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McKinney
Plano
Rockwall
Texas



Comprehensive Annual *Financial Report* 2018

For the years Ended August 31, 2018 and 2017

Collin County Community College District

**Allen Frisco McKinney
Plano Rockwall
Texas**

**Comprehensive Annual
Financial Report**

**For Fiscal Years Ended
August 31, 2018 and 2017**

**Prepared by:
Administrative Services**

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report

Fiscal Years Ended August 31, 2018 and 2017

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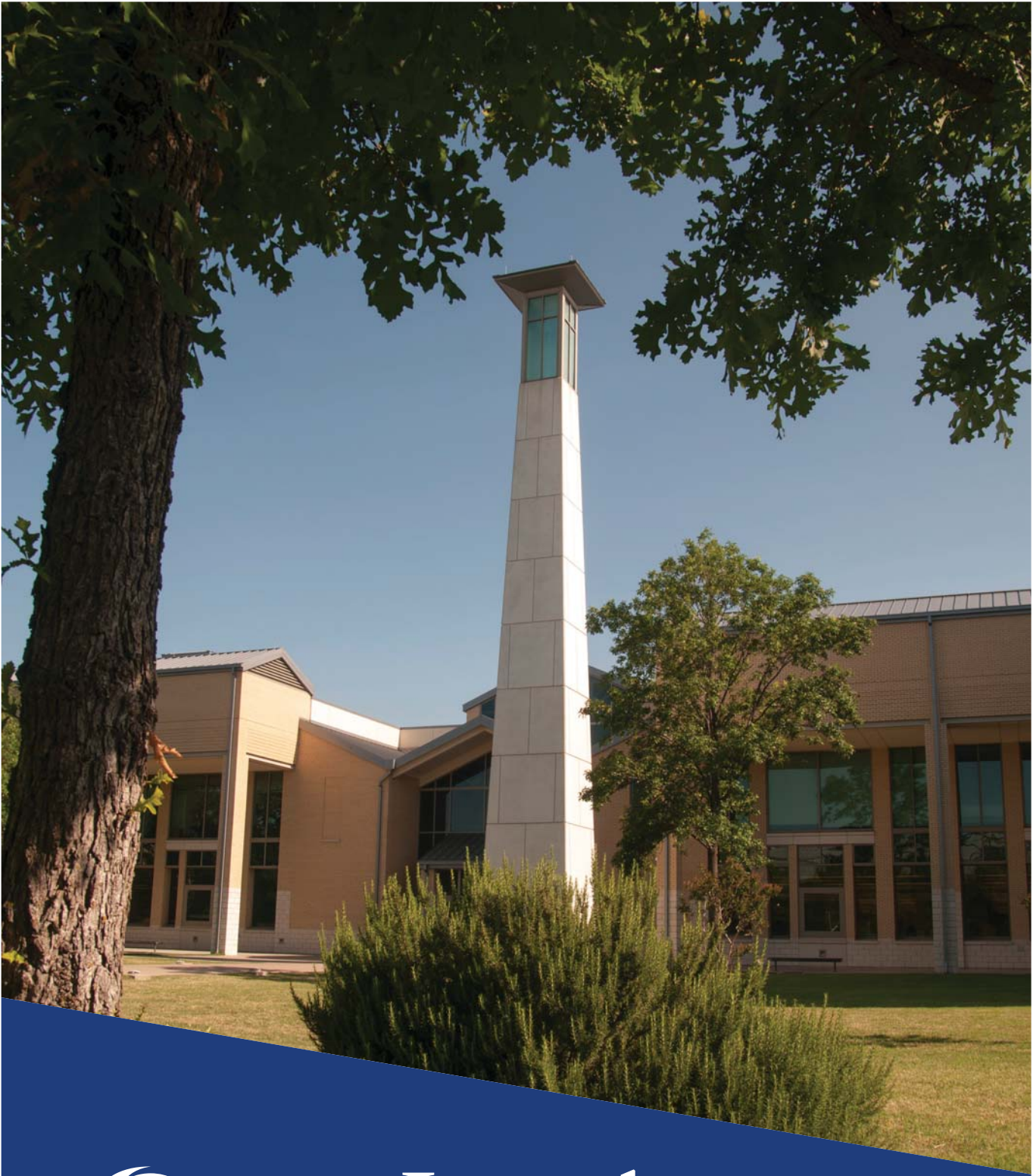
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Introductory Section



To the Board of Trustees:

This has been a truly amazing year for Collin College. Your vision is fast becoming reality, complete with all of the benefits and challenges inherent with growth and progress.

It is my pleasure to present the Comprehensive Annual Financial Report (CAFR) and share the district's financial operations for Fiscal Year 2018. It is worth mentioning that for the twenty-first year in a row the district has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada. Based on a professional review of the CAFR, this certificate is the highest honor that can be paid to a governmental body in the area of accounting and financial reporting.

Our tradition of financial excellence is holding strong and led us to earn the highest quality ratings from two of the largest credit rating agencies, Moody's Investor Service and Standard and Poor's Global Ratings. Collin College is one of only three community colleges in Texas to earn these ratings. The AAA ratings led to bids from some of the largest Wall Street firms and syndicates and favorable prices on Series 2018 Tax Limited Bonds, saving the college and our taxpayers millions of dollars in the process. These bonds funded the construction of our Public Safety Training Center and will also fund the beginning construction of the Collin Technical Campus and Wylie Campus. In addition, the S&P Global rating included an upgrade in the financial management assessment of the college from "good" to "strong."

I would like to take this opportunity to highlight just a few of our accomplishments. We held a groundbreaking celebration with Allen ISD and City of Allen Economic Development Corporation partners for the Collin Technical Campus, a facility dedicated to instruction in high-demand, high-wage workforce areas.

We also celebrated our partnership with the cities of McKinney and Allen with a ribbon cutting for the Public Safety Training Center, a 25-acre first responder training facility which provides reality-based training for the college's law enforcement and fire science academies and active public safety personnel. In addition, we held a groundbreaking celebration for our Wylie Campus, a 100-

acre facility with approximately 44 acres donated by the city of Wylie. This comprehensive campus will include a library, campus commons, and student center with conference center facilities. And, in the next year, we will be breaking ground on our upcoming campuses in Farmersville and Celina.

We have been busy building new campuses, but even more importantly, we are adding new programs and certifications. This summer our first HVAC students earned their level one certificates, we were one of 25 community colleges nationwide selected to offer Google's new IT Support Professional Certificate, and this fall students are applying for the new diagnostic medical sonography program which will start in January. In addition, we have a new surgical assisting certificate program, a web and mobile development degree, and students are enrolled in our newly-approved construction management program.


We received several grants including a \$3.7 million National Science Foundation grant to support national information technology skill standards as well as a \$295,000 Texas Higher Education Coordinating Board Grant and a \$70,000 Carl D. Perkins State Leadership Grant.

Collin College continues to garner awards. For the fifth year in a row, *Military Times* named the college "Best for Vets." The college was also named one of the Best and Brightest Companies to Work For® in the Nation by the National Association for Business Resources.

With a record number nearing 60,000 students, we will end 2018 with our first-ever December graduation.

We could not have achieved all of this without your service, leadership, and dedication to this amazing college.

With respect and gratitude,



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

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December 11, 2018

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

The following comprehensive annual financial report ("CAFR") of Collin County Community College District ("the District") for the fiscal years ended August 31, 2018 and 2017 is hereby submitted. The purpose of this report is to provide detailed information about the financial condition and performance of the District. Responsibility for both the accuracy of the data and the 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 is reported in a manner designed to fairly present the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District is a special purpose government engaged solely in business type activity (BTA). Adhering to Governmental Accounting Standards Board (GASB) Statements 34 and 35, this presentation of financial reporting combines all fund groups into a single column and 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 Grant Thornton LLP. In addition to meeting the requirements set forth in state statutes, the audit is also designed to meet 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 is included in the single audit section of this report.

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 independent auditors of the District. As a part of the District's single audit, tests are made to determine the effectiveness of the internal control structure, including that portion related to major federal and state financial award programs. It is also used to determine that the District has complied with significant applicable laws and regulations.

The Administrative Services division is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure 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 is designed to provide 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 require estimates and judgments by management.

A narrative introduction, overview, and analysis accompany the basic financial statements in the form of 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 Comprehensive Annual Financial Report (CAFR) consists of the following:

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

As demonstrated by the statements and schedules included in the financial section of this report, the District continues meeting 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, in accordance with the laws of the State of Texas. 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 an elected, nine-member Board of Trustees (hereinafter called the "Board"). An election is held every two years (the first Saturday in May in odd-numbered years), where three Trustees are elected to serve in a six-year, at-large position. The Board holds regularly scheduled meetings on the fourth Tuesday of each month. Board meetings are held in the board room at the Collin Higher Education Center campus located in McKinney or as noted in the notice for a meeting in accordance with public notice requirements.

The Board has the final authority to determine and interpret the policies that govern the District and within the limits imposed by other legal authorities has complete and full control of the District. Official Board action is taken only in meetings that comply with the Open Meetings Act and are based on a majority vote of a quorum (five members) of the Board.

In general, the Board provides policy direction and sets goals for the District consistent with the District's role and mission. Besides general Board business, Trustees are charged with numerous statutory regulations, including:

- setting and collecting tuition, rentals, rates, charges and fees
- establishing goals consistent with the District's role and mission
- ordering elections
- issuing bonds
- adopting tax rates, levying and collecting taxes
- approving an annual budget
- employing the President and hiring employees of the District

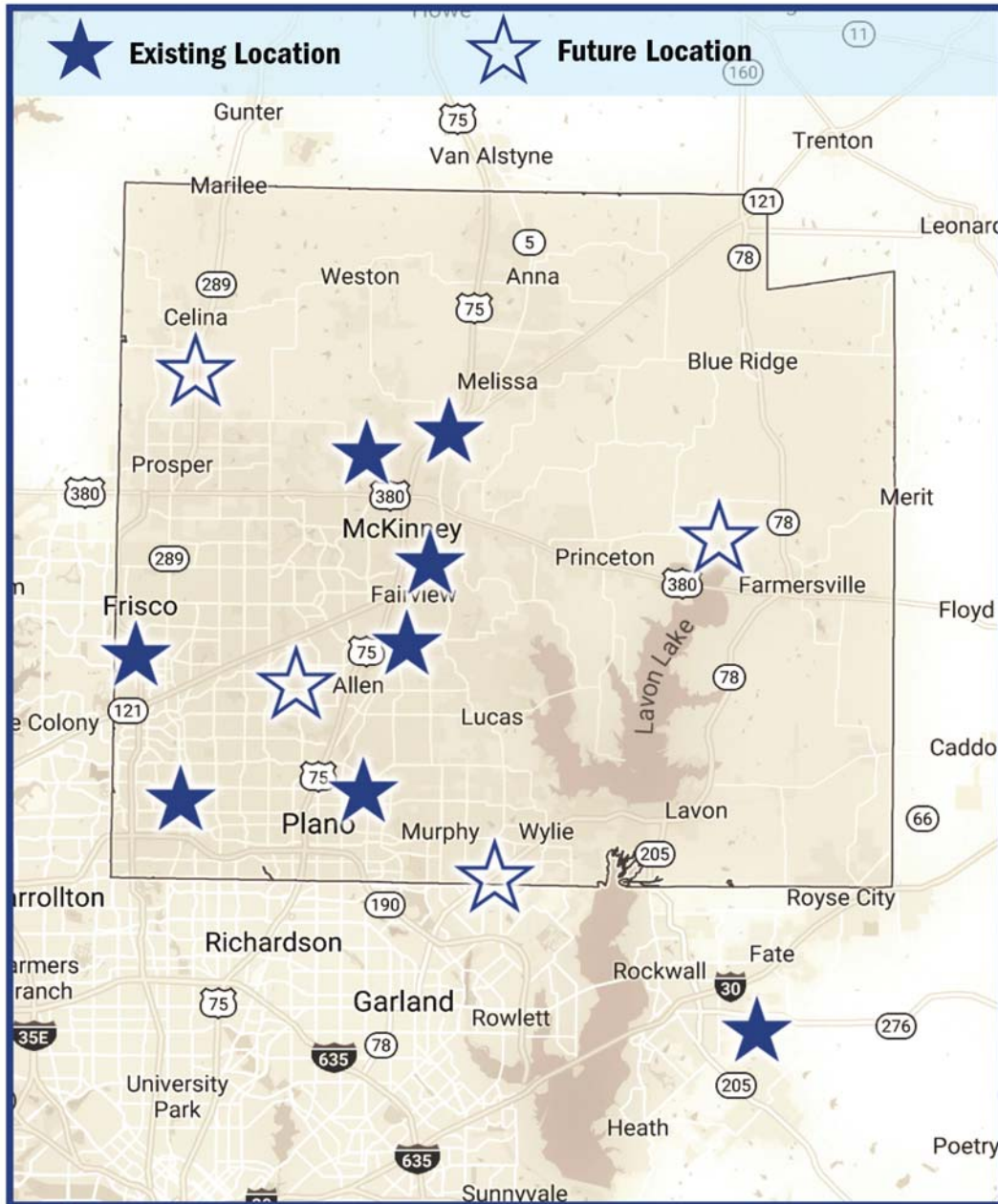
The District is accredited by the Southern Association of College and Schools and Commission on Colleges (SACSCOC) to award associate degrees and certificates. An associate degree is an award that normally requires at least two, but less than four years of full-time equivalent college work. The District offers Associate of Arts, Associate of Arts in Teaching, Associate of Science and Associate of Applied Science degrees and numerous certificate programs.

In order to maintain its status as an institution accredited by SACSCOC, the District must complete the reaffirmation of accreditation process every ten years. This process requires extensive self-study including the completion of a compliance certification document reflecting compliance with all the Principles of Accreditation. On June 11, 2015 SACSCOC reaffirmed Collin College's accreditation. The District's next decennial reaffirmation will take place in 2025.

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

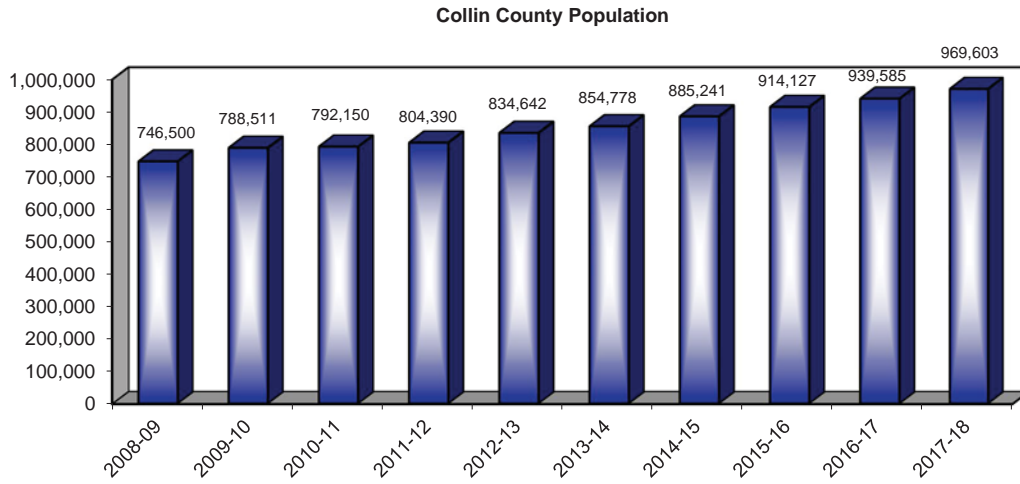
The District strives to offer affordable, small, personalized classes and award-winning faculty in a safe and friendly environment allowing students to fulfill their potential and achieve their goals. The college promotes life-long learning and the opportunity for its residents to further their education regardless of their schedule, time and distance constraints.

The District continues to meet the needs of the community in developing a professional workforce by expanding the educational opportunities available to its residents. The District provides training for many of the county's essential service positions such as police officers, firefighters, emergency medical technicians, nurses, dental hygienists, and respiratory therapists.



The District is located in Collin County which is in the Dallas metropolitan area of North Central Texas. The county consists of 886 square miles with a population density of approximately 1,094 residents per square mile in 2017. The population of Collin County was estimated to be about 969,603 in 2017 according to the US Census Bureau.

Information provided by the US Census Bureau as of 2017 shows an estimated 5.5% growth since 2010. In the past nine years, Collin County has experienced an increase in population of 29.9% as illustrated in the graph that follows.



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 inclusion of the statements and footnotes of the Foundation in the District’s statements and footnotes. Because the financial statements of the Foundation are presented in a different format from the District and are incompatible with the District’s financial statements, the Foundation’s financial statements are presented on separate pages from the District’s financial statements. The Foundation is a non-profit organization established in 1987 to maintain, develop, increase and extend the facilities and services of the District and to provide broader educational service opportunities to its students, staff, and faculty.

Inter-local agreements and partnerships

The District’s commitment to provide programs and services to the communities it serves is reflected by the many partnerships with local cities and schools. Such agreements are efficient and cost-effective. A partial list of our inter-local agreements and partnerships includes:

- The District has inter-local agreements with the Allen ISD and Rockwall ISD for satellite campuses to benefit students and staff.
- The District has reciprocal technical/occupational course agreements with the Dallas County Community College District, Tarrant County Community College District and Grayson County College, allowing students to enroll in programs not available in their home district at the in-county tuition rate.
- The road to medical school and other health care professions is shorter thanks to the unique partnership between Collin College and Plano Independent School District (PISD). The unique PISD Health Sciences Academy offers selected students a head start on health care careers while they are still in high school, starting as early as ninth grade. Students can earn more than 50 hours of college credit and complete certifications that enable them to enter the health care workforce upon graduation from high school.
- The District has inter-local agreements with Collin County to share fiber and the City of Plano to allow use up to eight strands of the District's Fiber Optic Wide Area Network (WAN), which is approximately 71 miles long, surrounds the county and connects our campuses with high speed communications.
- The District has an agreement with the Department of Homeland Security/Collin County Health Care Services to establish procedures to utilize the District's facilities and staff in case of a public health emergency.
- The District has agreements with five public universities to offer upper-level undergraduate courses and graduate degree programs at the Collin Higher Education Center. Universities have access to classrooms, lab facilities and office spaces to serve their students in the growing Collin County area.
- The District has partnered with the Cities of McKinney and Allen to construct a state-of-the-art Public Safety Training Center to train current and future emergency services professionals. The tri-agency facility provides fire science training grounds, a reality-based simulation village for police training, three separate shooting ranges, and nine classrooms.
- The National Science Foundation awarded a \$3.9 million grant to the District's National Convergence Technology Center in April 2017, with an award period of 2017 through 2022. This grant allows the District to meet the growing workforce needs for convergence technology workers and further establishes the District as a leading voice in this industry.

Budget

Administrative Services, under the direction of the Chief Financial Officer, maintains the District's budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the unrestricted funds, auxiliary funds, restricted funds, building funds, and debt service fund are included in the annual appropriated budget. The District also maintains an encumbrance accounting system which includes full-time payroll costs as a method for accomplishing 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 next year's budget.

ECONOMIC CONDITION

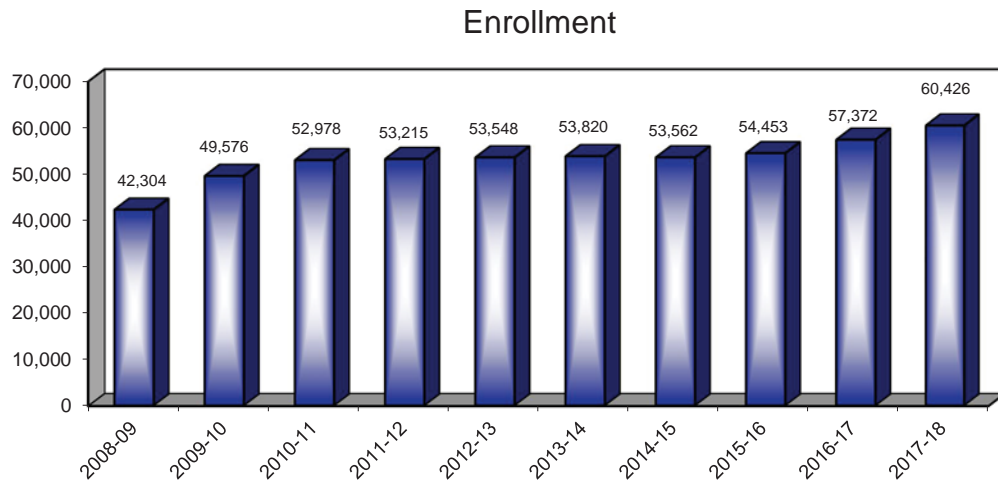
Local economy

Major industries located within Collin County consist of finance, retail, computer technology, insurance, education, manufacturing, telecommunications, health care, and food industry. Possessing a well-educated workforce is a key factor in an area's ability to attract new businesses and maintain economic growth. Another critical 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 including shopping, fine arts, professional sports, entertainment parks, and the wealth of well-trained individuals, the District is optimistic that Collin County will continue to prosper.

Collin County had an average civilian employed labor force from September 2017 to August 2018 of 520,895 which was an increase of 3.35% over the prior fiscal year, according to the Texas Workforce Commission. The latest estimated unemployment rate for Collin County (July 2018) was at 3.4%, compared to the state's rate of 4.0% and a national rate of 3.9%, according to the Bureau of Labor statistics.

Community colleges continue to play an important role in 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 begins to decrease and workers are under greater pressure to learn new skills. Student enrollment at public two-year institutions in Texas has outnumbered enrollment in public four-year universities for more than ten years and state officials expect that trend to continue. According to the Texas Higher Education Coordinating Board, 726,699 students were enrolled in Texas public community colleges during the fall of 2017 compared to 651,137 at Texas public universities and 125,329 at independent colleges and universities.

The District headcount for credit enrollment increased 5.32% from 2016-17 to 2017-18.



Data Source: Collin College BANNER Student Information System

The 2017-2018 formula produced State appropriations were \$2,255 per full time student equivalent (FTSE). For years ending August 31, 2017, and 2016, the District received \$2,183, and \$2,401 per FTSE, respectively. (See MD&A and Statistical Supplement 6 for additional information.)

The 2017-2018 tuition per credit hour increased \$3 for in-district residents and increased \$4 for out-of-district and out-of-state/out-of country residents. In addition, the student activity fee increased \$1 per credit hour. In-county tuition and fees remain the lowest among colleges and universities in the state of Texas. A quality education at the District remains a smart economical choice and a wise investment.

Appraised taxable values in Collin County increased 13.3% from \$110.6 billion in 2017 to \$125.3 billion in 2018. New construction increased 10.0% from \$5.0 to \$5.5 billion from 2017 to 2018.

The District remains a valuable resource to the community in updating the skills necessary to obtain the new jobs of the 21st century by providing training and degrees in growth industries, such as technology, health care and hospitality.

Long-term financial planning

The District's budget development begins with updating and reviewing a multiyear budget model. The purpose of the model is to identify funding level requirements to implement current as well as long-term initiatives.

The Board of Trustees approved a master plan in June 2016 which moves the District toward its vision of "*delivering a brighter future for our students and communities*". To that end, key provisions of the master plan include:

- Increase outreach and create streamlined pathways from secondary education and to four-year colleges and universities
- Expand the physical footprint of the District to serve our students
- Add workforce and academic programs to align with projected Collin County labor market needs
- Add and improve services and facilities as necessary to create a welcoming environment for all
- Implement facilities' maintenance plan

In May 2017, a \$600 million bond referendum was passed to fund the District's master plan, and in April 2018, \$250 million bonds were issued which is the first of three bond issues planned to fund capital projects. See the MD&A section labeled Capital Assets and Debt Administration for additional information on the 2017 Bond Election.

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 September 2017. It is designed to provide safety of principal, liquidity to meet all operating requirements, and provide 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 the District maintain a minimum fund balance equal to 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 in the event ad valorem tax revenues were to decline based on fluctuations in appraised values. Health care reserves totaling \$30 million are being maintained in the event the State reduces its contribution to the District for health insurance.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for Fiscal Year ended August 31, 2017. This was the 21st consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government

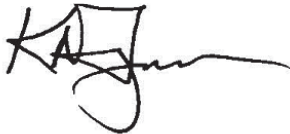
must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of Administrative Services, particularly in the Accounting Department. We would also like to thank the accounting firm of Grant Thornton LLP 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 planning and conducting the operations of the District in a responsible manner.

Respectfully submitted,



Kenneth D. Lynn, CPA
Chief Financial Officer



Julie Bradley, CPA
Associate Vice President, Controller/Student
Financial Services



Barbara Johnston, CPA
Associate Vice President, Financial Services and
Reporting



Shannon South, CPA
Director of Accounting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Collin County
Community College District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2017

Christopher P. Morill

Executive Director/CEO

BOARD OF TRUSTEES



Dr. J. Robert Collins
Chairman



Jim Orr
Secretary



Dr. Stacey Donald



Steve Matthews

The Board of Trustees 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 manages and governs the Collin County Community College District, provides policy direction, establishes goals, and appoints the faculty and staff. The Board is also responsible for the levy, assessment, and collection of taxes, the issuance of bonds, the adoption of an annual budget, the execution of contracts, and the performance of an annual audit. The Board of Trustees sets campus admission standards consistent with the role and mission of the District. Regular board meetings are held the fourth Tuesday of each month and are open to the public. The Collin County Community College District Trustees are committed to the mission and vision of the college. The Board of Trustees provides leadership and direction, as well as represents the college in a wide range of community activities and committees.



Fred Moses



Andrew Hardin
Vice Chairman



Dr. Raj Menon
Treasurer



Mac Hendricks



Adrian Rodriguez



Officials and Staff

Elected Officials

<u>Board of Trustees</u>	<u>City</u>	<u>Term Expires</u>
J. Robert (Bob) Collins, Ph.D. Chairman, Place 8	Farmersville, Texas	May, 2021
Andrew (Andy) Hardin Vice Chairman, Place 9	Frisco, Texas	May, 2021
Jim Orr Secretary, Place 7	Lucas, Texas	May, 2021
Raj Menon, Ph.D. Treasurer, Place 5	Plano, Texas	May, 2019
Stacey Donald, Ph.D. Place 3	Plano, Texas	May, 2023
Mac Hendricks Place 6	McKinney, Texas	May, 2019
Fred Moses Place 1	Plano, Texas	May, 2023
Steve Matthews Place 2	Richardson, Texas	May, 2019
Adrian Rodriguez Place 4	Plano, Texas	May, 2019

Principal Administrative Officers

<u>Name</u>	<u>Position</u>
Neil Matkin, Ed.D.	District President
Brenda Kihl, Ph.D.	Executive Vice President
Kim Davison	Senior Vice President of Organizational Effectiveness
Tom Delamater	Chief Public Relations Officer
Kenneth D. Lynn, CPA	Chief Financial Officer
Sherry Schumann, Ph.D.	Senior Vice President of Academic, Workforce, & Enrollment Services
Jon Hardesty, Ph.D.	Vice President/Provost of McKinney Campus
Abe Johnson, Ed.D.	Vice President/Provost of Plano Campus
Mary McRae, Ph.D.	Vice President/Provost of Wylie Campus
Don Weasenforth, Ph.D.	Vice President/Provost of Frisco Campus
Lisa Vasquez	Vice President of Advancement

