633	(51,521)	1,051,420
Scholarship Awards	(383,585)	-	-	(383,585)
Balance at August 31, 2023	<u>\$ 1,803,315</u>	<u>\$ 1,376,945</u>	<u>\$ 13,388,834</u>	<u>\$ 16,569,094</u>
Contributions	-	-	644,459	644,459
Net Investment Return	275,960	2,310,353	66,125	2,652,438
Scholarship Awards	(249,548)	-	-	(249,548)
Balance at August 31, 2024	<u>\$ 1,829,727</u>	<u>\$ 3,687,298</u>	<u>\$ 14,099,418</u>	<u>\$ 19,616,443</u>

**Concentrations of Risk**

The Foundation maintains cash and money market accounts at financial institutions that exceed federally insured limits. Uninsured amounts totaled \$1,598,877 and \$1,252,227 as of August 31, 2024 and 2023, respectively. The Foundation has not experienced any losses in these accounts, and management believes the Foundation is not exposed to any significant credit risks on such accounts.

Additionally, investments in equity securities, fixed-income securities, and mutual funds are subject to substantial market, credit, and interest-rate risks.

**NOTE 19. COMPONENT UNITS-continued**

**In-kind Contributions**

For the years ended August 31, 2024 and 2023, in-kind contributions reported in the accompanying statements of activities are detailed as follows:

	<u>2024</u>	<u>2023</u>
Without Donor Contributions:		
College District		
Personnel	\$ 529,227	\$ 536,519
Facilities	151,023	129,998
Other		
Trees	-	31,635
Sponsorship	-	15,000
Total	<u>\$ 680,250</u>	<u>\$ 713,152</u>

During the year ended August 31, 2023, the Foundation received trees valued at retail price that were utilized by the College District. Also, sponsorship benefits for a PGA tour event at a package price were awarded in exchange for services provided by volunteers representing the Foundation.

**NOTE 20. SUBSEQUENT EVENTS**

In August 2024, the Board of Trustees authorized the issuance of Consolidated Fund Revenue Bonds, Series 2024, with the following parameters:

- Maximum principal amount not to exceed \$200 million
- Maximum borrowing cost as measured by the True Interest Cost not to exceed 5.00%
- Final maturity on or before August 15, 2046

The sale of the bond issue closed on October 23, 2024 with an average coupon rate of 4.8%. Proceeds from the sale totaling \$185,515,261 included a net premium of \$10,575,261. The bonds are payable over 20 years, and the net premium is amortized over the life of the bonds using the straight-line method. The District will pay and expense as other non-operating expenses in the fiscal year 2025, a total of approximately \$515,000 for bond issuance costs in connection with the Series 2024 bond issuance.

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Required  
Supplemental  
Information



# Required Supplemental Information

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**COLLIN COUNTY COMMUNITY COLLEGE  
DISTRICT**

**Required Supplementary Information Schedules**

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of the District's Proportionate Share of Net Pension Liability**

Fiscal years ended August 31,*	2024	2023	2022	2021	2020
District's proportion of collective net pension liability (%)	0.09600102%	0.09704768%	0.09212887%	0.07922998%	0.07049603%
District's proportionate share of collective net pension liability (\$)	\$ 65,943,440	\$ 57,614,710	\$ 23,461,964	\$ 42,433,966	\$ 36,646,040
State's proportionate share of net pension liability associated with the District	52,261,355	45,856,638	18,604,389	33,725,103	29,191,219
Total	<u>\$ 118,204,795</u>	<u>\$ 103,471,348</u>	<u>\$ 42,066,353</u>	<u>\$ 76,159,069</u>	<u>\$ 65,837,259</u>
District's covered payroll	\$ 111,422,788	\$ 105,120,853	\$ 94,008,898	\$ 78,435,332	\$ 67,685,206
District's proportionate share of collective net pension liability as a percentage of covered payroll	59.2%	54.8%	25.0%	54.1%	54.1%
Plan fiduciary net position as percentage of the total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%
Fiscal years ended August 31,*	2019	2018	2017	2016	2015
District's proportion of collective net pension liability (%)	0.06395799%	0.06156220%	0.05619231%	0.06148740%	0.06457820%
District's proportionate share of collective net pension liability (\$)	\$ 35,204,032	\$ 19,684,288	\$ 21,234,239	\$ 21,734,977	\$ 17,249,730
State's proportionate share of net pension liability associated with the District	28,372,524	15,746,369	19,980,257	15,657,455	12,568,650
Total	<u>\$ 63,576,556</u>	<u>\$ 35,430,657</u>	<u>\$ 41,214,496</u>	<u>\$ 37,392,432</u>	<u>\$ 29,818,380</u>
District's covered payroll	\$ 57,589,464	\$ 53,246,493	\$ 50,608,925	\$ 41,402,433	\$ 35,073,700
District's proportionate share of collective net pension liability as a percentage of covered payroll	61.1%	37.0%	42.0%	52.5%	49.2%
Plan fiduciary net position as percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

\* The amounts presented above are as of the measurement date of the collective net pension liability.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of the District's Contribution for Pensions**

Fiscal years ended August 31, *	2024	2023	2022	2021	2020
Legally required contributions	\$ 5,523,399	\$ 4,905,086	\$ 4,516,523	\$ 3,928,024	\$ 3,278,320
Actual contributions	<u>5,523,399</u>	<u>4,905,086</u>	<u>4,516,523</u>	<u>3,928,024</u>	<u>3,278,320</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll amount	\$ 120,724,606	\$ 111,422,788	\$ 105,120,853	\$ 94,008,898	\$ 78,435,332
Contributions as a percentage of covered payroll	4.6%	4.4%	4.3%	4.2%	4.2%

Fiscal years ended August 31, *	2019	2018	2017	2016	2015
Legally required contributions	\$ 2,453,559	\$ 2,171,617	\$ 1,988,654	\$ 1,896,229	\$ 1,745,156
Actual contributions	<u>2,453,559</u>	<u>2,171,617</u>	<u>2,010,704</u>	<u>1,803,918</u>	<u>1,822,000</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,050)</u>	<u>\$ 92,311</u>	<u>\$ (76,844)</u>
District's covered payroll amount	\$ 67,685,206	\$ 57,589,464	\$ 53,246,493	\$ 50,608,925	\$ 45,965,875
Contributions as a percentage of covered payroll	3.6%	3.8%	3.8%	3.6%	4.0%

\* The amounts presented above are as of the District's fiscal year-end.



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of the District's Proportionate Share of Net OPEB Liability  
\*\* Last Seven Fiscal Years**

Fiscal years ended August 31,*	2024	2023	2022
District's proportion of collective net OPEB liability (%)	0.34528919%	0.33573265%	0.32530579%
District's proportionate share of collective net OPEB liability (\$)	\$ 92,252,741	\$ 95,640,043	\$ 116,705,100
State's proportionate share of net OPEB liability associated with the District	<u>54,777,448</u>	<u>59,070,679</u>	<u>67,173,446</u>
	<u>\$ 147,030,189</u>	<u>\$ 154,710,722</u>	<u>\$ 183,878,546</u>
District's covered payroll	\$ 131,955,217	\$ 126,764,877	\$ 115,001,448
District's proportionate share of collective net OPEB liability as a percentage of covered payroll	69.9%	75.4%	101.5%
Plan fiduciary net position as percentage of the total OPEB	0.63%	0.57%	0.38%

Fiscal years ended August 31,*	2021	2020	2019	2018
District's proportion of collective net OPEB liability (%)	0.26268022%	0.23851539%	0.22103739%	0.09191797%
District's proportionate share of collective net OPEB liability (\$)	\$ 86,801,710	\$ 82,437,298	\$ 65,510,490	\$ 31,319,220
State's proportionate share of net OPEB liability associated with the District	<u>61,859,090</u>	<u>62,938,382</u>	<u>53,074,547</u>	<u>28,185,772</u>
	<u>\$ 148,660,800</u>	<u>\$ 145,375,680</u>	<u>\$ 118,585,037</u>	<u>\$ 59,504,992</u>
District's covered payroll	\$ 98,096,908	\$ 86,588,184	\$ 76,655,205	\$ 71,436,733
District's proportionate share of collective net OPEB liability as a percentage of covered payroll	88.5%	95.2%	85.5%	43.8%
Plan fiduciary net position as percentage of the total OPEB	0.32%	0.17%	1.27%	2.04%

\* The amounts presented above are as of the measurement date of the collective net OPEB liability.

\*\* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of the District's Contributions for OPEB  
\*\* Last Seven Fiscal Years**

Fiscal years ended August 31,*	2024	2023	2022
Legally required contributions	\$ 1,120,886	\$ 1,065,736	\$ 885,055
Less: actual contributions	1,120,886	1,065,736	885,055
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered payroll amount	\$ 141,090,791	\$ 131,955,217	\$ 126,764,877
Ratio of: actual contributions / ER covered payroll amount	0.8%	0.8%	0.7%

Fiscal years ended August 31,*	2021	2020	2019	2018
Legally required contributions	\$ 921,585	\$ 815,700	\$ 400,846	\$ 967,914
Less: actual contributions	921,585	815,700	400,846	967,914
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered payroll amount	\$ 115,001,448	\$ 98,096,908	\$ 86,588,184	\$ 76,655,205
Ratio of: actual contributions / ER covered payroll amount	0.8%	0.8%	0.5%	1.3%

\* The amounts presented above are as of the District's fiscal year-end.

\*\* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Changes since Prior Actuarial Valuation for Pensions:**

There were no changes of assumptions for the year ended August 31, 2023.

**Changes of Assumptions for OPEB:**

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
- The proportion of future retirees assumed to elect health coverage at retirement and the proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effect on our short-term expectations.
- The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee has been updated to reflect recent plan experience and expected trends.
- The discount rate was changed from 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.



# THECB Supplemental Schedules

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**COLLIN COUNTY COMMUNITY COLLEGE  
DISTRICT**

**Texas Higher Education Coordinating Board (THECB)  
Supplemental Schedules**

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## COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

### Schedule of Operating Revenues For the Year ended August 31, 2024 (with comparative totals at August 31, 2023)

	Unrestricted	Restricted	Total Educational	Auxiliary Enterprises	Total	
					2024	2023
<b>Tuition</b>						
State funded courses:						
In-district resident tuition	\$ 30,354,505	\$ -	\$ 30,354,505	\$ -	\$ 30,354,505	\$ 27,724,627
Out-of-district resident tuition	21,421,230	-	21,421,230	-	21,421,230	19,819,836
TPEG Credit (set aside)*	2,203,813	-	2,203,813	-	2,203,813	1,929,051
Non-resident tuition	11,631,846	-	11,631,846	-	11,631,846	11,881,224
Continuing education	2,515,679	-	2,515,679	-	2,515,679	2,249,943
TPEG Non-Credit (set aside)*	195,796	-	195,796	-	195,796	156,140
Non-state funded continuing education	173,939	-	173,939	-	173,939	192,279
Total tuition	68,496,808	-	68,496,808	-	68,496,808	63,953,100
<b>Fees</b>						
General fees	1,087,104	-	1,087,104	-	1,087,104	1,252,630
Student activity fee	1,500,468	-	1,500,468	-	1,500,468	1,395,402
Laboratory fee	719,565	-	719,565	-	719,565	645,288
Total fees	3,307,137	-	3,307,137	-	3,307,137	3,293,320
<b>Scholarship allowances and discounts</b>						
Remissions and exemptions	(5,959,175)	-	(5,959,175)	-	(5,959,175)	(5,432,929)
TPEG awarded	(1,889,707)	-	(1,889,707)	-	(1,889,707)	(1,534,123)
Federal grants to students	(15,627,273)	-	(15,627,273)	-	(15,627,273)	(13,793,935)
Other	(1,821,070)	-	(1,821,070)	-	(1,821,070)	(862,375)
Total scholarship allowances	(25,297,225)	-	(25,297,225)	-	(25,297,225)	(21,623,362)
Total net tuition and fees	46,506,720	-	46,506,720	-	46,506,720	45,623,058
<b>Additional operating revenues</b>						
Federal grants and contracts	275,025	3,379,367	3,654,392	-	3,654,392	22,155,146
State grants and contracts	-	1,347,193	1,347,193	-	1,347,193	1,387,418
Nongovernmental grants and contracts	-	136,861	136,861	-	136,861	40,548
Sales and services of educational activities	762,341	-	762,341	-	762,341	768,718
Other operating revenues	604,162	-	604,162	-	604,162	467,892
Total additional operating revenues	1,641,528	4,863,421	6,504,949	-	6,504,949	24,819,722
<b>Auxiliary enterprises</b>						
Auxiliary enterprises	-	-	-	4,764,534	4,764,534	4,630,279
<b>Total operating revenues</b>	<b>\$ 48,148,248</b>	<b>\$ 4,863,421</b>	<b>\$ 53,011,669</b>	<b>\$ 4,764,534</b>	<b>\$ 57,776,203</b>	<b>\$ 75,073,059</b>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.033; \$2,399,609 and \$2,085,191 was set aside for Texas Public Education Grants (TPEG) in 2024 and 2023, respectively.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Operating Expenses by Object  
For the Year ended August 31, 2024  
(with comparative totals at August 31, 2023)**

