



Allen
Frisco
McKinney
Plano
Rockwall
Texas



Comprehensive Annual Financial Report 2019

For the years Ended August 31, 2019 and 2018

Collin County Community College District

**Allen Frisco McKinney
Plano Rockwall
Texas**

**Comprehensive Annual
Financial Report**

**For Fiscal Years Ended
August 31, 2019 and 2018**

**Prepared by:
Administrative Services**

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report

Fiscal Years Ended August 31, 2019 and 2018

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Exhibit No.</u> <u>Schedule No.</u>	<u>Page No.</u>
President’s Letter		1
Letter of Transmittal		3
GFOA Certificate of Achievement.....		13
Board of Trustees		14
Officials and Staff		15
Organizational Chart		16

FINANCIAL SECTION

Report of Independent Certified Public Accountants.....		17
Management’s Discussion and Analysis.....		21

Basic Financial Statements:

Statement of Net Position As of August 31, 2019 and 2018.....	Exhibit 1.....	42
Foundation Statement of Financial Position As of December 31, 2018 and 2017.....	Exhibit 1A.....	43
Statement of Revenues, Expenses and Changes in Net Position For the Years Ended August 31, 2019 and 2018.....	Exhibit 2.....	44
Foundation Statement of Activities For the Years Ended December 31, 2018 and 2017....	Exhibit 2A.....	46
Statement of Cash Flows For the Years Ended August 31, 2019 and 2018.....	Exhibit 3.....	48
Notes to Basic Financial Statements.....		50

Required Supplemental Information:

Schedule of the District’s Share of Net Pension Liability
For the Last Four Fiscal Years.....Schedule 1.....104

Schedule of the District’s Contributions for Pensions
For the Last Four Fiscal Years.....Schedule 2.....105

Schedule of the District’s Share of Net OPEB Liability
For the Year Ended August 31, 2019.....Schedule 3.....106

Schedule of the District’s Contributions for OPEB
For the Year Ended August 31, 2019.....Schedule 4.....107

Notes to Required Supplemental Information.....108

Texas Higher Education Coordinating Board (THECB) Supplemental Schedules:

Schedule of Operating Revenues
For the Year Ended August 31, 2019.....Schedule A 112

Schedule of Operating Expenses by Object
For the Year Ended August 31, 2019.....Schedule B..... 114

Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2019.....Schedule C..... 115

Schedule of Net Position by Source and Availability
As of August 31, 2019.....Schedule D..... 116

STATISTICAL SECTION (Unaudited)

Statistical Section Categories..... 119

Net Position by Component..... Statistical Supplement 1 121

Revenues by Source Statistical Supplement 2 122

Program Expenses by Function Statistical Supplement 3 124

Tuition and Fees..... Statistical Supplement 4 126

Assessed Value and Taxable Assessed
Value of Property..... Statistical Supplement 5 127

General Appropriations Act Before
Contact Hour Adjustments Statistical Supplement 6a..... 128

State Appropriation per FTSE	Statistical Supplement 6b.....	130
State Appropriation per Contact Hour	Statistical Supplement 6c.....	131
State Appropriation Per Student Success Point – Annualized	Statistical Supplement 6d.....	132
Student Success Points (SSP)	Statistical Supplement 6e.....	133
Principal Taxpayers.....	Statistical Supplement 7.....	134
Property Tax Levies and Collections.....	Statistical Supplement 8.....	136
Ratios of Outstanding Debt.....	Statistical Supplement 9.....	138
Legal Debt Margin Information	Statistical Supplement 10.....	140
Pledged Revenue Coverage	Statistical Supplement 11.....	142
Demographic and Economic Statistics	Statistical Supplement 12	144
Principal Employers.....	Statistical Supplement 13.....	145
Faculty, Staff, and Administrators Statistics.....	Statistical Supplement 14.....	146
Enrollment Details	Statistical Supplement 15	148
Student Profile	Statistical Supplement 16.....	149
Transfers to Senior Institutions	Statistical Supplement 17.....	150
Capital Asset Information	Statistical Supplement 18.....	152

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.....		153
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.....		155
Schedule of Expenditures of Federal Awards	Schedule E.....	157

Notes to Schedule of Expenditures of Federal Awards	158
Schedule of Expenditures of State AwardsSchedule F.....	159
Notes to Schedule of Expenditures of State Awards	160
Schedule of Findings and Questioned Costs.....	161

SUPPLEMENTARY FINANCIAL INFORMATION (Unaudited)

Schedule of Net Position By Fund - Unaudited As of August 31, 2019.....	Financial Supplement 1.....	164
Schedule of Changes in Net Position – By Fund - Unaudited For the year ended August 31, 2019.....	Financial Supplement 2.....	166
Schedule of Changes in Net Position – Auxiliary Enterprises - Unaudited Current Unrestricted Funds – Auxiliary Enterprises For the year ended August 31, 2019.....	Financial Supplement 3.....	168



**COLLIN
COLLEGE**

Introductory Section



To the Board of Trustees:

It is my privilege to present the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2019. In the following pages, we hope to give you and our community a clear understanding of the district's financial operations for the past year.

More than just a culmination of work done by the district's business office, this document is a testament to your fiscal leadership and vision for Collin College. That leadership, and the direction of the Boards of Trustees which came before you, provide the district with a foundation for continued growth and improvement. As always, we are thankful for your guidance.

The Board's foresight, in the form of the Master and Strategic Plans, has served the college well for the past four years. The fruits can be seen throughout the district, with campuses under construction in Wylie and Allen and the groundwork being laid for facilities in Celina and Farmersville, as well as the IT Center in Frisco.

These new facilities will provide greater access for underserved areas of Collin County and offer new workforce options. This year, the college's total unduplicated enrollment topped 59,000 students. That is an increase of 3,653 credit and noncredit students over Fiscal Year 2018 – evidence of both a booming population and of the district's efforts to reach all Collin County students.

The district has worked diligently to strengthen its partnerships with local school districts, streamlining pathways for high school students into Collin College. Significant drivers of the college's soaring enrollment have been a renewed focus on dual credit programming and the expansion of academic and technical programming.

This programming includes career training in the ever-growing field of health sciences and a slate of new programs that will be offered at the Technical Campus, opening in Allen in fall 2020. New programs include: Automotive Service Technician, Biomedical Equipment Technology, Collision Repair, Construction Management,

and Industrial Automation. They will join expanded programs in Computer-Aided Drafting and Design, Electronic Engineering Technology, HVAC, and Welding Technology.


After developing the programs over the past two years, the college will also begin offering two bachelor's degrees in spring 2020. The college's Bachelor of Science in Nursing (BSN) program will prepare nurses for a job market which values the higher academic credential. The college will also offer a Bachelor of Applied Technology (BAT) in Cybersecurity, providing greater employment opportunities for graduates in the current "internet of things" era.

The college also continues to focus on the Board's goal of creating an increasingly welcoming environment for students, community members, faculty, and staff. You can see the evidence in local and national recognitions. Collin was named one of the "Best and Brightest Companies to Work For in the Nation" in 2018 and recognized as one of "Dallas/Fort Worth's Best and Brightest Companies to Work For" for the fourth year in a row this past year. Additionally, Collin was honored as a "2019 Great College to Work For" by the Great Colleges Program, making that organization's "Honor Roll" for being so highly rated. The college was also named a "Best for Vets" college for an eighth time by the *Military Times*.

All of these things and more – a district safety plan, expanded partnerships with local universities, renewed emphasis on student achievement – were strategic priorities which have been accomplished.

Of course, there is always more work to be done. As we move into Collin College's 35th anniversary year and the Board develops the district's next master and strategic plans, I am confident that your vision for the future will leave the college better when that strategic plan is done as well.

Sincerely,



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

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December 10, 2019

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, 2019 and 2018 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

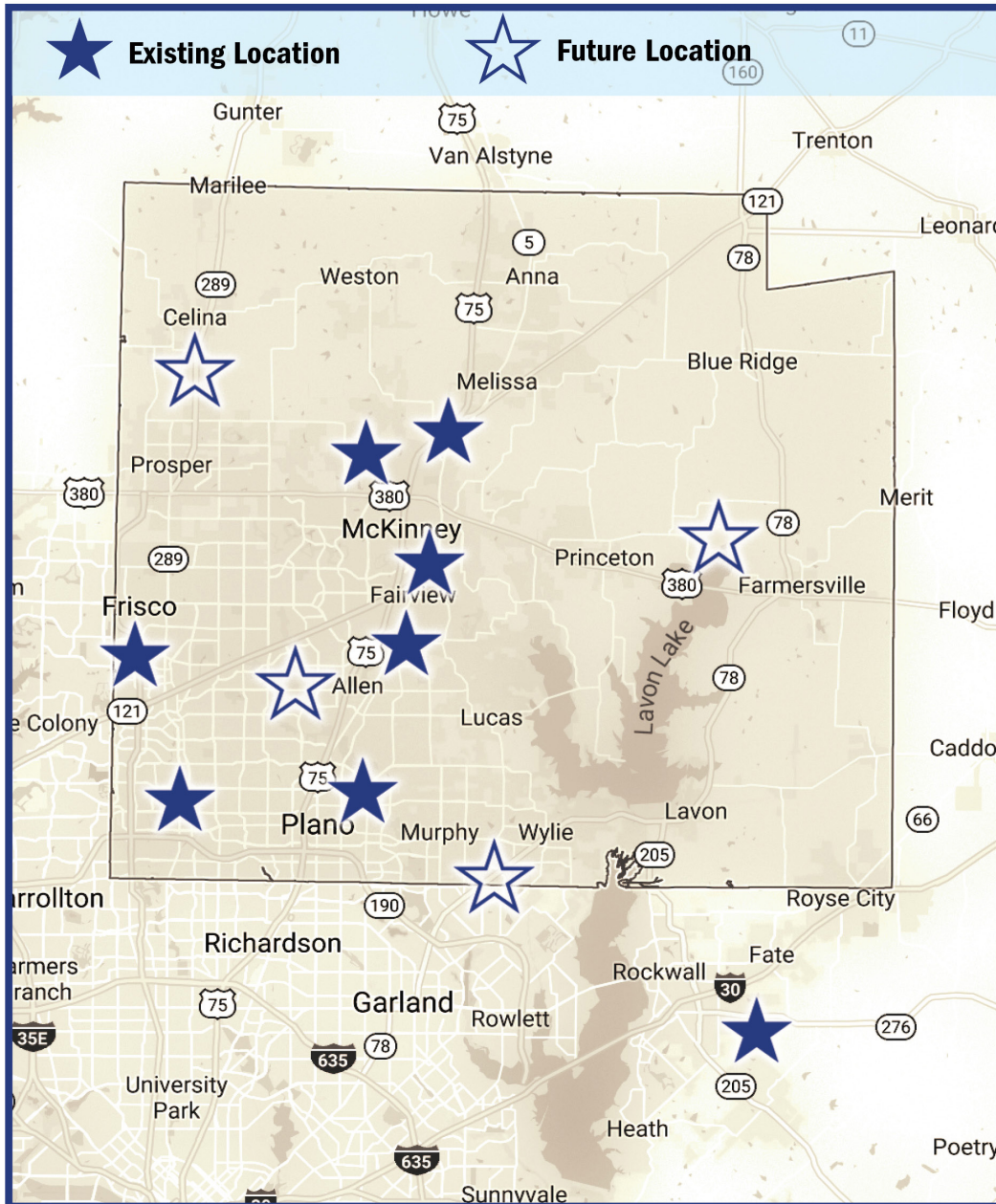
The District is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award bachelor's degrees, associate degrees and certificates. A bachelor's degree is an award that normally requires four years of full-time equivalent college work. An associate degree is an award that normally requires at least two, but less than four years of full-time equivalent college work. The District has been approved by the State legislature to offer the Bachelor of Applied Technology in Cybersecurity and the Bachelor of Science in Nursing degrees. The Bachelor degree programs will begin offering the two bachelor's degrees in spring 2020. At the Associate degree level, 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, and on June 13, 2019 SACSCOC accredited Collin College to offer Bachelor's degrees. 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.

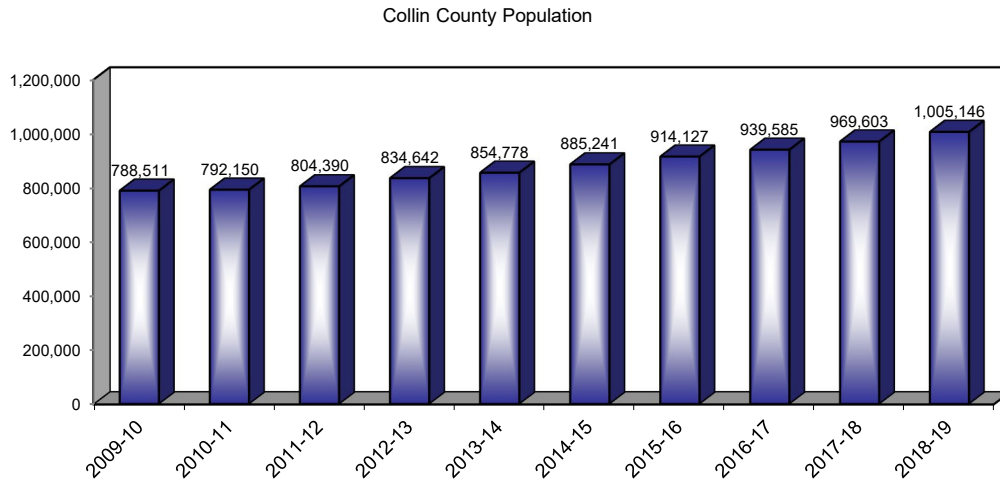
The District strives to offer affordable, small, personalized classes and award-winning faculty in a safe and friendly environment allowing students to fulfill their potential and achieve their goals. The college promotes life-long learning and the opportunity for its residents to further their education 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 1,134 residents per square mile in 2018. The population of Collin County was estimated to be about 1,005,146 in 2018 according to the US Census Bureau.

Information provided by the US Census Bureau as of 2019 shows an estimated 5.8% growth since 2010. In the past nine years, Collin County has experienced an increase in population of 27.5% 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 student, 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 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 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 District has partnerships with local law enforcement and fire departments to provide necessary training to ensure first responders are adequately prepared.
- The National Science Foundation awarded to the District's National Convergence Technology Center a \$3.9 million grant 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. A second National Science Foundation grant totaling \$3.8 million was awarded to the District in September 2018, with an award period of 2018 through 2022. The \$3.8 million award entitled, "Information Technology Skill Standards, 2020 and Beyond" will create a set of employer-led and verified Information Technology skill standards for high-demand job clusters.

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

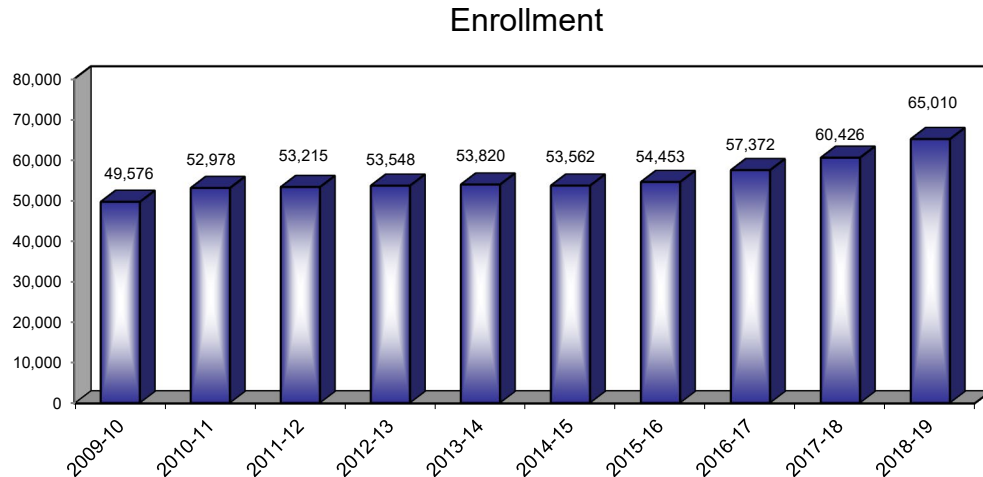
Major industries located within Collin County consist of finance, retail, computer technology, insurance, education, manufacturing, telecommunications, health care, and food industry. Possessing a well-educated workforce is a key factor in an area's ability to attract new businesses and maintain economic 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 2018 to August 2019 of 538,060 which was an increase of 3.3% over the prior fiscal year, according to the Texas Workforce Commission. The latest estimated unemployment rate for Collin County (August 2019) was at 3.1%, compared to the state's rate of 3.4% and a national rate of 3.7%, 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, 746,010 students were enrolled in Texas public community colleges during the fall of 2018 compared to 658,219 at Texas public universities and 126,241 at independent colleges and universities.

The District headcount for credit enrollment for fall and spring increased 7.59% from 2017-18 to 2018-19.



Data Source: Collin College BANNER Student Information System

The 2018-2019 formula produced State appropriations were \$1,358 per full time student equivalent (FTSE). For years ending August 31, 2018, and 2017, the District received \$1,418, and \$1,388 per FTSE, respectively. (See Statistical Supplement 6b for additional information.)

The 2018-2019 tuition per credit hour increased \$4 for in-district residents, \$8 for out-of-district and \$13 for out-of-state/out-of country residents. 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 10.1% from \$125.3 billion in 2018 to \$137.9 billion in 2019. New construction declined 5.2% from \$5.57 to \$5.28 billion from 2018 to 2019.

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 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 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 August 2019. 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

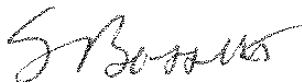
The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for Fiscal Year ended August 31, 2018. This was the 22nd consecutive year the District has achieved this prestigious award. In order to be awarded 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.

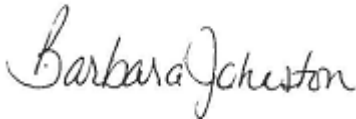
Respectfully submitted,



Steven J. Bassett, 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, 2018

Christopher P. Morill

Executive Director/CEO

BOARD OF TRUSTEES



Dr. J. Robert Collins
Chairman



Jim Orr
Secretary



Dr. Stacey Donald



Greg Gomel

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



Stacy Arias



Jay Saad



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, 2025
Stacey Donald, Ph.D. Place 3	Plano, Texas	May, 2023
Stacy Anne Arias Place 6	Melissa, Texas	May, 2025
Fred Moses Place 1	Plano, Texas	May, 2023
Jay Saad Place 2	Plano, Texas	May, 2025
Greg Gomel Place 4	Plano, Texas	May, 2025

Principal Administrative Officers

<u>Name</u>	<u>Position</u>
Neil Matkin, Ed.D.	District President
Sherry Schumann, Ph.D.	Executive Vice President
Steven J. Bassett, CPA	Chief Financial Officer
Marisela Cadena-Smith	Chief Public Relations Officer
Kim Davison	Chief of Staff
Mike Dickson	Chief Innovation Officer
Toni Jenkins, Ph.D.	Senior Vice President of Campus Operations
Floyd Nickerson	Chief Human Resources Officer
Jason Parry, P.E.	Executive Director of Facilities and Construction

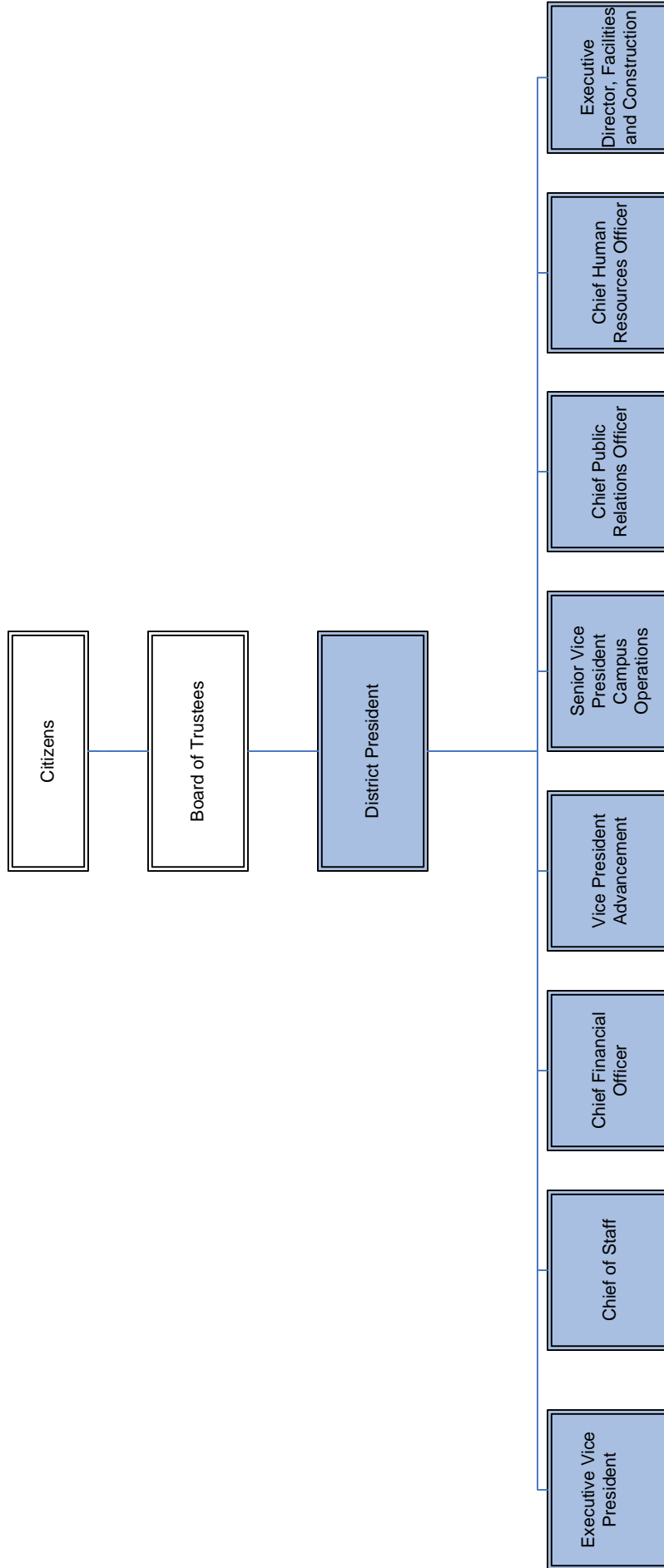
Financial Staff

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



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Organizational Chart





**COLLIN
COLLEGE**

Financial Section

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Collin County Community College District

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, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express 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, 2019 and 2018. 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 reports 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, 2019 and 2018, 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

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 103 through 109, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic 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 *Uniform Grant Management Standards (UGMS)* on pages 157 through 160, 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic 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 basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 10, 2019, 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.

Grant Thornton LLP

Dallas, Texas
December 10, 2019

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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, 2019 and 2018 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, 2019, 2018, and 2017. The MD&A is based on currently known facts, decisions, and conditions having an impact on financial activities of the District and other key financial data as required by GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. It should be read in conjunction with the transmittal letter, the District's basic financial statements, and the notes to the financial statements. Responsibility for the completeness and fairness of the information in this section rests with the District management.

In accordance with GASB Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, the District is including financial statements for the District's discrete component unit, Collin County Community College Foundation ("the Foundation"). The Foundation financial statements 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, deferred outflows of resources, liabilities, deferred inflows 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, 2019 and 2018. The Statement of Cash Flows can be used to assess the District's ability to meet current and future financial obligations.

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

Required Supplemental Information (RSI) is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Fiscal Year 2019 Financial Highlights

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

- Net position increased \$38.1 million, a 7.3% increase compared to the prior year net position (excluding cumulative effect of change in accounting principle).
- GASB Statement No. 75 - *Accounting and financial reporting for other post-employment benefits other than pensions* (OPEB) implemented in the prior fiscal year, continues to have a significant impact on the District's financial statements including:
 - \$44.7 million recorded to deferred outflows of resources relating to OPEB, compared to \$977,187 in the prior year;
 - Deferred inflows related to OPEB increased \$18.4 million to \$25.3 million
 - OPEB liability increased more than 100% from prior year to \$65.5 million
 - OPEB expense for the current year totals \$9.2 million, compared to \$1.6 million in the prior year;
- Construction in progress for the fiscal year increased \$165.8 million to a total of \$181.7 related to the new construction of the Wylie and Technical campuses, and the Farmersville and Celina campuses, as well as the addition of the student housing facility;

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018

- Certified assessed property values increased 10.1%, from \$125.3 billion in the prior year to \$137.9 billion in the current year; the assessed tax rate remained at \$0.081222/\$100, resulting in an increase in tax revenues totaling \$11.9 million.
- Tuition and fee revenues increased \$4.2 million or 11.7%, due to an increase in enrollment, and an increase in the hourly tuition rate.