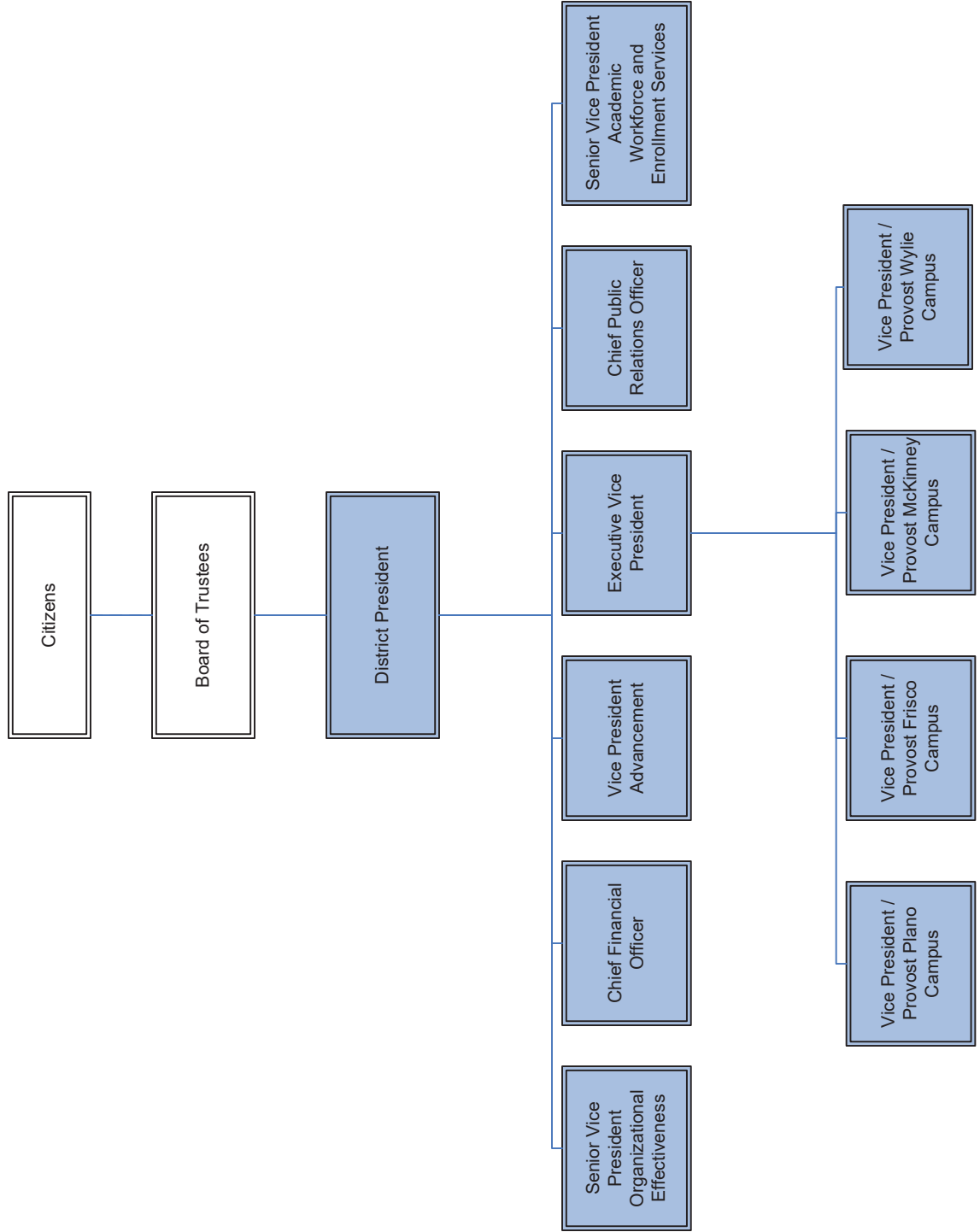
Financial Staff

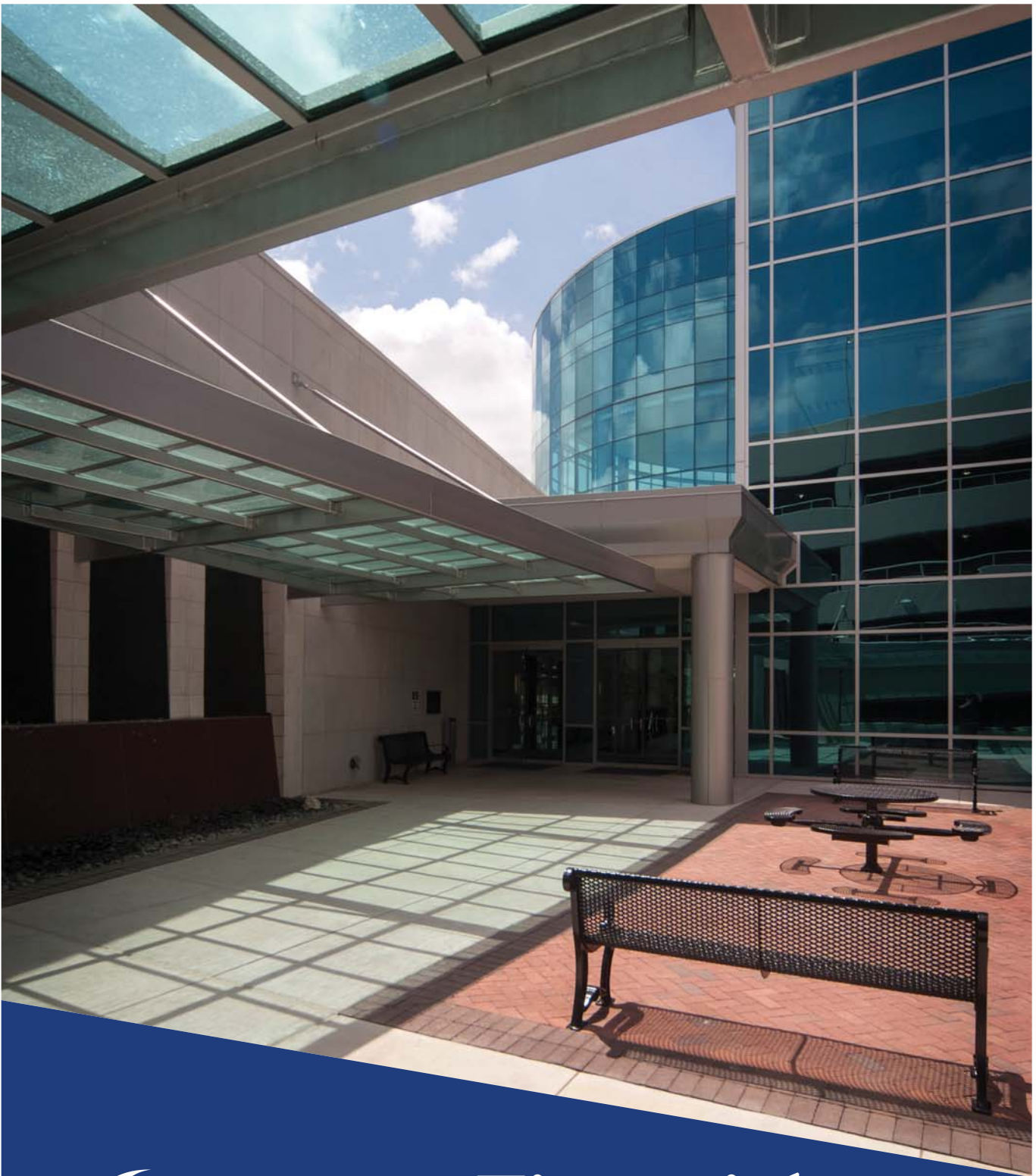
<u>Name</u>	<u>Position</u>
Julie Bradley, CPA	Associate Vice President – Controller, Student Financial Services
Barbara Johnston, CPA	Associate Vice President – Financial Services & Reporting
Shannon South, CPA	Director of Accounting



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Organizational Chart





Financial Section



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Collin County Community College District

Grant Thornton LLP
1717 Main Street, Suite 1800
Dallas, TX 75201-4667
T 214.561.2300
F 214.561.2370
GrantThornton.com
linkd.in/GrantThorntonUS
twitter.com/GrantThorntonUS

Report on the financial statements

We have audited the accompanying financial statements of Collin County Community College District (the “District”) as of and for the years ended August 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District’s financial statements as listed in the table of contents.

Management’s responsibility for the financial statements

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

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the Collin County Community College District Foundation, Inc., which collectively represents 100% of the assets, net assets, and revenues of the discretely presented component unit of the District as of and for the years ended August 31, 2018 and 2017. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for that discretely presented component unit, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Collin County Community College District Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2018 and 2017, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Emphasis of Matter

As discussed in Note 2 to the financial statements, the District adopted new accounting and reporting guidance in 2018 for other post-employment benefits. Our opinion is not modified with respect to this matter.

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 through 39 and the Required Supplemental Information on pages 104 through 109, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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 financial statements, and other knowledge we obtained during our audit of the 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The schedule of expenditures of federal awards and the schedule of expenditures of state awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State of Texas *Single Audit Circular*, on pages 155 through 158, respectively, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 112 through 116, are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other information

The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated December XX, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District'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 District's internal control over financial reporting and compliance.



Dallas, Texas
December 11, 2018

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Introduction

Collin County Community College District ("the District") is proud to present its financial statements for fiscal years ended August 31, 2018 and 2017 which are in conformance with Governmental Accounting Standards Board (GASB) standards. The following Management's Discussion and Analysis (MD&A) reviews the District financial activity during the fiscal years ended August 31, 2018, 2017, and 2016. 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 discretely presented component unit, Collin County Community College Foundation ("the Foundation"). The Foundation financial statements are presented in a different format from the District with a December 31 year end, and are incompatible with the District's financial statements. Therefore, the Foundation's financial statements for fiscal years ending December 31, 2018 and 2017 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 comprehensive annual financial report (CAFR) consists of:

Report of Independent Certified Public Accountants presents an unmodified opinion rendered by an independent certified public accounting firm, Grant Thornton, 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 Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement 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, liabilities, deferred inflows and outflows of resources, 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. It presents end-of-year data for current and noncurrent assets, deferred outflows of resources, current and noncurrent liabilities, deferred

inflows of resources and net position (assets and deferred outflows minus liabilities and deferred inflows).

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, 2018 and 2017. 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) Supplementary Schedules are required by THECB to provide comparative information on revenues, expenses and net position.

Fiscal Year 2018 Financial Highlights

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

- Net position increased \$34.8 million, similar to the increase experienced in the prior year.
- GASB Statement 75 - *Accounting and financial reporting for other post-employment benefits other than pensions* (OPEB) was implemented having the following impact on the financial statements:
 - \$36.6 million reduction to the beginning net position
 - \$.977 million addition to deferred outflows of resources relating to OPEB
 - \$6.9 million addition to deferred inflows of resources relating to OPEB
 - \$31.3 million establishment of an OPEB liability
- \$250 million in bonds (Series 2018 Limited Tax Bonds) were issued to fund capital projects in alignment with the District's master plan.
- Certified assessed property values increased 13.3%, from \$110.6 billion in the prior year to \$125.3 billion in the current year; the assessed tax rate decreased from \$0.081222/\$100 assessed value in fiscal year 2016-17 to \$0.07981/\$100 assessed value in fiscal year 2017-18. The net effect was an increase in tax revenues totaling \$9.3 million.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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- Tuition and fee revenues increased \$1.1 million, due to an increase in enrollment, and an increase in the hourly tuition rate.
- Construction was completed on the Public Safety Training Center (PSTC) resulting in a \$30.9 million capitalization for the building.
- Construction has begun on two new campuses; \$7.6 million has been spent on the Wylie Campus to date; \$8.2 million has been recorded to construction in progress for the Collin Technical Training Center (CTTC) in Allen at year end.
- On-behalf benefits paid by the State for medical, retirement and OPEB benefits totaled \$8.50 million.

Condensed Statements of Net Position (in Millions)

From the information shown in Table 1, financial statement readers are able to determine the assets available to continue the operations of the District. The reader can also determine how much the institution owes vendors and bondholders. The net position and the availability of liquid assets for current expenses can be determined as well. Deferred inflows and outflows are transactions occurring in the current or prior periods, but are actually related to future periods, and are not assets or liabilities. For purposes of explanation the deferred inflows and outflows of resources presented in the District financial statements pertain to pension contributions and other post-employment benefits.

Table 1: Condensed Statements of Net Position

	Fiscal Year			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Assets:					
Current assets	\$ 526.3	\$ 247.3	\$ 224.2	112.8 %	10.3 %
Capital assets	343.4	317.1	291.1	8.3 %	8.9 %
Other noncurrent assets	11.0	24.5	35.5	(55.1)%	(31.0)%
Total assets	<u>\$ 880.7</u>	<u>\$ 588.9</u>	<u>\$ 550.8</u>	49.6 %	6.9 %
Deferred Outflows of Resources:	8.9	7.1	8.4	25.4 %	(15.5)%
Liabilities:					
Current liabilities	\$ 46.6	\$ 35.3	\$ 28.6	32.0 %	23.4 %
Noncurrent liabilities	309.5	34.5	38.6	797.1 %	(10.6)%
Total liabilities	<u>\$ 356.1</u>	<u>\$ 69.8</u>	<u>\$ 67.2</u>	410.2 %	3.9 %
Deferred Inflow of Resources:	14.7	5.7	6.3	157.9 %	(9.5)%
Net position:					
Net investment in capital assets	\$ 262.4	\$ 300.1	\$ 271.8	(12.6)%	10.4 %
Restricted -- expendable	1.3	2.5	1.6	(48.0)%	56.3 %
Unrestricted	255.0	217.9	212.4	17.0 %	2.6 %
Total net position	<u>\$ 518.7</u>	<u>\$ 520.5</u>	<u>\$ 485.8</u>	(0.3)%	7.1 %

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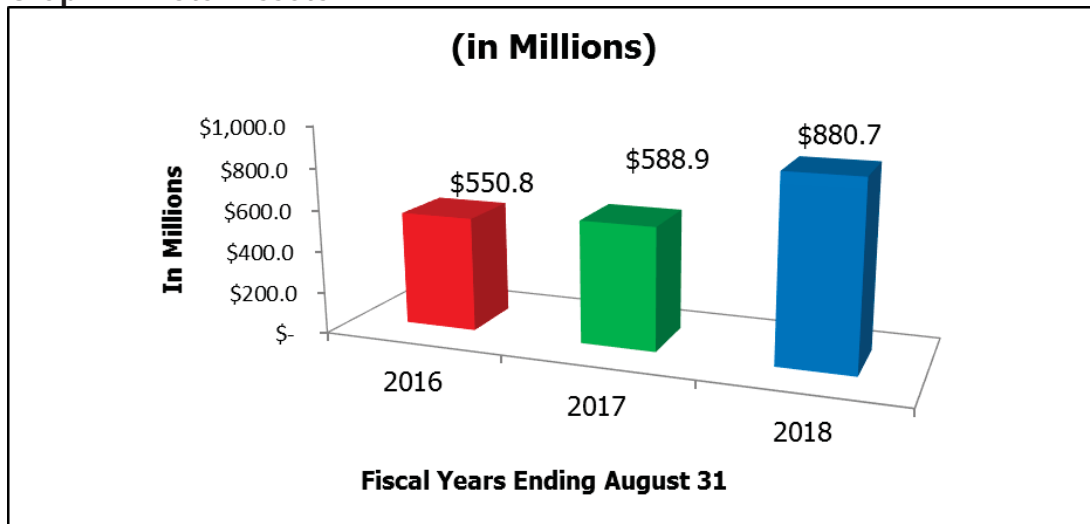
Management's Discussion and Analysis (unaudited)
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Net position is divided into three major categories:

- Net investment in capital assets: provides the District's equity in land, buildings and improvements, and equipment owned, 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 Board of Trustees.

Total assets of the District for fiscal year 2017-18 are \$880.7 million, an increase from \$588.9 million in fiscal year 2016-17 and \$550.8 million in fiscal year 2015-16. Total assets continue to increase as indicated in Graph 1-Total Assets.

Graph 1: Total Assets



Total assets increased 49.6%, by \$291.8 million which consists primarily of cash and short term investments as a result of the sale of \$250.0 million in bonds. Long term investments are defined as investments with a maturity date greater than one year. A decrease in long term investments by 55% from the prior year to the current year represents a shift to maintaining more short term investments in order to keep cash flow readily available for ongoing construction projects. Current assets represent 59.70% of total assets.

Cash resides in Texpool and TexStar, both of which are statewide investment pools and classified as cash equivalents. Proceeds received and maintained as cash and cash equivalents from the Series 2018 Limited Tax Bonds are being recorded as restricted cash and cash equivalents. Similarly, investments maintained with Series 2018 Limited Tax Bonds proceeds are recorded as restricted short-term investments. Short term investments consist of U.S. Government Agencies, Municipal bonds, Certificates of Deposits (CDs) and Commercial paper. During fiscal year 2017-18 the District had \$163.1 million in unrestricted investments, and \$138.5 in restricted investments. In fiscal year 2016-17 the District had \$112.5 million in short term investments. Long term investments decreased

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**Management's Discussion and Analysis (unaudited)
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from \$24.4 million in 2017 to \$11.0 million in fiscal year 2017-18. The fluctuation is negligible when considering cash, short and long term investments together from year to year with changes between the categories being a function of timing and cash flow needs. See Note 3 Authorized Investments and Note 4 Deposits and Investments for additional information on cash and investments.

Accounts receivable increased 51.2% from \$9.7 million to \$14.7 million or by \$4.99 million due in part to a receivable owed to the District by the Cities of McKinney and Allen for reimbursement of agreed upon contributions for the costs of the Public Safety Training Center (PSTC). The remaining receivable represents monies owed by students for tuition and fees (net of allowance for doubtful accounts) which is consistent with the previous year, particularly considering an increase in enrollment for Fall 2018 of approximately 5.3%. The District utilizes first and second placement collection agencies after performing in-house collection procedures. Uncollectible receivables totaling \$356 thousand were returned to the District by the second collection agency with the District writing off \$138 thousand against the allowance account. For additional information on accounts receivables and collections for the current fiscal year, see Note 14 Disaggregation of Receivables and Payables Balances.

Non-current assets consist of capital assets and long-term investments. Capital assets include land, land improvements, buildings, equipment, WAN/LAN network equipment, library books and construction in progress, and are shown net of accumulated depreciation. For the current fiscal year, capital assets increased 8.3% compared to 8.9% the previous year. During the current fiscal year, \$30.9 million was capitalized when the PSTC was completed at year end, reducing construction in progress by the same amount. Construction in progress for the District at year end totals \$15.9 million which includes projects for the Technical and Wylie Campuses as noted in the financial highlights. In fiscal year 2016-17, capital assets not subject to depreciation increased 126% as a result of land purchases and donations for the Technical Campus in Allen and the Wylie Campus totaling \$13.9 million and \$3.62 million, respectively. Additionally, \$16.1 million for construction in progress for the PSTC totaling (\$14.1 million), Wylie campus (\$.571 million), and Technical Campus (\$.588 million) is included in fiscal year 2016-17 capital assets not subject to depreciation. Further information regarding capital assets is shown in Note 2 Summary of Significant Accounting Policies and Note 5 Capital assets, as well as in the MD&A paragraph under the heading Capital Assets and Debt Administration.

Deferred outflows of resources totaled \$8.9 million, \$7.0 million and \$8.4 million for fiscal years ending 2017-18, 2016-17, and 2015-16, respectively. The fluctuations in deferred outflows of resources over the three years is a result of recognizing the differences in projected and actual investment earnings at the plan level. Additionally, beginning in the current fiscal year, deferred outflows of resources related to other post-employment benefits (OPEB) has been recorded totaling \$.9 million. Deferred outflows of resources represent retirement and other post-employment benefit contributions made by the District that will benefit employees in the future, but are not considered assets.

Total liabilities of the District are \$356.1 million, \$69.8 million, and \$67.2 million in fiscal years ending 2017-18, 2016-17, and 2015-16, respectively. The significant increase in total liabilities is due to the issuance of \$250.0 million in general obligation bonds during the current fiscal year and the implementation of GASB Statement 75 - *Other Post-Employment Benefits (OPEB)*. Current liabilities

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are made up of accounts payable, accrued liabilities, funds held for others, unearned revenues and the current portions for accrued compensable absences and bonds payable. A liability is considered to be current if it is due within one year. Current liabilities increased \$11.3 million over the prior year due to the an accrual recorded for bond interest incurred and owed at year end, but not payable until February 2019 and an increase in the current portion of long term debt which almost doubled from the prior year, due to the Series 2018 Limited Tax Bonds issuance noted above.

Accounts payable and unearned revenues account for 76.0% of current liabilities. The increase in accounts payable from \$11.2 million to \$13.2 million is due, in large part, to retainage payable totaling \$1.8 million due at August 31, 2018 related to the completion of the PSTC. Consistent with the prior year's payable of \$3.1 million payable related to the construction of the PSTC for the year ending 2016-17. Unearned revenues represents tuition for the upcoming year. For the current year unearned revenue is \$22.2 million which is a \$2.3 million increase over the previous year. The increase can be explained due to a 6.8% increase in fall registration and an increase in tuition per credit hour. Similarly, there was a 6% increase in enrollment for Fall 2017, as well as a tuition per credit hour increase. All other current liabilities are consistent with previous years. See Note 14 Disaggregation of Receivables and Payables Balances for additional information on payables.

For fiscal years 2017-18, 2016-17, and 2015-16 noncurrent liabilities make up 86.9%, 49.5%, and 57.4% of total liabilities. Non-current liabilities consist of accrued compensable absences payable, pension liability, the noncurrent portion of bonds payable not due within one year, and in the current year, the addition of the OPEB liability. The OPEB liability added \$31.3 million to non-current liabilities. Bonds payable increased from \$12.4 million in the prior year to \$257.4 million in the current year. The District made the last payment on the revenue bonds totaling \$1.095 million during the current year. In the prior year, there was a 22.3% decrease in the long term portion of bonds payable as a result of debt payments made during the fiscal year. Additional information on debt service can be found in the Capital Assets and Debt Administration discussion in the MD&A. Pension and OPEB liability is explained below as it relates to GASB Statement 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions (OPEB)*, respectively. See Note 2 Summary of Significant Accounting Policies, Note 6 Long-Term Liabilities, Note 9 Employees' Retirement Plan, Note 11 Compensable Absences and Note 13 Other Post-Employment Benefits for additional information on compensable absences, pension liability, and OPEB liability.

Fiscal year 2017-18 is the fourth year the District has accounted for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued in June 2012, which amends GASB Statement No. 27. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* requires the District to recognize its proportionate share of the net pension liability and operating activity related to changes in the collective State of Texas Retirement System (TRS) pension liability. GASB Statement 82, *Pension Issues*, an amendment of GASB Statements 67, 68, and 73, has subsequently been issued and was effective beginning in the prior fiscal year, revises the presentation of required supplementary disclosure information.

From fiscal years 2016-17 to 2017-18 the pension liability decreased from \$21.2 million to \$19.6 million. According to Teachers' Retirement System (TRS) 2017 Comprehensive Financial Audit Report, the pension experienced an increase in participant contributions, and a 10% increase in net

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

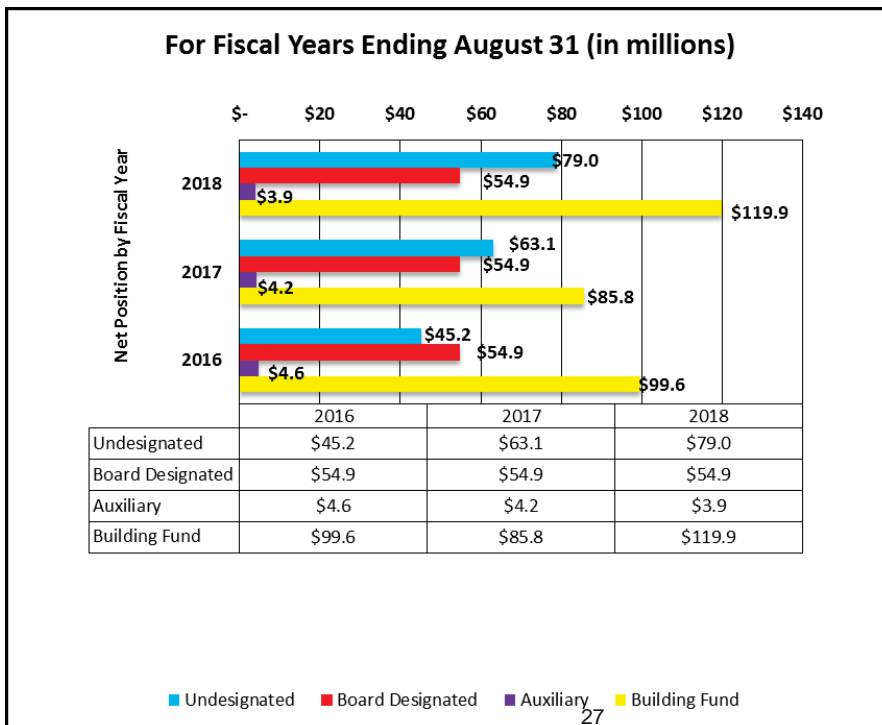
Management’s Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2018 and 2017

position. The annual rate of return on investments for the pension fund was 12.6% compared to 7.4% in the prior year. Deferred inflows of resources related to pensions for fiscal years 2017-18, 2016-17, and 2015-16 have been \$7.8 million, \$5.7 million, and \$6.2 million, respectively. The changes in deferred inflows of resources represent the District’s recording of its proportionate share, at the plan level, of expected and actuarial changes and assumptions the District may owe to the retirement fund in the future, but is not considered a liability. See Note 9, Employees’ Retirement Plan and the section titled Required Supplementary Information for more information on pension liability, pension expense and related pension disclosures.

The District implemented GASB Statement 75, *Other Post-Employment Benefits (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 financial highlights for impact on financial statements specifically from OPEB implementation. See Note 13 Other Post-Employment Benefits (OPEB) for additional information.

Net position represents the District’s equity, some of which is restricted for certain uses and some of which is unrestricted. Unrestricted net position increased 17.0% or \$37.1 million from the prior year to the current year. See THECB Supplemental Schedules, Schedule D for a breakdown of net position. Total unrestricted net position for fiscal year 2017-18, 2016-17, and 2015-16 totaled \$257.7, \$217.9, and \$212.4 million, respectively. See Note 2 Summary of Significant Accounting Policies-Board Designations for information on board designated unrestricted net position. See Graph 2-Current Unrestricted Net Position for a graphical representation of the components of current unrestricted net position.

Graph 2: Current Unrestricted Net Position



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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Condensed Statements of Revenues, Expenses and Changes in Net Position

Table 2 – Condensed Statements of Revenues, Expenses and Changes in Net Position

	Fiscal Year			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Operating revenues:					
Tuition and Fees (Net)	\$ 35.9	\$ 34.8	\$ 30.7	3.2 %	13.5 %
Grants and Contracts	4.9	4.4	3.9	11.4 %	13.1 %
Auxiliary enterprises	1.9	1.8	5.0	5.6 %	(64.2)%
Other operating revenues	1.4	1.2	1.0	15.7 %	17.5 %
Total operating revenues	<u>44.1</u>	<u>42.2</u>	<u>40.6</u>	4.5 %	3.9 %
Operating expenses:					
Instruction	74.8	70.8	72.0	5.6 %	(1.7)%
Public service	0.5	0.7	1.2	(28.6)%	(41.7)%
Academic support	14.2	12.2	11.9	16.4 %	2.5 %
Student services	15.4	13.0	11.9	18.5 %	9.2 %
Institutional support	26.9	24.2	20.0	11.2 %	21.0 %
Operation and maintenance of plant	13.4	12.9	11.7	3.9 %	10.3 %
Scholarships	18.8	16.9	16.3	11.2 %	3.7 %
Auxiliary enterprises	2.3	3.0	6.4	(23.3)%	(53.1)%
Depreciation	9.1	8.8	8.4	3.4 %	4.8 %
Total operating expenses	<u>175.4</u>	<u>162.5</u>	<u>159.8</u>	7.9 %	1.7 %
Operating loss	(131.3)	(120.3)	(119.2)	9.2 %	0.9 %
Non-operating revenues (expenses):					
State appropriations	44.0	40.8	40.7	7.8 %	0.2 %
Ad-valorem taxes (Net)	98.5	89.1	80.4	10.5 %	10.8 %
Federal revenue, Non-operating	23.3	19.8	20.0	17.7 %	(1.0)%
Gifts	-	3.6	-		
Interest on capital related debt	(3.9)	(0.7)	(1.2)	457.1 %	(41.7)%
Investment income	6.3	2.2	0.8	186.4 %	175.0 %
Other non-operating revenues, net	(2.1)	0.2	0.2	(1150.00)%	0.0 %
Net non-operating revenues	<u>166.1</u>	<u>155.0</u>	<u>140.9</u>	7.2 %	10.0 %
Increase in net position	<u>34.8</u>	<u>34.7</u>	<u>21.7</u>	0.3 %	59.8 %
Net position - beginning of year	520.5	485.8	464.1	7.1 %	4.7 %
Cumulative Effect of Change in Accounting Principle	(36.6)	-	-	0.0 %	0.0 %
Net position - ending of year	<u>\$ 518.7</u>	<u>\$ 520.5</u>	<u>\$ 485.8</u>	(0.3)%	7.1 %

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

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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 ad valorem taxes, state appropriations, and federal grants. See Table 2 above for a comparative Condensed Statements of Revenues, Expenses, and Changes in Net Position for fiscal years 2017-18, 2016-17, and 2015-16.

Because two of the three primary sources of revenue, state appropriations, and ad valorem taxes, which make up 65.9% of total District revenues are reported as non-operating revenues, the District will typically report an operating loss, as it does for the District in all fiscal years presented. Additionally, since depreciation on capital assets is reported as an operating expense, it also contributes to the operating loss.

Tuition and fees, net of discounts, make up 81.4% of operating revenues for fiscal year ending 2017-18 and 82.4% for year ending 2016-17. For fiscal years ending 2017-18, 2016-17, and 2015-16 tuition and fees, net of discounts was \$35.9 million, \$34.8 million, and \$30.7 million, respectively. The 3.2% increase in tuition during the current year compared to the prior year is a result of an increase in students and tuition per credit hour. (See Statistical Supplement 4 Tuition and Fees and Statistical Supplement 15 Enrollment Details, for additional information on tuition and enrollment details, respectively). From fiscal years 2015-16 to 2016-17, tuition increased by \$4.1 million, or 13.4%, also due to an increase in enrollment and tuition per credit hour. In addition, the implementation of special fees in the Fall 2016 for non-fundable classes contributed to the increase in tuition during this timeframe. The special fee charged to students attempting a course more than twice, were assessed \$50 per credit hour, in addition to the regular per credit hour tuition. Developmental courses taken in excess of the 27-hour threshold are assessed \$50 per credit hour additional tuition, and any courses not funded by the State of Texas are subject to the additional \$50 per credit hour.

For fiscal years ending 2017-18, 2016-17, and 2015-16, scholarship allowances and discounts were \$10.9, \$7.4, and \$6.9 million, 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. During the current year, the increase in scholarships allowances by 47.2% or \$3.5 million is primarily a result of increases in Pell, Texas Public Education Grants awarded, and waivers.

Grants and Contracts as displayed in Table 2, Condensed Statement of Revenues, Expenses and Changes in Net Position, consists of Federal, State, and Non-governmental grants and contracts. Federal and state grants make up 95.9% of this category. In the current year 55.0% of federal grants consisted of National Science Foundation, while 29.8% consisted of US Department of Education pass-through grants from the Texas Higher Education Coordinating Board. State grants totaled \$2.8 million and consist of grants from the Texas Workforce Commission totaling \$.82 million, compared to \$.62 million in the prior year, and \$1.8 million from Texas Higher Education Coordinating Board for Professional Nursing Program, and Texas Education Opportunity Grants.

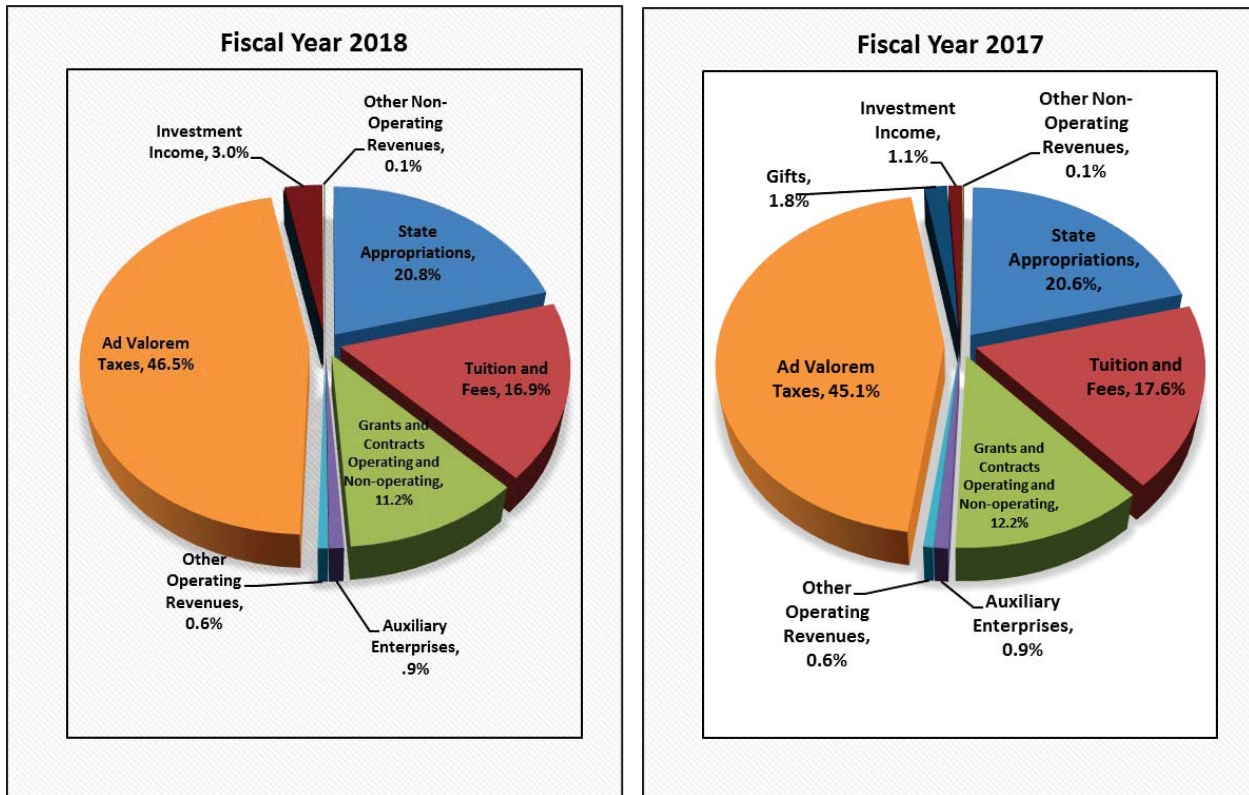
From fiscal year 2015-16 to 2016-17, the NSF grant remained constant at \$1.1 million. State grants and contracts increased 51.3% from fiscal year 2016 to 2017 due mostly to a 70.1% increase in Texas Education Opportunity Grants awarded. Grant revenues are recognized to the extent

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expenditures are incurred. See Graph 3 for a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal years ending 2017-018 and 2016-17.

