

Farmersville Campus



Annual Comprehensive Financial Report

For the years Ended August 31, 2022 and 2021

Collin County Community College District

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

Annual Comprehensive Financial Report

**For Fiscal Years Ended
August 31, 2022 and 2021**

**Prepared by:
Administrative Services**

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
Annual Comprehensive Financial Report
Fiscal Years Ended August 31, 2022 and 2021

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Introductory Section



To the Board of Trustees:

Thank you for another great year. I am pleased to present you with the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2022. As you review this report, I believe you will see the positive results of your leadership, fiscal

management, and planning put into action by the district staff. With your guidance, the college continues to grow effectively to meet the community's needs.

Before we get down to the nuts and bolts of the college's finances, though, I am glad to have this opportunity to write about some of the great things we have achieved as a district in the past year.

One of the most visible recent achievements is the excellent new Andrea-Mennen Welcome Center at the McKinney Campus. A warm and welcoming environment for new and current students alike, the two-story, nearly 40,000 square-foot welcome center is home to a career center, advising, admissions, financial aid, a veteran center, testing labs, counseling, and Accommodations at Collin College for Equal Support Services (ACCESS). The design includes electrochromic glass that changes the tint of the windows to ensure a comfortable and cost-effective environment for the students, staff, and faculty inside.

Speaking of design, two other Collin College facilities received regional and international acclaim for their forward-looking designs this year. Wylie Campus was awarded a Design Excellence Award by the International Interior Design Association (IIDA) Texas/Oklahoma chapter, and the Public Safety Training Center (PSTC) welcomed delegations from Thailand and Saudi Arabia to tour and learn about integrated training facilities. Both international delegations were researching law enforcement programs and facilities in the United States. The Saudi Arabian delegation was particularly interested in the PSTC's design, and the ways first responder training was integrated within the center.

Moving from brick-and-mortar to electrons, Collin College was also recognized for its work in the cyber realm this year. The iCollin Virtual Campus and its executive dean, Dr. Sarah Lee, were honored with Texas Digital Learning Association's Outstanding Commitment to Excellence and Innovation in Digital Learning awards.

In the area of cybersecurity education, the college was designated as a National Center of Academic Excellence in Cyber Defense (CAE-CD) by the National Security Agency (NSA). The college also received validation from the NSA for its Associate of Applied Science in Information Systems Cybersecurity program through 2027. The AAS program feeds into the college's Bachelor of Applied Technology (BAT) in Cybersecurity degree program, which continues to grow.

The college introduced a Bachelor of Applied Science in Construction Management to its stable of baccalaureate programs this year – joining the BAT in Cybersecurity and the Bachelor of Science in Nursing (BSN) introduced in 2020. We are confident that these programs will benefit not only the students enrolled, but also the communities they will serve upon graduation.

I am also pleased to report that we have been honored as a "Great College to Work For" for a fifth time, recognized as a "Best for Vets" college and a "Military Friendly School," and awarded a gold-level Veteran Education Excellence Recognition Award from the Texas Veterans Commission.

Sometimes it is breathtaking to think about all the ways Collin College touches the lives of its employees and students. Given your leadership and the hard work of the district's faculty and staff, I am confident the college will make a difference in even more lives in the coming year.

Sincerely,



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



December 6, 2022

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

The following annual comprehensive financial report ("ACFR") of Collin County Community College District ("the District") for the fiscal years ended August 31, 2022 and 2021 is hereby submitted. This report aims to provide detailed information about the financial condition and performance of the District. Responsibility for data accuracy, completeness, and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the District's financial position and results of operations. All disclosures necessary to enable the reader to understand the District's financial activities 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 Whitley Penn, LLP. In addition to meeting the requirements outlined 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 District's independent auditors. 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. They are also responsible for ensuring that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure 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 requires 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 Annual Comprehensive Financial Report (ACFR) consists of the following:

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

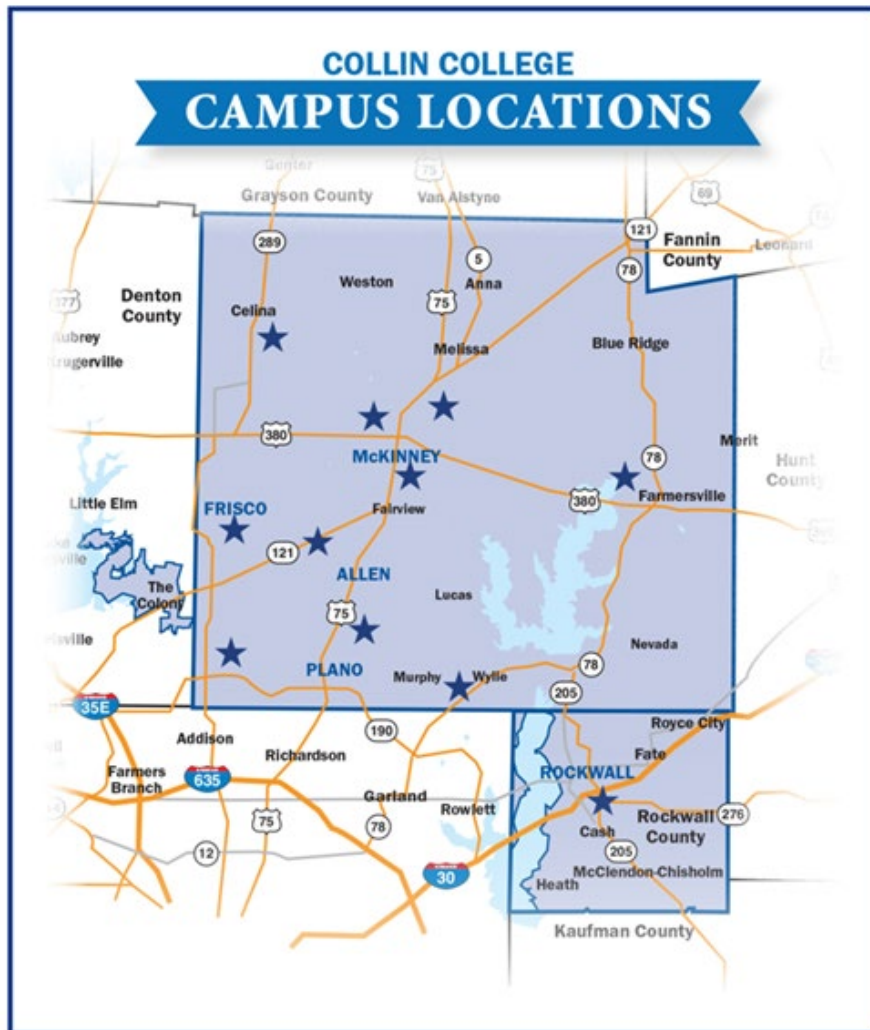
The District was established as a public community college in an election held in Collin County, Texas, on April 6, 1985, according to the State of Texas laws. It operates as a community college district under the Constitution of the State of Texas and the Texas Education Code. The District is governed by a Board of Trustees (hereinafter called the "Board"). The Board is a nine member governing board that serves without compensation and is elected at large for six-year terms of office by the voters of Collin County. The Board meets at least 10 times per year, and meetings are open to the public. The Collin County Community College District Trustees are committed to the mission and vision of the college. The Board provides leadership and direction, as well as represents the college in a wide range of community activities and committees.

The Board manages and governs the District, provides policy direction, establishes goals, sets and collects tuition and fees, exercises fiduciary responsibilities in the management of the District's funds, and appoints and evaluates the District President. The Board is also responsible for the levy, assessment, and collection of taxes, the issuance of bonds, the adoption of an annual budget, and the performance of an annual audit. The Board sets campus admission standards consistent with the role and mission 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 generally requires four years of full-time equivalent college work. An associate degree is an award that typically requires at least two, but less than four years of full-time equivalent college work. In June 2021, Governor Greg Abbott signed House Bill 3348 which allows Collin College to offer up to five total baccalaureate degrees. In 2020, the college began offering the Bachelor of Science in Nursing (BSN) and the Bachelor of Applied Technology (BAT) in Cybersecurity degrees. The college's Board of Trustees approved a third bachelor's degree in Construction Management that has received all required approvals from the Texas Higher Education Coordinating Board and SACSCOC, and Collin College has begun offering classes for this degree in the Fall 2022 term.

To maintain its status as an institution accredited by SACSCOC, the District must complete the accreditation process's reaffirmation every ten years. This process requires extensive self-study, including completing a compliance certification document reflecting compliance with all the Principles of Accreditation. On June 11, 2015 SACSCOC reaffirmed Collin College's accreditation, and on June 13, 2019 SACSCOC accredited Collin College to offer Bachelor's degrees. On June 17, 2021 SACSCOC continued Collin College's accreditation following review of the college's Fifth-year Interim Report. 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.

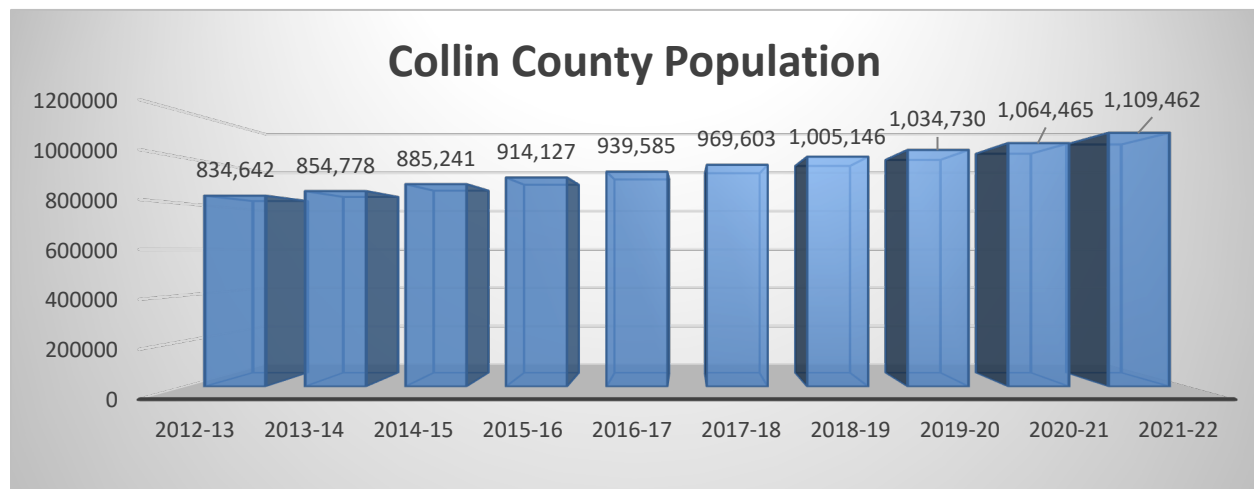


The District strives to offer affordable, small, personalized classes and award-winning faculty in a safe and friendly environment allowing students to fulfill their potential and achieve their goals. The college promotes life-long learning and the opportunity for its residents to further their education regardless of their schedule, time, and distance constraints. The District continues to meet the community's needs 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 1,252 residents per square mile in 2021. According to the U.S. Census Bureau, the population of Collin County was estimated to be about 1,109,462 in 2021.

Information provided by the U.S. Census Bureau as of 2022 shows an estimated 5.7% growth in population of the United States since 2011. In the past ten years, Collin County has experienced an increase in the population of 32.9%.



Component Units

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

Inter-local Agreements and Partnerships

The District's commitment to providing 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 Rockwall ISD for a satellite campus 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.
- A partnership exists between Collin College and Lewisville ISD for a Collegiate Academy at The Colony High School, allowing students to earn their Associates's Degree while still in high school.
- Allen ISD introduced the Associate Degree Pathway in the 2020-2021 school year. This project was started in Fall 2018 and is a partnership between Allen ISD, Collin College, and the University of North Texas (UNT).
- The District has inter-local agreements with Collin County, City of Plano, City of McKinney, Plano Independent School District, and Wylie Independent School District to complete fiber connections for the District's Fiber Optic Wide Area Network (WAN). It is approximately 88 miles long and comprises 58 miles of College-owned fiber and 30 miles of fiber supplied through the inter-local agreements. The fiber network 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 a public health emergency.
- The District has agreements with four public universities including Texas A & M-Commerce, Texas Woman's University, University of Texas at Dallas and University of North Texas to offer upper-level undergraduate courses and graduate degree programs at the Collin Higher Education Center. The universities have access to classrooms, computer 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. Both grants were extended for a year. The new ending date for the first NSF grant-convergence technology, is September 2023, and for the second NSF grant- "Information Technology Skill Standards, 2020 and Beyond" is August 2024.

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, auxiliary, restricted, building, bond and debt service funds are included in the annual appropriated budget. The District also maintains an encumbrance accounting system that 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

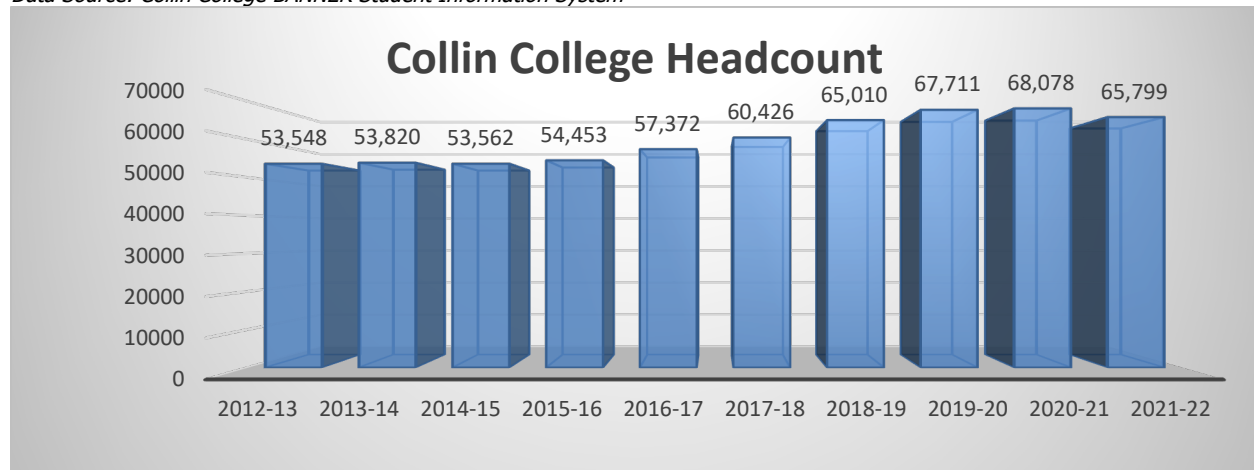
Major industries within Collin County consist of finance, retail, computer technology, insurance, education, manufacturing, telecommunications, health care, and the food industry. Possessing a well-educated workforce is a key factor in an area's ability to attract new businesses and maintain economic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

Collin County's civilian-employed labor force as of August 2022 was 627,175, which was an increase of 9.7% over the prior year, according to the Texas Workforce Commission. According to the Bureau of Labor statistics, the latest unemployment rate for Collin County as of August 2022 was at 3.2%, compared to the State's rate of 4.1% and a national rate of 3.7%.

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 decreases, and workers are under greater pressure to learn new skills. According to the Texas Higher Education Coordinating Board, 648,893 students were enrolled in Texas public community colleges during the fall of 2021 compared to 665,213 at Texas public universities and 16,471 at Texas State Technical Colleges.

The District headcount for credit enrollment for fall and spring decreased 3.35% from 2020-21 to 2021-22.

Data Source: Collin College BANNER Student Information System



The 2021-2022 formula produced State appropriations that were \$1,738 per full-time student equivalent (FTSE). For years ending August 31, 2021, and 2020, the District received \$1,579, and \$1,530 per FTSE, respectively. (See Statistical Supplement 6b for additional information.)

The 2021-2022 tuition increased \$3.00 per credit hour from 2020-2021. In-district increased from \$52 to \$55, out-of-district increased from \$98 to \$101, and \$165 to \$168 increased 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. Quality education at the District remains a smart, economical choice and a wise investment. (See Statistical Supplement 4 for additional information.)

Certified assessed values for Collin College increased 5.0% from \$188.7 billion in 2021 to \$198.2 billion in 2022. New construction taxable value increased, from \$5.13 to \$6.41 billion from 2021 to 2022.

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, automotive, construction, HVAC, and welding among others.

Long-Term Financial Planning

Collin College continues to implement the five-year Master and Strategic Plans for 2020-2025 with priorities and goals that are designed to help accomplish the goals outlined in the 60x30TX Strategic Higher Education Plan. Collin College's 2020-2025 priorities and goals include:

Master Plan Priorities

1. Streamline the college's administrative data systems to improve business processes and accommodate growth.

2. Implement planned and future components of the comprehensive safety and emergency management plan.
3. Strategically expand existing instruction and service delivery modalities to maximize access to college programs.
4. Examine and develop expansion plans for existing facilities and future programs to accommodate growth in the service area.
5. Complete Phase III and IV projects and prioritize repurposing of available facilities.
6. Assess current and proposed college facilities and extracurricular programs to identify and prioritize opportunities for improved student recruitment, engagement, and success.

Strategic Plan Goals

1. Improve student outcomes to meet or exceed local, state, and regional accreditation thresholds and goals.
2. Develop and implement strategies to become a national exemplar in program and student outcomes.
3. Create and implement comprehensive, integrated pathways to support student transitions
4. Implement the third Baccalaureate degree (in Construction Management) by Fall 2022 and continue adding 2+2 programs with university partners.
5. Develop and implement a comprehensive staffing and succession model.
6. Develop a coordinated and systematic approach to engage external stakeholders.

Relevant Financial Policies

Investment Policy: The District's investment policy is required by statute to be reviewed and updated annually. The Board approved the policy in June 2022. 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

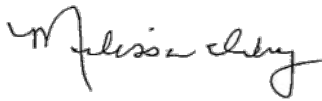
The Government Finance Officer Association (GFOA), awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for Fiscal Year ended August 31, 2021. This was the 25th consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Administrative Services staff, particularly in the Accounting Department. We would also like to thank the accounting firm of Whitley Penn, 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 responsibly.

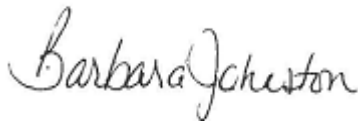
Respectfully submitted,



Melissa Irby, CPA
Chief Financial Officer



Julie Bradley, CPA
Associate Vice President, Controller



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



Keitha Carlton, 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morill

Executive Director/CEO

BOARD OF TRUSTEES



Andrew Hardin
Chairman



Jim Orr
Secretary



Stacy Anne Arias



Dr. Stacey Donald

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, sets and collects tuition and fees, exercises fiduciary responsibilities in the management of the District's funds, and appoints and evaluates the District President. The Board is also responsible for the levy, assessment, and collection of taxes, the issuance of bonds, the adoption of an annual budget, and the performance of an annual audit. The Board of Trustees sets campus admission standards consistent with the role and mission of the District. The Board of Trustees meets at least 10 times per year, and meetings 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.



Greg Gomel



Jay Saad
Vice Chairman



Dr. Raj Menon
Treasurer



Dr. J. Robert Collins



Fred Moses



Officials and Staff

Elected Officials

<u>Board of Trustees</u>	<u>City</u>	<u>Term Expires</u>
Andrew (Andy) Hardin Chairman, Place 9	Frisco, Texas	May, 2027
Jay Saad Vice Chairman, Place 2	Plano, Texas	May, 2023
Jim Orr Secretary, Place 7	Lucas, Texas	May, 2027
Raj Menon, Ph.D. Treasurer, Place 5	Plano, Texas	May, 2025
Stacy Anne Arias Place 6	Melissa, Texas	May, 2025
J. Robert (Bob) Collins, Ph.D. Place 8	Farmersville, Texas	May, 2027
Stacey Donald, Ph.D. Place 3	Plano, Texas	May, 2023
Greg Gomel Place 4	Plano, Texas	May, 2025
Fred Moses Place 1	Plano, Texas	May, 2023

Principal Administrative Officers

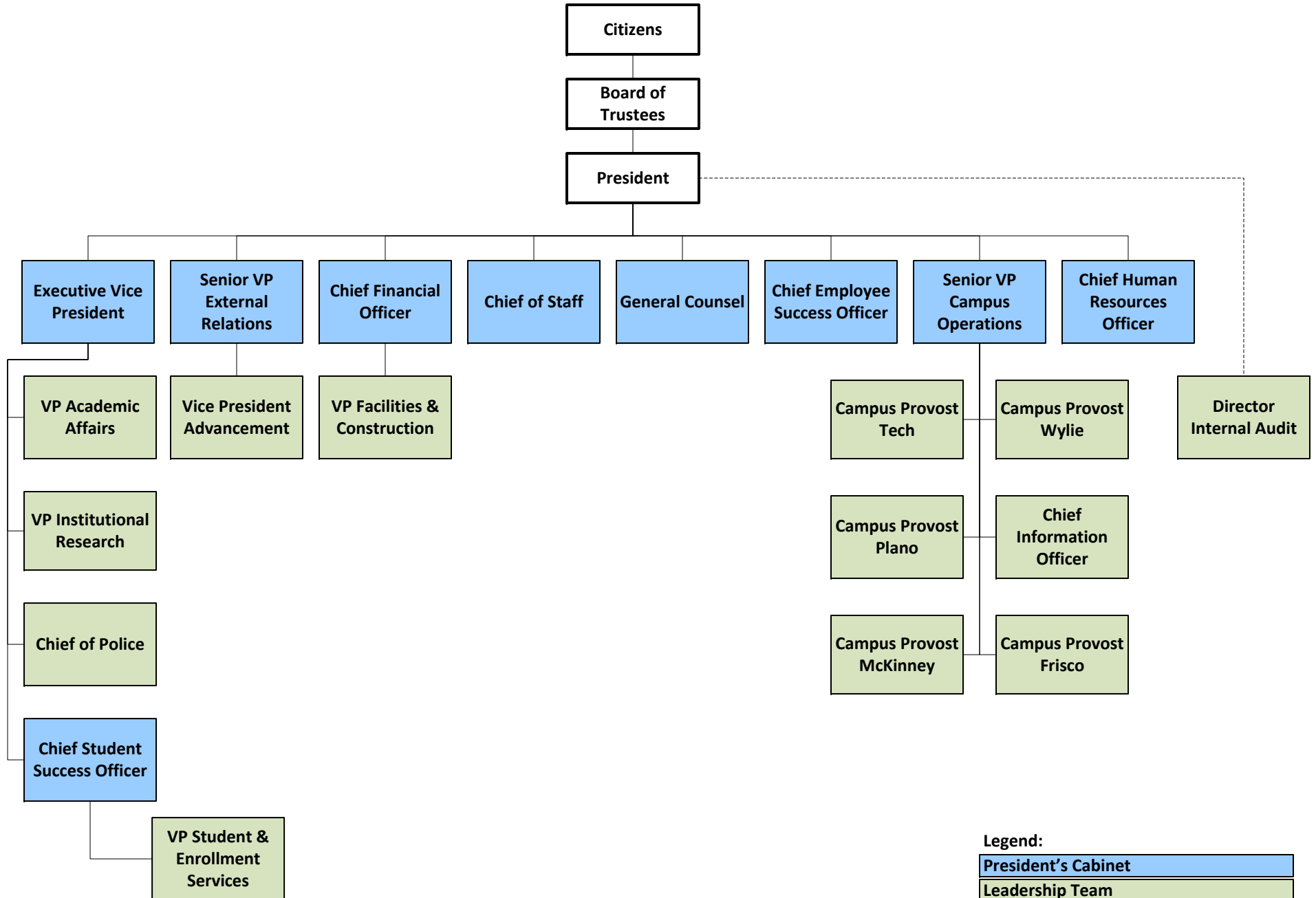
<u>Name</u>	<u>Position</u>
Neil Matkin, Ed.D.	District President
Bill King, Ph.D.	Executive Vice President (Interim)
Jay Corwin, Ph.D.	Chief Student Success Officer
Kimberly Davison	Chief Human Resources Officer (Interim)
Melissa Irby, CPA	Chief Financial Officer
Abe Johnson, Ed.D.	Senior Vice President Campus Operations
Steve Matthews	Senior Vice President External Relations
Floyd Nickerson	Chief Employee Success Officer
Monica Velazquez, J.D.	General Counsel
Allison Venuto, Ed.D.	Chief of Staff

Financial Staff

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

Collin County Community College District

Organizational Chart



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**COLLIN
COLLEGE**

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Collin County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Collin County Community College District (the District), as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District as of August 31, 2022 and 2021 and the respective changes in financial position, and cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller general of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an

audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Supplementary Information

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

The Supplemental Schedules A through D, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been

To the Board of Trustees
Collin County Community College District

subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedules A through D, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2022, on our consideration of the College’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College’s internal control over financial reporting and compliance.



Dallas, Texas
December 6, 2022

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

Introduction

Collin County Community College District ("the District"), founded in 1985, is proud to present its financial statements for fiscal years ended August 31, 2022 and 2021 which are in conformance with Governmental Accounting Standards Board (GASB) standards. The following Management's Discussion and Analysis (MD&A) reviews the District's financial activity during the fiscal years ended August 31, 2022, 2021, and 2020. The MD&A is based on currently known facts, decisions, and conditions having an impact on financial activities of the District and other key financial data as required by GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. It should be read in conjunction with the transmittal letter, the District's basic financial statements, and the notes to the financial statements. Responsibility for the completeness and fairness of the information in this section rests with the District management.

In accordance with GASB Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, the District is including financial statements for the District's discrete component unit, Collin County Community College Foundation ("the Foundation"). The Foundation financial statements presented for fiscal years ending August 31, 2022 and 2021 are presented on separate pages behind the District's basic financial statements. The Foundation Notes may be found in Note 18 under Component Units.

In accordance with GASB Statement No. 87, *Leases*, the District has included the requirement in the current year financial statements to more accurately portray lease obligations by the District and to increase the usefulness of the governmental financial statements. Additional information can be found in Note 6 – Leases.

Understanding the Financial Statements

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

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

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

Basic Financial Statements:

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

Statement of Net Position presents the assets, liabilities, 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, current and

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

noncurrent liabilities, deferred inflows 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, 2022 and 2021. 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 2022 Financial Highlights

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

- Operating revenues increased approximately 8% from the prior year to the current fiscal year, or approximately \$5 million due primarily to an increase in Coronavirus Aid, Relief, and Economic Security Act (CARES) funding received in the form of federal grants and from an increase in Tuition Revenue and Fees.
- Capital depreciable assets increased \$43.2 million with the completion of construction on the McKinney Welcome Center, renovations at the Frisco Campus and wayfinding at the McKinney Campus.
- Certified assessed property values increased 5.0%, from \$188.8 billion in the prior year to \$198.2 billion in the current year; the assessed tax rate remained at \$0.08122/\$100, resulting in an increase in tax revenues totaling \$8.3 million.
- Coronavirus Aid, Relief, and Economic Security Act (CARES) grant funding awarded to the District totaled \$81.9 million since 2020, including funds passed through the Texas Higher Education Coordinating board as Governor's Emergency Education Relief (GEER) Fund. A portion of the funds were used to provide relief to students in the form of grants, while the

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

remaining funds were utilized for institutional purposes. During fiscal year 2022, \$19.1 million in grants was awarded to students directly by the District. The District expensed \$11.6 million for institutional purposes from CARES funding received directly from the Department of Education.

- GEER funding expensed during 2022 fiscal year totaled \$3.2 million, of which \$1.9 million was passed through to and expensed by subrecipients.