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other Expenses	2024	2023
		State	Local			
Unrestricted - educational activities:						
Instruction	\$ 93,858,282	\$ -	\$ 17,945,034	\$ 5,532,979	\$ 117,336,295	\$ 108,013,945
Public service	135,338	-	23,916	2,840	162,094	144,878
Academic support	22,371,508	-	6,276,688	3,846,238	32,494,434	31,373,560
Student services	15,867,374	-	4,599,773	2,115,688	22,582,835	21,030,369
Institutional support	23,386,046	-	8,992,693	13,857,819	46,236,558	44,762,855
Operation and maintenance of plant	5,938,584	-	1,337,146	19,071,203	26,346,933	27,884,075
Total unrestricted educational activities	161,557,132	-	39,175,250	44,426,767	245,159,149	233,209,682
Restricted - educational activities:						
Instruction	118,288	6,439,480	22,404	1,349,864	7,930,036	6,395,083
Public service	309,461	47,445	70,371	25,784	453,061	437,019
Academic support	517,625	2,240,318	108,072	581,565	3,447,580	2,654,076
Student services	403,217	1,521,108	86,639	118,457	2,129,421	1,420,906
Institutional support	29,863	4,063,369	2,231	4,212	4,099,675	17,988,927
Scholarships	-	-	-	23,949,038	23,949,038	18,940,360
Total restricted educational activities	1,378,454	14,311,720	289,717	26,028,920	42,008,811	47,836,371
Total educational activities	162,935,586	14,311,720	39,464,967	70,455,687	287,167,960	281,046,053
Auxiliary enterprises	1,939,044	-	412,024	3,490,197	5,841,265	5,711,413
Depreciation expense:						
Buildings and other improvements	-	-	-	15,927,834	15,927,834	15,964,717
Equipment and furniture	-	-	-	13,897,233	13,897,233	11,241,010
Total depreciation expense	-	-	-	29,825,067	29,825,067	27,205,727
Total operating expenses	\$ 164,874,630	\$ 14,311,720	\$ 39,876,991	\$ 103,770,951	\$ 322,834,292	\$ 313,963,193
					(Exhibit 2)	(Exhibit 2)

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Non-Operating Revenues and Expenses  
For the Year ended August 31, 2024  
(with comparative totals at August 31, 2023)**

	Unrestricted	Restricted	Auxiliary enterprises	Totals	
				2024	2023
Non-operating revenues:					
State appropriations:					
Education and general state support	\$ 51,586,037	\$ -	\$ -	\$ 51,586,037	\$ 44,609,466
State group insurance	-	7,369,002	-	7,369,002	6,114,179
State retirement matching	-	8,563,096	-	8,563,096	5,071,292
OPEB revenue / (expenses)	-	(1,620,380)	-	(1,620,380)	(2,146,312)
Total state appropriations	51,586,037	14,311,718	-	65,897,755	53,648,625
Ad valorem taxes	146,115,911	12,494,914	-	158,610,825	154,182,140
Federal contracts and grants	97,075	35,726,215	-	35,823,290	30,566,088
State contracts and grants	-	3,548,220	-	3,548,220	1,307,369
Gifts	63,600	-	-	63,600	134,600
Investment income (net of investment expenses)	18,939,403	3,402,103	-	22,341,506	16,855,639
Other non-operating revenues	245,440	-	-	245,440	259,623
Total non-operating revenues	217,047,466	69,483,170	-	286,530,636	256,954,084
Non-operating expenses:					
Interest on capital related debt	(539,948)	(17,001,878)	-	(17,541,826)	(18,461,878)
Other non-operating expenses	(4,200)	(59,904)	-	(64,104)	(700)
Total non-operating expenses	(544,148)	(17,061,782)	-	(17,605,930)	(18,462,578)
Net non-operating revenues	\$ 216,503,318	\$ 52,421,388	\$ -	\$ 268,924,706	\$ 238,491,506
				(Exhibit 2)	(Exhibit 2)



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Net Position by Source and Availability  
For the Year ended August 31, 2024  
(with comparative totals at August 31, 2023)**

	Detail by Source				Capital Assets Net of Depreciation & Related Debt	Total	Available for Current Operations	
	Unrestricted	Restricted		Total			Yes	No
		Expendable	Non-Expendable					
Current:								
Unrestricted:								
Undesignated	\$ (55,793,647)	\$ -	\$ -	\$ -	\$ (55,793,647)	\$ (55,793,647)	\$ -	
Board designated:								
Stabilization of maintenance and operations	24,750,000	-	-	-	24,750,000	-	24,750,000	
Insurance deductibles	100,000	-	-	-	100,000	-	100,000	
Health reserve	-	-	-	-	-	-	-	
Restricted:								
Student aid/non-governmental grants and contracts	-	2,810,529	-	-	2,810,529	-	2,810,529	
Auxiliary enterprises	1,809,439	-	-	-	1,809,439	1,809,439	-	
Startup and stabilization	85,963,640	-	-	-	85,963,640	85,963,640	-	
Plant:								
Unexpended	129,244,374	-	-	-	129,244,374	-	129,244,374	
Debt service	-	23,629,685	-	-	23,629,685	-	23,629,685	
Net investment in capital assets	-	-	-	330,156,004	330,156,004	-	330,156,004	
Total net position - August 31, 2024	186,073,806	26,440,214	-	330,156,004	542,670,024 <small>(Exhibit 2)</small>	31,979,432	510,690,592	
Total net position - August 31, 2023	201,455,962	20,305,932	-	317,041,513	538,803,407 <small>(Exhibit 2)</small>	34,175,737	504,627,670	
Net increase (decrease) in net position	\$ (15,382,156)	\$ 6,134,282	\$ -	\$ 13,114,491	\$ 3,866,617 <small>(Exhibit 2)</small>	\$ (2,196,305)	\$ 6,062,922	

Note: Board policy requires that the District maintain a minimum fund balance equal to 25% of educational expenses adjusted for reserves and allocations. For the years ended August 31, 2024 and August 31, 2023, the minimum required unrestricted fund balance was \$61,190,585 and \$58,243,075, respectively. This amount is included as part of the undesignated balance.

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# Statistical

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# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Statistical Section**

These statistical tables provide selected financial and demographic information. The statistical tables are for informational purposes only and are not audited.

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## **Statistical Section**

### **(unaudited)**

Tables in the statistical section present detailed information as a context for understanding what the information contained in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the District.

#### Financial Trends- Statistical Supplements 1-3

These supplements contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

#### Revenue Capacity- Statistical Supplements 4-8

These supplements contain information to help the reader assess the District's significant revenue sources.

#### Debt Capacity- Statistical Supplements 9-11

These supplements present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt as needed in the future.

#### Demographic and Economic Information- Statistical Supplements 12-13

These supplements offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

#### Operating Information- Statistical Supplements 14-18

These supplements contain employment, enrollment and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Net Position by Component  
Fiscal Years 2015 to 2024  
(unaudited)**

	<b>For the Fiscal Year Ended August 31,</b>				
			<b>(a)</b>	<b>(b)</b>	
	<b>2024</b>	<b>2023</b>	<b>Restated 2022</b>	<b>Restated 2021</b>	<b>2020</b>
Net investment in capital assets	\$ 330,270,208	\$ 317,041,513	\$ 296,652,425	\$ 287,636,997	\$ 278,203,505
Restricted - expendable	32,837,664	20,305,932	14,537,546	20,951,426	13,127,520
Unrestricted	179,562,152	201,455,962	228,012,064	252,896,349	281,614,752
Total Net Position	<u>\$ 542,670,024</u>	<u>\$ 538,803,407</u>	<u>\$ 539,202,035</u>	<u>\$ 561,484,772</u>	<u>\$ 572,945,777</u>
Total Change in Net Position	<u>\$ 3,866,617</u>	<u>\$ (398,628)</u>	<u>\$ (22,282,737)</u>	<u>\$ (11,461,005)</u>	<u>\$ 16,054,557</u>

	<b>For the Fiscal Year Ended August 31,</b>				
		<b>(c)</b>			<b>(d)</b>
	<b>2019</b>	<b>Restated 2018</b>	<b>2017</b>	<b>2016</b>	<b>Restated 2015</b>
Net investment in capital assets	\$ 264,285,928	\$ 262,417,005	\$ 300,132,133	\$ 271,788,069	\$ 252,327,218
Restricted - expendable	15,454,451	1,299,745	2,480,187	1,630,910	965,347
Unrestricted	277,150,841	255,065,611	217,860,753	212,396,648	210,788,781
Total Net Position	<u>\$ 556,891,220</u>	<u>\$ 518,782,361</u>	<u>\$ 520,473,073</u>	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</u>
Total Change in Net Position	<u>\$ 38,108,859</u>	<u>\$ (1,690,712)</u>	<u>\$ 34,657,446</u>	<u>\$ 21,734,281</u>	<u>\$ 3,413,411</u>

Notes:

(a) For fiscal year 2023, the financial statements for fiscal year 2022 have been retroactively restated to reflect changes in accounting of SBITAs per the adoption of GASB 96.

Decrease in net position per Exhibit 2	\$ (22,565,557)
Cumulative effect of change in accounting principle	282,820
Total Change in Net Position	<u>\$ (22,282,737)</u>

(b) For fiscal year 2022, the financial statements for fiscal year 2021 have been retroactively restated to reflect changes in lease reporting per the adoption of GASB 87.

Decrease in net position per Exhibit 2	\$ (11,451,194)
Cumulative effect of change in accounting principle	(9,811)
Total Change in Net Position	<u>\$ (11,461,005)</u>

(c) The financial statements were restated in fiscal year 2018 to reflect changes in other post-employment benefits reporting per the adoption of GASB 75.

Increase in net position per Exhibit 2	\$ 34,867,985
Cumulative effect of change in accounting principle	(36,558,697)
Total Change in Net Position	<u>\$ (1,690,712)</u>

(d) The financial statements were restated in fiscal year 2015 to reflect changes in pension reporting per the adoption of GASB 68.