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 and other post-employment benefits.

Table 1: Condensed Statement of Net Position

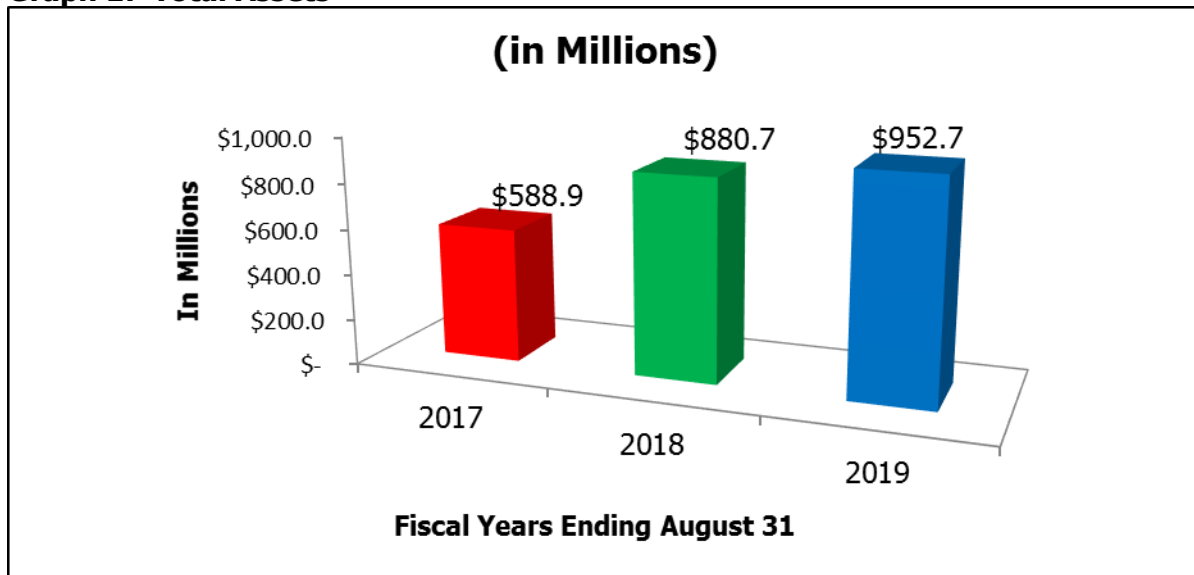
	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Assets:					
Current assets	\$ 425.1	\$ 526.3	\$ 247.3	(19.2)%	112.8 %
Capital assets	502.6	343.4	317.1	46.4 %	8.3 %
Other noncurrent assets	25.0	11.0	24.5	127.3 %	(55.1)%
Total assets	<u>\$ 952.7</u>	<u>\$ 880.7</u>	<u>\$ 588.9</u>	8.2 %	49.6 %
Deferred Outflows of Resources:	62.1	8.9	7.1	597.8 %	25.4 %
Liabilities:					
Current liabilities	\$ 82.3	\$ 46.6	\$ 35.3	76.6 %	32.0 %
Noncurrent liabilities	346.9	309.5	34.5	12.1 %	797.1 %
Total liabilities	<u>\$ 429.2</u>	<u>\$ 356.1</u>	<u>\$ 69.8</u>	20.5 %	410.2 %
Deferred Inflow of Resources:	28.6	14.7	5.7	94.6 %	157.9 %
Net position:					
Net investment in capital assets	\$ 264.3	\$ 262.4	\$ 300.1	0.7 %	(12.6)%
Restricted -- expendable	15.4	1.3	2.5	1084.6 %	(48.0)%
Unrestricted	277.1	255.0	217.9	8.7 %	17.0 %
Total net position	<u>\$ 556.8</u>	<u>\$ 518.7</u>	<u>\$ 520.5</u>	7.3 %	(0.3)%

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 2018-19 are \$952.7 million, an 8.2% increase, \$880.7 million in fiscal year 2017-18 and a 50% increase, or \$588.9 million in fiscal year 2016-17. Total assets continue to increase as indicated in Graph 1-Total Assets.

Graph 1: Total Assets



Current assets represent 44.6% of total assets in the current year compared to 59.8% in the prior year. The significant reduction in restricted short term investments in the current year compared to the prior year is due to the utilization of funds for construction of the new campuses.

Cash resides in Texpool, TexStar, and Texas Term, all statewide investment pools and all are 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 2018-19 the District had \$86.0 million in unrestricted investments, and \$14.6 million in restricted investments, compared to \$163.1 million and \$138.5 million, respectively, in the prior year. Fluctuations between cash and investments is not unusual 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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018**

Accounts receivable increased 155.1% from \$14.7 million to \$37.5 million from the prior year to the current year. Part of the increase in receivables is due to the maturity of \$20 million in investments falling on a holiday weekend, therefore the funds were delayed from being deposited in the bank and were recorded as a receivable. In addition, the District recorded a \$6 million receivable from the Allen Independent School District (Allen ISD) based on a contractual agreement whereby the Allen ISD agreed to pay the District half of its \$12 million commitment when more than 50% of the construction of the Technical Campus in Allen was completed. At year end, the Technical Campus was 51.6% complete. To date, \$6 million has been received from Allen ISD. The remaining \$6 million will be paid upon completion of construction.

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 46.4% compared to 8.3% the previous year. Construction in progress for the District at year end totals \$181.7 million which includes projects for the Technical and Wylie campuses, the Farmersville and Celina campuses, as well as the student housing facility, as noted in the financial highlights. In the prior fiscal year, \$30.9 million was capitalized when the Public Safety Training Center (PSTC) was completed at year end, reducing construction in progress by the same amount. 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 \$62.1 million, \$8.9 million and \$7.0 million for fiscal years ending 2018-19, 2017-18, and 2016-17, respectively. The fluctuations in deferred outflows over the three years is a result of recognizing the differences in projected and actual investment earnings at the plan level. The significant increase in deferred outflows of resources relates primarily to other post-employment benefits (OPEB) which totals \$44.7 million of the \$62.1 million. Deferred outflows of resources represent pension and other post-employment benefit contributions made by the District that will benefit employees in the future, but are not considered assets. See Note 9 Employees' Retirement Plan, and Note 13 Other Post-Employment Benefits for additional information on deferred outflows of resources.

Total liabilities of the District are \$429.2 million, \$356.1 million, and \$69.8 million in fiscal years ending 2018-19, 2017-18, and 2016-17, respectively. The 20.5% increase in total liabilities is due to increases in accounts payable, net pension liability and OPEB liability. Current liabilities 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. Accounts payable, unearned revenues, and current portion of bonds payable accounts for 97.7% of current liabilities. Accounts payable increased \$32.7 million over the prior year due primarily to construction expenses for the new campuses. Unearned revenue is consistent with prior years, increasing 7.7% or \$1.7 million, for tuition payments students have made for the upcoming fall semester. Fall 2019 credit hour enrollment is up 3.6% over the previous year's Fall credit hour enrollment. Also, tuition per credit hour increased beginning with Fall 2019. The current portion of bonds payable increased \$3.5 million due to the increase in principal payments due on the 2018 bond issuance from the prior year. See Note 14 Disaggregation of Receivables and Payables Balances for additional information on payables.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

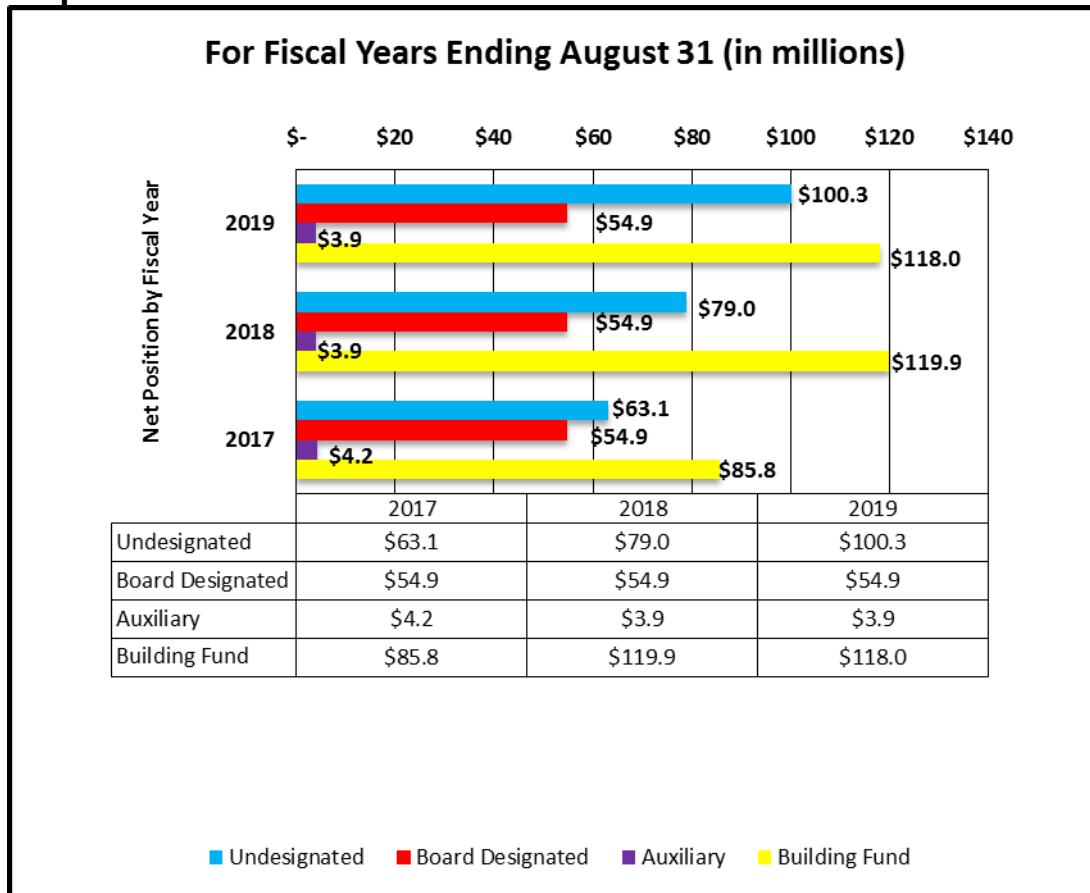
Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2019 and 2018

For fiscal years 2018-19, 2017-18, and 2016-17 noncurrent liabilities make up 80.8%, 86.9%, and 49.4% of total liabilities. Non-current liabilities consist of accrued compensable absences payable, net pension liability, the noncurrent portion of bonds payable not due within one year, and OPEB liability. The OPEB liability totaled \$64.5 million and \$31.3 million of non-current liabilities for fiscal years ending 2019 and 2018, respectively. An increase in net pension liability totaling \$15.5 raised the total net pension liability to \$35.2 million for the current year. Bonds payable increased from \$12.4 million in fiscal year ending 2017 to \$257.4 million in fiscal year ending 2018 as a result of the 2018 bond issuance. Bonds payable decreased in the current year totaling almost \$11.4 million, which is the amount of bonds principal payments made in the current year.

Deferred inflows of resources are resources that represent an acquisition of net position related to future periods as required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits, Other than Pensions (OPEB)*. Deferred inflows of resources related to OPEB increased from \$6.9 million in the prior year to \$25.3 million in the current year. Deferred inflows of resources related to pensions decreased by 57.5% from \$7.8 million to \$3.3 million. GASB Statement 75, *Other Post-Employment Benefits* was issued (OPEB) to provide more transparent reporting of the liability and useful information about the liability and costs of post-employment benefits other than pensions. The District participates in a cost-sharing OPEB and has recorded a liability, equal to our proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. OPEBs pertain to all post-employment healthcare benefits, death benefits, life insurance, disability and long term care benefits. See financial highlights for impact on financial statements specifically from OPEB implementation. See Note 9 Employees' Retirement Plan, and 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 8.7% or \$22.0 million from the prior year to the current year. A reserve for capital projects which represents the \$6 million owed to the District by Allen ISD is shown as restricted net position. See THECB Supplemental Schedules, Schedule D for a breakdown of net position. Total unrestricted net position for fiscal year 2018-19, 2017-18, and 2016-17 totaled \$277.1, \$257.7, and \$217.9 million, respectively. See Note 2 - Summary of Significant Accounting Policies-Board Designations for information on board designated unrestricted net position. See below for Graph 2-Current Unrestricted Net Position for a graphical representation of the components of current unrestricted net position.

Graph 2: Current Unrestricted Net Position



Statement of Revenues, Expenses and Changes in Net Position

The purpose of the Statement of Revenues and Expenses, and Changes in Net Position is to present the revenues earned and expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the District. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenue and to carry out the District’s mission. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as ad valorem taxes, state appropriations, and federal grants. See Table 2 on the following page for a comparative Condensed Statements of Revenues, Expenses, and Changes in Net Position for fiscal years 2018-19, 2017-18, and 2016-17.

Because two of the three primary sources of revenue, state appropriations, and ad valorem taxes, which make up 62.3% of total District revenues are reported as non-operating revenues, the District will typically report a net operating loss, as it does for the District in all fiscal years presented.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018

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

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Operating revenues:					
Tuition and Fees (Net)	\$ 40.1	\$ 35.9	\$ 34.8	11.7 %	3.2 %
Grants and Contracts	4.0	4.9	4.4	(18.4)%	11.4 %
Auxiliary enterprises	2.3	1.9	1.8	21.1 %	5.6 %
Other operating revenues	2.0	1.4	1.2	42.9 %	15.7 %
Total operating revenues	<u>48.4</u>	<u>44.1</u>	<u>42.2</u>	9.8 %	4.5 %
Operating expenses:					
Instruction	85.1	74.8	70.8	13.8 %	5.6 %
Public service	0.4	0.5	0.7	(20.0)%	(28.6)%
Academic support	16.8	14.2	12.2	18.3 %	16.4 %
Student services	17.4	15.4	13.0	13.0 %	18.5 %
Institutional support	32.3	26.9	24.2	20.1 %	11.2 %
Operation and maintenance of plant	15.5	13.4	12.9	15.7 %	3.9 %
Scholarships	18.5	18.8	16.9	(1.6)%	11.2 %
Auxiliary enterprises	2.5	2.3	3.0	8.7 %	(23.3)%
Depreciation	9.4	9.1	8.8	3.3 %	3.4 %
Total operating expenses	<u>197.9</u>	<u>175.4</u>	<u>162.5</u>	12.8 %	7.9 %
Operating loss	(149.5)	(131.3)	(120.3)	13.9 %	9.2 %
Non-operating revenues (expenses):					
State appropriations	44.0	44.0	40.8	0.0 %	7.8 %
Ad-valorem taxes (Net)	110.5	98.5	89.1	12.2 %	10.5 %
Federal revenue, Non-operating	23.9	23.3	19.8	2.6 %	17.7 %
Gifts	6.2	-	3.6		
Interest on capital related debt	(9.3)	(3.9)	(0.7)	138.5 %	457.1 %
Investment income	12.1	6.3	2.2	92.1 %	186.4 %
Other non-operating revenues, net	0.2	0.2	0.2	0.0 %	0.0 %
Other non-operating expenses, net	-	(2.3)	-	(100.00)%	0.0 %
Net non-operating revenues	<u>187.6</u>	<u>166.1</u>	<u>155.0</u>	12.9 %	7.2 %
Increase in net position	<u>38.1</u>	<u>34.8</u>	<u>34.7</u>	9.5 %	0.3 %
Net position - beginning of year	518.7	520.5	485.8	(0.3)%	7.1 %
Cumulative Effect of Change in Accounting Principle		(36.6)	-	0.0 %	0.0 %
Net position - ending of year	<u>\$ 556.8</u>	<u>\$ 518.7</u>	<u>\$ 520.5</u>	7.3 %	(0.3)%

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 82.9% of operating revenues for fiscal year ending 2018-19 and 81.4% for year ending 2017-18. For fiscal years ending 2018-19, 2017-18, and 2016-17

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018**

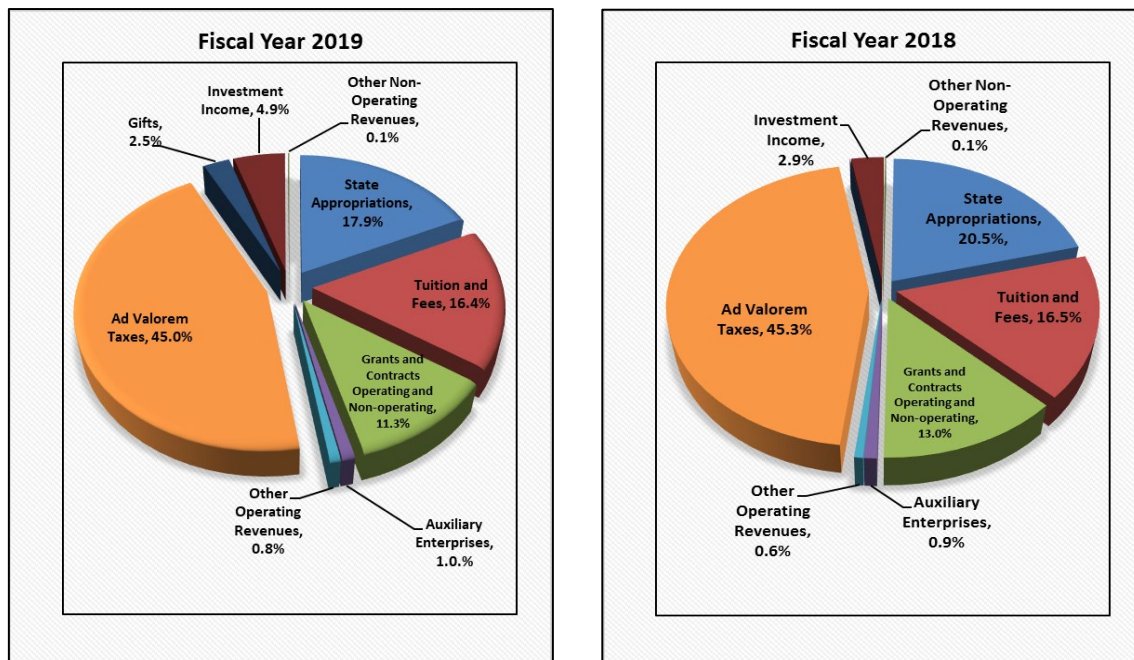
tuition and fees, net of discounts was \$40.1 million, \$35.9 million, and \$34.8 million, respectively. The 11.7% increase in tuition during the current year compared to the prior year is a result of an increase in students and tuition per credit hour. See Statistical Supplements 4 and 15, Tuition and Fees, and Enrollment Details, respectively, for additional information on tuition and enrollment details. From fiscal years 2016-17 to 2017-18, tuition increased by \$1.1 million, or 3.2%, also due to an increase in enrollment and tuition per credit hour.

For fiscal years ending 2018-19, 2017-18, and 2016-17, scholarship allowances and discounts were \$11.3, \$10.9, and \$7.4 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 3.7% or \$.4 million is primarily a result of increases in remissions and exemptions from \$1.4 million in the prior year to \$2.0 million in the current year. See Schedule A-Schedule of Operating Revenues within the Texas Higher Education Coordinating Board Supplemental Schedules.

Grants and Contracts as displayed in Table 2, Condensed Statements of Revenues, Expenses and Changes in Net Position, consists of Federal, State, and Non-governmental grants and contracts. Federal and state grants make up 96.1% of this category. In the current year 45.4% of federal grants consisted of National Science Foundation, while 32.7% consisted of US Department of Education pass-through grants from the Texas Higher Education Coordinating Board. State grants totaled \$1.6 million, a decrease of 43.3% from the prior year. Both Texas Workforce Commission grants and Texas Higher Education Coordinating Board grants decreased by approximately \$0.5 million each. Grant revenues are recognized to the extent expenditures are incurred.

Graph 3 displays a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal years ending 2017-18 and 2018-19.

Graph 3: 2018 and 2019 Total Operating and Non-Operating Revenues



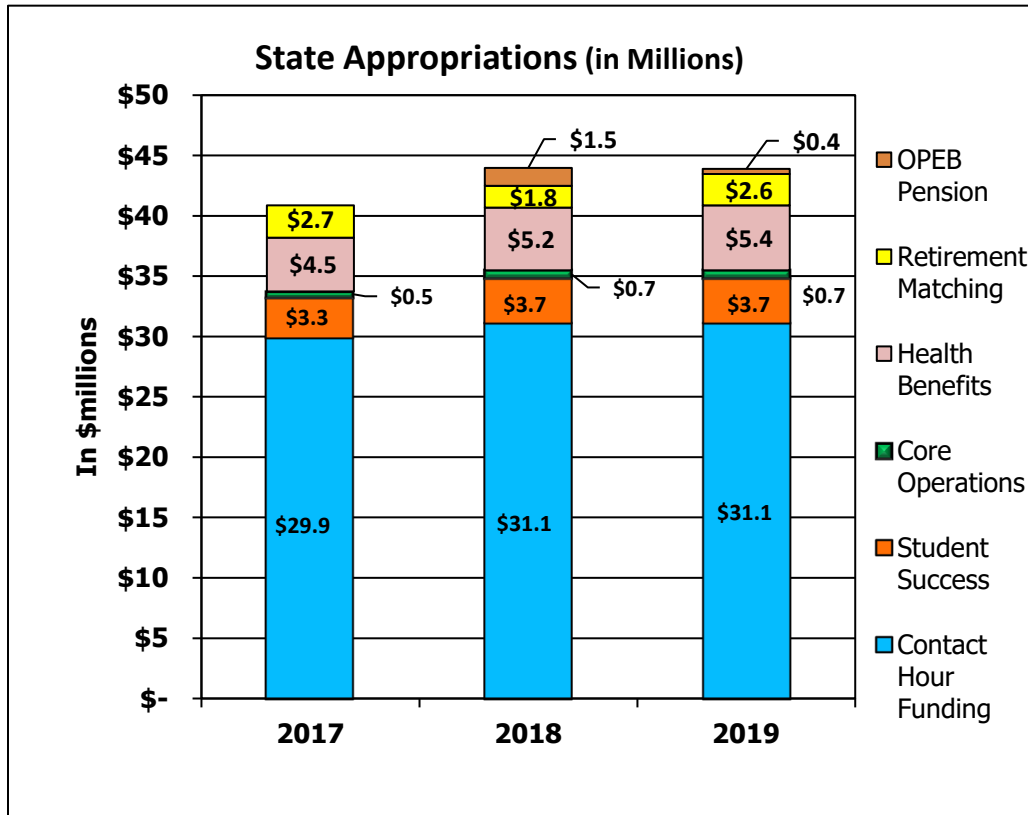
COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018

Non-operating revenues are non-exchange transactions where funds are received for goods and services provided to an entity, who are not the payors. The primary source of non-operating revenues are State appropriations, ad valorem taxes and federal revenues received from the Department of Education in the form of Title IV funds, i.e. Federal Pell Program, Federal Supplemental Educational Opportunity Grants and Federal Work-Study Program. 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 second year of the biennium, with appropriations holding steady at \$44.0 million (including on-behalf benefits) for both the current and prior fiscal years. State appropriations per full-time student equivalent (“FTSE”) declined slightly from \$1,418 in the prior year to \$1,358 in the current year. State appropriation per contact hour in the prior and current years was \$2.49 and \$2.37, respectively. See Statistical Supplements 6b and 6c for state appropriation per FTSE and contact hours.

Graph 4: Fiscal Years 2017-18 through 2018-19 State Appropriations



As shown in Graph 4, the greatest change throughout the three year period continues to be State funding for benefits, with the added layer of allocation for pension and OPEB expense. The State provides benefits at 50% for all eligible employees. The District pays 100% of benefits for employees not covered by the state, excluding grant employees. Benefits for grant employees are paid with

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018**

grant funds. For fiscal years 2016-17, 2017-18, and 2018-19, funding for benefits was \$7.1, \$8.5, and \$8.4 million, respectively. See Notes 9 Employees' Retirement Plan and Note 12 Healthcare and Life Insurance Benefits for additional information on benefits.

