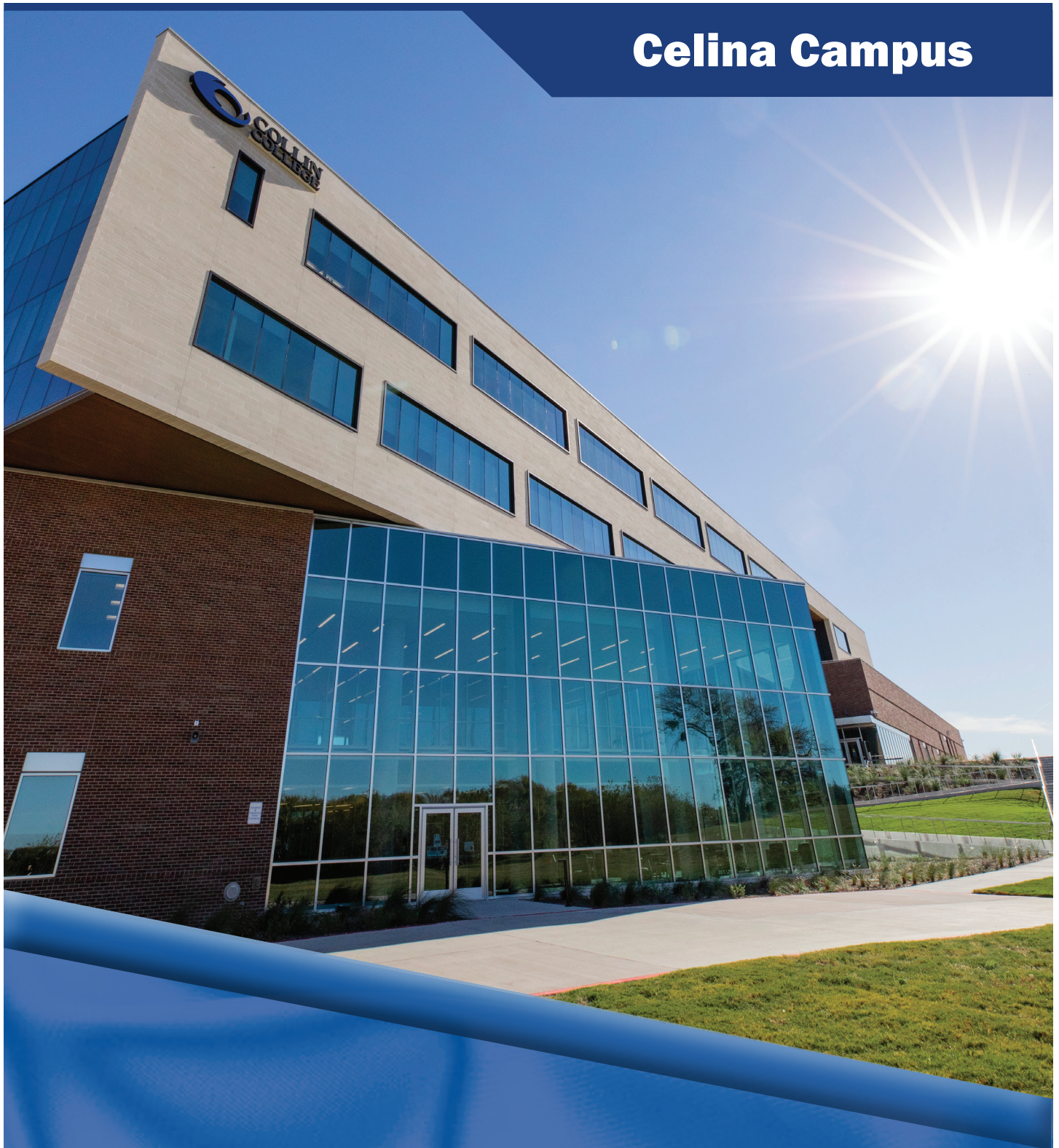


Celina Campus



Annual Comprehensive Financial Report

For the years Ended August 31, 2023 and 2022

Collin County Community College District

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

Annual Comprehensive Financial Report

**For Fiscal Years Ended
August 31, 2023 and 2022**

**Prepared by:
Administrative Services**

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
Annual Comprehensive Financial Report
Fiscal Years Ended August 31, 2023 and 2022

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**COLLIN
COLLEGE**

Introductory



To the Board of Trustees:

I am pleased to present you with the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year 2023. This review of Collin College's financial operations is one of the most straightforward indicators of the strength of our district.