Condensed Statements of Net Position (in Millions)

Table 1: Condensed Statement of Net Position

	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Assets:					
Current assets	\$ 347.9	\$ 453.2	\$ 610.6	(23.2)%	(25.8)%
Capital assets	831.9	794.9	719.1	4.7 %	10.5 %
Other noncurrent assets	74.1	36.1	9.2	105.3 %	292.4 %
Total assets	<u>\$ 1,253.9</u>	<u>\$ 1,284.2</u>	<u>\$ 1,338.9</u>	(2.4)%	(4.1)%
Deferred Outflows of Resources:	74.3	63.1	65.6	17.7 %	(3.8)%
Liabilities:					
Current liabilities	\$ 69.5	\$ 68.0	\$ 102.5	2.2 %	(33.7)%
Noncurrent liabilities	677.9	688.7	701.6	(1.6)%	(1.8)%
Total liabilities	<u>\$ 747.4</u>	<u>\$ 756.7</u>	<u>\$ 804.1</u>	(1.2)%	(5.9)%
Deferred Inflow of Resources:	41.9	29.1	27.5	44.0 %	5.8 %
Net position:					
Net investment in capital assets	\$ 296.3	\$ 287.7	\$ 278.2	3.0 %	3.4 %
Restricted -- expendable	20.8	20.9	13.1	(0.5)%	59.5 %
Unrestricted	221.8	252.9	281.6	(12.3)%	(10.2)%
Total net position	<u>\$ 538.9</u>	<u>\$ 561.5</u>	<u>\$ 572.9</u>	(4.0)%	(2.0)%

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

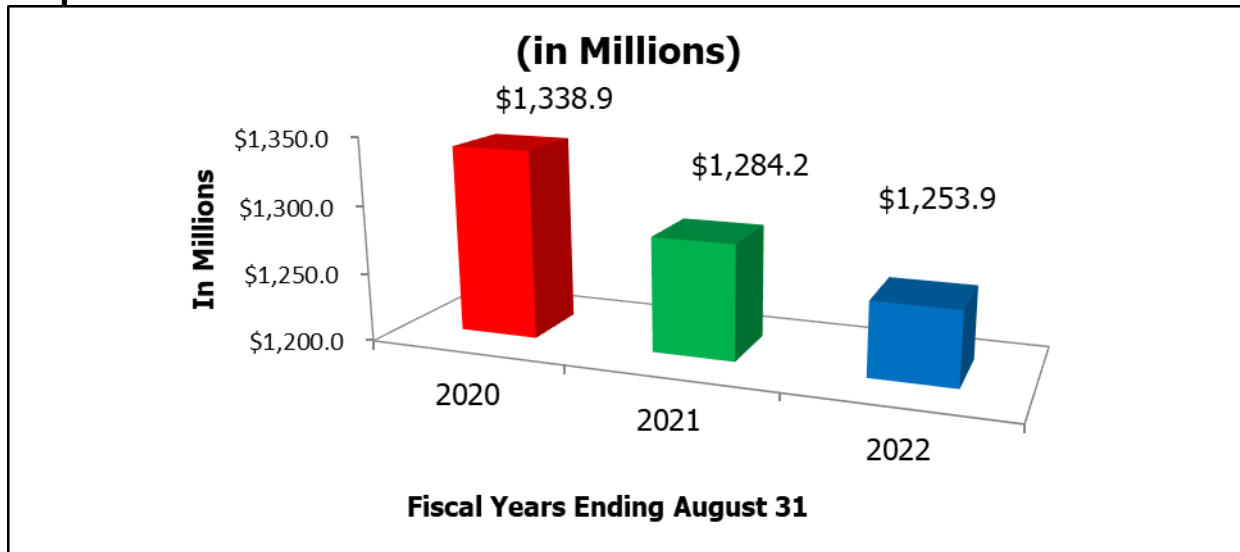
Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

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 the Board of Trustees.

Total assets of the District for fiscal year 2021-22 declined 2.4% by \$30.2 million compared to the prior year when it decreased by \$54.7 million from fiscal year 2020. The decrease in total assets, during the current year is due primarily to the utilization of bond proceeds, specifically current assets in the form of cash and cash equivalents in connection with payments to vendors related to the construction of the remaining bond projects.

Graph 1: Total Assets



Cash resides in TexPool, TexStar, and Texas Term, all statewide investment pools and all are classified as cash equivalents. Proceeds received from the Series 2020 Limited Tax Bonds in fiscal year ending August 31, 2022 are held in TexPool and are being recorded as Restricted Cash and Cash Equivalents. Short term investments consist of US Government Agencies, US Treasury Notes and Bills, Commercial Paper and Municipal Bonds with maturities less than one year. See Note 3 Authorized Investments and Note 4 Deposits and Investments for additional information on cash and investments.

While there was an overall decrease in total assets, there was an increase of 4.7% and 105.3% for capital assets and other noncurrent assets, respectively. Total capital assets increased due to the construction and capitalization of capital assets which includes land, land improvements, buildings, equipment, library books and construction in progress, net of accumulated depreciation. Construction costs were associated with the McKinney Welcome Center, wayfinding at the McKinney Campus, and renovations at the Frisco Campus. 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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

Other noncurrent assets consist of long-term investments, which increased from \$36.1 million to \$74.1 million in the current fiscal year compared to the prior year. Long term investments are those with maturities greater than one year.

Deferred outflows of resources have increased from \$63.1 million to \$74.4 million from fiscal year 2021 to 2022 presented in Table 1: Condensed Statement of Net Position. Deferred outflows consist of deferred outflows related to pensions and to other post-employment benefits (OPEB). Fluctuations in deferred outflows occurs as a result of recognizing the differences in projected and actual investment earnings at the plan level. Deferred outflows represent the District's proportionate share of pension and other post-employment benefits the District could make that will benefit employees in the future, but are not considered assets. See Note 9 Employees' Retirement Plan, and Note 13 Other Post-Employment Benefits for additional information on deferred outflows.

An overall decrease in total liabilities at the end the current fiscal year totaling almost \$9.3 million or 1.2% compared to the prior year is due primarily to a \$2.2 million decrease in accounts payable, including retainage payable to vendors providing goods and services for the construction projects, and a decrease in noncurrent bonds payable totaling \$21.5 million. There was also a decrease in net pension liability by \$18.9 million or 44.7% compared to prior year. The decrease in liabilities was offset by a 36.2% or \$30.4 million increase in net OPEB liability. See Note 14 Disaggregation of Receivables and Payables Balances for additional information on payables.

Current liabilities total \$69.5 million, make up 9.3% of total liabilities for the current fiscal year and consists 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 revenue, and the current portion of bonds payable make up 93.2% of total current liabilities, similar to the prior year with the same named liabilities making up 92.6% of total current liabilities. Current liabilities now include lease liability due to the implementation of GASB 87 for a total of \$546 thousand.

Unearned revenue increased 7% compared to the prior year, from \$27 million to \$28.9 million and represents tuition payments students have made for the upcoming 2022 fall semester. The increase in unearned tuition revenue is due to an increase in tuition rates per credit hour beginning with Fall 2021 of \$3 per credit hour for all residency categories.

For fiscal years 2021-22, 2020-21, and 2019-20 noncurrent liabilities make up 90.7%, 91.0%, and 87.3% of total liabilities, respectively, and consists of accrued compensable absences payable, pension liability, the noncurrent portion of bonds payable not due within one year, and OPEB liability. Noncurrent liabilities totaled \$677.9 million in the current fiscal year compared to \$688.7 million, and \$701.6 million in the two prior fiscal years. Long term liabilities have remained constant over the past three fiscal years. The second most significant noncurrent liability is net OPEB liability, which the District began reporting in fiscal year 2018. Since the first reporting of net OPEB liability, it has risen from \$31.3 million in 2018 to \$114.3 million for the current fiscal year, an increase of 265%. Additional information on noncurrent liabilities may be found in Note 7.

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 related to OPEB for fiscal years 2019-20, 2020-21, and 2021-22 was \$20.6 million, \$22.1 million, and \$15.9 million, respectively. Statement

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

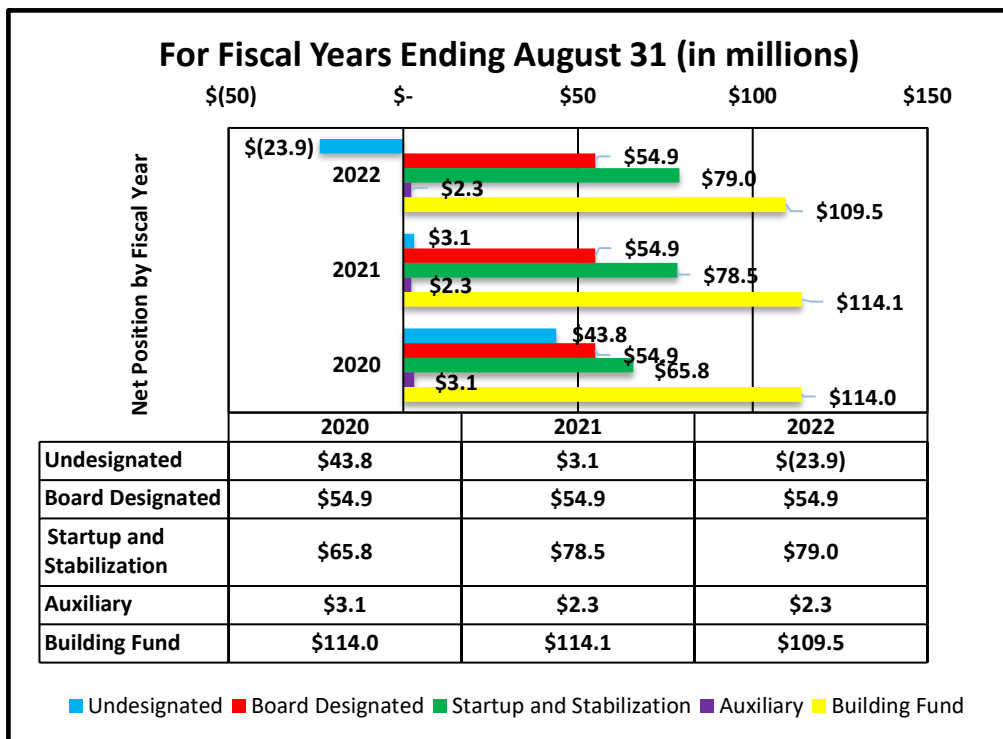
Management’s Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

75, Other Post-Employment Benefits was issued (OPEB) to provide more transparent reporting of the liability and useful information about the liability and costs of post-employment benefits other than pensions. The District participates in a cost-sharing OPEB and has recorded a liability, equal to our proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. OPEBs pertain to all post-employment healthcare benefits, death benefits, life insurance, disability and long- term care benefits. See Note 9 Employees’ Retirement Plan, and Note 13 Other Post-Employment Benefits (OPEB) for additional information.

GASB Statement No. 87, *Leases*, were implemented by the District and has included the requirement in the current year and prior year financial statements to more accurately portray leases. Deferred inflows for fiscal years 2020-21 and 2021-22 was \$1 million and \$ 907 thousand, respectively. The deferred inflow is calculated as the lease receivable plus any payments made at or prior to the commencement of the lease.

Net position represents the District’s equity, some of which is restricted for certain uses and some of which is unrestricted. Unrestricted net position decreased 12.3% or \$31.2 million from the prior year to the current year. Net investment in capital assets, increased approximately 3.1% as a result of the capitalization of new Campuses completed during the fiscal year. See Graph 2 - Current Unrestricted Net Position for a graphical representation of the components of current unrestricted net position. The most significant change occurred in the Undesignated category, decreasing from \$3.1 million in the prior year to \$(23.9) million in the current year. The decrease in undesignated net position is due to a transfer from unrestricted funds to debt service totaling \$34.3 million in order to fund debt service payments. The District’s debt tax rate has remained consistent with prior years, but is not sufficient to fund the annual debt service payments, resulting in the need for a transfer. For additional information, see THECB Supplemental Schedules, Schedule D for a breakdown of net position, and Note 2 - Summary of Significant Accounting Policies-Board Designations for information on board designated unrestricted net position.

Graph 2: Current Unrestricted Net Position



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

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 for a comparative Condensed Statement of Revenues, Expenses, and Changes in Net Position for fiscal years 2021-22, 2020-21, and 2019-20.

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

	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Operating revenues:					
Tuition and Fees (Net)	\$ 41.6	\$ 39.3	\$ 39.2	5.9 %	0.3 %
Grants and Contracts	17.7	16.5	7.0	7.3 %	135.7 %
Auxiliary enterprises	3.9	3.0	2.0	30.0 %	50.0 %
Other operating revenues	1.3	0.8	0.8	62.5 %	0.0 %
Total operating revenues	<u>64.5</u>	<u>59.6</u>	<u>49.0</u>	8.2 %	21.6 %
Operating expenses:					
Instruction	106.8	107.5	94.8	(0.7)%	13.4 %
Public service	0.7	0.7	0.6	0.0 %	16.7 %
Academic support	29.9	23.1	20.5	29.4 %	12.7 %
Student services	20.7	20.1	19.1	3.0 %	5.2 %
Institutional support	51.3	41.0	39.2	25.1 %	4.6 %
Operation and maintenance of plant	23.6	20.9	16.5	12.9 %	26.7 %
Scholarships	36.9	24.1	22.5	53.1 %	7.1 %
Auxiliary enterprises	4.5	3.8	4.0	18.4 %	(5.0)%
Depreciation	22.8	18.7	12.6	21.9 %	48.4 %
Total operating expenses	<u>297.2</u>	<u>259.9</u>	<u>229.8</u>	14.4 %	13.1 %
Operating loss	(232.7)	(200.3)	(180.8)	16.2 %	10.8 %
Non-operating revenues (expenses):					
State appropriations	50.7	49.5	50.8	2.4 %	(2.6)%
Ad-valorem taxes (Net)	132.5	124.2	118.4	6.7 %	4.9 %
Federal revenue, Non-operating	45.8	33.1	30.6	38.4 %	8.2 %
Gifts	0.1	0.1	6.1	0.0 %	0.0 %
Interest on capital related debt	(18.8)	(19.0)	(12.6)	(1.1)%	50.8 %
Investment income	0.0	0.7	5.4	(98.6)%	(87.0)%
Other non-operating revenues, net	0.3	0.2	0.2	0.0 %	0.0 %
Other non-operating expenses, net	(0.4)	-	(2.0)	100.0 %	0.0 %
Net non-operating revenues	<u>210.2</u>	<u>188.8</u>	<u>196.9</u>	11.3 %	(4.1)%
Increase (decrease) in net position	<u>(22.5)</u>	<u>(11.5)</u>	<u>16.1</u>	95.6 %	(171.4)%
Net position - beginning of year	<u>561.4</u>	<u>572.9</u>	<u>556.8</u>	(2.0)%	2.9 %
Net position - ending of year	<u>\$ 538.9</u>	<u>\$ 561.4</u>	<u>\$ 572.9</u>	(4.0)%	(2.0)%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

Because two of the three primary sources of revenue, state appropriations, and ad valorem taxes, which make up about 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. Additionally, since depreciation on capital assets is reported as an operating expense, it also contributes to the operating loss.

Operating revenues consists of tuition and fees, net of discounts, grants and contracts, auxiliary revenues, and other operating revenues. As shown in Table 2 Condensed Statement of Revenues, Expenses and Changes in Net Position, total operating revenues increased 8.2% or approximately \$4.9 million as a result of an 5.9% increase in tuition and 7.3% increase in federal and state grants and contracts. For both tuition and fees, other operating revenues, and federal grants and contracts, the increase is a direct result of receiving funding from the Department of Education in the form of an Emergency Grant Relief for Collin College. Specifically, the grant provided relief for the District by allowing Collin to recognize lost revenues due to the impact of COVID-19. Lost revenues reported for the current fiscal year include calculations for both fiscal years ending 2021 and 2022 since the grant guidelines allowed retroactive application when determining lost revenues. Factors affecting tuition and fees include changes in the tuition rate per credit hour, enrollment data, and scholarship allowances. Tuition rates increased to \$55 per credit hour for In-District, \$101 per credit hour for Out-of-District, and \$168 per credit hour for Out-of-State/International students. See Statistical Supplements 4 and 15, Tuition and Fees, and Enrollment Details, respectively, for additional information on tuition and enrollment details.

For fiscal years ending 2021-22, 2020-21, and 2019-20, scholarship allowances and discounts were \$18.1, \$17.8, and \$17.5 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. The major components of scholarship allowances include remissions and exemptions, TPEG awarded, and Federal Grants awarded to students. See Schedule A Schedule of Operating Revenues within the Texas Higher Education Coordinating Board Supplemental Schedules for a breakdown of Tuition, Fees, and Scholarship allowances and discounts.

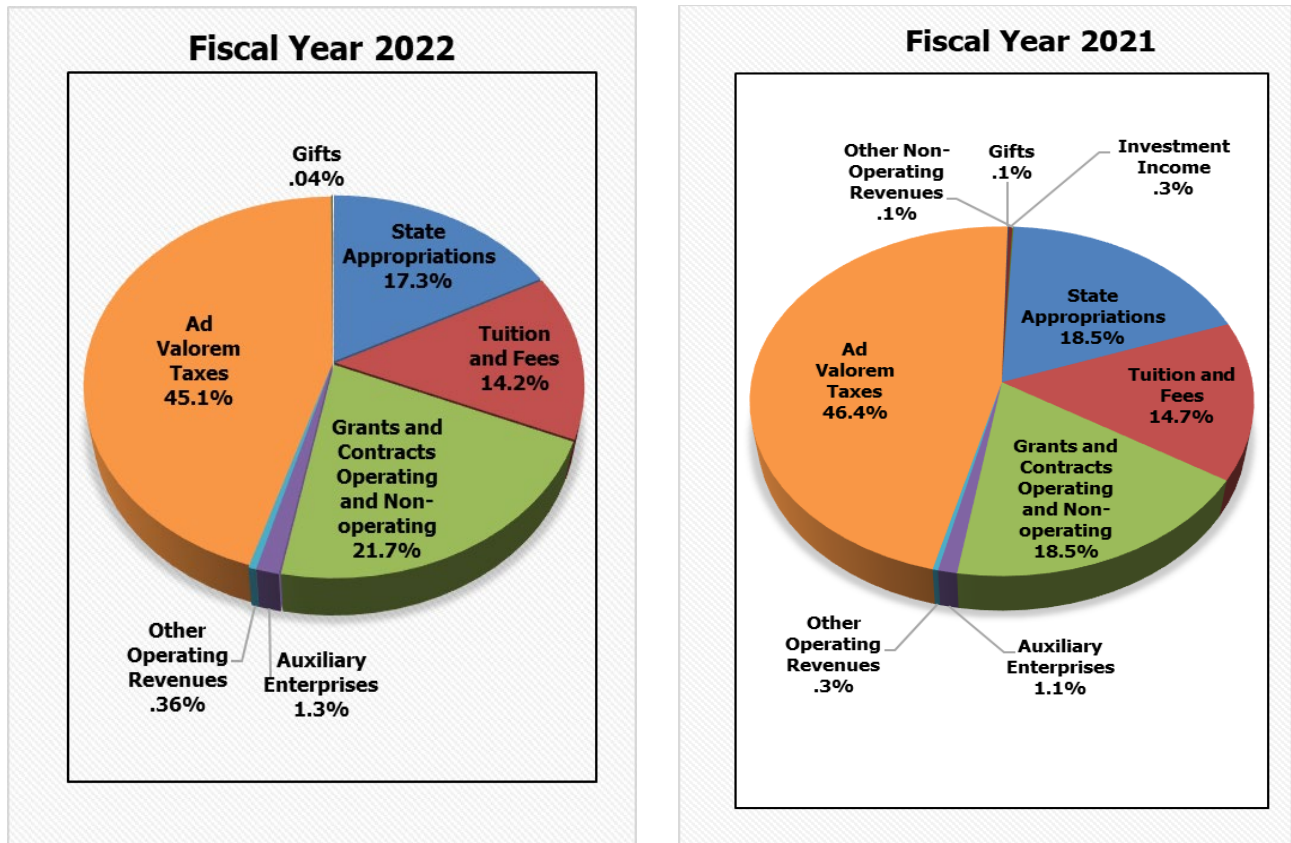
Non-operating revenues are non-exchange transactions where funds are received for goods and services provided to an entity, who are not the payors. The primary source of non-operating revenues are State appropriations, ad valorem taxes and federal revenues received from the Department of Education in 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. In fiscal year 2020, gifts received total \$6.1 million, in connection with a donation from Allen Independent School District for the Technical Campus construction. Investment income decreased by 98.6% due to the significant decrease in interest rates offered on investments. The District did earn \$2.1 million in interest income but due to market conditions and mark to market adjustments, the financial statements reflect \$11 thousand but the intention is to hold all investments to their maturity.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2022 and 2021**

Graph 3: 2021 and 2022 Total Operating and Non-Operating Revenues



Graph 3 displays a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal years ending 2020-21 and 2021-22.

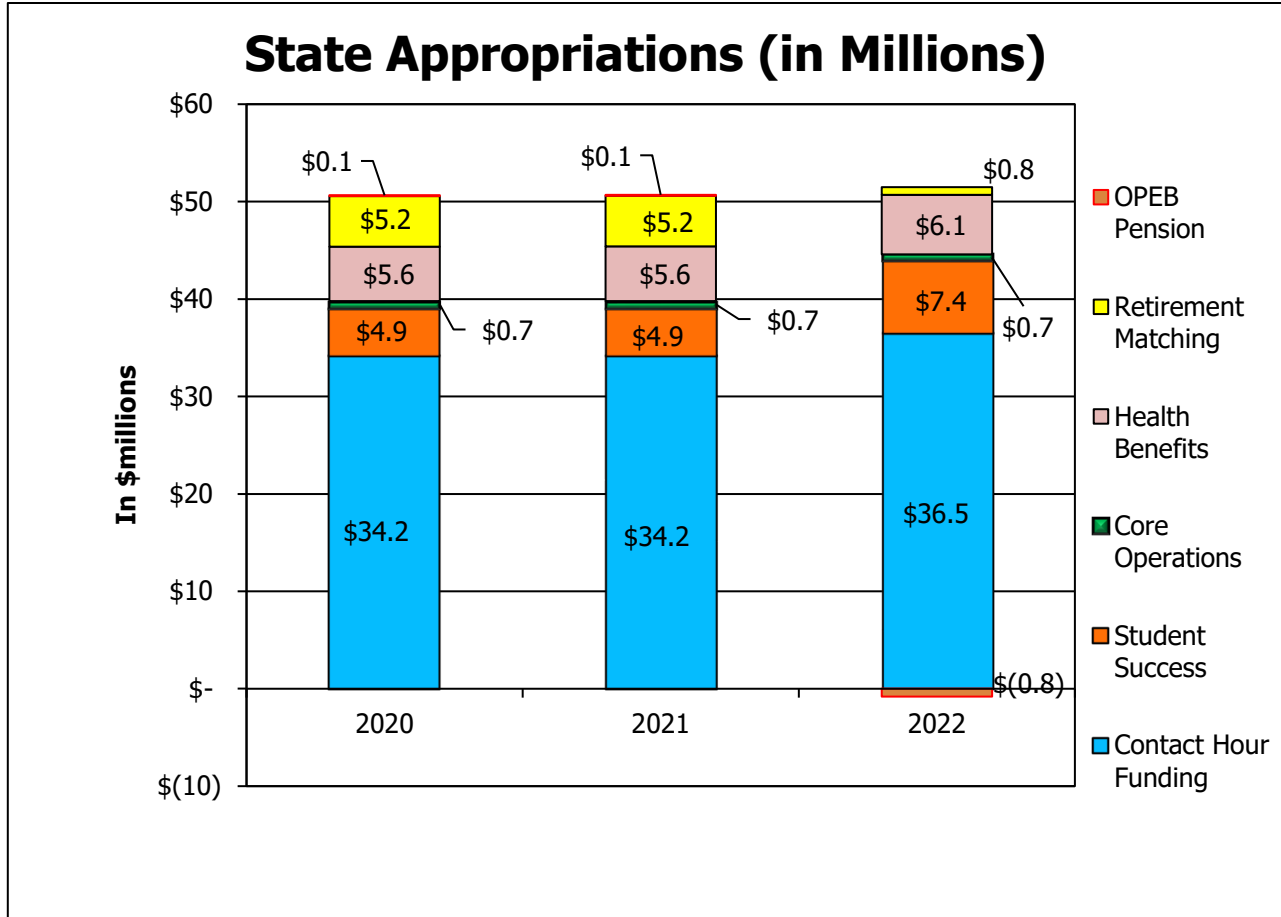
State appropriation funding consists of funding for education and general expenses, specifically based on contact hours, student success measures, and core operations, as well as providing for a portion of employee benefits in the form of health insurance and state retirement matching. This is the first year of the biennium, with appropriations increasing to \$44.6 million (not including benefits). State appropriations per full time student equivalent increased from \$1,579 in the prior year to \$1,738 in the current year. State appropriation per funded contact hour in the prior and current years was \$2.57 and \$2.72, respectively. See Statistical Supplements 6b and 6c for state appropriation per FTSE and contact hours.

As shown in Graph 4, state appropriations increased in contact hour funding and student success funding. 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 grant funds. See Notes 9 Employees’ Retirement Plan and Note 12 Healthcare and Life Insurance Benefits for additional information on benefits.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2022 and 2021**

Graph 4: State Appropriations: Fiscal Years 2020 through 2022



Ad valorem taxes received for maintenance and operations (M&O) increased \$8.0 million over the prior year, or 6.6% due to increased property values. Over the last three years, the net assessed property values of the District for 2019-20, 2020-21, and 2021-22 was \$148.3, \$159.6, \$167.9 million, respectively. The District’s total assessed tax rate for the current fiscal year and the two prior years, per \$100 valuation: \$0.08122. See Note 16 Property Tax for additional information on property taxes.

Auxiliary enterprise revenues are generated by student housing, food and catering services, bookstore commission, and facilities leasing. There has been no significant fluctuations in auxiliary revenues over the last three years.