Graph 3: 2017 and 2018 Total Operating and Non-Operating Revenues



As noted above, non-operating revenues are non-exchange transactions where funds are received for goods and services provided to an entity, in this case, students, 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. Other non-operating revenues consist of net investment income, gifts, and other non-operating revenues.

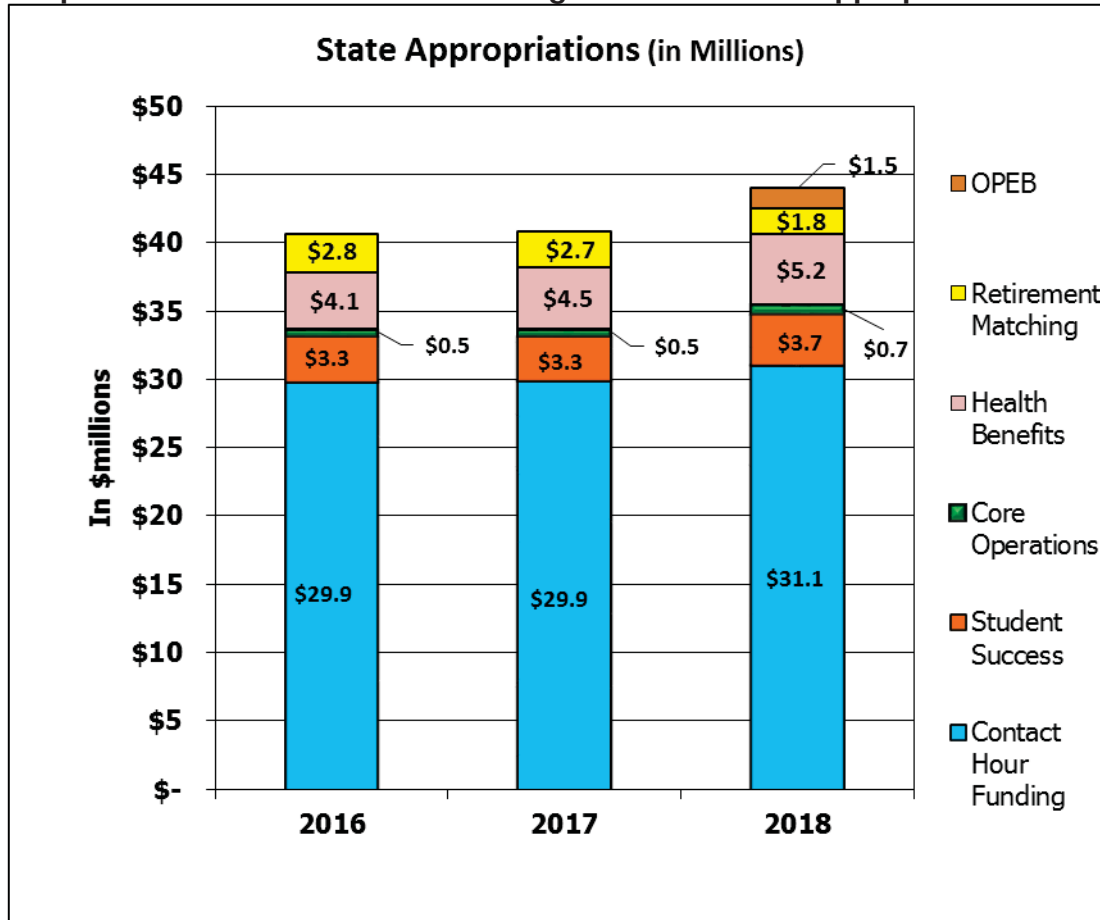
State appropriation funding consists of funding for education and general expenses, specifically based on contact hours, student success measures, and core operations, as well as providing for a portion of employee benefits in the form of health insurance and state retirement matching. This is the first year of the biennium, with appropriations increasing from \$33.7 million to \$35.5 million from the prior year to the current year. State appropriations per full-time student equivalent (“FTSE”) increased approximately 4.3%. State appropriation per contact hour in the current and prior years was 3.52 and 3.44, respectively. As shown in Graph 4, the greatest change throughout the three year period has been in the State funding for benefits. Texas Senate Bill 1812, passed in September 2013, requires the State to fund benefits at 50% for all eligible employees. For fiscal years 2015-

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16, 2016-17, and 2017-18, funding for benefits was \$6.9, \$7.1, and \$8.5 million, respectively. As noted previously, and as indicated in the graph below, \$1.5 million of the change in benefits can be explained by the implementation of GASB Statement 75 – *Other Post-Employment Benefits*. See Note 9 Employees’ Retirement Plan and Note 12 Healthcare and Life Insurance Benefits for additional information on benefits.

Graph 4: Fiscal Years 2015-16 through 2017-18 State Appropriations



Ad valorem taxes received for maintenance and operations (M&O) increased \$9.3 million over the prior year, or 10.9% due to increased property values. The net assessed property values of the District for 2017-18, 2016-17, and 2015-16 was \$125.3, \$110.6, \$97.7 billion, respectively. The District’s total assessed tax rate decreased over the last three years per \$100 valuation: \$0.081960, \$0.081222, and \$0.079810 for fiscal years 2015-16, 2016-17, and 2017-18, respectively. Debt service assessed tax rate is set to pay the District’s outstanding general obligation. See Note 16 Property Tax for additional information on property taxes.

Federal grants and contracts shown as non-operating revenues represents funds received from the Department of Education for Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, and Federal Work Study. Federal grants and revenues reported as non-operating revenues have increased from fiscal year 2016-17 to 2017-18 by 17.9% due primarily to the increase in Pell

grants, specifically due to the increase in summer Pell awards and the 9.8% increase in number of students receiving Pell during the current year, compared to the prior year.

In November 2016, the City of Wylie donated a parcel of land, almost 44 acres, to the District for the sole and exclusive purpose of constructing and operating a campus on the property. The appraised value of the property was \$3.62 million and was recorded as a gift for fiscal year ending 2016-17.

In fiscal year 2015-16, the District contracted with an Investment Advisor to provide non-discretionary management of the District's investment portfolio. In addition, revisions to the District's investment policy were approved by the Board of Trustees in June 2016, and is reviewed annually. Key revisions include adding additional eligible investments, diversifying the portfolio by investment maturity, and increasing maximum maturity to thirty-six months for operating and building fund investments. All changes are in compliance with the Public Funds Investment Act. The objectives of the investment policy, in priority order are safety of principal, liquidity, and return on investments. The District's Investment Policy may be found on the District website at <http://www.collin.edu/financials/investments.html>.

Investment income has increased substantially over the last three years, from 2016-17 to 2017-18 by \$4.1 million, or 191.9%, and from 2015-16 to 2016-17 by \$1.3 million, or 171.7%. The increase is due in large part to the increase in interest rates the District is able to take advantage of in conjunction with an active investment program, where excess cash is invested to optimize return, in accordance with the District's investment policy.

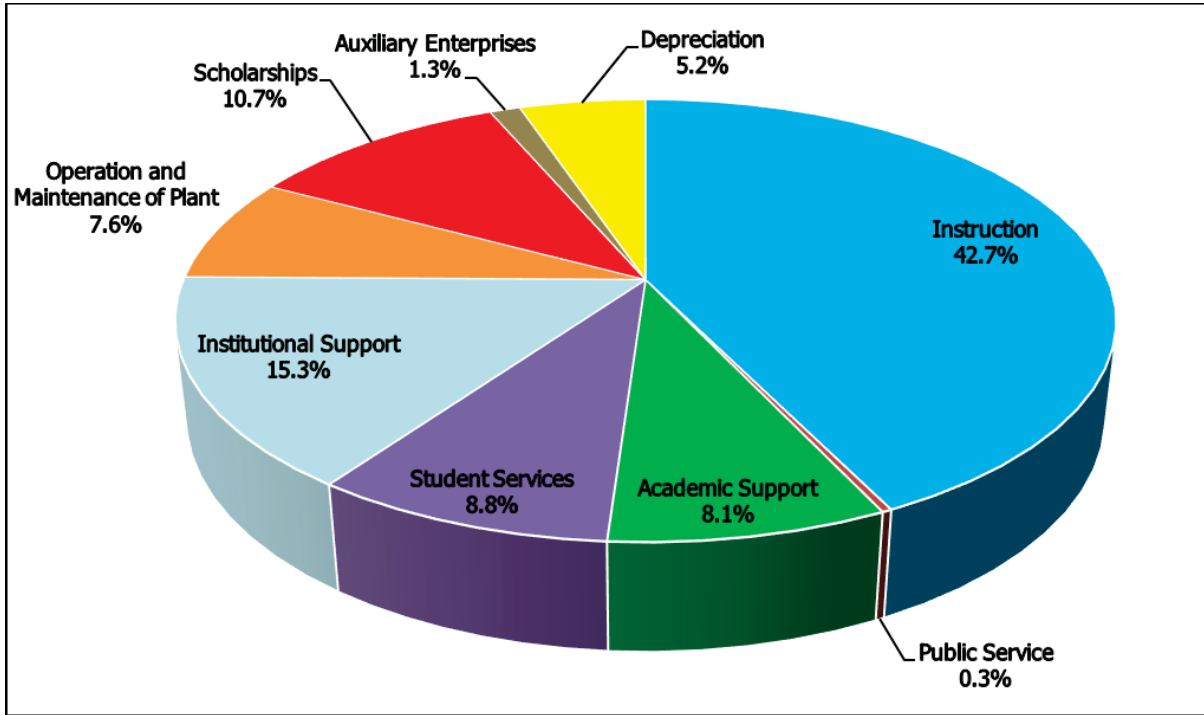
Operating Expenses by Functional Classification

Functional classifications are the traditional categories that have been used to categorize expenses and represent the type of programs and services provided. A comparison of the District's functional operating expenses from fiscal year 2015-16 through fiscal year 2017-18 may be found in Table 2. Graph 5 highlights the percentage of total operating expenses each program represents of the total \$175.4 million. A graphical representation of operating expenses by functional classification for the three year period of 2015-16, 2016-17, and 2017-18 is depicted in Graph 6.

Overall operating expenses increased 1.7% and 7.9% from fiscal years 2015-16 to 2016-17 and from 2016-17 to 2017-18, respectively. The Board of Trustees approved a 4.0% salary increase for employees each of the last three years.

Instructional expenses increased \$4.0 million or 5.6% from the fiscal year 2016-17 to 2017-18 due to the 4.0% salary increases, the addition of sixteen new faculty, and expenses to equip the newly completed Public Safety Training Center. In addition, the increase was due to the movement of the child development lab to the unrestricted fund from auxiliary, as well as an increase in grants providing support for the instruction. From 2015-16 to 2016-17, instructional expenses declined by 1.7% due to the addition of one-time expenses totaling \$2.9 million for non-capital instructional costs related to the opening of the Health Sciences Center from 2015-16. When excluding the one-time, non-capital expenses made in 2016 from consideration, there was an overall increase in instructional expense of \$1.6 million as a result of the annual 4% salary increase.

Graph 5: Fiscal Year 2017-18 Operating Expenses by Functional Classification (%)



The District strives to maintain a 50 to 50 ratio of full time to part time faculty. District administrators evaluate the full time to part time ratios each year and make recommendations to hire additional full time faculty to meet this objective for the next budget period.

Expenses in public service classification primarily relate to services provided by the Small Business Development Center, and avocational courses offered through the District. It represents less than 0.5% of the District’s total operating expenses in fiscal year 2017-18.

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. There was a 16.4% increase in academic support between fiscal year 2016-17 and 2017-18 due to the 4.0% increases in salaries, corresponding benefits, and the addition of seven associate deans, associate provosts, and a new director. The overall change from fiscal year 2015-16 to 2016-17 was a slight increase of 2.5% due to the 4.0% salary increase. The District underwent a realignment affecting academic support beginning July 2016, whereby fourteen associate deans were hired to assist deans with managing faculty, and to allow deans to focus on program assessment, improvement, and development. Eight associate deans were promoted from within the District, while four were hired from outside the District. A reduction in expenses was realized by eliminating faculty release time and part time department chair responsibilities, allowing faculty to resume teaching responsibilities in the classroom. In addition, three academic dean positions were eliminated.

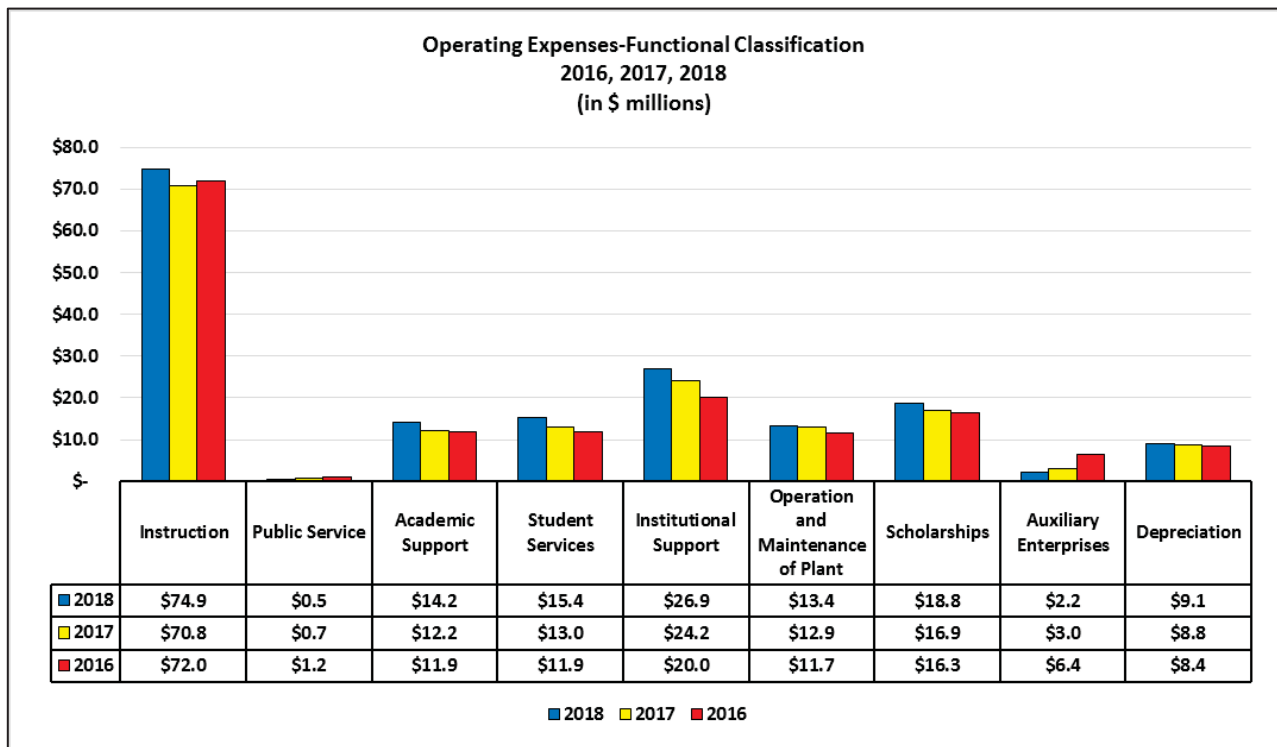
Student services includes expenses incurred to provide assistance and support the needs and interests of the students including counseling, advising, financial aid, admissions, and career

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guidance among others. There was an 18.5 % increase from fiscal year 2016-17 to 2017-18 due to the 4.0% salary increase as well as the addition of 14 college and career counselors placed in the high schools, two program career coaches, two veteran services specialists and three additional student services staff members, including the addition of an associate dean of student and enrollment services. This category saw an increase in expenses during the prior year of 9.2% growing from \$11.9 to \$13.0 million from 2016 to 2017. Student services experienced a realignment beginning in July 2016 with the addition of three associate deans, a fourth dean, and the addition of the intramural program which accounts for the increase in student services expenses experienced in the prior year.

Graph 6: Fiscal Years 2016, 2017, 2018 Operating Expenses by Functional Classification



Institutional support expenses consist of the District's executive management, fiscal operations, general administration, public relations and development, debt service and information technology. From fiscal years 2015-16 to 2016-17 and from 2016-17 to 2017-18, institutional support saw a 21.0% and 11.2% increase, respectively. The current year increase may be explained by the 4.0% increase in salaries and the addition of several police officers during the year. During the prior fiscal year, software and contracted services increased almost \$1 million in connection with District computer services and access. Vacancies in the police department were filled increasing the number of officers from 17 in fiscal year 2015-16 to 31 officers in 2016-17 with a corresponding increase in salaries, benefits and other departmental expenses from \$0.8 to \$2.7 million, respectively. The remaining increase in expenses for institutional support may be attributed to the 4.0% salary and benefits increase.

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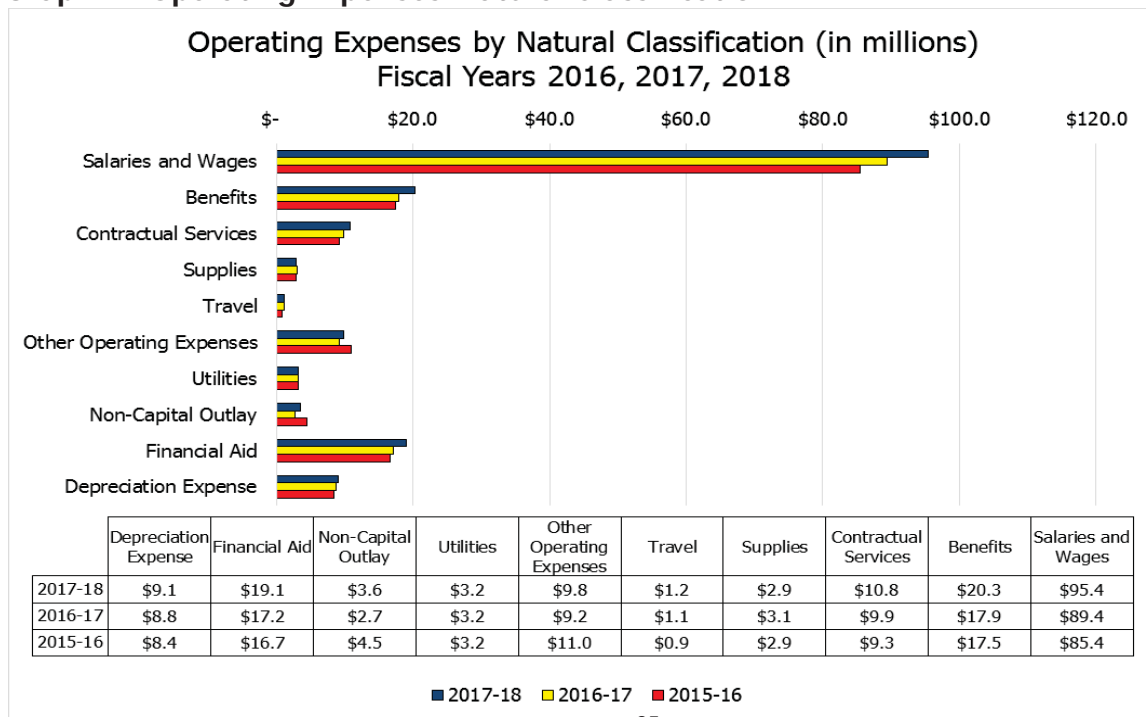
During the current year, Operation and maintenance of plant increased by 3.9%. This increase is due to the increase in salaries. Operations and maintenance of plant expenses increased during the prior year by \$1.2 million or 10.3%. The increase was due primarily to the 4.0% increase in salaries and benefits, as well as the increase in three new positions, including an electrician. The District provides for renewal and replacement of physical plant annually by budgeting between \$1.5 and \$2.0 million. For the current and two prior fiscal years, approximately \$1.8, \$1.5 and \$1.7 million, respectively, was expended for renewal and replacement. These expenses are included in operation and maintenance of plant.

Depreciation expense has steadily increased over the last three years from \$8.4 million in fiscal year 2015-16, to \$8.8 million and \$9.1 million in 2016-17 and 2017-18, respectively as is expected with the addition of new construction. In fiscal year 2015-16, the District capitalized and began depreciating a \$47.3 million Conference Center and Health Science Center on the Central Park Campus, accounting for the 4.8% increase in depreciation since fiscal year 2015-16. The 3.4% increase in depreciation from fiscal year 2016-17 to the current year may be explained by the capitalization and half year depreciation applied to the Public Safety Training Center during the current fiscal year.

Scholarship expense increased from fiscal year 2016-17 to 2017-18 by 11.2% or \$1.9 million and totaled \$18.8 million. The most significant increase in scholarship expense during the current fiscal year is due to an increase in the scholarships awarded with the Texas Public Education Grant funds and Pell Grant funds. From fiscal year 2015-16 to 2016-17 scholarships increased by 3.7% or \$0.6 million. The increase in the prior year for scholarship expense was attributable to an increase in Texas Education Opportunity Grants awarded.

Operating Expenses-Natural Classification

Graph 7: Operating Expenses-Natural Classification



See Graph 7 which depicts the District's operating expenses by natural classification, or broad expense types.

Salaries and benefits make up between 64% and 65% of total expenses for all years shown. Financial aid is the next largest expense for the District at more than 10.0% and less than 11.0% for all years shown.

Operating expenses consist of expenses for software, printing, repairs, insurance, advertising, cost of goods sold, memberships, among other expenses. Operating expenses decreased by 16.4% from fiscal year 2015-16 to 2016-17, and increased by 6.5% from fiscal year 2016-17 to 2017-18. The increase in the current year can be attributable to an increase in software expense and repair and maintenance. One key factor for the decrease in operating expenses in the prior year was due to the District contracting out the bookstore to Barnes & Noble at the end of 2016 eliminating costs of goods sold, and most freight charges.

Capital Assets and Debt Administration

In May 2017, Collin County voters approved a \$600 million bond referendum allowing the District to fund Collin College's Facilities Master Plan (2017 Bond Program). The District's long-range plan to accommodate the projected population growth in Collin County over the next two decades consists of building four new campuses, three new facilities, two repurposed existing spaces, and three wayfinding projects (on existing sites). The program is scheduled to be completed in four phases over seven years with the Wylie and Technical campuses projected to open in 2020. The District entered into an agreement with AECOM Technical Services to provide Program Management Services for Phase 1 of the 2017 Bond program totaling \$9.6 million. The agreement was amended in February 2018 to add program management services by AECOM Technical Services for Phase II of the 2017 Bond program for an additional \$2.75 million.

Phase 1 of the capital program includes the construction of the Public Safety Training Center and the Wylie and Technical Campuses. The District partnered with the cities of McKinney and Allen to build the Public Safety Training Center, where law enforcement and fire science programs will be offered. Construction was completed during the current year with classes beginning in Fall 2018. Capitalized costs for the 110,000 SF facility totaled \$30.9 million. In exchange for financial contributions from each city, \$4.6 million from Allen and \$3.7 million (plus a 50 year ground lease for 25 acres at \$10 per year) from McKinney, the cities will have access to utilize the facilities for training and education purposes based upon an agreed upon schedule with the college.

In the current year, the District paid \$1.8 million for 9.9 acres adjacent to 44 acres donated by the City of Wylie and the 42 acres purchased by the District in the prior year. In the prior year, the District purchased a 31.75 parcel of land in Allen, upon which the Collin Technical Training Center will be constructed.

At fiscal year ending 2017-18, the Wylie and Technical Campuses were 10.9% and 11.5% complete, respectively. The Wylie Campus will be approximately 338,095 SF and is expected to cost approximately \$166 million. The Technical campus is budgeted at \$164.7 million with 339,451 SF. Construction in progress for the current fiscal year totals \$15.9 million for the campuses in Wylie

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and Allen and the start of the Farmersville and Celina Campuses, and IT Center of Excellence at Frisco Campus. The District has entered into an agreement with Allen Independent School District (Allen ISD) whereby Allen ISD will utilize the Technical Campus for its students based upon a mutually agreed-upon schedule in exchange for financial contribution for construction totaling \$12 million. An economic development infrastructure grant totaling \$400,000 has been promised to the District by the Allen Economic Development Corporation (AEDC) to defray a portion of the costs of construction for the Technical Campus. In addition, the AEDC has agreed to create a \$100,000 endowed scholarship fund through the Collin College Foundation.

Table 3: Capital Assets

	2018	2017	2016
Land	\$ 44,585,763	\$ 42,706,349	\$ 25,194,267
Construction in progress	15,965,729	16,131,827	838,065
Buildings	263,175,358	238,151,813	244,195,773
Land improvements	8,129,068	8,778,524	9,455,469
Equipment	7,476,311	7,154,584	7,104,383
Library Books	4,085,846	4,213,162	4,322,686
WAN/LAN network equipment	25,611	27,164	28,716
Total	<u>\$ 343,443,686</u>	<u>\$317,163,423</u>	<u>\$291,139,359</u>

The preceding table shows the capital assets for fiscal years ending August 31, 2018, 2017, and 2016. Additional information regarding capital assets may be found in Note 5 Capital Assets.

The District sold \$234.25 million in bonds at a net premium of \$18.058 million receiving \$252.308 million less underwriter's discount of \$1.758 million in April 2018. The bond issuance will fund the construction of the Wylie and Technical Center Campuses in addition to the already completed Public Safety Training Center. Additional bond issuances, not to exceed the \$600 million bond referendum in total, are planned over the next five years to fund the construction of the outstanding capital projects described above.

The District's outstanding general obligation bonds at fiscal year ending 2017-18 consists of Series 2010 Limited Tax Refunding Bonds totaling \$12.376 million and \$252.012 million Series 2018 Limited Tax Bonds. Noted in Table 4 is the outstanding debt at the end of fiscal year 2018, compared to the debt at the end of the two previous fiscal years ending 2016-17 and 2015-16.

Principal payments totaling \$3.520 million on the District's general obligation bonds Series 2010 and Series 2008 revenue bonds during the current year reduced the total outstanding bonds payable to \$12.376 million, of which \$2.530 million is classified as a current liability. See Note 6 Long-Term Liabilities, Note 7 Debt Obligations, and Note 8 Bonds Payable for information on debt service. The revenue bond payment made totaling \$1.095 million during the current year paid off the remaining revenue bonds payable balance.

Table 4: Bond Obligations

	2018	2017	2016
General obligation bonds	\$ 264,388,553	\$ 14,843,861	\$ 17,206,467
Revenue bonds	-	1,095,000	2,160,000
Total	\$ 264,388,553	\$ 15,938,861	\$ 19,366,467

Moody’s Investors Service evaluated and affirmed the District’s rating of Aaa in September 2017. As of February 2017 Standard & Poor’s Global Ratings affirmed the District’s AAA rating. Factors used to consider the District’s ratings:

- District resides in the deep and diverse Dallas-Fort Worth metropolitan area, boosting wealth and income levels;
- Very strong financial position, coupled with good management practices, and
- Diverse revenue streams with significant revenue-raising flexibility.

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 taxable assessed values from the prior year totaling 10.28% is expected to generate additional tax revenues of \$13.47 million for the 2018-19 fiscal year. For fiscal year 2018-19, the debt service tax rate and maintenance and operations tax rate was set at \$0.078190/\$100 valuation and \$.003032/\$100 valuation, respectively. The maximum rate for M&O is \$.08/\$100 valuation. Similar expectations as those experienced in 2017-18 regarding tax revenue collections is anticipated for fiscal year 2018-19.

The unemployment rate in Collin County has remained low over the current year, steadily declining over the last several years, from a high of 6.5% unemployment in June 2012 to 3.4% in July 2018. This trend stands to continue with the increase in new employers moving into Collin County including State Farm, Liberty Mutual Insurance, Fannie Mae, JP Morgan Chase, and Toyota.

State appropriations are budgeted at 18.2% of the District’s total revenue for fiscal year ending 2018-19. The upcoming fiscal year is the second year of the biennium, with appropriations remaining the same as the 2017-18 fiscal year, excluding benefits. The District will continue to receive the majority (90%) of state funding based on contact hours, but a portion (10%) of the funding is tied to a success-points system in which colleges earn funding for students’ academic milestones, such as earning an associate’s degree, a certificate or transferring to a university. Also included in the District’s State appropriations is \$680,406 for core operations for each year of the biennium. Retirement benefits, as a percentage of salaries, will increase along with salary increases. The allocation for healthcare for fiscal year 2018-19 has increased 4.5% from \$5.16 million in fiscal year 2017-18 to \$5.39 million.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2018 and 2017

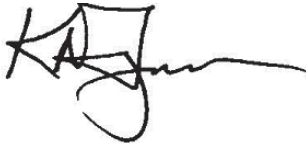
The Board of Trustees approved a tuition increase effective Fall 2018 increasing in-county tuition by \$4 per credit hour, \$8 per credit hour for out-of-county, and \$13 per credit hour for out-of-state, and out-of-country residencies. Enrollment is anticipated to increase three percent during the 2018-19 fiscal year.

The Board of Trustees passed a residential homestead exemption which will impact homeowners in the 2018-19 fiscal year.

Senate Bill 2118 was passed during the 2017 legislative session authorizing Collin College to offer a bachelor of science in nursing (BSN) degree, a bachelor of applied technology degree, and a bachelor of applied science degree. The District must seek approval to grant baccalaureate degrees from the Southern Association of Colleges and School Commission on Colleges and the Texas Higher Education Coordinating Board. The goal is to begin offering a BSN no later than Fall 2019.

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 and selecting *Required Links* under the *Policies* heading, then selecting the *Financial Transparency* link.