Increase in net position per Exhibit 2	\$ 22,957,426
Cumulative effect of change in accounting principle	(19,544,015)
Total Change in Net Position	<u>\$ 3,413,411</u>



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Revenues by Source  
Fiscal Years 2015 to 2024  
(unaudited)

	For the Fiscal Year Ended August 31,				
	2024	2023	2022	2021	2020
Tuition and Fees (Net of Discounts)	\$ 46,506,720	\$ 45,623,058	\$ 41,569,307	\$ 39,263,227	\$ 39,230,781
Governmental Grants and Contracts					
Federal Grants and Contracts	3,654,392	22,155,146	15,511,436	13,952,721	4,831,908
State Grants and Contracts	1,347,193	1,387,418	2,042,960	2,396,768	1,992,483
Non-Governmental Grants and Contracts	136,861	40,548	148,457	134,939	179,103
Sales & Services of Educational Activities	762,341	768,718	711,199	602,201	505,344
Auxiliary Enterprises	4,764,534	4,630,279	3,901,832	2,956,851	2,039,803
Other Operating Revenues	604,162	467,892	632,198	241,892	317,769
<b>Total Operating Revenues</b>	<u>57,776,203</u>	<u>75,073,059</u>	<u>64,517,389</u>	<u>59,548,599</u>	<u>49,097,191</u>
State Appropriations	65,897,755	53,648,625	50,730,109	49,492,556	50,782,813
Ad Valorem Taxes	158,610,825	154,182,140	132,471,746	124,226,128	118,378,106
Federal Grants and Contracts	35,823,290	30,566,088	45,828,359	33,107,077	30,649,045
State Grants and Contracts	3,548,220	1,307,369	-	-	-
Gifts	63,600	134,600	111,150	172,388	6,112,500
Investment Income	22,341,506	16,855,639	11,078	708,958	5,440,542
Other Non-Operating Revenues	245,440	259,623	245,440	251,333	245,440
<b>Total Non-Operating Revenues</b>	<u>286,530,636</u>	<u>256,954,084</u>	<u>229,397,882</u>	<u>207,958,440</u>	<u>211,608,446</u>
<b>Total Revenues</b>	<u>\$ 344,306,839</u>	<u>\$ 332,027,143</u>	<u>\$ 293,915,271</u>	<u>\$ 267,507,039</u>	<u>\$ 260,705,637</u>

	For the Fiscal Year Ended August 31,				
	2024	2023	2022	2021	2020
Tuition and Fees (Net of Discounts)	13.51%	13.74%	14.14%	14.68%	15.05%
Governmental Grants and Contracts					
Federal Grants and Contracts	1.06%	6.67%	5.28%	5.22%	1.85%
State Grants and Contracts	0.39%	0.42%	0.70%	0.90%	0.76%
Non-Governmental Grants and Contracts	0.04%	0.01%	0.05%	0.05%	0.07%
Sales & Services of Educational Activities	0.22%	0.23%	0.24%	0.23%	0.19%
Auxiliary Enterprises	1.38%	1.39%	1.33%	1.11%	0.78%
Other Operating Revenues	0.18%	0.14%	0.22%	0.09%	0.12%
<b>Total Operating Revenues</b>	<u>16.78%</u>	<u>22.60%</u>	<u>21.96%</u>	<u>22.28%</u>	<u>18.82%</u>
State Appropriations	19.14%	16.16%	17.26%	18.50%	19.48%
Ad Valorem Taxes	46.07%	46.44%	45.07%	46.42%	45.42%
Federal Grants and Contracts	10.40%	9.21%	15.59%	12.38%	11.76%
State Grants and Contracts	1.03%	0.39%	0.00%	0.00%	0.00%
Gifts	0.02%	0.04%	0.04%	0.06%	2.34%
Investment Income	6.49%	5.08%	0.00%	0.27%	2.09%
Other Non-Operating Revenues	0.07%	0.08%	0.08%	0.09%	0.09%
<b>Total Non-Operating Revenues</b>	<u>83.22%</u>	<u>77.40%</u>	<u>78.04%</u>	<u>77.72%</u>	<u>81.18%</u>
<b>Total Revenues</b>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Revenues by Source  
Fiscal Years 2015 to 2024  
(unaudited)**

	<b>For the Fiscal Year Ended August 31,</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Tuition and Fees (Net of Discounts)	\$ 40,182,049	\$ 35,922,095	\$ 34,777,289	\$ 30,671,124	\$ 28,426,123
Governmental Grants and Contracts					
Federal Grants and Contracts	2,171,735	1,864,618	1,650,574	2,192,596	6,687,572
State Grants and Contracts	1,609,536	2,836,838	2,477,397	1,637,637	1,797,840
Non-Governmental Grants and Contracts	150,053	237,701	276,616	74,452	8,950
Sales & Services of Educational Activities	919,031	995,562	744,120	681,057	644,103
Auxiliary Enterprises	2,376,831	1,970,718	1,740,221	5,036,125	8,829,679
Other Operating Revenues	1,089,590	365,138	469,662	356,464	311,361
<b>Total Operating Revenues</b>	<b>48,498,825</b>	<b>44,192,670</b>	<b>42,135,879</b>	<b>40,649,455</b>	<b>46,705,628</b>
State Appropriations	44,026,968	44,006,835	40,859,962	40,667,403	38,713,358
Ad Valorem Taxes	110,489,653	98,490,012	89,111,771	80,461,197	72,016,212
Federal Grants and Contracts	23,865,674	23,330,718	19,783,712	20,046,602	23,834,018
State Grants and Contracts	-	-	-	-	-
Gifts	6,209,422	30,070	3,620,000	1,650	62,538
Investment Income	12,134,040	6,375,739	2,183,790	803,614	212,730
Other Non-Operating Revenues	250,233	200,000	199,250	198,500	198,500
<b>Total Non-Operating Revenues</b>	<b>196,975,990</b>	<b>172,433,374</b>	<b>155,758,485</b>	<b>142,178,966</b>	<b>135,037,356</b>
<b>Total Revenues</b>	<b>\$ 245,474,815</b>	<b>\$ 216,626,044</b>	<b>\$ 197,894,364</b>	<b>\$ 182,828,421</b>	<b>\$ 181,742,984</b>

	<b>For the Fiscal Year Ended August 31,</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Tuition and Fees (Net of Discounts)	16.37%	16.58%	17.58%	16.78%	15.64%
Governmental Grants and Contracts					
Federal Grants and Contracts	0.88%	0.86%	0.83%	1.20%	3.68%
State Grants and Contracts	0.66%	1.31%	1.25%	0.90%	0.99%
Non-Governmental Grants and Contracts	0.06%	0.11%	0.14%	0.04%	0.00%
Sales & Services of Educational Activities	0.37%	0.46%	0.38%	0.37%	0.35%
Auxiliary Enterprises	0.97%	0.91%	0.88%	2.75%	4.86%
Other Operating Revenues	0.44%	0.17%	0.24%	0.19%	0.17%
<b>Total Operating Revenues</b>	<b>19.75%</b>	<b>20.40%</b>	<b>21.30%</b>	<b>22.23%</b>	<b>25.69%</b>
State Appropriations	17.94%	20.31%	20.65%	22.24%	21.30%
Ad Valorem Taxes	45.02%	45.48%	45.02%	44.02%	39.63%
Federal Grants and Contracts	9.72%	10.77%	10.00%	10.96%	13.11%
State Grants and Contracts	0.00%	0.00%	0.00%	0.00%	0.00%
Gifts	2.53%	0.01%	1.83%	0.00%	0.03%
Investment Income	4.94%	2.94%	1.10%	0.44%	0.12%
Other Non-Operating Revenues	0.10%	0.09%	0.10%	0.11%	0.11%
<b>Total Non-Operating Revenues</b>	<b>80.25%</b>	<b>79.60%</b>	<b>78.70%</b>	<b>77.77%</b>	<b>74.30%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Program Expenses by Function  
Fiscal Years 2015 to 2024  
(unaudited)**

**For the Fiscal Year Ended August 31,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Instruction	\$ 125,266,331	\$ 114,409,028	\$ 106,883,051	\$ 107,515,025	\$ 94,808,531
Public Service	615,155	581,897	734,651	706,221	633,445
Academic Support	35,942,014	34,027,636	29,810,751	23,120,562	20,472,310
Student Services	24,712,256	22,451,275	20,738,450	20,110,660	19,062,205
Institutional Support	50,336,233	62,751,782	51,305,444	40,961,730	39,239,368
Operation and Maintenance of Plant	26,346,933	27,884,075	23,570,715	20,882,496	16,518,861
Scholarships and Fellowships	23,949,038	18,940,360	36,856,190	24,078,545	22,555,231
Auxiliary Enterprises	5,841,265	5,711,413	4,543,309	3,828,317	4,038,776
Depreciation	29,825,067	27,205,727	22,838,726	18,691,859	12,552,149
<b>Total Operating Expenses</b>	<u>322,834,292</u>	<u>313,963,193</u>	<u>297,281,287</u>	<u>259,895,415</u>	<u>229,880,876</u>
Interest on Capital Related Debt	17,541,826	18,461,878	18,757,487	19,060,180	12,675,077
Other Non-operating Expenses	64,104	700	442,054	2,638	2,095,127
Loss on Disposal of Fixed Assets	-	-	-	-	-
<b>Total Non-Operating Expenses</b>	<u>17,605,930</u>	<u>18,462,578</u>	<u>19,199,541</u>	<u>19,062,818</u>	<u>14,770,204</u>
<b>Total Expenses</b>	<u>\$ 340,440,222</u>	<u>\$ 332,425,771</u>	<u>\$ 316,480,828</u>	<u>\$ 278,958,233</u>	<u>\$ 244,651,080</u>

**For the Fiscal Year Ended August 31,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Instruction	36.80%	34.42%	33.77%	38.54%	38.75%
Public Service	0.18%	0.18%	0.23%	0.25%	0.26%
Academic Support	10.56%	10.24%	9.42%	8.29%	8.37%
Student Services	7.26%	6.75%	6.55%	7.21%	7.79%
Institutional Support	14.79%	18.88%	16.21%	14.69%	16.05%
Operation and Maintenance of Plant	7.74%	8.39%	7.45%	7.49%	6.75%
Scholarships and Fellowships	7.02%	5.69%	11.64%	8.63%	9.22%
Auxiliary Enterprises	1.72%	1.72%	1.44%	1.37%	1.65%
Depreciation	8.76%	8.18%	7.22%	6.70%	5.13%
<b>Total Operating Expenses</b>	<u>94.83%</u>	<u>94.45%</u>	<u>93.93%</u>	<u>93.17%</u>	<u>93.97%</u>
Interest on Capital Related Debt	5.15%	5.55%	5.93%	6.83%	5.17%
Other Non-operating Expenses	0.02%	0.00%	0.14%	0.00%	0.86%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Non-Operating Expenses</b>	<u>5.17%</u>	<u>5.55%</u>	<u>6.07%</u>	<u>6.83%</u>	<u>6.03%</u>
<b>Total Expenses</b>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Program Expenses by Function  
Fiscal Years 2015 to 2024  
(unaudited)**

**For the Fiscal Year Ended August 31,**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Instruction	\$ 85,053,537	\$ 74,863,647	\$ 70,813,288	\$ 72,044,666	\$ 64,578,677
Public Service	438,331	533,546	701,327	1,260,478	758,294
Academic Support	16,817,374	14,226,341	12,194,878	11,908,733	15,485,516
Student Services	17,416,367	15,406,930	12,965,133	11,875,226	10,430,474
Institutional Support	32,273,267	26,911,239	24,213,569	19,966,816	18,940,401
Operation and Maintenance of Plant	15,561,126	13,444,347	12,933,541	11,666,212	10,388,845
Scholarships and Fellowships	18,571,380	18,760,158	16,856,378	16,342,810	19,417,452
Auxiliary Enterprises	2,470,080	2,253,950	3,038,575	6,413,444	9,548,337
Depreciation	9,423,418	9,053,254	8,788,326	8,392,630	7,711,950
<b>Total Operating Expenses</b>	<b>198,024,880</b>	<b>175,453,412</b>	<b>162,505,015</b>	<b>159,871,015</b>	<b>157,259,946</b>
Interest on Capital Related Debt	9,341,076	3,982,439	731,903	1,223,125	1,525,612
Other Non-operating Expenses	-	2,309,087	-	-	-
Loss on Disposal of Fixed Assets	-	13,121	-	-	-
<b>Total Non-Operating Expenses</b>	<b>9,341,076</b>	<b>6,304,647</b>	<b>731,903</b>	<b>1,223,125</b>	<b>1,525,612</b>
<b>Total Expenses</b>	<b>\$ 207,365,956</b>	<b>\$ 181,758,059</b>	<b>\$ 163,236,918</b>	<b>\$ 161,094,140</b>	<b>\$ 158,785,558</b>