Operating Expenses by Functional Classification

As the District is considered a single governmental program business-type activity, the District is subcategorized into functional areas with direct expenses attributable to each area. A comparison of the District’s functional operating expenses spanning fiscal years ending 2020 through 2022 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 \$297.2 million. A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

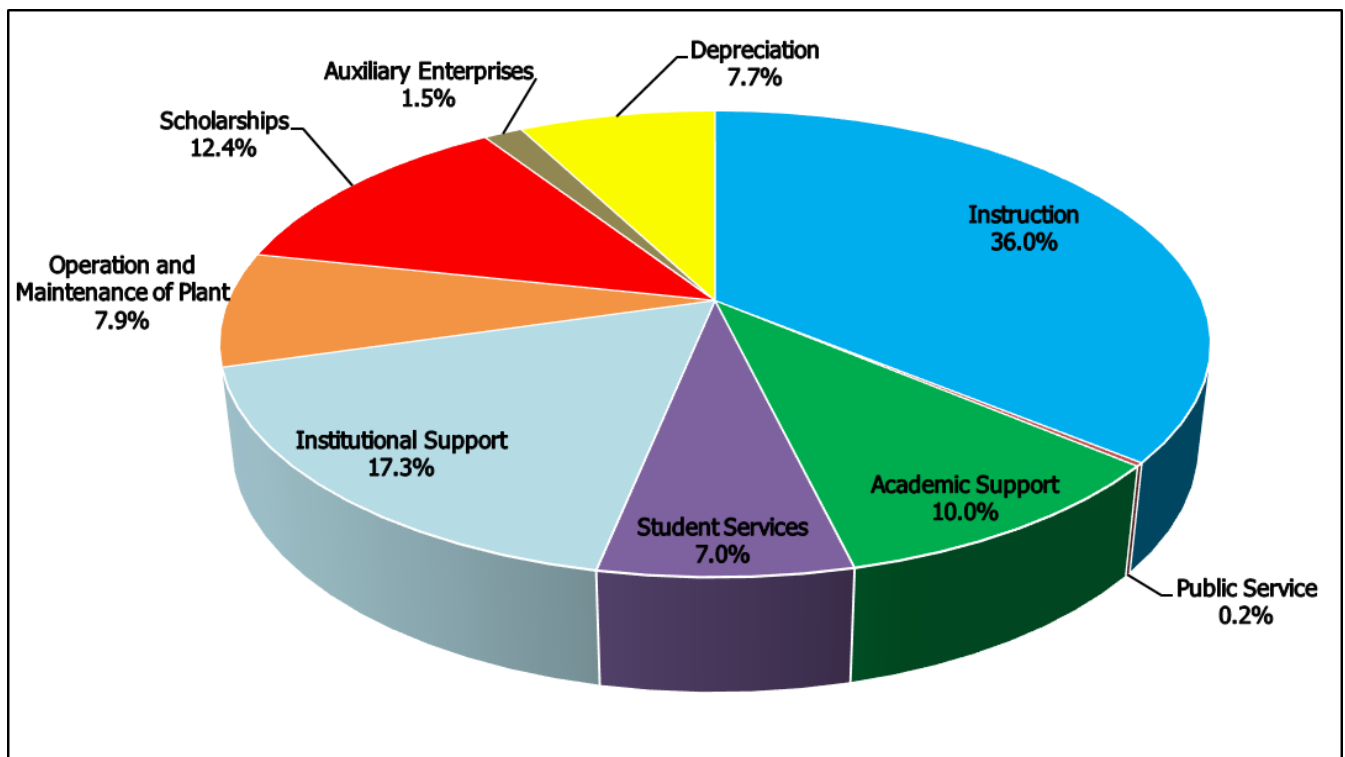
Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

graphical representation of operating expenses by functional classification for the three-year period of 2019-20, 2020-21, and 2021-22 is depicted in Graph 6.

Overall operating expenses increased 14.4% and 13.1% from fiscal years 2019-20 to 2020-21 and from 2020-21 to 2021-22, respectively. The Board of Trustees approved a 4.0% salary increase for all employees in fiscal year 2021-22; A 2.0% salary increase was approved for fiscal year ending 2021.

Benefits and salaries make up 94.0% of total instructional expenses in the current fiscal year compared to 91.5% in the prior year. There was a slight decrease in instructional expenses during the current fiscal year due primarily to a reclassification of IT expenses from instructional to academic support functional area.

Graph 5: Fiscal Year 2021-22 Operating Expenses by Functional Classification (%)



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 0.2% of the District's total operating expenses in fiscal year 2021-22.

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 approximate 29% increase in academic support expenses totaling \$6.7 million during the current fiscal year compared to the prior year, with 79% of the increase attributable to salaries and benefits. There was also an increase in

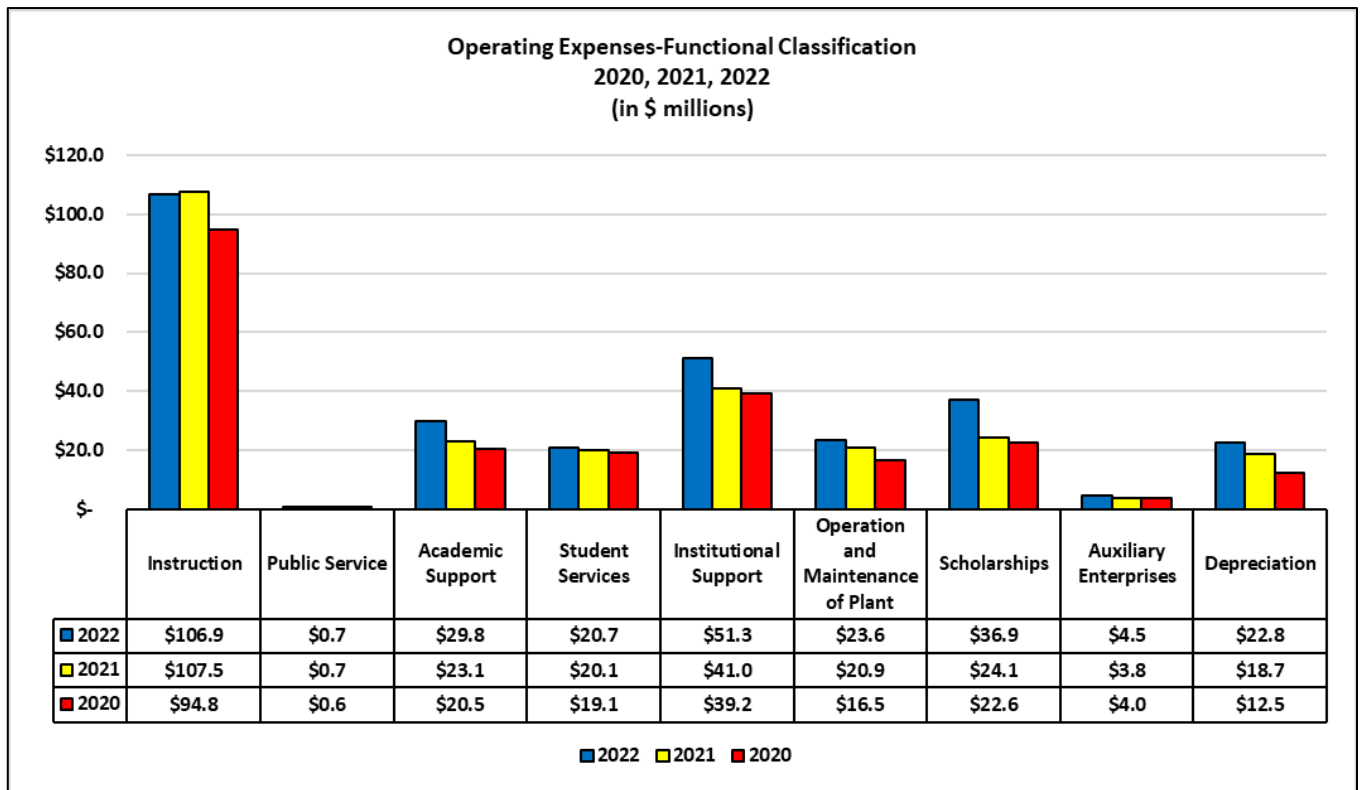
COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management’s Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

academic support expenses due to more appropriately classifying IT expenses to the academic support functional category.

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 an approximate 3% increase in student services totaling \$600,000 during the current fiscal year compared to the prior year, with the majority of the increase attributable to salaries and benefits.

Graph 6: Operating Expenses by Functional Classification



Institutional support expenses consist of the District’s executive management, fiscal operations, general administration, public relations and development, debt service and information technology. Total institutional support expenses increased in the current year by \$10.3 million, for a total of \$51.3 million compared to \$41.0 million in the prior year. Salary and benefits make up approximately 55.5% of the total expense. \$6.4 million of the increase in expenses was attributed to contracted services which includes Workday on-going and implementation costs. The District is still responsible for annual software expenses that will be eliminated once Workday is fully implemented in 2024.

During the current year, operations and maintenance of plant increased \$2.7 million. \$1.2 million of the increase was attributed to increased utilities costs due to the opening of the four new campuses. There was also a \$700 thousand increase in contracted vendor services attributed to the opening of the four new campuses for services to include custodial and grounds maintenance.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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Scholarship expense increased to \$36.9 million in the current fiscal year from \$24.1 million in the prior year. Scholarship allowances and discounts totaling \$18.1 million was consistent with the prior year's scholarship allowances and discounts. Scholarship allowances reduce scholarship expenses. See Schedule A – Schedule of Operating Revenues for additional information on scholarship allowances and discounts.

Auxiliary enterprises expenses increased from \$3.8 million to \$4.5 million from the prior year to the current year. Salaries and benefits increased based on the salary increase approved by the Board of Trustees. Non-capital repairs and equipment purchased for student housing in the current year accounts for the increase in expenses from prior year to the current year. There was also an increase in food costs from prior year.

Depreciation expense increased \$4.1 million, or 21.9% from \$18.7 million in the prior year to \$22.8 million in the current year due to the addition of the remaining bond projects. A half year's depreciation is taken the year of capitalization. Projects under construction are classified as construction in progress and no depreciation is taken until the construction is completed. See Notes 2 and 5 for additional information on capital assets and the District's capitalization and depreciation policies. Also, the District implemented, GASB Statement No. 87 – *Leases* which requires that long-term leases, any lease with a term of longer than one year, be amortized based on the length and term of the lease.

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 "Vision 2020" plan to accommodate the projected population growth in Collin County over the next two decades consisted of building four new Campuses: Wylie Campus, Technical Campus in Allen, Farmersville, and Celina Campus. Farmersville and Celina Campuses, and the IT Center at the Frisco Campus were all completed by fiscal year 2021.

Priorities 4 and 5 of Collin College's Master 2020-2025 Plan, approved by the Board of Trustees in August 2020, involves completing the final phase of "Vision 2020". Specifically, Priority 4 is examining and developing expansion plans for existing facilities and future programs to accommodate growth in the service area, and Priority 5 is completing phase III and IV projects and repurposing available facilities. At the end of the current fiscal year, construction was completed that included renovations and expansions on the McKinney Campus adding a 38,426 square feet Welcome Center, replacing a parking lot, adding food service and expanding the dental hygiene clinic. The Frisco Campus additions and renovation project included site upgrades to the parking lot, additions to Alumni Hall and renovations to other Frisco Campus buildings. Wayfinding for the Mc Kinney Campus was also included in the renovations. The District administration, with the approval of the Board of Trustees, also purchased a parcel of land for \$9 million in Anna, Texas for potential future development opportunities.

The District administration, with the approval of the Board of Trustees, initiated the implementation of a new software system, Workday, to replace the existing system, Ellucian-Banner, in order to improve and streamline college services and system security. In addition to Workday, the District contracted with two implementation partners. The first partner, Accenture (formerly Sierra Cedar) provided the subject matter experts for Finance, Human Management Capital (HCM), Payroll and

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2022 and 2021

technical support for security and system integration. Precision Task Group provided overall project management, data conversion, and state reporting assistance. Total amount approved by the Board of Trustees for Workday and the implementation services was \$12.4 million. The District went live with Workday on September 1, 2021, thus completing the implementation for Finance, HCM, and Payroll. District administration, with the approval of the Board of Trustees has now initiated the implementation of Workday-Student. The implementation partner is Workday. Total amount approved by the Board of Trustees for Workday-Student and the implementation services is \$13.2 million and is planned to complete by 2024.

Table 3: Capital Assets

	2022	2021	2020
Land	\$ 53,676,366	\$ 44,610,763	\$ 44,610,763
Construction in progress	3,055,870	16,899,611	83,325,235
Buildings	838,176,877	778,534,486	657,323,935
Land improvements	21,183,673	20,180,710	20,180,710
Equipment/IT Equipment & Software	76,751,778	73,893,147	37,476,875
Library Books	10,222,432	10,948,658	10,774,298
Right of Use - Leased Buildings	278,030	278,030	-
Right of Use - Leased Equipment	1,573,185	1,573,185	-
Total	<u>\$ 1,004,918,211</u>	<u>\$ 946,918,590</u>	<u>\$ 853,691,816</u>

The preceding table shows the capital assets for fiscal years ending August 31, 2022, 2021, and 2020. Additional information regarding capital assets may be found in Note 5 Capital Assets.

In April 2018, the District sold \$234.2 million in bonds at a net premium of \$18.0 million receiving \$252.3 million less underwriter's discount of \$1.7 million. The District executed another bond issuance in April of the prior fiscal year, selling \$302.6 million general obligation bonds at a premium of \$49.4 million. Cost of bond issuance and underwriter's discount totaling \$2.085 million was incurred and expensed in the prior year in accordance with GASB Statement 65 *Items Previously Reported as Assets and Liabilities*. With the Series 2020 Bond Issuance, the District has sold all bonds authorized by the voters in the 2017 Bond Election.

Noted in Table 4 is the outstanding debt at the end of fiscal years 2020 through 2022. The recent bond issuances in fiscal years 2018 and 2020 has raised the District's current debt service commitment for the three years 2022, 2021, and 2020 to \$18.2, \$15.9, and \$17.1 million, respectively. See Note 7 Long Term Liabilities and Note 8 Bonds Payable for information on debt service.

In March 2020, prior to the District's April 2020 bond issuance, Moody's Investors Service assigned a rating of Aaa, the highest rating available based on their detailed credit considerations of the economy and tax base, financial operations and reserves, as well as the District's liquidity, and debt structure. S&P Global Ratings assigned the District an AAA rating in March 2020, based on the following considerations:

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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- Large and expanding property tax base;
- Strong wealth and income;
- Strong finances, supported by diverse revenue streams and significant revenue-raising flexibility;
- Strong financial management; and
- Moderate to high overall net debt, expected to remain near current levels due to additional debt issuance, offset by ongoing tax base growth.

Table 4: Bond Obligations

	2022	2021	2020
General obligation bonds			
Series 2010	\$ -	\$ -	\$ 7,126,043
Series 2018	219,399,838	228,817,953	237,911,068
Series 2020	337,123,744	346,929,230	351,274,716
Total	<u>\$ 556,523,582</u>	<u>\$ 575,747,183</u>	<u>\$ 596,311,827</u>

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 16.9% is expected to generate additional tax revenues of \$13.9 million or 10.4% for the 2022-23 fiscal year. The tax rate for maintenance and operations and for debt service for fiscal year ending 2023 are \$0.0750 and \$0.00622, respectively, for a total of \$0.08122.

According to the Bureau of Labor Statistics, Collin County’s civilian employed labor force as of September 2022 was 626,815, compared to 590,089 in 2021, an increase of 6.2% over the prior year. The latest unemployment rate for Collin County as of September 2022 was at 3.0%, compared to the state’s rate of 4.0% and a national rate of 3.7%.

The upcoming fiscal year is the second year of the biennium, with appropriations remaining the same as fiscal year 2022. The District will continue to receive the majority (81.7%) of state funding based on contact hours, but a portion (16.7%) 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 increased from \$5.6 million to \$6.1 million, or an 8.9% increase for fiscal year 2022-23.

Enrollment was budgeted at a 5% increase for 2022-23 fiscal year. Tuition rates will increase beginning Fall 2022 with a \$5 per credit hour increase for In-District students, a \$14 increase for Out-of-District students, and a \$17 per credit hour increase for Out-of-State/Out-of-Country students. The last increase in tuition rates occurred in Fall 2021.

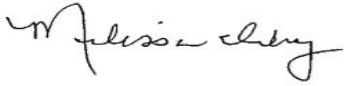
Financial information can be obtained from the Collin County Community College District Business Office via written request to 3452 Spur 399, McKinney, Texas 75069 or by visiting our website at

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2022 and 2021**

www.collin.edu and selecting *Required Links* at the bottom of the home page and then selecting the *Financial Transparency* link.

Melissa Irby, CPA
Chief Financial Officer



Julie Bradley, CPA
Associate Vice President, Controller



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



Keitha Carlton, CPA
Director of Accounting



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

Exhibit 1

**Statement of Net Position
As of August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 189,665,912	\$ 278,679,642
Restricted cash and cash equivalents	47,259,712	82,086,922
Accounts receivable (net of allowance for doubtful accounts of \$259,781 and \$320,851 respectively)	18,915,344	20,365,422
Short term investments	89,755,804	68,606,280
Tax receivable (net of allowance for doubtful accounts of \$571,868 and \$708,769 respectively)	829,926	676,398
Prepaid expenses	1,530,457	2,741,324
Total current assets	<u>347,957,155</u>	<u>453,155,988</u>
Noncurrent assets		
Long term investments	73,306,637	36,115,128
Lease receivable	807,160	907,483
Capital assets, net		
Not subject to depreciation	56,732,236	61,510,374
Subject to depreciation/amortization	775,135,468	732,492,956
Total noncurrent assets	<u>905,981,501</u>	<u>831,025,941</u>
Total assets	<u>\$ 1,253,938,656</u>	<u>\$ 1,284,181,929</u>
Deferred outflows of resources		
Deferred outflows related to pensions	\$ 22,644,700	\$ 20,827,355
Deferred outflows related to OPEB	51,701,661	42,228,249
Total deferred outflows of resources	<u>\$ 74,346,361</u>	<u>\$ 63,055,604</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 17,785,888	\$ 20,083,842
Accrued interest	891,258	926,808
Funds held for others	392,079	443,423
Unearned revenue	28,857,103	26,972,343
Accrued compensable absences payable - current portion	479,260	208,425
Lease liabilities - current portion	546,251	564,561
Bonds payable - current portion	18,215,000	15,905,000
Net OPEB liability - current portion	2,398,482	2,895,395
Total current liabilities	<u>69,565,321</u>	<u>67,999,797</u>
Noncurrent liabilities		
Accrued compensable absences payable	1,582,934	1,738,364
Lease liability	216,537	762,788
Net Pension liability	23,461,964	42,433,966
Net OPEB liability	114,306,618	83,906,315
Bonds payable	538,308,582	559,842,183
Total noncurrent liabilities	<u>677,876,635</u>	<u>688,683,616</u>
Total liabilities	<u>\$ 747,441,956</u>	<u>\$ 756,683,413</u>
Deferred inflows of resources		
Deferred inflows related to pensions	\$ 25,156,088	\$ 5,976,026
Deferred inflows related to OPEB	15,860,983	22,097,053
Deferred inflows related to leases	906,775	996,263
Total deferred inflows of resources	<u>\$ 41,923,846</u>	<u>\$ 29,069,342</u>
Net position		
Net investment in capital assets	\$ 296,369,605	\$ 287,636,997
Restricted for:		
Expendable		
Student aid/non-governmental grants and contracts	1,885,182	5,773,548
Reserve for debt service	12,652,364	8,977,878
Reserve for bond funded projects	6,300,000	6,200,000
Unrestricted	<u>\$ 221,712,064</u>	<u>252,896,349</u>
Total net position	<u>\$ 538,919,215</u>	<u>\$ 561,484,772</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Net Position
As of August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 1,256,782	\$ 989,195
Accounts receivable	62,705	31,178
Pledges receivable, net of discount	1,162,994	281,281
Prepaid expenses	85,944	27,155
Investments	<u>17,008,200</u>	<u>19,687,301</u>
Total assets	<u>\$ 19,576,625</u>	<u>\$ 21,016,110</u>
Liabilities		
Accounts payable	<u>\$ 18,820</u>	<u>\$ 19,761</u>
Net Assets		
Without donor restrictions	1,236,674	1,576,371
With donor restrictions	<u>18,321,131</u>	<u>19,419,978</u>
Total net assets	<u>19,557,805</u>	<u>20,996,349</u>
Total liabilities and net assets	<u>\$ 19,576,625</u>	<u>\$ 21,016,110</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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$18,058,413 and \$17,784,117 respectively)	\$ 41,569,307	\$ 39,263,227
Federal grants and contracts	15,511,436	13,952,721
State grants and contracts	2,042,960	2,396,768
Non-governmental grants and contracts	148,457	134,939
Sales and services of educational activities	711,199	602,201
Auxiliary enterprises	3,901,832	2,956,851
Other operating revenues	632,198	241,892
Total operating revenues	<u>64,517,389</u>	<u>59,548,599</u>
Expenses		
Operating expenses:		
Instruction	106,883,051	107,515,025
Public service	734,651	706,221
Academic support	29,810,751	23,120,562
Student services	20,738,450	20,110,660
Institutional support	51,305,444	40,961,730
Operation and maintenance of plant	23,570,715	20,882,496
Scholarships	36,856,190	24,078,545
Auxiliary enterprises	4,543,309	3,828,317
Depreciation	22,838,726	18,691,859
Total operating expenses	<u>297,281,287</u>	<u>259,895,415</u>
Operating loss	<u>(232,763,898)</u>	<u>(200,346,816)</u>
Non-operating revenues (expenses):		
State appropriations	50,730,109	49,492,556
Ad-valorem taxes:		
Taxes for maintenance and operations	128,909,255	120,895,492
Taxes for general obligation bonds	3,562,491	3,330,636
Federal grants and contracts	45,828,359	33,107,077
Gifts	111,150	172,388
Investment income (net of investment expenses)	11,078	708,958
Interest on capital related debt	(18,757,487)	(19,060,180)
Other non-operating revenues	245,440	251,333
Other non-operating expenses	(442,054)	(2,638)
Net non-operating revenues	<u>210,198,341</u>	<u>188,895,622</u>
Increase/(Decrease) in net position	<u>(22,565,557)</u>	<u>(11,451,194)</u>
Net position - beginning of year	561,484,772	572,945,777
Cumulative effect of change in accounting principle	-	(9,811)
Net Position - beginning of year restated	-	572,935,966
Net position - ending of year	<u>\$ 538,919,215</u>	<u>\$ 561,484,772</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Activities
As of August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Changes in net assets without donor restrictions:		
Revenues and other support:		
Donations and grants, net of adjustment to discount on pledges receivables	\$ 41,354	\$ 10,088
Special events and fundraising	42,207	30,653
Less: cost of direct benefit to donors	(49,698)	(14,965)
Net investment returns	(285,313)	440,520
In-kind contributions	615,403	593,500
	<u>363,953</u>	<u>1,059,796</u>
Net assets released from restrictions	1,221,816	1,008,168
	<u>1,585,769</u>	<u>2,067,964</u>
Expenses:		
Program expenses	1,424,851	1,193,561
Supporting services:		
General and administrative	168,354	118,713
Fundraising	332,261	316,205
Total supporting activities	<u>500,615</u>	<u>434,918</u>
Total expenses	<u>1,925,466</u>	<u>1,628,479</u>
Change in net assets without donor restrictions	<u>(339,697)</u>	<u>439,485</u>
Changes in net assets with donor restrictions:		
Donations and grants, net of adjustment to discount on pledges receivables	2,220,659	1,384,847
Special events and fundraising	166,977	137,853
Less: cost of direct benefit to donors	-	-
Net investment returns	(2,294,914)	2,997,535
In-kind contributions	30,247	-
	<u>122,969</u>	<u>4,520,235</u>
Net assets released from restrictions	<u>(1,221,816)</u>	<u>(1,008,168)</u>
Change in net assets with donor restrictions	<u>(1,098,847)</u>	<u>3,512,067</u>
Total change in net assets	(1,438,544)	3,951,552
Net assets at beginning of year	<u>20,996,349</u>	<u>17,044,797</u>
Net assets at end of year	<u>\$ 19,557,805</u>	<u>\$ 20,996,349</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows For the Years Ended August 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 49,540,495	\$ 45,468,249
Receipts from grants and contracts	17,702,853	16,484,428
Other receipts	632,198	241,892
Payments to or on behalf of employees:		
Payments to employees	(146,085,016)	(131,988,867)
Payments for employee benefits	(19,848,413)	(20,128,623)
Payments to suppliers for goods and services	(54,572,637)	(81,021,053)
Payments for scholarships	<u>(36,202,918)</u>	<u>(24,040,629)</u>
Net cash provided/(used) by operating activities	<u>(188,833,438)</u>	<u>(194,984,603)</u>
Cash flows from non-capital financing activities		
Receipts from state appropriations	44,609,466	39,843,128
Receipts from ad valorem taxes	129,034,130	121,110,120
Receipts from gifts, grants and contracts (other than capital)	45,839,509	33,107,077
(Payments) receipts for student organizations and other agency transactions	<u>(51,344)</u>	<u>62,081</u>
Net cash provided by non-capital financing activities	<u>219,431,761</u>	<u>194,122,406</u>
Cash flows from capital and related financing activities		
Receipts from ad valorem taxes	3,529,527	3,318,646
Payments for capital assets	(61,141,655)	(93,501,989)
Payments on capital debt - principal	(19,788,162)	(19,237,295)
Payments on capital debt - interest	(18,796,537)	(22,964,731)
Receipts from gifts, grants and contracts - capital	<u>100,000</u>	<u>100,000</u>
Net cash provided/(used) by capital and related financing activities	<u>(96,096,827)</u>	<u>(132,285,369)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	68,485,958	92,269,477
Interest on investments	2,126,831	798,514
Purchase of investments	<u>(128,955,225)</u>	<u>(100,678,405)</u>
Net cash provided/(used) by investing activities	<u>(58,342,436)</u>	<u>(7,610,414)</u>
Increase (decrease) in cash and cash equivalents	(123,840,940)	(140,757,980)
Cash and cash equivalents - beginning of year	<u>360,766,564</u>	<u>501,524,544</u>
Cash and cash equivalents - end of year	<u>\$ 236,925,624</u>	<u>\$ 360,766,564</u>
Reconciliation of cash and cash equivalents to Exhibit 1:		
Cash and cash equivalents	189,665,912	278,679,642
Restricted cash and cash equivalents	<u>47,259,712</u>	<u>82,086,922</u>
	<u>\$ 236,925,624</u>	<u>\$ 360,766,564</u>

See accompanying notes to basic financial statements.

Exhibit 3

Collin County Community College District

**Statement of Cash Flows - continued
For the Years Ended August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Reconciliation of net operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (232,763,898)	\$ (200,346,816)
Adjustments to reconcile net operating loss to net cash provided (used) in operating activities:		
Depreciation expense	22,838,726	18,691,859
Payments made directly by state for benefits	6,940,217	10,374,642
Net OPEB expense	12,554,760	9,079,141
Pension expense	1,609,286	2,832,986
Changes in assets and liabilities		
Receivables, net	1,462,561	(292,603)
Lease receivables	100,323	(907,483)
Prepaid expenses	1,210,867	(1,596,418)
Deferred outflows related to pensions	(3,426,631)	(4,786,868)
Deferred outflows related to OPEB	(22,847,746)	(5,244,379)
Accounts payable & other accrued liabilities	(2,297,961)	(37,502,353)
Unearned revenue	1,884,761	2,849,794
Accrued salary and benefits	115,405	186,003
Pension liability	(18,972,002)	5,787,926
OPEB liability	29,903,390	4,364,413
Deferred inflows related to pensions	19,180,062	(1,001,058)
Deferred inflows related to OPEB	(6,236,070)	1,530,348
Deferred inflows related to leases	(89,488)	996,263
Net cash used by operating activities	<u>\$ (188,833,438)</u>	<u>\$ (194,984,603)</u>
 Schedule for of non-cash investment, capital, and financing activities:		
Payments made directly by state for benefits	\$ 22,743,411	\$ 23,737,197
Increase (decrease) in fair value of investments	2,537,439	72,165
Donated capital asset	-	72,388
Net amortization of bond premiums and discounts	(3,318,601)	(3,444,644)
Net non-cash investment, capital, and financing activities	<u>\$ 21,962,249</u>	<u>\$ 20,437,106</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’s Financial Statements included in the District’s Annual Comprehensive Financial Report include the Statements of Financial Position as of August 31, 2022 and 2021, and the Statement of Activities for the fiscal years ended August 31, 2022 and 2021.