Ad valorem taxes received for maintenance and operations (M&O) increased \$11.2 million over the prior year, or 11.8% due to increased property values. The net assessed property values of the District for 2018-19, 2017-18, and 2016-17 was \$137.9, \$125.2, \$110.6 billion, respectively. The District's total assessed tax rate for the last three years per \$100 valuation: \$0.081222, \$0.079810, and \$0.081222 for fiscal years 2018-19, 2017-18, and 2016-17, respectively. 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 remained steady over the last two years at approximately \$23 million. From 2016-17 to 2017-18 Pell increased 17.7% due primarily to the increase in Pell grants, specifically due to an increase in summer Pell awards.

During the current year, the contribution from Allen ISD for the Technical Campus totaling \$6 million was accounted for as a gift. 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.

The District utilizes the services of an Investment Advisor to provide non-discretionary management of the District's investment portfolio. The District's investment policy is reviewed and approved annually by the Board of Trustees 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 186.4%, and by \$5.8 million, or 92.1% from 2017-18- to 2018-19. 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.

Auxiliary enterprise revenues increased from the prior year to the current year by 21.1% or \$0.4 million. The biggest contributing factor to the increase in auxiliary revenues is the introduction of catering services, which started in full force after hiring a full time chef.

Interest expense on capital related debt increased 457.1% and 138.5% from 2017 to 2019. Interest expense incurred for fiscal years ending 2017, 2018, and 2019 was \$731 thousand, \$3.9 million, and \$9.3 million, respectively, with the significant increase due to the issuance of debt of \$252 million general obligation bonds in April 2018. Interest expense has a direct correlation to outstanding bonds. See Table 4 Bond Obligations.

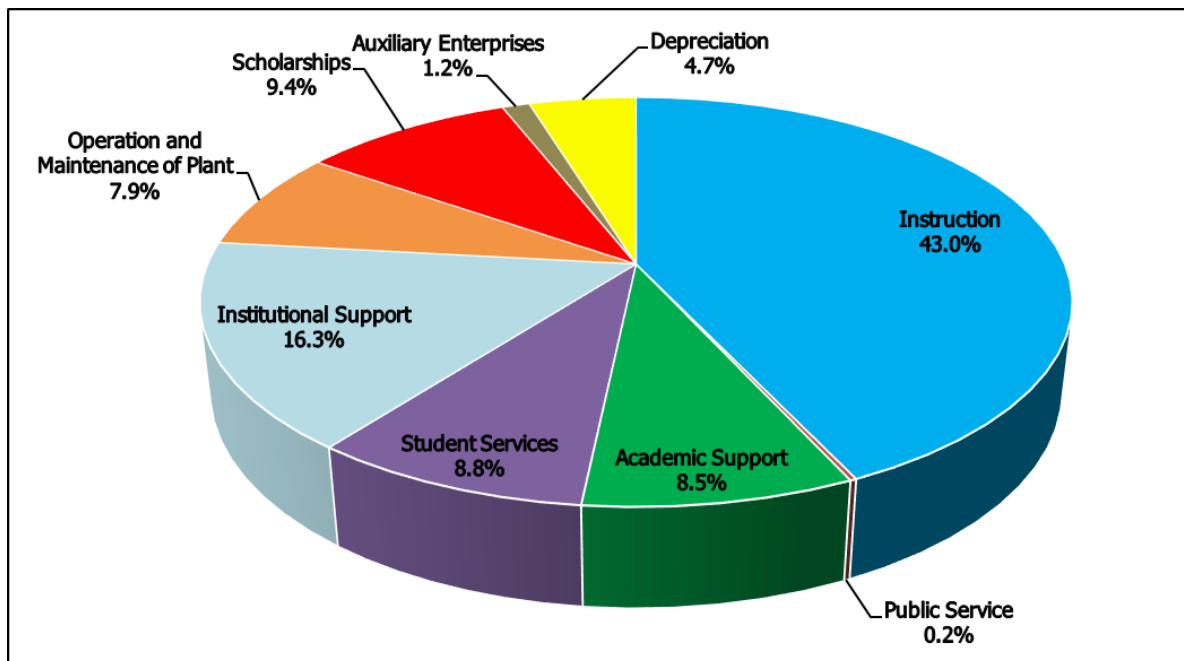
Operating Expenses by Functional Classification

As the District is considered a single governmental program business-type activity, the District is subcategorized into functional areas with direct expenses attributable to each area. A comparison of the District’s functional operating expenses from fiscal year 2016-17 through fiscal year 2018-19 may be found in Table 2. Graph 5 Fiscal Year Operating Expenses by Functional Classification highlights the percentage of total operating expenses each program represents of the total \$198.0 million. A graphical representation of operating expenses by functional classification for the three year period of 2016-17, 2017-18, and 2018-19 is depicted in Graph 6.

Overall operating expenses increased 7.9% and 12.8% from fiscal years 2016-17 to 2017-18 and from 2017-18 to 2018-19, respectively. The Board of Trustees approved a 4.0% salary increase for employees each of the last three years.

Benefits and salaries make up 92.7% of total instructional expenses. From 2018-19 instructional expenses increased over 13.0% primarily due to the 4.0% salary increase and the addition of forty nine new faculty throughout the year. Benefits increased by 69.0% from \$9.6 million to \$16.4 million. The increase in benefits associated with the new faculty as well as the allocation of pension and OPEB expenses explains the increase in benefits. Pension and OPEB expenses are allocated to each functional area based on salaries. Other operating instructional expenses were consistent with prior years, although a reduction in contracted services from the prior year to the current year totaling \$1.0 million was experienced. Instructional expenses increased \$4.0 million or 5.6% from 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.

Graph 5: Fiscal Year 2018-19 Operating Expenses by Functional Classification (%)



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018**

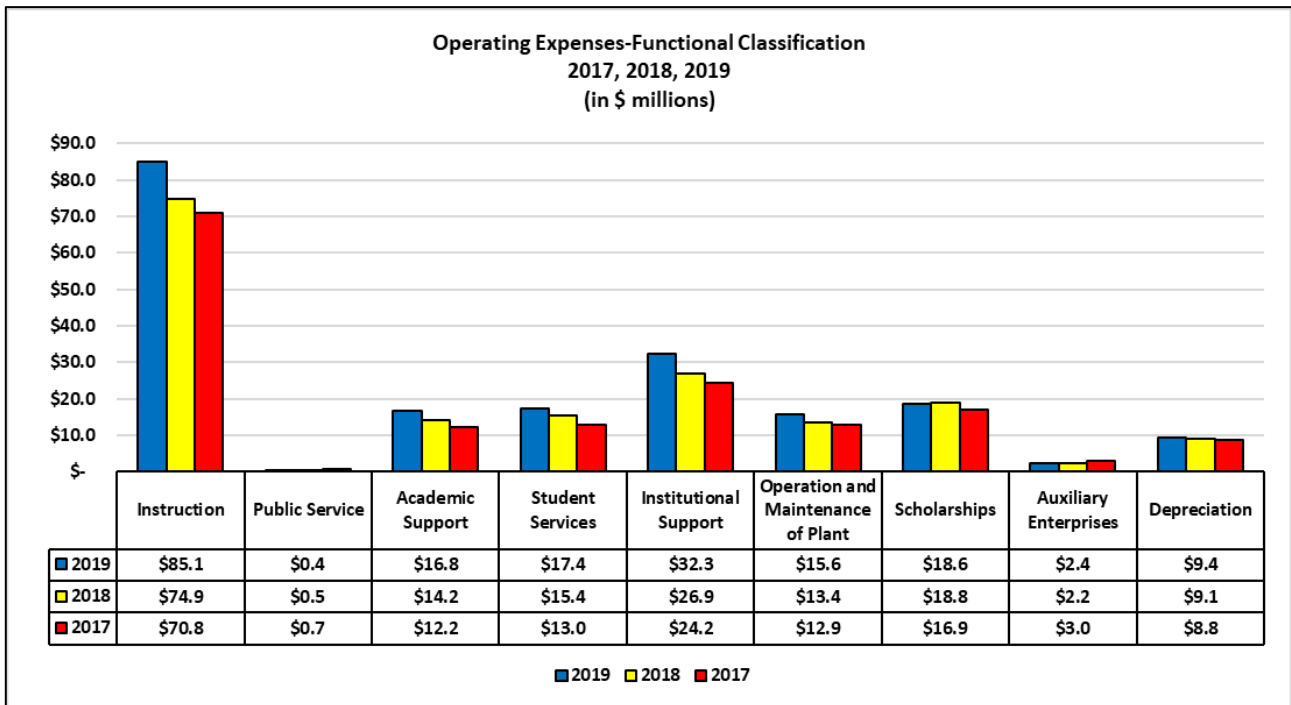
The District strives to maintain a 50 to 50 ratio of full time to part time faculty. District administrators evaluate the full time to part time ratios each year and make recommendations to hire additional full time faculty to meet this objective for the next budget period.

The public service functional expense category is for funds expended for activities primarily to provide non-instructional services beneficial to individuals and groups external to the District. Expenses in this classification primarily relate to services provided by the Small Business Development Center, and avocational courses offered through the District. It represents less than 1.0% of the District’s total operating expenses in fiscal year 2018-19.

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 an 18.2% increase in academic support between fiscal year 2017-18 and 2018-19 due to the 4.0% increases in salaries, the addition of fourteen new positions, and the corresponding benefits associated with the new positions. Benefits and salaries represent approximately 85.0% of the total academic support category, with contracted services contributing approximately 5.0% of the total expenses.

Student services includes expenses incurred to provide assistance and support the needs and interests of the students including counseling, advising, financial aid, admissions, and career guidance among others. There was a 13.0% increase in total expenses from fiscal year 2017-18 to 2018-19 due to the 4.0% salary increase as well as the addition of seven new positions. Similar to the previously described functional categories, 87% of the expenses in student services are for salaries and benefits, which is consistent with prior years’ expenses.

Graph 6: Operating Expenses by Functional Classification



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018**

Institutional support expenses consist of the District's executive management, fiscal operations, general administration, public relations and development, debt service and information technology. Total institutional support expenses for the current year were \$32.3 million compared to \$26.9 million in the prior year. Salary and benefits make up over 65.0% of the total expenses for this area. There was a 10.5% increase in salaries and a 36.6% in benefits in this category from the prior to the current fiscal years. Twenty three new positions were created during the current fiscal year of which twelve were for police as part of the District's Safety Plan initiative. Other expenses showing substantial changes, primarily as a result of the safety plan initiative were non-capital outlay (assets costing less than \$5,000) increasing from \$0.5 million in the prior year to \$1.2 million in the current year, and contracted services which had a similar increase of \$0.7 million.

During the current year, operations and maintenance of plant increased by 15.7%. Salaries and benefits make up about 26% of total expenses in this category. Nine new employees were hired for plant operations. Fiscal year ending 2019 was the first full year of operations for the Public Safety Training Center. In addition to the employees added to run the facility, operating expenses totaling \$.75 million were incurred that were not incurred in the prior years. Contracted expenses increased almost \$1.0 million from the prior year to the current year, from \$3.5 million to \$4.5 million, respectively. Operations and maintenance of plant expenses increased during the prior year by \$1.2 million or 10.3%. 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 \$2.0, \$1.8 and \$1.5 million, respectively, was expended for renewal and replacement. These expenses are included in operation and maintenance of plant.

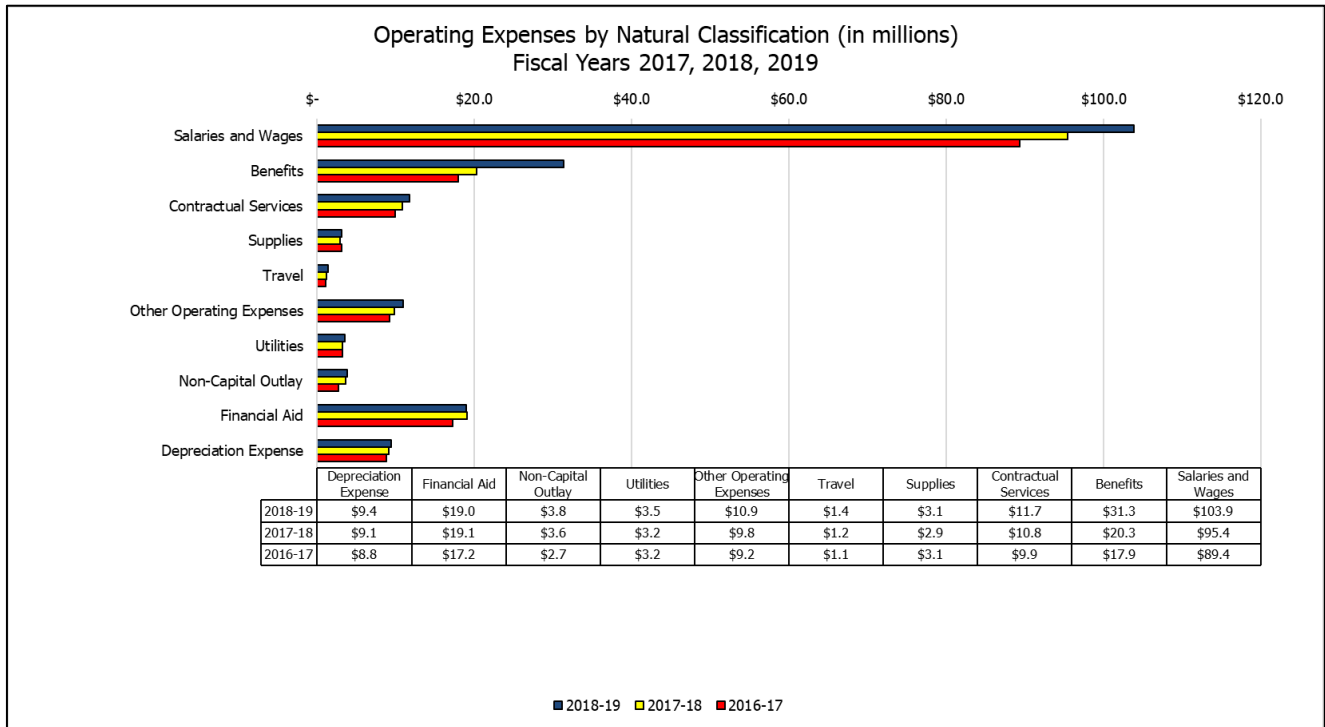
Depreciation expense has steadily increased over the last three years from \$8.8 million in fiscal year 2016-17, to \$9.1 million and \$9.4 million in 2017-18 and 2018-19, respectively as is expected with the addition of new construction. The more than 3.3% increase in depreciation for the two most recent fiscal years is due to the addition of the new Public Safety Training Center. In the prior year, one half year's depreciation was taken, and in the current year, a full year's depreciation was taken. Projects under construction are classified as construction in progress and no depreciation is taken until the construction is completed.

Auxiliary enterprises expenses increased from \$2.3 million to \$2.5 million from the prior year to the current year. Salaries and benefits increased due to the four percent increase in salaries as well as the addition of three new employees, for food services, facilities leasing and the newly established student housing. Operating expenses specifically attributable to the new acquired student housing facility totaled approximately \$109 thousand.

Scholarship expense remained steady at more than \$18 million for the current and prior fiscal years. From 2016-17 to 2017-18 scholarship expense increased almost \$2 million and was due primarily to an increase in the scholarships awarded with the Texas Public Education Grant funds and Pell Grant funds.

Operating Expenses-Natural Classification

Graph 7: Operating Expenses-Natural Classification



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

Salaries and benefits made up between 64% and 65% of total expenses for fiscal years ending 2017 and 2018. In 2019, salaries and benefits account for 67% of total expenses. Financial aid is the next largest expense for the District at more than 10.0% and less than 11.0% for all years shown.

Expenses, other than salaries, benefits, financial aid, and depreciation, including contractual services and other operating expenses, (consisting of expenses for software, printing, repairs, insurance, advertising, cost of goods sold, memberships, among other expenses), make up the next largest percentages at more than 5% of total expenses.

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: Wylie Campus, Technical Campus in Allen, Farmersville, and Celina Campus. The Wylie and Technical campuses are scheduled to open in Fall 2020, and the Farmersville, Celina, and IT Center in Frisco are scheduled to be completed in fiscal year 2021.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018**

At fiscal year ending 2018-19, the Wylie and Technical Campuses were 58.6% and 51.6% 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 on the 52,000 SF Farmersville campus and the 96,000 SF Celina campus has begun and at year end are 4.7% and 4.2% complete, respectively. Construction in progress for the current fiscal year totals \$181.7 million for the four new campuses. 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. Based on the terms of the agreement, Allen ISD owes the District \$6 million at fiscal yearend since the Technical campus is more than 50% completed. The remaining \$6 million will be due when construction is completed.

The District entered into an agreement with AECOM Technical Services to provide Program Management Services for Phases 1 and 2 of the 2017 Bond program totaling \$9.6 million and \$2.75 million, respectively. Phases 1 and 2 included the four new campuses, the Public Safety Training Center, and the IT Center at the Frisco Campus. In August 2019, an agreement was signed with AECOM to provide project management services to include construction of the Welcome Center at the McKinney Campus, and a parking garage at the Frisco Campus for which the District will pay AECOM \$2 million. These projects are included in Phases 3 and 4.

Additional projects included in Phases 3 and 4 include the Trane project totaling \$21.8 million, and an accreditation-driven expansion and remodeling of the Dental Hygiene space at the McKinney campus totaling \$5.7 million. The Trane project includes high-efficiency lighting retrofits, building automation system retrofits, and revisions, chilled water system control optimization, electrical demand load control strategies, domestic water consumption reduction, landscape irrigation water control, and heating system optimization. The District is expected to realize operations, maintenance, and capital replacement savings of \$738 thousand yearly over the life of the project in addition to the "guaranteed" energy savings. Trane's fee for performance and furnishing of the service is \$3.2 million.

The District entered into an agreement in the current year with the Collin College Student Housing Foundation to terminate a Ground Lease Agreement from November 1998, with the District taking over the operations and management of the facility. As a condition of the ground lease termination, the District paid off the outstanding bonds less any funds held in escrow by the Student Housing Foundation. The total amount paid by the District including legal fees associated with the termination agreement was \$4.2 million. While renovations are being performed on the facility, all costs are recorded as construction in progress and will be capitalized when completed.

Construction of the Public Safety Training Center was completed at the end of the prior fiscal year with classes beginning in Fall 2018. It's a 110,000 SF facility with facilities for both law enforcement and fire science programs, and with capitalized costs totaling \$30.9 million. The District partnered with the cities of McKinney and Allen to build the Public Safety Training Center. In exchange for

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2019 and 2018

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 prior 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 fiscal year 2016-17. Also in fiscal year 2016-17, the District purchased a 31.75 parcel of land in Allen, upon which the Collin Technical Training Center is being constructed.

Table 3: Capital Assets

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Land	\$ 44,610,763	\$ 44,585,763	\$ 42,706,349
Construction in progress	181,771,116	15,965,729	16,131,827
Buildings	256,946,297	263,175,358	238,151,813
Land improvements	7,508,284	8,129,068	8,778,524
Equipment	7,784,456	7,476,311	7,154,584
Library Books	3,892,234	4,085,846	4,213,162
WAN/LAN network equipment	24,059	25,611	27,164
Total	<u>\$ 502,537,209</u>	<u>\$343,443,686</u>	<u>\$317,163,423</u>

The preceding table shows the capital assets for fiscal years ending August 31, 2019, 2018, and 2017. 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 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 2018-19 consists of Series 2010 Limited Tax Refunding Bonds totaling \$9.8 million and \$246.6 million Series 2018 Limited Tax Bonds. Noted in Table 4 is the outstanding debt at the end of fiscal year 2019, compared to the debt at the end of the two previous fiscal years ending 2017-18 and 2017-18.

Principal payments totaling \$6.97 million on the District's general obligation bonds Series 2010 and Series 2018 during the current year reduced the total outstanding bonds payable to \$256.4 million, of which \$10.52 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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2019 and 2018

Table 4: Bond Obligations

	2019	2018	2017
General obligation bonds	\$ 256,487,832	\$ 264,388,553	\$ 14,843,861
Revenue bonds	-	-	1,095,000
Total	<u>\$ 256,487,832</u>	<u>\$ 264,388,553</u>	<u>\$ 15,938,861</u>

The most current rating received by the credit rating agencies was in 2017, prior to the District's bond issuance in April 2018. 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 10.58% is expected to generate additional tax revenues of \$8.2 million for the 2019-20 fiscal year. For fiscal year 2019-20, the debt service tax rate and maintenance and operations tax rate was set at \$0.002122/\$100 valuation and \$.079100/\$100 valuation, respectively. The maximum rate for M&O is \$.08/\$100 valuation. The tax rate assessed by the District for the 2019-20 fiscal year is the same as that levied in 2018-19. Similar expectations as those experienced in 2018-19 regarding tax revenue collections is anticipated for fiscal year 2019-20.

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 3.1% in August 2019. 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 18.7% of the District's total unrestricted revenue for fiscal year ending 2019-20. The upcoming fiscal year is the first year of the biennium, with appropriations increasing 12.2% over the prior year, excluding benefits. The District will continue to receive the majority (85.9%) of state funding based on contact hours, but a portion (12.4%) 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 2019-20 has increased 4.2% from \$5.39 million in fiscal year 2018-19 to \$5.62 million for fiscal year 2019-20.

The Board of Trustees approved a tuition increase effective Fall 2019 increasing in-county tuition by \$4 per credit hour, \$4 per credit hour for out-of-county, and \$5 per credit hour for out-of-state, and

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2019 and 2018

out-of-country residencies. Enrollment is anticipated to increase five percent during the 2019-20 fiscal year. The Board of Trustees approved a partial waiver for dual credit students whose residencies are outside Collin County, whereby the difference in tuition rates between in-county and all other residency tuition rates (out-of-county, state, country) would be waived so students would pay the in-county rates. The partial waiver is effective beginning in Fall 2019.

The Board of Trustees approved the Collin Invests Enhanced Retirement Savings Plan to encourage employee participation in planned retirement savings and to enhance the College's benefits package to recruit and retain highly skilled employees. The Plan provides for the college to fund a dollar for dollar match of each full-time benefits-eligible employee up to three percent of the employee's annual base salary. In addition, the District contracted with a consultant to provide a compensation study for staff and to make recommendations how the District can remain competitive with market salaries. Based on the study conducted and the consultant's recommendation, exempt staff employees are scheduled to receive a three percent salary increase and non-exempt personnel will receive a three and a half percent increase in salary beginning Fall 2019.

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 received 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 in Spring 2020.

The District anticipates issuing bonds, the amount currently undecided, in Spring 2020 to continue providing funding for the multiple campuses being built, and the additional Phase 3 and 4 projects.

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.