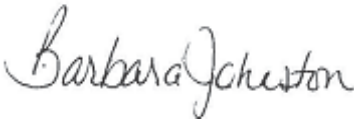
Kenneth D. Lynn, CPA
Chief Financial Officer



Julie Bradley, CPA
Associate Vice President, Controller/
Student Financial Services



Barbara Johnston, CPA
Associate Vice President,
Financial Services and Reporting



Shannon South, CPA
Director of Accounting



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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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Statement of Net Position
As of August 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 163,778,195	\$ 123,451,580
Restricted cash and cash equivalents	44,663,994	-
Accounts receivable (net of allowance for doubtful accounts of \$499,886 and \$625,640 respectively)	14,729,019	9,739,711
Short term investments	163,196,320	112,522,949
Restricted short term investments	138,578,643	-
Tax receivable (net of allowance for doubtful accounts of \$672,133 and \$667,442 respectively)	574,717	568,562
Consumable inventory	7,480	33,528
Prepaid expenses	785,218	1,020,119
Total current assets	<u>526,313,586</u>	<u>247,336,449</u>
Noncurrent assets		
Long term investments	11,009,278	24,473,262
Capital assets, net		
Not subject to depreciation	60,551,492	58,838,176
Subject to depreciation	282,892,194	258,325,247
Total noncurrent assets	<u>354,452,964</u>	<u>341,636,685</u>
Total assets	<u>\$ 880,766,550</u>	<u>\$ 588,973,134</u>
Deferred outflows of resources		
Deferred outflows related to pensions	\$ 7,977,836	\$ 7,082,702
Deferred outflows related to OPEB	977,187	-
Total deferred outflows of resources	<u>\$ 8,955,023</u>	<u>\$ 7,082,702</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 13,285,919	\$ 11,285,397
Accrued liabilities	3,694,319	190,614
Funds held for others	361,962	276,831
Unearned revenue	22,219,139	19,868,416
Accrued compensable absences payable - current portion	119,639	148,438
Bonds payable - current portion	6,970,000	3,520,000
Total current liabilities	<u>46,650,978</u>	<u>35,289,696</u>
Noncurrent liabilities		
Accrued compensable absences payable	1,096,283	914,041
Pension liability	19,684,288	21,234,239
OPEB liability	31,319,220	-
Bonds payable	257,418,553	12,418,861
Total noncurrent liabilities	<u>309,518,344</u>	<u>34,567,141</u>
Total liabilities	<u>\$ 356,169,322</u>	<u>\$ 69,856,837</u>
Deferred inflows of resources		
Deferred inflows related to pensions	\$ 7,845,059	\$ 5,725,926
Deferred inflows related to OPEB	6,924,831	-
Total deferred inflows of resources	<u>\$ 14,769,890</u>	<u>\$ 5,725,926</u>
Net position		
Net investment in capital assets	\$ 262,417,005	\$ 300,132,133
Restricted for:		
Expendable		
Student aid/non-governmental grants and contracts	1,232,058	1,384,935
Reserve for debt service	67,687	1,073,545
Unrestricted	255,065,611	217,882,460
Total net position	<u>\$ 518,782,361</u>	<u>\$ 520,473,073</u>

See accompanying notes to basic financial statements.

Exhibit 1A**COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.****Statement of Financial Position
As of December 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 870,333	\$ 768,889
Accounts receivable	60	1,270
Pledges receivable, net of discount	212,263	212,594
Prepaid expenses	11,260	-
Investments	13,344,494	11,366,537
Total assets	<u>\$ 14,438,410</u>	<u>\$ 12,349,290</u>
Liabilities and net assets		
Liabilities		
Accounts payable	\$ 145,190	\$ 114,179
Deferred revenue	42,838	36,798
Total liabilities	<u>188,028</u>	<u>150,977</u>
Net assets		
Unrestricted	866,495	610,658
Temporarily restricted	6,710,597	5,047,149
Permanently restricted	6,673,290	6,540,506
Total net assets	<u>14,250,382</u>	<u>12,198,313</u>
Total Liabilities and Net Assets	<u>\$ 14,438,410</u>	<u>\$ 12,349,290</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
**Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended August 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$10,962,312 and \$7,440,124 respectively)	\$ 35,922,095	\$ 34,777,289
Federal grants and contracts	1,864,618	1,650,574
State grants and contracts	2,836,838	2,477,397
Non-governmental grants and contracts	237,701	276,616
Sales and services of educational activities	995,562	744,120
Auxiliary enterprises	1,970,718	1,740,221
Other operating revenues	365,138	469,662
Total operating revenues	<u>44,192,670</u>	<u>42,135,879</u>
Expenses		
Operating expenses:		
Instruction	74,863,647	70,813,288
Public service	533,546	701,327
Academic support	14,226,341	12,194,878
Student services	15,406,930	12,965,133
Institutional support	26,911,239	24,213,569
Operation and maintenance of plant	13,444,347	12,933,541
Scholarships	18,760,158	16,856,378
Auxiliary enterprises	2,253,950	3,038,575
Depreciation	9,053,254	8,788,326
Total operating expenses	<u>175,453,412</u>	<u>162,505,015</u>
Operating loss	<u>(131,260,742)</u>	<u>(120,369,136)</u>
Non-operating revenues (expenses):		
State appropriations	44,006,835	40,859,962
Ad-valorem taxes:		
Taxes for maintenance and operations	95,075,974	85,704,942
Taxes for general obligation bonds	3,414,038	3,406,829
Federal grants and contracts	23,330,718	19,783,712
Gifts	30,070	3,620,000
Investment income (net of investment expenses)	6,375,739	2,183,790
Interest on capital related debt	(3,982,439)	(731,903)
Other non-operating revenues	200,000	200,000
Other non-operating expenses	(2,322,208)	(750)
Net non-operating revenues	<u>166,128,727</u>	<u>155,026,582</u>
Increase in net position	<u>34,867,985</u>	<u>34,657,446</u>
Net position - beginning of year	520,473,073	485,815,627
Cumulative effect of change in accounting principle	(36,558,697)	-
Net position - beginning of year, as restated	<u>483,914,376</u>	<u>485,815,627</u>
Net position - ending of year	<u>\$ 518,782,361</u>	<u>\$ 520,473,073</u>

See accompanying notes to basic financial statements.

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COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Activities
For the Year Ended December 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support				
Donations and grants, net of adjustment to discount on pledges receivable	\$ (437)	\$ 712,865	\$ 105,500	\$ 817,928
Special events and fundraising	55,401	115,848	-	171,249
Less: cost of direct benefit to donors	(43,672)	(7,391)	-	(51,063)
Investment income	68,545	285,936	17,252	371,733
Realized gains/(losses) on investments	38,873	113,459	10,032	162,364
Unrealized gains/(losses) on investments	197,754	1,302,613	-	1,500,367
In-kind contributions	496,210	-	-	496,210
Net assets released from restrictions	859,882	(859,882)	-	-
Total revenues and other support	<u>1,672,556</u>	<u>1,663,448</u>	<u>132,784</u>	<u>3,468,788</u>
Expenses				
Program services:				
Scholarships	680,072	-	-	680,072
Scholarship reception	41,583	-	-	41,583
Program enhancements	158,275	-	-	158,275
Total program services	<u>879,930</u>	<u>-</u>	<u>-</u>	<u>879,930</u>
Supporting services:				
In-kind personnel	402,680	-	-	402,680
In-kind facilities	93,530	-	-	93,530
Accounting fees	8,200	-	-	8,200
Insurance	1,321	-	-	1,321
Investment expense	25,274	-	-	25,274
Miscellaneous	5,784	-	-	5,784
Total supporting services	<u>536,789</u>	<u>-</u>	<u>-</u>	<u>536,789</u>
Total expenses	<u>1,416,719</u>	<u>-</u>	<u>-</u>	<u>1,416,719</u>
Total change in net assets	255,837	1,663,448	132,784	2,052,069
Net assets at beginning of year	<u>610,658</u>	<u>5,047,149</u>	<u>6,540,506</u>	<u>12,198,313</u>
Net assets at end of year	<u>\$ 866,495</u>	<u>\$ 6,710,597</u>	<u>\$ 6,673,290</u>	<u>\$ 14,250,382</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Activities
For the Year Ended December 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support:				
Donations and grants, net of adjustment to discount on pledges receivable	\$ 568	\$ 634,978	\$ 270,050	\$ 905,596
Special events and fundraising	35,390	125,183	5,000	165,573
Less: cost of direct benefit to donors	(27,423)	(11,858)	-	(39,281)
Investment income	57,210	202,629	12,484	272,323
Realized gains/(losses) on investments	23,718	90,910	5,099	119,727
Unrealized gains/(losses) on investments	71,526	390,599	-	462,125
In-kind contributions	233,669	-	-	233,669
Net assets released from restrictions	768,289	(768,289)	-	-
Total revenues and other support	<u>1,162,947</u>	<u>664,152</u>	<u>292,633</u>	<u>2,119,732</u>
Expenses:				
Program services:				
Scholarships	559,516	-	-	559,516
Scholarship reception	36,089	-	-	36,089
Program enhancements	188,975	-	-	188,975
Total program services	<u>784,580</u>	<u>-</u>	<u>-</u>	<u>784,580</u>
Supporting services:				
In-kind personnel	154,647	-	-	154,647
In-kind facilities	79,022	-	-	79,022
Accounting fees	8,200	-	-	8,200
Insurance	1,600	-	-	1,600
Investment expense	22,158	-	-	22,158
Miscellaneous	4,200	-	-	4,200
Total supporting services	<u>269,827</u>	<u>-</u>	<u>-</u>	<u>269,827</u>
Total expenses	<u>1,054,407</u>	<u>-</u>	<u>-</u>	<u>1,054,407</u>
Total change in net assets	108,540	664,152	292,633	1,065,325
Net assets at beginning of year	<u>502,118</u>	<u>4,382,997</u>	<u>6,247,873</u>	<u>11,132,988</u>
Net assets at end of year	<u>\$ 610,658</u>	<u>\$ 5,047,149</u>	<u>\$ 6,540,506</u>	<u>\$ 12,198,313</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows For the Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 36,656,864	\$ 39,051,535
Receipts from grants and contracts	4,939,157	4,684,222
Collections on loans made to students	-	1,856
Other receipts	365,138	469,662
Payments to or on behalf of employees:		
Payments to employees	(95,222,049)	(88,531,850)
Payments for employee benefits	(12,001,121)	(10,094,776)
Payments to suppliers for goods and services	(29,654,909)	(27,960,271)
Payments for scholarships	(18,394,221)	(16,856,378)
Net cash used in operating activities	<u>(113,311,141)</u>	<u>(99,236,000)</u>
Cash flows from noncapital financing activities		
Receipts from state appropriations	35,512,154	33,739,730
Receipts from ad valorem taxes	95,265,103	85,635,390
Receipts from grants and contracts	23,330,718	19,783,712
Receipts/(payments) for student organizations and other agency transactions	85,131	(102,392)
Net cash provided by noncapital financing activities	<u>154,193,106</u>	<u>139,056,440</u>
Cash flows from capital and related financing activities		
Proceeds from issuance of general obligation bonds	252,308,336	-
Receipts from ad valorem taxes	3,418,754	3,406,295
Purchases of capital assets	(35,029,472)	(30,021,444)
Payments on capital related debt	(3,858,644)	(3,427,606)
Tax increment reinvestment payment	-	200,000
Interest payments on capital related debt	(314,782)	(737,733)
Bond issuance costs	(2,596,182)	-
Net cash provided by capital and related financing activities	<u>213,928,010</u>	<u>(30,580,488)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	212,564,000	132,000,000
Interest on investments	4,335,822	1,781,530
Purchase of investments	(386,719,188)	(153,509,531)
Net cash used in investing activities	<u>(169,819,366)</u>	<u>(19,728,001)</u>
Increase/(decrease) in cash and cash equivalents	84,990,609	(10,488,049)
Cash and cash equivalents - beginning of year	<u>123,451,580</u>	<u>133,939,629</u>
Cash and cash equivalents - end of year	<u>\$ 208,442,189</u>	<u>\$ 123,451,580</u>
Reconciliation of cash and cash equivalents to Exhibit 1:		
Cash and cash equivalents	\$ 163,778,195	\$ 123,451,580
Restricted cash and cash equivalents	44,663,994	-
	<u>\$ 208,442,189</u>	<u>\$ 123,451,580</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows - continued For the Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (131,260,742)	\$ (120,369,136)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	9,053,254	8,788,326
Pension expense	(325,952)	707,406
Payments made directly by state for benefits	6,986,289	7,120,232
OPEB expense	1,508,392	-
Changes in assets and liabilities		
Receivables, net	(4,582,234)	(595,722)
Inventories	26,048	2,192
Prepaid expenses	234,901	35,068
Deferred outflows related to pensions	(895,134)	1,320,731
Deferred outflows related to OPEB	(977,187)	-
Accounts payable & other accrued liabilities	1,836,570	2,107,269
Unearned revenue	2,350,723	2,691,597
Accrued salary and benefits	153,443	5,673
Loans to students	-	1,856
Pension liability	(1,223,999)	(500,738)
OPEB liability	(5,239,477)	-
Deferred inflows related to pensions	2,119,133	(550,754)
Deferred inflows related to OPEB	6,924,831	-
Net cash used in operating activities	<u>\$ (113,311,141)</u>	<u>\$ (99,236,000)</u>
Schedule of non-cash investing, capital, and financing activities:		
Payments made directly by state for benefits	\$ 6,986,289	\$ 7,120,232
Payments made directly by the state for OPEB	1,508,392	-
Change in fair value of investments	(28,358)	(43,836)
Donated capital asset	-	3,620,000
Net amortization of bond premiums and discounts	(338,644)	-
Net non-cash investing, capital, and financing activities	<u>\$ 8,127,679</u>	<u>\$ 10,696,396</u>

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 entity, 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 the spending, reporting, and record keeping requirements of these entities, 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 the preparation of 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 is a nonprofit organization with the sole purpose of supporting the educational 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 coordinator of gifts made by other parties. The Foundation made restricted payments to or on behalf of the District in amounts totaling approximately \$1,074,527 and \$478,175 during the years ending August 31, 2018 and 2017, 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 fiscal year ending August 31, 2018 totaled \$432,846. 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 and Junior Colleges. The District applies all applicable GASB pronouncements. The District is reported as a special-purpose government engaged in business-type activities. The District complies with the financial statement presentation format required by the THECB.

Tuition Discounting

Texas Public Education Grants

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 §56.0333). When the award for tuition 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 scholarships expense.

Title IV Higher Education Authority (HEA) Program Funds

Certain Title IV HEA Program funds (Pell grants and FSEOG) are received by the District to pass through to the student. These funds are initially received by the District and recorded as restricted revenue. When the student is awarded and uses these funds for tuition and fees, a corresponding 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 students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded 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.

Budgetary Data

Each community college district 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, 2018 and 2017, respectively, the minimum unrestricted fund balance to be maintained

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

was \$32,953,321 and \$33,644,831. The District exceeded this minimum required fund balance for both years.

Cash and Cash Equivalents

The District’s cash and cash equivalents are considered to be 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 and TexSTAR, which are both statewide investment pools, as cash and cash equivalents.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments include investments with original maturities greater than one year at the time of purchase. The District intends to hold these investments until maturity.

Inventories

Consumable inventories consist of office supplies and postage, which are valued at cost and are charged to expense as consumed.

Capital Assets

Assets with a purchase cost of at least \$5,000 and a useful life greater than one year are capitalized. Depreciation on buildings and site improvements is calculated using the half-year convention, straight-line method with residual value of 10%. Depreciation for the fiscal years 2018 and 2017 totaled \$9,053,254 and \$8,788,326, respectively. Depreciation is not allocated to the functional expense categories. Expenditures for construction in progress are capitalized as incurred, but are not depreciable until assets are put into service.

Capital assets are stated at cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value, defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The District reports capital assets net of accumulated depreciation. Depreciation on 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. The following lives are used:

Buildings	50 years
Land Improvements	20 years
Library Books	15 years
Furniture, machinery, vehicles, and other equipment	10 years
Telecommunications and peripheral equipment	5 years

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**Deferred Outflows of Resources**

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

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.

Unearned Revenues

Revenues of \$22,219,139 and \$19,868,416 are recorded on the Statement of Net Position as unearned revenue at August 31, 2018 and 2017, respectively, and 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 sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so 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.

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 as a single proprietary fund. Operating revenues and expenses generally result from providing services in connection with 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 consist of 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.

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, 2018 and 2017, and therefore, has not recorded a liability for income taxes.

Board Designations

Included in unrestricted net position are certain amounts that have been set aside by the Board. 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 and \$30,000,000 for a health insurance reserve.

New Accounting Pronouncement-Implemented

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

The requirements of this Statement improve the usefulness of information in employer and governmental non-employer contributing entity financial reports and enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense.

Prior Year Restatement

In the year of implementation of GASB Statement No. 75, a restatement to beginning net position was required for the recording of the beginning net OPEB liability and for the recording of deferred outflows of resources for contributions made after the measurement date of the beginning net OPEB liability and the beginning of the reporting entity's fiscal year.

Beginning net position as of September 1, 2017 has been restated as follows for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Beginning net position	\$ 520,473,073
Prior period adjustment-implementation of GASB No. 75:	
Net OPEB liability (measurement date as of August 31, 2017)	(37,419,810)
Deferred outflows-District contributions made during FY 2017	861,113
Beginning net position, as restated	<u>\$ 483,914,376</u>

GASB Statement No. 81, Irrevocable Split-Interest Agreements.

The objective of this statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This statement requires that a government recognize revenue when the resources become applicable to the reporting period.

GASB Statement No. 82, Pension Issues – an amendment of GASB Statements 67, 68, and 73.

The objective of this statement is to address certain issues that have been raised with respect to Statements 67, Financial Reporting for Pension Plans; 68, Accounting and Financial Reporting for Pensions; 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68; and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

GASB Statement No. 85, Omnibus 2017.

The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and “negative” goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer-defined benefit OPEB plans

GASB Statement No. 86, *Certain Debt Extinguishment Issues.*

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period.*

The objectives of this statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. In financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. Implementation of this Statement is effective for reporting periods beginning after December 15, 2019. The District elected early implementation of this Statement effective for fiscal year 2018.

Pending Pronouncements

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

GASB Statement No. 83, *Certain Asset Retirement Obligations.*

This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). It requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred and requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement. In addition, this statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation, at least annually, and requires a government to evaluate all relevant factors, at least annually, to determine whether the effects

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

of one or more of the factors are expected to significantly change the estimated asset retirement outlays. In cases where governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities, this statement requires disclosure of how those funding and assurance requirements are being met, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. Implementation of this Statement for community colleges is planned for fiscal year 2019.

GASB Statement No. 84, *Fiduciary Activities*.

The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Implementation of this Statement for community colleges is planned for fiscal year 2020.

GASB Statement No. 87, *Leases*.

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, as lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of this Statement for community colleges is planned for fiscal year 2020.

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 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 180 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.

NOTE 4. DEPOSITS AND INVESTMENTS

At August 31, 2018 and 2017, the net carrying amount of the District's deposits was an overdraft of \$2,395,805 and \$1,405,746, 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 \$522,827 as of August 31, 2018. 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 on Exhibit 1, Statements of Net Position, consist of the following items:

Cash and Cash Equivalents	As of August 31,	
	2018	2017
Petty cash on hand	\$ 19,200	\$ 13,200
Checking account	119,678	152,655
TexPool	170,042,013	85,577,931
TexSTAR	38,261,298	37,707,794
Total cash and cash equivalents	<u>\$ 208,442,189</u>	<u>\$ 123,451,580</u>

In accordance with GASB Statement No. 31 – *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, colleges may also report money market and other short-term, highly liquid investments at amortized cost, provided that the fair market 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, 2018, 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	
U.S. Treasury Notes & Bills	\$ 24,916,280	\$ 24,916,280	\$ -	\$ -	AAA
U.S. Government Securities					
FFCB	31,622,185	31,622,185	-	-	AAA
FHLB	49,386,544	39,377,266	10,009,278	-	AAA
FHLMC	22,477,336	22,477,336	-	-	AAA
FNMA	32,956,229	32,956,229	-	-	AAA
FAMCA	6,913,386	6,913,386	-	-	AAA
Municipal Bonds	7,481,702	6,481,702	1,000,000	-	AA
Certificates of Deposit	60,077,705	60,077,705	-	-	N/A
Commercial Paper	76,952,874	76,952,874	-	-	A1/P1
Total Fair Value	<u>\$ 312,784,241</u>	<u>\$ 301,774,963</u>	<u>\$ 11,009,278</u>	<u>\$ -</u>	

NOTE 4. DEPOSITS AND INVESTMENTS-continued

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statement of Net Position at August 31, 2018 and 2017 is as follows:

	As of August 31,	
	2018	2017
Total cash and cash equivalents	\$ 208,442,189	\$ 123,451,580
Total investments - current	301,774,963	112,522,949
Total investments - noncurrent	11,009,278	24,473,262
Total	<u>\$ 521,226,430</u>	<u>\$ 260,447,791</u>

	As of August 31,	
	2018	2017
Per Exhibit 1:		
Cash and cash equivalents	\$ 163,778,195	\$ 123,451,580
Restricted cash and cash equivalents	44,663,994	-
Short term investments	163,196,320	112,522,949
Restricted short term investments	138,578,643	-
Long term investments	11,009,278	24,473,262
Total	<u>\$ 521,226,430</u>	<u>\$ 260,447,791</u>

Restricted cash and cash equivalents and restricted short term investments represent unspent proceeds from the 2018 bond issuance. For additional information on the bond issuance, see Note 8 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 investments primary objective 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 U.S. state.

NOTE 4. DEPOSITS AND INVESTMENTS-continued

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.

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 and further require 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, 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 180 days to stated maturity.

The adopted Investment Policy restricts investment in money market mutual funds to those which 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, 2018, in the Portfolio

- US Government Treasury obligations represented 4.78% of the total portfolio,
- US Government agencies represented 27.45% of the total portfolio,
- Local government debt obligations represented 1.43% of the total portfolio,
- Commercial paper represented 14.77% of the total portfolio,
- Investment in two different local government investment pools represented 39.96% of the total portfolio,
- Certificates of deposit represented 11.59% of the total portfolio, and
- Depository demand deposits represented 0.02% of the total portfolio.

NOTE 4. DEPOSITS AND INVESTMENTS-continued

Concentration of Credit Risk

The District recognizes 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.

As of August 31, 2018, 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 three (3) years. The maximum weighted average maturity (WAM) is restricted to twelve (12) months.

As of August 31, 2018, the portfolio contained:

- No holdings with a stated maturity date beyond 664 days,
- Holdings maturing beyond one year represented 2.11% of the total portfolio,
- The dollar weighted average maturity of the portfolio was 101 days, and
- The portfolio contained twelve (12) structured notes as shown below.

Issuer	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Market Value
Quarterly Callable Structure:								
FHLMC	2,500,000	1.150%	9/14/2016	9/14/2018	NA	Quarterly callable with 5 business days notice.	\$ 2,500,000	\$ 2,499,330
FHLMC	5,000,000	1.070%	11/28/2016	11/28/2018	NA	Quarterly callable with 5 business days notice.	5,000,000	4,987,315
FNMA	5,000,000	1.125%	11/29/2017	10/29/2018	NA	Quarterly callable with 10 business days	5,000,000	4,991,235
FNMA	2,000,000	1.200%	6/28/2018	12/20/2018	9/20/2018	Quarterly callable with 10 business days	1,997,808	1,993,796
FHLMC	10,000,000	1.350%	6/28/2018	1/25/2019	10/25/2018	Quarterly callable with 5 business days	10,000,000	9,965,080
FNMA	1,000,000	1.250%	7/30/2018	3/15/2019	9/15/2018	Quarterly callable with 10 business days	997,944	994,364
Anytime Callable Structure:								
FHLB	11,000,000	1.030%	7/6/2018	7/12/2019	9/7/2018	Anytime callable with 5 business days notice.	11,000,000	10,871,487
FFCB	2,000,000	1.030%	8/13/2018	4/5/2019	9/7/2018	Anytime callable with 5 business days notice.	2,000,000	1,983,814
FHLB	1,000,000	1.240%	8/13/2018	5/23/2019	9/7/2018	Anytime callable with 5 business days notice.	1,000,000	991,851
FFCB	2,000,000	1.080%	8/13/2018	7/5/2019	9/7/2018	Anytime callable with 5 business days notice.	2,000,000	1,976,912
FFCB	2,000,000	1.130%	8/13/2018	8/23/2019	9/7/2018	Anytime callable with 5 business days notice.	2,000,000	1,973,880
Sub-Total							43,495,752	43,229,064
One-Time Callable Structure:								
FHLB	10,000,000	3.375%	6/26/2018	6/26/2020	9/26/2018	Once only callable with 5 business days notice.	10,009,278	10,007,680
Sub-Total							10,009,278	10,007,680
Total							\$ 53,505,029	\$ 53,236,744

NOTE 4. DEPOSITS AND INVESTMENTS-continued

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, 2018, 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.

Following is a list of the individual investments held and their respective credit ratings as of August 31, 2018:

NOTE 4. DEPOSITS AND INVESTMENTS-continued

<u>Investment Type</u>	<u>Rating</u>
U.S. Treasury Notes & Bills	AAA
U.S. Government Securities	
FFCB	AAA
FHLB	AAA
FHLMC	AAA
FNMA	AAA
FAMCA	AAA
Municipal Bonds	
Texas A & M	AAA
Texas Tech University	AA+
Commercial Paper	
Anglesea Funding	A1/P1
Bedford Row Funding	A1/P1
Mountcliff Funding	A1/P1
Ridgefield Funding	A1/P1
Chesham Finance	A1/P1
Commercial Bank PSQC	A1/P1
Halkin Finance	A1/P1
Malayan Bank NY	A1/P1
Old Line Funding	A1/P1
Certificates of Deposit	
East West Bank	FDIC insured

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 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.

NOTE 4. DEPOSITS AND INVESTMENTS-continued

The *exit* or fair market prices used for these market valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

Fair Value Hierarchy of investments at August 31, 2018 and 2017:

	Fiscal Year 2018			Fiscal Year 2017	
	Level 1	Level 2	Level 3	Total	Total
US Treasury Obligations	\$ 24,916,280	\$ -	\$ -	\$ 24,916,280	\$ 5,000,649
US Government Agencies	143,355,680	-	-	143,355,680	102,469,804
Municipal Obligations	7,481,702	-	-	7,481,702	19,525,758
Commercial Paper	76,952,874	-	-	76,952,874	10,000,000
Total Fair Value	<u>\$ 252,706,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,706,536</u>	<u>\$ 136,996,211</u>

NOTE 5. CAPITAL ASSETS

The following table summarizes changes in capital assets balances for the year ended August 31, 2018:

	Balance 8/31/2017	Increases	(Decreases) Adjustments	Balance 8/31/2018
Not Depreciated				
Land	\$ 42,706,349	\$ 1,879,414	\$ -	\$ 44,585,763
Construction in Progress	16,131,827	30,807,743	(30,973,841)	15,965,729
Subtotal	<u>58,838,176</u>	<u>32,687,157</u>	<u>(30,973,841)</u>	<u>60,551,492</u>
Depreciable Assets				
Buildings	306,310,097	30,973,841	-	337,283,938
Land Improvements	20,180,710	-	-	20,180,710
Equipment	26,655,554	2,285,103	(181,245)	28,759,412
Library Books	10,143,736	395,378	(139,972)	10,399,142
WAN/LAN Network Equipment	2,940,746	-	-	2,940,746
Subtotal	<u>366,230,843</u>	<u>33,654,322</u>	<u>(321,217)</u>	<u>399,563,948</u>
Accumulated Depreciation				
Buildings	68,158,284	5,950,296	-	74,108,580
Land Improvements	11,402,186	649,456	-	12,051,642
Equipment	19,500,970	1,929,255	(147,124)	21,283,101
Library Books	5,930,574	522,694	(139,972)	6,313,296
WAN/LAN Network Equipment	2,913,582	1,553	-	2,915,135
Subtotal	<u>107,905,596</u>	<u>9,053,254</u>	<u>(287,096)</u>	<u>116,671,754</u>
Net Depreciable Assets	<u>258,325,247</u>	<u>24,601,068</u>	<u>(34,121)</u>	<u>282,892,194</u>
Net Capital Assets	<u>\$317,163,423</u>	<u>\$ 57,288,225</u>	<u>\$(31,007,962)</u>	<u>\$343,443,686</u>

At August 31, 2018, total amounts committed in connection with the Wylie Campus, Technical Campus, Celina Campus, Farmersville Campus, IT Center of Excellence and McKinney Police Headquarters totaled \$292 million. At August 31, 2018, retainage payable for construction related to the Public Safety Training Center totaled \$1,832,339. Additional land costs capitalized by the District for the Wylie Campus as of August 31, 2018 are \$1,879,414.

NOTE 5. CAPITAL ASSETS-continued

For comparison purposes, the following table summarizes changes in capital assets balances for the year ended August 31, 2017:

	Balance 8/31/2016	Increases	(Decreases) Adjustments	Balance 8/31/2017
Not Depreciated				
Land	\$ 25,194,267	\$ 17,512,082	\$ -	\$ 42,706,349
Construction in Progress	838,065	15,293,762	-	16,131,827
Subtotal	<u>26,032,332</u>	<u>32,805,844</u>	<u>-</u>	<u>58,838,176</u>
Depreciable Assets				
Buildings	306,682,525	-	(372,428)	306,310,097
Land Improvements	20,180,710	-	-	20,180,710
Equipment	24,697,688	1,981,984	(24,118)	26,655,554
Library Books	10,061,309	396,990	(314,563)	10,143,736
WAN/LAN Network Equipment	2,940,746	-	-	2,940,746
Subtotal	<u>364,562,978</u>	<u>2,378,974</u>	<u>(711,109)</u>	<u>366,230,843</u>
Accumulated Depreciation				
Buildings	62,486,752	5,671,532	-	68,158,284
Land Improvements	10,725,241	676,945	-	11,402,186
Equipment	17,593,305	1,931,783	(24,118)	19,500,970
Library Books	5,738,623	506,514	(314,563)	5,930,574
WAN/LAN Network Equipment	2,912,030	1,552	-	2,913,582
Subtotal	<u>99,455,951</u>	<u>8,788,326</u>	<u>(338,681)</u>	<u>107,905,596</u>
Net Depreciable Assets	<u>265,107,027</u>	<u>(6,409,352)</u>	<u>(372,428)</u>	<u>258,325,247</u>
Net Capital Assets	<u>\$ 291,139,359</u>	<u>\$ 26,396,492</u>	<u>\$ (372,428)</u>	<u>\$ 317,163,423</u>

At August 31, 2017, total amounts committed in connection with the Public Safety Training Center, Wylie Campus and Technical Campus totaled \$27 million. At August 31, 2017, retainage payable for construction related to the Public Safety Training Center totaled \$683,318. Total land costs capitalized by the District for the Wylie Campus and Technical Campus as of August 31, 2017 was \$6,850,353 and \$10,661,729, respectively.