The Foundation is a nonprofit organization with the sole purpose of supporting the education and other activities of the District. The District does not appoint a voting majority, nor is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation made restricted payments to or on behalf of the District in amounts totaling approximately \$1,474,415 and \$1,103,517 during the years ending August 31, 2022 and 2021, 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, 2022 and 2021 totaled \$614,620 and \$580,138, respectively. The costs of these services were not significant to the District. The financial position and results of operations of the Foundation are included in these financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*, and Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34* as an affiliated entity because the Foundation’s sole function is to fund the District and its students.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's ("THECB") Annual Financial Reporting Requirements for Texas Public Community 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. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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, 2022 and 2021, respectively, the minimum unrestricted fund balance to be maintained was \$54,149,063 and \$48,349,554. The District exceeded this minimum required fund balance for both years.

Cash and Cash Equivalents

The District considers cash and cash equivalents as cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The District also considers funds on deposit with TexPool, Texas Term, and TexSTAR, which are statewide investment pools, as cash and cash equivalents.

Investments

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

Capital Assets

The District records capital assets at cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 2, Leases, below) at the date of acquisition. Donated capital assets are recorded at acquisition value at the date of donation. The District’s capitalization policy includes all assets with a purchase cost of \$5,000 or more 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. Intangible assets follow the same capitalization policy as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

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

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

Buildings	50 years
Land Improvements	20 years

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Library Books	15 years
Furniture, Equipment, and Vehicles	10 years
IT Equipment and Software	5 years
Right-to-use Leased Asset	4-6 years

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 assets 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, pension and OPEB deferred outflows.

Other Post-Employment Benefits (OPEB)

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

Pensions

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

Supplemental Tax-Sheltered Retirement Plan

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

Unearned Revenues

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**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 assets 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. In the government-wide financial statements the College reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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, 2022 and 2021, 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.

Leases

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

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

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

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

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

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

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

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

- The District uses its estimated incremental borrowing rate as the discount rate for leases.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

New Accounting Pronouncement-Implemented

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, a 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.

Prior Year Restatement

In the year of implementation of GASB Statement No. 87, a restatement to beginning net position was required for the recording of the beginning right of use assets, lease liabilities, and related deferred inflows for resources associated with the leases that will be recognized as revenue over the lease terms.

Beginning net position as of September 1, 2021 has been restated as follows for the implementation of GASB Statement No. 87, *Leases*.

Beginning net position	\$ 561,494,583
Prior period adjustment-implementation of GASB No. 87:	
Lease receivable	1,001,813
Interest receivable	2,719
Lease liabilities	553,741
Accrued interest	(571,821)
Deferred inflows related to leases	(996,263)
Beginning net position, as restated	<u>\$ 561,484,772</u>

GASB Statement No. 92, Omnibus 2020.

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics and includes the following: Statement No. 87, Statement

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

No. 73, Statement No. 74, Statement No. 84, and other topics. The application of this statement is expected to provide more comparable reporting and improve the usefulness for financial statement users.

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*.

The objective of this statement is to address accounting and financial reporting implications resulting from global reference rate reform. Government agreements in which variable payments made or received depend on IBOR, most notably the London Interbank Offered Rate (LIBOR), will be affected, as LIBOR will cease to exist at the end of 2021. Rate provisions in Statements 53 and 87 will also be affected.

GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment to GASB Statement No. 14 and 84, and a Supersession of GASB Statement No. 32.*

The primary objectives of this statement are the following: (1) increase consistency and comparability in the reporting of fiduciary component units where the potential component unit does not have a governing board and the primary government performs those duties; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

Pending Pronouncements

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

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 was originally planned for fiscal year 2022, but is now postponed to fiscal year 2023 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*.

The objective of this statement is to improve financial reporting related to PPPs and APAs by establishing the definitions of these arrangements and providing uniform guidance on accounting

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

and financial reporting for transactions that meet those definitions. This statement will enhance the decision usefulness of financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PP transactions. Implementation of this Statement for community colleges is planned for fiscal year 2023.

GASB Statement No. 96, *Subscriptions-Based Information Technology Arrangements (SBITA)*.

The objective of this statement is to (1) define a SBITA; (2) establish SBITA results in a right-to-use subscription (intangible) asset and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments; and (4) require note disclosures regarding a SBITA. The statement provides an exception for short-term SBITAs with a maximum contract term of 12 months. Subscription payments for short-term SBITAs should be recognized as outflows of resources. Implementation of this Statement for community colleges is planned for fiscal year 2023.

GASB Statement No. 99, *Omnibus 2022*.

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The statement addresses a variety of topics and includes the following: Statement Nos. 34, 53, 63, 87, 96, and other topics. The application of this statement is expected to provide more comparable reporting and improve the consistency of authoritative literature. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective immediately. Implementation of some requirements of this Statement is planned for fiscal year 2023 and others are planned for fiscal year 2024.

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

The primary objective of this statement is to enhance accounting and financial reporting related to accounting changes and error corrections. This statement: (1) defines accounting changes and describes the transactions or other events that constitute those changes, (2) addresses corrections of errors in previously issued financial statements, (3) prescribes the accounting and financial reporting for each type of accounting change and error corrections, (4) requires note disclosures, and (5) addresses how accounting changes and error corrections should be presented in required supplementary information (RSI) and supplementary information (SI). The application of this statement is intended to result in greater consistency and understandable, reliable, and relevant information. Implementation of this Statement for community colleges is planned for fiscal year 2024.

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 270 days,
- Obligations of state, agencies, counties, cities, and other political subdivisions of any US state rated A or equivalent by a nationally recognized investment rating agency,
- FDIC insured, brokered certificates of deposit securities issued by any bank in the US delivered versus payment to the District's safekeeping agent, and
- Share certificates of credit unions domiciled in the state insured by the National Credit Union Insurance Fund,
- Interest bearing accounts in any bank in Texas, FDIC insured or collateralized in accordance with this policy.

NOTE 4. DEPOSITS AND INVESTMENTS

At August 31, 2022 and 2021, the net carrying amount of the District’s deposits were \$369,733 and \$151,391 after reclassifying overdrafts of \$3,480,020 and \$3,773,137, 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 \$2,558,199 as of August 31, 2022. 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,	
	2022	2021
Petty cash on hand	\$ 38,525	\$ 38,600
Checking account	369,733	151,391
TexPool	191,601,853	315,869,057
TexSTAR	39,760,883	39,578,077
Texas TERM	5,154,630	5,129,439
Total cash and cash equivalents	<u>\$ 236,925,624</u>	<u>\$ 360,766,564</u>

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

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

Investment Type	Fair Value	Investment Maturities (in Years)			Rating
		Less than 1 Year	1 to 2 Years	2 to 3 Years	
US Treasury Notes and Bills	\$ 25,815,453	\$ 4,983,221	\$ 4,580,860	\$ 16,251,372	AAA
US Government Agencies	52,474,404	-	33,492,241	18,982,163	AAA
Municipal Bonds	6,016,235	6,016,235	-	-	AA
Commercial Paper	78,655,968	78,655,968	-	-	A1/P1
AIG 457(f)	100,381	100,381	-	-	
Total Fair Value	<u>\$ 163,062,441</u>	<u>\$ 89,755,805</u>	<u>\$ 38,073,101</u>	<u>\$ 35,233,535</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, 2022 and 2021 is as follows:

	As of August 31,	
	2022	2021
Total cash and cash equivalents	\$ 236,925,624	\$ 360,766,564
Total investments - current	89,755,804	68,606,280
Total investments - noncurrent	73,306,637	36,115,128
Total	<u>\$ 399,988,065</u>	<u>\$ 465,487,972</u>

	As of August 31,	
	2022	2021
Per Exhibit 1:		
Cash and cash equivalents	\$ 189,665,912	\$ 278,679,642
Restricted cash and cash equivalents	47,259,712	82,086,922
Short term investments	89,755,804	68,606,280
Long term investments	73,306,637	36,115,128
Total	<u>\$ 399,988,065</u>	<u>\$ 465,487,972</u>

Restricted cash and cash equivalents represent unspent proceeds from the 2020 bond issuance, and cash received, not spent, from ad valorem taxes for debt service. 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 fair 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 270 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, 2022, percentages of each investment type to the total portfolio:

- US Treasury obligation represented 6.46%,
- Local government debt obligations represented 1.50%,
- Commercial paper represented 19.65%,
- US agency obligations represented 13.13%,
- Investment in local government investment pools represented 59.17%,
- Depository demand and money market accounts represented 0.10%.

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, 2022, 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, 2022, the portfolio contained:

- No holdings with a stated maturity date beyond 1,047 days,
- Holdings maturing beyond one year represented 18.34% of the total portfolio,
- The dollar weighted average maturity of the Pooled Funds portfolio was 170 days,
- The portfolio contained nine (9) structured notes as shown below.

Issuer	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Fair Value
FFCB	\$ 5,000,000	0.300%	9/16/2020	9/1/2023	9/7/2022	Callable anytime w/5 business day notice	\$ 5,000,000	\$ 4,841,318
FFCB	5,000,000	0.280%	9/16/2020	9/14/2023	9/7/2022	Callable anytime w/5 business day notice	5,000,000	4,821,954
State of Hawaii	3,000,000	0.429%	10/29/2020	10/1/2022	8/31/2022	M-W call anytime	3,000,000	2,993,910
FHLB	5,000,000	0.400%	3/12/2021	3/12/2024	9/12/2022	Callable monthly w/5 business day notice	5,000,000	4,749,302
FHLB	10,000,000	0.400%	6/28/2021	6/28/2024	9/28/2022	Callable quarterly w/5 business day notice	10,000,000	9,411,095
FHLB	5,000,000	0.500%	8/30/2021	8/28/2024	11/28/2022	Callable quarterly w/5 business day notice	5,000,000	4,691,053
FAMCA	5,000,000	0.500%	10/4/2021	10/4/2024	10/4/2024	Callable quarterly w/5 business day notice	5,000,000	4,680,331
FHLB	5,000,000	1.000%	12/20/2021	12/20/2024	12/20/2024	Callable quarterly w/5 business day notice	5,000,000	4,697,526
FHLMC	5,000,000	4.000%	7/14/2022	7/14/2025	7/14/2023	Callable quarterly w/5 business day notice	5,000,000	4,971,945
Total							\$ 48,000,000	\$ 45,858,434

NOTE 4. DEPOSITS AND INVESTMENTS-continued

Custodial Credit Risk

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

As of August 31, 2022, the portfolio:

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

Following is a list of the individual investments held and their respective credit ratings as of August 31, 2022:

Investment Type	Rating
U.S. Treasury Notes	
T-Note	AAA
U.S. Government	
FFCB	AAA
FRMAC	AAA
FHLMC	AAA
FNMA	AAA
FHLB	AAA
Municipal Bonds	
State of Connecticut	AA-
State of Hawaii	AA
Commercial Paper	
Credit Agricole	A1/P1
Natixis NY	A1/P1
Royal Bank of Canada	A1/P1
Santander UK	A1/P1

NOTE 4. DEPOSITS AND INVESTMENTS-continued

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.

The *exit* or fair market prices used for these market valuations of the portfolio are all Level 1 and Level 2 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, 2022 and 2021:

	Fiscal Year 2022			Fiscal Year 2021	
	Level 1	Level 2	Level 3	Total	Total
US Treasuries	\$ 25,815,453	\$ -	\$ -	\$ 25,815,453	\$ -
US Government Agencies	52,474,404	-	-	52,474,404	29,994,407
Municipal Obligations	6,016,235	-	-	6,016,235	17,037,369
Commercial Paper	-	78,655,968	-	78,655,968	9,997,414
Total Fair Value	\$ 84,306,092	\$ 78,655,968	\$ -	\$ 162,962,060	\$ 57,029,190

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2022 and 2021**

NOTE 5. CAPITAL ASSETS

The following table summarizes changes in capital assets balances for the year ended August 31, 2022:

	Balance 8/31/2021	Increases	(Decreases) Adjustments	Balance 8/31/2022
Not Depreciated				
Land	\$ 44,610,763	\$ 9,065,603	\$ -	\$ 53,676,366
Construction/Work in Progress	16,899,611	46,801,613	(60,645,354)	3,055,870
Subtotal	<u>61,510,374</u>	<u>55,867,216</u>	<u>(60,645,354)</u>	<u>56,732,236</u>
Depreciable Assets				
Buildings	778,534,486	59,642,391	-	838,176,877
Land Improvements	20,180,710	1,002,963	-	21,183,673
Equipment/IT Equipment & Software	73,893,147	4,863,867	(2,005,236)	76,751,778
Library Books	10,948,658	410,572	(1,136,798)	10,222,432
Right of Use - Leased Buildings	278,030	-	-	278,030
Right of Use - Leased Equipment	1,573,185	-	-	1,573,185
Subtotal	<u>885,408,216</u>	<u>65,919,793</u>	<u>(3,142,034)</u>	<u>948,185,975</u>
Accumulated Depreciation/Amortization				
Buildings	102,591,331	14,709,541	-	117,300,872
Land Improvements	13,893,729	611,697	-	14,505,426
Equipment/IT Equipment & Software	29,045,162	6,399,766	(1,601,313)	33,843,615
Library Books	6,850,352	583,036	(1,102,166)	6,331,222
Right of Use - Leased Buildings	95,325	95,325	-	190,650
Right of Use - Leased Equipment	439,361	439,361	-	878,722
Subtotal	<u>152,915,260</u>	<u>22,838,726</u>	<u>(2,703,479)</u>	<u>173,050,507</u>
Net Depreciable Assets	<u>732,492,956</u>	<u>43,081,067</u>	<u>(438,555)</u>	<u>775,135,468</u>
Net Capital Assets	<u>\$ 794,003,330</u>	<u>\$ 98,948,283</u>	<u>\$ (61,083,909)</u>	<u>\$ 831,867,704</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2022 and 2021**

NOTE 5. CAPITAL ASSETS-continued

For comparison purposes, the following table summarizes changes in capital assets balances for the year ended August 31, 2021:

	Balance 8/31/2020	Increases	(Decreases) Adjustments	Balance 8/31/2021
Not Depreciated				
Land	\$ 44,610,763	\$ -	\$ -	\$ 44,610,763
Construction/Work in Progress	83,325,235	79,706,523	(146,132,147)	16,899,611
Subtotal	<u>127,935,998</u>	<u>79,706,523</u>	<u>(146,132,147)</u>	<u>61,510,374</u>
Depreciable Assets				
Buildings	657,323,935	121,210,551	-	778,534,486
Land Improvements	20,180,710	-	-	20,180,710
Equipment	34,536,129	37,105,827	(689,555)	70,952,401
Library Books	10,774,298	380,872	(206,512)	10,948,658
WAN/LAN Network Equipment	2,940,746	-	-	2,940,746
Right of Use - Leased Buildings	-	278,030	-	278,030
Right of Use - Leased Equipment	-	1,573,185	-	1,573,185
Subtotal	<u>725,755,818</u>	<u>160,548,465</u>	<u>(896,067)</u>	<u>885,408,216</u>
Accumulated Depreciation/Amortization				
Buildings	89,445,751	13,145,580	-	102,591,331
Land Improvements	13,290,113	603,616	-	13,893,729
Equipment	22,460,833	4,329,217	(664,679)	26,125,371
Library Books	6,444,970	611,894	(206,512)	6,850,352
WAN/LAN Network Equipment	2,918,239	1,552	-	2,919,791
Right of Use - Leased Buildings	-	-	-	-
Right of Use - Leased Equipment	-	-	-	-
Subtotal	<u>134,559,906</u>	<u>18,691,859</u>	<u>(871,191)</u>	<u>152,380,574</u>
Net Depreciable Assets	<u>591,195,912</u>	<u>141,856,606</u>	<u>(24,876)</u>	<u>733,027,642</u>
Net Capital Assets	<u>\$ 719,131,910</u>	<u>\$ 221,563,129</u>	<u>\$ (146,157,023)</u>	<u>\$ 794,538,016</u>

*Note: Amounts for amortization of Right of Use assets are included in cumulative effect of change in accounting principle related to GASB Statement No. 87, *Leases*. For more information, see Note 2.

NOTE 6. Leases

Lease Receivable

The College adopted GASB Statement No. 87 during fiscal year 2022 for current leases related to third parties for cell tower use. The remaining lease terms range from 8 years to 14 years and the College receives monthly payments of \$7,675 to \$8,153 related to these lease agreements. The College recognized \$89,488 in lease revenue and \$38,082 in interest revenue during the current fiscal year related to these leases. As of August 31, 2022, the College’s receivable for lease payments was \$907,484. Also, the College has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of August 31, 2022, the balance of the deferred inflow of resources was \$906,775.

The present value of the future principal and interest lease payments as of August 31, 2022, were as follows:

August 31,	Principal	Interest	Total
2023	\$ 100,323	\$ 34,473	\$ 134,796
2024	66,769	31,071	97,840
2025	69,489	28,351	97,840
2026	72,320	25,520	97,840
2027	86,864	22,383	109,247
2028-32	319,244	65,840	385,084
2033-37	192,475	17,144	209,619
Totals	<u>\$ 907,484</u>	<u>\$ 224,782</u>	<u>\$ 1,132,266</u>

Lease Payable

The College adopted GASB Statement No. 87 during fiscal year 2022 for current lease liabilities. The College is currently entered into lease agreements as lessee for the use of copiers, a firetruck, and building space. As of August 31, 2022, the value of the lease liability for these leases was \$762,788. The College is required to make monthly principal and interest payments of \$564,562 related to these lease agreements. The leases have interest rates ranging from 3.31% to 4.00%. The College does not intend to purchase the firetruck or copiers at the end of the lease term. The value of the right-to-use assets as of the end of the current fiscal year was \$1,851,215 and had accumulated amortization of \$1,069,372.

The present value of the future principal and interest lease payments as of August 31, 2022, were as follows:

August 31,	Principal	Interest	Total
2023	\$ 546,251	\$ 19,751	\$ 566,002
2024	69,829	7,187	77,016
2025	72,160	4,856	77,016
2026	74,548	2,468	77,016
Totals	<u>\$ 762,788</u>	<u>\$ 34,262</u>	<u>\$ 797,050</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2022 and 2021**

NOTE 7. LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities for the year ended August 31, 2022:

	Balance 9/1/2021	Additions	Reductions	Amortization of Premium	Amortization of Discount	Balance 8/31/2022	Current Portion	Non-Current Portion
Bonds								
General Obligation Bonds								
Series 2018	\$ 228,817,953	\$ -	\$ (8,530,000)	\$ (931,437)	\$ 43,322	\$ 219,399,838	\$ 8,955,000	\$ 210,444,838
Series 2020	346,929,230	-	(7,375,000)	(2,430,486)	-	337,123,744	9,260,000	327,863,744
Subtotal	575,747,183	-	(15,905,000)	(3,361,923)	43,322	556,523,582	18,215,000	538,308,582
Accrued Compensable Absences	1,946,789	4,589,151	(4,473,746)	-	-	2,062,194	479,260	1,582,934
Lease Liabilities	1,327,349	-	(564,561)	-	-	762,788	546,251	216,537
Net Pension Liability	42,433,966	-	(18,972,002)	-	-	23,461,964	-	23,461,964
Net OPEB Liability	86,801,710	37,875,338	(7,971,948)	-	-	116,705,100	2,398,482	114,306,618
Total	\$ 708,256,997	\$ 42,464,489	\$ (47,887,257)	\$ (3,361,923)	\$ 43,322	\$ 699,515,628	\$ 21,638,993	\$ 677,876,635

For comparison purposes, the following table summarizes changes in long-term liabilities for the year ended August 31, 2021:

	Balance 9/1/2020	Additions	Reductions	Amortization of Premium	Amortization of Discount	Balance 8/31/2021	Current Portion	Non-Current Portion
Bonds								
General obligation bonds								
Series 2010	\$ 7,126,043	\$ -	\$ (7,000,000)	\$ (126,043)	\$ -	\$ -	\$ -	\$ -
Series 2018	237,911,068	-	(8,205,000)	(931,437)	43,322	228,817,953	8,530,000	220,287,953
Series 2020	351,274,716	-	(1,915,000)	(2,430,486)	-	346,929,230	7,375,000	339,554,230
Subtotal	596,311,827	-	(17,120,000)	(3,487,966)	43,322	575,747,183	15,905,000	559,842,183
Accrued Compensable Absences	1,760,786	3,874,265	(3,688,262)	-	-	1,946,789	208,425	1,738,364
Lease Liabilities	-	1,327,349	-	-	-	1,327,349	564,561	762,788
Net Pension Liability	36,646,040	9,056,977	(3,269,051)	-	-	42,433,966	-	42,433,966
Net OPEB Liability	82,437,297	20,712,462	(16,348,049)	-	-	86,801,710	2,895,395	83,906,315
Total	\$ 717,155,950	\$ 34,971,053	\$ (40,425,362)	\$ (3,487,966)	\$ 43,322	\$ 708,256,997	\$ 19,573,381	\$ 688,683,616

NOTE 8. BONDS PAYABLE

Bonds payable as of August 31, 2022 and 2021 consisted of the following:

Bond issue	Purpose	Date Issued	Amount Issued and Authorized	Revenue Source	Outstanding Balance August 31, 2022	Outstanding Balance August 31, 2021
Series 2018 Limited Tax Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites	4/12/2018	\$ 252,308,336	Ad valorem taxes	\$ 219,399,838	\$ 228,817,953
Series 2020 Limited Tax Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites	4/7/2020	\$ 352,084,877	Ad valorem taxes	\$ 337,123,744	\$ 346,929,230
Total					\$ 556,523,582	\$ 575,747,183

Bonds payable are due in annual principal installments varying from \$17,445,506 to \$23,506,200 with interest rates of 3.00% to 5.00% and the final installments are due in 2040.

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

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

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

NOTE 8. BONDS PAYABLE-continued

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

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

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

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

General Obligation Bonds Debt Schedule

Debt service requirements as of August 31, 2022, were as follows:

Year Ended August 31,	General Obligation Bonds		
	Principal	Interest	Total
2023	\$ 18,215,000	\$ 21,273,906	\$ 39,488,906
2024	20,485,000	20,363,156	40,848,156
2025	21,615,000	19,338,906	40,953,906
2026	22,695,000	18,258,156	40,953,156
2027	23,825,000	17,123,406	40,948,406
2028-32	137,860,000	66,898,430	204,758,430
2033-37	170,735,000	34,028,619	204,763,619
2038-40	83,135,000	4,825,200	87,960,200
Subtotal	498,565,000	202,109,779	700,674,779
Net Premium/ Discount	57,958,582	-	57,958,582
Total	\$ 556,523,582	\$ 202,109,779	\$ 758,633,361

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 Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained online at [TRS Annual Comprehensive Financial Report](#); or write to TRS at 1000 Red River Street, Austin, TX 78701-2698.

Benefits Provided

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

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

NOTE 9. EMPLOYEES’ RETIREMENT PLAN-continued

Contributions

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

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

	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2021</u>
Member	8.00%	7.70%
Non-Employer Contributing Entity (State) and Employer (District)	7.75%	7.50%
FY2021 Member Contributions	\$ 7,238,685	
FY2021 District Contributions	\$ 3,928,024	
FY2021 State of Texas On-Behalf Contributions	\$ 3,127,055	

The District’s contributions to the TRS pension plan in fiscal year 2022 was \$4,516,523, 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 2022 was \$3,679,899.

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.

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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

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

Actuarial Assumptions

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

Valuation Date	8/31/2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate	1.95%
Last year ending August 31 in the 2016 to 2115	
Projection period (100 years)	2120
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

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 used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020.

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

Discount Rate

The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

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 system's target asset allocation, are summarized below:

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

Asset Class	Target Allocation¹ %	Long-Term Expected Geometric Real Rate of Return²	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	-0.2%	0.01%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Absolute Return (Including Credit Sensitive Investments)	-	1.1%	-
Real Return			
Real Assets	15.0%	4.5%	1.00%
Energy, Natural Resources and Infrastructure	6.0%	4.7%	0.35%
Commodities	-	1.7%	-
Risk Parity			
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	-0.7%	-0.01%
Asset Allocation Leverage	-6.0%	-0.5%	0.03%
Inflation Expectation	-	-	2.20%
Volatility Drag ³	-	-	-0.95%
Expected Return	100.00%		6.90%

¹ Target allocations are based on the FY2021 policy model

² Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021)

³ The volatility drag results from the conversion between arithmetic and geometric mean returns

NOTE 9. EMPLOYEES’ RETIREMENT PLAN-continued

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (7.25%) in measuring the 2021 Net Pension Liability.

	1% Decrease in Discount Rate (6.250%)	Discount Rate (7.250%)	1% Increase in Discount Rate (8.250%)
Collin County Community College District proportionate share of the net pension liability	\$ 51,268,114	\$ 23,461,964	\$ 902,735

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

At August 31, 2022, the District reported a liability of \$23,461,964 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	\$ 23,461,964
State's proportionate share that is associated with the District	18,604,389
Total	<u>\$ 42,066,353</u>

The net pension liability was measured as of August 31, 2021, and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2020, through August 31, 2021.

At the measurement date of August 31, 2021, the employer’s proportion of the collective net pension liability was .0921288731% which was an increase of .0128988838% from its proportion measured as of August 31, 2020.

NOTE 9. EMPLOYEES’ RETIREMENT PLAN-continued

Changes Since the Prior Actuarial Valuation

- The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2020.

For the year ended August 31, 2022, the District recognized pension expense of \$2,910,781 and an additional on-behalf revenue and expense of \$74,378 for support provided by the State. Refer to the fiscal year 2021 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

At August 31, 2022, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 39,263	\$ 1,651,741
Changes in actuarial assumptions	8,293,346	3,615,188
Net differences between projected and actual investment earnings	-	19,672,552
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	9,795,568	216,607
Contributions paid to TRS subsequent to the measurement date	4,516,523	-
Total	\$ 22,644,700	\$ 25,156,088

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
2023	\$ (746,685)
2024	(700,456)
2025	(2,601,329)
2026	(4,206,616)
2027	977,795
Thereafter	249,390
Total	\$ (7,027,901)

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

Optional Retirement Plan-Defined Contribution Plan

Plan Description

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

Funding Policy

Contribution requirements are not actuarially determined, but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.60% and 6.65%, respectively. The District contributes 1.75% for employees who were participating in the optional retirement. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the State has no additional or unfunded liability for this program. Senate Bill (S.B.) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013 limits the amount of the State's contribution to 50% of eligible employees in the reporting District.

The retirement expense to the state for the District for ORP was \$714,253 and \$692,754 for fiscal years ended August 31, 2022 and 2021, 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 \$146,260,700 and \$132,174,866 for fiscal years 2022 and 2021, respectively. The total payroll of employees covered by the TRS was \$105,120,853 and \$94,008,898, and the total payroll of employees covered by the Optional Retirement Program was \$21,644,024 and \$20,992,550 for fiscal years 2022 and 2021, 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 \$15,140,040 and \$13,496,770 for the years ended August 31, 2022 and 2021, 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>2022</u>	<u>2021</u>
403(b) Tax Sheltered Annuity (TSA)		
Number of Participants	1,011	1,012
Employee Contributions	\$ 4,807,596	\$ 4,329,706
Employer Contributions	\$ 2,040,078	\$ 1,959,975
Section 457 Deferred Compensation (DCP)		
Number of Participants	46	47
Employee Contributions	\$ 590,086	\$ 496,941
Section 457 Roth Deferred Compensation (DCP)		
Number of Participants	27	23
Employee Contributions	\$ 271,431	\$ 161,856

The District established the *Collin Invests Enhanced Retirement Savings Plan (The Plan)* and began offering benefits of The Plan beginning September 2019. The Plan allows for full-time benefits-eligible employees to participate in a College District-sponsored supplemental tax - sheltered retirement plan that includes a dollar-for-dollar match of an employee's contributions to an individual tax-sheltered retirement account (up to a maximum of three percent of the employee's full-time salary). Employer contributions are subject to budget availability. Employer expenses for the 403(b) District matching TSA recorded for fiscal year ending 2022 totaled \$2,040,078. Of the 1,011 participants, 209 were not vested at year end. The vesting period is three years.