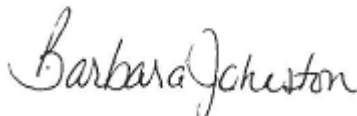
Steve Bassett, CPA
Chief Financial Officer



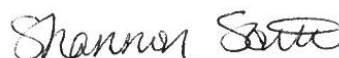
Julie Bradley, CPA
Associate Vice President, Controller



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, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 246,369,444	\$ 163,778,195
Restricted cash and cash equivalents	39,125,045	44,663,994
Accounts receivable (net of allowance for doubtful accounts of \$464,078 and \$499,886 respectively)	37,579,130	14,729,019
Short term investments	86,063,678	163,196,320
Restricted short term investments	14,684,975	138,578,643
Tax receivable (net of allowance for doubtful accounts of \$630,965 and \$672,133 respectively)	627,469	574,717
Consumable inventory	5,545	7,480
Prepaid expenses	664,879	785,218
Total current assets	<u>425,120,165</u>	<u>526,313,586</u>
Noncurrent assets		
Long term investments	25,048,292	11,009,278
Capital assets, net		
Not subject to depreciation	226,381,879	60,551,492
Subject to depreciation	276,155,330	282,892,194
Total noncurrent assets	<u>527,585,501</u>	<u>354,452,964</u>
Total assets	<u>\$ 952,705,666</u>	<u>\$ 880,766,550</u>
Deferred outflows of resources		
Deferred outflows related to pensions	\$ 17,383,822	\$ 7,977,836
Deferred outflows related to OPEB	44,757,743	977,187
Total deferred outflows of resources	<u>\$ 62,141,565</u>	<u>\$ 8,955,023</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 46,070,629	\$ 13,285,919
Accrued interest	416,781	3,694,319
Funds held for others	365,227	361,962
Unearned revenue	23,923,975	22,219,139
Accrued compensable absences payable - current portion	127,152	119,639
Bonds payable - current portion	10,520,000	6,970,000
Net OPEB liability - current portion	963,647	158,917
Total current liabilities	<u>82,387,411</u>	<u>46,809,895</u>
Noncurrent liabilities		
Accrued compensable absences payable	1,157,375	1,096,283
Net Pension liability	35,204,032	19,684,288
Net OPEB liability	64,546,843	31,160,303
Bonds payable	245,967,832	257,418,553
Total noncurrent liabilities	<u>346,876,082</u>	<u>309,359,427</u>
Total liabilities	<u>\$ 429,263,493</u>	<u>\$ 356,169,322</u>
Deferred inflows of resources		
Deferred inflows related to pensions	\$ 3,335,757	\$ 7,845,059
Deferred inflows related to OPEB	25,356,761	6,924,831
Total deferred inflows of resources	<u>\$ 28,692,518</u>	<u>\$ 14,769,890</u>
Net position		
Net investment in capital assets	\$ 264,285,928	\$ 262,417,005
Restricted for:		
Expendable		
Student aid/non-governmental grants and contracts	1,653,402	1,232,058
Reserve for debt service	7,801,049	67,687
Reserve for Bond series 2018 capital projects	6,000,000	-
Unrestricted	<u>277,150,841</u>	<u>255,065,611</u>
Total net position	<u>\$ 556,891,220</u>	<u>\$ 518,782,361</u>

See accompanying notes to basic financial statements.

Exhibit 1A

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.

**Statement of Financial Position
As of December 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 781,464	\$ 870,333
Accounts receivable	28,750	60
Pledges receivable, net of discount	184,549	212,263
Prepaid expenses	14,422	11,260
Investments	<u>12,263,941</u>	<u>13,344,494</u>
Total assets	<u>\$ 13,273,126</u>	<u>\$ 14,438,410</u>
Liabilities and net assets		
Liabilities		
Accounts payable	\$ 106,655	\$ 145,190
Deferred revenue	<u>25,625</u>	<u>42,838</u>
Total liabilities	<u>132,280</u>	<u>188,028</u>
Net assets		
Without donor restrictions	758,274	866,495
With donor restrictions	<u>12,382,572</u>	<u>13,383,887</u>
Total net assets	<u>13,140,846</u>	<u>14,250,382</u>
Total Liabilities and Net Assets	<u>\$ 13,273,126</u>	<u>\$ 14,438,410</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$11,328,556 and \$10,962,312 respectively)	\$ 40,182,049	\$ 35,922,095
Federal grants and contracts	2,171,735	1,864,618
State grants and contracts	1,609,536	2,836,838
Non-governmental grants and contracts	150,053	237,701
Sales and services of educational activities	919,031	995,562
Auxiliary enterprises	2,376,831	1,970,718
Other operating revenues	1,089,590	365,138
Total operating revenues	<u>48,498,825</u>	<u>44,192,670</u>
Expenses		
Operating expenses:		
Instruction	85,053,537	74,863,647
Public service	438,331	533,546
Academic support	16,817,374	14,226,341
Student services	17,416,367	15,406,930
Institutional support	32,273,267	26,911,239
Operation and maintenance of plant	15,561,126	13,444,347
Scholarships	18,571,380	18,760,158
Auxiliary enterprises	2,470,080	2,253,950
Depreciation	9,423,418	9,053,254
Total operating expenses	<u>198,024,880</u>	<u>175,453,412</u>
Operating loss	<u>(149,526,055)</u>	<u>(131,260,742)</u>
Non-operating revenues (expenses):		
State appropriations	44,026,968	44,006,835
Ad-valorem taxes:		
Taxes for maintenance and operations	106,276,226	95,075,974
Taxes for general obligation bonds	4,213,427	3,414,038
Federal grants and contracts	23,865,674	23,330,718
Gifts	6,209,422	30,070
Investment income (net of investment expenses)	12,134,040	6,375,739
Interest on capital related debt	(9,341,076)	(3,982,439)
Other non-operating revenues	250,233	200,000
Other non-operating expenses	-	(2,322,208)
Net non-operating revenues	<u>187,634,914</u>	<u>166,128,727</u>
Increase in net position	<u>38,108,859</u>	<u>34,867,985</u>
Net position - beginning of year	518,782,361	520,473,073
Cumulative effect of change in accounting principle	<u>(36,558,697)</u>	<u>(36,558,697)</u>
Net position - beginning of year, as restated	<u>518,782,361</u>	<u>483,914,376</u>
Net position - ending of year	<u>\$ 556,891,220</u>	<u>\$ 518,782,361</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, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:			
Donations and grants, net of adjustment to discount on pledges receivable	\$ 1,566	\$ 813,191	\$ 814,757
Special events and fundraising	71,813	150,846	222,659
Less: cost of direct benefit to donors	(56,001)	(3,325)	(59,326)
Net investment returns	(118,833)	(876,248)	(995,081)
In-kind contributions	493,703	-	493,703
Net assets released from restrictions	1,085,779	(1,085,779)	-
Total revenues and other support	<u>1,478,027</u>	<u>(1,001,315)</u>	<u>476,712</u>
Expenses:			
Program expenses	<u>1,155,099</u>	<u>-</u>	<u>1,155,099</u>
Supporting services:			
General and administrative	156,383	-	156,383
Fundraising	274,766	-	274,766
Total supporting services	<u>431,149</u>	<u>-</u>	<u>431,149</u>
Total expenses	<u>1,586,248</u>	<u>-</u>	<u>1,586,248</u>
Total change in net assets	(108,221)	(1,001,315)	(1,109,536)
Net assets at beginning of year	<u>866,495</u>	<u>13,383,887</u>	<u>14,250,382</u>
Net assets at end of year	<u>\$ 758,274</u>	<u>\$ 12,382,572</u>	<u>\$ 13,140,846</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.

**Statement of Activities
For the Year Ended December 31, 2017**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues and other support:			
Donations and grants, net of adjustment to discount on pledges receivable	\$ (437)	\$ 818,365	\$ 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)
Net investment returns	279,898	1,729,292	2,009,190
In-kind contributions	496,210	-	496,210
Net assets released from restrictions	859,882	(859,882)	-
Total revenues and other support	<u>1,647,282</u>	<u>1,796,232</u>	<u>3,443,514</u>
Expenses:			
Program expenses	<u>953,172</u>	<u>-</u>	<u>953,172</u>
Supporting services:			
General and administrative	144,642	-	144,642
Fundraising	293,631	-	293,631
Total supporting services	<u>438,273</u>	<u>-</u>	<u>438,273</u>
Total expenses	<u>1,391,445</u>	<u>-</u>	<u>1,391,445</u>
Total change in net assets	255,837	1,796,232	2,052,069
Net assets at beginning of year	<u>610,658</u>	<u>11,587,655</u>	<u>12,198,313</u>
Net assets at end of year	<u>\$ 866,495</u>	<u>\$ 13,383,887</u>	<u>\$ 14,250,382</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows For the Years Ended August 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 21,841,097	\$ 36,656,864
Receipts from grants and contracts	3,931,324	4,939,157
Other receipts	1,089,590	365,138
Payments to or on behalf of employees:		
Payments to employees	(103,790,259)	(95,222,049)
Payments for employee benefits	(12,625,719)	(12,001,121)
Payments to suppliers for goods and services	(1,567,707)	(29,654,909)
Payments for scholarships	(18,679,512)	(18,394,221)
Net cash used in operating activities	<u>(109,801,186)</u>	<u>(113,311,141)</u>
Cash flows from noncapital financing activities		
Receipts from state appropriations	35,511,392	35,512,154
Receipts from ad valorem taxes	106,479,921	95,265,103
Receipts from grants and contracts	23,865,674	23,330,718
Receipts for student organizations and other agency transactions	3,265	85,131
Net cash provided by noncapital financing activities	<u>165,860,252</u>	<u>154,193,106</u>
Cash flows from capital and related financing activities		
Proceeds from issuance of general obligation bonds	-	252,308,336
Receipts from ad valorem taxes	4,207,213	3,418,754
Purchases of capital assets	(168,307,519)	(35,029,472)
Payments on capital related debt	(7,900,721)	(3,858,644)
Interest payments on capital related debt	(12,618,614)	(314,782)
Receipts from capital gifts	6,000,000	-
Bond issuance costs	-	(2,596,182)
Net cash provided/(used) by capital and related financing activities	<u>(178,619,641)</u>	<u>213,928,010</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	526,191,511	212,564,000
Interest on investments	9,132,548	4,335,822
Purchase of investments	(335,711,184)	(386,719,188)
Net cash provided/(used)used in investing activities	<u>199,612,875</u>	<u>(169,819,366)</u>
Increase in cash and cash equivalents	77,052,300	84,990,609
Cash and cash equivalents - beginning of year	208,442,189	123,451,580
Cash and cash equivalents - end of year	<u>\$ 285,494,489</u>	<u>\$ 208,442,189</u>
Reconciliation of cash and cash equivalents to Exhibit 1:		
Cash and cash equivalents	246,369,444	\$ 163,778,195
Restricted cash and cash equivalents	39,125,045	44,663,994
	<u>\$ 285,494,489</u>	<u>\$ 208,442,189</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows - continued For the Years Ended August 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (149,526,055)	\$ (131,260,742)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	9,423,418	9,053,254
Pension expense	1,604,456	(325,952)
Payments made directly by state for benefits	8,827,950	6,986,289
Net OPEB expense	7,905,522	1,508,392
Changes in assets and liabilities		
Receivables, net	(23,341,650)	(4,582,234)
Inventories	1,935	26,048
Prepaid expenses	120,339	234,901
Deferred outflows related to pensions	(11,010,442)	(895,134)
Deferred outflows related to OPEB	(51,998,452)	(977,187)
Accounts payable & other accrued liabilities	32,784,710	1,836,570
Unearned revenue	1,704,836	2,350,723
Accrued salary and benefits	68,605	153,443
Pension liability	15,519,744	(1,223,999)
OPEB liability	34,191,270	(5,239,477)
Deferred inflows related to pensions	(4,509,302)	2,119,133
Deferred inflows related to OPEB	18,431,930	6,924,831
Net cash used in operating activities	<u>\$ (109,801,186)</u>	<u>\$ (113,311,141)</u>
Schedule of non-cash investing, capital, and financing activities:		
Payments made directly by state for benefits	\$ 18,650,302	\$ 8,494,684
Change in fair value of investments	(61,920)	(28,358)
Donated capital asset	209,422	-
Net amortization of bond premiums and discounts	(930,721)	(338,644)
Net non-cash investing, capital, and financing activities	<u>\$ 17,867,083</u>	<u>\$ 8,127,682</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 \$1,218,733 and \$1,074,527 during the years ending August 31, 2019 and 2018, 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, 2019 totaled \$418,829. 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, 2019 and 2018, respectively, the minimum unrestricted fund balance to be maintained

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

was \$36,482,612 and \$32,953,321. The District exceeded this minimum required fund balance for both years.

Cash and Cash Equivalents

The District considers cash and cash equivalents as cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The District also considers funds on deposit with TexPool 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 which are valued at cost and are charged to expense as consumed.

Capital Assets

The District records capital assets at cost at the date of acquisition or fair value at the date of donation. The District's capitalization policy includes all assets with a purchase cost of \$5,000 or more and an estimated useful life in excess of one year. The District charges costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives to operating expense in the year in which the expense is incurred.

Depreciation on buildings and site improvements is calculated using the half-year convention, straight-line method with residual value of 10%. 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. 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.

The District reports capital assets net of accumulated depreciation. 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 then. 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.

Other Post-Employment Benefits (OPEB)

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

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

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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.

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, 2019 and 2018, 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. 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 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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.*

This statement is designed to improve consistency in the information that is disclosed in notes to financial statements related to debt, including direct borrowings (such as entering into a loan agreement with a lender) and direct placements (such as issuing a debt security directly to an investor), and to provide financial statement users with additional debt information. Summarized information about the following items should be disclosed: amounts of unused lines of credit, assets pledged as collateral for debt, and terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses.

Pending Pronouncements

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

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 2021.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

GASB Statement No. 90, *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61.

The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations. Implementation of this Statement for community colleges is planned for fiscal year 2020.

GASB Statement No. 91, *Current Debt Obligations*.

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. Implementation of this Statement for community colleges is planned for fiscal year 2022.

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, 2019 and 2018, the net carrying amount of the District’s deposits was an overdraft of \$1,882,957 and \$2,395,805, 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 \$549,498 as of August 31, 2019. 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,	
	2019	2018
Petty cash on hand	\$ 18,850	\$ 19,200
Checking account	159,347	119,678
TexPool	241,097,594	170,042,013
TexSTAR	39,150,898	38,261,298
Texas TERM	5,067,800	-
Total cash and cash equivalents	<u>\$ 285,494,489</u>	<u>\$ 208,442,189</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, 2019, 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	\$ 4,722,171	\$ 4,722,171	\$ -	\$ -	AAA
U.S. Government Securities					
FFCB	25,919,587	25,919,587	-	-	AAA
FHLB	15,003,436	-	15,003,436	-	AAA
FAMCA	10,044,856	-	10,044,856	-	AAA
FNMA	5,000,000	5,000,000	-	-	AAA
Municipal Bonds	1,000,000	1,000,000	-	-	AA
Certificates of Deposit	46,117,764	46,117,764	-	-	FDIC insured
Commercial Paper	17,989,131	17,989,131	-	-	A1/P1
Total Fair Value	<u>\$ 125,796,945</u>	<u>\$ 100,748,653</u>	<u>\$ 25,048,292</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, 2019 and 2018 is as follows:

	As of August 31,	
	2019	2018
Total cash and cash equivalents	\$ 285,494,489	\$ 208,442,189
Total investments - current	100,748,653	301,774,963
Total investments - noncurrent	25,048,292	11,009,278
Total	<u>\$ 411,291,434</u>	<u>\$ 521,226,430</u>

	As of August 31,	
Per Exhibit 1:	2019	2018
Cash and cash equivalents	\$ 246,369,444	\$ 163,778,195
Restricted cash and cash equivalents	39,125,045	44,663,994
Short term investments	86,063,678	163,196,320
Restricted short term investments	14,684,975	138,578,643
Long term investments	25,048,292	11,009,278
Total	<u>\$ 411,291,434</u>	<u>\$ 521,226,430</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, 2019, in the Portfolio

- US Government Treasury obligations represented 1.15% of the total portfolio,
- US Government agencies represented 13.60% of the total portfolio,
- Local government debt obligations represented .24% of the total portfolio,
- Commercial paper represented 4.37% of the total portfolio,
- Investment in two different local government investment pools represented 69.32% of the total portfolio,
- Certificates of deposit represented 11.28% of the total portfolio, and
- Depository demand deposits represented 0.03% 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, 2019, 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, 2019, the portfolio contained:

- No holdings with a stated maturity date beyond 544 days,
- Holdings maturing beyond one year represented 6.09% of the total portfolio,
- The dollar weighted average maturity of the portfolio was 70 days, and
- The portfolio contained four (4) structured notes as shown below.

Issuer	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Market Value
Quarterly Callable Structure:								
FNMA	5,000,000	1.800%	1/30/2019	4/13/2020	10/13/2019	Quarterly callable with 5 business days	\$ 5,000,000	\$ 4,996,201
FHLB	15,000,000	2.650%	3/18/2019	12/18/2020	9/18/2019	Quarterly callable with 5 business days	15,000,000	15,003,436
Anytime Callable Structure:								
FFCB	1,000,000	1.590%	5/24/2019	3/23/2020	9/6/2019	Anytime callable with 5 business days notice.	1,000,000	996,507
One-Time(European) Callable Structure:								
FAMCA	10,000,000	2.640%	2/28/2019	2/26/2021	2/28/2020	Once only callable with 5 business days notice.	10,000,000	10,044,856
Total							<u>\$ 31,000,000</u>	<u>\$ 31,041,000</u>

Custodial Credit Risk

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

As of August 31, 2019, the portfolio:

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

NOTE 4. DEPOSITS AND INVESTMENTS-continued

Following is a list of the individual investments held and their respective credit ratings as of August 31, 2019:

Investment Type	Rating
U.S. Treasury Notes & Bills	AAA
U.S. Government Securities	
FFCB	AAA
FHLB	AAA
FNMA	AAA
FAMCA	AAA
Municipal Bonds	
Texas Tech University	AA+
Commercial Paper	
Barclays Bank	A1/P1
Santander UK	A1/P1
Chesham Finance	A1/P1
Ebury Finance	A1/P1
Halkin Finance	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, 2019 and 2018:

	Fiscal Year 2019			Fiscal Year 2018	
	Level 1	Level 2	Level 3	Total	Total
US Treasury Obligations	\$ 4,722,171	\$ -	\$ -	\$ 4,722,171	\$ 24,916,280
US Government Agencies	55,967,879	-	-	55,967,879	143,355,680
Municipal Obligations	1,000,000	-	-	1,000,000	7,481,702
Commercial Paper	17,989,131	-	-	17,989,131	76,952,874
Total Fair Value	<u>\$ 79,679,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,679,181</u>	<u>\$ 252,706,536</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Notes to Basic Financial Statements
August 31, 2019 and 2018****NOTE 5. CAPITAL ASSETS**

The following table summarizes changes in capital assets balances for the year ended August 31, 2019:

	<u>Balance 8/31/2018</u>	<u>Increases</u>	<u>(Decreases) Adjustments</u>	<u>Balance 8/31/2019</u>
Not Depreciated				
Land	\$ 44,585,763	\$ 25,000	\$ -	\$ 44,610,763
Construction in Progress	<u>15,965,729</u>	<u>165,807,042</u>	<u>(1,655)</u>	<u>181,771,116</u>
Subtotal	<u>60,551,492</u>	<u>165,832,042</u>	<u>(1,655)</u>	<u>226,381,879</u>
Depreciable Assets				
Buildings	337,283,938	-	-	337,283,938
Land Improvements	20,180,710	-	-	20,180,710
Equipment	28,759,412	2,339,251	(1,490,539)	29,608,124
Library Books	10,399,142	347,303	(262,147)	10,484,298
WAN/LAN Network Equipment	<u>2,940,746</u>	<u>-</u>	<u>-</u>	<u>2,940,746</u>
Subtotal	<u>399,563,948</u>	<u>2,686,554</u>	<u>(1,752,686)</u>	<u>400,497,816</u>
Accumulated Depreciation				
Buildings	74,108,580	6,229,061	-	80,337,641
Land Improvements	12,051,642	620,784	-	12,672,426
Equipment	21,283,101	2,031,106	(1,490,539)	21,823,668
Library Books	6,313,296	540,915	(262,147)	6,592,064
WAN/LAN Network Equipment	<u>2,915,135</u>	<u>1,552</u>	<u>-</u>	<u>2,916,687</u>
Subtotal	<u>116,671,754</u>	<u>9,423,418</u>	<u>(1,752,686)</u>	<u>124,342,486</u>
Net Depreciable Assets	<u>282,892,194</u>	<u>(6,736,864)</u>	<u>-</u>	<u>276,155,330</u>
Net Capital Assets	<u>\$343,443,686</u>	<u>\$ 159,095,178</u>	<u>\$ (1,655)</u>	<u>\$502,537,209</u>

At August 31, 2019, total amounts committed in connection with the Wylie Campus, Technical Campus, Celina Campus, Farmersville Campus and IT Center of Excellence totaled \$139 Million. At August 31, 2019, retainage payable for construction related to the Technical Campus and Wylie Campus totaled \$3,511,797 and \$3,816,209, respectively. Additional land costs capitalized by the District for the Wylie Campus as of August 31, 2019 were \$25,000.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Notes to Basic Financial Statements
August 31, 2019 and 2018****NOTE 5. CAPITAL ASSETS-continued**

For comparison purposes, 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 were \$1,879,414.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2019 and 2018**

NOTE 6. LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities for the year ended August 31, 2019:

	Balance 9/1/2018	Additions	Reductions	Amortization of Premium	Amortization of Discount	Balance 8/31/2019	Current Portion	Non-Current Portion
Bonds								
General obligation bonds								
Series 2010	\$ 12,376,255	\$ -	\$ (2,530,000)	\$ (42,606)	\$ -	\$ 9,803,649	\$ 2,635,000	\$ 7,168,649
Series 2018	252,012,298	-	(4,440,000)	(931,437)	43,322	246,684,183	7,885,000	238,799,183
Subtotal	264,388,553	-	(6,970,000)	(974,043)	43,322	256,487,832	10,520,000	245,967,832
Accrued Compensable Absence	1,215,922	2,717,476	(2,648,871)	-	-	1,284,527	127,152	1,157,375
Net Pension Liability	19,684,288	15,519,744	-	-	-	35,204,032	-	35,204,032
Net OPEB Liability	31,319,220	34,191,270	-	-	-	65,510,490	963,647	64,546,843
Total	\$ 316,607,983	\$ 52,428,490	\$ (9,618,871)	\$ (974,043)	\$ 43,322	\$ 358,486,881	\$ 11,610,799	\$ 346,876,082

For comparison purposes, 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
Net Pension Liability	21,234,239	-	(1,549,951)	-	-	19,684,288	-	19,684,288
Subtotal, prior to restatement of beginning balance for Net OPEB Liability	38,235,579	254,958,216	(7,566,388)	(353,085)	14,441	285,288,763	7,089,639	278,199,124
Net OPEB Liability	37,419,810	-	(6,100,590)	-	-	31,319,220	158,917	31,160,303
Total	\$ 75,655,389	\$ 254,958,216	\$ (13,666,978)	\$ (353,085)	\$ 14,441	\$ 316,607,983	\$ 7,089,639	\$ 309,518,344

NOTE 7. DEBT OBLIGATIONS

Debt service requirements as of August 31, 2019, were as follows:

Year Ended August 31,	General Obligation Bonds		
	Principal	Interest	Total
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	9,405,000	8,043,206	17,448,206
2025-29	54,565,000	32,674,281	87,239,281
2030-34	68,155,000	19,083,043	87,238,043
2035-38	64,110,000	5,686,144	69,796,144
Subtotal	<u>239,445,000</u>	<u>102,692,025</u>	<u>342,137,025</u>
Net Premium/ Discount	17,042,832	-	17,042,832
Total	<u>\$ 256,487,832</u>	<u>\$ 102,692,025</u>	<u>\$ 359,179,857</u>

NOTE 8. BONDS PAYABLE

Bonds payable as of August 31, 2019 and 2018 consisted of the following:

Bond issue	Purpose	Date Issued	Amount Issued and Authorized	Revenue Source	Outstanding Balance August 31, 2019	Outstanding Balance August 31, 2018
Series 2010 Limited Tax Refunding Bonds	Refunded 2002 and 2003 Tax Bonds	11/2/2010	\$ 24,099,912	Ad valorem taxes	\$ 9,803,649	\$ 12,376,255
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	\$ 246,684,183	\$252,012,298
Total					\$ 256,487,832	\$264,388,553

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.

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. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

Contribution Rates

	<u>2019</u>	<u>2018</u>
Member	7.70%	7.70%
Non-Employer Contributing Entity (State) and Employer (District)	6.80%	6.80%
FY2018 Member Contributions	\$ 4,471,076	
FY2018 District Contributions	\$ 2,171,617	
FY2018 State of Texas On-Behalf Contributions	\$ 1,777,381	

The District’s contributions to the TRS pension plan in fiscal year 2019 was \$2,301,297 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 2019 was \$2,019,638.