**For the Fiscal Year Ended August 31,**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Instruction	41.02%	41.19%	43.39%	44.74%	40.67%
Public Service	0.21%	0.29%	0.43%	0.78%	0.48%
Academic Support	8.11%	7.83%	7.47%	7.39%	9.75%
Student Services	8.40%	8.48%	7.94%	7.37%	6.57%
Institutional Support	15.57%	14.80%	14.83%	12.39%	11.93%
Operation and Maintenance of Plant	7.50%	7.40%	7.92%	7.24%	6.54%
Scholarships and Fellowships	8.96%	10.32%	10.33%	10.14%	12.23%
Auxiliary Enterprises	1.19%	1.24%	1.86%	3.98%	6.01%
Depreciation	4.54%	4.98%	5.38%	5.21%	4.86%
<b>Total Operating Expenses</b>	<b>95.50%</b>	<b>96.53%</b>	<b>99.55%</b>	<b>99.24%</b>	<b>99.04%</b>
Interest on Capital Related Debt	4.50%	2.19%	0.45%	0.76%	0.96%
Other Non-operating Expenses	0.00%	1.27%	0.00%	0.00%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.01%	0.00%	0.00%	0.00%
<b>Total Non-Operating Expenses</b>	<b>4.50%</b>	<b>3.47%</b>	<b>0.45%</b>	<b>0.76%</b>	<b>0.96%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Tuition and Fees  
Last Ten Academic Years  
(unaudited)**

**Resident  
Fees per Semester Credit Hour (SCH)**

Academic Year (Fall)	Records Fee (per student)	Tuition		Building Use Fee (per hour)	Student Activity Fee (per hour)	Cost for 12 SCH		Change from Prior Year	
		In-District	Out-of-District			In-District	Out-of-District	In-District	Out-of-District
2023	\$ 2	\$ 60	\$ 115	\$ -	\$ 2	\$ 746	\$ 1,406	0.0%	0.0%
2022	2	60	115	-	2	746	1,406	8.7%	13.6%
2021	2	55	101	-	2	686	1,238	5.5%	3.0%
2020	2	52	98	-	2	650	1,202	0.0%	0.0%
2019	2	52	98	-	2	650	1,202	8.0%	4.2%
2018	2	48	94	-	2	602	1,154	8.7%	9.1%
2017	2	44	86	-	2	554	1,058	9.5%	6.0%
2016	2	41	82	-	1	506	998	7.7%	6.4%
2015	2	32	71	6	1	470	938	0.0%	0.0%
2014	2	32	71	6	1	470	938	2.6%	4.0%

**Non-Resident  
Fees per Semester Credit Hour (SCH)**

Academic Year (Fall)	Records Fee (per student)	Tuition		Building Use Fee (per hour)	Student Activity Fee (per hour)	Cost for 12 SCH		Change from Prior Year	
		Out of State	International			In-District	Out-of-District	In-District	Out-of-District
2023	\$ 2	\$ 185	\$ 185	\$ -	\$ 2	\$ 2,246	\$ 2,246	0.0%	0.0%
2022	2	185	185	-	2	2,246	2,246	10.0%	10.0%
2021	2	168	168	-	2	2,042	2,042	1.8%	1.8%
2020	2	165	165	-	2	2,006	2,006	0.0%	0.0%
2019	2	165	165	-	2	2,006	2,006	3.1%	3.1%
2018	2	160	160	-	2	1,946	1,946	8.7%	8.7%
2017	2	147	147	-	2	1,790	1,790	4.2%	4.2%
2016	2	142	142	-	1	1,718	1,718	3.6%	3.6%
2015	2	131	131	6	1	1,658	1,658	0.0%	0.0%
2014	2	131	131	6	1	1,658	1,658	2.2%	2.2%

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

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Assessed Value and Taxable Assessed Value of Property  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year	Assessed Valuation of Property	Less: Exemptions / Abatements	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2023-24	\$286,339,347,151	\$ 91,148,365,666	\$195,190,981,485	68.17%	0.075000	0.00622	0.081220
2022-23	\$241,608,724,839	\$ 49,455,820,156	\$192,152,904,683	79.53%	0.075000	0.00622	0.081220
2021-22	198,233,195,044	30,337,830,581	167,895,364,463	84.70%	0.079100	0.002122	0.081222
2020-21	188,791,935,841	29,225,450,705	159,566,485,136	84.52%	0.079100	0.002122	0.081222
2019-20	176,741,386,622	28,361,861,908	148,379,524,714	83.95%	0.079100	0.002122	0.081222
2018-19	165,358,186,889	27,407,338,073	137,950,848,816	83.43%	0.078190	0.003032	0.081222
2017-18	150,997,988,054	25,735,409,816	125,262,578,238	82.96%	0.077118	0.002692	0.079810
2016-17	134,712,150,568	24,102,439,926	110,609,710,642	82.11%	0.078174	0.003048	0.081222
2015-16	119,250,034,517	21,520,774,913	97,729,259,604	81.95%	0.078965	0.002995	0.081960
2014-15	103,609,292,320	15,479,038,414	88,130,253,906	85.06%	0.078965	0.002995	0.081960

(a) per \$100 Taxable Assessed Valuation

Note: Property is assessed at full market value.

Source: Collin County Central Appraisal District

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**General Appropriations Act Before Contact Hour Adjustments  
Last Ten Fiscal Years  
(unaudited)**

Appropriation Funding Elements	For the Year Ended August 31,				
	2024*	2023	2022	2021	2020
State Appropriations - Non Formula	\$ -	\$ -	\$ -	\$ -	\$ -
State Appropriations - Base Tier	-	-	-	-	-
State Appropriations - Performance Tier	51,586,037	-	-	-	-
State Appropriation Contact Hour Funding (CH)*	-	36,450,479	36,450,479	34,207,367	34,207,367
State Appropriation Student Success Points (SSP)*	-	7,478,581	7,478,581	4,946,247	4,946,247
State Appropriation Core Operations (CO)*	-	680,406	680,406	680,406	680,406
Recouped Funds/Audit Adj	-	-	-	9,108	11,391
<b>Total</b>	<b>\$ 51,586,037</b>	<b>\$ 44,609,466</b>	<b>\$ 44,609,466</b>	<b>\$ 39,843,128</b>	<b>\$ 39,845,411</b>

Appropriation Funding Elements	2019	2018	2017	2016	2015
Performance Based Funding	\$ -	\$ -	\$ -	\$ -	\$ -
State Appropriation Contact Hour Funding (CH)	31,084,468	31,084,468	29,864,582	29,923,738	29,252,294
State Appropriation Student Success Points (SSP)	3,735,127	3,735,128	3,320,992	3,320,993	3,383,781
State Appropriation Core Operations (CO)	680,406	680,406	500,000	500,000	500,000
Recouped Funds/Audit Adj	11,391	11,391	-	-	-
<b>Total</b>	<b>\$ 35,511,392</b>	<b>\$ 35,511,393</b>	<b>\$ 33,685,574</b>	<b>\$ 33,744,731</b>	<b>\$ 33,136,075</b>

\* Only applies to FY 2023 and prior fiscal years while this funding structure was in effect.

Source: THECB - Three-Pay Schedule, Ten Pay Schedule 2015-2023

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**State Appropriation per FTSE  
Last Ten Fiscal Years  
(unaudited)**

<u>Fiscal Year</u>	<u>State Appropriation (Unrestricted) From Sch C</u>	<u>FTSE<sup>1</sup></u>	<u>State Appropriation per FTSE</u>
2024	\$ 51,586,037	24,677	\$ 2,090
2023	44,609,466	22,819	1,955
2022	44,609,466	21,818	2,045
2021	39,843,128	21,556	1,848
2020	39,845,411	21,779	1,830
2019	35,511,392	20,656	1,719
2018	35,512,154	19,610	1,811
2017	33,739,730	18,717	1,803
2016	33,685,576	17,891	1,883
2015	33,136,075	17,864	1,855

<sup>1</sup> Fiscal Year (FY) FTSE is equal to The Sum of State Funded (Fall SCH + Spring SCH + Summer SCH for the Current FY/30SCH) plus State Funded Continuing Education (Fall CH + Spring CH + Summer CH for the Current FY/120 CH).

Source: CBM004 and CBM00C



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**State Appropriation per Contact Hour  
Last Ten Fiscal Years\*  
(unaudited)**

<u>Fiscal Year</u>	<u>CH - State Appropriation (Unrestricted)<sup>1</sup></u>	<u>Academic Contact Hours</u>	<u>Technical Contact Hours</u>	<u>Continuing Education Contact Hours</u>	<u>Total Contact Hours</u>	<u>CH - State Appropriation per Funded Contact Hour</u>
2024*	\$ -	-	-	-	-	\$ -
2023	36,450,479	10,604,120	3,146,184	457,257	14,207,561	2.57
2022	36,450,479	10,153,032	2,793,308	463,414	13,409,754	2.72
2021	34,207,367	10,640,136	2,269,184	394,167	13,303,487	2.57
2020	34,207,367	10,907,704	1,762,720	521,754	13,192,178	2.59
2019	31,084,468	10,904,854	1,606,672	625,733	13,137,259	2.37
2018	31,084,468	10,451,199	1,421,600	625,735	12,498,534	2.49
2017	29,864,582	9,890,990	1,369,872	633,393	11,894,255	2.51
2016	29,923,738	9,555,760	1,348,656	665,890	11,570,306	2.59
2015	29,252,294	8,977,240	1,363,840	615,142	10,956,222	2.67
2014	29,252,294	9,332,840	1,388,352	629,499	11,350,691	2.58

CH = State Funded Academic, Technical and Continuing Education Contact hours for Fall, Spring and Summer of the Current FY

<sup>1</sup> State Funded Contact Hour Appropriations as it appears in Schedule 6a

\* Only applies to FY 2023 and prior fiscal years while this funding structure was in effect.

Source: CBM004 and CBM00C

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**State Appropriation Per Student Success Point - Annualized  
Last Ten Fiscal Years\*  
(unaudited)**

<b>Fiscal Year</b>	<b>SSP - State Appropriation (Unrestricted)</b>	<b>3-Year Average Student Success Points</b>	<b>Appropriation per Student Success Point</b>
2024*	\$ -	-	\$ -
2023	7,478,581	60,334	124
2022	7,478,581	60,334	124
2021	4,946,247	48,844	101
2020	4,946,247	48,844	101
2019	3,735,127	43,544	86
2018	3,735,128	43,544	86
2017	3,320,992	38,485	86
2016	3,320,993	38,485	86
2015	3,383,781	36,557	93

\* Only applies to FY 2023 and prior fiscal years while this funding structure was in effect.

State Funded student success point appropriation as presented in Schedule 6a

Source: THECB - Three-Pay Schedule, Ten Pay Schedule 2015-2023

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Student Success Points (SSP)  
Six Fiscal Years<sup>1</sup>  
(unaudited)**

**For the Fiscal Year Ended August 31,**

<b>Success Point Elements<sup>2</sup></b>	<b>2021*</b>	<b>2020</b>	<b>2019**</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Degrees or Certs in Critical Fields	2,311	1,986	2,022	1,136	1,008	889
Degrees, CCCs, or Certs (Undup)	6,610	6,671	5,368	8,338	8,078	7,312
Math Readiness	1,444	1,744	961	1,040	1,064	837
Read Readiness	544	556	486	478	488	383
Student Transfers to a 4-Yr Inst	10,743	11,943	11,247	6,196	5,988	6,254
Students Who Complete 15 SCH	10,974	10,901	10,201	9,538	9,205	8,130
Students Who Complete 30 SCH	10,164	9,943	9,341	5,927	5,523	5,217
Students Who Pass FCL Math Course	7,237	7,791	6,728	6,054	5,728	5,529
Students Who Pass FCL Read Course	6,548	7,031	6,985	6,368	5,940	5,450
Students Who Pass FCL Write Course	6,385	6,913	6,872	6,215	5,765	5,309
Write Readiness	270	263	199	332	458	357
<b>Annual Success Points Total</b>	<b>63,230</b>	<b>65,742</b>	<b>60,410</b>	<b>51,622</b>	<b>49,245</b>	<b>45,667</b>

<sup>1</sup> Student Success Points funding was established by The General Appropriations Act, SB1, 83rd Texas Legislature. As such, SSP data is only available beginning in year 2016 and forward. Student Success Points were discontinued beginning with FY 2024.

<sup>2</sup> These are annual weighted SSP, not 3-year rolling averages.

\* 2021 is the most current year available. No current data is available for FY22, FY23, and FY24.