NOTE 6. LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities for the year ended August 31, 2018:

	Balance 9/1/2017	Additions	Reductions	Amortization of Premium	Amortization of Discount	Balance 8/31/2018	Current Portion	Non-Current Portion
Bonds								
General obligation bonds								
Series 2010	\$ 14,843,861	\$ -	\$ (2,425,000)	\$ (42,606)	\$ -	\$ 12,376,255	\$ 2,530,000	\$ 9,846,255
Series 2018	-	252,308,336	-	(310,479)	14,441	252,012,298	4,440,000	247,572,298
Revenue bonds, Series 2008	1,095,000	-	(1,095,000)	-	-	-	-	-
Subtotal	15,938,861	252,308,336	(3,520,000)	(353,085)	14,441	264,388,553	6,970,000	257,418,553
Accrued Compensable Absences	1,062,479	2,649,880	(2,496,437)	-	-	1,215,922	119,639	1,096,283
Pension Liability	21,234,239	-	(1,549,951)	-	-	19,684,288	-	19,684,288
Subtotal, prior to restatement of beginning balance for OPEB								
Liability	38,235,579	254,958,216	(7,566,388)	(353,085)	14,441	285,288,763	7,089,639	278,199,124
OPEB Liability	37,419,810	-	(6,100,590)	-	-	31,319,220	-	31,319,220
Total	\$ 75,655,389	\$ 254,958,216	\$ (13,666,978)	\$ (353,085)	\$ 14,441	\$ 316,607,983	\$ 7,089,639	\$ 309,518,344

For comparison purposes, the following table summarizes changes in long-term liabilities for the year ended August 31, 2017:

	Balance 9/1/2016	Additions	Reductions	Amortization of Premium	Balance 8/31/2017	Current Portion	Non-Current Portion
Bonds							
General obligation bonds							
Series 2010	\$ 17,206,467	\$ -	\$ (2,320,000)	\$ (42,606)	\$ 14,843,861	\$ 2,425,000	\$ 12,418,861
Revenue bonds, Series 2008	2,160,000	-	(1,065,000)	-	1,095,000	1,095,000	-
Subtotal	19,366,467	-	(3,385,000)	(42,606)	15,938,861	3,520,000	12,418,861
Accrued Compensable Absences	1,033,492	2,363,333	(2,334,346)	-	1,062,479	148,438	914,041
Net Pension Liability	21,734,977	-	(500,738)	-	21,234,239	-	21,234,239
Total	\$ 42,134,936	\$ 2,363,333	\$ (6,220,084)	\$ (42,606)	\$ 38,235,579	\$ 3,668,438	\$ 34,567,141

NOTE 7. DEBT OBLIGATIONS

Debt service requirements as of August 31, 2018, were as follows:

Year Ended August 31,	General Obligation Bonds		
	Principal	Interest	Total
2019	\$ 6,970,000	\$ 13,549,335	\$ 20,519,335
2020	10,520,000	10,002,731	20,522,731
2021	10,965,000	9,568,756	20,533,756
2022	11,425,000	9,102,556	20,527,556
2023	10,300,000	8,531,306	18,831,306
2024-28	51,965,000	35,272,531	87,237,531
2029-33	65,520,000	21,717,581	87,237,581
2034-38	78,750,000	8,496,563	87,246,563
Subtotal	<u>246,415,000</u>	<u>116,241,359</u>	<u>362,656,359</u>
Net Premium/ Discount	17,973,553	-	17,973,553
Total	<u>\$ 264,388,553</u>	<u>\$ 116,241,359</u>	<u>\$ 380,629,912</u>

NOTE 8. BONDS PAYABLE

Bonds payable as of August 31, 2018 and 2017 consisted of the following:

Bond issue	Purpose	Date Issued	Amount Issued and Authorized	Revenue Source	Outstanding Balance August 31, 2018	Outstanding Balance August 31, 2017
Series 2008 Refunding Revenue Bonds	Refunded 1997 and 1998 Revenue Bonds	2/20/2008	\$ 9,610,000	Pledged revenues from general use fees, gross revenues from the bookstore, tuition pledge	\$ -	\$ 1,095,000
Series 2010 Limited Tax Refunding Bonds	Refunded 2002 and 2003 Tax Bonds	11/2/2010	\$ 24,099,912	Ad valorem taxes	\$ 12,376,255	\$ 14,843,861
Series 2018 Limited Tax Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites	3/1/2018	\$ 234,250,000	Ad valorem taxes	\$ 252,012,298	\$ -
Total					\$ 264,388,553	\$ 15,938,861

Bonds payable are due in annual principal installments varying from \$1,345,000 to \$16,860,000 with interest rates of 3.00% to 5.00% and the final installments are due in 2038.

On September 28, 2010, the Board approved the sale of \$23,800,000 Limited Tax Refunding Bonds. The sale closed and funds were received on November 2, 2010 with an average coupon rate of 4.2 percent. Proceeds from the sale totaling \$26,805,157, including \$543,227 in premium, were used to refund \$24,090,000 of the District's outstanding Limited Tax Improvement Bonds, Series 2002, and Series 2003, lowering the overall debt service requirements for the District. Issuance costs related to the refunding totaled \$243,315. As required by GASB Statement No. 65, debt issuance costs are now required to be expensed in the year they are incurred. The District expensed the remaining issuance costs totaling \$190,040 in 2014. The net premium continues to be amortized over the life of the bonds using the straight line method. An economic gain (the difference between net present values of the debt service payments on the old and new debt adjusted for cash paid out) of \$1,472,957 was obtained by the refunding.

NOTE 8. BONDS PAYABLE-continued

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 tax rates authorized and assessed to pay principal and interest on the Series 2010 and Series 2018 bonds are discussed in Note 16.

NOTE 9. EMPLOYEES' RETIREMENT PLAN

Defined Benefit Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_archive_cafr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6595.

Benefits Provided

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

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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended the Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2018. The 84rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2017 and 2018.

	<u>Contribution Rates</u>	
	<u>2018</u>	<u>2017</u>
Member	7.70%	7.70%
Non-Employer Contributing Entity (State) and Employer (District)	6.80%	6.80%
FY2017 Member Contributions	\$ 4,099,980	
FY2017 District Contributions	\$ 2,010,704	
FY2017 State of Texas On-Behalf Contributions	\$ 1,632,107	

The District's contributions to the TRS pension plan in fiscal year 2018 was \$2,171,617 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 2018 was \$1,777,381.

- 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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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.

Actuarial Assumptions

The total pension liability in the August 31, 2017, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Last year ending August 31 in 2017 to 2016	
Projection period (100 years)	2116
Inflation	2.50%
Payroll Growth Rate	2.50%
Salary Increases*	3.50% to 9.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

**Includes Inflation of 2.5%*

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015 by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

Discount Rate

The discount rate used to measure the total pension liability was 8.0 percent. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position 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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns*
Global Equity			
U.S.	18.0%	4.6 %	1.0%
Non-U.S. Developed	13.0%	5.1 %	0.8%
Emerging Markets	9.0%	5.9 %	0.7%
Directional Hedge Funds	4.0%	3.2 %	0.1%
Private Equity	13.0%	7.0 %	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7 %	0.1%
Absolute Return	0.0%	1.8 %	0.0%
Stable Value Hedge Funds	4.0%	3.0 %	0.1%
Cash	1.0%	(0.2)%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.9 %	0.0%
Real Assets	16.0%	5.1 %	1.1%
Energy and Natural Resources	3.0%	6.6 %	0.2%
Commodities	0.0%	1.2 %	0.0%
Risk Parity			
Risk Parity	5.0%	6.7 %	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	<u>100.0%</u>		<u>8.7%</u>

*The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2017 Comprehensive Annual Financial Report

NOTE 9. 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 (8%) in measuring the 2017 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Collin County Community College District proportionate share of the net pension liability	\$ 33,183,821	\$ 19,684,288	\$ 8,443,736

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

At August 31, 2018, the District reported a liability of \$19,684,288 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for 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:

Collin County Community College District's proportionate Share of the collective net pension liability	\$ 19,684,288
State's proportionate share that is associated with the District	15,746,369
Total	<u><u>\$ 35,430,657</u></u>

The net pension liability was measured as of August 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016, through August 31, 2017.

At the measurement date of August 31, 2017, the employer's proportion of the collective net pension liability was .0615622411% which was an increase of .0053699296% from its proportion measured as of August 31, 2016.

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

For the year ended August 31, 2018, the District recognized pension expense of \$1,201,070 and revenue of \$1,201,070 for support provided by the State. Refer to the fiscal year 2018 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

At August 31, 2018, 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	\$ 287,990	\$ 1,061,548
Changes in actuarial assumptions	896,651	513,312
Net differences between projected and actual investment earnings	3,027,215	4,461,763
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,594,363	1,808,436
Contributions paid to TRS subsequent to the measurement date	2,171,617	-
Total	\$ 7,977,836	\$ 7,845,059

The \$2,171,617 amount reported at August 31, 2018 as deferred outflows of resources related to pensions resulting from District contributions to the pension plan made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2019.

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

Year ended August 31:	Pension Expense Amount
2019	\$ (766,988)
2020	\$ 489,511
2021	\$ (863,515)
2022	\$ (1,149,985)
2023	\$ 62,333
Thereafter	\$ 189,424

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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.

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 6.60% and 6.65%, 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, 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 \$629,169 and \$600,278 for fiscal years ended August 31, 2018 and 2017, 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 \$95,375,494 and \$88,704,662 for fiscal years 2018 and 2017, respectively. The total payroll of employees covered by the TRS was \$57,589,464 and \$53,246,493, and the total payroll of employees covered by the Optional Retirement Program was \$19,065,741 and \$18,190,240 for fiscal years 2018 and 2017, 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 approximately \$15,136,658 and \$14,300,826 for the years ended August 31, 2018 and 2017, respectively.

NOTE 10. 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	2018	2017
Number of Participants (TSA)	303	306
403(b) Tax Sheltered Annuity (TSA) Contributions	\$ 1,630,585	\$ 1,596,843
Number of Participants (DCP)	32	33
Section 457 Deferred Compensation Plan (DCP)	\$ 249,357	\$ 213,446

The District does not contribute to either plan. The deferred compensation program is not included in the basic financial statements because the programs' assets are assets of the plan participants and not of the District.

NOTE 11. 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.

Compensated absences activity for the years ended August 31, 2018 and 2017 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Non-Current Portion</u>
2017	\$ 1,033,492	\$ 2,363,333	\$ (2,334,346)	\$ 1,062,479	\$ 148,438	\$ 914,041
2018	\$ 1,062,479	\$ 2,649,880	\$ (2,496,437)	\$ 1,215,922	\$ 119,639	\$1,096,283

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 12. 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 employees', and the state's/employer's contributions per full time employee per month are noted below.

HealthSelect of Texas Plan	2018		2017	
	Employee Contribution	State/Employer Contribution	Employee Contribution	State/Employer Contribution
Member Only	\$ -	\$ 621.90	\$ -	\$ 617.30
Member & Spouse	\$ 356.32	\$ 978.22	\$ 353.68	\$ 970.98
Member & Child(ren)	\$ 238.58	\$ 860.48	\$ 236.80	\$ 854.10
Member & Family	\$ 594.90	\$ 1,216.80	\$ 590.48	\$ 1,207.78

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

In addition to the pension benefits described in Note 9, 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 13 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)

Cost of Providing Health Care Insurance	2018	2017
Number of Retirees	217	196
Cost of Health Benefits for Retirees	\$ 1,843,624	\$ 1,636,793
Number of Active Full Time Employees	1,087	1,043
Cost of Health Benefits for Active Full Time Employees	\$ 9,709,278	\$ 9,511,145
State Appropriation for Health Insurance	\$ 5,161,100	\$ 4,446,482
District's Expense	\$ 6,391,802	\$ 6,701,456

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**Plan Description**

The District participates in a cost-sharing, multi-employer, 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 Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

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 provide 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.

The following table summarized the maximum monthly employer contribution toward eligible retirees' health and basic life premiums. Retirees pay any premium over and above the employer

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

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 2017**

	<u>2017</u>
Retiree only	\$ 617.30
Retiree & Spouse	\$ 970.98
Retiree & Children	\$ 854.10
Retiree & Family	\$1,207.78

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 Year Ended August 31, 2017**

	<u>2017</u>
Employers	\$ 861,492
Members (Employees)	\$ 3,338,427
Nonemployer Contributing Entity (State of Texas)	\$ 775,301

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2017 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

**Actuarial Assumptions
ERS Group Benefits Program Plan**

Valuation Date	August 31, 2017
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	N/A
Discount Rate	3.51%
Projected Annual Salary Increase (includes inflation)	2.50% to 9.50%
Annual Assumption Rate	8.5% for FY 2019, decreasing 0.5% per year to 4.5% for FY 2027 and later years
Inflation Assumption Rate	2.50%
Ad hoc post-employment benefit changes	None
Mortality Assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014 Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Disability retirees	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with full generational projection using Scale BB
Active members	

Investment Policy

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

NOTE 13. 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 2.84%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.51%, which amounted to an increase of 0.67%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the District's proportionate share of 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 (3.51%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.51%)	Discount Rate (3.51%)	1% Increase in Discount Rate (4.51%)
Collin County Community College District proportionate share of the net OPEB liability	\$ 37,385,998	\$ 31,319,220	\$ 26,619,959

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 8.5% and the ultimate rate is 4.5%. 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 (8.5% decreasing to 4.5%) in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rates (7.50% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (8.50% decreasing to 4.50%)	1% Increase in Healthcare Cost Trend Rates (9.50% decreasing to 5.50%)
Collin County Community College District proportionate share of the net OPEB liability	\$ 26,329,130	\$ 31,319,220	\$ 37,794,151

NOTE 13. 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, 2018, the District reported a liability of \$31,319,220 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for 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:

Collin County Community College District's proportionate Share of the collective net OPEB liability	\$ 31,319,220
State's proportionate share that is associated with the District	28,185,772
Total	<u>\$ 59,504,992</u>

The net OPEB liability was measured as of August 31, 2017, 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, 2017, thru August 31, 2017.

At the measurement date of August 31, 2017, the employer's proportion of the collective net OPEB liability was .09191797%.

For the year ended August 31, 2018, the District recognized OPEB expense of \$1,508,392 and revenue of \$1,508,392 for support provided by the State.

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

- Additional demographic assumptions (aggregate payroll increases and rate of general inflation) to reflect an experience study;
- The percentage of current and future retirees and retirees' spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan who will elect to participate at the earliest date at which coverage can commence has been updated to reflect recent plan experience and expected trends;
- Assumptions for administrative expenses, assumed per Capita Health Benefit Costs, Health Benefit Cost and Retiree Contribution trends to reflect recent health plan experience;
- Effects in short-term expectations and revised assumed rate of general inflation.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

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

- An increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- An elimination of the copayment for virtual visits;
- A copay reduction for Airrosti and for out-of-state participants;
- Elimination of the deductible for in-network services and application of a copayment rather than coinsurance to certain services like primary care and specialist visits.

These minor benefit changes have been reflected in the fiscal year 2018 Assumed Per Capita Health Benefit Costs.

At August 31, 2018, 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
Differences between expected and actual economic experience	\$ -	\$ 376,357
Changes in actuarial assumptions	-	6,548,474
Difference between projected and actual investment earnings	9,273	-
Contributions paid to ERS subsequent to the measurement date	967,914	-
Total	\$ 977,187	\$ 6,924,831

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>Year ended August 31:</u>	<u>OPEB Expense Amount</u>
2019	\$ (1,557,328)
2020	\$ (1,557,328)
2021	\$ (1,557,328)
2022	\$ (1,557,328)
2023	\$ (686,245)
Thereafter	-

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

The District is dependent upon information provided by the ERS Plan for recognizing the OPEB liability, deferred inflows of resources, deferred outflows of resources, and expense information. The ERS Plan information provided to the District used retiree data for the restatement in fiscal year 2018. Contributions made subsequent to the measurement date by the District for retirees have been recorded as a deferred outflow as of August 31, 2018 and contributions made subsequent to the measurement date by the District for active employees have been recorded as an expense for the year ended August 31, 2018. Future changes, if any, to the current methodology or actuarial assumptions being utilized, could result in significant changes in accounting and financial reporting in future periods.

**NOTE 14. DISAGGREGATION OF RECEIVABLES AND PAYABLES
BALANCES**

Receivables at August 31 were as follows:

	<u>2018</u>	<u>2017</u>
Student Receivables	\$ 8,991,727	\$ 8,822,143
Federal and State Receivables	576,785	763,018
Interest Receivable	743,533	336,460
Other Receivables	4,866,860	443,731
Subtotal	<u>15,178,905</u>	<u>10,365,351</u>
Less: Allowance for Doubtful Accounts	<u>(449,886)</u>	<u>(625,640)</u>
Total Accounts Receivable	<u>\$ 14,729,019</u>	<u>\$ 9,739,711</u>
Taxes Receivable	\$ 1,246,850	\$ 1,236,004
Less: Allowance for Doubtful Accounts	<u>(672,133)</u>	<u>(667,442)</u>
Total Taxes Receivable	<u>\$ 574,717</u>	<u>\$ 568,562</u>

An allowance for doubtful accounts estimated at \$449,886 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.

Student Receivables Placed with Collection Agencies	Balance at 9/1/2017	Addition	Collections	Adjustments	Returned to Collin College	Balance 8/31/2018
First Placement Collection Agency	\$ 326,666	\$281,477	\$ (52,157)	\$ (16,002)	\$ (286,956)	\$ 253,028
Second Placement Collection Agency	378,686	285,134	(25,469)	(1,443)	(356,914)	279,994
Total Student Receivables Placed with Collections	<u>705,352</u>	<u>566,611</u>	<u>(77,626)</u>	<u>(17,445)</u>	<u>(643,870)</u>	<u>533,022</u>
Allowance for doubtful accounts	(625,640)	(138,097)	-	(41,873)	355,724	(449,886)
Net Receivables Placed with Collections	<u>\$ 79,712</u>	<u>\$428,514</u>	<u>\$ (77,626)</u>	<u>\$ (59,318)</u>	<u>\$ (288,146)</u>	<u>\$ 83,136</u>

**NOTE 14. DISAGGREGATION OF RECEIVABLES AND PAYABLES
BALANCES-continued**

Payables at August 31 were as follows:

	<u>2018</u>	<u>2017</u>
Vendors Payable	\$ 10,831,678	\$ 8,670,060
Salary and Benefits Payable	854,230	1,381,263
Students Payable	<u>1,600,011</u>	<u>1,234,074</u>
Total Accounts Payable	<u>\$ 13,285,919</u>	<u>\$ 11,285,397</u>
Accrued Interest	\$ 3,694,319	\$ 29,371
Other Accrued Liabilities	<u>-</u>	<u>161,243</u>
Total Accrued Liabilities	<u>\$ 3,694,319</u>	<u>\$ 190,614</u>

NOTE 15. 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.

Previously, the District participated in a self-funded workers' compensation program in which the remaining outstanding claims are administered by Claims Administrative Services ("CAS") of Tyler, Texas. Total claims paid by the District to CAS during the years ended August 31, 2018 and 2017, were \$207 and \$105, respectively. Total estimated claims outstanding for the years ended August 31, 2018 and 2017 were \$4,184 and \$4,372, respectively. The estimated liability includes the amount of money that will be needed for future payments, on both (a) claims that have been reported and (b) claims that have been incurred but not reported. Changes in the fund's claims liability amount in fiscal years 2018 and 2017 were:

	Beginning of fiscal year liability	Claims & changes in estimate	Claim payments	End of fiscal year liability
2018	\$ 4,372	\$ 19	\$ (207)	\$ 4,184
2017	\$ 4,465	\$ 12	\$ (105)	\$ 4,372

Currently, 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 and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

NOTE 16. PROPERTY TAX

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 \$30,000 for over age 65 and \$20,000 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.

At August 31,	2018	2017
Assessed Valuation of the District:	\$ 150,997,988,054	\$134,712,150,568
Less: Exemptions	(25,521,480,804)	(23,739,348,207)
Less: Abatements	(213,929,012)	(363,091,719)
Net Assessed Valuation of the District	125,262,578,238	110,609,710,642
Plus: Supplements through August 31	24,262,334	17,503,164
Adjusted Assessed Valuation	<u>\$ 125,286,840,572</u>	<u>\$110,627,213,806</u>

Tax rates for the years ended August 31, 2018 and 2017, are as follows:

Per \$100 valuation:	FY 2018			FY 2017		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized Tax Rate (Maximum per enabling legislation)	\$ 0.080000	\$ 0.120000	\$ 0.200000	\$ 0.080000	\$ 0.120000	\$ 0.200000
Assessed Tax Rate	\$ 0.077118	\$ 0.002692	\$ 0.079810	\$ 0.078174	\$ 0.003048	\$ 0.081222

NOTE 16. PROPERTY TAX-continued

Taxes levied for the years ended August 31, 2018 and 2017, were \$100,783,439 and \$91,095,659, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

	FY 2018			FY 2017		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 96,003,934	\$ 3,378,771	\$ 99,382,705	\$ 85,875,233	\$ 3,342,080	\$ 89,217,313
Delinquent Taxes Collected	815,609	28,776	844,385	1,113,576	43,290	1,156,866
Penalties & Interest collected	528,196	15,465	543,661	627,619	21,013	648,632
Total Gross Collections	<u>97,347,739</u>	<u>3,423,012</u>	<u>100,770,751</u>	<u>87,616,428</u>	<u>3,406,383</u>	<u>91,022,811</u>
Tax Appraisal and Collection Fee	(994,538)	-	(994,538)	(922,407)	-	(922,407)
Bad Debt Expense	(112,114)	(8,976)	(121,090)	67,461	446	67,907
Total Net Collections	<u>\$ 96,241,087</u>	<u>\$ 3,414,036</u>	<u>\$ 99,655,124</u>	<u>\$ 86,761,482</u>	<u>\$ 3,406,829</u>	<u>\$ 90,168,311</u>

Tax collections for the year ended August 31, 2018 and 2017, were 99.15% and 98.65% 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.

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 2018	Taxes Forgone in 2017
City of Frisco TIF 1	100%	\$ 1,165,113	\$ 1,056,540
Total Taxes Forgone		<u>\$ 1,165,113</u>	<u>\$ 1,056,540</u>

Tax Abatement

The District has entered into property tax abatement agreements with several entities as provided by Tax Code Chapter 312 Property Redevelopment and Tax Abatement Act.

For fiscal year ending August 31, 2018, the District abated property taxes totaling \$170,737 on property values totaling \$213,929,012. The terms of each abatement vary based on the agreements with each entity.

NOTE 16. PROPERTY TAX-continued

Start Date	Agreement	Taxable Assessed Value	Tax Rate Per \$100 valuation	Taxes Abated
2003	Texas Instruments	\$ 192,447,746	0.07981	\$ 153,593
Misc	Others	21,481,266	0.07981	17,144
	Total	<u>\$ 213,929,012</u>		<u>\$ 170,737</u>

Based on abatement agreements currently in place, the taxable assessed value of remaining abatements for fiscal year 2019 is anticipated to be \$228,861,687, resulting in abated taxes of approximately \$185,886.

NOTE 17. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS

The District entered into a 62-month operating lease agreement during the 2014-15 fiscal year for all District copiers/multifunctional devices. The terms of the agreement include a monthly payment of \$10,884 plus an allowance for overage charges. Rental payments made during the years ending August 31, 2018 and 2017 were \$523,149 and \$476,743.

The table below displays the total commitments for operating leases and rental agreements having initial or remaining non-cancelable terms in excess of one year for the copier/multifunctional device lease and facility rental agreements for classroom space in Allen and Rockwall:

FY	August 31,	
	2018	2017
2019	\$ 230,929	\$ 260,001
2020	230,929	154,715
2021	50,000	154,715
2022	50,000	
2023	50,000	
Total	<u>\$ 611,858</u>	<u>\$ 569,431</u>

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 14. 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.

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>2018</u>	<u>2017</u>
Federal Contracts and Grant Awards	\$ 4,527,938	\$ 5,503,198
State Contracts and Grant Awards	257,044	567,429
Total	<u>\$ 4,784,982</u>	<u>\$ 6,070,627</u>

NOTE 19. COMPONENT UNITS

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

Background

Collin County Community College District Foundation, Inc. (the "Foundation") is a nonprofit corporation established to maintain, develop, increase, and extend the facilities and services of the Collin County Community 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 financial statements of the Foundation 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.")

Basis of Presentation

As required by the Not-for-Profit Entities Classification of Net Assets topic of the Financial Accounting Standards Board *Accounting Standards Codification* ("FASB ASC"), the Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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:

NOTE 19. COMPONENT UNITS - Summary of Significant Accounting Policies-continued

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.

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 short-term investments with original maturities of three months or less to be cash equivalents. Cash and highly liquid financial instruments restricted to endowments are excluded from this definition.

Pledges Receivable

Pledges receivable are comprised of uncollected pledges and are considered fully collectible at December 31, 2017 and 2016.

Investments

As required by the Not-for-Profit Entities Investments of Debt and Equity Securities topic of FASB ASC, investments in marketable equity securities with readily determinable fair values and investments in debt securities are valued at their fair values in the statement of financial position. Net realized and unrealized gains and losses are included in the change 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.

Donated Services and Facilities

Individuals volunteer their time and perform a variety of 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 values of these in-kind contributions were \$496,210 and \$233,669 as of December 31, 2017 and 2016, respectively, and are included in revenues and expenses on the accompanying statements of activities. Of these amounts, \$295,037 and \$152,858, respectively, are considered fundraising expenses for the years ended December 31, 2017 and 2016.

NOTE 19. COMPONENT UNITS - Summary of Significant Accounting Policies-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 providing the Foundation's programs have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation follows the Income Taxes topic of 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 not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income. As of December 31, 2017, 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 2014 through 2017 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. The Foundation has also adopted a spending policy that states that no more than 5% of the endowment fund corpus will be distributed annually, unless otherwise specified by the Board of Directors.

Concentration of Credit Risk

The Foundation maintains accounts at financial institutions which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts, and

NOTE 19. COMPONENT UNITS - Summary of Significant Accounting Policies-continued

management believes that the Foundation is not exposed to any significant credit risks on such accounts.

Reclassification

Certain reclassifications were made to the 2016 financial statements presentation in order to conform to the 2017 financial statement presentation.

Subsequent Events

Management has evaluated subsequent events for potential disclosure through July 9, 2018, which is the date the financial statements were available to be issued.

Pledges Receivable

Pledges are recognized as revenue in the period that they are made. Pledges due in one year or more have been discounted to present value using a 2.00% discount rate.

Pledges receivable at December 31, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Pledges receivable	\$ 221,886	\$ 219,853
Less: discount to present value	<u>(9,623)</u>	<u>(7,259)</u>
Pledges receivable, net of discount	<u>\$ 212,263</u>	<u>\$ 212,594</u>

Investments

Investments at December 31, 2017 and 2016 are summarized as follows:

NOTE 19. COMPONENT UNITS - Investments-continued

	2017		
	Fair Market Value	Cost	Unrealized Gain/(Loss)
Cash equivalents and short-term investments	\$ 351,948	\$ 351,699	\$ 249
Equity securities	9,982,467	8,274,235	1,708,232
Fixed income securities	2,029,537	2,073,248	(43,711)
Alternative investments	980,542	1,111,364	(130,822)
		\$	
	<u>\$ 13,344,494</u>	<u>11,810,546</u>	<u>\$ 1,533,948</u>
	2016		
	Fair Market Value	Cost	Unrealized Gain/(Loss)
Cash equivalents and short-term investments	\$ 649,935	\$ 649,872	\$ 63
Equity securities	7,747,054	7,380,062	366,992
Fixed income securities	2,316,741	2,398,740	(81,999)
Alternative investments	652,807	904,524	(251,717)
		\$	
	<u>\$ 11,366,537</u>	<u>11,333,198</u>	<u>\$ 33,339</u>

The Foundation incurred investment expenses of \$25,274 and \$22,158 for the years ended December 31, 2017 and 2016, respectively.

Fair Value Measurements

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:

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

NOTE 19. COMPONENT UNITS – Fair Value Measurements-continued

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 Foundation’s investments are held in marketable equity and debt securities and exchange-traded mutual funds with quoted prices on nationally recognized exchanges. Therefore they are considered Level I assets.

Restricted Net Assets

The balances of temporarily restricted net assets as of December 31, 2017 and 2016 relate to contributions for which the donors have imposed restrictions. These restrictions require the Foundation to expend such funds for scholarships and program enhancements.

The following is a summary of temporarily restricted net assets as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Endowment Funds	\$ 2,508,737	\$ 1,048,614
Excellence Funds	414,208	335,214
Quasi Endowments	2,474,201	2,400,043
Scholarship Funds	<u>1,313,451</u>	<u>1,263,278</u>
	<u>\$ 6,710,597</u>	<u>\$ 5,047,149</u>

Endowment Funds represent funds not yet appropriated for expenditure for endowed scholarships. Excellence Funds represent funds not yet appropriated for expenditure for strategic academic and technical programs, as well as special achievement awards and scholarships. Quasi Endowments represent a) funds which have not yet reached the level required to become endowment funds or which do not yet have signed endowment agreements, or b) funds which are controlled by the District’s Board of Trustees. Scholarship Funds represent funds not yet appropriated for expenditure for non-endowed scholarships.

During the years ended December 31, 2017 and 2016, temporarily restricted net assets in the amounts of \$859,882 and \$768,289, respectively, have been expended in accordance with donor restrictions and have been reclassified to unrestricted net assets.

The balances of permanently restricted net assets as of December 31, 2017 and 2016 relate to the Foundation’s endowment funds. The endowment funds are administered in accordance with the Foundation’s endowment fund policies described in Note 2.

NOTE 19. COMPONENT UNITS – Restricted Net Assets-continued

The following is a summary of changes in endowment fund net assets for the years ended December 31, 2017 and 2016:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance at December 31, 2015	\$ 566,190	\$ 6,247,873	\$ 6,814,063
Contributions	15,100	275,050	290,150
Earnings	601,064	17,583	618,647
Appropriations	<u>(133,740)</u>	<u>-</u>	<u>(133,740)</u>
Balance at December 31, 2016	1,048,614	6,540,506	7,589,120
Contributions	62,650	105,500	168,150
Earnings	1,588,043	27,284	1,615,327
Appropriations	<u>(190,570)</u>	<u>-</u>	<u>(190,570)</u>
Balance at December 31, 2017	<u><u>\$ 2,508,737</u></u>	<u><u>\$ 6,673,290</u></u>	<u><u>\$ 9,182,027</u></u>

NOTE 20. PENDING LAWSUITS AND CLAIMS

As of August 31, 2018, various lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the District.