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

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

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

NOTE 9. EMPLOYEES’ RETIREMENT PLAN-continued

- 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, 2018, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	8/31/2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	6.907%
Long-term expected Investment Rate of Return*	7.25%
Municipal Bond Rate*	3.69%*
Last year ending August 31 in the 2016 to 2115	
Projection period (100 years)	2116
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

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

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including postretirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.907 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments after that date. The long-term rate of return on pension plan investments is 7.25%. 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 TRS' target asset allocation as of August 31, 2018, are summarized below:

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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%	5.7 %	1.0%
Non-U.S. Developed	13.0%	6.9 %	0.9%
Emerging Markets	9.0%	9.0 %	0.8%
Directional Hedge Funds	4.0%	3.5 %	0.1%
Private Equity	13.0%	10.2 %	1.3%
Stable Value			
U.S. Treasuries	11.0%	1.1 %	0.1%
Absolute Return	0.0%	0.0 %	0.0%
Stable Value Hedge Funds	4.0%	3.1 %	0.1%
Cash	1.0%	(0.3)%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.7 %	0.0%
Real Assets	14.0%	5.2 %	0.7%
Energy and Natural Resources	5.0%	7.5 %	0.4%
Commodities	0.0%	0.0 %	0.0%
Risk Parity			
Risk Parity	5.0%	3.7 %	0.2%
Inflation Expectation			2.3%
Volatility Drag			(0.8)%
Total	<u>100.0%</u>		<u>7.3%</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 2018 Comprehensive Annual Financial Report

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 (6.907%) in measuring the 2018 Net Pension Liability.

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
Collin County Community College District proportionate share of the net pension liability	\$ 53,131,326	\$ 35,204,032	\$ 20,690,824

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

At August 31, 2019, the District reported a liability of \$35,204,032 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	\$ 35,204,032
State's proportionate share that is associated with the District	28,372,524
Total	<u>\$ 63,576,556</u>

The net pension liability was measured as of August 31, 2018, 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, 2017, through August 31, 2018.

At the measurement date of August 31, 2018, the employer's proportion of the collective net pension liability was .0639579937% which was an increase of .0023957526% from its proportion measured as of August 31, 2017.

For the year ended August 31, 2019, the District recognized pension expense of \$2,808,124 and revenue of \$2,808,124 for support provided by the State. Refer to the fiscal year 2019 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

At August 31, 2019, 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:

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 219,433	\$ 863,768
Changes in actuarial assumptions	12,692,749	396,649
Net differences between projected and actual investment earnings	-	667,972
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,018,081	1,407,368
Contributions paid to TRS subsequent to the measurement date	2,453,559	-
Total	\$ 17,383,822	\$ 3,335,757

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

Year ended August 31:	Pension Expense Amount
2020	\$ 2,811,041
2021	\$ 1,405,359
2022	\$ 1,107,259
2023	\$ 2,360,060
2024	\$ 2,437,159
Thereafter	\$ 1,473,630

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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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 \$623,798 and \$629,169 for fiscal years ended August 31, 2019 and 2018, 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 \$103,858,868 and \$95,375,494 for fiscal years 2019 and 2018, respectively. The total payroll of employees covered by the TRS was \$67,685,206 and \$57,589,464, and the total payroll of employees covered by the Optional Retirement Program was \$18,902,978 and \$19,065,741 for fiscal years 2019 and 2018, 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 \$15,864,463 and \$15,136,658 for the years ended August 31, 2019 and 2018, 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.

<u>Deferred Compensation Programs</u>	<u>2019</u>	<u>2018</u>
Number of Participants (TSA)	323	303
403(b) Tax Sheltered Annuity (TSA) Contributions	\$ 1,842,570	\$ 1,630,585
Number of Participants (DCP)	41	32
Section 457 Deferred Compensation Plan (DCP)	\$ 343,499	\$ 249,357

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. The District recognized the accrued liability for the unpaid annual leave in the amounts of \$1,284,527 and \$1,215,922 for the years ended August 31, 2019 and 2018, respectively.

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

NOTE 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	2019		2018	
	Employee Contribution	State/Employer Contribution	Employee Contribution	State/Employer Contribution
Member Only	\$ -	\$ 624.82	\$ -	\$ 621.90
Member & Spouse	\$ 358.00	\$ 982.82	\$ 356.32	\$ 978.22
Member & Child(ren)	\$ 239.70	\$ 864.52	\$ 238.58	\$ 860.48
Member & Family	\$ 597.70	\$ 1,222.52	\$ 594.90	\$ 1,216.80

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	2019	2018
Number of Retirees	246	217
Cost of Health Benefits for Retirees	\$ 2,100,841	\$ 1,843,624
Number of Active Full Time Employees	1,169	1,087
Cost of Health Benefits for Active Full Time Employees	\$ 10,264,424	\$ 9,709,278
State Appropriation for Health Insurance	\$ 5,396,028	\$ 5,161,100
District's Expense	\$ 6,969,238	\$ 6,391,802

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 2018**

	<u>2018</u>
Retiree only	\$ 621.90
Retiree & Spouse	\$ 978.22
Retiree & Children	\$ 860.48
Retiree & Family	\$ 1,216.80

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

**Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
Employer	\$ 6,421,046	\$ 861,492
Members (Employees)	\$ 3,589,933	\$ 3,338,427
Nonemployer Contributing Entity (State of Texas)	\$ 5,202,130	\$ 775,301

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2018 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, 2018
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	N/A
Discount Rate	3.96%
Projected Annual Salary Increase (includes inflation)	2.50% to 9.50%
	7.30% for FY 2020, 7.40% for FY2021, 7.00% for FY2022, decreasing 0.50% per year to 4.50% for FY 2027 and later years
Annual Assumption Rate	
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 3.51%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.96%, which amounted to an increase of 0.45%. 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 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 (3.96%) 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	\$ 77,726,205	\$ 65,510,490	\$ 56,226,740

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 7.3% 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 (7.3% decreasing to 4.5%) in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rates (6.30% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (7.30% decreasing to 4.50%)	1% Increase in Healthcare Cost Trend Rates (8.30% decreasing to 5.50%)
Collin County Community College District proportionate share of the net OPEB liability	\$ 55,478,926	\$ 65,510,490	\$ 78,451,254

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, 2019, the District reported a liability of \$65,510,490 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	\$ 65,510,490
State's proportionate share that is associated with the District	53,074,547
Total	<u>\$ 118,585,037</u>

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

At the measurement date of August 31, 2018, the employer's proportion of the collective net OPEB liability was .22103739%.

For the year ended August 31, 2019, the District recognized a reduction of OPEB expense of \$312,374 and a reduction of revenue of \$312,374 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:

- Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the trustees from the Teachers Retirement System of Texas.
- Assumed expenses, assumed per capita health benefit costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.

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

- The percentage of future retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was increased from 3.51% to 3.96% to utilize the updated yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

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

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

These minor benefit changes have been reflected in the fiscal year 2019 assumed per capita health benefit costs.

At August 31, 2019, 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	\$ -	\$ 2,400,094
Changes in actuarial assumptions	-	22,956,667
Net difference between projected and actual investment earnings	31,023	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	44,325,874	-
Contributions paid to ERS subsequent to the measurement date	400,846	-
Total	\$ 44,757,743	\$ 25,356,761

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

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>
2020	\$ 3,187,087
2021	\$ 3,187,087
2022	\$ 3,187,087
2023	\$ 5,281,803
2024	\$ 4,157,071
Thereafter	-

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

Receivables at August 31 were as follows:

	<u>2019</u>	<u>2018</u>
Student Receivables	\$ 9,916,815	\$ 8,991,727
Federal and State Receivables	794,699	576,785
Interest Receivable	251,994	743,533
Other Receivables	<u>27,079,700</u>	<u>4,866,860</u>
Subtotal	<u>38,043,208</u>	<u>15,178,905</u>
Less: Allowance for Doubtful Accounts	<u>(464,078)</u>	<u>(449,886)</u>
Total Accounts Receivable	<u>\$ 37,579,130</u>	<u>\$ 14,729,019</u>
Taxes Receivable	\$ 1,258,434	\$ 1,246,850
Less: Allowance for Doubtful Accounts	<u>(630,965)</u>	<u>(672,133)</u>
Total Taxes Receivable	<u>\$ 627,469</u>	<u>\$ 574,717</u>

An allowance for doubtful accounts estimated at \$464,078 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 8/31/2018	Addition	Collections	Adjustments	Returned to Collin College	Balance 8/31/2019
First Placement Collection Agency	\$ 253,028	\$263,924	\$ (38,489)	\$ (6,078)	\$ (216,660)	\$ 255,725
Second Placement Collection Agency	279,994	216,088	(17,583)	(1,877)	(183,300)	293,322
Total Student Receivables Placed with Collections	<u>533,022</u>	<u>480,012</u>	<u>(56,072)</u>	<u>(7,955)</u>	<u>(399,960)</u>	<u>549,047</u>
Allowance for doubtful accounts	(449,886)	(161,979)	-	(36,974)	184,761	(464,078)
Net Receivables Placed with Collections	<u>\$ 83,136</u>	<u>\$318,033</u>	<u>\$ (56,072)</u>	<u>\$ (44,929)</u>	<u>\$ (215,199)</u>	<u>\$ 84,969</u>

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

Payables at August 31 were as follows:

	<u>2019</u>	<u>2018</u>
Vendors Payable	\$ 43,975,668	\$ 10,831,678
Salary and Benefits Payable	603,082	854,230
Students Payable	1,491,879	1,600,011
Total Accounts Payable	<u>\$ 46,070,629</u>	<u>\$ 13,285,919</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, 2019 and 2018, were \$0 and \$207, respectively. Total estimated claims outstanding for the years ended August 31, 2019 and 2018 were \$0 and \$4,184, 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 2019 and 2018 were:

	Beginning of fiscal year liability	Claims & changes in estimate	Claim payments	End of fiscal year liability
2019	\$ 4,184	\$ (4,184)	\$ 0	\$ 0
2018	\$ 4,372	\$ 19	\$ (207)	\$ 4,184

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2019 and 2018**

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,	2019	2018
Assessed Valuation of the District:	\$ 165,358,186,889	\$ 150,997,988,054
Less: Exemptions	(27,247,346,110)	(25,521,480,804)
Less: Abatements	(159,991,963)	(213,929,012)
Net Assessed Valuation of the District	137,950,848,816	125,262,578,238
Plus: Supplements through August 31	19,620,325	24,262,334
Adjusted Assessed Valuation	<u>\$ 137,970,469,141</u>	<u>\$ 125,286,840,572</u>

Tax rates for the years ended August 31, 2019 and 2018, are as follows:

Per \$100 valuation:	FY 2019			FY 2018		
	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	\$ 0.078190	\$ 0.003032	\$ 0.081222	\$ 0.077118	\$ 0.002692	\$ 0.079810

NOTE 16. PROPERTY TAX-continued

Taxes levied for the years ended August 31, 2019 and 2018, were \$112,144,749 and \$100,783,439, 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 2019			FY 2018		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 107,287,492	\$ 4,160,323	\$ 111,447,815	\$ 96,003,934	\$ 3,378,771	\$ 99,382,705
Delinquent Taxes Collected	792,225	37,687	829,912	815,609	28,776	844,385
Penalties & Interest collected	599,587	19,057	618,644	528,196	15,465	543,661
Total Gross Collections	108,679,304	4,217,067	112,896,371	97,347,739	3,423,012	100,770,751
Tax Appraisal and Collection Fee	(1,097,689)	-	(1,097,689)	(994,538)	-	(994,538)
Bad Debt Expense	(19,834)	(3,640)	(23,474)	(112,114)	(8,976)	(121,090)
Total Net Collections	<u>\$ 107,561,781</u>	<u>\$ 4,213,427</u>	<u>\$ 111,775,208</u>	<u>\$ 96,241,087</u>	<u>\$ 3,414,036</u>	<u>\$ 99,655,123</u>

Tax collections for the year ended August 31, 2019 and 2018, were 99.93% and 99.15% 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 2019	Taxes Forgone in 2018
City of Frisco TIF 1	100%	\$ 1,285,555	\$ 1,165,113
Total Taxes Forgone		<u>\$ 1,285,555</u>	<u>\$ 1,165,113</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, 2019, the District abated property taxes totaling \$129,949 on property values totaling \$159,991,963. 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
2007	Texas Instruments	<u>\$ 159,991,963</u>	0.081222	<u>\$ 129,949</u>
	Total	<u>\$ 159,991,963</u>		<u>\$ 129,949</u>

Based on abatement agreements currently in place, the taxable assessed value of remaining abatements for fiscal year 2020 is anticipated to be \$306,126,302, resulting in abated taxes of \$248,642.

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, 2019 and 2018 were \$526,596 and \$523,149.

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, 2019	2018
2020	\$ 235,325	\$ 230,929
2021	50,000	230,929
2022	50,000	50,000
2023	50,000	50,000
Total	<u>\$ 385,325</u>	<u>\$ 561,858</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 12. 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.

	2019	2018
Federal Contracts and Grant Awards	\$ 6,171,447	\$ 4,527,938
State Contracts and Grant Awards	649,935	257,044
Total	<u>\$ 6,821,382</u>	<u>\$ 4,784,982</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.")

Adoption of New Accounting Standards

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2016-14: *Presentation of Financial Statements for Not-for-Profit Entities* ("ASU 2016-14"), which is an amendment to the FASB Accounting Standards Codification ("FASB ASC") Topic 958. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Adopting ASU 2016-14 has had the following impact on the Foundation's financial statements:

- The temporarily and permanently restricted net asset classes have been combined into a single net asset class called *net assets with donor restrictions*.
- The unrestricted net asset class has been renamed *net assets without donor restrictions*.
- The financial statements now include a statement of functional expenses.
- The notes to financial statements include a new disclosure about liquidity and availability of resources.
- Investment return is now simply reported in the aggregate, net of investment expenses.

Basis of Presentation

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

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor restrictions.

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

Net Assets With Donor Restrictions

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

Revenues and Support

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

Programs

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

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

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

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

For purposes of reporting cash flows, the Foundation considers all bank deposits and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature or other long-term purposes are excluded from this definition.

Pledges Receivable

Pledges receivable are comprised of uncollected pledges and are considered fully collectible at December 31, 2018 and 2017.

NOTE 19. COMPONENT UNITS - Summary of Significant Accounting Policies-continued**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 \$493,703 and \$496,210 as of December 31, 2018 and 2017, respectively, and are included in revenues and expenses on the accompanying statements of activities. Of these amounts, \$274,201 and \$292,971, respectively, are considered fundraising expenses for the years ended December 31, 2018 and 2017.

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

Income Taxes

The Foundation follows the Income Taxes topic of 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, 2018, 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 2015 through 2018 tax years remain subject to examination by the Internal Revenue Service.

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

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

Reclassification

Certain reclassifications were made to the 2017 financial statements presentation in order to conform to the 2018 financial statement presentation.

Subsequent Events

Management has evaluated subsequent events for potential disclosure through July 2, 2019, which is the date the financial statements were available to be issued.

Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor restrictions limiting their use or without requiring specific action of the Board, within one year of the dates of the statements of financial position at December 31, 2018 and 2017, are comprised of the following:

NOTE 19. COMPONENT UNITS – Liquidity and Availability of Resources-continued

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 781,464	\$ 870,333
Investments	<u>12,263,941</u>	<u>13,344,494</u>
	13,045,405	14,214,827
Donor-restricted funds	<u>(12,382,572)</u>	<u>(13,383,887)</u>
Financial assets available to meet general expenditure needs within one year	<u>\$ 662,833</u>	<u>\$ 830,940</u>

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, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Pledges receivable	\$ 192,324	\$ 221,886
Less: discount to present value	<u>(7,775)</u>	<u>(9,623)</u>
Pledges receivable, net of discount	<u>\$ 184,549</u>	<u>\$ 212,263</u>

Fair Value Measurements and Disclosures

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

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.

NOTE 19. COMPONENT UNITS – Fair Value Measurements and Disclosures-continued

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

The following is a listing of investments measured at fair value on a recurring basis and where they are classified within the hierarchy as of December 31, 2018 and 2017:

	2018		
	Level I	Level II	Level III
Cash equivalents and short-term investments	\$ 539,427	\$ -	\$ -
Equity securities	8,197,790	-	-
Fixed income securities	2,960,364	-	-
Alternative investments	566,360	-	-
	<u>\$12,263,941</u>	<u>\$ -</u>	<u>\$ -</u>

	2017		
	Level I	Level II	Level III
Cash equivalents and short-term investments	\$ 351,948	\$ -	\$ -
Equity securities	9,982,467	-	-
Fixed income securities	2,029,537	-	-
Alternative investments	980,542	-	-
	<u>\$13,344,494</u>	<u>\$ -</u>	<u>\$ -</u>

Net Assets with Donor Restrictions

The balances of net assets with donor restrictions as of December 31, 2018 and 2017 relate to certain contributions for which the donors have imposed restrictions. These restrictions require the Foundation to expend such funds for scholarships and program enhancements as follows:

	2018	2017
Endowment Funds	\$ 8,122,736	\$ 9,182,027
Excellence Funds	414,419	414,208
Quasi Endowments	2,473,211	2,474,201
Scholarship Funds	1,372,206	1,313,451
	<u>\$ 12,382,572</u>	<u>\$ 13,383,887</u>

**NOTE 19. COMPONENT UNITS – Net Assets with Donor Restrictions-
continued**

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, 2018 and 2017, net assets with donor restrictions in the amounts of \$1,085,779 and \$859,882, respectively, have been expended in accordance with donor restrictions and have been reclassified to net assets without donor restrictions.

The following is a summary of changes in endowment fund net assets for the years ended December 31, 2018 and 2017:

	<u>Total</u>
Balance at December 31, 2016	\$ 7,589,120
Contributions	168,150
Earnings	1,615,327
Appropriations	<u>(190,570)</u>
Balance at December 31, 2017	9,182,027
Contributions	325,273
Earnings	(1,095,963)
Appropriations	<u>(288,601)</u>
Balance at December 31, 2018	<u>\$ 8,122,736</u>

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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 Proportionate Share of Net Pension Liability
****Last Five Fiscal Years**

Fiscal years ending August 31,*	2019	2018	2017	2016	2015
District's proportion of collective net pension liability (%)	0.000639580	0.000615622	0.000561923	0.000614874	0.000645782
District's proportionate share of collective net pension liability (\$)	\$ 35,204,032	\$ 19,684,288	\$ 21,234,239	\$ 21,734,977	\$ 17,249,730
State's proportionate share of net pension liability associated with the District	28,372,524	15,746,369	19,980,257	15,657,455	12,568,650
Total	<u>\$ 63,576,556</u>	<u>\$ 35,430,657</u>	<u>\$ 41,214,496</u>	<u>\$ 37,392,432</u>	<u>\$ 29,818,380</u>
District's covered payroll	\$ 57,589,464	\$ 53,246,493	\$ 50,608,925	\$ 41,402,433	\$ 35,073,700
District's proportionate share of collective net pension liability as a percentage of covered payroll	61.1%	37.0%	42.0%	52.5%	49.2%
Plan fiduciary net position as percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

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

** 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 Five Fiscal Years

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

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

** 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 Proportionate Share of Net OPEB Liability
****Last Two Fiscal Years**

Fiscal years ending August 31,*	2019	2018
District's proportion of collective net OPEB liability (%)	0.22103739%	0.09191797%
District's proportionate share of collective net OPEB liability (\$)	\$ 65,510,490	\$ 31,319,220
State's proportionate share of net OPEB liability associated with the District	53,074,547	28,185,772
	\$ 118,585,037	\$ 59,504,992
District's covered employee payroll	\$ 76,655,205	\$ 71,436,733
District's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	85.5%	43.8%
Plan fiduciary net position as percentage of the total OPEB liability	1.27%	2.04%

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

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

Required Supplementary Schedule 4

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal years ending August 31,*	2019	2018
Legally required contributions	\$ 400,846	\$ 967,914
Less: Actual contributions	400,846	967,914
Contributions deficiency (excess)	\$ -	\$ -
 District covered employee payroll amount	 \$ 86,588,184	 \$ 76,655,205
 Ratio of: Actual contributions / ER covered employee payroll amount	 0.5%	 1.3%

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

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

Changes of Benefit Terms for Pensions:

There were no changes in benefit terms for the fiscal year ended August 31, 2019.

Changes of Assumptions for Pensions:

There were no changes of assumptions for the year ended August 31, 2019.

Changes of Benefit Terms for OPEB:

Under Q/A #4.107 of GASB's *Implementation Guide No. 2017-2, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, the latest valuation reflects the benefit changes that became effective September 1, 2017, since these changes were communicated to plan members before the preparation of the latest valuation report. 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, 2019
(with comparative totals at August 31, 2018)**

	<u>Unrestricted</u>	<u>Restricted</u>	Total Educational <u>Activities</u>	Auxiliary <u>Enterprises</u>	<u>Total</u>	
					<u>2019</u>	<u>2018</u>
Tuition						
State funded courses						
In-district resident tuition	\$ 21,206,617	\$ -	\$ 21,206,617	\$ -	\$ 21,206,617	\$ 19,289,868
Out-of-district resident tuition	13,252,058	-	13,252,058	-	13,252,058	10,969,502
TPEG Credit (set aside)*	1,814,459	-	1,814,459	-	1,814,459	1,538,645
Non-resident tuition	8,652,701	-	8,652,701	-	8,652,701	8,070,806
Continuing education	3,844,579	-	3,844,579	-	3,844,579	4,306,390
TPEG Non-Credit (set aside)*	247,876	-	247,876	-	247,876	274,681
Non-state funded continuing education	147,286	-	147,286	-	147,286	126,273
Total tuition	<u>49,165,576</u>	<u>-</u>	<u>49,165,576</u>	<u>-</u>	<u>49,165,576</u>	<u>44,576,165</u>
Fees						
General fees	569,914	-	569,914	-	569,914	610,762
Student activity fee	1,231,458	-	1,231,458	-	1,231,458	1,208,920
Laboratory fee	543,657	-	543,657	-	543,657	488,560
Total fees	<u>2,345,029</u>	<u>-</u>	<u>2,345,029</u>	<u>-</u>	<u>2,345,029</u>	<u>2,308,242</u>
Scholarship allowances and discounts						
Remissions and exemptions	(2,076,733)	-	(2,076,733)	-	(2,076,733)	(1,428,112)
TPEG awarded	(1,515,512)	-	(1,515,512)	-	(1,515,512)	(1,877,593)
Federal grants to students	(7,294,115)	-	(7,294,115)	-	(7,294,115)	(7,129,354)
Other	(442,196)	-	(442,196)	-	(442,196)	(527,253)
Total scholarship allowances	<u>(11,328,556)</u>	<u>-</u>	<u>(11,328,556)</u>	<u>-</u>	<u>(11,328,556)</u>	<u>(10,962,312)</u>
Total net tuition and fees	<u>\$ 40,182,049</u>	<u>\$ -</u>	<u>\$ 40,182,049</u>	<u>\$ -</u>	<u>\$ 40,182,049</u>	<u>\$ 35,922,095</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Operating Revenues
For the year ended August 31, 2019 (Continued)
(with comparative totals at August 31, 2018)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>Total</u>	
					<u>2019</u>	<u>2018</u>
Additional operating revenues						
Federal grants and contracts	\$ 174,241	\$ 1,997,494	\$ 2,171,735	\$ -	\$ 2,171,735	\$ 1,864,618
State grants and contracts	409	1,609,127	1,609,536	-	1,609,536	2,836,838
Nongovernmental grants and contracts	473	149,580	150,053	-	150,053	237,701
Sales and services of educational activities	919,031	-	919,031	-	919,031	995,562
Other operating revenues	1,089,590	-	1,089,590	-	1,089,590	365,138
Total additional operating revenues	<u>2,183,744</u>	<u>3,756,201</u>	<u>5,939,945</u>	<u>-</u>	<u>5,939,945</u>	<u>6,299,857</u>
Auxiliary enterprises	-	-	-	879,943	879,943	853,467
Other auxiliary enterprises	-	-	-	1,496,888	1,496,888	1,117,251
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,376,831</u>	<u>2,376,831</u>	<u>1,970,718</u>
Total Operating Revenues	<u>\$ 42,365,793</u>	<u>\$ 3,756,201</u>	<u>\$ 46,121,994</u>	<u>\$ 2,376,831</u>	<u>\$ 48,498,825</u> (Exhibit 2)	<u>\$ 44,192,670</u> (Exhibit 2)

* In accordance with Education Code 56.033; \$2,062,335 was set aside for Texas Public Education Grants (TPEG).