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

NOTE 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 \$2,062,194 and \$1,946,789 for the years ended August 31, 2022 and 2021, 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	2022/2021	
	Employee Contribution	State/Employer Contribution
Member Only	\$ -	\$ 624.82
Member & Spouse	\$ 357.54	\$ 982.36
Member & Child(ren)	\$ 239.38	\$ 864.20
Member & Family	\$ 596.92	\$ 1,221.74

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	2022	2021
Number of Retirees	328	302
Cost of Health Benefits for Retirees	\$ 2,809,183	\$ 2,597,710
Number of Active Full Time Employees	1,487	1,497
Cost of Health Benefits for Active Full Time Employees	\$ 13,204,957	\$ 12,807,325
State Appropriation for Health Insurance	\$ 6,114,179	\$ 5,627,503
District's Expense	\$ 9,912,916	\$ 9,777,532

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

The District participates in a cost-sharing, multi-employer, other post-employment defined-benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain post-employment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

Retiree health benefits offered through 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. There are no long-term contracts for contributions to the plan.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

**Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2022**

	2022
Retiree only	\$ 624.82
Retiree & Spouse	\$ 1,339.90
Retiree & Children	\$ 1,103.58
Retiree & Family	\$ 1,818.66

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

**Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2022 and 2021**

	2022	2021
Employers	\$ 9,777,053	\$ 7,896,606
Members (Employees)	\$ 4,397,933	\$ 3,824,137
Nonemployer Contributing Entity (State of Texas)	\$ 6,114,180	\$ 5,627,503

Actuarial Assumptions

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

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

**Actuarial Assumptions
ERS Group Benefits Program Plan**

Valuation Date	August 31, 2021
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	N/A
Discount Rate	2.14%
Projected Annual Salary Increase (includes inflation)	2.30% to 9.05%, including inflation
Annual Healthcare Trend Rate	<p><u>Health Select</u>: 5.25% for FY23, 5.15% for FY24, 5.00% for FY25, 4.75% for FY26, 4.60% for FY27, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY30 and later years.</p> <p><u>Health Select Medicare Advantage</u>: 0.00% for FY23, 66.67% for FY24, 24.00% for FY25, 4.75% for FY26, 4.60% for FY27, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY30 and later years.</p> <p><u>Pharmacy</u>: 10.00% for FY23 and FY24, decreasing 100 basis points per year to 5.00% for FY29 and 4.30% for FY30 and later years.</p>
Inflation Assumption Rate	2.30%
Ad hoc post-employment benefit changes	None

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

<p>Mortality Assumptions</p>	<p><u>State Agency Members</u></p> <p>a. <i>Service Retirees, Survivors and other inactive Members (Regular, Elected, CPO/CO and its JRS I and II Employee Classes):</i> 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020</p>
	<p>b. <i>Disability Retirees (Regular, Elected CPO/CO and JRS I and II Employee Classes):</i> 2020 State Retirees of Texas Mortality table with a 3-year set forward for males and females with minimum rates at all ages of 3.0% for males and 2.5% for females, and Ultimate MP Projection Scale projected from the year 2020</p> <p>c. <i>Active Members:</i> Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP Projection Scale from the year 2010</p> <p><u>Higher Education Members</u></p> <p>a. <i>Service Retirees, Survivors and other Inactive Members:</i> Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018</p> <p>b. <i>Disability Retirees:</i> Tables based on TRS experience with Ultimate MP Projection Scale projected from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members</p> <p>c. <i>Active Members:</i> Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014</p>

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Investment Policy

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

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%, which amounted to a decrease of 0.06%. 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 (2.14%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.14%)	Discount Rate (2.14%)	1% Increase in Discount Rate (3.14%)
Collin County Community College District proportionate share of the net OPEB liability	\$ 139,000,207	\$ 116,705,100	\$ 99,262,514

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 5.25% and the ultimate rate is 4.30%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (5.25% decreasing to 4.30%) in measuring the net OPEB Liability.

	1% Decrease (HealthSelect: 4.25% decreasing to 3.30%; HealthSelect Medicare Advantage: -1.00% to 3.30%; Pharmacy: 9.00% decreasing to 3.30%)	Current Healthcare Trend Rates(HealthSelect:5.25% decreasing to 4.30%; HealthSelect Medicare Advantage: 0.00% to 4.30%; Pharmacy: 10.00% decreasing to 4.30%)	1% Increase (HealthSelect: 6.25% decreasing to 5.30%; HealthSelect Medicare Advantage: 1.00% to 5.30%; Pharmacy: 11.00% decreasing to 5.30%)
Collin County Community College District proportionate share of the net OPEB liability	\$ 97,726,785	\$ 116,705,100	\$ 141,570,075

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

At August 31, 2022, the District reported a liability of \$116,705,100 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	\$	116,705,100
State's proportionate share of the collective net OPEB liability		67,173,446
Total	\$	<u>183,878,546</u>

The net OPEB liability was measured as of August 31, 2021, 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, 2020, thru August 31, 2021.

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.32530579%.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

For the year ended August 31, 2022, the District recognized OPEB expense of \$15,084,115 and an additional on-behalf revenue and expense of \$819,574 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.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future female retirees assumed to be married and electing coverage for their spouse.
- The percentage of future retirees and future retiree spouses assumed to use tobacco have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was changed from 2.20% to 2.14% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.
- Assumed Per Capita Health Benefit Costs and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date.

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

- Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY22, are provided for in the FY22 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

At August 31, 2022, the District reported its proportionate share of the ERS plan’s collective deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,862,647
Changes of assumptions	7,990,090	12,998,336
Net difference between projected and actual investment return	20,669	-
Effect of change in proportion and contribution difference	42,805,847	-
Contributions subsequent to the measurement date	885,055	-
Total	<u>\$ 51,701,661</u>	<u>\$ 15,860,983</u>

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

Year ended August 31:	OPEB Expense Amount
2023	\$ 10,599,906
2024	10,762,835
2025	5,907,860
2026	4,671,168
2027	3,013,855
Thereafter	-
Total	<u>\$ 34,955,624</u>

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

Receivables at August 31 were as follows:

	2022	2021
Student Receivables	\$ 11,932,508	\$ 9,842,499
Federal and State Receivables	6,770,875	7,895,342
Interest Receivable	162,534	150,050
Other Receivables	309,208	2,798,382
Subtotal	<u>19,175,125</u>	<u>20,686,273</u>
Less: Allowance for Doubtful Accounts	<u>(259,781)</u>	<u>(320,851)</u>
Total Accounts Receivable	<u>\$ 18,915,344</u>	<u>\$ 20,365,422</u>
Taxes Receivable	\$ 1,401,794	\$ 1,385,167
Less: Allowance for Doubtful Accounts	<u>(571,868)</u>	<u>(708,769)</u>
Total Taxes Receivable	<u>\$ 829,926</u>	<u>\$ 676,398</u>

An allowance for doubtful accounts estimated at \$259,781 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 8/31/2021	Addition	Collections	Adjustments	Returned to Collin College	Balance 8/31/2022
First Placement Collection Agency	\$ 144,993	\$ 16,970	\$ (21,047)	\$ -	\$ (138,465)	\$ 2,451
Second Placement Collection Agency	<u>208,851</u>	<u>138,048</u>	<u>(21,970)</u>	<u>(632)</u>	<u>(66,967)</u>	<u>257,330</u>
Total Student Receivables Placed with Collections	<u>353,844</u>	<u>155,018</u>	<u>(43,017)</u>	<u>(632)</u>	<u>(205,432)</u>	<u>259,781</u>
Allowance for doubtful accounts	(320,851)	86,965	-	(686)	(25,209)	(259,781)
Net Receivables Placed with Collections	<u>\$ 32,993</u>	<u>\$241,983</u>	<u>\$ (43,017)</u>	<u>\$ (1,318)</u>	<u>\$ (230,641)</u>	<u>\$ -</u>

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

Payables at August 31 were as follows:

	<u>2022</u>	<u>2021</u>
Vendors Payable	\$ 14,045,158	\$ 17,916,538
Salary and Benefits Payable	1,912,360	992,206
Students Payable	<u>1,828,370</u>	<u>1,175,098</u>
Total Accounts Payable	<u>\$ 17,785,888</u>	<u>\$ 20,083,842</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.

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, 2022 and 2021**

NOTE 16. PROPERTY TAX and TAX ABATEMENT

The District’s ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Property taxes attach an automatic enforceable lien on property the first day of January. The lien is removed if taxes are paid by February 1.

Exemptions include \$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,	2022	2021
Assessed Valuation of the District:	\$ 198,233,195,044	\$188,791,935,841
Less: Exemptions	(30,036,977,571)	(28,871,421,897)
Less: Abatements	<u>(300,853,010)</u>	<u>(354,028,805)</u>
Net Assessed Valuation of the District	167,895,364,463	159,566,485,139
Plus: Supplements through August 31	<u>(2,283,556)</u>	<u>33,729,643</u>
Adjusted Assessed Valuation	<u><u>\$ 167,893,080,907</u></u>	<u><u>\$159,600,214,782</u></u>

Tax rates for the years ended August 31, 2022 and 2021, are as follows:

Per \$100 valuation:	FY 2022			FY 2021		
	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	\$ 0.079100	\$ 0.002122	\$ 0.081222	\$ 0.079100	\$ 0.002122	\$ 0.081222

NOTE 16. PROPERTY TAX and TAX ABATEMENT-continued

Taxes levied for the years ended August 31, 2022 and 2021, were \$135,143,656 and \$127,033,943, 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 2022			FY 2021		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$130,434,484	\$3,499,140	\$ 133,933,624	\$122,674,502	\$3,293,299	\$ 125,967,801
Delinquent Taxes Collected	685,033	18,333	703,366	255,450	12,073	267,523
Penalties & Interest Collected	568,542	12,054	580,596	645,279	13,274	658,553
Total Gross Collections	<u>131,688,059</u>	<u>3,529,527</u>	<u>135,217,586</u>	<u>123,575,231</u>	<u>3,318,646</u>	<u>126,893,877</u>
Tax Appraisal and Collection Fee	(1,355,988)	-	(1,355,988)	(1,279,873)	-	(1,279,873)
Bad Debt Expense	120,565	32,964	153,529	36,709	11,990	48,699
Total Net Collections	<u>\$130,452,636</u>	<u>\$3,562,491</u>	<u>\$ 134,015,127</u>	<u>\$122,332,067</u>	<u>\$3,330,636</u>	<u>\$ 125,662,703</u>

Tax collections for the year ended August 31, 2022 and 2021, were 99.53% and 99.68% 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 2022	Taxes Forgone in 2021
City of Frisco TIF 1	100%	\$ 1,543,381	\$ 1,436,575
Total Taxes Forgone		<u>\$ 1,543,381</u>	<u>\$ 1,436,575</u>

Tax Abatement

The District entered into a property tax abatement agreement with one entity as provided by Tax Code Chapter 312 Property Redevelopment and Tax Abatement Act. For fiscal year ending August 31, 2022, the District abated property taxes as noted in the table below.

Start Date	Agreement	Taxable Assessed Value	Tax Rate Per \$100 valuation	Taxes Abated
2013	Texas Instruments	\$ 300,853,010	0.081222	\$ 244,359
	Total	<u>\$ 300,853,010</u>		<u>\$ 244,359</u>

Based on the abatement agreement currently in place, the taxable assessed value of remaining abatements for fiscal year 2023 is anticipated to be \$306,338,178, resulting in abated taxes of \$248,814.

NOTE 17. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with generally accepted accounting principles ("GAAP"). Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenses made under the provisions of the grant. Accordingly, when such funds are received in advance, they are recorded as unearned revenue until earned. Revenues recognized are presented on Exhibit 2 and Schedules A and C. Funds expended for federal and non-federal contract and grant awards, but not collected, are reported within accounts receivable on Exhibit 1 and in Note 14. Contract and grant awards that are not yet funded and for which the District has not yet performed services are not included in the basic financial statements.

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

	<u>2022</u>	<u>2021</u>
Federal Contracts and Grant Awards	\$ 28,757,671	\$ 53,003,354
State Contracts and Grant Awards	<u>1,462,373</u>	<u>380,958</u>
Total	<u>\$ 30,220,044</u>	<u>\$ 53,384,312</u>

NOTE 18. COMPONENT UNITS

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

Organization and Nature of Activities

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

Significant Accounting Policies

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

Basis of Presentation - 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.

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.

NOTE 18. COMPONENT UNITS - Significant Accounting Policies-Continued

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 as of August 31, 2022 and 2021

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

Deferred Revenues - Deferred revenues consist primarily of donations related to events for the upcoming year.

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 value of these in-kind contributions was \$615,403 and \$593,500 for the years ended August 31, 2022 and 2021, respectively, and is included in revenues and expenses on the accompanying statements of activities. Of these amounts, \$326,828 and \$301,765, respectively, are considered fundraising expenses for the years ended August 31, 2022 and 2021. Additionally, in the year ended August 31, 2022, the Foundation received a vehicle donation valued at \$30,247. Proceeds from the disposition of the vehicle are restricted for non-endowed scholarships.

NOTE 18. COMPONENT UNITS - Significant Accounting Policies-Continued

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

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

Income Taxes - The Foundation follows the Income Taxes topic of the FASB ASC, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Foundation is 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 August 31, 2022, 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 2019 through 2022 tax years remain subject to examination by the Internal Revenue Service.

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

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

The majority of the Foundation's scholarship endowment agreements include a spending policy that allows for 80% of the earnings to be made available for scholarships, 10% of the earnings to be returned to the corpus of the endowment funds, and 10% of the earnings to be distributed to the operating fund for administrative purposes.

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.

Subsequent Events - Management has evaluated subsequent events for potential disclosure November 8, 2022, which is the date the financial statements were available to be issued.

NOTE 18. COMPONENT UNITS - Significant Accounting Policies-Continued

Liquidity and Availability of Resources

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,256,782	\$ 989,195
Accounts receivable	62,705	31,178
Pledges receivable, net of discount	1,162,994	281,281
Investments	<u>17,008,200</u>	<u>19,687,301</u>
	19,490,681	20,988,955
Donor-restricted net assets	<u>(18,321,131)</u>	<u>(19,419,978)</u>
Financial assets available to meet general expenditure needs within one year	<u>\$ 1,169,550</u>	<u>\$ 1,568,977</u>

Pledges Receivable

Pledges are recognized as revenues in the period that they are made. Pledges due in one year or more have been discounted to present value using a 5.50% discount rate. (Prime Rate as of July 28, 2022)

Pledges receivable as of August 31, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Pledges receivable	\$ 1,242,311	\$ 288,641
Less: discount to present value	<u>(79,317)</u>	<u>(7,360)</u>
Pledges receivable, net of discount	<u>\$ 1,162,994</u>	<u>\$ 281,281</u>

Fair Value Measurements and Disclosures

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

NOTE 18. COMPONENT UNITS - Significant Accounting Policies-Continued

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.

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

The following is a listing of investments measured at fair value on a recurring basis and where they are classified within the hierarchy as of August 31, 2022 and 2021:

	2022			
	Level I	Level II	Level III	Total
Investments at fair value:				
Equity securities and funds	\$ 10,814,426	\$ -	\$ -	\$ 10,814,426
Fixed income funds	5,842,558	-	-	5,842,558
Subtotal, investments at fair value	<u>\$ 16,656,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,656,984</u>
Other investments:				
Portfolio cash and accrued income, at cost				325,388
Alternative investments, at contract value				25,828
Total investments				<u>\$ 17,008,200</u>
	2021			
	Level I	Level II	Level III	Total
Investments at fair value:				
Equity securities and funds	\$ 15,828,683	\$ -	\$ -	\$ 15,828,683
Fixed income funds	3,568,041	-	-	3,568,041
Subtotal, investments at fair value	<u>\$ 19,396,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,396,724</u>
Other investments:				
Portfolio cash and accrued income, at cost				265,769
Alternative investments, at contract value				24,808
Total investments				<u>\$ 19,687,301</u>

NOTE 18. COMPONENT UNITS - Significant Accounting Policies-Continued

Fair Value Measurements and Disclosures-continued

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

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

Net Assets With Donor Restrictions

The balances of net assets with donor restrictions as of August 31, 2022 and 2021 relate to certain contributions for which donors have imposed restrictions. In accordance with Foundation policies, they are set forth as follows:

	<u>2022</u>	<u>2021</u>
Subject to purpose restrictions:		
Excellence program	\$ 763,224	\$ 599,844
Non-endowed scholarships	<u>2,041,302</u>	<u>1,802,090</u>
	<u>2,804,526</u>	<u>2,401,934</u>
Endowments:		
Available for scholarship awards	2,234,592	1,725,076
Unappropriated	226,312	3,688,355
Subject to spending policy	<u>13,055,701</u>	<u>11,604,613</u>
	<u>15,516,605</u>	<u>17,018,044</u>
Total	<u>\$ 18,321,131</u>	<u>\$ 19,419,978</u>

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

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

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

NOTE 18. COMPONENT UNITS - Significant Accounting Policies-Continued

Net Assets With Donor Restrictions-continued

During the years ended August 31, 2022 and 2021, net assets with donor restrictions in the amounts of \$1,221,816 and \$1,008,168, respectively, have been expended in accordance with donor restrictions and have been reclassified to net assets without donor restrictions as set forth below:

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
Excellence program awards	\$ 192,879	\$ 127,969
Non-endowed scholarship awards	522,617	573,021
Program enhancements	<u>114,087</u>	<u>87,995</u>
	829,583	788,985
Endowed scholarship awards	<u>392,233</u>	<u>219,183</u>
Total	<u>\$ 1,221,816</u>	<u>\$ 1,008,168</u>

The following is a summary of endowment activities for the years ended August 31, 2022 and 2021:

	Available for Scholarship Awards	Unappropriated	Subject to Spending Policy	Total
Balance at August 31, 2020	\$ 1,736,173	\$ 954,559	\$ 11,079,156	\$ 13,769,888
Contributions	-	-	469,804	469,804
Net investment return	208,086	2,733,796	55,653	2,997,535
Appropriations	-	-	-	-
Scholarship awards	<u>(219,183)</u>	<u>-</u>	<u>-</u>	<u>(219,183)</u>
Balance at August 31, 2021	\$ 1,725,076	\$ 3,688,355	\$ 11,604,613	\$ 17,018,044
Contributions	-	-	1,185,708	1,185,708
Net investment return	901,749	(3,462,043)	265,380	(2,294,914)
Appropriations	-	-	-	-
Scholarship awards	<u>(392,233)</u>	<u>-</u>	<u>-</u>	<u>(392,233)</u>
Balance at August 31, 2022	<u>\$ 2,234,592</u>	<u>\$ 226,312</u>	<u>\$ 13,055,701</u>	<u>\$ 15,516,605</u>

NOTE 19. Subsequent Event

No significant subsequent events have occurred since year ending August 31, 2022 through the issuance date of this report.



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 Eight Fiscal Years

Fiscal years ending August 31,*	2022	2021	2020	2019
District's proportion of collective net pension liability (%)	0.000921289	0.000792300	0.000704960	0.000639580
District's proportionate share of collective net pension liability (\$)	\$ 23,461,964	\$ 42,433,966	\$ 36,646,040	\$ 35,204,032
State's proportionate share of net pension liability associated with the District	18,604,389	33,725,103	29,191,219	28,372,524
Total	<u>\$ 42,066,353</u>	<u>\$ 76,159,069</u>	<u>\$ 65,837,259</u>	<u>\$ 63,576,556</u>
District's covered payroll	\$ 94,008,898	\$ 78,435,332	\$ 67,685,206	\$ 57,589,464
District's proportionate share of collective net pension liability as a percentage of covered payroll	25.0%	54.1%	54.1%	61.1%
Plan fiduciary net position as percentage of the total pension liability	88.79%	75.54%	75.24%	73.74%
Fiscal years ending August 31,*	2018	2017	2016	2015
District's proportion of collective net pension liability (%)	0.000615622	0.000561923	0.000614874	0.000645782
District's proportionate share of collective net pension liability (\$)	\$ 19,684,288	\$ 21,234,239	\$ 21,734,977	\$ 17,249,730
State's proportionate share of net pension liability associated with the District	15,746,369	19,980,257	15,657,455	12,568,650
Total	<u>\$ 35,430,657</u>	<u>\$ 41,214,496</u>	<u>\$ 37,392,432</u>	<u>\$ 29,818,380</u>
District's covered payroll	\$ 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	37.0%	42.0%	52.5%	49.2%
Plan fiduciary net position as percentage of the total pension liability	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 Eight Fiscal Years

Fiscal years ending August 31,*	2022	2021	2020	2019
Legally required contributions	\$ 4,516,523	\$ 3,928,024	\$ 3,278,320	\$ 2,453,559
Actual contributions	<u>4,516,523</u>	<u>3,928,024</u>	<u>3,278,320</u>	<u>2,453,559</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll amount	\$ 105,120,853	\$ 94,008,898	\$ 78,435,332	\$ 67,685,206
Contributions as a percentage of covered payroll	4.3%	4.2%	4.2%	3.6%

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal years ending August 31,*	2022			2021
District's proportion of collective net OPEB liability (%)	0.32530579%			0.26268022%
District's proportionate share of collective net OPEB liability (\$)	\$ 116,705,100	\$		86,801,710
State's proportionate share of net OPEB liability associated with the District	<u>67,173,446</u>			<u>61,859,090</u>
	<u>\$ 183,878,546</u>	\$		<u>\$ 148,660,800</u>
District's covered payroll	\$ 115,001,448	\$		98,096,908
District's proportionate share of collective net OPEB liability as a percentage of covered payroll	101.5%			88.5%
Plan fiduciary net position as percentage of the total OPEB liability	0.38%			0.32%

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

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal years ending August 31,*	2022	2021
Legally required contributions	\$ 885,055	\$ 921,585
Less: Actual contributions	885,055	921,585
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District covered payroll amount	\$ 126,764,877	\$ 115,001,448
Ratio of: Actual contributions / ER covered payroll amount	0.7%	0.8%

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

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

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

Changes since Prior Actuarial Valuation for Pensions:

The following changes to actuarial assumptions and other inputs affected the measurement of the amounts reported in the RSI schedules related to pensions:

- The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020.

Changes of Assumptions for OPEB:

Demographic Assumptions

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

- Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumed rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- Percentage of current retirees and retiree spouses not yet eligible to participate in 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 female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.

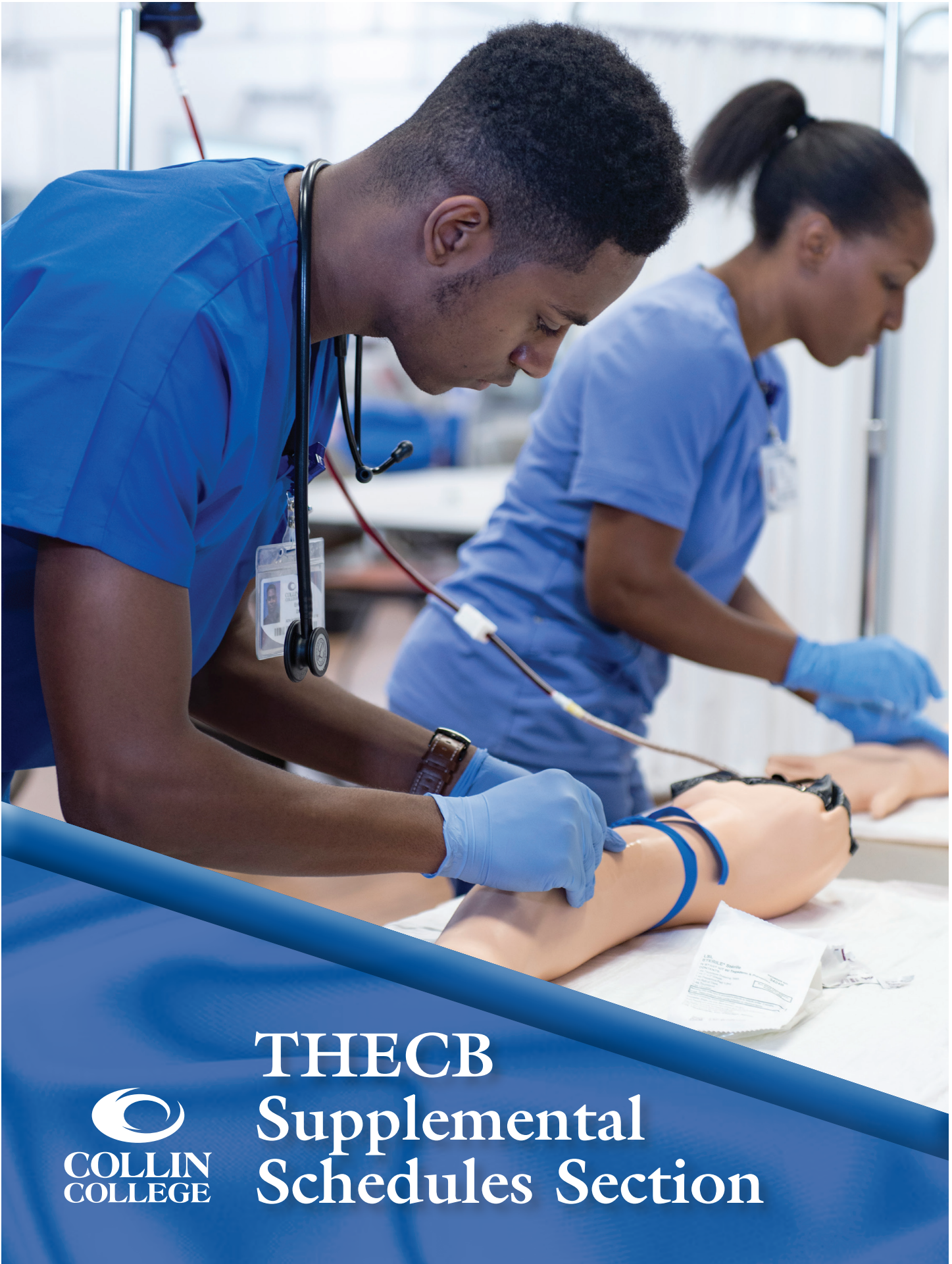
Economic Assumptions

- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effect on our short-term expectations.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the Affordable Care Act have been updated since the last valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.
- The discount rate was changed from 2.97% to 2.20% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms since the prior Measurement Date

- Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2021, are provided for in the FY2021 Assumed Per Capita Health Benefit Costs. There were no changes for HealthSelect retirees and the dependents for who Medicare is primary.