Required
Supplemental
Information



Required Supplemental Information Section

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

Required Supplementary Information Schedules

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of the District's Share of Net Pension Liability
Last Four Fiscal Years

Fiscal year ending August 31,*	2018	2017	2016	2015
TRS net position as percentage of total pension liability	82.17%	78.00%	78.43%	83.25%
The District's proportionate share of collective net pension liability (%)	0.000615622	0.000561923	0.000614874	0.000645782
The District's proportionate share of collective net pension liability (\$)	\$ 19,684,288	\$ 21,234,239	\$ 21,734,977	\$ 17,249,730
Portion of nonemployer contributing entities' total proportionate share of NPL associated with the District	15,746,369	19,980,257	15,657,455	12,568,650
	<u>\$ 35,430,657</u>	<u>\$ 41,214,496</u>	<u>\$ 37,392,432</u>	<u>\$ 29,818,380</u>
District's covered payroll amount	\$ 57,589,464	\$ 53,246,493	\$ 50,608,925	\$ 41,402,433
Ratio of: ER proportionate share of collective NPL / ER's covered payroll amount	34.2%	39.9%	42.9%	41.7%

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

** 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 Pensions
Last Four Fiscal Years

Fiscal year ending August 31,*	2018	2017	2016	2015
Legally required contributions	\$ 2,171,617	\$ 1,988,654	\$ 1,896,229	\$ 1,745,156
Less: Actual contributions	<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>\$ (22,050)</u>	<u>\$ 92,311</u>	<u>\$ (76,844)</u>
District covered employee payroll amount	\$ 57,589,464	\$ 53,246,493	\$ 50,608,925	\$ 45,965,875
Ratio of: Actual contributions / ER covered payroll amount	3.8%	3.8%	3.6%	4.0%

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

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

Required Supplementary Schedule 3

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of the District's Share of Net OPEB Liability**

Fiscal year ending August 31,*	2018
The District's proportionate share of collective net OPEB liability (%)	0.09191797%
The District's proportionate share of collective net OPEB liability (\$)	\$ 31,319,220
State's proportionate share of net OPEB liability associated with the District	<u>28,185,772</u>
	<u>\$ 59,504,992</u>
District's covered employee payroll amount	\$ 76,655,205
Ratio of: ER proportionate share of collective net OPEB liability / ER's covered employee payroll amount	40.9%
Plan fiduciary net position as percentage of the total OPEB liability	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.

Required Supplementary Schedule 4

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of the District's Contributions for OPEB**

Fiscal year ending August 31,*	2018
Legally required contributions	\$ 967,914
Less: Actual contributions	967,914
Contributions deficiency (excess)	\$ -
 District covered employee payroll amount	 \$ 76,655,205
 Ratio of: Actual contributions / ER covered employee payroll amount	 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 of Benefit Terms for Pensions:

There were no changes in benefit terms for the fiscal year ended August 31, 2018.

Changes of Assumptions for Pensions:

In July 2018, the Texas Retirement System Board of Trustees voted to lower the investment return assumption for its defined benefit pension plan that the District participates in. The investment return assumption will decrease by 0.75% from 8.00% to 7.25%, effective for the actuarial valuation that will determine amounts to be reported in the District's fiscal year 2019 financial statements. As a result, the District expects its proportionate share of the collective net pension liability to increase in fiscal year 2019. See Note 9 to these financial statements for further discussion of the discount rate and the sensitivity of the District's net pension liability to a 1% increase or decrease in the discount rate.

Actuarial assumptions are described in TRS's Comprehensive Annual Financial Report for the year ended August 31, 2017, which can be accessed at the following address:
https://www.trs.texas.gov/Pages/about_archive_cafr.aspx.

Changes of Benefit Terms for OPEB:

The benefit changes for HealthSelect retirees and dependents for whom Medicare is not primary include:

- an increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- elimination of the copayment for virtual visits;
- a reduction in the copayment for Airrosti; and
- for out-of-state participants, (i) elimination of the deductible for in-network services and (ii) application of a copayment rather than coinsurance to certain services like primary care and specialist office visits.

These minor benefit changes are provided for in the FY 2018 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

Changes of Assumptions for OPEB:

Demographic Assumptions

Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, assumed salary increases and assumed age difference for future retirees and their spouses for selected classes of State Agency employees), assumed aggregate payroll increases and the assumed rate of general inflation have been updated to reflect assumptions recently adopted by the ERS Trustees. These new assumptions

were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

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

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees covering dependent children.
- Percentage of future retirees assumed to be married and electing coverage for their spouse.

Economic Assumptions

The assumed rate of general inflation has been updated since the previous valuation to remain consistent with the ERS retirement plan assumption previously adopted by the ERS Trustees.

Assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost, Retiree Contribution and Expense trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations and the revised assumed rate of general inflation.

The discount rate was lowered 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.

Minor benefit changes have been reflected in the FY 2018 Assumed Per Capita Health Benefit Costs.

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THECB
Supplemental
Schedules



THECB Supplemental Schedules Section

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

THECB Supplemental Schedules

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2018
(with comparative totals at August 31, 2017)**

	<u>Unrestricted</u>	<u>Restricted</u>	Total Educational Activities	Auxiliary Enterprises	<u>Total</u>	
					<u>2018</u>	<u>2017</u>
Tuition						
State funded courses						
In-district resident tuition	\$ 19,289,868	\$ -	\$ 19,289,868	\$ -	\$ 19,289,868	\$ 16,957,178
Out-of-district resident tuition	10,969,502	-	10,969,502	-	10,969,502	9,998,158
TPEG Credit (set aside)*	1,538,645	-	1,538,645	-	1,538,645	1,405,986
Non-resident tuition	8,070,806	-	8,070,806	-	8,070,806	7,494,610
Continuing education	4,306,390	-	4,306,390	-	4,306,390	4,499,797
TPEG Non-Credit (set aside)*	274,681	-	274,681	-	274,681	269,513
Non-state funded continuing education	126,273	-	126,273	-	126,273	97,721
Total tuition	<u>44,576,165</u>	<u>-</u>	<u>44,576,165</u>	<u>-</u>	<u>44,576,165</u>	<u>40,722,963</u>
Fees						
General fees	610,762	-	610,762	-	610,762	480,556
Student activity fee	1,208,920	-	1,208,920	-	1,208,920	580,932
Laboratory fee	488,560	-	488,560	-	488,560	432,962
Total fees	<u>2,308,242</u>	<u>-</u>	<u>2,308,242</u>	<u>-</u>	<u>2,308,242</u>	<u>1,494,450</u>
Scholarship allowances and discounts						
Remissions and exemptions	(1,428,112)	-	(1,428,112)	-	(1,428,112)	(1,177,194)
TPEG awarded	(1,877,593)	-	(1,877,593)	-	(1,877,593)	(1,115,926)
Federal grants to students	(7,129,354)	-	(7,129,354)	-	(7,129,354)	(4,752,184)
Other	(527,253)	-	(527,253)	-	(527,253)	(394,820)
Total scholarship allowances	<u>(10,962,312)</u>	<u>-</u>	<u>(10,962,312)</u>	<u>-</u>	<u>(10,962,312)</u>	<u>(7,440,124)</u>
Total net tuition and fees	<u>\$ 35,922,095</u>	<u>\$ -</u>	<u>\$ 35,922,095</u>	<u>\$ -</u>	<u>\$ 35,922,095</u>	<u>\$ 34,777,289</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Operating Revenues
For the year ended August 31, 2018 (Continued)
(with comparative totals at August 31, 2017)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>Total</u>	
					<u>2018</u>	<u>2017</u>
Additional operating revenues						
Federal grants and contracts	\$ 143,796	\$ 1,720,822	\$ 1,864,618	\$ -	\$ 1,864,618	\$ 1,650,574
State grants and contracts	351	2,836,487	2,836,838	-	2,836,838	2,477,397
Nongovernmental grants and contracts	4,030	233,671	237,701	-	237,701	276,616
Sales and services of educational activities	995,562	-	995,562	-	995,562	744,120
Other operating revenues	<u>365,138</u>	<u>-</u>	<u>365,138</u>	<u>-</u>	<u>365,138</u>	<u>469,662</u>
Total additional operating revenues	<u>1,508,877</u>	<u>4,790,980</u>	<u>6,299,857</u>	<u>-</u>	<u>6,299,857</u>	<u>5,618,369</u>
Auxiliary enterprises						
Bookstore	-	-	-	853,467	853,467	735,863
Other auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,117,251</u>	<u>1,117,251</u>	<u>1,004,358</u>
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,970,718</u>	<u>1,970,718</u>	<u>1,740,221</u>
 Total Operating Revenues	<u>\$ 37,430,972</u>	<u>\$ 4,790,980</u>	<u>\$ 42,221,952</u>	<u>\$ 1,970,718</u>	<u>\$ 44,192,670</u> (Exhibit 2)	<u>\$ 42,135,879</u> (Exhibit 2)

* In accordance with Education Code 56.033; \$1,813,326 was set aside for Texas Public Education Grants (TPEG).

See accompanying report of independent certified public accountants.

Collin County Community College District

Schedule of Operating Expenses by Object
For the year ended August 31, 2018
(with comparative totals at August 31, 2017)

	Operating Expenses			Total		
	Salaries and Wages	Benefits		Other Expenses	2018	2017
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 57,093,647	\$ -	\$ 5,366,556	\$ 6,989,336	\$ 69,449,539	\$ 65,473,794
Public service	12,224	-	5,921	7	18,152	166,060
Academic support	9,704,529	-	1,191,646	1,430,265	12,326,440	10,693,881
Student services	10,637,382	-	1,240,235	1,873,032	13,750,649	11,598,231
Institutional support	12,911,638	-	2,821,381	8,983,309	24,716,328	23,196,950
Operation and maintenance of plant	2,921,718	-	817,928	9,704,701	13,444,347	12,933,541
Total unrestricted educational activities	93,281,138	-	11,443,667	28,980,650	133,705,455	124,062,457
Restricted - educational activities						
Instruction	112,169	4,276,302	33,052	992,585	5,414,108	5,339,494
Public service	366,903	7,758	84,196	56,537	515,394	535,267
Academic support	504,837	933,094	96,288	365,682	1,899,901	1,500,997
Student services	375,715	1,082,616	60,562	137,388	1,656,281	1,366,902
Institutional support	-	2,194,911	-	-	2,194,911	1,016,619
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships	-	-	-	18,760,158	18,760,158	16,856,378
Total restricted educational activities	1,359,624	8,494,681	274,098	20,312,350	30,440,753	26,615,657
Total educational activities	94,640,762	8,494,681	11,717,765	49,293,000	164,146,208	150,678,114
Auxiliary enterprises	734,730	-	138,538	1,380,682	2,253,950	3,038,575
Depreciation expense - buildings and other real estate improvements	-	-	-	6,599,752	6,599,752	6,348,477
Depreciation expense - equipment and furniture	-	-	-	2,453,502	2,453,502	2,439,849
Total operating expenses	\$ 95,375,492	\$ 8,494,681	\$ 11,856,303	\$ 59,726,936	\$ 175,453,412	\$ 162,505,015
					(Exhibit 2)	(Exhibit 2)

See accompanying report of independent certified public accountants.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Non-Operating Revenues and Expenses
For the year ended August 31, 2018
(with comparative totals at August 31, 2017)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary enterprises</u>	<u>Totals 2018</u>	<u>Totals 2017</u>
Non-operating revenues:					
State appropriations					
Education and general state support	\$ 35,512,154	\$ -	\$ -	\$ 35,512,154	\$ 33,739,730
State group insurance	-	5,161,100	-	5,161,100	4,446,482
State retirement matching	-	1,825,189	-	1,825,189	2,673,750
OPEB revenue	-	1,508,392	-	1,508,392	-
Total state appropriations	35,512,154	8,494,681	-	44,006,835	40,859,962
Ad valorem taxes	98,490,012	-	-	98,490,012	89,111,771
Federal contracts and grants	274,698	23,056,020	-	23,330,718	19,783,712
Gifts	30,070	-	-	30,070	3,620,000
Investment income (net of investment expenses)	6,375,739	-	-	6,375,739	2,183,790
Other non-operating revenues/(expenses)	200,000	-	-	200,000	199,250
Total non-operating revenues	105,370,519	23,056,020	-	128,426,539	114,898,523
Non-operating expenses:					
Interest on capital related debt	-	(3,982,439)	-	(3,982,439)	(731,903)
Other non-operating expenses	(2,322,208)	-	-	(2,322,208)	-
Total non-operating expenses	(2,322,208)	(3,982,439)	-	(6,304,647)	(731,903)
Net non-operating revenues	<u>\$ 138,560,465</u>	<u>\$ 27,568,262</u>	<u>\$ -</u>	<u>\$ 166,128,727</u> <small>(Exhibit 2)</small>	<u>\$ 155,026,582</u> <small>(Exhibit 2)</small>

See accompanying report of independent certified public accountants.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Source and Availability
As of August 31, 2018
(with comparative totals at August 31, 2017)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non- Expendable				
Current:							
Unrestricted:							
Undesignated	\$ 79,044,250	\$ -	\$ -	\$ -	\$ 79,044,250	\$ 79,044,250	\$ -
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	30,000,000	-	-	-	30,000,000	-	30,000,000
Restricted:							
Student aid/non-governmental grants and contracts	-	1,232,058	-	-	1,232,058	-	1,232,058
Auxiliary enterprises	3,913,509	-	-	-	3,913,509	3,913,509	-
Plant:							
Unexpended	119,903,161	-	-	-	119,903,161	-	119,903,161
2018 Bond fund	-	(2,645,309)	-	-	(2,645,309)	-	(2,645,309)
Debt service	-	67,687	-	-	67,687	-	67,687
Investment in plant	-	-	-	262,417,005	262,417,005	-	262,417,005
Total net position - August 31, 2018	257,710,920	(1,345,564)	-	262,417,005	518,782,361 (Exhibit 1)	82,957,759	435,824,602
Total net position - August 31, 2017	217,860,753	2,480,187	-	300,132,133	520,473,073	77,201,187	443,271,886
Cumulative effect of change in accounting principle	(36,558,697)				(36,558,697)	(36,558,697)	-
Total net position - August 31, 2017 as restated	181,302,056	2,480,187	-	300,132,133	483,914,376 (Exhibit 2)	40,642,490	443,271,886
Net increase in net position	\$ 76,408,864	\$ (3,825,751)	\$ -	\$ (37,715,128)	\$ 34,867,985 (Exhibit 2)	\$ 42,315,269	\$ (7,447,284)

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, 2018 and August 31, 2017, the minimum required unrestricted fund balance was \$32,953,321 and \$33,644,831, respectively. This amount is included as part of the undesignated balance.

See accompanying independent auditors' report.



Statistical



Statistical Section

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 2009 to 2018
(unaudited)**

	For the Fiscal Year Ended August 31,				
	(a)		(b)		
	Restated 2018	2017	2016	Restated 2015	2014
Net investment in capital assets	\$ 262,417,005	\$ 300,132,133	\$ 271,788,069	\$ 252,327,218	\$ 222,287,496
Restricted - expendable	1,299,745	2,480,187	1,630,910	965,347	2,704,038
Unrestricted	255,065,611	217,860,753	212,396,648	210,788,781	235,676,401
Total Net Position	<u>\$ 518,782,361</u>	<u>\$ 520,473,073</u>	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</u>	<u>\$ 460,667,935</u>
Total Change in Net Position	<u>\$ (1,690,712)</u>	<u>\$ 34,657,446</u>	<u>\$ 21,734,281</u>	<u>\$ 3,413,411</u>	<u>\$ 21,344,731</u>

	For the Fiscal Year Ended August 31,				
	2013	2012	2011	2010	2009
Net investment in capital assets	\$ 216,482,469	\$ 209,933,352	\$ 188,707,425	\$ 170,630,995	\$ 154,294,591
Restricted - expendable	3,941,734	3,402,218	3,511,310	3,285,217	3,111,119
Unrestricted	218,899,001	204,678,278	200,654,069	195,298,234	183,091,871
Total Net Position	<u>\$ 439,323,204</u>	<u>\$ 418,013,848</u>	<u>\$ 392,872,804</u>	<u>\$ 369,214,446</u>	<u>\$ 340,497,581</u>
Total Change in Net Position	<u>\$ 21,309,356</u>	<u>\$ 25,141,044</u>	<u>\$ 23,658,358</u>	<u>\$ 28,716,865</u>	<u>\$ 31,435,306</u>

Notes:

(a) 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	<u>(36,558,697)</u>
Total Change in Net Position	<u>\$ (1,690,712)</u>

(b) 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	<u>(19,544,015)</u>
Total Change in Net Position	<u>\$ 3,413,411</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Revenues by Source
Fiscal Years 2009 to 2018
(unaudited)

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	\$ 35,922,095	\$ 34,777,289	\$ 30,671,124	\$ 28,426,123	\$ 27,967,481
Governmental Grants and Contracts					
Federal Grants and Contracts	1,864,618	1,650,574	2,192,596	6,687,572	7,229,621
State Grants and Contracts	2,836,838	2,477,397	1,637,637	1,797,840	964,194
Non-Governmental Grants and Contracts	237,701	276,616	74,452	8,950	13,320
Sales & Services of Educational Activities	995,562	744,120	681,057	644,103	550,913
Auxiliary Enterprises	1,970,718	1,740,221	5,036,125	8,829,679	9,240,358
Other Operating Revenues	365,138	469,662	356,464	311,361	350,264
Total Operating Revenues	44,192,670	42,135,879	40,649,455	46,705,628	46,316,151
State Appropriations	44,006,835	40,859,962	40,667,403	38,713,358	38,457,174
Ad Valorem Taxes	98,490,012	89,111,771	80,461,197	72,016,212	66,978,476
Federal Grants and Contracts	23,330,718	19,783,712	20,046,602	23,834,018	24,431,878
Gifts	30,070	3,620,000	1,650	62,538	31,200
Investment Income	6,375,739	2,183,790	803,614	212,730	113,223
Other Non-Operating Revenues	200,000	199,250	198,500	198,500	200,000
Total Non-Operating Revenues	172,433,374	155,758,485	142,178,966	135,037,356	130,211,951
Total Revenues	\$ 216,626,044	\$ 197,894,364	\$ 182,828,421	\$ 181,742,984	\$ 176,528,102

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	16.58%	17.58%	16.79%	15.64%	15.84%
Governmental Grants and Contracts					
Federal Grants and Contracts	0.86%	0.83%	1.20%	3.68%	4.10%
State Grants and Contracts	1.31%	1.25%	0.90%	0.99%	0.55%
Non-Governmental Grants and Contracts	0.11%	0.14%	0.04%	0.00%	0.01%
Sales & Services of Educational Activities	0.46%	0.38%	0.37%	0.35%	0.31%
Auxiliary Enterprises	0.91%	0.88%	2.75%	4.86%	5.23%
Other Operating Revenues	0.17%	0.24%	0.19%	0.17%	0.20%
Total Operating Revenues	20.40%	21.30%	22.24%	25.69%	26.24%
State Appropriations	20.31%	20.65%	22.24%	21.30%	21.79%
Ad Valorem Taxes	45.48%	45.02%	44.01%	39.64%	37.94%
Federal Grants and Contracts	10.77%	10.00%	10.96%	13.11%	13.84%
Gifts	0.01%	1.83%	0.00%	0.03%	0.02%
Investment Income	2.94%	1.10%	0.44%	0.12%	0.06%
Other Non-Operating Revenues	0.09%	0.10%	0.11%	0.11%	0.11%
Total Non-Operating Revenues	79.60%	78.70%	77.76%	74.31%	73.76%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Revenues by Source
Fiscal Years 2009 to 2018
(unaudited)

For the Fiscal Year Ended August 31,

	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	\$ 26,569,192	\$ 23,740,042	\$ 24,395,778	\$ 24,934,426	\$ 22,498,442
Governmental Grants and Contracts					
Federal Grants and Contracts	6,067,520	2,087,054	1,204,670	1,676,112	1,066,775
State Grants and Contracts	628,453	807,249	1,670,769	1,434,709	943,864
Non-Governmental Grants and Contracts	-	6,939	4,817	12,593	9,240
Sales & Services of Educational Activities	426,387	364,115	379,229	352,891	313,790
Auxiliary Enterprises	9,617,775	10,023,129	10,131,837	9,417,923	8,403,605
Other Operating Revenues	406,538	338,787	209,032	159,378	93,012
Total Operating Revenues	43,715,865	37,367,315	37,996,132	37,988,032	33,328,728
State Appropriations	35,504,958	34,416,713	36,545,683	36,806,088	34,736,692
Ad Valorem Taxes	65,149,280	63,326,803	61,837,754	62,548,821	62,453,402
Federal Grants and Contracts	25,332,176	27,115,496	23,786,051	17,158,787	8,071,608
Gifts	49,005	6,798	-	2,675,000	2,904,466
Investment Income	238,855	239,901	289,044	403,036	2,412,354
Other Non-Operating Revenues	200,000	543,862	341,504	248,680	191,463
Total Non-Operating Revenues	126,474,274	125,649,573	122,800,036	119,840,412	110,769,985
Total Revenues	\$ 170,190,139	\$ 163,016,888	\$ 160,796,168	\$ 157,828,444	\$ 144,098,713

For the Fiscal Year Ended August 31,

	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	15.61%	14.56%	15.17%	15.80%	15.61%
Governmental Grants and Contracts					
Federal Grants and Contracts	3.57%	1.28%	0.75%	1.06%	0.74%
State Grants and Contracts	0.37%	0.50%	1.04%	0.91%	0.66%
Non-Governmental Grants and Contracts	0.00%	0.00%	0.00%	0.01%	0.01%
Sales & Services of Educational Activities	0.25%	0.22%	0.24%	0.22%	0.22%
Auxiliary Enterprises	5.65%	6.15%	6.30%	5.97%	5.83%
Other Operating Revenues	0.24%	0.21%	0.13%	0.10%	0.06%
Total Operating Revenues	25.69%	22.92%	23.63%	24.07%	23.13%
State Appropriations	20.86%	21.11%	22.73%	23.32%	24.11%
Ad Valorem Taxes	38.28%	38.86%	38.46%	39.63%	43.34%
Federal Grants and Contracts	14.88%	16.63%	14.79%	10.87%	5.60%
Gifts	0.03%	0.00%	0.00%	1.69%	2.02%
Investment Income	0.14%	0.15%	0.18%	0.26%	1.67%
Other Non-Operating Revenues	0.12%	0.33%	0.21%	0.16%	0.13%
Total Non-Operating Revenues	74.31%	77.08%	76.37%	75.93%	76.87%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Fiscal Years 2009 to 2018
(unaudited)

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014
Instruction	\$ 74,863,647	\$ 70,813,288	\$ 72,044,666	\$ 64,578,677	\$ 58,718,787
Public Service	533,546	701,327	1,260,478	758,294	556,778
Academic Support	14,226,341	12,194,878	11,908,733	15,485,516	15,605,938
Student Services	15,406,930	12,965,133	11,875,226	10,430,474	9,716,643
Institutional Support	26,911,239	24,213,569	19,966,816	18,940,401	15,469,145
Operation and Maintenance of Plant	13,444,347	12,933,541	11,666,212	10,388,845	13,274,011
Scholarships and Fellowships	18,760,158	16,856,378	16,342,810	19,417,452	20,149,733
Auxiliary Enterprises	2,253,950	3,038,575	6,413,444	9,548,337	10,899,311
Depreciation	9,053,254	8,788,326	8,392,630	7,711,950	7,544,508
Total Operating Expenses	175,453,412	162,505,015	159,871,015	157,259,946	151,934,854
Interest on Capital Related Debt	3,982,439	731,903	1,223,125	1,525,612	1,664,760
Other Non-operating Expenses	2,309,087	-	-	-	1,583,757
Loss on Disposal of Fixed Assets	13,121	-	-	-	-
Total Non-Operating Expenses	6,304,647	731,903	1,223,125	1,525,612	3,248,517
Total Expenses	\$ 181,758,059	\$ 163,236,918	\$ 161,094,140	\$ 158,785,558	\$ 155,183,371

For the Fiscal Year Ended August 31,

	2018	2016	2015	2014	2013
Instruction	41.19%	43.39%	44.74%	40.67%	37.85%
Public Service	0.29%	0.43%	0.78%	0.48%	0.36%
Academic Support	7.83%	7.47%	7.39%	9.75%	10.06%
Student Services	8.48%	7.94%	7.37%	6.57%	6.26%
Institutional Support	14.80%	14.83%	12.39%	11.93%	9.97%
Operation and Maintenance of Plant	7.40%	7.92%	7.24%	6.54%	8.55%
Scholarships and Fellowships	10.32%	10.33%	10.14%	12.23%	12.98%
Auxiliary Enterprises	1.24%	1.86%	3.98%	6.01%	7.02%
Depreciation	4.98%	5.38%	5.21%	4.86%	4.86%
Total Operating Expenses	96.53%	99.55%	99.24%	99.04%	97.91%
Interest on Capital Related Debt	2.19%	0.45%	0.76%	0.96%	1.07%
Other Non-operating Expenses	1.27%	0.00%	0.00%	0.00%	1.02%
Loss on Disposal of Fixed Assets	0.01%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	3.47%	0.45%	0.76%	0.96%	2.09%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Fiscal Years 2009 to 2018
(unaudited)

For the Fiscal Year Ended August 31,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Instruction	\$ 56,679,653	\$ 52,319,020	\$ 54,534,791	\$ 51,489,934	\$ 48,239,642
Public Service	560,542	561,438	888,626	493,288	502,870
Academic Support	14,847,063	10,193,826	9,542,089	9,398,653	10,968,150
Student Services	8,941,731	8,374,056	8,640,882	8,754,737	8,164,472
Institutional Support	14,401,055	13,664,780	13,455,591	12,738,632	11,402,452
Operation and Maintenance of Plant	13,557,062	11,802,975	11,415,758	12,844,813	9,799,019
Scholarships and Fellowships	20,731,109	22,207,900	19,943,709	15,152,414	6,839,746
Auxiliary Enterprises	10,048,826	10,032,534	10,124,598	9,448,349	8,687,861
Depreciation	7,315,549	6,790,160	6,737,301	6,404,053	5,614,898
Total Operating Expenses	<u>147,082,590</u>	<u>135,946,689</u>	<u>135,283,345</u>	<u>126,724,873</u>	<u>110,219,110</u>
Interest on Capital Related Debt	1,797,093	1,929,155	1,854,465	2,386,706	2,444,297
Other Non-operating Expenses	1,100	-	-	-	-
Loss on Disposal of Fixed Assets	-	-	-	1,125	8,537
Total Non-Operating Expenses	<u>1,798,193</u>	<u>1,929,155</u>	<u>1,854,465</u>	<u>2,387,831</u>	<u>2,452,834</u>
Total Expenses	<u>\$ 148,880,783</u>	<u>\$ 137,875,844</u>	<u>\$ 137,137,810</u>	<u>\$ 129,112,704</u>	<u>\$ 112,671,944</u>

For the Fiscal Year Ended August 31,

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction	38.07%	37.95%	39.78%	39.87%	42.81%
Public Service	0.38%	0.41%	0.65%	0.38%	0.45%
Academic Support	9.97%	7.39%	6.96%	7.28%	9.73%
Student Services	6.01%	6.07%	6.30%	6.78%	7.25%
Institutional Support	9.67%	9.91%	9.81%	9.87%	10.12%
Operation and Maintenance of Plant	9.11%	8.56%	8.32%	9.95%	8.70%
Scholarships and Fellowships	13.92%	16.11%	14.54%	11.74%	6.07%
Auxiliary Enterprises	6.75%	7.28%	7.38%	7.32%	7.71%
Depreciation	4.91%	4.92%	4.91%	4.96%	4.98%
Total Operating Expenses	<u>98.79%</u>	<u>98.60%</u>	<u>98.65%</u>	<u>98.15%</u>	<u>97.82%</u>
Interest on Capital Related Debt	1.21%	1.40%	1.35%	1.85%	2.17%
Other Non-operating Expenses	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.01%
Total Non-Operating Expenses	<u>1.21%</u>	<u>1.40%</u>	<u>1.35%</u>	<u>1.85%</u>	<u>2.18%</u>
Total Expenses	<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

Tuition and Fees
Last Ten Academic Years
(unaudited)

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Student ID Fee (per student)	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
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%
2013	-	2	31	68	6	1	458	902	11.7%	10.3%
2012	-	2	27	61	6	1	410	818	0.0%	0.0%
2011	-	2	27	61	6	1	410	818	0.0%	11.4%
2010	-	2	27	54	6	1	410	734	(8.1%)	0.0%
2009	-	2	27	51	9	1	446	734	(0.4%)	19.2%
2008	2	2	27	41	9	1	448	616	0.0%	8.5%

Non-Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Student ID Fee (per student)	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
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%
2013	-	2	128	128	6	1	1,622	1,622	14.4%	14.4%
2012	-	2	111	111	6	1	1,418	1,418	(4.1%)	(4.1%)
2011	-	2	116	116	6	1	1,478	1,478	6.0%	6.0%
2010	-	2	109	109	6	1	1,394	1,394	0.0%	0.0%
2009	-	2	106	106	9	1	1,394	1,394	9.2%	9.2%
2008	2	2	96	96	9	1	1,276	1,276	6.0%	6.0%

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)
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
2013-14	93,973,412,369	13,502,474,479	80,470,937,890	85.63%	0.080000	0.003643	0.083643
2012-13	88,709,272,519	12,927,884,421	75,781,388,098	85.43%	0.080000	0.006299	0.086299
2011-12	85,669,094,108	12,076,099,414	73,592,994,694	85.90%	0.080000	0.006300	0.086300
2010-11	85,119,964,782	11,932,594,330	73,187,370,452	85.98%	0.080000	0.006300	0.086300
2009-10	85,047,894,779	12,243,373,030	72,804,521,749	85.60%	0.080000	0.006300	0.086300
2008-09	84,577,368,984	12,464,189,034	72,113,179,950	85.26%	0.080000	0.006493	0.086493

Source: Collin County Central Appraisal District
Note: Property is assessed at full market value.
(a) per \$100 Taxable Assessed Valuation

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	State Appropriations	Appropriation per FTSE		Appropriation per Contact Hour			
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a,b)	Total Contact Hours	State Appropriation per Contact Hour
2017-18	\$ 44,006,835	19,513	\$ 2,255	10,451,199	2,050,144	12,501,343	3.52
2016-17	40,859,962	18,714	2,183	9,890,990	2,003,089	11,894,079	3.44
2015-16	40,667,403	16,938	2,401	9,555,760	2,014,560	11,570,320	3.51
2014-15	38,713,358	17,153	2,257	8,977,240	1,978,958	10,956,198	3.53
2013-14	38,457,174	17,973	2,140	9,332,840	2,017,851	11,350,691	3.39
2012-13	35,504,958	18,007	1,972	9,377,528	2,032,408	11,409,936	3.11
2011-12	34,416,713	17,471	1,970	9,300,792	1,902,860	11,203,652	3.07
2010-11	36,545,683	17,661	2,069	9,383,992	1,803,113	11,187,105	3.27
2009-10	36,806,088	17,143	2,147	8,979,768	1,832,395	10,812,163	3.40
2008-09	34,736,692	14,749	2,355	7,806,584	1,583,558	9,390,142	3.70

*The CBM00C for 2018 Quarter 4 (201874) has not been certified as of 9/25/2018. Therefore, Voc/Tech contact hours are preliminary.
 ** Starting FY 2017-18, the contact hours are pulled from the CBM004 and the CBM00C. Previously, the CBM001 and CBM00A were used. The contact hours are slightly different but the CBM004 and CBM00C are preferred since these reports are used for funding.
 (a) Source: Collin College's Institutional Research Office based on THECB-certified CBM-004 reports.
 (b) Source: Collin College's Institutional Research Office based on THECB-certified CBM-00C reports. (See note*, above, regarding preliminary numbers for quarter 4 2018.)