Collin County Community College District

Schedule of Operating Expenses by Object
For the year ended August 31, 2019
(with comparative totals at August 31, 2018)

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other Expenses	2019	2018
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 62,332,758	\$ -	\$ 12,130,661	\$ 5,914,666	\$ 80,378,085	\$ 69,449,539
Public service	34,034	-	4,186	5,812	44,032	18,152
Academic support	10,669,137	-	2,375,983	1,885,765	14,930,885	12,326,440
Student services	11,183,477	-	2,597,761	1,972,718	15,753,956	13,750,649
Institutional support	14,262,593	-	4,437,861	11,155,944	29,856,398	24,716,328
Operation and maintenance of plant	3,241,269	-	887,132	11,432,725	15,561,126	13,444,347
Total unrestricted educational activities	101,723,268	-	22,433,584	32,367,630	156,524,482	133,705,455
Restricted - educational activities						
Instruction	131,167	4,214,314	21,827	308,144	4,675,452	5,414,108
Public service	276,499	324	64,318	53,158	394,299	515,394
Academic support	394,936	916,042	89,238	486,273	1,886,489	1,899,901
Student services	480,932	971,743	52,824	156,912	1,662,411	1,656,281
Institutional support	-	2,413,153	-	3,716	2,416,869	2,194,911
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships	-	-	-	18,571,380	18,571,380	18,760,158
Total restricted educational activities	1,283,534	8,515,576	228,207	19,579,583	29,606,900	30,440,753
Total educational activities	103,006,802	8,515,576	22,661,791	51,947,213	186,131,382	164,146,208
Auxiliary enterprises	852,062	-	159,880	1,458,138	2,470,080	2,253,950
Depreciation expense - buildings and other real estate improvements	-	-	-	6,849,845	6,849,845	6,599,752
Depreciation expense - equipment and furniture	-	-	-	2,573,573	2,573,573	2,453,502
Total operating expenses	\$ 103,858,864	\$ 8,515,576	\$ 22,821,671	\$ 62,828,769	\$ 198,024,880 (Exhibit 2)	\$ 175,453,412 (Exhibit 2)

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Non-Operating Revenues and Expenses
For the year ended August 31, 2019
(with comparative totals at August 31, 2018)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary enterprises</u>	<u>2019</u>	<u>Totals 2018</u>
Non-operating revenues:					
State appropriations					
Education and general state support	\$ 35,511,392	\$ -	\$ -	\$ 35,511,392	\$ 35,512,154
State group insurance	-	5,396,028	-	5,396,028	5,161,100
State retirement matching	-	3,431,922	-	3,431,922	1,825,189
OPEB revenue / (expenses)	-	(312,374)	-	(312,374)	1,508,392
Total state appropriations	35,511,392	8,515,576	-	44,026,968	44,006,835
Ad valorem taxes	106,276,226	4,213,427	-	110,489,653	98,490,012
Federal contracts and grants	290,823	23,574,851	-	23,865,674	23,330,718
Gifts	6,209,422	-	-	6,209,422	30,070
Investment income (net of investment expenses)	12,134,040	-	-	12,134,040	6,375,739
Other non-operating revenues /(expenses)	250,233	-	-	250,233	(2,122,208)
Total non-operating revenues	125,160,744	27,788,278	-	152,949,022	126,104,331
non-operating expenses:					
Interest on capital related debt	-	(9,341,076)	-	(9,341,076)	(3,982,439)
Other non-operating expenses	-	-	-	-	-
Total non-operating expenses	-	(9,341,076)	-	(9,341,076)	(3,982,439)
Net non-operating revenues	<u>\$ 160,672,136</u>	<u>\$ 26,962,778</u>	<u>\$ -</u>	<u>\$ 187,634,914</u> (Exhibit 2)	<u>\$ 166,128,727</u> (Exhibit 2)

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Source and Availability
As of August 31, 2019
(with comparative totals at August 31, 2018)**

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted Expendable	Non- Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:							
Unrestricted:							
Undesignated	\$ 100,344,358	\$ -	\$ -	\$ -	\$ 100,344,358	\$ 100,344,358	\$ -
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	-	1,653,402	-	-	1,653,402	-	1,653,402
Auxiliary enterprises	3,958,521	-	-	-	3,958,521	3,958,521	-
Plant:							
Unexpended	117,997,962	-	-	-	117,997,962	-	117,997,962
2018 Bond fund	-	6,000,000	-	-	6,000,000	-	6,000,000
Debt service	-	7,801,049	-	-	7,801,049	-	7,801,049
Investment in plant	-	-	-	264,285,928	264,285,928	-	264,285,928
Total net position - August 31, 2019	277,150,841	15,454,451	-	264,285,928	556,891,220 (Exhibit 2)	104,302,879	452,588,341
Total net position - August 31, 2018	257,710,920	(1,345,564)	-	262,417,005	518,782,361 (Exhibit 2)	82,957,759	435,824,602
Net increase in net position	\$ 19,439,921	\$ 16,800,015	\$ -	\$ 1,868,923	\$ 38,108,859 (Exhibit 2)	\$ 21,345,120	\$ 16,763,739

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, 2019 and August 31, 2018, the minimum required unrestricted fund balance was \$36,482,612 and \$32,953,321, respectively. This amount is included as part of the undesignated balance.



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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Statistical Supplement 1

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Net Position by Component
Fiscal Years 2010 to 2019
(unaudited)**

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

	For the Fiscal Year Ended August 31,				
	2014	2013	2012	2011	2010
Net investment in capital assets	\$ 222,287,496	\$ 216,482,469	\$ 209,933,352	\$ 188,707,425	\$ 170,630,995
Restricted - expendable	2,704,038	3,941,734	3,402,218	3,511,310	3,285,217
Unrestricted	235,676,401	218,899,001	204,678,278	200,654,069	195,298,234
Total Net Position	<u>\$ 460,667,935</u>	<u>\$ 439,323,204</u>	<u>\$ 418,013,848</u>	<u>\$ 392,872,804</u>	<u>\$ 369,214,446</u>
Total Change in Net Position	<u>\$ 21,344,731</u>	<u>\$ 21,309,356</u>	<u>\$ 25,141,044</u>	<u>\$ 23,658,358</u>	<u>\$ 28,716,865</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 2010 to 2019
(unaudited)**

For the Fiscal Year Ended August 31,

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

For the Fiscal Year Ended August 31,

	2019	2018	2017	2016	2015
Tuition and Fees (Net of Discounts)	16.37%	16.58%	17.58%	16.79%	15.64%
Governmental Grants and Contracts					
Federal Grants and Contracts	0.88%	0.86%	0.83%	1.20%	3.68%
State Grants and Contracts	0.66%	1.31%	1.25%	0.90%	0.99%
Non-Governmental Grants and Contracts	0.06%	0.11%	0.14%	0.04%	0.00%
Sales & Services of Educational Activities	0.37%	0.46%	0.38%	0.37%	0.35%
Auxiliary Enterprises	0.97%	0.91%	0.88%	2.75%	4.86%
Other Operating Revenues	0.44%	0.17%	0.24%	0.19%	0.17%
Total Operating Revenues	19.75%	20.40%	21.30%	22.24%	25.69%
State Appropriations	17.94%	20.31%	20.65%	22.24%	21.30%
Ad Valorem Taxes	45.02%	45.48%	45.02%	44.01%	39.64%
Federal Grants and Contracts	9.72%	10.77%	10.00%	10.96%	13.11%
Gifts	2.53%	0.01%	1.83%	0.00%	0.03%
Investment Income	4.94%	2.94%	1.10%	0.44%	0.12%
Other Non-Operating Revenues	0.10%	0.09%	0.10%	0.11%	0.11%
Total Non-Operating Revenues	80.25%	79.60%	78.70%	77.76%	74.31%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Revenues by Source
Fiscal Years 2010 to 2019
(unaudited)**

For the Fiscal Year Ended August 31,

	2014	2013	2012	2011	2010
Tuition and Fees (Net of Discounts)	\$ 27,967,481	\$ 26,569,192	\$ 23,740,042	\$ 24,395,778	\$ 24,934,426
Governmental Grants and Contracts					
Federal Grants and Contracts	7,229,621	6,067,520	2,087,054	1,204,670	1,676,112
State Grants and Contracts	964,194	628,453	807,249	1,670,769	1,434,709
Non-Governmental Grants and Contracts	13,320	-	6,939	4,817	12,593
Sales & Services of Educational Activities	550,913	426,387	364,115	379,229	352,891
Auxiliary Enterprises	9,240,358	9,617,775	10,023,129	10,131,837	9,417,923
Other Operating Revenues	350,264	406,538	338,787	209,032	159,378
Total Operating Revenues	46,316,151	43,715,865	37,367,315	37,996,132	37,988,032
State Appropriations	38,457,174	35,504,958	34,416,713	36,545,683	36,806,088
Ad Valorem Taxes	66,978,476	65,149,280	63,326,803	61,837,754	62,548,821
Federal Grants and Contracts	24,431,878	25,332,176	27,115,496	23,786,051	17,158,787
Gifts	31,200	49,005	6,798	-	2,675,000
Investment Income	113,223	238,855	239,901	289,044	403,036
Other Non-Operating Revenues	200,000	200,000	543,862	341,504	248,680
Total Non-Operating Revenues	130,211,951	126,474,274	125,649,573	122,800,036	119,840,412
Total Revenues	\$ 176,528,102	\$ 170,190,139	\$ 163,016,888	\$ 160,796,168	\$ 157,828,444

For the Fiscal Year Ended August 31,

	2014	2013	2012	2011	2010
Tuition and Fees (Net of Discounts)	15.84%	15.61%	14.56%	15.17%	15.80%
Governmental Grants and Contracts					
Federal Grants and Contracts	4.10%	3.57%	1.28%	0.75%	1.06%
State Grants and Contracts	0.55%	0.37%	0.50%	1.04%	0.91%
Non-Governmental Grants and Contracts	0.01%	0.00%	0.00%	0.00%	0.01%
Sales & Services of Educational Activities	0.31%	0.25%	0.22%	0.24%	0.22%
Auxiliary Enterprises	5.23%	5.65%	6.15%	6.30%	5.97%
Other Operating Revenues	0.20%	0.24%	0.21%	0.13%	0.10%
Total Operating Revenues	26.24%	25.69%	22.92%	23.63%	24.07%
State Appropriations	21.79%	20.86%	21.11%	22.73%	23.32%
Ad Valorem Taxes	37.94%	38.28%	38.86%	38.46%	39.63%
Federal Grants and Contracts	13.84%	14.88%	16.63%	14.79%	10.87%
Gifts	0.02%	0.03%	0.00%	0.00%	1.69%
Investment Income	0.06%	0.14%	0.15%	0.18%	0.26%
Other Non-Operating Revenues	0.11%	0.12%	0.33%	0.21%	0.16%
Total Non-Operating Revenues	73.76%	74.31%	77.08%	76.37%	75.93%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Program Expenses by Function
Fiscal Years 2010 to 2019
(unaudited)****For the Fiscal Year Ended August 31,**

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

For the Fiscal Year Ended August 31,

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Fiscal Years 2010 to 2019
(unaudited)

For the Fiscal Year Ended August 31,

	2014	2013	2012	2011	2010
Instruction	\$ 58,718,787	\$ 56,679,653	\$ 52,319,020	\$ 54,534,791	\$ 51,489,934
Public Service	556,778	560,542	561,438	888,626	493,288
Academic Support	15,605,938	14,847,063	10,193,826	9,542,089	9,398,653
Student Services	9,716,643	8,941,731	8,374,056	8,640,882	8,754,737
Institutional Support	15,469,145	14,401,055	13,664,780	13,455,591	12,738,632
Operation and Maintenance of Plant	13,274,011	13,557,062	11,802,975	11,415,758	12,844,813
Scholarships and Fellowships	20,149,733	20,731,109	22,207,900	19,943,709	15,152,414
Auxiliary Enterprises	10,899,311	10,048,826	10,032,534	10,124,598	9,448,349
Depreciation	7,544,508	7,315,549	6,790,160	6,737,301	6,404,053
Total Operating Expenses	151,934,854	147,082,590	135,946,689	135,283,345	126,724,873
Interest on Capital Related Debt	1,664,760	1,797,093	1,929,155	1,854,465	2,386,706
Other Non-operating Expenses	1,583,757	1,100	-	-	-
Loss on Disposal of Fixed Assets	-	-	-	-	1,125
Total Non-Operating Expenses	3,248,517	1,798,193	1,929,155	1,854,465	2,387,831
Total Expenses	\$ 155,183,371	\$ 148,880,783	\$ 137,875,844	\$ 137,137,810	\$ 129,112,704

For the Fiscal Year Ended August 31,

	2014	2013	2012	2011	2010
Instruction	37.85%	38.07%	37.95%	39.78%	39.87%
Public Service	0.36%	0.38%	0.41%	0.65%	0.38%
Academic Support	10.06%	9.97%	7.39%	6.96%	7.28%
Student Services	6.26%	6.01%	6.07%	6.30%	6.78%
Institutional Support	9.97%	9.67%	9.91%	9.81%	9.87%
Operation and Maintenance of Plant	8.55%	9.11%	8.56%	8.32%	9.95%
Scholarships and Fellowships	12.98%	13.92%	16.11%	14.54%	11.74%
Auxiliary Enterprises	7.02%	6.75%	7.28%	7.38%	7.32%
Depreciation	4.86%	4.91%	4.92%	4.91%	4.96%
Total Operating Expenses	97.91%	98.79%	98.60%	98.65%	98.15%
Interest on Capital Related Debt	1.07%	1.21%	1.40%	1.35%	1.85%
Other Non-operating Expenses	1.02%	0.00%	0.00%	0.00%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	2.09%	1.21%	1.40%	1.35%	1.85%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

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
2019	\$ -	\$ 2	\$ 52	\$ 98	\$ -	\$ 2	\$ 650	\$ 1,202	8.0%	4.2%
2018	-	2	48	94	-	2	602	1,154	8.7%	9.1%
2017	-	2	44	86	-	2	554	1,058	9.5%	6.0%
2016	-	2	41	82	-	1	506	998	7.7%	6.4%
2015	-	2	32	71	6	1	470	938	0.0%	0.0%
2014	-	2	32	71	6	1	470	938	2.6%	4.0%
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
2019	\$ -	\$ 2	\$ 165	\$ 165	\$ -	\$ 2	\$ 2,006	\$ 2,006	3.1%	3.1%
2018	-	2	160	160	-	2	1,946	1,946	8.7%	8.7%
2017	-	2	147	147	-	2	1,790	1,790	4.2%	4.2%
2016	-	2	142	142	-	1	1,718	1,718	3.6%	3.6%
2015	-	2	131	131	6	1	1,658	1,658	0.0%	0.0%
2014	-	2	131	131	6	1	1,658	1,658	2.2%	2.2%
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)
2018-19	\$165,358,186,889	\$ 27,407,338,073	\$ 137,950,848,816	83.43%	0.078190	0.003032	0.081222
2017-18	150,997,988,054	25,735,409,816	125,262,578,238	82.96%	0.077118	0.002692	0.079810
2016-17	134,712,150,568	24,102,439,926	110,609,710,642	82.11%	0.078174	0.003048	0.081222
2015-16	119,250,034,517	21,520,774,913	97,729,259,604	81.95%	0.078965	0.002995	0.081960
2014-15	103,609,292,320	15,479,038,414	88,130,253,906	85.06%	0.078965	0.002995	0.081960
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

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

**General Appropriations Act Before Contact Hour Adjustments¹
Last Ten Fiscal Years
(unaudited)**

Appropriation Funding Elements	For the Year Ended August 31,				
	2019*	2018	2017	2016	2015
State Appropriation Contact Hour Funding (CH)	\$ 31,084,468	\$ 31,084,468	\$ 29,864,582	\$ 29,923,738	\$ 29,252,294
State Appropriation Student Success Points (SSP)	3,735,127	3,735,128	3,320,992	3,320,993	3,383,781
State Appropriation Core Operations (CO)	680,406	680,406	500,000	500,000	500,000
State Appropriation Bachelor of Applied Technology (BAT)	-	-	-	-	-
State Appropriation Non-Formula Items	-	-	-	-	-

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**General Appropriations Act Before Contact Hour Adjustments¹
Last Ten Fiscal Years
(unaudited)**

Appropriation Funding Elements	For the Year Ended August 31,				
	2014 ²	2013	2012	2011	2010
State Appropriation Contact Hour Funding (CH)	\$ 29,252,294	\$ 29,422,391	\$ 29,422,391	\$ 29,536,937	\$ 29,745,024
State Appropriation Student Success Points (SSP)	3,383,781	-	-	-	-
State Appropriation Core Operations (CO)	500,000	-	-	-	-
State Appropriation Bachelor of Applied Technology (BAT)	-	-	-	-	-
State Appropriation Non-Formula Items	-	-	-	-	93,782

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**State Appropriation per FTSE
Last Ten Fiscal Years**

Fiscal Year	State Appropriation (Unrestricted) From Sch C	FTSE¹	State Appropriation per FTSE
2019*	\$ 35,511,392	26,155	\$ 1,358
2018	35,512,154	25,052	1,418
2017	33,739,730	24,314	1,388
2016	33,685,576	23,709	1,421
2015	33,136,075	22,319	1,485
2014	33,136,075	23,185	1,429
2013	31,087,895	23,510	1,322
2012	30,210,041	22,694	1,331
2011	29,536,937	22,268	1,326
2010	29,838,806	21,969	1,358

¹ Fiscal Year (FY) FTSE is equal to The Sum of State Funded (Fall SCH + Spring SCH + Summer SCH for the Current FY/30SCH) plus State Funded Continuing Education (Fall CH + Spring CH + Summer CH for the Current FY/900 CH).

*FY Year Formula Funding Changed Methodology

Source: CBM004 and CBM00C

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	CH - State Appropriation (Unrestricted)¹	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Contact Hours	CH - State Appropriation per Funded Contact Hour
2019*	\$ 31,084,468	10,904,854	1,606,672	625,733	13,137,259	\$ 2.37
2018	31,084,468	10,451,199	1,421,600	625,735	12,498,534	2.49
2017	29,864,582	9,890,990	1,369,872	633,393	11,894,255	2.51
2016	29,923,738	9,555,760	1,348,656	665,890	11,570,306	2.59
2015	29,252,294	8,977,240	1,363,840	615,142	10,956,222	2.67
2014	29,252,294	9,332,840	1,388,352	629,499	11,350,691	2.58
2013	29,422,391	9,377,528	1,372,912	659,484	11,409,924	2.58
2012	29,422,391	9,300,792	1,322,016	585,755	11,208,563	2.62
2011	29,536,937	9,383,992	1,271,888	530,841	11,186,721	2.64
2010	29,745,024	8,979,768	1,235,792	578,603	10,794,163	2.76

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

¹ State Funded Contact Hour Appropriations as it appears in Schedule 6a

*FY Year formula Funding Changed Methodology

Source CBM00C and CBM00C

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**State Appropriation Per Student Success Point - Annualized
Last Six Fiscal Years¹
(unaudited)**

Fiscal Year	SSP - State Appropriation (Unrestricted)²	3-Year Average Student Success Points³	Appropriation per Student Success Point
2019*	\$ 3,735,127	43,544	\$ 86
2018	3,735,128	43,544	86
2017	3,320,992	38,485	86
2016	3,320,993	38,485	86
2015	3,383,781	36,557	93
2014	3,383,781	36,557	93

¹Schedule is intended to include 10 years, additional years will be presented as they become available.

² State Funded student success point appropriation as presented in Schedule 6a

³ Source: THECB - Ten Pay Schedule

*FY Year formula Funding Changed Methodology. The formula funding methodology was changed in fiscal year 2014 to include appropriations based on student success points. As such, appropriations per student success point are not applicable for fiscal years prior to 2014.

Statistical Supplement 6e

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Student Success Points (SSP)
Last Three Fiscal Years¹
(unaudited)**

Success Point Elements ²	Fiscal Year			Total
	2018	2017	2016	
Degrees or Certs in Critical Fields	1,136	1,008	889	3,033
Degrees, CCCs, or Certs (Undup)	8,338	8,078	7,312	23,728
Math Readiness	1,040	1,064	837	2,941
Read Readiness	478	488	383	1,349
Student Transfers to a 4-Yr Inst	6,196	5,988	6,254	18,438
Students Who Complete 15 SCH	9,538	9,205	8,130	26,873
Students Who Complete 30 SCH	5,927	5,523	5,217	16,667
Students Who Pass FCL Math Course	6,054	5,728	5,529	17,311
Students Who Pass FCL Read Course	6,368	5,940	5,450	17,758
Students Who Pass FCL Write Course	6,215	5,765	5,309	17,289
Write Readiness	332	458	357	1,147
Grand Total	51,622	49,245	45,667	146,534

¹ Student Success Points funding was established by The General Appropriations Act, SB1, 83rd Texas Legislature. As such, SSP data is only available beginning in year 2010 and forward. Schedule is intended to show 10 years, additional years will be displayed as they become available.

² These are annual weighted SSP, not 3-year rolling averages.

* Formula funding methodology changed in Fiscal Year 2014.

Source: THECB Ten-Pay Schedule

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2019	2018	2017	2016	2015
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
Atmos Energy/Mid Tex Division	Commercial	253,817,943	174,619,058	-	-	-
Bank of America	Commercial	280,562,279	248,522,533	198,249,810	438,945,810	386,940,931
BCS Office Investments One LP	Commercial	-	-	-	362,453,234	329,153,747
Blue Star HQ Inc	Commercial	210,342,421	201,017,500	-	-	-
Briar Preston Ridge Shop. Ctr.	Commercial	-	-	-	121,936,281	121,815,390
Capital One National Association	Commercial	232,838,352	216,428,297	190,788,000	149,429,000	147,883,770
Cisco Systems	Commercial	-	-	-	-	163,176,492
Cisco Systems Sales & Service Inc	Commercial	194,800,000	181,600,000	155,000,000	135,112,776	122,829,796
Corporate Properties Trust I SPE #1 LLC	Commercial	711,682,592	720,068,550	685,493,462	-	-
Coventry II DDR	Commercial	-	-	-	-	-
Electronic Data Systems Corp	Computer Center	-	-	-	-	-
EMC Corp	Commercial	-	-	-	-	122,159,054
Health Care Service Corporation	Commercial	335,422,191	292,703,563	257,500,000	234,520,075	234,520,075
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
IBM Credit	Commercial	-	-	-	-	-
JC Penney Co. Inc.	Commercial	-	-	-	166,000,000	165,336,836
JP Morgan Chase Bank NA	Commercial	362,487,692	312,538,085	140,967,122	-	-
KBSIII Legacy Town Center LLC	Commercial	-	163,915,077	154,458,567	-	-
KDC-Galatyn Investments LLP	Commercial	-	-	-	-	-
Legacy Campus LP	Commercial	-	-	139,524,292	133,735,904	139,950,145
Legacy West Investors LP	Commercial	378,750,238	340,861,050	221,702,635	-	-
Liberty Mutual Plano LLC	Commercial	377,568,425	345,798,915	-	-	-
Oncor/TXU/Lone Star Gas	Public Utility	570,400,831	544,867,308	511,950,135	543,516,118	541,253,800
Qorvo Texas LLC	Manufacturer	196,551,827	-	-	190,075,709	-
SI DFW01 ABS LLC	Commercial	224,700,000	-	-	-	-
Silos Harvesting Partners LP	Commercial	389,652,603	310,000,000	245,000,000	-	-
Stonebriar Mall Ltd. Partnership	Commercial	330,831,345	321,459,957	294,907,713	287,982,811	276,304,342
T-Mobile West LLC	Commercial	167,217,724	-	-	-	-
Texas Heart Hospital of the Southwest LLP	Commercial	177,346,413	-	-	-	-
Texas Instruments, Inc	Manufacturer	171,414,883	190,297,524	195,581,438	-	-
T5@Dallas LLC	Commercial	-	-	-	146,000,000	125,500,000
Toyota Motor North America INC	Manufacturer	613,365,733	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	162,926,685	160,963,346	-	-	-
Village at Allen LP	Commercial	-	-	154,189,216	147,302,454	144,273,092
Wal-Mart Stores Texas LLC	Commercial	-	-	-	-	139,644,608
Watters Creek LLC	Commercial	-	-	-	117,750,824	-
Willow Bend Shopping Center	Commercial	-	-	-	140,600,000	200,800,000
Totals		\$ 6,342,680,177	\$ 5,851,046,933	\$ 4,691,961,486	\$ 3,895,213,160	\$ 3,833,527,209
Total Taxable Assessed Value		\$ 137,950,848,816	\$ 125,262,578,238	\$ 110,609,710,642	\$ 97,729,259,604	\$ 88,130,253,906