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THECB
Supplemental
Schedules



THECB Supplemental Schedules Section

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Operating Revenues
For the year ended August 31, 2022
(with comparative totals at August 31, 2021)

	<u>Unrestricted</u>	<u>Restricted</u>	Total Educational <u>Activities</u>	Auxiliary <u>Enterprises</u>	<u>Total</u>	
					<u>2022</u>	<u>2021</u>
Tuition						
State funded courses						
In-district resident tuition	\$ 24,801,139	\$ -	\$ 24,801,139	\$ -	\$ 24,801,139	\$ 23,428,306
Out-of-district resident tuition	16,012,933	-	16,012,933	-	16,012,933	15,074,413
TPEG Credit (set aside)*	1,705,281	-	1,705,281	-	1,705,281	1,827,885
Non-resident tuition	11,011,117	-	11,011,117	-	11,011,117	10,171,600
Continuing education	2,789,061	-	2,789,061	-	2,789,061	3,493,947
TPEG Non-Credit (set aside)*	174,257	-	174,257	-	174,257	278,990
Non-state funded continuing education	154,879	-	154,879	-	154,879	126,891
Total tuition	<u>56,648,667</u>	<u>-</u>	<u>56,648,667</u>	<u>-</u>	<u>56,648,667</u>	<u>54,402,032</u>
General fees	1,002,697	-	1,002,697	-	1,002,697	703,881
Student activity fee	1,332,457	-	1,332,457	-	1,332,457	1,313,616
Laboratory fee	643,899	-	643,899	-	643,899	627,815
Total fees	<u>2,979,053</u>	<u>-</u>	<u>2,979,053</u>	<u>-</u>	<u>2,979,053</u>	<u>2,645,312</u>
Scholarship allowances and discounts						
Remissions and exemptions	(4,070,796)	-	(4,070,796)	-	(4,070,796)	(3,997,674)
TPEG awarded	(1,635,395)	-	(1,635,395)	-	(1,635,395)	(2,106,875)
Federal grants to students	(11,631,853)	-	(11,631,853)	-	(11,631,853)	(10,963,714)
Other	(720,369)	-	(720,369)	-	(720,369)	(715,854)
Total scholarship allowances	<u>(18,058,413)</u>	<u>-</u>	<u>(18,058,413)</u>	<u>-</u>	<u>(18,058,413)</u>	<u>(17,784,117)</u>
Total net tuition and fees	<u>\$ 41,569,307</u>	<u>\$ -</u>	<u>\$ 41,569,307</u>	<u>\$ -</u>	<u>\$ 41,569,307</u>	<u>\$ 39,263,227</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2022
(with comparative totals at August 31, 2021)**

	<u>Unrestricted</u>	<u>Restricted</u>	Total		Total	
			<u>Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2022</u>	<u>2021</u>
Additional operating revenues						
Federal grants and contracts	\$ 2,180,064	\$ 13,331,372	\$ 15,511,436	\$ -	\$ 15,511,436	\$ 13,952,721
State grants and contracts	33	2,042,927	2,042,960	-	2,042,960	2,396,768
Nongovernmental grants and contracts	-	148,457	148,457	-	148,457	134,939
Sales and services of educational activities	711,199	-	711,199	-	711,199	602,201
Other operating revenues	632,198	-	632,198	-	632,198	241,892
Total additional operating revenues	<u>3,523,494</u>	<u>15,522,756</u>	<u>19,046,250</u>	<u>-</u>	<u>19,046,250</u>	<u>17,328,521</u>
Auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,901,832</u>	<u>3,901,832</u>	<u>2,956,851</u>
Total Operating Revenues	<u>\$ 45,092,801</u>	<u>\$ 15,522,756</u>	<u>\$ 60,615,557</u>	<u>\$ 3,901,832</u>	<u>\$ 64,517,389</u> (Exhibit 2)	<u>\$ 59,548,599</u> (Exhibit 2)

* In accordance with Education Code 56.033; \$1,879,538 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, 2022
(with comparative totals at August 31, 2021)

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other Expenses	2022	2021
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 82,052,951	\$ -	\$ 15,170,847	\$ 5,643,237	\$ 102,867,035	\$ 100,654,599
Public service	120,512	-	73,919	10,869	205,300	68,529
Academic support	19,396,485	-	4,874,300	4,144,471	28,415,256	21,269,452
Student services	13,994,365	-	3,547,510	1,731,268	19,273,143	17,632,994
Institutional support	20,618,393	-	7,487,947	13,949,313	42,055,653	35,502,321
Operation and maintenance of plant	5,912,236	-	1,281,986	16,376,493	23,570,715	20,809,016
Total unrestricted educational activities	142,094,942	-	32,436,509	41,855,651	216,387,102	195,936,911
Restricted - educational activities						
Instruction	105,536	3,130,136	16,336	764,008	4,016,016	6,860,426
Public service	382,628	15,361	87,311	44,051	529,351	637,692
Academic support	297,013	574,325	65,381	458,776	1,395,495	1,851,110
Student services	768,246	420,509	104,691	171,861	1,465,307	2,477,666
Institutional support	1,198,052	1,980,312	359,316	5,712,111	9,249,791	5,459,409
Operation and maintenance of plant	-	-	-	-	-	73,480
Scholarships	-	-	-	36,856,190	36,856,190	24,078,545
Total restricted educational activities	2,751,475	6,120,643	633,035	44,006,997	53,512,150	41,438,328
Total educational activities	144,846,417	6,120,643	33,069,544	85,862,648	269,899,252	237,375,239
Auxiliary enterprises	1,354,004	-	283,646	2,905,659	4,543,309	3,828,317
Depreciation expense - buildings and other real estate improvements	-	-	-	15,416,562	15,416,562	13,749,196
Depreciation expense - equipment and furniture	-	-	-	7,422,164	7,422,164	4,942,663
Total operating expenses	\$ 146,200,421	\$ 6,120,643	\$ 33,353,190	\$ 111,607,033	\$ 297,281,287 (Exhibit 2)	\$ 259,895,415 (Exhibit 2)

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Non-Operating Revenues and Expenses
For the year ended August 31, 2022
(with comparative totals at August 31, 2021)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary enterprises</u>	<u>2022</u>	<u>Totals 2021</u>
Non-operating revenues:					
State appropriations					
Education and general state support	\$ 44,609,466	\$ -	\$ -	\$ 44,609,466	\$ 39,843,128
State group insurance	-	6,114,179	-	6,114,179	5,627,503
State retirement matching	-	826,038	-	826,038	4,747,139
OPEB revenue / (expenses)	-	(819,574)	-	(819,574)	(725,214)
Total state appropriations	<u>44,609,466</u>	<u>6,120,643</u>	<u>-</u>	<u>50,730,109</u>	<u>49,492,556</u>
Ad valorem taxes	128,909,255	3,562,491	-	132,471,746	124,226,128
Federal contracts and grants	66,564	45,761,795	-	45,828,359	33,107,077
Gifts	11,150	100,000	-	111,150	172,388
Investment income (net of investment expenses)	11,078	-	-	11,078	708,958
Other non-operating revenues	<u>245,440</u>	<u>-</u>	<u>-</u>	<u>245,440</u>	<u>251,333</u>
Total non-operating revenues	<u>173,852,953</u>	<u>55,544,929</u>	<u>-</u>	<u>229,397,882</u>	<u>207,958,440</u>
Non-operating expenses:					
Interest on capital related debt	(40,067)	(18,717,420)	-	(18,757,487)	(19,060,180)
Other non-operating expenses	<u>(3,500)</u>	<u>(438,554)</u>	<u>-</u>	<u>(442,054)</u>	<u>(2,638)</u>
Total non-operating expenses	<u>(43,567)</u>	<u>(19,155,974)</u>	<u>-</u>	<u>(19,199,541)</u>	<u>(19,062,818)</u>
Net non-operating revenues	<u>\$ 173,809,386</u>	<u>\$ 36,388,955</u>	<u>\$ -</u>	<u>\$ 210,198,341</u>	<u>\$ 188,895,622</u>
				(Exhibit 2)	(Exhibit 2)

**Schedule of Net Position by Source and Availability
As of August 31, 2022
(with comparative totals at August 31, 2021)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non- Expendable				
Current:							
Unrestricted:							
Undesignated	\$ (23,874,912)	\$ -	\$ -	\$ -	\$ (23,874,912)	\$ (23,874,912)	\$ -
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	-	1,885,182	-	-	1,885,182	-	1,885,182
Auxiliary enterprises	2,269,619	-	-	-	2,269,619	2,269,619	-
Startup and stabilization	79,013,596	-	-	-	79,013,596	79,013,596	-
Plant:							
Unexpended	109,453,761	-	-	-	109,453,761	-	109,453,761
Bond capital projects	-	6,300,000	-	-	6,300,000	-	6,300,000
Debt service	-	12,652,364	-	-	12,652,364	-	12,652,364
Investment in plant	-	-	-	296,369,605	296,369,605	-	296,369,605
Total net position - August 31, 2022	221,712,064	20,837,546	-	296,369,605	538,919,215 (Exhibit 2)	57,408,303	481,510,912
Total net position - August 31, 2021	252,906,160	20,951,426	-	287,636,997	561,494,583	83,953,212	477,541,371
Cumulative effect of change in accounting principle	(9,811)	-	-	-	(9,811)	-	(9,811)
Total net position - August 31, 2021 as restated	252,896,349	20,951,426	-	287,636,997	561,484,772 (Exhibit 2)	83,953,212	477,531,560
Net increase in net position	\$ (31,184,285)	\$ (113,880)	\$ -	\$ 8,732,608	\$ (22,565,557) (Exhibit 2)	\$ (26,544,909)	\$ 3,979,352

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, 2022 and August 31, 2021, the minimum required unrestricted fund balance was \$56,149,063 and \$48,349,554, 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.

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Net Position by Component
Fiscal Years 2013 to 2022
(unaudited)**

For the Fiscal Year Ended August 31,

	(a) Restated		2020	2019	(b) Restated
	2022	2021			2018
Net investment in capital assets	\$ 296,369,605	\$ 287,636,997	\$ 278,203,505	\$ 264,285,928	\$ 262,417,005
Restricted - expendable	20,837,546	20,951,426	13,127,520	15,454,451	1,299,745
Unrestricted	221,712,064	252,896,349	281,614,752	277,150,841	255,065,611
Total Net Position	<u>\$ 538,919,215</u>	<u>\$ 561,484,772</u>	<u>\$ 572,945,777</u>	<u>\$ 556,891,220</u>	<u>\$ 518,782,361</u>
Total Change in Net Position	<u>\$ (22,565,557)</u>	<u>\$ (11,461,005)</u>	<u>\$ 16,054,557</u>	<u>\$ 38,108,859</u>	<u>\$ (1,690,712)</u>

For the Fiscal Year Ended August 31,

			(c) Restated		
	2017	2016	2015	2014	2013
Net investment in capital assets	\$ 300,132,133	\$ 271,788,069	\$ 252,327,218	\$ 222,287,496	\$ 216,482,469
Restricted - expendable	2,480,187	1,630,910	965,347	2,704,038	3,941,734
Unrestricted	217,860,753	212,396,648	210,788,781	235,676,401	218,899,001
Total Net Position	<u>\$ 520,473,073</u>	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</u>	<u>\$ 460,667,935</u>	<u>\$ 439,323,204</u>
Total Change in Net Position	<u>\$ 34,657,446</u>	<u>\$ 21,734,281</u>	<u>\$ 3,413,411</u>	<u>\$ 21,344,731</u>	<u>\$ 21,309,356</u>

Notes:

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

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

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

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

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Revenues by Source
Fiscal Years 2013 to 2022
(unaudited)

For the Fiscal Year Ended August 31,

	2022	2021	2020	2019	2018
Tuition and Fees (Net of Discounts)	\$ 41,569,307	\$ 39,263,227	\$ 39,230,781	\$ 40,182,049	\$ 35,922,095
Governmental Grants and Contracts					
Federal Grants and Contracts	15,511,436	13,952,721	4,831,908	2,171,735	1,864,618
State Grants and Contracts	2,042,960	2,396,768	1,992,483	1,609,536	2,836,838
Non-Governmental Grants and Contracts	148,457	134,939	179,103	150,053	237,701
Sales & Services of Educational Activities	711,199	602,201	505,344	919,031	995,562
Auxiliary Enterprises	3,901,832	2,956,851	2,039,803	2,376,831	1,970,718
Other Operating Revenues	632,198	241,892	317,769	1,089,590	365,138
Total Operating Revenues	64,517,389	59,548,599	49,097,191	48,498,825	44,192,670
State Appropriations	50,730,109	49,492,556	50,782,813	44,026,968	44,006,835
Ad Valorem Taxes	132,471,746	124,226,128	118,378,106	110,489,653	98,490,012
Federal Grants and Contracts	45,828,359	33,107,077	30,649,045	23,865,674	23,330,718
Gifts	111,150	172,388	6,112,500	6,209,422	30,070
Investment Income	11,078	708,958	5,440,542	12,134,040	6,375,739
Other Non-Operating Revenues	245,440	251,333	245,440	250,233	200,000
Total Non-Operating Revenues	229,397,882	207,958,440	211,608,446	196,975,990	172,433,374
Total Revenues	\$ 293,915,271	\$ 267,507,039	\$ 260,705,637	\$ 245,474,815	\$ 216,626,044

For the Fiscal Year Ended August 31,

	2022	2021	2020	2019	2018
Tuition and Fees (Net of Discounts)	14.14%	14.68%	15.05%	16.37%	16.58%
Governmental Grants and Contracts					
Federal Grants and Contracts	5.28%	5.22%	1.85%	0.88%	0.86%
State Grants and Contracts	0.70%	0.90%	0.76%	0.66%	1.31%
Non-Governmental Grants and Contracts	0.05%	0.05%	0.07%	0.06%	0.11%
Sales & Services of Educational Activities	0.24%	0.23%	0.19%	0.37%	0.46%
Auxiliary Enterprises	1.33%	1.11%	0.78%	0.97%	0.91%
Other Operating Revenues	0.22%	0.09%	0.12%	0.44%	0.17%
Total Operating Revenues	21.96%	22.28%	18.82%	19.75%	20.40%
State Appropriations	17.26%	18.50%	19.48%	17.94%	20.31%
Ad Valorem Taxes	45.07%	46.42%	45.42%	45.02%	45.48%
Federal Grants and Contracts	15.59%	12.38%	11.76%	9.72%	10.77%
Gifts	0.04%	0.06%	2.34%	2.53%	0.01%
Investment Income	0.00%	0.27%	2.09%	4.94%	2.94%
Other Non-Operating Revenues	0.08%	0.09%	0.09%	0.10%	0.09%
Total Non-Operating Revenues	78.04%	77.72%	81.18%	80.25%	79.60%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Revenues by Source
Fiscal Years 2013 to 2022
(unaudited)**

	For the Fiscal Year Ended August 31,				
	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	\$ 34,777,289	\$ 30,671,124	\$ 28,426,123	\$ 27,967,481	\$ 26,569,192
Governmental Grants and Contracts					
Federal Grants and Contracts	1,650,574	2,192,596	6,687,572	7,229,621	6,067,520
State Grants and Contracts	2,477,397	1,637,637	1,797,840	964,194	628,453
Non-Governmental Grants and Contracts	276,616	74,452	8,950	13,320	-
Sales & Services of Educational Activities	744,120	681,057	644,103	550,913	426,387
Auxiliary Enterprises	1,740,221	5,036,125	8,829,679	9,240,358	9,617,775
Other Operating Revenues	469,662	356,464	311,361	350,264	406,538
Total Operating Revenues	42,135,879	40,649,455	46,705,628	46,316,151	43,715,865
State Appropriations	40,859,962	40,667,403	38,713,358	38,457,174	35,504,958
Ad Valorem Taxes	89,111,771	80,461,197	72,016,212	66,978,476	65,149,280
Federal Grants and Contracts	19,783,712	20,046,602	23,834,018	24,431,878	25,332,176
Gifts	3,620,000	1,650	62,538	31,200	49,005
Investment Income	2,183,790	803,614	212,730	113,223	238,855
Other Non-Operating Revenues	199,250	198,500	198,500	200,000	200,000
Total Non-Operating Revenues	155,758,485	142,178,966	135,037,356	130,211,951	126,474,274
Total Revenues	\$ 197,894,364	\$ 182,828,421	\$ 181,742,984	\$ 176,528,102	\$ 170,190,139

	For the Fiscal Year Ended August 31,				
	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	17.58%	16.78%	15.64%	15.84%	15.61%
Governmental Grants and Contracts					
Federal Grants and Contracts	0.83%	1.20%	3.68%	4.10%	3.57%
State Grants and Contracts	1.25%	0.90%	0.99%	0.55%	0.37%
Non-Governmental Grants and Contracts	0.14%	0.04%	0.00%	0.01%	0.00%
Sales & Services of Educational Activities	0.38%	0.37%	0.35%	0.31%	0.25%
Auxiliary Enterprises	0.88%	2.75%	4.86%	5.23%	5.65%
Other Operating Revenues	0.24%	0.19%	0.17%	0.20%	0.24%
Total Operating Revenues	21.30%	22.23%	25.69%	26.24%	25.69%
State Appropriations	20.65%	22.24%	21.30%	21.79%	20.86%
Ad Valorem Taxes	45.02%	44.02%	39.64%	37.94%	38.28%
Federal Grants and Contracts	10.00%	10.96%	13.11%	13.84%	14.88%
Gifts	1.83%	0.00%	0.03%	0.02%	0.03%
Investment Income	1.10%	0.44%	0.12%	0.06%	0.14%
Other Non-Operating Revenues	0.10%	0.11%	0.11%	0.11%	0.12%
Total Non-Operating Revenues	78.70%	77.77%	74.31%	73.76%	74.31%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Program Expenses by Function
Fiscal Years 2013 to 2022
(unaudited)****For the Fiscal Year Ended August 31,**

	2022	2021	2020	2019	2018
Instruction	\$ 106,883,051	\$ 107,515,025	\$ 94,808,531	\$ 85,053,537	\$ 74,863,647
Public Service	734,651	706,221	633,445	438,331	533,546
Academic Support	29,810,751	23,120,562	20,472,310	16,817,374	14,226,341
Student Services	20,738,450	20,110,660	19,062,205	17,416,367	15,406,930
Institutional Support	51,305,444	40,961,730	39,239,368	32,273,267	26,911,239
Operation and Maintenance of Plant	23,570,715	20,882,496	16,518,861	15,561,126	13,444,347
Scholarships and Fellowships	36,856,190	24,078,545	22,555,231	18,571,380	18,760,158
Auxiliary Enterprises	4,543,309	3,828,317	4,038,776	2,470,080	2,253,950
Depreciation	22,838,726	18,691,859	12,552,149	9,423,418	9,053,254
Total Operating Expenses	297,281,287	259,895,415	229,880,876	198,024,880	175,453,412
Interest on Capital Related Debt	18,757,487	19,060,180	12,675,077	9,341,076	3,982,439
Other Non-operating Expenses	442,054	2,638	2,095,127	-	2,309,087
Loss on Disposal of Fixed Assets	-	-	-	-	13,121
Total Non-Operating Expenses	19,199,541	19,062,818	14,770,204	9,341,076	6,304,647
Total Expenses	\$ 316,480,828	\$ 278,958,233	\$ 244,651,080	\$ 207,365,956	\$ 181,758,059

For the Fiscal Year Ended August 31,

	2022	2021	2020	2019	2018
Instruction	33.77%	38.54%	38.75%	41.02%	41.19%
Public Service	0.23%	0.25%	0.26%	0.21%	0.29%
Academic Support	9.42%	8.29%	8.37%	8.11%	7.83%
Student Services	6.55%	7.21%	7.79%	8.40%	8.48%
Institutional Support	16.21%	14.69%	16.05%	15.57%	14.80%
Operation and Maintenance of Plant	7.45%	7.49%	6.75%	7.50%	7.40%
Scholarships and Fellowships	11.64%	8.63%	9.22%	8.96%	10.32%
Auxiliary Enterprises	1.44%	1.37%	1.65%	1.19%	1.24%
Depreciation	7.22%	6.70%	5.13%	4.54%	4.98%
Total Operating Expenses	93.93%	93.17%	93.97%	95.50%	96.53%
Interest on Capital Related Debt	5.93%	6.83%	5.17%	4.50%	2.19%
Other Non-operating Expenses	0.14%	0.00%	0.86%	0.00%	1.27%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.01%
Total Non-Operating Expenses	6.07%	6.83%	6.03%	4.50%	3.47%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Program Expenses by Function
Fiscal Years 2013 to 2022
(unaudited)****For the Fiscal Year Ended August 31,**

	2017	2016	2015	2014	2013
Instruction	\$ 70,813,288	\$ 72,044,666	\$ 64,578,677	\$ 58,718,787	\$ 56,679,653
Public Service	701,327	1,260,478	758,294	556,778	560,542
Academic Support	12,194,878	11,908,733	15,485,516	15,605,938	14,847,063
Student Services	12,965,133	11,875,226	10,430,474	9,716,643	8,941,731
Institutional Support	24,213,569	19,966,816	18,940,401	15,469,145	14,401,055
Operation and Maintenance of Plant	12,933,541	11,666,212	10,388,845	13,274,011	13,557,062
Scholarships and Fellowships	16,856,378	16,342,810	19,417,452	20,149,733	20,731,109
Auxiliary Enterprises	3,038,575	6,413,444	9,548,337	10,899,311	10,048,826
Depreciation	8,788,326	8,392,630	7,711,950	7,544,508	7,315,549
Total Operating Expenses	162,505,015	159,871,015	157,259,946	151,934,854	147,082,590
Interest on Capital Related Debt	731,903	1,223,125	1,525,612	1,664,760	1,797,093
Other Non-operating Expenses	-	-	-	1,583,757	1,100
Loss on Disposal of Fixed Assets	-	-	-	-	-
Total Non-Operating Expenses	731,903	1,223,125	1,525,612	3,248,517	1,798,193
Total Expenses	\$ 163,236,918	\$ 161,094,140	\$ 158,785,558	\$ 155,183,371	\$ 148,880,783

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014	2013
Instruction	43.39%	44.74%	40.67%	37.85%	38.07%
Public Service	0.43%	0.78%	0.48%	0.36%	0.38%
Academic Support	7.47%	7.39%	9.75%	10.06%	9.97%
Student Services	7.94%	7.37%	6.57%	6.26%	6.01%
Institutional Support	14.83%	12.39%	11.93%	9.97%	9.67%
Operation and Maintenance of Plant	7.92%	7.24%	6.54%	8.55%	9.11%
Scholarships and Fellowships	10.33%	10.14%	12.23%	12.98%	13.92%
Auxiliary Enterprises	1.86%	3.98%	6.01%	7.02%	6.75%
Depreciation	5.38%	5.21%	4.86%	4.86%	4.91%
Total Operating Expenses	99.55%	99.24%	99.04%	97.91%	98.79%
Interest on Capital Related Debt	0.45%	0.76%	0.96%	1.07%	1.21%
Other Non-operating Expenses	0.00%	0.00%	0.00%	1.02%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	0.45%	0.76%	0.96%	2.09%	1.21%
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)	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
2021	\$ 2	\$ 55	\$ 101	-	\$ 2	\$ 686	\$ 1,238	5.5%	3.0%
2020	2	52	98	-	2	650	1,202	0.0%	0.0%
2019	2	52	98	-	2	650	1,202	8.0%	4.2%
2018	2	48	94	-	2	602	1,154	8.7%	9.1%
2017	2	44	86	-	2	554	1,058	9.5%	6.0%
2016	2	41	82	-	1	506	998	7.7%	6.4%
2015	2	32	71	6	1	470	938	0.0%	0.0%
2014	2	32	71	6	1	470	938	2.6%	4.0%
2013	2	31	68	6	1	458	902	11.7%	10.3%
2012	2	27	61	6	1	410	818	0.0%	0.0%

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

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

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)
2021-22	\$198,233,195,044	\$ 30,337,830,581	\$ 167,895,364,463	84.70%	0.079100	0.002122	0.081222
2020-21	188,791,935,841	29,225,450,705	159,566,485,139	84.52%	0.079100	0.002122	0.081222
2019-20	176,741,386,622	28,361,861,908	148,379,524,714	83.95%	0.079100	0.002122	0.081222
2018-19	165,358,186,889	27,407,338,073	137,950,848,816	83.43%	0.078190	0.003032	0.081222
2017-18	150,997,988,054	25,735,409,816	125,262,578,238	82.96%	0.077118	0.002692	0.079810
2016-17	134,712,150,568	24,102,439,926	110,609,710,642	82.11%	0.078174	0.003048	0.081222
2015-16	119,250,034,517	21,520,774,913	97,729,259,604	81.95%	0.078965	0.002995	0.081960
2014-15	103,609,292,320	15,479,038,414	88,130,253,906	85.06%	0.078965	0.002995	0.081960
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

Collin County Tax Office

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,				
	2022	2021	2020	2019	2018
State Appropriation Contact Hour Funding (CH)	\$ 36,450,479	\$ 34,207,367	\$ 34,207,367	\$ 31,084,468	\$ 31,084,468
State Appropriation Student Success Points (SSP)	7,478,581	4,946,247	4,946,247	3,735,127	3,735,128
State Appropriation Core Operations (CO)	680,406	680,406	680,406	680,406	680,406
Recouped Funds/Audit Adj	-	9,108	11,391	11,391	11,391
Total	\$ 44,609,466	\$ 39,843,128	\$ 39,845,411	\$ 35,511,392	\$ 35,511,393

Appropriation Funding Elements	2017	2016	2015	2014*	2013
State Appropriation Contact Hour Funding (CH)	\$ 29,864,582	\$ 29,923,738	\$ 29,252,294	\$ 29,252,294	\$ 29,422,391
State Appropriation Student Success Points (SSP)	3,320,992	3,320,993	3,383,781	3,383,781	-
State Appropriation Core Operations (CO)	500,000	500,000	500,000	500,000	-
State Appropriation Bachelor of Applied Technology (BAT)	-	-	-	-	-
State Appropriation Non-Formula Items	-	-	-	-	-
Recouped Funds/Audit Adj	-	-	-	-	1,043,828
Total	\$ 33,685,574	\$ 33,744,731	\$ 33,136,075	\$ 33,136,075	\$ 30,466,219

Formula funding methodology changed in fiscal year 2014
Source: THECB - Ten Pay Schedule 2013-2022;

* FY 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

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
2022	\$ 44,609,466	25,660	\$ 1,738
2021	39,843,128	25,240	1,579
2020	39,845,411	26,044	1,530
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

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/120 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
2022	\$ 36,450,479	10,153,032	2,793,308	463,414	13,409,754	\$ 2.72
2021	34,207,367	10,640,136	2,269,184	394,167	13,303,487	2.57
2020	34,207,367	10,907,704	1,762,720	521,754	13,192,178	2.59
2019	31,084,468	10,904,854	1,606,672	625,733	13,137,259	2.37
2018	31,084,468	10,451,199	1,421,600	625,735	12,498,534	2.49
2017	29,864,582	9,890,990	1,369,872	633,393	11,894,255	2.51
2016	29,923,738	9,555,760	1,348,656	665,890	11,570,306	2.59
2015	29,252,294	8,977,240	1,363,840	615,142	10,956,222	2.67
2014*	29,252,294	9,332,840	1,388,352	629,499	11,350,691	2.58
2013	29,422,391	9,377,528	1,372,912	659,484	11,409,924	2.58

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 CBM004 and CBM00C

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	SSP - State Appropriation (Unrestricted)²	3-Year Average Student Success Points³	Appropriation per Student Success Point
2022	\$ 7,478,581	60,334	\$ 124
2021	4,946,247	48,844	101
2020	4,946,247	48,844	101
2019	3,735,127	43,544	86
2018	3,735,128	43,544	86
2017	3,320,992	38,485	86
2016	3,320,993	38,485	86
2015	3,383,781	36,557	93
2014*	3,383,781	36,557	93

¹ Schedule 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 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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Student Success Points (SSP)
Five Fiscal Years¹
(unaudited)**

For the Fiscal Year Ended August 31,

Success Point Elements²	2020*	2019	2018	2017	2016
Degrees or Certs in Critical Fields	1,986	1,400	1,136	1,008	889
Degrees, CCCs, or Certs (Undup)	6,671	8,946	8,338	8,078	7,312
Math Readiness	1,744	961	1,040	1,064	837
Read Readiness	556	486	478	488	383
Student Transfers to a 4-Yr Inst	11,943	6,788	6,196	5,988	6,254
Students Who Complete 15 SCH	10,901	10,201	9,538	9,205	8,130
Students Who Complete 30 SCH	9,943	6,227	5,927	5,523	5,217
Students Who Pass FCL Math Course	7,791	6,729	6,054	5,728	5,529
Students Who Pass FCL Read Course	7,031	7,002	6,368	5,940	5,450
Students Who Pass FCL Write Course	6,913	6,877	6,215	5,765	5,309
Write Readiness	263	199	332	458	357
Annual Success Points Total	65,742	55,816	51,622	49,245	45,667

* 2020 is the most current year available. No current data is available for FY21 or FY22

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 2016 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.