Your leadership, strong fiscal management, and insightful planning have been critical as the district serves its communities as an essential educational resource and economic driver. I am confident that the hard work you have done to craft our new Master and Strategic plans will pay dividends to our students, our workforce partners, and the larger Collin County and Rockwall County communities.

One measure of Collin College's influence is its ability to bring thought-leaders together to discuss issues shaping our area, the state, and the nation. The Collin Leadership Policy Summit has done just that each fall for the past two years. Held first at our Frisco Campus and then again at our McKinney Campus, this summit draws political, civic, and industry leaders from around the state to provide hundreds of attendees with an insider's look at the future of transportation, workforce, the media environment, health, and, of course, education. Many of you have attended these summits, and I know you agree they are exceptional opportunities to bring leaders together.

That confluence of leadership was also evident in the approval of Collin College's fourth bachelor's degree – the Bachelor of Applied Science (BAS) in Clinical Operations Management. Our district worked with local healthcare leaders to ensure we are providing our students and their workers with the tools they need to thrive in one of the most vital sectors of our economy. Delivered entirely online, the BAS in Clinical Operations Management prepares associate degree holders with managerial and leadership training in business principles, talent management, project management, data analysis, and risk management, preparing them to take leadership positions in the growing healthcare sector.

The Board's decision to support the BAS in Clinical Operations Management alongside the college's Bachelor of Applied Technology (BAT) in Cybersecurity, Bachelor of Applied Science (BAS) in Construction Management, and Bachelor of Science in Nursing (BSN) programs, will make a difference in people's lives and the workforce that supports our local economy. Our fifth bachelor's degree is in development now, and I am confident it will provide more opportunities for students to achieve great things.

Speaking of opportunities, this year has provided a few firsts for our district. Several students from across the district participated in SkillsUSA this year, a first for Collin College. SkillsUSA is a national organization dedicated to developing the country's workforce through personal, workplace, and technical skills. Seven Collin students took home medals in state competition, and two brought home awards from the national convention.

In another out-of-this-world opportunity, two students from Plano Campus designed an experiment that was performed on the International Space Station as a part of the Student Spaceflight Experiment Program (SSEP). The results of the experiment could provide some insight into food and materials creation on the extended space flights needed to reach other planets.

A little closer to home, the college's Lady Cougars Basketball Team made history with the college's first-ever invitation to the National Junior College Athletic Association (NJCAA) Basketball Tournament. With two All-Americans returning this year, we expect more great things from their team.

I can't tell you how glad I am to be at Collin College, where we touch so many lives in so many ways. Thank you again for the opportunity to share in that joy.

Sincerely,



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

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December 5, 2023

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, 2023 and 2022 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

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.

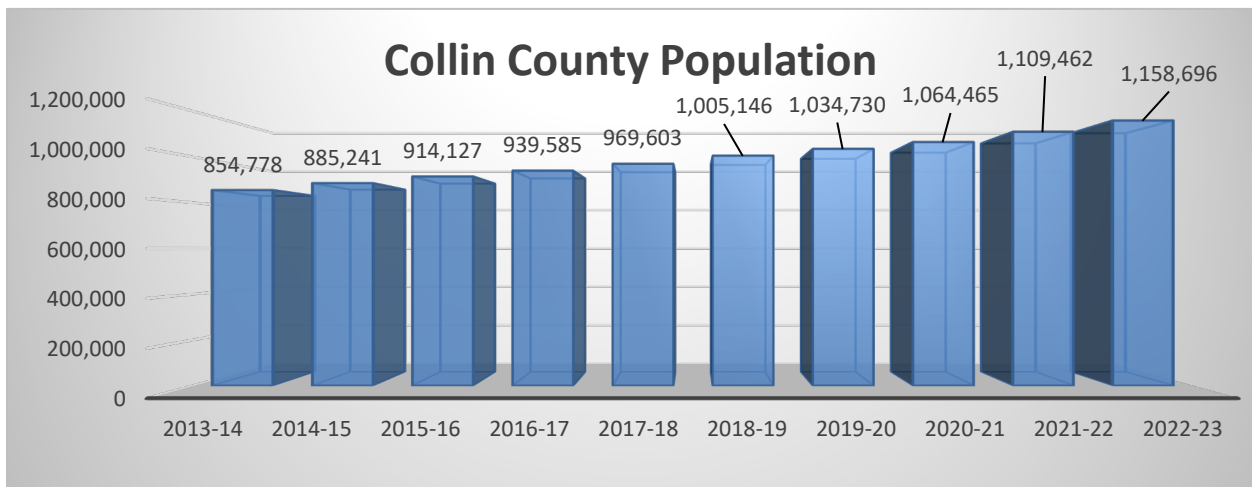
The Board manages and governs the District, provides policy direction, establishes goals, sets and collects tuition and fees, exercises fiduciary responsibilities in the management of the District's funds, and appoints and evaluates the District President. The Board is also responsible for the levy, 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. In 2023, a Bachelor of Applied Science (BAS) of in