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2019	2018	2017	2016	2015
394 Pacific DCD LLC	Commercial	-	0.15%	0.15%	-	-
AT&T Mobility LLC	Telephone Utility	-	0.15%	0.14%	0.17%	0.21%
Atmos Energy/Mid Tex Division	Commercial	0.20%	0.14%	-	-	-
Bank of America	Commercial	0.22%	0.20%	0.18%	0.45%	0.44%
BCS Office Investments One LP	Commercial	-	-	-	0.37%	0.37%
Blue Star HQ Inc	Commercial	0.17%	0.16%	-	-	-
Briar Preston Ridge Shop. Ctr.	Commercial	-	0.00%	-	0.12%	0.14%
Capital One National Association	Commercial	0.19%	0.17%	0.17%	0.15%	0.17%
Cisco Systems	Commercial	-	-	-	-	0.19%
Cisco Systems Sales & Service Inc	Commercial	0.16%	0.14%	0.14%	0.14%	0.14%
Corporate Properties Trust I SPE #1 LLC	Commercial	0.57%	0.57%	0.62%	-	-
Coventry II DDR	Commercial	-	-	-	-	-
Electronic Data Systems Corp	Computer Center	-	-	-	-	-
EMC Corp	Commercial	-	-	-	-	0.14%
Health Care Service Corporation	Commercial	0.27%	0.23%	0.23%	0.24%	0.27%
HP Enterprise Services LLC	Commercial	-	-	0.16%	0.15%	0.17%
HSP of Texas Inc	Commercial	-	-	0.13%	0.15%	0.16%
IBM Credit	Commercial	-	-	-	-	-
JC Penney Co. Inc.	Commercial	-	-	-	0.17%	0.19%
JP Morgan Chase Bank NA	Commercial	0.29%	0.25%	0.13%	-	-
KBSIII Legacy Town Center LLC	Commercial	-	0.13%	0.14%	-	-
KDC-Galatyn Investments LLP	Commercial	-	-	-	-	-
Legacy Campus LP	Commercial	-	-	0.13%	0.14%	0.16%
Legacy West Investors LP	Commercial	0.30%	0.27%	0.20%	-	-
Liberty Mutual Plano LLC	Commercial	0.30%	0.28%	-	-	-
Oncor/TXU/Lone Star Gas	Public Utility	0.46%	0.43%	0.46%	0.56%	0.61%
Qorvo Texas LLC	Manufacturer	0.16%	-	-	0.19%	-
Silos Harvesting Partners LP	Commercial	0.18%	0.25%	0.22%	-	-
Stonebriar Mall Ltd. Partnership	Commercial	0.26%	0.26%	0.27%	0.29%	0.31%
Texas Instruments, Inc	Manufacturer	0.13%	0.15%	0.18%	-	-
T5@Dallas LLC	Commercial	-	-	-	0.15%	0.14%
Toyota Motor North America INC	Manufacturer	0.14%	0.47%	0.32%	-	-
UDR Legacy Village LLC	Commercial	0.14%	0.12%	0.13%	-	-
United Dominion Realty LP	Commercial	-	-	-	0.13%	-
VAA Improvements LLC	Commercial	0.49%	0.13%	-	-	-
Village at Allen LP	Commercial	-	-	0.14%	0.15%	0.16%
Wal-Mart Stores Texas LLC	Commercial	-	-	-	-	0.16%
Watters Creek LLC	Commercial	0.13%	-	-	0.12%	-
Willow Bend Shopping Center	Commercial	-	-	-	0.14%	0.23%
Totals		4.75%	4.67%	4.24%	3.99%	4.35%

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				
		2014	2013	2012	2011	2010
394 Pacific DCD LLC	Commercial	\$ -	\$ -	\$ -	\$ -	\$ -
AT&T Mobility LLC	Telephone Utility	175,236,979	137,198,694	150,721,071	-	132,990,356
Atmos Energy/Mid Te	Commercial	-	-	-	-	-
Bank of America	Commercial	320,720,305	321,486,177	132,676,129	141,863,601	-
BCS Office Investmen	Commercial	-	-	-	-	-
Blue Star HQ Inc	Commercial	-	-	-	-	-
Briar Preston Ridge SI	Commercial	121,741,860	-	118,250,000	116,000,000	125,000,000
Capital One National	Commercial	142,606,357	-	-	-	-
Cisco Systems	Commercial	159,890,798	163,098,708	171,484,217	-	-
Cisco Systems Sales &	Commercial	115,958,112	-	-	-	-
Corporate Properties	Commercial	-	-	-	-	-
Coventry II DDR	Commercial	-	-	-	121,100,000	111,700,000
Electronic Data Syster	Computer Center	-	135,149,181	-	-	-
EMC Corp	Commercial	137,003,309	-	-	126,362,835	-
Health Care Service C	Commercial	211,520,075	209,172,377	208,172,377	251,131,329	-
HP Enterprise Service	Commercial	-	-	-	-	-
HSP of Texas Inc	Commercial	114,469,428	-	-	-	-
IBM Credit	Commercial	116,205,684	135,149,181	-	-	127,971,038
JC Penney Co. Inc.	Commercial	161,355,729	164,974,971	163,195,767	159,971,610	161,877,423
JP Morgan Chase Ban	Commercial	-	-	-	-	-
KBSIII Legacy Town C	Commercial	113,067,926	-	-	-	-
KDC-Galatyn Investm	Commercial	-	-	-	-	237,172,377
Legacy Campus LP	Commercial	126,045,001	-	152,500,000	148,990,000	-
Legacy West Investor	Commercial	-	-	-	-	-
Liberty Mutual Plano I	Commercial	-	-	-	-	-
Oncor/TXU/Lone Star	Public Utility	519,537,661	495,218,356	461,211,196	451,374,380	439,174,980
Qorvo Texas LLC	Manufacturer	-	-	-	-	-
SI DFW01 ABS LLC	Commercial	-	-	-	-	-
Silos Harvesting Partn	Commercial	-	-	-	-	-
Stonebriar Mall Ltd. P	Commercial	260,753,175	239,971,384	232,137,734	226,514,276	221,706,370
T-Mobile West LLC	Commercial	-	-	-	-	-
Texas Heart Hospital	Commercial	-	-	-	-	-
Texas Instruments, Ir	Manufacturer	-	-	-	-	-
T5@Dallas LLC	Commercial	112,001,268	-	-	-	-
Toyota Motor North A	Manufacturer	-	-	-	-	-
UDR Legacy Village LI	Commercial	-	-	-	-	-
United Dominion Real	Commercial	-	-	-	-	-
VAA Improvements LL	Commercial	-	-	-	-	-
Village at Allen LP	Commercial	144,127,995	142,468,550	136,534,873	139,937,198	113,881,870
Wal-Mart Stores Texa	Commercial	125,878,773	-	-	-	-
Watters Creek LLC	Commercial	-	-	-	-	-
Willow Bend Shopping	Commercial	-	-	-	-	110,000,000
Totals		\$ 3,320,702,066	\$ 2,143,887,579	\$ 1,926,883,364	\$ 1,883,245,229	\$ 1,781,474,414
Total Taxable Assessed Value		\$ 80,470,937,890	\$ 75,781,388,098	\$ 73,592,994,694	\$ 73,187,370,452	\$ 72,804,521,749

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2014	2013	2012	2011	2010
394 Pacific DCD LLC	Commercial	-	-	-	-	-
AT&T Mobility LLC	Telephone Utility	0.22%	0.18%	0.20%	-	0.18%
Atmos Energy/Mid Te	Commercial	-	-	-	-	-
Bank of America	Commercial	0.40%	0.42%	0.18%	0.19%	-
BCS Office Investmen	Commercial	-	-	-	-	-
Blue Star HQ Inc	Commercial	-	-	-	-	-
Briar Preston Ridge SI	Commercial	0.15%	-	0.16%	0.16%	0.17%
Capital One National	Commercial	0.18%	-	-	-	-
Cisco Systems	Commercial	0.20%	0.22%	0.23%	-	-
Cisco Systems Sales &	Commercial	0.14%	-	-	-	-
Corporate Properties	Commercial	-	-	-	-	-
Coventry II DDR	Commercial	-	-	-	0.17%	0.15%
Electronic Data Syster	Computer Center	-	0.18%	-	-	-
EMC Corp	Commercial	0.17%	-	-	0.17%	-
Health Care Service C	Commercial	0.26%	0.28%	0.28%	0.34%	-
HP Enterprise Service	Commercial	-	-	-	-	-
HSP of Texas Inc	Commercial	0.14%	-	-	-	-
IBM Credit	Commercial	0.14%	0.18%	-	-	0.18%
JC Penney Co. Inc.	Commercial	0.20%	0.22%	0.22%	0.22%	0.22%
JP Morgan Chase Ban	Commercial	-	-	-	-	-
KBSIII Legacy Town C	Commercial	0.14%	-	-	-	-
KDC-Galatyn Investm	Commercial	-	-	-	-	0.33%
Legacy Campus LP	Commercial	0.16%	-	0.21%	0.20%	-
Legacy West Investor	Commercial	-	-	-	-	-
Liberty Mutual Plano I	Commercial	-	-	-	-	-
Oncor/TXU/Lone Star	Public Utility	0.65%	0.65%	0.63%	0.62%	0.60%
Qorvo Texas LLC	Manufacturer	-	-	-	-	-
Silos Harvesting Partn	Commercial	-	-	-	-	-
Stonebriar Mall Ltd. P	Commercial	0.32%	0.32%	0.32%	0.31%	0.30%
Texas Instruments, Ir	Manufacturer	-	-	-	-	-
T5@Dallas LLC	Commercial	0.14%	-	-	-	-
Toyota Motor North A	Manufacturer	-	-	-	-	-
UDR Legacy Village LI	Commercial	-	-	-	-	-
United Dominion Real	Commercial	-	-	-	-	-
VAA Improvements LL	Commercial	-	-	-	-	-
Village at Allen LP	Commercial	0.18%	0.19%	0.19%	0.19%	0.16%
Wal-Mart Stores Texa	Commercial	0.16%	-	-	-	-
Watters Creek LLC	Commercial	-	-	-	-	-
Willow Bend Shopping	Commercial	-	-	-	-	0.15%
Totals		4.13%	2.83%	2.62%	2.57%	2.45%

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
2019	\$112,145	\$2,631	\$114,776	\$111,448	97.10%	\$830	\$619	\$112,897	98.36%
2018	100,783	2,267	103,050	99,383	96.44%	844	544	100,771	97.79%
2017	91,096	2,941	94,037	89,217	94.87%	1,157	648	91,022	96.79%
2016	82,019	2,092	84,111	80,484	95.69%	1,239	597	82,320	97.87%
2015	73,897	1,544	75,441	72,385	95.95%	818	496	73,699	97.69%
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%

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,				
	2019	2018	2017	2016	2015
General Bonded Debt					
General Obligation Bonds	\$ 256,487,832	\$ 264,388,553	\$ 14,843,861	\$ 17,206,467	\$ 31,787,200
Less: Funds restricted for debt service	(6,342,738)	(2,250,198)	(894,905)	(552,079)	(364,843)
Net General Bonded Debt	<u>250,145,094</u>	<u>262,138,355</u>	<u>13,948,956</u>	<u>16,654,388</u>	<u>31,422,357</u>
Other Debt					
Revenue Bonds	-	-	1,095,000	2,160,000	3,195,000
Net Revenue Bonds	<u>-</u>	<u>-</u>	<u>1,095,000</u>	<u>2,160,000</u>	<u>3,195,000</u>
Total Net Outstanding Debt	<u>\$ 250,145,094</u>	<u>\$ 262,138,355</u>	<u>\$ 15,043,956</u>	<u>\$ 18,814,388</u>	<u>\$ 34,617,357</u>
Total Gross Amount of Outstanding Debt	<u>\$ 256,487,832</u>	<u>\$ 264,388,553</u>	<u>\$ 15,938,861</u>	<u>\$ 19,366,467</u>	<u>\$ 34,982,200</u>
General Bonded Debt Ratios					
Per Capita	248.86	270.36	14.85	18.22	35.50
Per FTSE	9,564	10,464	574	702	1,408
As a percentage of Taxable Assessed Value	0.18%	0.21%	0.01%	0.02%	0.04%
Total Outstanding Debt Ratios					
Per Capita	255.17	272.68	16.96	21.19	39.52
Per FTSE	9,564	10,464	619	794	1,551
As a percentage of Taxable Assessed Value	0.18%	0.21%	0.01%	0.02%	0.04%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31,				
	2014	2013	2012	2011	2010
General Bonded Debt					
General Obligation Bonds	\$ 34,805,723	\$ 37,694,245	\$ 40,467,768	\$ 43,111,290	\$ 45,980,000
Less: Funds restricted for debt service	-	(3,755,162)	(3,375,209)	(3,009,581)	(2,880,577)
Net General Bonded Debt	<u>34,805,723</u>	<u>33,939,083</u>	<u>37,092,559</u>	<u>40,101,709</u>	<u>43,099,423</u>
Other Debt					
Revenue Bonds	<u>4,195,000</u>	<u>5,165,000</u>	<u>6,111,000</u>	<u>7,025,000</u>	<u>7,915,000</u>
Net Revenue Bonds	<u>4,195,000</u>	<u>5,165,000</u>	<u>6,111,000</u>	<u>7,025,000</u>	<u>7,915,000</u>
Total Outstanding Debt	<u>\$ 39,000,723</u>	<u>\$ 39,104,083</u>	<u>\$ 43,203,559</u>	<u>\$ 47,126,709</u>	<u>\$ 51,014,423</u>
Total Gross Amount of Outstanding Debt	<u>\$ 39,000,723</u>	<u>\$ 42,859,245</u>	<u>\$ 46,578,768</u>	<u>\$ 50,136,290</u>	<u>\$ 53,895,000</u>
General Bonded Debt Ratios					
Per Capita	40.72	40.66	46.11	50.62	54.66
Per FTSE	1,501	1,444	1,634	1,801	1,962
As a percentage of Taxable Assessed Value	0.04%	0.04%	0.05%	0.05%	0.06%
Total Outstanding Debt Ratios					
Per Capita	659.40	51.35	57.91	63.29	68.35
Per FTSE	1,682	1,663	1,904	2,116	2,322
As a percentage of Taxable Assessed Value	0.05%	0.05%	0.06%	0.06%	0.07%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31				
	2019	2018	2017	2016	2015
Taxable Assessed Value	\$ 137,950,848,816	\$ 125,262,578,238	\$ 110,609,710,642	\$ 97,729,259,604	\$ 88,130,253,906
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$16,554,101,858	\$15,031,509,389	\$13,273,165,277	\$11,727,511,152	\$10,575,630,469
Less: Funds Restricted for Repayment of General Obligations	6,342,738	2,250,198	894,905	552,079	364,843
Total Net General Obligation Debt	16,547,759,120	15,029,259,191	13,272,270,372	11,726,959,073	10,575,265,626
Less: Current Year Debt Service Requirements	20,561,942	3,107,481	3,095,281	4,567,230	4,470,731
Excess Statutory Limit for Debt Service Over Current Requirements	\$ 16,527,197,178	\$ 15,026,151,710	\$ 13,269,175,091	\$ 11,722,391,843	\$ 10,570,794,895
Net Current Requirements as a % of Statutory Limit	0.16%	0.04%	0.03%	0.04%	0.05%

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31				
	2014	2013	2012	2011	2010
Taxable Assessed Value	\$ 80,470,937,890	\$ 75,781,388,098	\$ 73,592,994,694	\$ 73,187,370,452	\$ 72,804,521,749
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$9,656,512,547	\$9,093,766,572	\$8,831,159,363	\$8,782,484,454	\$8,736,542,610
Less: Funds Restricted for Repayment of General Obligations	2,063,560	3,755,162	3,375,209	3,009,581	2,880,577
Total Net General Obligation Debt	9,654,448,987	9,090,011,410	8,827,784,154	8,779,474,873	8,733,662,033
Less: Current Year Debt Service Requirements Excess Statutory Limit for Debt Service Over Current Requirements	4,447,626	4,381,998	4,356,365	6,023,225	5,617,732
	<u>\$ 9,650,001,361</u>	<u>\$ 9,085,629,412</u>	<u>\$ 8,823,427,789</u>	<u>\$ 8,773,451,648</u>	<u>\$ 8,728,044,301</u>
Net Current Requirements as a % of Statutory Limit	0.07%	0.09%	0.09%	0.10%	0.10%

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
2019 ¹	\$ -	\$ -	\$ -	\$ -
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

¹ Currently the District has no outstanding or pledged revenue bonds

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Pledged Revenues		Debt Service Requirements			
Bookstore Commission	Total	Principal	Interest	Total	Coverage Ratio
\$ -	\$ -	\$ -	\$ -	\$ -	-
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

Statistical Supplement 12

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	District Population¹	District Personal Income (\$ in thousands)²	District Personal Income Per Capita	District Unemployment Rate³
2019	1,005,146	\$ 62,078,378	\$ 64,025	3.1%
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. 2019 from July 2018 US Census Bureau estimate.

2 Personal Income from U.S. Bureau of Economic Analysis - 2014 and prior. Data for 2011, 2018 and 2019 obtained from Texas Association of Counties.

3 Unemployment rate from Texas Workforce Commission LCMI Tracer. Data for 2018 obtained from Texas Association of Counties. Data for 2019 from Texas Workforce Commission, 2017 data.

* 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	2019		2010	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
State Farm Insurance	8,000	1.49%	-	-
Frisco ISD	7,048	1.31%	4,700	1.26%
Plano Independent School District	6,983	1.30%	6,726	1.81%
Capital One Finance	5,003	0.93%	1,415	0.38%
Bank of America Home Loans (formerly Countrywide)	4,500	0.84%	9,410	2.19%
Toyota Motor North American, Inc.	3,859	0.72%	-	-
Raytheon	3,335	0.62%	2,500	0.67%
McKinney ISD	2,788	0.52%	2,622	0.70%
Ericsson Headquarters	2,703	0.50%	-	-
University of Texas at Dallas	2,674	0.50%	2,830	0.76%
Liberty Mutual Insurance Company	2,661	0.49%	-	-
Allen ISD	2,660	0.49%	2,348	0.63%
City of Plano	2,510	0.47%	1,256	0.34%
J.C. Penney Company, Inc.	2,420	0.45%	5,100	1.37%
Collin County Community College District	2,219	0.41%	1,665	0.45%
NTT DATA Services (formerly Dell Services)	2,159	0.40%	-	-
JP Morgan Chase	2,000	0.37%	-	-
Cisco Systems	2,000	0.37%	-	-
Collin County	1,942	0.36%	-	-
Frito-Lay	1,712	0.32%	-	-
United Healthcare	1,700	0.32%	-	-
Fujitsu	1,700	0.32%	-	-
Texas Health Plano (formerly Presbyterian Hospital Plano)	1,680	0.31%	1,488	0.40%
Torchmark	1,640	0.30%	-	-
Medical City Plano (formerly Medical Center of Plano)	1,600	0.30%	1,348	0.36%
Encore Wire	1,350	0.25%	-	-
Keurig Dr Pepper	1,250	0.23%	-	-
USAA (United Services Automobile Association)	1,200	0.22%	-	-
McAfee (formerly known as Intel Security)	1,100	0.20%	-	-
Nokia (former Alcatel-Lucent)	1,100	0.20%	2,023	0.54%
FedEx Office	1,087	0.20%	-	-
DXC Technology (formerly Hewlett Packard Enterprise)	1,000	0.19%	1,200	0.32%
Perot Systems Corporated	-	-	2,697	0.72%
CHC Acquisition Corporation	-	-	2,000	0.54%
Electronic Data Systems Corp (purchased by HP in 2008)	-	-	5,000	1.34%
	85,583	14.42%	56,328	14.79%

Source: 2019 data from Plano Economic Development Board and Local University and School District websites

2010 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				
	2019	2018	2017	2016	2015
Faculty					
Full-Time	436	402	395	409	396
Part-Time	952	1,000	945	905	885
Total	1388	1,402	1,340	1,314	1,281
Percent					
Full-Time	31.4%	28.7%	29.5%	31.1%	30.9%
Part-Time	68.6%	71.3%	70.5%	68.9%	69.1%
Staff and Administrators					
Full-Time	735	685	648	626	638
Part-Time	576	599	599	583	610
Total	1311	1,284	1,247	1,209	1,248
Percent					
Full-Time	56.1%	53.3%	52.0%	51.8%	51.1%
Part-Time	43.9%	46.7%	48.0%	48.2%	48.9%
FTSE per Full-Time Faculty	59.99	62.32	61.55	57.97	56.36
FTSE per Full-Time Staff Member	35.59	36.57	37.52	37.87	34.98
Average Annual Faculty Salary	\$ 69,311	\$ 66,728	\$ 65,167	\$ 62,315	\$ 60,412

Source: FTSE as reported on CBM001/CBM00A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year				
	2014	2013	2012	2011	2010
Faculty					
Full-Time	372	361	356	350	319
Part-Time	880	845	846	931	836
Total	<u>1,252</u>	<u>1,206</u>	<u>1,202</u>	<u>1,281</u>	<u>1,155</u>
Percent					
Full-Time	29.7%	29.9%	29.6%	27.3%	27.6%
Part-Time	70.3%	70.1%	70.4%	72.7%	72.4%
Staff and Administrators					
Full-Time	614	577	580	580	575
Part-Time	578	555	565	549	564
Total	<u>1,192</u>	<u>1,132</u>	<u>1,145</u>	<u>1,129</u>	<u>1,139</u>
Percent					
Full-Time	51.5%	51.0%	50.7%	51.4%	50.5%
Part-Time	48.5%	49.0%	49.3%	48.6%	49.5%
FTSE per Full-Time Faculty	62.33	65.12	63.75	63.62	68.87
FTSE per Full-Time Staff Member	37.76	40.75	39.13	38.39	38.21
Average Annual Faculty Salary	\$ 57,209	\$ 56,614	\$ 54,821	\$ 55,392	\$ 55,231

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

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

Ethnic Origin	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	16,309	48%	15,508	51%	14,961	51%	14,676	52%	14,786	53%
Hispanic	6,867	20%	6,249	20%	5,699	19%	5,360	19%	5,190	19%
African American	3,798	11%	3,644	12%	3,361	11%	3,264	12%	3,384	12%
Asian	3,641	11%	3,292	10%	2,903	10%	2,592	9%	2,396	9%
Foreign	794	2%	1,008	3%	1,173	4%	908	3%	891	3%
Native American	135	0%	134	0%	136	0%	137	0%	124	0%
Other	2,133	6%	1,784	6%	1,470	5%	1,250	4%	1,220	4%
Total	33,677	100%	31,619	100%	29,703	100%	28,187	100%	27,991	100%

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

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

**Transfers to Senior Institutions
2017 Fall Students as of Fall 2018
(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	0.0109%
ACCD-Northwest Vista College	2	1	-	3	0.0327%
AACD-Palo Alto College	1	-	-	1	0.0109%
ACCD-San Antonio College	3	1	-	4	0.0435%
ACCD-St. Phillip's College	-	1	-	1	0.0109%
Alvin Community College	1	1	-	2	0.0218%
Amarillo College	2	1	-	3	0.0327%
Angelina College	1	-	-	1	0.0109%
Austin Community College	40	15	-	55	0.5987%
Blinn College	71	40	-	111	1.2082%
Central Texas College	2	1	-	3	0.0327%
Clarendon College	2	-	-	2	0.0218%
Coastal Bend College	2	-	-	2	0.0218%
Collin County Community College District	993	178	1	1,172	12.7572%
Dallas County Community College District	253	130	-	383	4.1689%
Del Mar College	1	-	-	1	0.0109%
El Paso Community College District	5	-	-	5	0.0544%
Grayson County College	33	34	-	67	0.7293%
HCJCD-Howard College	-	1	-	1	0.0109%
Hill College	2	-	-	2	0.0218%
Houston Community College System	8	2	-	10	0.1088%
Kilgore College	3	2	-	5	0.0544%
Lamar State College - Port Arthur	-	1	-	1	0.0109%
Lone Star Community College System	6	4	-	10	0.1088%
McLennan Community College	2	-	-	2	0.0218%
Midland College	-	1	-	1	0.0109%
Navarro College	6	5	-	11	0.1197%
North Central Texas College	45	18	-	63	0.6858%
Northeast Texas Community College	1	2	-	3	0.0327%
Odessa College	1	-	-	1	0.0109%
Paris Junior College	17	5	-	22	0.2395%
Ranger College	1	1	-	2	0.0218%
San Jacinto College	5	-	-	5	0.0544%
South Plains College	9	7	-	16	0.1742%
South Texas College	1	2	-	3	0.0327%
Tarrant County College District	23	13	-	36	0.3919%
Temple College	1	3	-	4	0.0435%
Texarkana College	-	1	-	1	0.0109%
Texas Southmost College	-	1	-	1	0.0109%
Texas State Technical College-North Texas	-	1	-	1	0.0109%
Texas State Technical College-Waco	5	3	-	8	0.0871%
Texas State Technical College-West Texas	1	-	-	1	0.0109%
Trinity Valley Community College	9	4	-	13	0.1415%
Tyler Junior College	19	8	-	27	0.2939%
Vernon College	1	-	-	1	0.0109%
Weatherford College	3	2	-	5	0.0544%
Western Texas College	1	-	-	1	0.0109%
Wharton County Junior College	1	-	-	1	0.0109%
Total	1,583	491	1	2,073	22.5645%