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Principal Taxpayers
Last Ten Tax Years
(unaudited)**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2018	2017	2016	2015	2014
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	\$ 175,236,979
Atmos Energy/Mid Tex Division	Commercial	174,619,058				
Bank of America	Commercial	248,522,533	198,249,810	438,945,810	386,940,931	320,720,305
BCS Office Investments One LP	Commercial			362,453,234	329,153,747	
Blue Star HQ Inc	Commercial	201,017,500				
Briar Preston Ridge Shop. Ctr.	Commercial			121,936,281	121,815,390	121,741,860
Capital One National Association	Commercial	216,428,297	190,788,000	149,429,000	147,883,770	142,606,357
Cisco Systems	Commercial				163,176,492	159,890,798
Cisco Systems Sales & Service Inc	Commercial	181,600,000	155,000,000	135,112,776	122,829,796	115,958,112
Corporate Properties Trust I SPE #1 LLC	Commercial	720,068,550	685,493,462			
Countrywide Home Loans Inc	Commercial					
Coventry II DDR	Commercial					
Electronic Data Systems Corp	Computer Center					
EMC Corp	Commercial				122,159,054	137,003,309
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	292,703,563	257,500,000	234,520,075	234,520,075	211,520,075
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	114,469,428
IBM Credit	Commercial					116,205,684
JC Penney Co. Inc.	Commercial			166,000,000	165,336,836	161,355,729
JP Morgan Chase Bank NA	Commercial	312,538,085	140,967,122			
KBSIII Legacy Town Center LLC	Commercial	163,915,077	154,458,567			113,067,926
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial		139,524,292	133,735,904	139,950,145	126,045,001
Legacy West Investors LP	Commercial	340,861,050	221,702,635			
Liberty Mutual Plano LLC	Commercial	345,798,915				
Oncor/TXU/Lone Star Gas	Public Utility	544,867,308	511,950,135	543,516,118	541,253,800	519,537,661
Qorvo Texas LLC	Manufacturer			190,075,709		
Silos Harvesting Partners LP	Commercial	310,000,000	245,000,000			
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	321,459,957	294,907,713	287,982,811	276,304,342	260,753,175
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer	190,297,524	195,581,438			
T5@Dallas LLC	Commercial			146,000,000	125,500,000	112,001,268
Toyota Motor North America INC	Manufacturer	592,679,891	358,473,658			
UDR Legacy Village LLC	Commercial	155,600,000	142,527,900			
United Dominion Realty LP	Commercial			122,947,560		
VAA Improvements LLC	Commercial	160,963,346				
Village at Allen LP	Commercial		154,189,216	147,302,454	144,273,092	144,127,995
Wal-Mart Stores Texas LLC	Commercial				139,644,608	125,878,773
Watters Creek LLC	Commercial			117,750,824		
Willow Bend Shopping Center	Commercial			140,600,000	200,800,000	142,581,631
Totals		\$ 5,851,046,933	\$ 4,691,961,486	\$ 3,895,213,160	\$ 3,833,527,209	\$ 3,320,702,066
Total Taxable Assessed Value		\$ 121,707,214,301	\$ 110,609,710,642	\$ 97,729,259,604	\$ 88,130,253,906	\$ 80,470,937,890

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2018	2017	2016	2015	2014
394 Pacific DCD LLC	Commercial	0.15%	0.15%			
AT&T Mobility LLC	Telephone Utility	0.16%	0.14%	0.17%	0.21%	0.22%
Atmos Energy/Mid Tex Division	Commercial	0.14%				
Bank of America	Commercial	0.20%	0.18%	0.45%	0.44%	0.40%
BCS Office Investments One LP	Commercial			0.37%	0.37%	
Blue Star HQ Inc	Commercial	0.17%				
Briar Preston Ridge Shop. Ctr.	Commercial			0.12%	0.14%	0.15%
Capital One National Association	Commercial	0.18%	0.17%	0.15%	0.17%	0.18%
Cisco Systems	Commercial				0.19%	0.20%
Cisco Systems Sales & Service Inc	Commercial	0.15%	0.14%	0.14%	0.14%	0.14%
Corporate Properties Trust I SPE #1 LLC	Commercial	0.59%	0.62%			
Countrywide Home Loans Inc	Commercial					
Coventry II DDR	Commercial					
Electronic Data Systems Corp	Computer Center					
EMC Corp	Commercial				0.14%	0.17%
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	0.24%	0.23%	0.24%	0.27%	0.26%
HP Enterprise Services LLC	Commercial		0.16%	0.15%	0.17%	
HSP of Texas Inc	Commercial		0.13%	0.15%	0.16%	0.14%
IBM Credit	Commercial					0.14%
JC Penney Co. Inc.	Commercial			0.17%	0.19%	0.20%
JP Morgan Chase Bank NA	Commercial	0.26%	0.13%			
KBSIII Legacy Town Center LLC	Commercial	0.13%	0.14%			0.14%
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial		0.13%	0.14%	0.16%	0.16%
Legacy West Investors LP	Commercial	0.28%	0.20%			
Liberty Mutual Plano LLC	Commercial	0.28%				
Oncor/TXU/Lone Star Gas	Public Utility	0.45%	0.46%	0.56%	0.61%	0.65%
Qorvo Texas LLC	Manufacturer			0.19%		
Silos Harvesting Partners LP	Commercial	0.25%	0.22%			
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	0.26%	0.27%	0.29%	0.31%	0.32%
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer	0.16%	0.18%			
T5@Dallas LLC	Commercial			0.15%	0.14%	0.14%
Toyota Motor North America INC	Manufacturer	0.49%	0.32%			
UDR Legacy Village LLC	Commercial	0.13%	0.13%			
United Dominion Realty LP	Commercial			0.13%		
VAA Improvements LLC	Commercial	0.13%				
Village at Allen LP	Commercial		0.14%	0.15%	0.16%	0.18%
Wal-Mart Stores Texas LLC	Commercial				0.16%	0.16%
Watters Creek LLC	Commercial			0.12%		
Willow Bend Shopping Center	Commercial			0.14%	0.23%	0.18%
Totals		4.81%	4.24%	3.99%	4.35%	4.13%

Source: Tax Assessor/Collector of Collin County

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2013	2012	2011	2010	2009
394 Pacific DCD LLC	Commercial					
AT&T Mobility LLC	Telephone Utility	\$ 137,198,694	\$ 150,721,071		\$ 132,990,356	\$ 107,715,878
Atmos Energy/Mid Tex Division	Commercial					
Bank of America	Commercial	321,486,177	132,676,129	141,863,601		
BCS Office Investments One LP	Commercial					
Blue Star HQ Inc	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial		118,250,000	116,000,000	125,000,000	126,955,751
Capital One National Association	Commercial					
Cisco Systems	Commercial	163,098,708	171,484,217			
Cisco Systems Sales & Service Inc	Commercial					
Corporate Properties Trust I SPE #1 LL	Commercial					
Countrywide Home Loans Inc	Commercial					
Coventry II DDR	Commercial			121,100,000	111,700,000	133,138,544
Electronic Data Systems Corp	Computer Center	135,149,181				134,919,916
EMC Corp	Commercial			126,362,835		
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	209,172,377	208,172,377	251,131,329		
HP Enterprise Services LLC	Commercial					
HSP of Texas Inc	Commercial					
IBM Credit	Commercial	135,149,181			127,971,038	118,976,125
JC Penney Co. Inc.	Commercial	164,974,971	163,195,767	159,971,610	161,877,423	166,407,858
JP Morgan Chase Bank NA	Commercial					
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial				237,172,377	
Legacy Campus LP	Commercial		152,500,000	148,990,000		
Legacy West Investors LP	Commercial					
Liberty Mutual Plano LLC	Commercial					
Oncor/TXU/Lone Star Gas	Public Utility	495,218,356	461,211,196	451,374,380	439,174,980	449,097,946
Qorvo Texas LLC	Manufacturer					
Silos Harvesting Partners LP	Commercial					
Southwestern Bell/SBC	Telephone Utility					117,082,347
Stonebriar Mall Ltd. Partnership	Commercial	239,971,384	232,137,734	226,514,276	221,706,370	221,339,975
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial					
Toyota Motor North America INC	Manufacturer					
UDR Legacy Village LLC	Commercial					
United Dominion Realty LP	Commercial					
VAA Improvements LLC	Commercial					
Village at Allen LP	Commercial	142,468,550	136,534,873	139,937,198	113,881,870	
Wal-Mart Stores Texas LLC	Commercial					
Watters Creek LLC	Commercial					
Willow Bend Shopping Center	Commercial				110,000,000	116,500,000
Totals		\$ 2,143,887,579	\$ 1,926,883,364	\$ 1,883,245,229	\$ 1,781,474,414	\$ 1,692,134,340
Total Taxable Assessed Value		\$ 75,781,388,098	\$ 73,592,994,694	\$ 73,187,370,452	\$ 72,804,521,749	\$ 72,113,179,950

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2012	2011	2010	2009	2008
394 Pacific DCD LLC	Commercial					
AT&T Mobility LLC	Telephone Utility	0.18%	0.20%		0.18%	0.15%
Atmos Energy/Mid Tex Division	Commercial					
Bank of America	Commercial	0.42%	0.18%	0.19%		
BCS Office Investments One LP	Commercial					
Blue Star HQ Inc	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial		0.16%	0.16%	0.17%	0.18%
Capital One National Association	Commercial					
Cisco Systems	Commercial	0.22%	0.23%			
Cisco Systems Sales & Service Inc	Commercial					
Corporate Properties Trust I SPE #1 LL	Commercial					
Countrywide Home Loans Inc	Commercial			0.17%	0.15%	0.18%
Coventry II DDR	Commercial					0.19%
Electronic Data Systems Corp	Computer Center	0.18%				
EMC Corp	Commercial			0.17%		
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	0.28%	0.28%	0.34%		
HP Enterprise Services LLC	Commercial					
HSP of Texas Inc	Commercial					
IBM Credit	Commercial	0.18%			0.18%	0.16%
JC Penney Co. Inc.	Commercial	0.22%	0.22%	0.22%	0.22%	0.23%
JP Morgan Chase Bank NA	Commercial					
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial				0.33%	
Legacy Campus LP	Commercial		0.21%	0.20%		
Legacy West Investors LP	Commercial					
Liberty Mutual Plano LLC	Commercial					
Oncor/TXU/Lone Star Gas	Public Utility	0.65%	0.63%	0.62%	0.60%	0.62%
Qorvo Texas LLC	Manufacturer					
Silos Harvesting Partners LP	Commercial					
Southwestern Bell/SBC	Telephone Utility					0.16%
Stonebriar Mall Ltd. Partnership	Commercial	0.32%	0.32%	0.31%	0.30%	0.31%
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial					
Toyota Motor North America INC	Manufacturer					
UDR Legacy Village LLC	Commercial					
United Dominion Realty LP	Commercial					
VAA Improvements LLC	Commercial					
Village at Allen LP	Commercial	0.19%	0.19%	0.19%	0.16%	
Wal-Mart Stores Texas LLC	Commercial					
Watters Creek LLC	Commercial					
Willow Bend Shopping Center	Commercial				0.15%	0.16%
Totals		2.83%	2.62%	2.57%	2.45%	2.35%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections Year of Levy (c)	Percentage	Collections of Prior Years (d)	Collections of Penalties and Interest (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
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%
2014	68,790	1,208	69,998	67,645	96.64%	499	437	68,581	97.98%
2013	66,738	691	67,429	65,697	97.43%	683	403	66,783	99.04%
2012	64,923	585	65,508	63,852	97.47%	577	417	64,846	98.99%
2011	63,659	(733)	62,926	62,553	99.41%	672	373	63,598	101.07%
2010	64,509	(568)	63,941	63,378	99.12%	501	448	64,327	100.60%
2009	64,397	(953)	63,444	62,909	99.16%	820	417	64,146	101.11%

Source:

- (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.

Total Collections = C + D + E

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31,				
	2018	2017	2016	2015	2014
General Bonded Debt					
General Obligation Bonds	\$ 264,388,553	\$ 14,843,861	\$ 17,206,467	\$ 31,787,200	\$ 34,805,723
Less: Funds restricted for debt service	(2,250,198)	(894,905)	(552,079)	(364,843)	-
Net General Bonded Debt	<u>262,138,355</u>	<u>13,948,956</u>	<u>16,654,388</u>	<u>31,422,357</u>	<u>34,805,723</u>
Other Debt					
Revenue Bonds	-	1,095,000	2,160,000	3,195,000	4,195,000
Net Revenue Bonds	<u>-</u>	<u>1,095,000</u>	<u>2,160,000</u>	<u>3,195,000</u>	<u>4,195,000</u>
Total Net Outstanding Debt	<u>\$ 262,138,355</u>	<u>\$ 15,043,956</u>	<u>\$ 18,814,388</u>	<u>\$ 34,617,357</u>	<u>\$ 39,000,723</u>
Total Gross Amount of Outstanding Debt	<u>\$ 264,388,553</u>	<u>\$ 15,938,861</u>	<u>\$ 19,366,467</u>	<u>\$ 34,982,200</u>	<u>\$ 39,000,723</u>
General Bonded Debt Ratios					
Per Capita	270.36	14.85	18.22	35.50	40.72
Per FTSE	13,434	745	983	1,832	1,937
As a percentage of Taxable Assessed Value	0.21%	0.01%	0.02%	0.04%	0.04%
Total Outstanding Debt Ratios					
Per Capita	272.68	16.96	21.19	39.52	45.63
Per FTSE	13,434	804	1,111	2,018	2,170
As a percentage of Taxable Assessed Value	0.21%	0.01%	0.02%	0.04%	0.05%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31,				
	2013	2012	2011	2010	2009
General Bonded Debt					
General Obligation Bonds	\$ 37,694,245	\$ 40,467,768	\$ 43,111,290	\$ 45,980,000	\$ 48,345,000
Less: Funds restricted for debt service	(3,755,162)	(3,375,209)	(3,009,581)	(2,880,577)	(2,686,501)
Net General Bonded Debt	<u>33,939,083</u>	<u>37,092,559</u>	<u>40,101,709</u>	<u>43,099,423</u>	<u>45,658,499</u>
Other Debt					
Revenue Bonds	<u>5,165,000</u>	<u>6,111,000</u>	<u>7,025,000</u>	<u>7,915,000</u>	<u>8,775,000</u>
Net Revenue Bonds	<u>5,165,000</u>	<u>6,111,000</u>	<u>7,025,000</u>	<u>7,915,000</u>	<u>8,775,000</u>
Total Outstanding Debt	<u>\$ 39,104,083</u>	<u>\$ 43,203,559</u>	<u>\$ 47,126,709</u>	<u>\$ 51,014,423</u>	<u>\$ 54,433,499</u>
Total Gross Amount of Outstanding Debt	<u>\$ 42,859,245</u>	<u>\$ 46,578,768</u>	<u>\$ 50,136,290</u>	<u>\$ 53,895,000</u>	<u>\$ 57,120,000</u>
General Bonded Debt Ratios					
Per Capita	40.66	46.11	50.62	54.66	59.72
Per FTSE	1,885	2,123	2,271	2,514	3,096
As a percentage of Taxable Assessed Value	0.04%	0.05%	0.05%	0.06%	0.06%
Total Outstanding Debt Ratios					
Per Capita	51.35	57.91	63.29	68.35	74.72
Per FTSE	2,172	2,473	2,668	2,976	3,691
As a percentage of Taxable Assessed Value	0.05%	0.06%	0.06%	0.07%	0.08%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)**

	For the Year Ended August 31				
	2018	2017	2016	2015	2014
Taxable Assessed Value	\$ 125,262,578,238	\$ 110,609,710,642	\$ 97,729,259,604	\$ 88,130,253,906	\$ 80,470,937,890
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$15,031,509,389	\$13,273,165,277	\$11,727,511,152	\$10,575,630,469	\$9,656,512,547
Less: Funds Restricted for Repayment of General Obligations	2,250,198	894,905	552,079	364,843	2,063,560
Total Net General Obligation Debt	15,029,259,191	13,272,270,372	11,726,959,073	10,575,265,626	9,654,448,987
Less: Current Year Debt Service Requirements	3,107,481	3,095,281	4,567,230	4,470,731	4,447,626
Excess Statutory Limit for Debt Service Over Current Requirements	\$ 15,026,151,710	\$ 13,269,175,091	\$ 11,722,391,843	\$ 10,570,794,895	\$ 9,650,001,361
Net Current Requirements as a % of Statutory Limit	0.04%	0.03%	0.04%	0.05%	0.07%

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

Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31				
	2013	2012	2011	2010	2009
Taxable Assessed Value	\$ 75,781,388,098	\$ 73,592,994,694	\$ 73,187,370,452	\$ 72,804,521,749	\$ 72,113,179,950
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$9,093,766,572	\$8,831,159,363	\$8,782,484,454	\$8,736,542,610	\$8,653,581,594
Less: Funds Restricted for Repayment of General Obligations	3,755,162	3,375,209	3,009,581	2,880,577	2,686,501
Total Net General Obligation Debt	9,090,011,410	8,827,784,154	8,779,474,873	8,733,662,033	8,650,895,093
Less: Current Year Debt Service Requirements Excess Statutory Limit for Debt Service Over Current Requirements	4,381,998	4,356,365	6,023,225	5,617,732	5,529,297
	\$ 9,085,629,412	\$ 8,823,427,789	\$ 8,773,451,648	\$ 8,728,044,301	\$ 8,645,365,796
Net Current Requirements as a % of Statutory Limit	0.09%	0.09%	0.10%	0.10%	0.09%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues			
	Tuition	Building Fees	Interest Income	Food Services
2018	\$ 1,050,668	\$ -	\$ 4,058,101	\$ 638,312
2017	968,370	-	2,160,097	353,272
2016	921,998	3,326,064	795,600	93,547
2015	906,060	3,288,927	210,829	100,000
2014	1,312,365	3,265,810	109,513	100,840
2013	952,965	3,283,382	232,155	78,813
2012	947,430	3,238,390	233,034	85,387
2011	779,775	3,250,705	288,665	83,512
2010	912,345	3,768,215	403,036	87,702
2009	786,968	4,019,965	2,412,354	67,102

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Pledged Revenues		Debt Service Requirements				Coverage Ratio
Bookstore Commission	Total	Principal	Interest	Total		
\$ 853,467	\$ 6,600,548	\$ 1,095,000	\$ 16,261	\$ 1,111,261	5.94	
740,618	4,222,357	1,065,000	48,337	1,113,337	3.79	
4,253,551	9,390,760	1,035,000	79,522	1,114,522	8.43	
7,795,310	12,301,126	1,000,000	109,742	1,109,742	11.08	
8,260,036	13,048,564	970,000	138,996	1,108,996	11.77	
8,599,022	13,146,337	945,000	167,434	1,112,434	11.82	
9,063,221	13,567,462	915,000	195,055	1,110,055	12.22	
9,148,169	13,550,826	890,000	221,859	1,111,859	12.19	
8,436,630	13,607,928	860,000	250,847	1,110,847	12.25	
7,466,484	14,752,873	835,000	273,017	1,108,017	13.31	

Statistical Supplement 12

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

<u>Fiscal Year</u>	<u>District Population¹</u>	<u>District Personal Income (\$ in thousands)²</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate³</u>
2018	969,603	\$ 57,482,679	\$ 61,179	3.4%
2017	939,585	N/A*	N/A*	3.7%
2016	914,127	N/A*	N/A*	3.8%
2015	885,241	54,420,085	59,532	3.6%
2014	854,778	52,358,740	59,146	5.0%
2013	834,642	47,457,632	55,520	5.5%
2012	804,390	46,837,453	56,117	6.3%
2011	792,150	42,576,156	52,419	7.7%
2010	788,511	38,029,236	48,229	7.7%
2009	764,500	36,447,393	47,675	8.2%

1 Source: Population for 2010 from US Census Bureau. 2011 and 2012 information from the North Central Texas Council of Governments. 2013 estimate from May 2013 Census Bureau estimate. 2014 estimate from September 2014 Census Bureau estimate. 2015 estimate from July 2014 Census Bureau estimate. 2016 estimate from July 2015 Census Bureau estimate. 2018 from July 2017 Census Bureau estimate.

2 Personal Income from U.S. Bureau of Economic Analysis - 2014 and prior. Data for 2011 and 2018 obtained from Texas Association of Counties.

3 Unemployment rate from Texas Workforce Commission LCMI Tracer Data for 2018 obtained from Texas Association of Counties.

* Information not currently available from above mentioned source for these years.

Statistical Supplement 13

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Principal Employers
Last Ten Fiscal Years
(unaudited)**

Employer	2018		2009	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Frisco ISD	6,970	1.34%	4,700	1.26%
Plano Independent School District	6,954	1.34%	7,073	1.90%
Capital One Finance	5,979	1.15%	1,415	0.38%
Bank of America Home Loans (formerly Countrywide)	4,500	0.86%	8,141	2.19%
DXC Technology (formerly Hewlett Packard Enterprise)	4,000	0.77%	1,200	0.32%
Toyota Motor North American, Inc.	3,937	0.76%	-	0.00%
Allen ISD	2,864	0.55%	2,348	0.63%
McKinney ISD	2,826	0.54%	2,622	0.70%
Raytheon	2,725	0.52%	2,500	0.67%
Ericsson Headquarters	2,713	0.52%	-	0.00%
Collin County Community College District	2,686	0.52%	1,665	0.45%
University of Texas at Dallas	2,674	0.51%	2,830	0.76%
J.C. Penney Company, Inc.	2,420	0.47%	5,100	1.37%
City of Plano	2,390	0.46%	1,256	0.34%
NTT DATA Services (formerly Dell Services)	2,133	0.41%	-	0.00%
JP Morgan Chase	2,000	0.38%	-	0.00%
PespiCo	1,881	0.36%	1,000	0.27%
Collin County	1,726	0.33%	-	0.00%
Frito-Lay	1,712	0.33%	-	0.00%
Texas Health Plano (formerly Presbyterian Hospital Plano)	1,680	0.32%	1,488	0.40%
Torchmark	1,640	0.32%	-	0.00%
Medical City Plano (formerly Medical Center of Plano)	1,600	0.31%	1,348	0.36%
Encore Wire	1,350	0.26%	-	0.00%
Dr Pepper Snapple Group Inc	1,250	0.24%	-	0.00%
FedEx Office	1,192	0.23%	-	0.00%
McAfee (formerly known as Intel Security)	1,100	0.21%	-	0.00%
Nokia (former Alcatel-Lucent)	1,100	0.21%	2,023	0.54%
Perot Systems Corporated	-	0.00%	2,697	0.72%
CHC Acquisition Corporation	-	0.00%	2,000	0.54%
Electronic Data Systems Corp (purchased by HP in 2008)	-	0.00%	5,000	1.34%
	<u>74,002</u>	<u>14.22%</u>	<u>56,406</u>	<u>15.16%</u>

Source: 2018 data from Plano Economic Development Board and Local University and School District websites

2009 data from North Central Texas Council of Governments

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Faculty					
Full-Time	402	395	409	396	372
Part-Time	1,000	945	905	885	880
Total	1,402	1,340	1,314	1,281	1,252
Percent					
Full-Time	28.7%	29.5%	31.1%	30.9%	29.7%
Part-Time	71.3%	70.5%	68.9%	69.1%	70.3%
Staff and Administrators					
Full-Time	685	648	626	638	614
Part-Time	599	599	583	610	578
Total	1,284	1,247	1,209	1,248	1,192
Percent					
Full-Time	53.3%	52.0%	51.8%	51.1%	51.5%
Part-Time	46.7%	48.0%	48.2%	48.9%	48.5%
FTSE per Full-Time Faculty	48.54	47.38	41.41	43.32	48.31
FTSE per Full-Time Staff Member	28.49	28.88	27.06	26.89	29.27
Average Annual Faculty Salary	\$ 66,728	\$ 65,167	\$ 62,315	\$ 60,412	\$ 57,209

Source: FTSE as reported on CBM001/CBM00A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Faculty					
Full-Time	361	356	350	319	293
Part-Time	845	846	931	836	955
Total	<u>1,206</u>	<u>1,202</u>	<u>1,281</u>	<u>1,155</u>	<u>1,248</u>
Percent					
Full-Time	29.9%	29.6%	27.3%	27.6%	23.5%
Part-Time	70.1%	70.4%	72.7%	72.4%	76.5%
Staff and Administrators					
Full-Time	577	580	580	575	575
Part-Time	555	565	549	564	630
Total	<u>1,132</u>	<u>1,145</u>	<u>1,129</u>	<u>1,139</u>	<u>1,205</u>
Percent					
Full-Time	51.0%	50.7%	51.4%	50.5%	47.7%
Part-Time	49.0%	49.3%	48.6%	49.5%	52.3%
FTSE per Full-Time Faculty	49.88	49.08	50.46	53.74	50.34
FTSE per Full-Time Staff Member	31.21	30.12	30.45	29.81	25.65
Average Annual Faculty Salary	\$ 56,614	\$ 54,821	\$ 55,392	\$ 55,231	\$ 54,181

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Enrollment Details
Last Five Fiscal Years
(unaudited)

Student Classification	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	21,319	67%	19,706	66%	18,351	65%	18,005	64%	18,363	66%
31-60 hours	7,444	24%	7,174	24%	7,089	25%	7,244	26%	6,839	24%
> 60 hours	2,856	9%	2,823	10%	2,747	10%	2,742	10%	2,770	10%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Semester Hour Load	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	216	1%	219	1%	186	1%	284	1%	223	1%
3-5 semester hours	6,712	21%	6,105	21%	5,890	21%	5,528	20%	5,682	20%
6-8 semester hours	8,489	27%	7,949	27%	7,340	26%	6,897	25%	7,274	26%
9-11 semester hours	5,971	19%	5,788	19%	5,330	19%	5,383	19%	5,150	18%
12-14 semester hours	8,431	27%	8,018	27%	7,700	27%	8,116	29%	7,939	28%
15-17 semester hours	1,623	5%	1,476	5%	1,563	6%	1,626	6%	1,543	6%
18 & Over	177	1%	148	0%	178	1%	157	1%	161	1%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Average course load 8.4 8.5 8.5 8.7 8.6

Tuition Status	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
TX Resident (In-District)	21,810	69%	20,912	70%	19,660	70%	19,405	69%	19,309	69%
TX Resident (Out-of-District)	6,685	21%	6,381	22%	5,845	20%	5,951	21%	6,057	22%
Non-Resident Tuition	3,124	10%	2,410	8%	2,682	10%	2,635	9%	2,606	9%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Source: Collin College's Institutional Research Office based on official Fall Census Headcount reports.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Gender	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	14,214	45%	13,315	45%	12,697	45%	12,371	44%	12,393	44%
Female	17,405	55%	16,388	55%	15,490	55%	15,620	56%	15,579	56%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Ethnic Origin	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	15,508	51%	14,961	51%	14,676	52%	14,786	53%	15,262	55%
Hispanic	6,249	20%	5,699	19%	5,360	19%	5,190	19%	4,898	18%
African American	3,644	12%	3,361	11%	3,264	12%	3,384	12%	3,376	12%
Asian	3,292	10%	2,903	10%	2,592	9%	2,396	9%	2,297	8%
Foreign	1,008	3%	1,173	4%	908	3%	891	3%	826	3%
Native American	134	0%	136	0%	137	0%	124	0%	135	0%
Other	1,784	6%	1,470	5%	1,250	4%	1,220	4%	1,178	4%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Age	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	5,530	17%	4,533	15%	3,765	13%	3,161	11%	3,061	11%
18 - 21	14,678	46%	13,681	46%	13,052	46%	12,787	46%	12,342	44%
22 - 24	4,019	13%	3,813	13%	3,670	13%	3,701	13%	3,623	13%
25 - 35	4,636	15%	4,730	16%	4,619	16%	4,879	17%	5,109	18%
36 - 50	2,263	7%	2,386	8%	2,466	9%	2,761	10%	3,070	11%
51 & Over	493	2%	560	2%	615	2%	702	3%	767	3%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Average Age (Fall)	22.8	23.3	23.7	24.3	24.7
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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfers to Senior Institutions
2016 Fall Students as of Fall 2017
(Includes community, technical and public senior colleges in Texas)
(unaudited)**