\*\* Utilized the most updated information including changes made to FY 2019

Source: THECB Accountability System

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Principal Taxpayers  
Last Ten Tax Years  
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2024	2023	2022	2021	2020
Texas Instruments, Inc	Manufacturer	\$ 3,072,281,972	\$ 1,909,511,992	\$ 822,609,379	\$ 235,321,892	\$ 179,559,887
Oncor Electric Delivery Company	Public Utility	779,918,720	797,946,750	718,708,443	666,336,300	586,563,240
Corporate Properties Trust I SPE #1 LLC	Commercial	-	722,623,725	714,253,292	707,032,327	725,887,092
Toyota Motor North America INC	Manufacturer	640,841,317	640,841,317	634,470,917	624,549,283	634,470,917
JP Morgan Chase Bank NA	Commercial	630,746,696	630,746,696	626,490,539	565,051,815	433,884,153
Coreweave Inc	Commercial	487,126,129	-	-	-	-
Legacy West Investors LP	Commercial	455,550,080	435,534,207	394,500,000	372,527,440	392,564,484
JFSF Edgewood 1-3 LLC	Commercial	427,854,528	-	-	-	-
Bank of America	Commercial	417,123,284	412,548,857	295,148,704	175,165,343	319,273,489
Liberty Mutual Plano LLC	Commercial	385,447,038	390,006,849	381,938,992	377,170,909	385,270,425
CCI-D 6501 Legacy Owners LLC	Commercial	348,571,439	356,210,866	335,000,000	-	-
Stonebriar Mall Ltd. Partnership	Commercial	348,754,057	341,025,726	331,853,647	327,766,669	354,194,082
Health Care Service Corporation	Commercial	339,173,112	338,477,716	336,126,339	333,160,554	342,496,820
Atmos Energy/Mid Tex Division	Commercial	371,524,954	327,249,717	274,063,937	295,259,831	272,524,706
5765 Bozeman (TX) Owner LP	Commercial	316,138,365	313,981,951	229,952,844	-	-
Harbert Parkside Investor LP	Commercial	266,994,038	265,470,217	253,741,682	-	-
T-Mobile West LLC	Commercial	-	246,659,922	267,796,614	197,673,166	-
Capital One National Association	Commercial	226,296,755	235,215,970	235,215,970	232,887,100	237,730,753
Blue Star HQ Inc	Commercial	221,550,743	225,596,462	217,920,051	224,437,922	224,713,504
Encore Wire Corporation	Manufacturer	220,283,295	211,036,786	-	-	-
Raytheon TI Systems Inc	Manufacturer	370,622,673	198,779,758	-	-	-
394 Pacific DCD LLC	Commercial	-	-	-	-	-
AT&T Mobility LLC	Telephone Utility	-	-	-	-	-
BCS Office Investments One LP	Commercial	-	-	-	-	-
Briar Preston Ridge Shop. Ctr.	Commercial	-	-	-	-	-
Cisco Systems	Commercial	-	-	-	-	-
Cisco Systems Sales & Service Inc	Commercial	-	-	-	-	159,000,000
CXA-16 Corporation	Commercial	-	-	-	332,634,547	-
EMC Corp	Commercial	-	-	-	-	-
HP Enterprise Services LLC	Commercial	-	-	-	-	-
HSP of Texas Inc	Commercial	-	-	-	-	-
JC Penney Co. Inc.	Commercial	-	-	-	-	-
KBSIII Legacy Town Center LLC	Commercial	-	-	-	167,200,000	165,382,954
Legacy Campus LP	Commercial	-	-	-	-	-
SI DFW01 ABS LLC	Commercial	-	-	-	-	-
Silos Harvesting Partners LP	Commercial	-	-	-	-	397,480,240
T5@Dallas LLC	Commercial	-	-	-	-	-
Texas Heart Hospital of the Southwest LLP	Commercial	-	-	-	162,571,929	169,745,271
United Dominion Realty LP	Commercial	-	-	-	-	-
VAA Improvements LLC	Commercial	-	-	-	-	160,680,000
Village at Allen LP	Commercial	-	-	-	-	-
Wal-Mart Stores Texas LLC	Commercial	-	-	-	-	-
Watters Creek LLC	Commercial	-	-	-	-	-
Willow Bend Shopping Center	Commercial	-	-	-	-	-
Qorvo Texas LLC	Manufacturer	-	-	173,002,383	178,972,094	174,902,640
UDR Legacy Village LLC	Commercial	-	-	176,750,105	163,556,782	163,000,000
<b>Totals</b>		<b>\$ 10,326,799,195</b>	<b>\$ 8,999,465,484</b>	<b>\$ 7,419,543,838</b>	<b>\$ 6,339,275,903</b>	<b>\$ 6,479,324,657</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 195,190,981,485</b>	<b>\$ 192,152,904,683</b>	<b>\$ 167,895,364,463</b>	<b>\$ 159,566,485,136</b>	<b>\$ 148,379,524,714</b>

Source: Tax Assessor/Collector of Collin County

Principal Taxpayers  
Last Ten Tax Years  
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2019	2018	2017	2016	2015
Texas Instruments, Inc	Manufacturer	\$ 171,414,883	\$ 190,297,524	\$ 195,581,438	\$ -	\$ -
Oncor Electric Delivery Company	Public Utility	-	544,867,308	511,950,135	543,516,118	541,253,800
Corporate Properties Trust I SPE #1 LLC	Commercial	711,682,592	720,068,550	685,493,462	-	-
Toyota Motor North America INC	Manufacturer	613,365,733	592,679,891	358,473,658	-	-
JP Morgan Chase Bank NA	Commercial	362,487,692	312,538,085	140,967,122	-	-
Coreweave Inc		-	-	-	-	-
Legacy West Investors LP	Commercial	378,750,238	340,861,050	221,702,635	-	-
JFSF Edgewood 1-3 LLC		-	-	-	-	-
Bank of America	Commercial	280,562,279	248,522,533	198,249,810	438,945,810	386,940,931
Liberty Mutual Plano LLC	Commercial	377,568,425	345,798,915	-	-	-
CCI-D 6501 Legacy Owners LLC	Commercial	-	-	-	-	-
Stonebriar Mall Ltd. Partnership	Commercial	330,831,345	321,459,957	294,907,713	287,982,811	276,304,342
Health Care Service Corporation	Commercial	335,422,191	292,703,563	257,500,000	234,520,075	234,520,075
Atmos Energy/Mid Tex Division	Commercial	253,817,943	174,619,058	-	-	-
5765 Bozeman (TX) Owner LP	Commercial	-	-	-	-	-
Harbert Parkside Investor LP	Commercial	-	-	-	-	-
T-Mobile West LLC	Commercial	167,217,724	-	-	-	-
Capital One National Association	Commercial	232,838,352	216,428,297	190,788,000	149,429,000	147,883,770
Blue Star HQ Inc	Commercial	210,342,421	201,017,500	-	-	-
Encore Wire Corporation	Manufacturer	-	-	-	-	-
Raytheon TI Systems Inc	Manufacturer	-	-	-	-	-
394 Pacific DCD LLC	Commercial	-	187,235,847	168,000,000	-	-
AT&T Mobility LLC	Telephone Utility	-	189,870,432	149,825,169	161,911,224	180,969,477
BCS Office Investments One LP	Commercial	-	-	-	362,453,234	329,153,747
Briar Preston Ridge Shop. Ctr.	Commercial	-	-	-	121,936,281	121,815,390
Cisco Systems	Commercial	-	-	-	-	163,176,492
Cisco Systems Sales & Service Inc	Commercial	194,800,000	181,600,000	155,000,000	135,112,776	122,829,796
CXA-16 Corporation	Commercial	-	-	-	-	-
EMC Corp	Commercial	-	-	-	-	122,159,054
HP Enterprise Services LLC	Commercial	-	-	178,540,755	151,351,731	146,470,263
HSP of Texas Inc	Commercial	-	-	149,281,614	143,641,649	144,545,391
JC Penney Co. Inc.	Commercial	-	-	-	166,000,000	165,336,836
KBSIII Legacy Town Center LLC	Commercial	-	163,915,077	154,458,567	-	-
Legacy Campus LP	Commercial	-	-	139,524,292	133,735,904	139,950,145
SI DFW01 ABS LLC	Commercial	224,700,000	-	-	-	-
Silos Harvesting Partners LP	Commercial	389,652,603	310,000,000	245,000,000	-	-
T5@Dallas LLC	Commercial	-	-	-	146,000,000	125,500,000
Texas Heart Hospital of the Southwest LLP	Commercial	177,346,413	-	-	-	-
United Dominion Realty LP	Commercial	-	-	-	122,947,560	-
VAA Improvements LLC	Commercial	162,926,685	160,963,346	-	-	-
Village at Allen LP	Commercial	-	-	154,189,216	147,302,454	144,273,092
Wal-Mart Stores Texas LLC	Commercial	-	-	-	-	139,644,608
Watters Creek LLC	Commercial	-	-	-	117,750,824	-
Willow Bend Shopping Center	Commercial	-	-	-	140,600,000	200,800,000
Qorvo Texas LLC	Manufacturer	196,551,827	-	-	190,075,709	-
UDR Legacy Village LLC	Commercial	-	155,600,000	142,527,900	-	-
Totals		\$ 5,772,279,346	\$ 5,851,046,933	\$ 4,691,961,486	\$ 3,895,213,160	\$ 3,833,527,209
<b>Total Taxable Assessed Value</b>		<b>\$ 137,950,848,816</b>	<b>\$ 125,262,578,238</b>	<b>\$ 110,609,710,642</b>	<b>\$ 97,729,259,604</b>	<b>\$ 88,130,253,906</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Property Tax Levies and Collections  
Last Ten Tax Years  
(unaudited)  
(amounts expressed in thousands)**

<b>Fiscal Year Ended August 31</b>	<b>Levy (a)</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy (b)</b>	<b>Collections Year of Levy (c)</b>	<b>Percentage</b>	<b>Collections of Prior Years (d)</b>	<b>Collections of Penalties and Interest (e)</b>	<b>Total Collections (c + d + e)</b>	<b>Cumulative Collections of Adjusted Levy</b>
2024	\$ 157,887	\$ 4,946	\$ 162,833	\$ 160,717	98.70%	\$ 807	\$ 477	\$ 162,001	99.49%
2023	151,001	7,110	158,111	156,186	98.78%	697	690	157,573	99.66%
2022	134,544	600	135,144	133,934	99.10%	703	581	135,218	100.05%
2021	126,519	514	127,033	125,968	99.16%	268	659	126,895	99.89%
2020	121,041	2,933	123,974	120,008	96.80%	321	666	120,995	97.60%
2019	112,145	2,631	114,776	111,448	97.10%	830	619	112,897	98.36%
2018	100,783	2,267	103,050	99,383	96.44%	844	544	100,771	97.79%
2017	91,096	2,941	94,037	89,217	94.87%	1,157	648	91,022	96.79%
2016	82,019	2,092	84,111	80,484	95.69%	1,239	597	82,320	97.87%
2015	73,897	1,544	75,441	72,385	95.95%	818	496	73,699	97.69%

- (a) As reported in notes to the financial statement for the year of the levy.
- (b) As of August 31st of the current reporting year.
- (c) Property tax only - does not include penalties and interest.
- (d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.
- (e) Represents current year collections of prior years levies.