Source: THECB Ten-Pay Schedule

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2022	2021	2020	2019	2018
394 Pacific DCD LLC	Commercial	\$ -	\$ -	\$ -	\$ -	\$ 187,235,847
5765 Bozeman (TX) Owner LP	Commercial	229,952,844	-	-	-	-
AT&T Mobility LLC	Telephone Utility	-	-	-	-	189,870,432
Atmos Energy/Mid Tex Division	Commercial	274,063,937	295,259,831	272,524,706	253,817,943	174,619,058
Bank of America	Commercial	295,148,704	175,165,343	319,273,489	280,562,279	248,522,533
BCS Office Investments One LP	Commercial	-	-	-	-	-
Blue Star HQ Inc	Commercial	217,920,051	224,437,922	224,713,504	210,342,421	201,017,500
Briar Preston Ridge Shop. Ctr.	Commercial	-	-	-	-	-
Capital One National Association	Commercial	235,215,970	232,887,100	237,730,753	232,838,352	216,428,297
CCI-D 6501 Legacy Owners LLC	Commercial	335,000,000	-	-	-	-
Cisco Systems	Commercial	-	-	-	-	-
Cisco Systems Sales & Service Inc	Commercial	-	-	159,000,000	194,800,000	181,600,000
Corporate Properties Trust I SPE #1 LLC	Commercial	714,253,292	707,032,327	725,887,092	711,682,592	720,068,550
CXA-16 Corporation	Commercial	-	332,634,547	-	-	-
Electronic Data Systems Corp	Computer Center	-	-	-	-	-
EMC Corp	Commercial	-	-	-	-	-
Harbert Parkside Investor LP	Commercial	253,741,682	-	-	-	-
Health Care Service Corporation	Commercial	336,126,339	333,160,554	342,496,820	335,422,191	292,703,563
HP Enterprise Services LLC	Commercial	-	-	-	-	-
HSP of Texas Inc	Commercial	-	-	-	-	-
IBM Credit	Commercial	-	-	-	-	-
JC Penney Co. Inc.	Commercial	-	-	-	-	-
JP Morgan Chase Bank NA	Commercial	626,490,539	565,051,815	433,884,153	362,487,692	312,538,085
KBSIII Legacy Town Center LLC	Commercial	-	167,200,000	165,382,954	-	163,915,077
Legacy Campus LP	Commercial	-	-	-	-	-
Legacy West Investors LP	Commercial	394,500,000	372,527,440	392,564,484	378,750,238	340,861,050
Liberty Mutual Plano LLC	Commercial	381,938,992	377,170,909	385,270,425	377,568,425	345,798,915
Oncor Electric Delivery Company	Public Utility	718,708,443	666,336,300	586,563,240	-	-
Oncor/TXU/Lone Star Gas	Public Utility	-	-	-	570,400,831	544,867,308
Qorvo Texas LLC	Manufacturer	173,002,383	178,972,094	174,902,640	196,551,827	-
SI DFW01 ABS LLC	Commercial	-	-	-	224,700,000	-
Silos Harvesting Partners LP	Commercial	-	-	397,480,240	389,652,603	310,000,000
Stonebriar Mall Ltd. Partnership	Commercial	331,853,647	327,766,669	354,194,082	330,831,345	321,459,957
T-Mobile West LLC	Commercial	267,796,614	197,673,166	-	167,217,724	-
Texas Heart Hospital of the Southwest LLP	Commercial	-	162,571,929	169,745,271	177,346,413	-
Texas Instruments, Inc	Manufacturer	822,609,379	235,321,892	179,559,887	171,414,883	190,297,524
T5@Dallas LLC	Commercial	-	-	-	-	-
Toyota Motor North America INC	Manufacturer	634,470,917	624,549,283	634,470,917	613,365,733	592,679,891
UDR Legacy Village LLC	Commercial	176,750,105	163,556,782	163,000,000	-	155,600,000
United Dominion Realty LP	Commercial	-	-	-	-	-
VAA Improvements LLC	Commercial	-	-	160,680,000	162,926,685	160,963,346
Village at Allen LP	Commercial	-	-	-	-	-
Wal-Mart Stores Texas LLC	Commercial	-	-	-	-	-
Watters Creek LLC	Commercial	-	-	-	-	-
Willow Bend Shopping Center	Commercial	-	-	-	-	-
Totals		\$ 7,419,543,838	\$ 6,339,275,903	\$ 6,479,324,657	\$ 6,342,680,177	\$ 5,851,046,933
Total Taxable Assessed Value		\$ 167,895,364,463	\$ 159,566,485,139	\$ 148,379,524,714	\$ 137,950,848,816	\$ 125,262,578,238

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				
		2017	2016	2015	2014	2013
394 Pacific DCD LLC	Commercial	\$ 168,000,000	\$ -	\$ -	\$ -	\$ -
5765 Bozeman (TX) Owner LP	Commercial	-	-	-	-	-
AT&T Mobility LLC	Telephone Utility	149,825,169	161,911,224	180,969,477	175,236,979	137,198,694
Atmos Energy/Mid Tex Division	Commercial	-	-	-	-	-
Bank of America	Commercial	198,249,810	438,945,810	386,940,931	320,720,305	321,486,177
BCS Office Investments One LP	Commercial	-	362,453,234	329,153,747	-	-
Blue Star HQ Inc	Commercial	-	-	-	-	-
Briar Preston Ridge Shop. Ctr.	Commercial	-	121,936,281	121,815,390	121,741,860	-
Capital One National Association	Commercial	190,788,000	149,429,000	147,883,770	142,606,357	-
CCI-D 6501 Legacy Owners LLC	Commercial	-	-	-	-	-
Cisco Systems	Commercial	-	-	163,176,492	159,890,798	163,098,708
Cisco Systems Sales & Service Inc	Commercial	155,000,000	135,112,776	122,829,796	115,958,112	-
Corporate Properties Trust I SPE #1 LLC	Commercial	685,493,462	-	-	-	-
CXA-16 Corporation	Commercial	-	-	-	-	-
Electronic Data Systems Corp	Computer Center	-	-	-	-	135,149,181
EMC Corp	Commercial	-	-	122,159,054	137,003,309	-
Harbert Parkside Investor LP	Commercial	-	-	-	-	-
Health Care Service Corporation	Commercial	257,500,000	234,520,075	234,520,075	211,520,075	209,172,377
HP Enterprise Services LLC	Commercial	178,540,755	151,351,731	146,470,263	-	-
HSP of Texas Inc	Commercial	149,281,614	143,641,649	144,545,391	114,469,428	-
IBM Credit	Commercial	-	-	-	116,205,684	135,149,181
JC Penney Co. Inc.	Commercial	-	166,000,000	165,336,836	161,355,729	164,974,971
JP Morgan Chase Bank NA	Commercial	140,967,122	-	-	-	-
KBSIII Legacy Town Center LLC	Commercial	154,458,567	-	-	113,067,926	-
Legacy Campus LP	Commercial	139,524,292	133,735,904	139,950,145	126,045,001	-
Legacy West Investors LP	Commercial	221,702,635	-	-	-	-
Liberty Mutual Plano LLC	Commercial	-	-	-	-	-
Oncor Electric Delivery Company	Public Utility	-	-	-	-	-
Oncor/TXU/Lone Star Gas	Public Utility	511,950,135	543,516,118	541,253,800	519,537,661	495,218,356
Qorvo Texas LLC	Manufacturer	-	190,075,709	-	-	-
SI DFW01 ABS LLC	Commercial	-	-	-	-	-
Silos Harvesting Partners LP	Commercial	245,000,000	-	-	-	-
Stonebriar Mall Ltd. Partnership	Commercial	294,907,713	287,982,811	276,304,342	260,753,175	239,971,384
T-Mobile West LLC	Commercial	-	-	-	-	-
Texas Heart Hospital of the Southwest LLP	Commercial	-	-	-	-	-
Texas Instruments, Inc	Manufacturer	195,581,438	-	-	-	-
T5@Dallas LLC	Commercial	-	146,000,000	125,500,000	112,001,268	-
Toyota Motor North America INC	Manufacturer	358,473,658	-	-	-	-
UDR Legacy Village LLC	Commercial	142,527,900	-	-	-	-
United Dominion Realty LP	Commercial	-	122,947,560	-	-	-
VAA Improvements LLC	Commercial	-	-	-	-	-
Village at Allen LP	Commercial	154,189,216	147,302,454	144,273,092	144,127,995	142,468,550
Wal-Mart Stores Texas LLC	Commercial	-	-	139,644,608	125,878,773	-
Watters Creek LLC	Commercial	-	117,750,824	-	-	-
Willow Bend Shopping Center	Commercial	-	140,600,000	200,800,000	142,581,631	-
Totals		\$ 4,691,961,486	\$ 3,895,213,160	\$ 3,833,527,209	\$ 3,320,702,066	\$ 2,143,887,579
Total Taxable Assessed Value		\$ 110,609,710,642	\$ 97,729,259,604	\$ 88,130,253,906	\$ 80,470,937,890	\$ 75,781,388,098

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
2022	\$ 134,544	\$ 600	\$ 135,144	\$ 133,934	99.10%	\$ 703	\$ 581	\$ 135,218	100.05%
2021	126,519	514	127,033	125,968	99.16%	268	659	126,895	99.89%
2020	121,041	2,933	123,974	120,008	96.80%	321	666	120,995	97.60%
2019	112,145	2,631	114,776	111,448	97.10%	830	619	112,897	98.36%
2018	100,783	2,267	103,050	99,383	96.44%	844	544	100,771	97.79%
2017	91,096	2,941	94,037	89,217	94.87%	1,157	648	91,022	96.79%
2016	82,019	2,092	84,111	80,484	95.69%	1,239	597	82,320	97.87%
2015	73,897	1,544	75,441	72,385	95.95%	818	496	73,699	97.69%
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%

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 Fiscal Year Ended August 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Bonded Debt					
General Obligation Bonds	\$ 556,523,582	\$ 575,747,183	\$ 596,311,827	\$ 256,487,832	\$ 264,388,553
Less: Funds restricted for debt service	<u>(10,409,124)</u>	<u>(10,188,965)</u>	<u>(7,378,630)</u>	<u>(6,342,738)</u>	<u>(2,250,198)</u>
Net General Bonded Debt	<u>546,114,458</u>	<u>565,558,218</u>	<u>588,933,197</u>	<u>250,145,094</u>	<u>262,138,355</u>
Other Debt					
Revenue Bonds	-	-	-	-	-
Net Revenue Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Outstanding Debt	<u>\$ 546,114,458</u>	<u>\$ 565,558,218</u>	<u>\$ 588,933,197</u>	<u>\$ 250,145,094</u>	<u>\$ 262,138,355</u>
Total Gross Amount of Outstanding Debt	<u>\$ 556,523,582</u>	<u>\$ 575,747,183</u>	<u>\$ 596,311,827</u>	<u>\$ 256,487,832</u>	<u>\$ 264,388,553</u>
General Bonded Debt Ratios					
Per Capita	492.23	531.31	569.17	248.86	270.36
Per FTSE	21,283	22,407	22,613	9,564	10,464
As a percentage of Taxable Assessed Value	0.33%	0.35%	0.40%	0.18%	0.21%
Total Outstanding Debt Ratios					
Per Capita	501.62	540.88	576.30	255.17	272.68
Per FTSE	21,283	22,407	22,613	9,564	10,464
As a percentage of Taxable Assessed Value	0.33%	0.35%	0.40%	0.18%	0.21%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

For the Fiscal Year Ended August 31,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Bonded Debt					
General Obligation Bonds	\$ 14,843,861	\$ 17,206,467	\$ 31,787,200	\$ 34,805,723	\$ 37,694,245
Less: Funds restricted for debt service	(894,905)	(552,079)	(364,843)	-	(3,755,162)
Net General Bonded Debt	<u>13,948,956</u>	<u>16,654,388</u>	<u>31,422,357</u>	<u>34,805,723</u>	<u>33,939,083</u>
Other Debt					
Revenue Bonds	<u>1,095,000</u>	<u>2,160,000</u>	<u>3,195,000</u>	<u>4,195,000</u>	<u>5,165,000</u>
Net Revenue Bonds	<u>1,095,000</u>	<u>2,160,000</u>	<u>3,195,000</u>	<u>4,195,000</u>	<u>5,165,000</u>
Total Outstanding Debt	<u>\$ 15,043,956</u>	<u>\$ 18,814,388</u>	<u>\$ 34,617,357</u>	<u>\$ 39,000,723</u>	<u>\$ 39,104,083</u>
Total Gross Amount of Outstanding Debt	<u>\$ 15,938,861</u>	<u>\$ 19,366,467</u>	<u>\$ 34,982,200</u>	<u>\$ 39,000,723</u>	<u>\$ 42,859,245</u>
General Bonded Debt Ratios					
Per Capita	14.85	18.22	35.50	40.72	40.66
Per FTSE	574	702	1,408	1,501	1,444
As a percentage of Taxable Assessed Value	0.01%	0.02%	0.04%	0.04%	0.04%
Total Outstanding Debt Ratios					
Per Capita	16.96	21.19	39.52	45.63	51.35
Per FTSE	619	794	1,551	1,682	1,663
As a percentage of Taxable Assessed Value	0.01%	0.02%	0.04%	0.05%	0.05%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31				
	2022	2021	2020	2019	2018
Taxable Assessed Value	\$ 167,895,364,463	\$ 159,566,485,139	\$ 148,379,524,714	\$ 137,950,848,816	\$ 125,262,578,238
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$20,147,443,736	\$19,147,978,217	\$17,805,542,966	\$16,554,101,858	\$15,031,509,389
Less: Funds Restricted for Repayment of General Obligations	10,409,124	10,188,965	7,378,630	6,342,738	2,250,198
Total Net General Obligation Debt	20,137,034,612	19,137,789,252	17,798,164,336	16,547,759,120	15,029,259,191
Less: Current Year Debt Service Requirements Excess Statutory Limit for Debt Service Over Current Requirements	41,292,757	46,979,928	22,263,613	20,561,942	3,107,481
	\$ 20,095,741,855	\$ 19,090,809,324	\$ 17,775,900,723	\$ 16,527,197,178	\$ 15,026,151,710
Net Current Requirements as a % of Statutory Limit	0.26%	0.30%	0.17%	0.16%	0.04%
	For the Year Ended August 31				
	2017	2016	2015	2014	2013
Taxable Assessed Value	\$ 110,609,710,642	\$ 97,729,259,604	\$ 88,130,253,906	\$ 80,470,937,890	\$ 75,781,388,098
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$13,273,165,277	\$11,727,511,152	\$10,575,630,469	\$9,656,512,547	\$9,093,766,572
Less: Funds Restricted for Repayment of General Obligations	894,905	552,079	364,843	2,063,560	3,755,162
Total Net General Obligation Debt	13,272,270,372	11,726,959,073	10,575,265,626	9,654,448,987	9,090,011,410
Less: Current Year Debt Service Requirements Excess Statutory Limit for Debt Service Over Current Requirements	3,095,281	4,567,230	4,470,731	4,447,626	4,381,998
	\$ 13,269,175,091	\$ 11,722,391,843	\$ 10,570,794,895	\$ 9,650,001,361	\$ 9,085,629,412
Net Current Requirements as a % of Statutory Limit	0.03%	0.04%	0.05%	0.07%	0.09%

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

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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
2022	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-
2020	-	-	-	-
2019	-	-	-	-
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

Note: 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

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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
2022	1,109,462	\$ 76,380,741	\$ 71,246	4.3%
2021	1,064,465	70,852,208	68,474	4.0%
2020	1,034,730	66,212,712	65,874	5.4%
2019	1,005,146	62,078,378	64,025	3.1%
2018	969,603	57,482,679	61,179	3.4%
2017	939,585	62,113,034	63,911	3.7%
2016	914,127	58,385,800	61,866	3.8%
2015	885,241	54,420,085	59,532	3.6%
2014	854,778	52,358,740	59,146	5.0%
2013	834,642	47,457,632	55,520	5.5%

¹Source: 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. 2020 from July 2019 US Census Bureau estimate. 2022 from July 2021 Census Bureau estimate.

² Personal Income from U.S. Bureau of Economic Analysis - 2014 and prior. Data for 2018, 2019, 2020 and 2021 obtained from Texas Association of Counties. Bureau of Economic Analysis Personal Income Summary for 2016 and 2017. Bureau of Economic Analysis Personal Income Data for 2022.

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. Data for 2020 from Texas Workforce Commission. Data for 2020, 2021 and 2022 from Texas Workforce Commission.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Employer	2022		2013	
	Number of	Percentage	Number of	Percentage
	Employees	of Total Employment	Employees	of Total Employment
State Farm Insurance Corporate Office	9,000	1.60%	-	-
Frisco Independent School District	7,048	1.26%	5,400	1.45%
Capital One Finance	5,023	0.90%	6,470	1.74%
JP Morgan Chase	1,988	0.89%	3,969	1.06%
University of Texas at Dallas	3,911	0.70%	3,175	0.85%
Toyota North American HG	3,815	0.68%	-	-
Raytheon Intelligence and Space	3,658	0.65%	-	-
Blue Cross Blue Shield of Texas	3,100	0.55%	1,100	0.30%
McKinney Independent School District	2,814	0.50%	-	-
Liberty Mutual Insurance	2,652	0.47%	-	-
	43,009	8.20%	• 20,114	5.39%

2022 data from Collin County Annual Comprehensive Financial Report 2021

2013 data from Plano Economic Development Board and Local University and School District websites

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year				
	2022	2021	2020	2019	2018
Faculty					
Full-Time	500	532	472	436	402
Part-Time	812	881	982	952	1,000
Total	<u>1,312</u>	<u>1,413</u>	<u>1,454</u>	<u>1,388</u>	<u>1,402</u>
Percent					
Full-Time	38.1%	37.7%	32.5%	31.4%	28.7%
Part-Time	61.9%	62.3%	67.5%	68.6%	71.3%
Staff and Administrators					
Full-Time	988	946	808	735	685
Part-Time	392	425	740	576	599
Total	<u>1,380</u>	<u>1,371</u>	<u>1,548</u>	<u>1,311</u>	<u>1,284</u>
Percent					
Full-Time	71.6%	69.0%	52.2%	56.1%	53.3%
Part-Time	28.4%	31.0%	47.8%	43.9%	46.7%
FTSE per Full-Time Faculty	50.48	47.44	55.18	59.99	62.32
FTSE per Full-Time Staff Member	25.55	26.68	32.23	35.59	36.57
Average Annual Faculty Salary	\$ 74,217	\$ 70,855	\$ 68,070	\$ 69,311	\$ 66,728

Source: FTSE as reported on CBM001/CBM00A
Source: Provided by HR

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Faculty, Staff, and Administrators Statistics

Last Ten Tax Years

(unaudited)

	Fiscal Year				
	2017	2016	2015	2014	2013
Faculty					
Full-Time	395	409	396	372	361
Part-Time	945	905	885	880	845
Total	<u>1,340</u>	<u>1,314</u>	<u>1,281</u>	<u>1,252</u>	<u>1,206</u>
Percent					
Full-Time	29.5%	31.1%	30.9%	29.7%	29.9%
Part-Time	70.5%	68.9%	69.1%	70.3%	70.1%
Staff and Administrators					
Full-Time	648	626	638	614	577
Part-Time	599	583	610	578	555
Total	<u>1,247</u>	<u>1,209</u>	<u>1,248</u>	<u>1,192</u>	<u>1,132</u>
Percent					
Full-Time	52.0%	51.8%	51.1%	51.5%	51.0%
Part-Time	48.0%	48.2%	48.9%	48.5%	49.0%
FTSE per Full-Time Faculty	61.55	57.97	56.36	62.33	65.12
FTSE per Full-Time Staff Member	37.52	37.87	34.98	37.76	40.75
Average Annual Faculty Salary	\$ 65,167	\$ 62,315	\$ 60,412	\$ 57,209	\$ 56,614

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Gender	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	14,764	44%	15,113	43%	15,489	44%	14,899	44%	14,214	45%
Female	18,926	56%	20,279	57%	19,655	56%	18,778	56%	17,405	55%
Total	33,690	100%	35,392	100%	35,144	100%	33,677	100%	31,619	100%

Ethnic Origin	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	15,042	45%	16,574	46%	16,751	48%	16,309	49%	15,508	49%
Hispanic	7,427	22%	7,395	21%	7,386	21%	6,867	20%	6,249	20%
African American	3,956	12%	4,142	12%	3,955	11%	3,798	11%	3,644	12%
Asian	4,188	12%	4,193	12%	3,907	11%	3,641	11%	3,292	10%
Foreign	578	2%	538	2%	725	2%	794	2%	1,008	3%
Native American	121	0%	131	0%	123	0.0%	135	0%	134	0%
Other	2,378	7%	2,419	7%	2,297	7%	2,133	7%	1,784	6%
Total	33,690	100%	35,392	100%	35,144	100%	33,677	100%	31,619	100%

Age	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	8,361	25%	9,556	27%	8,339	23%	7,224	21%	5,530	17%
18 - 21	14,923	44%	15,172	43%	15,634	44%	15,180	45%	14,678	46%
22 - 24	3,689	11%	3,714	10%	4,076	12%	3,932	12%	4,019	13%
25 - 35	4,260	13%	4,439	13%	4,536	13%	4,607	13%	4,636	15%
36 - 50	1,964	6%	2,023	6%	2,024	6%	2,191	7%	2,263	7%
51 & Over	493	1%	488	1%	535	2%	543	2%	493	2%
Total	33,690	100%	35,392	100%	35,144	100%	33,677	100%	31,619	100%

Average Age (Fall)	21.8	21.8	22.1	22.4	22.8
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Source: Collin College's Institutional Research Office based on official Fall Census Headcount reports.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Gender	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	13,315	45%	12,697	45%	12,371	44%	12,393	44%	11,931	44%
Female	16,388	55%	15,490	55%	15,620	56%	15,579	56%	15,493	56%
Total	29,703	100%	28,187	100%	27,991	100%	27,972	100%	27,424	100%

Ethnic Origin	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	14,961	51%	14,676	52%	14,786	53%	15,262	55%	15,440	57%
Hispanic	5,699	19%	5,360	20%	5,190	19%	4,898	18%	4,435	16%
African American	3,361	11%	3,264	12%	3,384	12%	3,376	12%	3,228	12%
Asian	2,903	10%	2,592	9%	2,396	9%	2,297	8%	2,268	8%
Foreign	1,173	4%	908	3%	891	3%	826	3%	842	3%
Native American	136	0%	137	0%	124	0%	135	0%	124	0%
Other	1,470	5%	1,250	4%	1,220	4%	1,178	4%	1,087	4%
Total	29,703	100%	28,187	100%	27,991	100%	27,972	100%	27,424	100%

Age	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	4,533	15%	3,765	13%	3,161	11%	3,061	11%	2,685	10%
18 - 21	13,681	46%	13,052	47%	12,787	46%	12,342	44%	11,643	42%
22 - 24	3,813	13%	3,670	13%	3,701	13%	3,623	13%	3,527	13%
25 - 35	4,730	16%	4,619	16%	4,879	17%	5,109	18%	5,451	20%
36 - 50	2,386	8%	2,466	9%	2,761	10%	3,070	11%	3,318	12%
51 & Over	560	2%	615	2%	702	3%	767	3%	800	3%
Total	29,703	100%	28,187	100%	27,991	100%	27,972	100%	27,424	100%

Average Age (Fall)	23.3	23.7	24.3	24.7	25.3
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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfers to Senior Institutions
2020 Fall Students as of Fall 2021
(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	8	2	-	10	0.13%
Lamar University	6	1	-	7	0.09%
Midwestern State University	25	17	-	42	0.55%
Prairie View A&M University	17	16	-	33	0.43%
Sam Houston State University	49	6	-	55	0.72%
Stephen F. Austin State University	101	41	-	142	1.87%
Sul Ross State University	-	1	-	1	0.01%
Tarleton State University	76	32	-	108	1.42%
Texas A&M International University	1	-	-	1	0.01%
Texas A&M University	395	194	-	589	7.74%
Texas A&M University - Central Texas	2	1	-	3	0.04%
Texas A&M University - Commerce	249	44	-	293	3.85%
Texas A&M University - Corpus Christi	17	11	-	28	0.37%
Texas A&M University - Galveston	12	2	-	14	0.18%
Texas A&M University - Kingsville	2	-	-	2	0.03%
Texas A&M University - San Antonio	1	1	-	2	0.03%
Texas A&M University - Texarkana	3	1	-	4	0.05%
Texas Southern University	8	2	-	10	0.13%
Texas State University - San Marcos	205	74	-	279	3.67%
Texas Tech University	463	236	-	699	9.18%
Texas Woman's University	310	77	-	387	5.08%
The University of Texas - Rio Grande Valley	3	2	-	5	0.07%
The University of Texas at Arlington	251	141	-	392	5.15%
The University of Texas at Austin	342	141	-	483	6.35%
The University of Texas at Dallas	1,496	485	-	1,981	26.02%
The University of Texas at El Paso	5	2	-	7	0.09%
The University of Texas at San Antonio	26	9	-	35	0.46%
The University of Texas at Tyler	37	25	-	62	0.81%
The University of Texas of the Permian Basin	14	2	-	16	0.21%
University of Houston	52	22	-	74	0.97%
University of Houston - Clear Lake	-	3	-	3	0.04%
University of Houston - Downtown	4	1	-	5	0.07%
University of Houston - Victoria	-	-	-	-	0.00%
University of North Texas	1,377	315	-	1,692	22.23%
University of North Texas at Dallas	27	3	-	30	0.39%
West Texas A&M University	11	2	-	13	0.17%
Total	5,595	1,912	-	7,507	98.62%
Health Science Institutions					
Texas A&M Univ Health Science Center	11	5	-	16	0.21%
Texas Tech Univ Health Sciences Center	32	24	-	56	0.74%
Texas Tech Univ Health Sciences Center - El Paso	-	-	-	-	0.00%
The Univ of Texas Health Science Ctr at Houston	3	2	-	5	0.07%
The Univ of Texas Health Science Ctr at San Antonio	-	-	-	-	0.00%
The Univ of Texas MD Anderson Cancer Center	1	1	-	2	0.03%
The Univ of Texas Health Science Center at Tyler	-	-	-	-	0.00%
The Univ of Texas Medical Branch at Galveston	5	-	-	5	0.07%
The University of Texas Southwestern Medical Center	-	2	-	2	0.03%
The University of Texas - Rio Grande Valley - Medical Schoc	-	-	-	-	0.00%
University of N Texas Health Science Ctr	14	5	-	19	0.25%
Total	66	39	-	105	1.38%
Grand Total	5,661	1,951	-	7,612	100.00%

Source: THECB-Automated Student and Adult Learner Follow-Up System

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Academic Building Square Footage	22	22	19	12	12	11	11	9	9	9
	1,947,338	1,943,305	1,708,744	1,244,952	1,244,952	1,105,585	1,105,585	957,433	957,433	957,433
Libraries Square Footage	7	7	5	3	3	3	3	3	3	3
	352,108	352,108	334,842	295,429	295,429	295,429	295,429	295,429	295,429	295,429
Administrative and Support Buildings Square Footage*	618,729	580,429	580,429	456,649	456,649	449,314	449,314	449,314	449,314	449,314
Dining Facilities Square Footage	4	4	4	2	2	2	2	2	2	2
	29,117	29,117	29,117	11,926	11,926	11,926	11,926	11,926	11,926	11,926
Athletic Facilities Square Footage	4	4	4	3	3	3	3	3	3	3
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	4	4	4	3	3	3	3	3	3	3
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Student Housing Facilities Square Footage	1	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a
	86,308	86,308	86,308	86,308	n/a	n/a	n/a	n/a	n/a	n/a
Plant Facilities Square Footage	6	6	6	4	4	4	4	4	4	4
	45,808	45,808	45,808	20,381	20,381	20,381	20,381	20,381	20,381	20,381
Transportation Cars	30	27	29	7	7	11	11	13	12	10
Light Trucks/Vans	46	40	32	42	30	24	22	20	23	17

* Comprise parts of various buildings.