Transfer Destination	Transfer Student Count			Total	Percentage
	Academic	Technical	Tech-Prep		
Community and Technical Colleges					
ACCD-Northeast Lakeview College	1	-	-	1	0.0113%
ACCD-Northwest Vista College	1	2	-	3	0.0339%
AACD-Palo Alto College	-	1	-	1	0.0113%
ACCD-San Antonio College	1	2	-	3	0.0339%
ACCD-St. Phillip's College	-	1	-	1	0.0113%
Amarillo College	1	2	-	3	0.0339%
Austin Community College	42	25	-	67	0.7566%
Blinn College	70	55	1	126	1.4229%
Central Texas College	1	3	-	4	0.0452%
Cisco Junior College	1	-	-	1	0.0113%
Clarendon College	1	1	-	2	0.0226%
Coastal Bend College	2	1	-	3	0.0339%
Collin County Community College District	1,049	170	-	1,219	13.7662%
Dallas County Community College District	286	147	2	435	4.9125%
Del Mar College	1	-	-	1	0.0113%
El Paso Community College District	1	-	-	1	0.0113%
Galveston College	2	-	-	2	0.0226%
Grayson County College	41	17	-	58	0.6550%
HCJCD-Howard College	-	1	-	1	0.0113%
Hill College	2	1	-	3	0.0339%
Houston Community College System	2	6	-	8	0.0903%
Kilgore College	2	2	-	4	0.0452%
Laredo College	1	-	-	1	0.0113%
Lone Star Community College System	8	4	-	12	0.1355%
McLennan Community College	3	2	-	5	0.0565%
Midland College	-	1	-	1	0.0113%
Navarro College	8	3	-	11	0.1242%
North Central Texas College	41	23	-	64	0.7228%
Northeast Texas Community College	4	2	-	6	0.0678%
Odessa College	-	2	-	2	0.0226%
Panola College	-	4	-	4	0.0452%
Paris Junior College	11	8	-	19	0.2146%
Ranger College	1	1	-	2	0.0226%
San Jacinto College	2	-	-	2	0.0226%
South Plains College	16	9	-	25	0.2823%
Southwest Texas Junior College	1	-	-	1	0.0113%
Tarrant County College District	39	16	-	55	0.6211%
Texarkana College	1	-	-	1	0.0113%
Texas State Technical College-North Texas	1	-	-	1	0.0113%
Texas State Technical College-Waco	5	-	-	5	0.0565%
Trinity Valley Community College	6	6	-	12	0.1355%
Tyler Junior College	13	2	-	15	0.1694%
Vernon College	3	2	-	5	0.0565%
Weatherford College	11	1	-	12	0.1355%
Total	1,682	523	3	2,208	24.9351%

Statistical Supplement 17

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfers to Senior Institutions
2016 Fall Students as of Fall 2017
(Includes community, technical and public senior colleges in Texas)
(unaudited)**

Transfer Destination	Transfer Student Count			Total	Percentage
	Academic	Technical	Tech-Prep		
Universities					
Angelo State University	2	2	-	4	0.0452%
Lamar University	3	2	-	5	0.0565%
Midwestern State University	42	19	1	62	0.7002%
Prairie View A&M University	9	5	-	14	0.1581%
Sam Houston State University	50	18	-	68	0.7679%
Stephen F. Austin State University	87	75	1	163	1.8408%
Sul Ross State University	2	1	-	3	0.0339%
Tarleton State University	53	27	-	80	0.9034%
Texas A&M International University	1	-	-	1	0.0113%
Texas A&M University	340	132	1	473	5.3416%
Texas A&M University - Commerce	243	57	1	301	3.3992%
Texas A&M University - Corpus Christi	21	7	-	28	0.3162%
Texas A&M University - Galveston	7	1	-	8	0.0903%
Texas A&M University - Kingsville	2	1	-	3	0.0339%
Texas A&M University - San Antonio	-	1	-	1	0.0113%
Texas A&M University - Texarkana	7	2	-	9	0.1016%
Texas Southern University	2	2	-	4	0.0452%
Texas State University - San Marcos	197	81	1	279	3.1508%
Texas Tech University	337	229	6	572	6.4596%
Texas Woman's University	282	121	4	407	4.5963%
The University of Texas - Rio Grande Valley	1	-	-	1	0.0113%
The University of Texas at Arlington	204	86	-	290	3.2750%
The University of Texas at Austin	277	126	-	403	4.5511%
The University of Texas at Dallas	1,350	508	14	1,872	21.1406%
The University of Texas at El Paso	2	1	-	3	0.0339%
The University of Texas at San Antonio	29	17	-	46	0.5195%
The University of Texas at Tyler	31	19	-	50	0.5647%
The University of Texas of the Permian Basin	3	1	-	4	0.0452%
University of Houston	40	20	-	60	0.6776%
University of North Texas	1,003	287	2	1,292	14.5906%
University of North Texas at Dallas	12	4	-	16	0.1807%
West Texas A&M University	19	5	-	24	0.2710%
Total	4,658	1,857	31	6,546	73.9243%
Health Science Institutions					
Baylor College of Medicine	1	-	-	1	0.0113%
Texas A&M Univ Health Science Center	5	3	-	8	0.0903%
Texas Tech Univ Health Sciences Center	18	40	1	59	0.6663%
The Univ of Texas Health Science Ctr at Houston	2	3	-	5	0.0565%
The Univ of Texas Health Science Ctr at San Antonio	1	2	-	3	0.0339%
The Univ of Texas Medical Branch at Galveston	2	4	-	6	0.0678%
The University of Texas Southwestern Medical Center	-	4	-	4	0.0452%
University of N Texas Health Science Ctr	13	2	-	15	0.1694%
Total	42	58	1	101	1.1406%
Grand Total	6,382	2,438	35	8,855	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Academic Building	12	11	11	9	9	9	9	9	9	8
Square Footage	1,244,952	1,105,585	1,105,585	957,433	957,433	957,433	883,571	809,709	806,634	744,634
Libraries	3	3	3	3	3	3	3	3	3	3
Square Footage	295,429	295,429	295,429	295,429	295,429	295,429	206,539	206,539	206,539	206,539
Number of Volumes**	242,696	235,396	233,569	233,693	246,192	262,427	252,135	240,855	221,417	204,403
Administrative and Support Buildings										
Square Footage*	456,649	449,314	449,314	449,314	449,314	449,314	429,227	409,140	412,215	350,215
Dining Facilities	2	2	2	2	2	2	2	2	2	2
Square Footage	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926
Average Daily Customers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Athletic Facilities	3	3	3	3	3	3	3	3	3	3
Square Footage	89,647	89,647	89,647	89,647	89,647	89,647	89,647	89,647	89,647	89,647
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	3	3	3	3	3	3	3	3	3	3
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Racquet Ball Courts	9	9	9	9	9	9	9	9	9	9
Plant Facilities	4	4	4	4	4	4	4	4	4	4
Square Footage	20,381	20,381	20,381	20,381	20,381	20,381	20,381	20,381	20,381	20,381
Transportation										
Cars	7	11	11	13	12	10	9	9	9	7
Light Trucks/Vans	30	24	22	20	23	17	17	16	16	16

* Comprise parts of various buildings.

** Includes accessible e-books



Single Audit Section



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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Board of Trustees
Collin County Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Collin County Community College District (the “District”), which comprise the statement of financial position as of August 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District’s financial statements, and have issued our report thereon dated December 11, 2018

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. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. 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 reporting 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”) to design 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 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 the District's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

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 report is not suitable for any other purpose.



Dallas, Texas
December 11, 2018



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE
FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF TEXAS
SINGLE AUDIT CIRCULAR**

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Board of Trustees
Collin County Community College District

Report on compliance for each major federal and state program

We have audited the compliance of Collin County Community College District, (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* and the State of Texas *Single Audit Circular* that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2018. 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.

Management’s responsibility

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

Auditor’s responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on each major federal and state program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2018.

Report on internal control over compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal and state program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas *Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 or state 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 or state 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 or state 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the District's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the State of Texas *Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.



Dallas, Texas
December 11, 2018

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2018**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number	Federal CFDA Number	Direct Awards	Expenditures		Subrecipients Expenditures
			Pass-Through Awards	Total	
U.S. Department of Education					
Direct Programs:					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 323,068	\$ -	\$ 323,068	\$ -
Federal Work-Study Program	84.033	362,619	-	362,619	-
Federal Pell Grant Program	84.063	22,645,031	-	22,645,031	-
Federal Direct Student Loans	84.268	13,399,570	-	13,399,570	-
Total Student Financial Assistance Cluster		36,730,288	-	36,730,288	-
Pass-Through from:					
Texas Higher Education Coordinating Board					
Career and Technical Education - Basic Grants to States 184216	84.048	-	555,917	555,917	-
Total U.S. Department of Education		36,730,288	555,917	37,286,205	-
U.S. Department of Transportation					
Direct Program:					
Commercial Motor Vehicle Operator Safety Training Grants	20.235	95,738	-	95,738	-
National Science Foundation					
Research and Development Cluster					
Direct Program:					
Education and Human Resources	47.076	914,713	-	914,713	110,531
Pass-Through from:					
Austin Community College District					
Education and Human Resources DUE-1501207	47.076	-	92,157	92,157	-
Education Development Center, Inc					
Education and Human Resources DUE-1501911	47.076	-	1,877	1,877	-
Florida State College at Jacksonville					
Education and Human Resources DUE-1501359	47.076	-	6,001	6,001	-
Columbus State Community College					
Education and Human Resources DUE-1700455	47.076	-	12,706	12,706	-
Total National Science Foundation		914,713	112,741	1,027,454	110,531
U.S. Small Business Administration					
Pass-Through from:					
Dallas County Community College District:					
Small Business Development Centers SBAHQ-17-B-0002	59.037	-	1,908	1,908	-
Small Business Development Centers SBAHQ-18-B-0005	59.037	-	294,132	294,132	-
Total U.S. Small Business Administration		-	296,040	296,040	-
Total Federal Financial Assistance		\$ 37,740,739	\$ 964,698	\$ 38,705,437	\$ 110,531

Notes to schedule on following page

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of Federal Awards
For the year ended August 31, 2018**

Note 1: Federal assistance reconciliation

	FY 18
Additional Operating Revenues - Federal grants and contracts - per Schedule A	\$ 1,720,822
Add: Indirect/Administrative Costs Recoveries - per Schedule A	143,796
Add: Non Operating Revenues - Federal contracts and grants - per Schedule C	<u>23,330,718</u>
Total Federal Revenues per Schedule A and C	<u>\$25,195,336</u>
Reconciling items:	
Add: Funds passed through to others	\$ 110,531
Add: Direct Student Loans	<u>13,399,570</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$38,705,437</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 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. 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 amounts were passed through to the listed subrecipients by the District. These amounts were from the Education and Human Resources Program CFDA 47.076 from the National Science Foundation:

NSF DUE-1205077:	
City College of San Francisco	\$ 5,975
Florence-Darlington Technical College	12,431
Florida State College at Jacksonville	(16)
Hillsborough Community College	<u>18,637</u>
Subtotal NSF DUE-1205077	<u>37,027</u>
NSF DUE-1700530:	
Dallas County Community College	\$ 7,646
Georgia Southern University	13,578
Lansing Community College	13,928
Lone Star College	14,205
Sinclair Community College	11,849
University of North Texas	<u>12,298</u>
Subtotal NSF DUE-1700530	<u>73,504</u>
Total amount passed-through	<u>\$ 110,531</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of State Awards
For the year ended August 31, 2018**

<u>Grantor/Pass-through Grantor/ Program Title</u>	<u>Grantor's Number</u>	<u>Disbursements and Expenses</u>
Texas Workforce Commission		
Skills Development in Partnership with a Manufacturing Consortium	0416SDF002	\$ 129,035
Skills Development in Partnership with a Manufacturing Consortium	0417SDF000	124,015
FY 17 Skills for Small Business Program	0417SSD002	7,372
Skills Development in Partnership with a Supply Chain Consortium	0417SDF003	437,688
Skills Development in Partnership with a Business Consortium	0418SDF000	123,288
Total Texas Workforce Commission		<u>821,398</u>
Texas Higher Education Coordinating Board		
Professional Nursing Shortage Reduction Over 70 Program		478,766
Texas Education Opportunity Grant-Renewal Year		575,962
Texas Education Opportunity Grant-Initial Year		799,821
College Access Loans		12,278
Total Texas Higher Education Coordinating Board		<u>1,866,827</u>
Pass-through from:		
Dallas County Community College District		
Small Business Development Center 16/17	SBAHQ-17-B-0002	52,309
Small Business Development Center 17/18	SBAHQ-18-B-0005	96,304
Total Small Business Development Center		<u>148,613</u>
Total State Financial Assistance		<u><u>\$ 2,836,838</u></u>

Notes to schedule on following page.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of State Awards
For the year ended August 31, 2018**

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A
State Financial Assistance

Per Schedule of Expenditures of State Awards \$ 2,836,838

Total State Revenues per Schedule A \$ 2,836,838

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness 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 identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance or State of Texas Single Audit Circular? No

Identification of major programs:

<u>CFDA/Grant Numbers/State Identifying Number</u>	<u>Name of Federal and State Programs or Cluster</u>
--	--

Major Federal Programs:

84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
--------------------------------	--------------------------------------

Major State Programs:

Texas Education Opportunity Grant
Professional Nursing Shortage Reduction Over 70 Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000 for federal programs
\$300,000 for state programs

Auditee qualified as low-risk auditee? Yes

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2018

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were noted that are required to be reported.

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were noted that are required to be reported.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2017

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Finding:	2017-001	
State Program:	Texas Educational Opportunity Grant (“TEOG”)	
CFDA: N/A	State Award Number: N/A	Award Year: 2016/2017
Type of Finding:	Control Deficiency	
Compliance Requirement:	Eligibility	
Criteria:	To receive an initial or renewal year award through the TEOG Program, a student must meet the eligibility requirements outlined in Title 19 of the Texas Administrative Code Section 22.256. A student’s eligibility ends if any of the following have been met: (1) 4 years from the start of the semester in which the student received the first award through the program; (2) 75 Semester Credit Hours (SCH’s) attempted while receiving the grant; or (3) completion of an associate degree.	
Condition:	For one student out of forty (40) judgmentally selected for testing, it was noted that the student received a TEOG award after completion of an associate degree.	
Questioned Costs:	\$629.00	
Context:	One student was inappropriately awarded a TEOG award after they had received an associate degree.	
Cause:	One student was ineligible to receive the Spring 2017 TEOG award as the student had already completed an associate’s degree. For the initial year TEOG awards, the District receives a list of students that are eligible for the award and those students are automatically awarded by the system. The system has an automated process that verifies that the requirements to receive the aid are met. For the renewal year TEOG award, the Financial Aid Advisor and Grant Administrator manually evaluates each student that previously received an initial TEOG award to determine whether they are eligible to receive the renewal award. We noted that TEOG awards are submitted for approval the summer prior to disbursement. The student was approved for Fall and Spring aid in the previous summer. In the Fall semester, the student still met the eligibility requirements to receive the TEOG award and was awarded. However, during the Spring semester the student applied for graduation for the previous Fall semester. Therefore, the student met the graduation requirement in Fall of 2016 and should not have received TEOG in the Spring 2017. This change in eligibility was not identified by the Financial Aid Advisor and Grant Administrator; therefore, the student received the TEOG award for Spring 2017.	

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2017

Effect:	The District awarded TEOG awards to an ineligible student.
Identification of a repeat finding:	This was not a repeat finding from the immediate previous audit.
Prior Year Recommendations:	We recommend the District implement an automated process that is consistent with the TEOG eligibility requirements to determine if the student is eligible to receive TEOG awards similar to the automated process used for the initial TEOG grant awarded.
Management Response:	<p>The District acknowledges a student was ineligible to receive the TEOG award paid to the student totaling \$629. The Financial Aid staff made an award for both fall and spring semesters. The student was eligible for the award for both semesters at the time the award was made. The student received an associate's degree after the fall semester, making the student ineligible for the TEOG award. When the student re-enrolled for the spring semester in a different program, Financial Aid staff did not recognize the student had received a degree, awarding the student \$629 for spring. Upon discovery of the error, the award was reversed and the money returned to the Texas Higher Education Coordinating Board.</p> <p>An automated report has been created and will be utilized to identify students with pending TEOG awards who have graduated, thus alerting the financial aid staff to cancel the award.</p>
Current Year Update:	The District updated the software system to include rules for the Texas Educational Opportunity Grant that checks for specific data that would make the student ineligible for the grant. In addition, an exception report was created to identify students subsequently awarded an associate degree after an award has been made in order to cancel the award prior to disbursement.



Supplementary Financial Information Section

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

**Supplementary Financial Information
(Schedules for Comparative Review)**

These fund schedules are presented for comparison to previous financial reports and are unaudited.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Fund
As of August 31, 2018
(with comparative totals at August 31, 2017)
(unaudited)**

	Unrestricted Funds			
	Unrestricted	Startup & Stabilization	Auxiliary Enterprises	Total
Assets				
Cash and cash equivalents	\$ 96,188,354	\$ 9,599,599	\$ 900	\$ 105,788,853
Restricted cash and cash equivalents	-	-	-	-
Investments	94,535,656	10,709,351	-	105,245,007
Restricted investments	-	-	-	-
Accounts receivable (net of allowance for doubtful accounts of \$449,886 and \$625,640)	13,195,657	35,031	401,089	13,631,777
Tax receivable (net of allowance for doubtful accounts of \$672,133 and \$667,442)	482,158	-	-	482,158
Prepaid expenses	712,439	-	72,804	785,243
Consumable inventory	-	-	7,480	7,480
Capital assets	-	-	-	-
Total assets	\$ 205,114,264	\$ 20,343,981	\$ 482,273	\$ 225,940,518
Deferred outflows related to pensions	\$ 7,977,836	\$ -	\$ -	\$ 7,977,836
Deferred outflows related to OPEB	977,187	-	-	977,187
Total deferred outflows of outflows	\$ 8,955,023	\$ -	\$ -	\$ 8,955,023
Liabilities:				
Accounts payable / accrued liabilities	\$ 9,409,217	\$ 56,420	\$ 48,075	\$ 9,513,712
Interfund payable/(receivable)	2,589,580	247,656	(3,929,311)	(1,092,075)
Unearned revenues	20,864,863	-	450,000	21,314,863
Accrued compensable absences payable	1,215,922	-	-	1,215,922
Amounts held for others	361,962	-	-	361,962
Net pension liability	19,684,288	-	-	19,684,288
Net OPEB liability	31,319,220	-	-	31,319,220
Bonds payable	-	-	-	-
Total liabilities	\$ 85,445,052	\$ 304,076	\$ (3,431,236)	\$ 82,317,892
Deferred inflows related to pensions	\$ 7,845,059	\$ -	\$ -	\$ 7,845,059
Deferred inflows related to OPEB	6,924,831	-	-	6,924,831
Total deferred inflows of resources	\$ 14,769,890	\$ -	\$ -	\$ 14,769,890
Unrestricted:				
Designated:				
Insurance deductibles	\$ 100,000	\$ -	\$ -	\$ 100,000
Stabilization of maintenance and operations	24,750,000	-	-	24,750,000
Health insurance reserve	30,000,000	-	-	30,000,000
Undesignated	59,004,345	20,039,905	3,913,509	82,957,759
Restricted:				
Student aid/non-governmental grants and contracts	-	-	-	-
Reserve for debt service	-	-	-	-
Net investment in plant	-	-	-	-
Student loans	-	-	-	-
Total net position	\$ 113,854,345	\$ 20,039,905	\$ 3,913,509	\$ 137,807,759

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Fund - continued
As of August 31, 2018
(with comparative totals at August 31, 2017)
(unaudited)**

Building Fund	Plant funds		Debt Service	Restricted	Totals (memorandum only)	
	2018 Bond Fund	Investment in Plant			2018	2017
\$ 55,739,144	\$ -	\$ -	\$ 2,250,198	\$ -	\$ 163,778,195	\$ 123,451,580
-	44,663,994	-	-	-	44,663,994	-
68,476,277	-	-	484,314	-	174,205,598	136,996,211
-	138,578,643	-	-	-	138,578,643	-
86,977	-	-	448,250	562,015	14,729,019	9,739,711
-	-	-	92,559	-	574,717	568,562
-	-	-	-	(25)	785,218	1,020,119
-	-	-	-	-	7,480	33,528
-	-	343,443,686	-	-	343,443,686	317,163,423
<u>\$ 124,302,398</u>	<u>\$ 183,242,637</u>	<u>\$ 343,443,686</u>	<u>\$ 3,275,321</u>	<u>\$ 561,990</u>	<u>\$ 880,766,550</u>	<u>\$ 588,973,134</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,977,836	\$ 7,082,702
-	-	-	-	-	977,187	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,955,023</u>	<u>\$ 7,082,702</u>
\$ 60,940	\$ 3,604,706	\$ -	\$ 3,694,319	\$ 106,561	\$ 16,980,238	\$ 11,476,011
4,338,297	(3,604,705)	2,526,073	(486,685)	(1,680,905)	-	-
-	-	-	-	904,276	22,219,139	19,868,416
-	-	-	-	-	1,215,922	1,062,479
-	-	-	-	-	361,962	276,831
-	-	-	-	-	19,684,288	21,234,239
-	-	-	-	-	31,319,220	-
-	185,887,945	78,500,608	-	-	264,388,553	15,938,861
<u>\$ 4,399,237</u>	<u>\$ 185,887,946</u>	<u>\$ 81,026,681</u>	<u>\$ 3,207,634</u>	<u>\$ (670,068)</u>	<u>\$ 356,169,322</u>	<u>\$ 69,856,837</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,845,059	\$ 5,725,926
-	-	-	-	-	6,924,831	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,769,890</u>	<u>\$ 5,725,926</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
-	-	-	-	-	24,750,000	24,750,000
-	-	-	-	-	30,000,000	30,000,000
119,903,161	(2,645,309)	-	-	-	200,215,611	163,010,753
-	-	-	-	1,232,058	1,232,058	1,384,935
-	-	-	67,687	-	67,687	1,073,545
-	-	262,417,005	-	-	262,417,005	300,132,133
-	-	-	-	-	-	21,707
<u>\$ 119,903,161</u>	<u>\$ (2,645,309)</u>	<u>\$ 262,417,005</u>	<u>\$ 67,687</u>	<u>\$ 1,232,058</u>	<u>\$ 518,782,361</u>	<u>\$ 520,473,073</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position by Fund
For the year ended August 31, 2018
(with comparative totals for the year ended August 31, 2017)
(unaudited)**

	Unrestricted Funds			Total
	Unrestricted	Startup & Stabilization	Auxiliary Enterprises	
Net Position - beginning of year	\$ 91,269,259	\$ -	\$ 4,223,231	\$ 95,492,490
Revenues and other additions:				
Unrestricted current funds revenue	171,369,042	343,982	1,970,718	173,683,742
State on behalf benefits	-	-	-	-
Tax revenues for debt service	-	-	-	-
Federal grants and contracts	-	-	-	-
State grants and contracts	-	-	-	-
Non-governmental grants and contracts	-	-	-	-
TPEG set aside	-	-	-	-
Investment income	-	-	-	-
Miscellaneous income	-	-	-	-
Bond proceeds	-	-	-	-
Net decrease in bonds payable	-	-	-	-
Expended for plant facilities	-	-	-	-
Total revenues and other additions	<u>171,369,042</u>	<u>343,982</u>	<u>1,970,718</u>	<u>173,683,742</u>
Expenses and other deductions:				
Expenses	128,694,877	304,077	2,264,648	131,263,602
Increase in Bonds Payable	-	-	-	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness	-	-	-	-
Depreciation and loss on sale	-	-	-	-
Total expenditures and other additions	<u>128,694,877</u>	<u>304,077</u>	<u>2,264,648</u>	<u>131,263,602</u>
Transfers - additions (deductions):				
Mandatory transfers:				
Grant matching	(104,871)	-	-	(104,871)
Non-mandatory transfers	(19,984,208)	20,000,000	(15,792)	-
Total transfers - additions (deductions)	<u>(20,089,079)</u>	<u>20,000,000</u>	<u>(15,792)</u>	<u>(104,871)</u>
Net increase (decrease) for the fiscal year	<u>22,585,086</u>	<u>20,039,905</u>	<u>(309,722)</u>	<u>42,315,269</u>
Net Position - end of year	<u>\$ 113,854,345</u>	<u>\$ 20,039,905</u>	<u>\$ 3,913,509</u>	<u>\$ 137,807,759</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position by Fund - continued
 For the year ended August 31, 2018
 (with comparative totals for the year ended August 31, 2017)
 (unaudited)

Building Fund	Plant funds		Debt service	Restricted	Totals (memorandum only)	
	2018 Bond Fund	Investment in Plant			2018**	2017
\$ 85,809,566	\$ -	\$ 300,132,133	\$ 1,073,545	\$ 1,406,642	\$ 483,914,376	\$ 485,815,627
-	-	-	-	-	173,683,742	159,355,503
-	-	-	-	8,494,681	8,494,681	7,120,231
-	-	-	3,414,038	-	3,414,038	3,406,830
-	-	-	-	24,770,012	24,770,012	21,012,811
-	-	-	-	2,836,487	2,836,487	2,426,855
-	-	-	-	233,670	233,670	276,616
-	-	-	-	1,813,326	1,813,326	1,675,499
1,548,742	-	-	1,956,649	17,007	3,522,398	779,723
-	-	-	17,343	-	17,343	3,820,000
-	252,308,337	-	-	-	252,308,337	-
-	66,420,391	2,425,000	-	-	68,845,391	2,320,000
-	-	35,367,638	-	-	35,367,638	34,812,390
<u>1,548,742</u>	<u>318,728,728</u>	<u>37,792,638</u>	<u>5,388,030</u>	<u>38,165,183</u>	<u>575,307,063</u>	<u>237,006,458</u>
24,491,858	12,028,989	34,121	-	38,444,638	206,263,208	190,554,484
-	252,308,337	66,420,391	-	-	318,728,728	-
-	-	-	2,425,000	-	2,425,000	2,320,000
-	-	-	3,968,888	-	3,968,888	686,802
-	-	9,053,254	-	-	9,053,254	8,788,326
<u>24,491,858</u>	<u>264,337,326</u>	<u>75,507,766</u>	<u>6,393,888</u>	<u>38,444,638</u>	<u>540,439,078</u>	<u>202,349,612</u>
-	-	-	-	104,871	-	-
57,036,711	(57,036,711)	-	-	-	-	-
<u>57,036,711</u>	<u>(57,036,711)</u>	<u>-</u>	<u>-</u>	<u>104,871</u>	<u>-</u>	<u>-</u>
34,093,595	(2,645,309)	(37,715,128)	(1,005,858)	(174,584)	34,867,985	34,657,446
<u>\$ 119,903,161</u>	<u>\$ (2,645,309)</u>	<u>\$ 262,417,005</u>	<u>\$ 67,687</u>	<u>\$ 1,232,058</u>	<u>\$ 518,782,361</u>	<u>\$ 520,473,073</u>

**Note
 Total net position - August 31, 2017 \$ 520,473,073
 Cumulative effect of change in accounting principle (36,558,697)
 Total net position - September 1, 2017, as restated \$ 483,914,376

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2018
(unaudited)**

	Rental Income <u>Scholarships</u>	Student <u>Activities</u>	<u>Camps</u>	<u>Scholarships</u>	Intercollegiate <u>Athletics</u>
Net Position - beginning of year	\$ -	\$ 197,326	\$ 94,046	\$ -	\$ -
Revenues and other additions:					
Gifts	-	-	-	-	-
Sales and services	111,955	-	-	-	-
Student fees	-	-	-	-	-
Commission	-	-	-	-	-
Miscellaneous income	-	-	-	-	3,325
Total revenue	<u>111,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,325</u>
Expenses and other deductions:					
Salaries and wages	-	-	-	-	157,767
Staff benefits	-	-	-	-	26,539
Financial Aid	-	-	-	84,121	233,704
Other operating expenses	-	-	94,046	-	225,649
Total expenditures	<u>-</u>	<u>-</u>	<u>94,046</u>	<u>84,121</u>	<u>643,659</u>
Excess (deficit) of revenue over (under) expenditure	<u>111,955</u>	<u>-</u>	<u>(94,046)</u>	<u>(84,121)</u>	<u>(640,334)</u>
Transfers - additions (deductions):					
Transfer from operating fund	-	-	-	-	-
Other fund transfers:					
Student activities-SAFAC	-	(197,326)	-	-	181,534
Outsourced Bookstore	-	-	-	-	458,801
Rental Income Scholarships	(84,121)	-	-	84,121	-
Total transfers - additions(deductions)	<u>(84,121)</u>	<u>(197,326)</u>	<u>-</u>	<u>84,121</u>	<u>640,334</u>
Net increase (decrease) for the fiscal year	<u>27,835</u>	<u>(197,326)</u>	<u>(94,046)</u>	<u>-</u>	<u>-</u>
Net Position - end of year	<u>\$ 27,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Financial Supplement 3

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - continued
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2018
(unaudited)**

Food Services	Outsourced Bookstore*	Facilities Rental	Child Care Center	Auxiliary Administration	Print Shop	Total
\$ (366,741)	\$ 4,257,312	\$ 41,289	\$ -	\$ -	\$ -	\$ 4,223,231
-	-	-	-	-	-	-
638,312	-	168,140	-	-	127,242	1,045,650
-	-	-	-	-	-	-
-	853,467	-	-	-	-	853,467
58,257	8	-	-	10,010	-	71,601
<u>696,569</u>	<u>853,476</u>	<u>168,140</u>	<u>-</u>	<u>10,010</u>	<u>127,242</u>	<u>1,970,718</u>
295,263	-	101,287	-	131,421	48,992	734,730
49,032	-	30,636	-	20,557	11,774	138,538
-	-	-	-	-	-	317,825
631,108	28,311	1,740	-	1,963	90,738	1,073,554
<u>975,403</u>	<u>28,311</u>	<u>133,663</u>	<u>-</u>	<u>153,941</u>	<u>151,504</u>	<u>2,264,648</u>
<u>(278,834)</u>	<u>825,165</u>	<u>34,477</u>	<u>-</u>	<u>(143,930)</u>	<u>(24,262)</u>	<u>(293,930)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	(197,326)
-	-	-	-	-	-	181,534
-	(626,993)	-	-	143,930	24,262	-
-	-	-	-	-	-	-
<u>-</u>	<u>(626,993)</u>	<u>-</u>	<u>-</u>	<u>143,930</u>	<u>24,262</u>	<u>(15,792)</u>
<u>(278,834)</u>	<u>198,173</u>	<u>34,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(309,722)</u>
<u>\$ (645,575)</u>	<u>\$ 4,455,485</u>	<u>\$ 75,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,913,509</u>

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Allen Center

Allen High School
300 Rivercrest Boulevard
Allen, Texas 75002

McKinney Campus

2200 West University Drive
McKinney, Texas 75071

**Collin Higher
Education Center**

3452 Spur 399
(State Highway 121 &
U.S. Highway 75)
McKinney, Texas 75069

Courtyard Center

4800 Preston Park Boulevard
Plano, Texas 75086

Frisco Campus

9700 Wade Boulevard
Frisco, Texas 75035

Plano Campus

2800 East Spring Creek Parkway
Plano, Texas 75074

Public Safety Training Center

3600 Redbud Boulevard
McKinney, Texas 75069

Rockwall Center

2301 S. John King Boulevard
Rockwall, Texas 75087



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