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Ratios of Outstanding Debt  
Last Ten Fiscal Years  
(unaudited)**

For the Fiscal Year Ended August 31,

	<u>2024</u>	<u>2023</u>	<u>2022*</u>	<u>2021*</u>	<u>2020</u>
<b>General Bonded Debt</b>					
General Obligation Bonds	\$ 511,186,381	\$ 534,989,981	\$ 556,523,582	\$ 575,747,183	\$ 596,311,827
Less: Funds Restricted for Debt Service	(13,960,709)	(12,595,820)	(10,409,124)	(10,188,965)	(7,378,630)
Net General Bonded Debt	<u>497,225,672</u>	<u>522,394,161</u>	<u>546,114,458</u>	<u>565,558,218</u>	<u>588,933,197</u>
<b>Other Debt</b>					
Revenue Bonds	-	-	-	-	-
Lease and SBITA Liabilities	12,712,469	14,745,540	14,916,690	1,327,349	-
Total Other Debt	<u>12,712,469</u>	<u>14,745,540</u>	<u>14,916,690</u>	<u>1,327,349</u>	<u>-</u>
Total Net Outstanding Debt	<u>\$ 509,938,141</u>	<u>\$ 537,139,701</u>	<u>\$ 561,031,148</u>	<u>\$ 566,885,567</u>	<u>\$ 588,933,197</u>
Total Gross Amount of Outstanding Debt	<u>\$ 523,898,850</u>	<u>\$ 549,735,521</u>	<u>\$ 571,440,272</u>	<u>\$ 577,074,532</u>	<u>\$ 596,311,827</u>
<b>General Bonded Debt Ratios</b>					
Per Capita	429.13	450.85	492.23	531.31	569.17
Per FTSE	20,149	22,893	25,030	26,237	27,041
As a Percentage of Taxable Assessed Value	0.26%	0.27%	0.33%	0.35%	0.40%
<b>Total Outstanding Debt Ratios</b>					
Per Capita	452.15	474.44	7.48	8.14	576.30
Per FTSE	20,664	23,539	25,714	26,298	27,041
As a Percentage of Taxable Assessed Value	0.27%	0.28%	0.33%	0.36%	0.40%

\* Restated

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Ratios of Outstanding Debt  
Last Ten Fiscal Years  
(unaudited)**

For the Fiscal Year Ended August 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Bonded Debt</b>					
General Obligation Bonds	\$ 256,487,832	\$ 264,388,553	\$ 14,843,861	\$ 17,206,467	\$ 31,787,200
Less: Funds Restricted for Debt Service	(6,342,738)	(2,250,198)	(894,905)	(552,079)	(364,843)
Net General Bonded Debt	<u>250,145,094</u>	<u>262,138,355</u>	<u>13,948,956</u>	<u>16,654,388</u>	<u>31,422,357</u>
<b>Other Debt</b>					
Revenue Bonds	-	-	1,095,000	2,160,000	3,195,000
Lease and SBITA Liabilities	-	-	-	-	-
Total Other Debt	<u>-</u>	<u>-</u>	<u>1,095,000</u>	<u>2,160,000</u>	<u>3,195,000</u>
Total Outstanding Debt	<u>\$ 250,145,094</u>	<u>\$ 262,138,355</u>	<u>\$ 15,043,956</u>	<u>\$ 18,814,388</u>	<u>\$ 34,617,357</u>
Total Gross Amount of Outstanding Debt	<u>\$ 256,487,832</u>	<u>\$ 264,388,553</u>	<u>\$ 15,938,861</u>	<u>\$ 19,366,467</u>	<u>\$ 34,982,200</u>
<b>General Bonded Debt Ratios</b>					
Per Capita	248.86	14.85	18.22	35.50	40.72
Per FTSE	12,110	13,367	804	1,052	1,938
As a Percentage of Taxable Assessed Value	0.18%	0.21%	0.01%	0.02%	0.04%
<b>Total Outstanding Debt Ratios</b>					
Per Capita	255.17	16.96	21.19	39.52	45.63
Per FTSE	12,110	13,367	804	1,052	1,938
As a Percentage of Taxable Assessed Value	0.18%	0.01%	0.02%	0.04%	0.05%

General Obligation Bonds

For the Year Ended August 31	Net Taxable Assessed Value	Statutory Tax Levy Limit for Debt Service (\$0.12/\$100)	Less: Funds Restricted for Repayment	Total Net Debt	Current Year Debt Service	Excess of Statutory Limit for Debt Service over Current Requirement	Net Current Requirements as a % of Statutory Limit
2024	\$ 195,190,981,485	\$ 234,229,178	\$ 13,960,709	\$ 220,268,469	\$ 44,166,757	\$ 176,101,712	12.90%
2023	192,152,904,683	230,583,486	12,595,820	217,987,666	42,807,507	175,180,159	13.10%
2022	167,895,364,463	201,474,437	10,409,124	191,065,313	41,292,757	149,772,556	15.33%
2021	159,566,485,139	191,479,782	10,188,965	181,290,817	46,979,928	134,310,889	19.21%
2020	148,379,524,714	178,055,430	7,378,630	170,676,800	22,263,613	148,413,187	8.36%
2019	137,950,848,816	165,541,019	6,342,738	159,198,281	20,561,942	138,636,339	8.59%
2018	125,262,578,238	150,315,094	2,250,198	148,064,896	3,107,481	144,957,415	0.57%
2017	110,609,710,642	132,731,653	894,905	131,836,748	3,095,281	128,741,467	1.66%
2016	97,729,259,604	117,275,112	552,079	116,723,033	4,567,230	112,155,803	3.42%
2015	88,130,253,906	105,756,305	364,843	105,391,462	4,470,731	100,920,731	3.88%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars TAV.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Pledged Revenue Coverage  
Last Ten Fiscal Years  
(unaudited)**

**Revenue Bonds**

Fiscal Year Ended August 31	Pledged Revenues						Debt Service Requirements			Coverage Ratio
	Tuition	Building Fees	Interest Income	Food Services	Bookstore Commission	Total	Principal	Interest	Total	
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2023	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2018	1,050,668	-	4,058,101	638,312	853,467	6,600,548	1,095,000	16,261	1,111,261	5.94
2017	968,370	-	2,160,097	353,272	740,618	4,222,357	1,065,000	48,337	1,113,337	3.79
2016	921,998	3,326,064	795,600	93,547	4,253,551	9,390,760	1,035,000	79,522	1,114,522	8.43
2015	906,060	3,288,927	210,829	100,000	7,795,310	12,301,126	1,000,000	109,742	1,109,742	11.08

Note: Currently the District has no outstanding or pledged revenue bonds.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(unaudited)**

<b>Fiscal Year</b>	<b>District Population<sup>1</sup></b>	<b>District Personal Income (\$ in thousands)<sup>2</sup></b>	<b>District Personal Income Per Capita</b>	<b>District Unemployment Rate<sup>3</sup></b>
2024	1,195,359	\$103,829,292	\$86,860	3.9%
2023	1,158,696	95,700,547	82,593	3.1%
2022	1,109,462	76,380,741	71,246	4.3%
2021	1,064,465	70,852,208	68,474	4.0%
2020	1,034,730	66,212,712	65,874	5.4%
2019	1,005,146	62,078,378	64,025	3.1%
2018	969,603	57,482,679	61,179	3.4%
2017	939,585	62,113,034	63,911	3.7%
2016	914,127	58,385,800	61,866	3.8%
2015	885,241	54,420,085	59,532	3.6%

<sup>1</sup> Source: Population statistics obtained from July preceding the fiscal year presented; i.e. 2023 Census Bureau used for fiscal year 2024

<sup>2</sup> Personal Income from U.S. Bureau of Economic Analysis - for all years presented except for fiscal years 2018-2021; data obtained from Texas Association of Counties for fiscal years 2018-2021.

<sup>3</sup> All Unemployment rates obtained from Texas Workforce Commission LCMi Tracer, except Fiscal Year 2018; 2018 fiscal year data was obtained from Texas Association of Counties.

**Principal Employers  
Current Fiscal Year to Nine Years Prior  
(unaudited)**

<b>Employer</b>	<b>2024</b>		<b>2015</b>	
	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>	<b>Number of Employees</b>	<b>Percentage of Total Employment</b>
State Farm Insurance Corporate Office	10,000	1.59%	-	0.00%
JP Morgan Chase	9,500	1.51%	-	0.00%
Frisco Independent School District	8,799	1.40%	-	0.00%
Capital One Finance	7,542	1.20%	3,500	0.78%
Toyota North American HG	4,573	0.73%	4,000	0.89%
Bank of America	4,500	0.72%	4,646	1.03%
Raytheon Intelligence and Space	4,347	0.69%	-	0.00%
University of Texas at Dallas	3,455	0.55%	3,500	0.78%
Blue Cross Blue Shield of Texas	3,100	0.49%	3,100	0.69%
McKinney Independent School District	2,749	0.44%	-	0.00%
No longer eligible for listing	-	0.00%	25,638	5.68%
	<b>58,565</b>	<b>9.32%</b>	<b>44,384</b>	<b>9.82%</b>

Percentages are calculated based on the total number employed in Collin County.

Source: Collin County Annual Comprehensive Financial Report 2023

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Faculty, Staff, and Administrators Statistics  
Last Ten Tax Years  
(unaudited)**

	Fiscal Year				
	2024	2023	2022	2021	2020
<b>Faculty</b>					
Full-Time	547	541	500	532	472
Part-Time	1,482	1,196	812	881	982
<b>Total</b>	<b>2,029</b>	<b>1,737</b>	<b>1,312</b>	<b>1,413</b>	<b>1,454</b>
<b>Percent</b>					
Full-Time	27.0%	31.1%	38.1%	37.7%	32.5%
Part-Time	73.0%	68.9%	61.9%	62.3%	67.5%
<b>Staff and Administrators</b>					
Full-Time	1,031	1,020	988	946	808
Part-Time	503	473	392	425	740
<b>Total</b>	<b>1,534</b>	<b>1,493</b>	<b>1,380</b>	<b>1,371</b>	<b>1,548</b>
<b>Percent</b>					
Full-Time	67.2%	68.3%	71.6%	69.0%	52.2%
Part-Time	32.8%	31.7%	28.4%	31.0%	47.8%
FTSE per Full-Time Faculty	41.72	3.61	50.48	47.44	55.18
FTSE per Full-Time Staff Member	22.13	1.92	25.55	26.68	32.23
Average Annual Faculty Salary	\$ 74,012	\$ 74,399	\$ 74,217	\$ 70,855	\$ 68,070

Sources: FTSE as reported on CBM001/CBM00A; IPEDS Human Resource Report

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Faculty, Staff, and Administrators Statistics  
Last Ten Tax Years  
(unaudited)**

	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Faculty</b>					
Full-Time	436	402	395	409	396
Part-Time	952	1,000	945	905	885
Total	<u>1,388</u>	<u>1,402</u>	<u>1,340</u>	<u>1,314</u>	<u>1,281</u>
<b>Percent</b>					
Full-Time	31.4%	28.7%	29.5%	31.1%	30.9%
Part-Time	68.6%	71.3%	70.5%	68.9%	69.1%
<b>Staff and Administrators</b>					
Full-Time	735	685	648	626	638
Part-Time	576	599	599	583	610
Total	<u>1,311</u>	<u>1,284</u>	<u>1,247</u>	<u>1,209</u>	<u>1,248</u>
<b>Percent</b>					
Full-Time	56.1%	53.3%	52.0%	51.8%	51.1%
Part-Time	43.9%	46.7%	48.0%	48.2%	48.9%
FTSE per Full-Time Faculty	59.99	62.32	61.55	57.97	56.36
FTSE per Full-Time Staff Member	35.59	36.57	37.52	37.87	34.98
Average Annual Faculty Salary	\$ 69,311	\$ 66,728	\$ 65,167	\$ 62,315	\$ 60,412







**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Student Profile  
Last Ten Fiscal Years  
(unaudited)**

Gender	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	17,197	46%	15,787	45%	14,764	44%	15,113	43%	15,489	44%
Female	20,579	54%	19,298	55%	18,926	56%	20,279	57%	19,655	56%
Total	<u>37,776</u>	<u>100%</u>	<u>35,085</u>	<u>100%</u>	<u>33,690</u>	<u>100%</u>	<u>35,392</u>	<u>100%</u>	<u>35,144</u>	<u>100%</u>

Ethnic Origin	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	15,314	40%	15,015	43%	15,042	45%	16,574	46%	16,751	48%
Hispanic	8,401	22%	7,783	22%	7,427	22%	7,395	21%	7,386	21%
African American	4,640	13%	4,189	12%	3,956	12%	4,142	12%	3,955	11%
Asian	5,592	15%	4,767	14%	4,188	12%	4,193	12%	3,907	11%
Foreign	612	2%	606	2%	578	2%	538	2%	725	2%
Native American	152	0%	123	0%	121	0%	131	0%	123	0%
Other	3,065	8%	2,602	7%	2,378	7%	2,419	7%	2,297	7%
Total	<u>37,776</u>	<u>100%</u>	<u>35,085</u>	<u>100%</u>	<u>33,690</u>	<u>100%</u>	<u>35,392</u>	<u>100%</u>	<u>35,144</u>	<u>100%</u>