Statistical Supplement 17

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfers to Senior Institutions
2018 Fall Students as of Fall 2019
(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	9	4	-	13	0.1415%
Lamar University	3	3	1	7	0.0762%
Midwestern State University	42	25	-	67	0.7293%
Prairie View A&M University	15	6	-	21	0.2286%
Sam Houston State University	42	15	-	57	0.6204%
Stephen F. Austin State University	117	52	2	171	1.8613%
Sul Ross State University	1	-	-	1	0.0109%
Tarleton State University	62	30	1	93	1.0123%
Texas A&M International University	2	-	-	2	0.0218%
Texas A&M University	379	190	1	570	6.2044%
Texas A&M University - Commerce	307	63	3	373	4.0601%
Texas A&M University - Corpus Christi	15	17	-	32	0.3483%
Texas A&M University - Galveston	7	5	-	12	0.1306%
Texas A&M University - Kingsville	3	1	-	4	0.0435%
Texas A&M University - San Antonio	1	1	-	2	0.0218%
Texas A&M University - Texarkana	4	3	-	7	0.0762%
Texas Southern University	2	1	-	3	0.0327%
Texas State University - San Marcos	180	77	2	259	2.8192%
Texas Tech University	377	254	3	634	6.9011%
Texas Woman's University	274	131	1	406	4.4193%
The University of Texas - Rio Grande Valley	2	-	-	2	0.0218%
The University of Texas at Arlington	188	85	-	273	2.9716%
The University of Texas at Austin	278	144	1	423	4.6043%
The University of Texas at Dallas	1,455	592	8	2,055	22.3686%
The University of Texas at El Paso	5	3	-	8	0.0871%
The University of Texas at San Antonio	25	7	-	32	0.3483%
The University of Texas at Tyler	28	9	-	37	0.4027%
The University of Texas of the Permian Basin	5	4	-	9	0.0980%
University of Houston	47	12	-	59	0.6422%
University of North Texas	1,059	269	3	1,331	14.4879%
University of North Texas at Dallas	16	1	-	17	0.1850%
West Texas A&M University	18	5	-	23	0.2504%
Total	4,968	2,009	26	7,003	76.2273%
Health Science Institutions					
Texas A&M Univ Health Science Center	9	5	-	14	0.1524%
Texas Tech Univ Health Sciences Center	32	30	-	62	0.6749%
Texas Tech Univ Health Sciences Center - El Paso	1	-	-	1	0.0109%
The Univ of Texas Health Science Ctr at Houston	1	1	-	2	0.0218%
The Univ of Texas Health Science Ctr at San Antonio	-	3	-	3	0.0327%
The Univ of Texas Medical Branch at Galveston	5	5	-	10	0.1088%
The University of Texas Southwestern Medical Center	5	1	-	6	0.0653%
The University of Texas - Rio Grande Valley - Medical Schoc	1	-	-	1	0.0109%
University of N Texas Health Science Ctr	6	6	-	12	0.1306%
Total	60	51	-	111	1.2082%
Grand Total	6,611	2,551	27	9,187	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Academic Building	12	12	11	11	9	9	9	9	9	9
Square Footage	1,244,952	1,244,952	1,105,585	1,105,585	957,433	957,433	957,433	883,571	809,709	806,634
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	295,429	206,539	206,539	206,539
Number of Volumes**	321,252	242,696	235,396	233,569	233,693	246,192	262,427	252,135	240,855	221,417
Administrative and Support Buildings										
Square Footage*	456,649	456,649	449,314	449,314	449,314	449,314	449,314	429,227	409,140	412,215
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	7	11	11	13	12	10	9	9	9
Light Trucks/Vans	42	30	24	22	20	23	17	17	16	16

* Comprise parts of various buildings.

**Includes accessible e-books



Single Audit Section

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

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, 2019 and 2018, 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 basic financial statements, and have issued our report thereon dated December 10, 2019.

Our report includes a reference to other auditors who audited the financial statements of the 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 10, 2019

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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 THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

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, 2019. 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; 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 *Uniform Grant Management Standards* (UGMS). Those standards, the Uniform Guidance, and the UGMS 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, 2019.

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 UGMS, 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 UGMS. Accordingly, this report is not suitable for any other purpose.



Dallas, Texas
December 10, 2019

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2019**

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	\$ 397,976	\$ -	\$ 397,976	\$ -
Federal Work-Study Program	84.033	397,871	-	397,871	-
Federal Pell Grant Program	84.063	23,069,827	-	23,069,827	-
Federal Direct Student Loans	84.268	14,495,304	-	14,495,304	-
Total Student Financial Assistance Cluster		38,360,978	-	38,360,978	-
Pass-Through from:					
Texas Higher Education Coordinating Board					
Career and Technical Education - Basic Grants to States 194226	84.048	-	650,928	650,928	-
Career and Technical Education -Leadership Grants 191104	84.048A	-	61,283	61,283	-
			-	712,211	-
Total U.S. Department of Education		\$ 38,360,978	\$ 712,211	\$ 39,073,189	\$ -
U.S. Department of Commerce					
Cluster Grant					
Direct Program:					
Economic Development Administration	11.020	172,844	-	172,844	-
U.S. Department of Justice					
Direct Program:					
Bulletproof Vest Partnership Program	16.607	3,716	-	3,716	-
U.S. Department of Transportation					
Direct Program:					
Commercial Motor Vehicle Operator Safety Training Grants	20.235	651	-	651	-
National Science Foundation					
Research and Development Cluster					
Direct Program:					
Education and Human Resources	47.076	394,570	-	394,570	-
Education and Human Resources	47.076	356,856	-	356,856	85,925
Education and Human Resources	47.076	329,289	-	329,289	51,611
Pass-Through from:					
Austin Community College District					
Education and Human Resources DUE-1501207	47.076	-	25,703	25,703	-
Florida State College at Jacksonville					
Education and Human Resources DUE-1501359	47.076	-	12,583	12,583	-
Columbus State Community College					
Education and Human Resources DUE-1700455	47.076	-	5,245	5,245	-
Total National Science Foundation		\$ 1,080,715	\$ 43,531	\$ 1,124,246	\$ 137,536
U.S. Small Business Administration					
Pass-Through from:					
Dallas County Community College District:					
Small Business Development Centers SBAHQ-18-B-0005	59.037	-	50,581	50,581	-
Small Business Development Centers SBAHQ-19-B-0021	59.037	-	245,022	245,022	-
Total U.S. Small Business Administration		\$ -	\$ 295,603	\$ 295,603	\$ -
Total Federal Financial Assistance		\$ 39,618,904	\$ 1,051,345	\$ 40,670,249	\$ 137,536

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, 2019**

Note 1: Federal assistance reconciliation

	FY 19
Additional Operating Revenues - Federal grants and contracts - per Schedule A	\$ 1,997,494
Add: Indirect/Administrative Costs Recoveries - per Schedule A	174,241
Add: Non Operating Revenues - Federal contracts and grants - per Schedule C	23,865,674
Total Federal Revenues per Schedule A and C	<u>\$26,037,409</u>
Reconciling items:	
Add: Funds passed through to others	\$ 137,536
Add: Direct Student Loans	14,495,304
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$40,670,249</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

NSF DUE-1700530:

Dallas County Community College	\$ 6,381
Florida State College at Jacksonville	3,670
Georgia Southern University	16,108
Lansing Community College	13,536
Lone Star College	1,306
Sinclair Community College	14,895
University of North Texas	30,029
Subtotal NSF DUE-1700530	<u>85,925</u>

NSF DUE-1838535

Lake Washington Institute of Technology	\$ 18,734
Lone Star College	8,837
Suffolk County Community College	24,040
Subtotal NSF DUE-1700530	<u>51,611</u>

Total amount passed-through \$ 137,536

Schedule F

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of State Awards
For the year ended August 31, 2019**

<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	0417SDF000	\$ (3,145)
FY 17 Skills for Small Business Program	0417SSD002	5,336
Skills Development in Partnership with a Supply Chain Consortium	0417SDF003	55,931
Skills Development in Partnership with a Business Consortium	0418SDF000	169,471
FY 19 Skills for Small Business Program	0419SSD002	3,251
Skills Development in Partnership with a Manufacturing Consortium	0419SDF002	43,377
Total Texas Workforce Commission		<u>274,221</u>
Texas Higher Education Coordinating Board		
2018 College Readiness and Success Models for 60x30TX	20515	72,765
Professional Nursing Shortage Program		88,609
Professional Nursing Shortage Reduction Over 70 Program		46,956
Texas Education Opportunity Grant-Renewal Year		419,727
Texas Education Opportunity Grant-Initial Year		664,754
College Access Loans		7,189
Total Texas Higher Education Coordinating Board		<u>1,300,000</u>
Pass-through from:		
Dallas County Community College District		
Small Business Development Center 17/18	SBAHQ-18-B-0005	4,169
Small Business Development Center 18/19	SBAHQ-19-B-0021	31,146
Total Small Business Development Center		<u>35,315</u>
Total State Financial Assistance		<u><u>\$ 1,609,536</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, 2019

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A
State Financial Assistance

Per Schedule of Expenditures of State Awards	\$ 1,609,536
Total State Revenues per Schedule A	<u>\$ 1,609,536</u>

Note 2: Significant accounting policies used in preparing the schedule

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2019

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:

CFDA/Grant Numbers/State Identifying Number Name of Federal and State Programs or Cluster

Major Federal Programs:

84.007, 84.033, 84.063, 84.268 Student Financial Assistance Cluster

Major State Programs:

Texas Education Opportunity Grant

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, 2019

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.



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, 2019
(with comparative totals at August 31, 2018)
(unaudited)

	Unrestricted Funds			Total
	Unrestricted	Startup & Stabilization	Auxiliary Enterprises	
Assets				
Cash and cash equivalents	\$ 110,556,321	\$ 40,783,087	\$ 900	\$ 151,340,308
Restricted cash and cash equivalents	-	-	-	-
Investments	87,159,580	4,722,171	-	91,881,751
Restricted investments	-	-	-	-
Accounts receivable (net of allowance for doubtful accounts of \$464,078 and \$625,640)	36,634,502	27,481	115,471	36,777,454
Tax receivable (net of allowance for doubtful accounts of \$630,965 and \$667,442)	528,696	-	-	528,696
Prepaid expenses	664,879	-	-	664,879
Consumable inventory	-	-	5,545	5,545
Capital assets	-	-	-	-
Total assets	\$ 235,543,978	\$ 45,532,739	\$ 121,916	\$ 281,198,633
Deferred outflows related to pensions	\$ 17,383,822	\$ -	\$ -	\$ 17,383,822
Deferred outflows related to OPEB	44,757,743	-	-	44,757,743
Total deferred outflows of outflows	\$ 62,141,565	\$ -	\$ -	\$ 62,141,565
Liabilities:				
Accounts payable / accrued liabilities	\$ 13,370,413	\$ 3,881	\$ 93,487	\$ 13,467,781
Interfund payable/(receivable)	20,493,398	829,365	(4,323,842)	16,998,921
Unearned revenues	22,270,073	-	393,750	22,663,823
Accrued compensable absences payable	1,284,527	-	-	1,284,527
Amounts held for others	365,227	-	-	365,227
Net pension liability	35,204,032	-	-	35,204,032
Net OPEB liability	65,510,490	-	-	65,510,490
Bonds payable	-	-	-	-
Total liabilities	\$ 158,498,160	\$ 833,246	\$ (3,836,605)	\$ 155,494,801
Deferred inflows related to pensions	\$ 3,335,757	\$ -	\$ -	\$ 3,335,757
Deferred inflows related to OPEB	25,356,761	-	-	25,356,761
Total deferred inflows of resources	\$ 28,692,518	\$ -	\$ -	\$ 28,692,518
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	55,644,865	44,699,493	3,958,521	104,302,879
Restricted:				
Student aid/non-governmental grants and contracts	-	-	-	-
Reserve for debt service	-	-	-	-
Net investment in plant	-	-	-	-
Total net position	\$ 110,494,865	\$ 44,699,493	\$ 3,958,521	\$ 159,152,879

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Fund - continued
As of August 31, 2019
(with comparative totals at August 31, 2018)
(unaudited)**

Building Fund	Plant Funds		Debt Service	Restricted	Totals (memorandum only)	
	2018 Bond Fund	Investment in Plant			2019	2018
\$ 88,686,398	\$ -	\$ -	\$ 6,342,738	\$ -	\$ 246,369,444	\$ 163,778,195
-	39,125,045	-	-	-	39,125,045	44,663,994
18,917,327	-	-	312,892	-	111,111,970	174,205,598
-	14,684,975	-	-	-	14,684,975	138,578,643
6,978	-	-	-	794,698	37,579,130	14,729,019
-	-	-	98,773	-	627,469	574,717
-	-	-	-	-	664,879	785,218
-	-	-	-	-	5,545	7,480
-	-	502,537,209	-	-	502,537,209	343,446,686
<u>\$ 107,610,703</u>	<u>\$ 53,810,020</u>	<u>\$ 502,537,209</u>	<u>\$ 6,754,403</u>	<u>\$ 794,698</u>	<u>\$ 952,705,666</u>	<u>\$ 880,769,550</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,383,822	\$ 7,977,836
-	-	-	-	-	44,757,743	977,187
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,141,565</u>	<u>\$ 8,955,023</u>
\$ 192,970	\$ 32,299,702	\$ -	\$ 416,780	\$ 110,177	\$ 46,487,410	\$ 16,980,238
(10,580,229)	(6,183,027)	3,456,794	(1,463,426)	(2,229,033)	-	-
-	-	-	-	1,260,152	23,923,975	22,219,139
-	-	-	-	-	1,284,527	1,215,922
-	-	-	-	-	365,227	361,962
-	-	-	-	-	35,204,032	19,684,288
-	-	-	-	-	65,510,490	31,319,220
-	21,693,345	234,794,487	-	-	256,487,832	264,388,553
<u>\$ (10,387,259)</u>	<u>\$ 47,810,020</u>	<u>\$ 238,251,281</u>	<u>\$ (1,046,646)</u>	<u>\$ (858,704)</u>	<u>\$ 429,263,493</u>	<u>\$ 356,169,322</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,335,757	\$ 7,845,059
-	-	-	-	-	25,356,761	6,924,831
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,692,518</u>	<u>\$ 14,769,890</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
-	-	-	-	-	24,750,000	24,750,000
-	-	-	-	-	30,000,000	30,000,000
117,997,962	6,000,000	-	-	-	228,300,841	200,215,611
-	-	-	-	1,653,402	1,653,402	1,232,058
-	-	-	7,801,049	-	7,801,049	67,687
-	-	264,285,928	-	-	264,285,928	262,417,005
<u>\$ 117,997,962</u>	<u>\$ 6,000,000</u>	<u>\$ 264,285,928</u>	<u>\$ 7,801,049</u>	<u>\$ 1,653,402</u>	<u>\$ 556,891,220</u>	<u>\$ 518,782,361</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position by Fund
For the year ended August 31, 2019
(with comparative totals for the year ended August 31, 2018)
(unaudited)

	Unrestricted Funds			Total
	Unrestricted	Startup & Stabilization	Auxiliary Enterprises	
Net Position - beginning of year	\$ 113,854,345	\$ 20,039,905	\$ 3,913,509	\$ 137,807,759
Revenues and other additions:				
Unrestricted current funds revenue	190,179,905	760,123	2,376,831	193,316,859
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>190,179,905</u>	<u>760,123</u>	<u>2,376,831</u>	<u>193,316,859</u>
Expenses and other deductions:				
Expenses	152,492,924	529,170	2,510,503	155,532,597
Increase in bonds payable	-	-	-	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness	-	-	-	-
Depreciation and loss on sale	-	-	-	-
Total expenditures and other additions	<u>152,492,924</u>	<u>529,170</u>	<u>2,510,503</u>	<u>155,532,597</u>
Transfers - additions (deductions):				
Mandatory transfers:				
Grant matching	(97,493)	-	-	(97,493)
Non-mandatory transfers	(40,948,968)	24,428,635	178,684	(16,341,649)
Total transfers - additions (deductions)	<u>(41,046,461)</u>	<u>24,428,635</u>	<u>178,684</u>	<u>(16,439,142)</u>
Net increase (decrease) for the fiscal year	<u>(3,359,480)</u>	<u>24,659,588</u>	<u>45,012</u>	<u>21,345,120</u>
Net Position - end of year	<u>\$ 110,494,865</u>	<u>\$ 44,699,493</u>	<u>\$ 3,958,521</u>	<u>\$ 159,152,879</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position by Fund - continued
 For the year ended August 31, 2019
 (with comparative totals for the year ended August 31, 2018)
 (unaudited)

Building Fund	Plant funds		Debt service	Restricted	Totals (memorandum only)	
	2018 Bond Fund	Investment in Plant			2019	2018**
\$ 119,903,161	\$ (2,645,309)	\$ 262,417,005	\$ 67,687	\$ 1,232,058	\$ 518,782,361	\$ 483,914,376
-	-	-	-	-	193,316,859	173,683,742
-	-	-	-	8,515,576	8,515,576	8,494,681
-	-	-	4,213,427	-	4,213,427	3,414,038
-	-	-	-	25,572,343	25,572,343	24,770,012
-	-	-	-	1,609,129	1,609,129	2,836,487
-	-	-	-	149,580	149,580	233,670
-	-	-	-	2,062,335	2,062,335	1,813,326
2,649,526	-	-	3,489,361	30,984	6,169,871	3,522,398
250,041	6,000,000	-	-	-	6,250,041	17,343
-	-	-	-	-	-	252,308,337
-	164,194,600	4,324,691	-	-	168,519,291	68,845,391
-	-	168,516,941	-	-	168,516,941	35,367,638
<u>2,899,567</u>	<u>170,194,600</u>	<u>172,841,632</u>	<u>7,702,788</u>	<u>37,939,947</u>	<u>584,895,393</u>	<u>575,307,063</u>
4,804,766	161,549,291	-	-	37,616,096	359,502,750	206,263,208
-	-	161,549,291	-	-	161,549,291	318,728,728
-	-	-	6,970,000	-	6,970,000	2,425,000
-	-	-	9,341,075	-	9,341,075	3,968,888
-	-	9,423,418	-	-	9,423,418	9,053,254
<u>4,804,766</u>	<u>161,549,291</u>	<u>170,972,709</u>	<u>16,311,075</u>	<u>37,616,096</u>	<u>546,786,534</u>	<u>540,439,078</u>
-	-	-	-	97,493	-	-
-	-	-	16,341,649	-	-	-
-	-	-	16,341,649	97,493	-	-
(1,905,199)	8,645,309	1,868,923	7,733,362	421,344	38,108,859	34,867,985
<u>\$ 117,997,962</u>	<u>\$ 6,000,000</u>	<u>\$ 264,285,928</u>	<u>\$ 7,801,049</u>	<u>\$ 1,653,402</u>	<u>\$ 556,891,220</u>	<u>\$ 518,782,361</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	<u>\$ 483,914,376</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2019
(unaudited)**

	Rental Income Scholarships	Student Activities	Student Housing	Scholarships	Intercollegiate Athletics
Net position - beginning of year	\$ 27,835	\$ -	\$ -	\$ -	\$ -
Revenues and other additions:					
Gifts	-	-	-	-	-
Sales and services	111,955	-	72,682	-	-
Student fees	-	-	-	-	-
Commission	-	-	-	-	-
Miscellaneous income	-	-	1,600	-	2,245
Total revenue	<u>111,955</u>	<u>-</u>	<u>74,282</u>	<u>-</u>	<u>2,245</u>
Expenses and other deductions:					
Salaries and wages	-	-	37,564	-	174,181
Staff benefits	-	-	5,050	-	28,351
Financial aid	-	-	-	80,509	256,555
Other operating expenses	-	-	66,467	-	232,170
Total expenditures	<u>-</u>	<u>-</u>	<u>109,080</u>	<u>80,509</u>	<u>691,257</u>
Excess (deficit) of revenue over (under) expenditure	<u>111,955</u>	<u>-</u>	<u>(34,798)</u>	<u>(80,509)</u>	<u>(689,012)</u>
Transfers - additions (deductions):					
Transfer from operating fund	-	-	-	-	-
Other fund transfers:					
Student activities-SAFAC	-	-	-	-	178,684
Outsourced bookstore	-	-	-	-	510,328
Rental income scholarships	(80,509)	-	-	80,509	-
Total transfers - additions(deductions)	<u>(80,509)</u>	<u>-</u>	<u>-</u>	<u>80,509</u>	<u>689,012</u>
Net increase (decrease) for the fiscal year	<u>31,446</u>	<u>-</u>	<u>(34,798)</u>	<u>-</u>	<u>-</u>
Net position - end of year	<u>\$ 59,281</u>	<u>\$ -</u>	<u>\$ (34,798)</u>	<u>\$ -</u>	<u>\$ -</u>

*Student Refund Petition

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - continued
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2019
(unaudited)**

Food Services	Outsourced Bookstore*	Facilities Rental	Child Care Center	Auxiliary Administration	Print Shop	Total
\$ (645,575)	\$ 4,455,485	\$ 75,766	\$ -	\$ -	\$ -	\$ 3,913,509
-	-	-	-	-	-	-
883,187	-	187,735	-	-	123,751	1,379,311
-	-	-	-	-	-	-
-	879,943	-	-	-	-	879,943
102,990	-	-	-	10,743	-	117,577
<u>986,177</u>	<u>879,943</u>	<u>187,735</u>	<u>-</u>	<u>10,743</u>	<u>123,751</u>	<u>2,376,831</u>
360,024	-	74,280	-	155,012	51,001	852,062
69,185	-	17,783	-	27,524	11,987	159,880
-	-	-	-	-	-	337,064
778,767	26,992	1,440	-	3,568	52,093	1,161,497
<u>1,207,976</u>	<u>26,992</u>	<u>93,502</u>	<u>-</u>	<u>186,104</u>	<u>115,081</u>	<u>2,510,503</u>
<u>(221,799)</u>	<u>852,951</u>	<u>94,233</u>	<u>-</u>	<u>(175,361)</u>	<u>8,670</u>	<u>(133,672)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	178,684
-	(510,328)	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>(510,328)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,684</u>
<u>(221,799)</u>	<u>342,623</u>	<u>94,233</u>	<u>-</u>	<u>(175,361)</u>	<u>8,670</u>	<u>45,012</u>
<u>\$ (867,374)</u>	<u>\$ 4,798,108</u>	<u>\$ 169,999</u>	<u>\$ -</u>	<u>\$ (175,361)</u>	<u>\$ 8,670</u>	<u>\$ 3,958,521</u>

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Allen Center

300 Rivercrest Boulevard
Allen, Texas 75002

Frisco Campus (Preston Ridge)

9700 Wade Boulevard
Frisco, Texas 75035

**Collin Higher
Education Center**

3452 Spur 399
McKinney, Texas 75069



**COLLIN
COLLEGE**
collin.edu

McKinney Campus (Central Park)

2200 West University Drive
McKinney, Texas 75071

Public Safety Training Center

3600 Redbud Boulevard
McKinney, Texas 75069

Courtyard Center

4800 Preston Park Boulevard
Plano, Texas 75086

Plano Campus (Spring Creek)

2800 East Spring Creek Parkway
Plano, Texas 75074

Rockwall Center

Dr. Gene Burton College
and Career Academy
2301 South John King Boulevard
Rockwall, Texas 75032