**Includes accessible e-books

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Single Audit Section

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

To the Board of Trustees
Collin County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Collin County Community College District (the District), which comprise the statement of financial position as of and for the year ended August 31, 2022, and the related statement of activities and cash flows for the year then ended, and notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2022. Our report includes a reference to other auditors who audited the financial statements of Collin County Community College Foundation (the "Foundation"), as described in our report on the District's financial statements. The financial statements of the Foundation, audited by other auditors, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial or instances of reportable noncompliance associated with the Foundation.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

To the Board of Trustees
Collin County Community College District

Purpose of this Report

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

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

Dallas, Texas
December 6, 2022

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

To the Board of Trustees
Collin County Community College District

Report on Compliance for Each Major Federal and State Program

We have audited Collin County Community College District’s (the “District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended August 31, 2022. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Collin County Community College District

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

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

Whitley Penn LLP

Dallas, Texas
December 6, 2022

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2022**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number	Assistance Listing 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	\$ 463,089	\$ -	\$ 463,089	\$ -
Federal Work-Study Program	84.033	287,026	-	287,026	-
Federal Pell Grant Program	84.063	26,018,259	-	26,018,259	-
Federal Direct Student Loans	84.268	12,798,574	-	12,798,574	-
Total Student Financial Assistance Cluster		39,566,948	-	39,566,948	-
Direct Program:					
Child Care Access Means Parents in School - CCAMPIS	84.335A	45,207	-	45,207	-
Direct Program:					
COVID-19 Education Stabilization Fund - Emergency Grant Assistance for Students	84.425E	19,059,985	-	19,059,985	-
COVID-19 Education Stabilization Fund - Emergency Grant Relief for Institution	84.425F	11,608,417	-	11,608,417	-
Pass-Through from:					
Texas Higher Education Coordinating Board					
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief- Workbased- Internships 2020-GE-84425C	84.425C	-	50,100	50,100	-
COVID-19 Education Stabilization Fund-Governor's Emergency Education Relief- Workbased-Apprenticeships 2020-GE-84425C	84.425C	-	5,780	5,780	-
COVID-19 Education Stabilization Fund - Texas Reskilling Support Fund- Round One - 2020-GE-84425C	84.425C	-	920,481	920,481	710,481
COVID-19 Education Stabilization Fund - Texas Reskilling Support Fund- Round Two - 2020-GE-84425C	84.425C	-	868,887	868,887	586,481
COVID-19 Education Stabilization Fund - Texas Reskilling Support Fund- Round Three - 2020-GE-84425C	84.425C	-	1,010,950	1,010,950	581,128
COVID-19 Education Stabilization Fund - Texas Reskilling & Upskilling for Education -True 2020-GE-84425C	84.425C	-	298,078	298,078	37,492
COVID-19 Education Stabilization Fund - Open Education Resources Course Development 2020-GE-84425C	84.425C	-	21,592	21,592	-
COVID-19 Education Stabilization Fund - OER Course Development and Implementation 2020-GE-84425C	84.425C	-	5,546	5,546	-
COVID-19 Education Stabilization Fund - Report Modernization - 2020-GE-84425C	84.425C	-	50,000	50,000	-
Total COVID-19 Education Stabilization Fund	84.425	30,668,402	3,231,414	33,899,816	1,915,582
Pass-Through from:					
Texas Higher Education Coordinating Board					
Career and Technical Education - Basic Grants to States -214223	84.048	-	980,078	980,078	-
Total U.S. Department of Education		70,280,557	4,211,492	74,492,049	1,915,582
U.S. Department of Labor					
Pass-Through from:					
Texas Workforce Commission					
Apprenticeship USA Grants - AP-33514-19-60-A-48; TWC# 0421ATG004	17.285	-	1,771	1,771	-
Columbus State Community College					
H-1B Job Training Grants - 'HG-33028-19-60-A-39	17.268	-	226,009	226,009	-
Total Department of Labor		-	227,780	227,780	-
U.S. Department of Transportation					
Direct Program:					
Commercial Motor Vehicle Operator Safety Training Grants	20.235	71,800	-	71,800	-
Total Department of Transportation		71,800	-	71,800	-
National Science Foundation					
Research and Development Cluster					
Direct Program:					
Education and Human Resources	47.076	664,312	-	664,312	84,762
Education and Human Resources	47.076	330,235	-	330,235	65,161
Total National Science Foundation	47.076	994,547	-	994,547	149,923
U.S. Small Business Administration					
Pass-Through from:					
Dallas County Community College District:					
Small Business Development Centers - SBAHQ-21-B-0038	59.037	-	37,450	37,450	-
Small Business Development Centers - SBAHQ-22-B-0006	59.037	-	345,632	345,632	-
Total U.S. Small Business Administration	59.037	-	383,082	383,082	-
U.S. Department of Health and Human Services					
Pass-Through from:					
Texas Workforce Commission					
Governor's Summer Merit Program - 2201XTANF; TWC# 04225MP001	93.558	-	34,616	34,616	-
Total U.S. Department of Health and Human Services	93.558	-	34,616	34,616	-
Total Federal Financial Assistance		\$ 71,346,904	\$ 4,856,970	\$ 76,203,874	\$ 2,065,505

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, 2022**

Note 1: Federal assistance reconciliation

	FY 22
Additional Operating Revenues - Federal grants and contracts - per Schedule A	\$ 13,331,372
Add: Indirect/Administrative Costs Recoveries - per Schedule A	2,180,064
Add: Non Operating Revenues - Federal contracts and grants - per Schedule C	45,828,359
Total Federal Revenues per Schedule A and C	<u>61,339,795</u>
Reconciling items:	
Add: Funds passed through to others	2,065,505
Add: Direct Student Loans	12,798,574
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 76,203,874</u>

Note 2: Significant accounting policies used in preparing the schedule

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

Note 3: Amounts passed-through by the District

The following amounts were passed through to the listed subrecipients by the District. These amounts were from the Education and Human Resources Program CFDA 47.076 from the National Science Foundation:

NSF DUE-1700530:

Dallas County Community College	
Florida State College at Jacksonville	\$ 8,221
Georgia Southern University	18,868
Lansing Community College	6,212
Lone Star College	16,473
Sinclair Community College	23,261
University of North Texas	11,727
Subtotal NSF DUE-1700530	<u>84,762</u>

NSF DUE-1838535

Lake Washington Institute of Technology	13,019
Lone Star College	11,975
Suffolk County Community College	31,385
Bellevue Community College	8,782
Subtotal NSF DUE-1700530	<u>65,161</u>

Total amount passed-through: NSF \$ 149,923

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of Federal Awards
For the year ended August 31, 2022**

The following amounts were passed through to the listed subrecipients by the District. These amounts were originally from the U.S. Department of Education ALN 84.425C - Governor's Emergency Education Relief Fund. U.S. Department of Education provided these two grants to Texas Higher Education Coordinating Board (THECB) from the Governor's Emergency Education Relief(GEER) Fund. The North Texas Consortium, led by Collin College, in partnership with North Central Community College, Texas A&M University-Commerce, University of North Texas, The University of Texas at Dallas, and Texas Woman's University, awarded these funds from THECB to cover tuition and fees for students that stepped out and are within one year of completing a certification or degree.

<u>Texas Reskilling Support Fund 2020-GE-84425C:</u>	<u>Round One</u>
North Central Community College	\$ 276,188
Texas A&M University-Commerce	190,866
University of North Texas	175,700
The University of Texas at Dallas	-
Texas Woman's University	67,727
Subtotal Round One:	<u>710,481</u>

<u>Texas Reskilling Support Fund 2020-GE-84425C:</u>	<u>Round Two</u>
North Central Community College	112,500
Texas A&M University-Commerce	112,500
University of North Texas	248,981
The University of Texas at Dallas	-
Texas Woman's University	112,500
Subtotal Round Two:	<u>586,481</u>

<u>Texas Reskilling Support Fund 2020-GE-84425C:</u>	<u>Round Three</u>
North Central Community College	114,651
Texas A&M University-Commerce	111,240
University of North Texas	-
The University of Texas at Dallas	65,274
Texas Woman's University	289,963
Subtotal Round Three:	<u>581,128</u>

<u>Texas Reskilling & Upskilling for Education</u>	<u>TRUE</u>
<u>TRUE 2020-GE-84425C</u>	
Ranger College	<u>37,492</u>

Total amount passed-through: Texas Reskilling \$ 1,915,582

Total amount passed-through: All Subrecipients \$ 2,065,505

Schedule F

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Expenditures of State Awards
For the year ended August 31, 2022**

Grantor/Pass-through Grantor/ Program Title	Grantor's Number	Disbursements and Expenses
Texas Workforce Commission		
Skills for Small Business Program	0422SSD001	\$ 584
Skills Development in Partnership with a Manufacturing Consortium	0422SDF003	36,138
Skills Development in Partnership with a Business Consortium	0422SDF004	17,527
Pre-Apprenticeship Pilot Automotive Consortium	0422DON001	23,940
Skills for Small Business Program	0421SSD001	121
Skills Development in Partnership with a Business Consortium	0421SDF001	323,954
Skills Development in Partnership with a Business Consortium	0422SDF005	2,184
Total Texas Workforce Commission		404,448
Texas Higher Education Coordinating Board		
2018 College Readiness and Success Models for 60x30TX	20515	3,000
Professional Nursing Shortage Program		-
Professional Nursing Shortage Reduction Over 70 Program		292,751
Texas Education Opportunity Grant-Renewal Year		376,463
Texas Education Opportunity Grant-Initial Year		780,524
College Access Loans		16,753
Texas College Work-Study		77,777
Total Texas Higher Education Coordinating Board		1,547,268
Pass-through from:		
Dallas County Community College District		
Small Business Development Center 19/20	SBAHQ-20-B-0014	-
Small Business Development Center 20/21	SBAHQ-21-B-0038	8,804
Small Business Development Center 21/22	SBAHQ-22-B-0006	82,440
Total Small Business Development Center		91,244
Total State Financial Assistance		\$ 2,042,960

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of State Awards
For the year ended August 31, 2022**

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A
State Financial Assistance

Per Schedule of Expenditures of State Awards	\$ 2,042,960
Total State Revenues per Schedule A	<u>\$ 2,042,960</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.

I. Summary of Auditors' Results

Financial Statements

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

Federal and State Awards

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

Identification of major programs:

Name of Federal Programs or Cluster	Assistance Listing Numbers
--	-----------------------------------

COVID-19 – Education Stabilization Fund – Emergency Grant Assistance for Students	84.425E
COVID-19 – Education Stabilization Fund – Emergency Grant Relief for Institution	84.425F
COVID-19 – Education Stabilization Fund – Governor's Emergency Education Relief	84.425C
COVID-19 – Education Stabilization Fund – Texas Reskilling Support Fund – Round One	84.425C
COVID-19 – Education Stabilization Fund – Texas Reskilling Support Fund – Round Two	84.425C
COVID-19 – Education Stabilization Fund – Texas Reskilling Support Fund – Round Three	84.425C
COVID-19 – Education Stabilization Fund – Open Education Resources Course Development and OER Course Development and Implementation	84.425C

Name of State Programs

Texas Education Opportunity Grant – Renewal and Initial Year	N/A
--	-----

Collin County Community College District
Schedule of Findings and Questioned Costs
Year ended August 31, 2022

I. Summary of Auditors' Results (continued)

Dollar Threshold used to Distinguish between
Type A and B Programs

Federal	\$ 2,286,116
State	\$ 750,000

Auditee qualified as a low-risk auditee

Federal	Yes
State	Yes

II. Financial Statement Findings

There are no current year findings.

III. Federal and State Award Findings and Questioned Costs

There are no current year findings and questioned costs.

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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, 2022
(with comparative totals at August 31, 2021)
(unaudited)

	Unrestricted Funds			Total
	Unrestricted	Startup & Stabilization	Auxiliary Enterprises	
Assets				
Cash and cash equivalents	\$ 60,581,814	\$ 46,050,479	\$ 2,100	\$ 106,634,393
Restricted cash and cash equivalents	-	-	-	-
Investments	87,411,830	44,311,205	-	131,723,035
Accounts receivable (net of allowance for doubtful accounts of \$259,781 and \$320,851)	11,699,030	11,957	1,033,289	12,744,276
Tax receivable (net of allowance for doubtful accounts of \$571,868 and \$708,769)	688,036	-	-	688,036
Prepaid expenses	1,241,682	-	144,519	1,386,201
Capital assets	781,843	-	-	781,843
Total assets	\$ 162,404,235	\$ 90,373,641	\$ 1,179,908	\$ 253,957,784
Deferred outflows related to pensions	\$ 51,701,661	\$ -	\$ -	\$ 51,701,661
Deferred outflows related to OPEB	22,644,700	-	-	22,644,700
Total deferred outflows of outflows	\$ 74,346,361	\$ -	\$ -	\$ 74,346,361
Liabilities:				
Accounts payable / accrued liabilities	\$ 11,868,360	\$ -	\$ 278,443	\$ 12,146,803
Interfund payable/(receivable)	(15,706,899)	11,360,045	(3,467,404)	(7,814,258)
Unearned revenues	25,975,639	-	1,192,475	27,168,114
Accrued compensable absences payable	2,062,194	-	-	2,062,194
Amounts held for others	392,079	-	-	392,079
Lease liability	-	-	-	-
Net pension liability	23,461,964	-	-	23,461,964
Net OPEB liability	116,705,100	-	-	116,705,100
Bonds payable	-	-	-	-
Total liabilities	\$ 164,758,437	\$ 11,360,045	\$ (1,996,486)	\$ 174,121,996
Deferred inflows related to pensions	\$ 25,156,088	\$ -	\$ -	\$ 25,156,088
Deferred inflows related to OPEB	15,860,983	-	-	15,860,983
Deferred inflows lease receivable	-	-	906,775	906,775
Total deferred inflows of resources	\$ 41,017,071	\$ -	\$ 906,775	\$ 41,923,846
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	(23,874,912)	79,013,596	2,269,619	57,408,303
Restricted:				
Student aid/non-governmental grants and contracts	-	-	-	-
Reserve for debt service	-	-	-	-
Reserve for bond capital projects	-	-	-	-
Net investment in plant	-	-	-	-
Total net position	\$ 30,975,088	\$ 79,013,596	\$ 2,269,619	\$ 112,258,303

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Fund - continued
As of August 31, 2022
(with comparative totals at August 31, 2021)
(unaudited)**

Building Fund	Plant Funds		Debt Service	Restricted	Totals (memorandum only)	
	2020 Bond Fund	Investment in Plant			2022	2021
\$ 83,031,519	\$ -	\$ -	\$ -	\$ -	\$ 189,665,912	\$ 278,679,642
-	36,850,588	-	10,409,124	-	47,259,712	82,086,922
31,339,406	-	-	-	-	163,062,441	104,721,408
31,993	179,657	-	-	6,766,578	19,722,504	21,272,905
-	-	-	141,890	-	829,926	676,398
-	-	-	-	144,256	1,530,457	2,741,324
-	-	831,085,861	-	-	831,867,704	794,003,330
<u>\$ 114,402,918</u>	<u>\$ 37,030,245</u>	<u>\$ 831,085,861</u>	<u>\$ 10,551,014</u>	<u>\$ 6,910,834</u>	<u>\$ 1,253,938,656</u>	<u>\$ 1,284,181,929</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,701,661	\$ 20,827,355
-	-	-	-	-	22,644,700	42,228,249
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,346,361</u>	<u>\$ 63,055,604</u>
\$ 237,388	\$ 4,189,564	\$ -	\$ 886,413	\$ 1,216,978	\$ 18,677,146	\$ 21,003,390
4,711,769	(7,232,995)	11,966,350	(3,750,551)	2,119,685	-	-
-	-	-	-	1,688,989	28,857,103	26,972,343
-	-	-	-	-	2,062,194	1,946,789
-	-	-	-	-	392,079	443,423
-	-	-	762,788	-	762,788	-
-	-	-	-	-	23,461,964	42,433,966
-	-	-	-	-	116,705,100	86,801,710
-	33,773,676	522,749,906	-	-	556,523,582	575,747,183
<u>\$ 4,949,157</u>	<u>\$ 30,730,245</u>	<u>\$ 534,716,256</u>	<u>\$ (2,101,350)</u>	<u>\$ 5,025,652</u>	<u>\$ 747,441,956</u>	<u>\$ 755,348,804</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,156,088	\$ 5,976,026
-	-	-	-	-	15,860,983	22,097,053
-	-	-	-	-	906,775	996,263
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,923,846</u>	<u>\$ 29,069,342</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
-	-	-	-	-	24,750,000	24,750,000
-	-	-	-	-	30,000,000	30,000,000
109,453,761	-	-	-	-	166,862,064	198,064,435
-	-	-	-	1,885,182	1,885,182	5,773,548
-	-	-	12,652,364	-	12,652,364	8,977,878
-	6,300,000	-	-	-	6,300,000	6,200,000
-	-	296,369,605	-	-	296,369,605	287,618,911
<u>\$ 109,453,761</u>	<u>\$ 6,300,000</u>	<u>\$ 296,369,605</u>	<u>\$ 12,652,364</u>	<u>\$ 1,885,182</u>	<u>\$ 538,919,215</u>	<u>\$ 561,484,772</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position by Fund
For the year ended August 31, 2022
(with comparative totals for the year ended August 31, 2021)
(unaudited)**

	Unrestricted Funds			Total
	Unrestricted	Startup & Stabilization	Auxiliary Enterprises	
Net Position - beginning of year	\$ 57,940,973	\$ 78,490,181	\$ 2,362,247	\$ 138,793,401
Revenues and other additions:				
Unrestricted current funds revenue	219,975,093	-	4,156,938	224,132,031
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/(loss)	-	523,415	-	523,415
Bond fund proceeds	-	-	-	-
Net decrease in bonds payable	-	-	-	-
Expended for plant facilities	-	-	-	-
Total revenues and other additions	219,975,093	523,415	4,156,938	224,655,446
Expenses and other deductions:				
Expenses	210,962,515	-	4,917,270	215,879,785
Increase in bonds payable	-	-	-	-
Retirement of indebtedness (bond principal)	-	-	-	-
Interest on indebtedness	-	-	-	-
Depreciation expense	-	-	-	-
Total expenditures and other additions	210,962,515	-	4,917,270	215,879,785
Transfers - additions (deductions):				
Transfers	(35,978,463)	-	667,704	(35,310,759)
Total transfers - additions (deductions)	(35,978,463)	-	667,704	(35,310,759)
Net increase (decrease) for the fiscal year	(26,965,885)	523,415	(92,628)	(26,535,098)
Net Position - end of year	\$ 30,975,088	\$ 79,013,596	\$ 2,269,619	\$ 112,258,303

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position by Fund - continued
For the year ended August 31, 2022
(with comparative totals for the year ended August 31, 2021)
(unaudited)**

Building Fund	Plant funds		Debt service	Restricted	Totals (memorandum only)	
	2020 Bond Fund	Investment in Plant			2022	2021
\$ 114,102,948	\$ 6,200,000	\$ 287,636,997	\$ 8,977,878	\$ 5,773,548	\$ 561,484,772	\$ 572,945,777
-	-	-	-	-	224,132,031	206,522,257
-	-	-	-	6,120,643	6,120,643	9,649,428
-	-	-	3,562,490	-	3,562,490	3,330,636
-	-	-	-	59,093,133	59,093,133	45,791,327
-	-	-	-	2,042,960	2,042,960	2,367,338
-	-	-	-	148,457	148,457	134,940
-	-	-	-	1,879,538	1,879,538	2,106,875
(951,100)	-	-	416,071	7,537	(4,077)	220,687
-	100,000	-	-	-	100,000	100,000
-	45,566,023	15,905,000	-	-	61,471,023	98,361,399
-	-	61,136,226	-	-	61,136,226	92,271,625
(951,100)	45,666,023	77,041,226	3,978,561	69,292,268	419,682,424	460,856,512
9,698,087	45,566,023	-	-	68,173,048	339,316,943	336,194,268
-	-	45,566,023	-	-	45,566,023	81,241,399
-	-	-	15,905,000	-	15,905,000	17,120,000
-	-	-	18,717,420	-	18,717,420	19,060,180
-	-	22,742,595	-	-	22,742,595	18,691,859
9,698,087	45,566,023	68,308,618	34,622,420	68,173,048	442,247,981	472,307,706
6,000,000	-	-	34,318,345	(5,007,586)	-	-
6,000,000	-	-	34,318,345	(5,007,586)	-	-
(4,649,187)	100,000	8,732,608	3,674,486	(3,888,366)	(22,565,557)	(11,451,194)
\$ 109,453,761	\$ 6,300,000	\$ 296,369,605	\$ 12,652,364	\$ 1,885,182	\$ 538,919,215	\$ 561,494,583
Cumulative effect of change in accounting principle						(9,811)
Adjusted net position - ending of year						\$ 561,484,772

Financial Supplement 3

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2022
(unaudited)**

	Cell Tower Leases	Student Housing	Intercollegiate Athletics
Net Position - beginning of year	\$ 117,088	\$ (510,411)	\$ -
Revenues and other additions:			
Sales and services	176,903	1,565,992	-
Commission	-	-	-
Miscellaneous income	-	-	2,055
Total revenue	<u>176,903</u>	<u>1,565,992</u>	<u>2,055</u>
Expenses and other deductions:			
Salaries and wages	-	273,503	163,077
Staff benefits	-	59,765	31,176
Financial Aid	77,736	-	247,859
Other operating expenses	-	814,502	220,592
Capital Renovations	-	372,908	-
Total expenditures	<u>77,736</u>	<u>1,520,678</u>	<u>662,704</u>
Excess (deficit) of revenue over (under) expenditure	<u>-</u> <u>99,167</u>	<u>-</u> <u>45,314</u>	<u>-</u> <u>(660,649)</u>
Transfers - additions (deductions):			
Student activities-SAFAC	-	-	220,591
Outsourced bookstore	-	-	440,058
Cares funding for lost revenue	-	-	-
Total transfers - additions(deductions)	<u>-</u>	<u>-</u>	<u>660,649</u>
Net increase (decrease) for the fiscal year	<u>99,167</u>	<u>45,314</u>	<u>-</u>
Net Position - end of year	<u>\$ 216,255</u>	<u>\$ (465,097)</u>	<u>\$ -</u>

Financial Supplement 3

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - continued
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2022
(unaudited)**

Food Services	Bookstore	Facilities Rental	Auxiliary Administration	Print Shop	Total
\$ (2,027,300)	\$ 5,375,872	\$ (23,874)	\$ (558,886)	\$ (10,242)	\$ 2,362,247
1,401,514	-	145,677	-	89,034	3,379,120
127,405	637,158	-	-	-	764,563
-	-	-	11,200	-	13,255
<u>1,528,919</u>	<u>637,158</u>	<u>145,677</u>	<u>11,200</u>	<u>89,034</u>	<u>4,156,938</u>
574,926	-	110,028	176,384	56,085	1,354,003
117,199	-	24,037	39,141	12,328	283,646
-	-	-	-	-	325,595
1,302,761	29,619	13,844	193,001	6,799	2,581,118
-	-	-	-	-	372,908
<u>1,994,886</u>	<u>29,619</u>	<u>147,909</u>	<u>408,526</u>	<u>75,212</u>	<u>4,917,270</u>
<u>(465,967)</u>	<u>607,539</u>	<u>(2,232)</u>	<u>(397,326)</u>	<u>13,822</u>	<u>(760,332)</u>
-	-	-	-	-	220,591
-	(440,058)	-	-	-	-
200,488	89,355	157,270	-	-	447,113
<u>200,488</u>	<u>(350,703)</u>	<u>157,270</u>	<u>-</u>	<u>-</u>	<u>667,704</u>
<u>(265,479)</u>	<u>256,836</u>	<u>155,038</u>	<u>(397,326)</u>	<u>13,822</u>	<u>(92,628)</u>
<u>\$ (2,292,779)</u>	<u>\$ 5,632,708</u>	<u>\$ 131,164</u>	<u>\$ (956,212)</u>	<u>\$ 3,580</u>	<u>\$ 2,269,619</u>

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Celina Campus

2505 Kinship Parkway
Celina, Texas 75009

Farmersville Campus

501 S. Collin Parkway
Farmersville, Texas 75442

Frisco Campus

9700 Wade Blvd.
Frisco, Texas 75035

McKinney Campus

2200 West University Drive
McKinney, Texas 75071

Plano Campus

2800 East Spring Creek Parkway
Plano, Texas 75074

Technical Campus

2550 Bending Branch Way
Allen, Texas 75013

Wylie Campus

391 Country Club Road
Wylie, Texas 75098

Collin Higher Education Center

3452 Spur 399
McKinney, Texas 75069

Courtyard Center

4800 Preston Park Blvd.
Plano, Texas 75093

Public Safety Training Center

3600 Redbud Blvd.
McKinney, Texas 75069

Rockwall Center

Dr. Gene Burton College &
Career Academy
2301 South John King Blvd.
Rockwall, Texas 75032

iCollin Virtual Campus

2800 E. Spring Creek Parkway
Plano, Texas 75074
icollinvirtualcampus@collin.edu