Age	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	10,738	28%	9,139	26%	8,361	25%	9,556	27%	8,339	23%
18 - 21	16,096	43%	15,403	44%	14,923	44%	15,172	43%	15,634	44%
22 - 24	4,214	11%	4,001	11%	3,689	11%	3,714	10%	4,076	12%
25 - 35	4,241	11%	4,056	12%	4,260	13%	4,439	13%	4,536	13%
36 - 50	1,964	5%	1,975	6%	1,964	6%	2,023	6%	2,024	6%
51 & Over	523	1%	511	1%	493	1%	488	1%	535	2%
Total	<u>37,776</u>	<u>100%</u>	<u>35,085</u>	<u>100%</u>	<u>33,690</u>	<u>100%</u>	<u>35,392</u>	<u>100%</u>	<u>35,144</u>	<u>100%</u>

Average Age (Fall)	21.6	21.8	21.8	21.8	22.1
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Source: Collin College's Institutional Research Office based on official Fall Census Headcount reports.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Student Profile  
Last Ten Fiscal Years  
(unaudited)**

Gender	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	14,899	44%	14,214	45%	13,315	45%	12,697	45%	12,371	44%
Female	18,778	56%	17,405	55%	16,388	55%	15,490	55%	15,620	56%
Total	<u>33,677</u>	<u>100%</u>	<u>31,619</u>	<u>100%</u>	<u>29,703</u>	<u>100%</u>	<u>28,187</u>	<u>100%</u>	<u>27,991</u>	<u>100%</u>

Ethnic Origin	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	16,309	49%	15,508	49%	14,961	51%	14,676	52%	14,786	53%
Hispanic	6,867	20%	6,249	20%	5,699	19%	5,360	20%	5,190	19%
African American	3,798	11%	3,644	12%	3,361	11%	3,264	12%	3,384	12%
Asian	3,641	11%	3,292	10%	2,903	10%	2,592	9%	2,396	9%
Foreign	794	2%	1,008	3%	1,173	4%	908	3%	891	3%
Native American	135	0%	134	0%	136	0%	137	0%	124	0%
Other	2,133	7%	1,784	6%	1,470	5%	1,250	4%	1,220	4%
Total	<u>33,677</u>	<u>100%</u>	<u>31,619</u>	<u>100%</u>	<u>29,703</u>	<u>100%</u>	<u>28,187</u>	<u>100%</u>	<u>27,991</u>	<u>100%</u>

Age	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	7,224	21%	5,530	17%	4,533	15%	3,765	13%	3,161	11%
18 - 21	15,180	45%	14,678	46%	13,681	46%	13,052	47%	12,787	46%
22 - 24	3,932	12%	4,019	13%	3,813	13%	3,670	13%	3,701	13%
25 - 35	4,607	13%	4,636	15%	4,730	16%	4,619	16%	4,879	17%
36 - 50	2,191	7%	2,263	7%	2,386	8%	2,466	9%	2,761	10%
51 & Over	543	2%	493	2%	560	2%	615	2%	702	3%
Total	<u>33,677</u>	<u>100%</u>	<u>31,619</u>	<u>100%</u>	<u>29,703</u>	<u>100%</u>	<u>28,187</u>	<u>100%</u>	<u>27,991</u>	<u>100%</u>

Average Age (Fall)	22.4	22.8	23.3	23.7	24.3
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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Transfers to Senior Institutions  
2021 Fall Students as of Fall 2022  
(Includes community, technical and public senior colleges in Texas)  
(unaudited)**

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
<b>Universities</b>						
Angelo State University	7	4	-	-	11	0.15%
Lamar University	6	5	-	-	11	0.15%
Midwestern State University	21	7	-	-	28	0.37%
Prairie View A&M University	12	13	-	-	25	0.33%
Sam Houston State University	59	10	-	-	69	0.91%
Stephen F. Austin State University	89	39	-	-	128	1.69%
Sul Ross State University	2	-	-	-	2	0.03%
Sul Ross State University - Rio Grande College	1	-	-	-	1	0.01%
Tarleton State University	74	39	-	-	113	1.49%
Texas A&M International University	1	1	-	-	2	0.03%
Texas A&M University	512	242	-	-	754	9.94%
Texas A&M University - Central Texas	6	1	-	-	7	0.09%
Texas A&M University - Commerce	220	42	-	-	262	3.45%
Texas A&M University - Corpus Christi	15	3	-	-	18	0.24%
Texas A&M University - Galveston	13	4	-	-	17	0.22%
Texas A&M University - Kingsville	1	-	-	-	1	0.01%
Texas A&M University - San Antonio	1	1	-	-	2	0.03%
Texas A&M University - Texarkana	4	1	-	-	5	0.07%
Texas Southern University	5	2	-	-	7	0.09%
Texas State University - San Marcos	196	62	-	-	258	3.40%
Texas Tech University	384	236	-	-	620	8.17%
Texas Woman's University	282	93	-	-	375	4.94%
The University of Texas - Rio Grande Valley	1	-	-	-	1	0.01%
The University of Texas at Arlington	192	75	-	-	267	3.52%
The University of Texas at Austin	352	157	-	-	509	6.71%
The University of Texas at Dallas	1,614	583	-	-	2,197	28.98%
The University of Texas at El Paso	1	2	-	-	3	0.04%
The University of Texas at San Antonio	20	11	-	-	31	0.41%
The University of Texas at Tyler	27	19	-	-	46	0.61%
The University of Texas of the Permian Basin	5	1	-	-	6	0.08%
University of Houston	59	23	-	-	82	1.08%
University of Houston - Clear Lake	-	2	-	-	2	0.03%
University of Houston - Downtown	4	1	-	-	5	0.07%
University of Houston - Victoria	1	-	-	-	1	0.01%
University of North Texas	1,301	281	-	-	1,582	20.86%
University of North Texas at Dallas	17	3	-	-	20	0.26%
West Texas A&M University	18	6	-	-	24	0.32%
<b>Total</b>	<b>5,523</b>	<b>1,969</b>	<b>-</b>	<b>-</b>	<b>7,492</b>	<b>98.79%</b>
<b>Health Science Institutions</b>						
Sam Houston State University Medical School	2	1	-	-	3	0.04%
Texas A&M Univ Health Science Center	13	7	-	-	20	0.25%
Texas Tech Univ Health Sciences Center	22	18	-	-	40	0.53%
Texas Tech Univ Health Sciences Center - El Paso	2	-	-	-	2	0.03%
The Univ of Texas Health Science Ctr at Houston	-	-	-	-	-	0.00%
The Univ of Texas Health Science Ctr at San Antonio	-	1	-	-	1	0.01%
The Univ of Texas MD Anderson Cancer Center	-	-	-	-	-	0.00%
The Univ of Texas Health Science Center at Tyler	-	-	-	-	-	0.00%
The Univ of Texas Medical Branch at Galveston	9	3	-	-	12	0.16%
The University of Texas Southwestern Medical Center	1	-	-	-	1	0.01%
The University of Texas - Rio Grande Valley - Medical School	1	-	-	-	1	0.01%
University of N Texas Health Science Ctr	9	4	-	-	13	0.17%
<b>Total</b>	<b>59</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>93</b>	<b>1.21%</b>
<b>Grand Total</b>	<b>5,582</b>	<b>2,003</b>	<b>-</b>	<b>-</b>	<b>7,585</b>	<b>100.00%</b>

\* 2021 is the most current year available. No current data is available for FY23 and FY24.

Source: THECB-Academic Performance of 2-Year College Transfer Students

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Capital Asset Information  
Last Ten Fiscal Years  
(unaudited)**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Academic Building Square Footage	22	22	22	22	19	12	12	11	11	9
	1,947,338	1,947,338	1,947,338	1,943,305	1,708,744	1,244,952	1,244,952	1,105,585	1,105,585	957,433
Libraries Square Footage	7	7	7	7	5	3	3	3	3	3
	352,108	352,108	352,108	352,108	334,842	295,429	295,429	295,429	295,429	295,429
Administrative and Support Buildings Square Footage*	618,729	618,729	618,729	580,429	580,429	456,649	456,649	449,314	449,314	449,314
Dining Facilities Square Footage	4	4	4	4	4	2	2	2	2	2
	29,117	29,117	29,117	29,117	29,117	11,926	11,926	11,926	11,926	11,926
Athletic Facilities Square Footage	4	4	4	4	4	3	3	3	3	3
	97,647	97,647	97,647	97,647	97,647	89,647	89,647	89,647	89,647	89,647
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	4	4	4	4	4	3	3	3	3	3
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Student Housing Facilities Square Footage	1	1	1	1	1	1	n/a	n/a	n/a	n/a
	86,308	86,308	86,308	86,308	86,308	86,308	n/a	n/a	n/a	n/a
Plant Facilities Square Footage	6	6	6	6	6	4	4	4	4	4
	45,808	45,808	45,808	45,808	45,808	20,381	20,381	20,381	20,381	20,381
Transportation Cars	27	27	30	27	29	7	7	11	11	13
Light Trucks/Vans	49	46	46	40	32	42	30	24	22	20

\* Comprised of various buildings.

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# Single Audit



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

To the Board of Trustees  
Collin County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business-type activities of Collin County Community College District (the District), which comprise the statement of financial position as of and for the year ended August 31, 2024, and the related statement of activities and cash flows for the year then ended, and notes to the financial statements which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 10, 2024. Our report includes a reference to other auditors who audited the financial statements of Collin County Community College Foundation (the “Foundation”), as described in our report on the District’s financial statements. The financial statements of the Foundation, audited by other auditors, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial or instances of reportable noncompliance associated with the Foundation.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

### **Compliance and Other Matters**

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

To the Board of Trustees  
Collin County Community College District

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Dallas, Texas  
December 10, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND THE STATE OF TEXAS GRANT MANAGEMENT STANDARDS**

To the Board of Trustees  
Collin County Community College District

**Report on Compliance for Each Major Federal and State Program**

We have audited Collin County Community College District’s (the “District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended August 31, 2024. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2024.

**Basis for Opinion on Each Major Federal and State Program**

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

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

**Responsibilities of Management for Compliance**

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

To the Board of Trustees  
Collin County Community College District

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

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

*Whitley Penn LLP*

Dallas, Texas  
December 10, 2024

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**COLLIN COUNTY COMMUNITY COLLEGE  
DISTRICT**

**Single Audit**

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Expenditures of Federal Awards  
For the year ended August 31, 2024**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	Assistance Listing Number	Expenditures			Subrecipients Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>U.S. Department of Education</b>					
Direct Program:					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 495,638	\$ -	\$ 495,638	\$ -
Federal Work Study	84.033	387,608	-	387,608	-
Federal Pell Grant Program	84.063	34,940,045	-	34,940,045	-
Federal Direct Student Loans	84.268	15,492,788	-	15,492,788	-
Total Student Financial Assistance Cluster (ALN 84.007, 84.033, 84.063, 84.268)		<u>51,316,079</u>	<u>-</u>	<u>51,316,079</u>	<u>-</u>
Direct Program:					
Child Care Access Means Parents in School - CCAMPIS	84.335A	<u>91,467</u>	<u>-</u>	<u>91,467</u>	<u>-</u>
Pass-through from:					
Texas Workforce Commission:					
Adult Education - Basic Grants to States V002A240044	84.002	<u>-</u>	<u>4,243</u>	<u>4,243</u>	<u>-</u>
Pass-through from:					
Texas Higher Education Coordinating Board:					
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief II - Accelerating Student Success Implementation S425C210050	84.425C	<u>-</u>	<u>29,701</u>	<u>29,701</u>	<u>-</u>
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief II - Accelerating Student Success Implementation-Operation Degree Completion S425C210050	84.425C	<u>-</u>	<u>58,048</u>	<u>58,048</u>	<u>-</u>
Total ALN 84.425		<u>-</u>	<u>87,749</u>	<u>87,749</u>	<u>-</u>
Career and Technical Education - Basic Grants to States 2442020271	84.048A	<u>-</u>	<u>1,333,146</u>	<u>1,333,146</u>	<u>-</u>
Career and Technical Education - Leadership Grants 2442020271	84.048A	<u>-</u>	<u>73,643</u>	<u>73,643</u>	<u>-</u>
Total ALN 84.048		<u>-</u>	<u>1,406,789</u>	<u>1,406,789</u>	<u>-</u>
University of Texas at Dallas:					
North Texas Semiconductor Workforce Consortium P116Z230261	84.116Z	<u>-</u>	<u>101,824</u>	<u>101,824</u>	<u>-</u>
<b>Total U.S. Department of Education</b>		<u>51,407,546</u>	<u>1,600,605</u>	<u>53,008,151</u>	<u>-</u>
<b>U.S. Department of Commerce</b>					
Pass-through from:					
Dallas County Community College District					
Good Jobs Challenge Grant - ED22HDQ3070118	11.307	<u>-</u>	<u>123,738</u>	<u>123,738</u>	<u>-</u>
Total Economic Development Cluster ALN 11.307		<u>-</u>	<u>123,738</u>	<u>123,738</u>	<u>-</u>
<b>Total U.S. Department of Commerce</b>		<u>-</u>	<u>123,738</u>	<u>123,738</u>	<u>-</u>
<b>U.S. Department of Labor</b>					
Pass-through from:					
Texas Workforce Commission:					
FY 24 WIOA Dislocated Worker - Advance:					
Collin County Community College District in Partnership with Blount Fine Foods 23A55AW00033	17.278	<u>-</u>	<u>250,147</u>	<u>250,147</u>	<u>-</u>
College Credit for Heroes Capacity Building Federal Award Id Number AA-38558-22-55-A-48	17.278	<u>-</u>	<u>93,149</u>	<u>93,149</u>	<u>-</u>
Total WIOA Cluster (ALN 12.278)		<u>-</u>	<u>343,296</u>	<u>343,296</u>	<u>-</u>
Columbus State Community College:					
H-1B Job Training Grants HG33028K70	17.268	<u>-</u>	<u>231,689</u>	<u>231,689</u>	<u>-</u>
<b>Total U.S. Department of Labor</b>		<u>-</u>	<u>574,985</u>	<u>574,985</u>	<u>-</u>
<b>U.S. Department of Transportation</b>					
Direct Program:					
Commercial Motor Vehicle Operator Safety Training Grants	20.235	<u>52,369</u>	<u>-</u>	<u>52,369</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>		<u>52,369</u>	<u>-</u>	<u>52,369</u>	<u>-</u>
<b>National Science Foundation</b>					
Direct Program:					
National Convergence Technology Center DUE-1700530	47.076	<u>38,864</u>	<u>-</u>	<u>38,864</u>	<u>-</u>
Information Technology Skill Standards DUE-1838535	47.076	<u>691,476</u>	<u>-</u>	<u>691,476</u>	<u>2,386</u>
Total Research and Development Cluster (ALN 47.076)		<u>730,340</u>	<u>-</u>	<u>730,340</u>	<u>2,386</u>
Pass-through from:					
Texas A&M University-Commerce:					
The Computer Science as a Career (CSAC) Scholarship Program 2221189	47.076	<u>-</u>	<u>122,240</u>	<u>122,240</u>	<u>-</u>
Columbus State Community College:					
National Information Technology Innovation Center 2300188	47.076	<u>-</u>	<u>24,947</u>	<u>24,947</u>	<u>-</u>
<b>Total National Science Foundation</b>		<u>730,340</u>	<u>147,187</u>	<u>877,527</u>	<u>2,386</u>



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Expenditures of Federal Awards  
For the year ended August 31, 2024**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	Assistance Listing Number	Expenditures			Subrecipients Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>U.S. Small Business Administration</b>					
Pass-through from:					
Dallas County Community College District:					
Small Business Development Centers - SBAHQ-23-B-0053	59.037	\$ -	\$ 80,118	\$ 80,118	\$ -
Small Business Development Centers - SBAOEDSB240124	59.037	-	188,946	188,946	-
Total ALN 59.037		-	269,064	269,064	-
<b>Total U.S. Small Business Administration</b>		-	269,064	269,064	-
<b>U.S. Department of Health and Human Services</b>					
Pass-through from:					
Texas Workforce Commission:					
COVID-19 - Child Care and Development Fund 2101TXCDC6	93.575	-	55,910	55,910	-
Total CCDF Cluster (ALN 93.575)		-	55,910	55,910	-
<b>Total U.S. Department of Health and Human Services</b>		-	55,910	55,910	-
<b>U.S. Department of Treasury</b>					
Pass-through from:					
Texas Higher Education Coordinating Board:					
COVID-19 - Texas Reskilling and Upskilling through Education Grant - TRUE 2021C5-21027	21.027	-	1,817	1,817	-
<b>Total U.S. Department of Treasury</b>		-	1,817	1,817	-
<b>U.S. Department of Justice</b>					
Pass-through from:					
Office of the Governor:					
SH-Bullet-Resistant Shield Grant Program - SH 4635201	16.607	-	963	963	-
<b>Total U.S. Department of Justice</b>		-	963	963	-
<b>U.S. Department of Defense</b>					
Pass-through from:					
University of Texas at Dallas:					
Energy Storage Systems Campus NEST-23-C-004	None	-	8,331	8,331	-
<b>U.S. Department of Defense</b>		-	8,331	8,331	-
<b>Total Expenditures of Federal Awards</b>		\$ 52,190,255	\$ 2,782,600	\$ 54,972,855	\$ 2,386

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Notes to Schedule of Expenditures of Federal Awards  
For the year ended August 31, 2024**

**NOTE 1. FEDERAL ASSISTANCE RECONCILIATION**

	<u>FY 2024</u>
Additional Operating Revenues - Federal Contracts and Grants (Schedule A)	\$ 3,379,367
Add: Indirect/Administrative Costs Recoveries (Schedule A)	275,024
Add: Non Operating Revenues - Federal Contracts and Grants (Schedule C)	35,823,290
Total Federal Revenues (Schedule A and C)	<u>39,477,681</u>
<u>Reconciling items:</u>	
Add: Funds Passed Through to Others	2,386
Add: Direct Student Loans	15,492,788
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 54,972,855</u>

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

The expenditures included in the schedule are reported for the District's fiscal year using the accrual basis of accounting. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from the amounts used in the preparation of the basic financial statements. Separate funds and grants are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule. Since the District has agency approved Indirect Recovery Rate it has elected not to use the 10% de minimis cost rate as permitted in the UG, section 200.414.

**NOTE 3. AMOUNTS PASSED-THROUGH BY THE DISTRICT**

The following amount was passed through to the listed subrecipient by the District. This amount was from the Education and Human Resources Program ALN 47.076 from the National Science Foundation:

	<u>FY 2024</u>
<u>NSF DUE-1838535:</u>	
Bellevue Community College	\$ 2,386
Subtotal NSF DUE-1700530	<u>2,386</u>
Total Amount Passed-Through: NSF	<u>\$ 2,386</u>

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Expenditures of State Awards  
For the year ended August 31, 2024**

State Grant/Pass Through Grantor/Program Title	Grantor's Award Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>Texas Workforce Commission</b>					
Jobs and Education for Texans - HVAC	0422JET001	\$ 309,094	\$ -	\$ 309,094	\$ -
Skills Development Fund - Partnership with Advanced Fixtures and Credit Union of Texas	0423SDF001	459,434	-	459,434	-
Skills for Small Business Program 2024	0424SSD003	125	-	125	-
Skills Development Fund - CSG Forte Payments, FlexLink Systems, Netrico, Portable Solar	0424SDF001	82,039	-	82,039	-
Skills Development Fund - StatLab Medical Products, Encore Wire, & AXL	0424SDF003	2,778	-	2,778	-
<b>Total Texas Workforce Commission</b>		<b>853,470</b>	<b>-</b>	<b>853,470</b>	<b>-</b>
<b>Texas Higher Education Coordinating Board</b>					
Nursing Shortage Reduction FY2020		52,442	-	52,442	-
Nursing Shortage Reduction FY2023	28857	128,600	-	128,600	-
Nursing Innovation Grant Program	00582	4,143	-	4,143	-
Texas Education Opportunity Grant-Renewal Year		428,951	-	428,951	-
Texas Education Opportunity Grant-Initial Year	None	3,065,144	-	3,065,144	-
Texas College Work-Study	None	54,125	-	54,125	-
Texas Reskilling and Upskilling through Education (TRUE)	None	72,714	-	72,714	-
Texas Reskilling and Upskilling through Education (TRUE)	None	210,869	-	210,869	137,421
<b>Total Texas Higher Education Coordinating Board</b>		<b>4,016,987</b>	<b>-</b>	<b>4,016,987</b>	<b>137,421</b>
<b>The Office of the Governor</b>					
Rifle-Resistant Body Armor Grant	4635201	43,880	-	43,880	-
<b>Total The Office of the Governor</b>		<b>43,880</b>	<b>-</b>	<b>43,880</b>	<b>-</b>
<b>Pass-through from:</b>					
<b>Dallas County Community College District</b>					
Small Business Development Center (SBDC) State 2023	SBAHQ-23-B-0053	-	44,519	44,519	-
Small Business Development Center (SBDC) State 2024	SBAHQ-24-B-0124	-	73,977	73,977	-
<b>Total Small Business Development Center</b>		<b>-</b>	<b>118,496</b>	<b>118,496</b>	<b>-</b>
<b>Total State Financial Assistance</b>		<b>\$ 4,914,338</b>	<b>\$ 118,496</b>	<b>\$ 5,032,834</b>	<b>\$ 137,421</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Notes to Schedule of Expenditures of State Awards  
For the year ended August 31, 2024**

**NOTE 1. STATE ASSISTANCE RECONCILIATION**

	<u>FY 2024</u>
State Revenues - Per Schedules A and C State Financial Assistance	
Operating Revenues - Schedule of Expenditures of State Awards (Schedule A)	\$ 1,347,193
Add: Non Operating Revenues - State Contracts and Grants (Schedule C)	<u>3,548,220</u>
Total State Revenues (Schedules A and C)	<u>4,895,413</u>
<u>Reconciling items:</u>	
Add: Funds Passed Through to Others	137,421
Total State Revenues per Schedule of Expenditures of State Awards	<u>\$ 5,032,834</u>

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

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

**NOTE 3. AMOUNTS PASSED-THROUGH BY THE DISTRICT**

The following amounts were passed through to the listed subrecipients by the District. These amounts are provided by the State Grant Award, Texas Reskilling and Upskilling Through Education (TRUE) 2023 Grant Program Consortium, sponsored and funded by the Texas Higher Education Coordinating Board.

	<u>FY 2024</u>
<u>TRUE- Subawards</u>	
Tyler Junior College	\$ 75,501
Trinity Valley Community College	<u>61,920</u>
Total Amount Passed-Through: TRUE	<u>\$ 137,421</u>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*Year ended August 31, 2024*

**I. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**Federal and State Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Uniform Grant Management Standards?	No

Identification of major programs:

<b>Name of Federal Programs or Cluster</b>	<b>Assistance Listing Numbers</b>
Student Financial Aid Cluster	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
<b>Name of State Programs</b>	
Texas Education Opportunity Grant – Renewal and Initial Year	N/A

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**Year ended August 31, 2024**

**I. Summary of Auditors' Results (continued)**

Dollar Threshold used to Distinguish between  
Type A and B Programs

Federal	\$ 1,649,186
State	\$ 750,000

Auditee qualified as a low-risk auditee

Federal	Yes
State	Yes

**II. Financial Statement Findings**

There are no current year findings.

**III. Federal and State Award Findings and Questioned Costs**

There are no current year findings and questioned costs.







**Celina Campus**

2505 Kinship Parkway  
Celina, Texas 75009

**Farmersville Campus**

501 S. Collin Parkway  
Farmersville, Texas 75442

**Frisco Campus**

9700 Wade Blvd.  
Frisco, Texas 75035

**McKinney Campus**

2200 West University Drive  
McKinney, Texas 75071

**Plano Campus**

2800 East Spring Creek Parkway  
Plano, Texas 75074

**Technical Campus**

2550 Bending Branch Way  
Allen, Texas 75013

**Wylie Campus**

391 Country Club Road  
Wylie, Texas 75098

**Collin Higher Education Center**

3452 Spur 399  
McKinney, Texas 75069

**Courtyard Center**

4800 Preston Park Blvd.  
Plano, Texas 75093

**Public Safety Training Center**

3600 Redbud Blvd.  
McKinney, Texas 75071

**iCollin Virtual Campus**

(administrative offices)  
3452 Spur 399  
McKinney, Texas 75069