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 1,308 residents per square mile in 2022. According to the U.S. Census Bureau, the population of Collin County was estimated to be about 1,158,696 in 2022.

Information provided by the U.S. Census Bureau as of 2022 shows an estimated 6.2% growth in population of the United States since 2012. During that same ten years, Collin County has experienced an increase in the population of 38.7%.



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 different professions in the health care industry is shorter thanks to the unique partnership between Collin College and Plano Independent School District (PISD). The 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 Allen, Anna, Celina, Farmersville and Lewisville ISDs for a Collegiate Academy within each district, allowing students to earn their associates 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 Texas A & M-Commerce, The University of North Texas, and The University of Texas at Dallas 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 (NCTC) a \$3.9 million grant in April 2017, with an award period of 2017 through 2023. 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 2024. 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. Additionally, Collin College is among five community college partners collaborating on the National Information Technology Innovation Center (NITIC) grant under the leadership of Columbus State Community College. The five-year National Science Foundation grant continues much of the great work started by the NCTC's efforts.

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

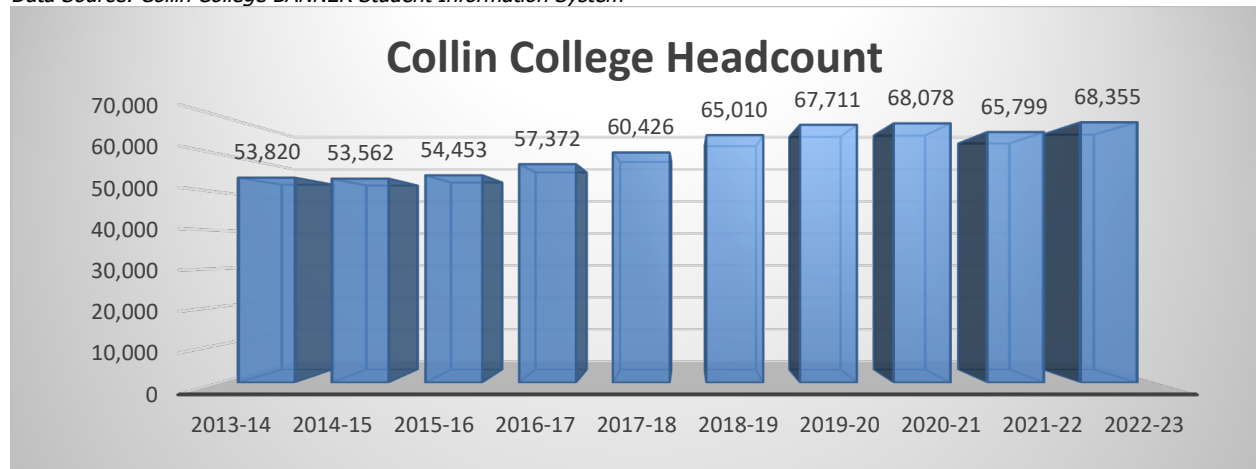
Major industries within Collin County consist of finance, retail, computer technology, insurance, education, manufacturing, telecommunications, health care, and the food industry. Possessing a well-educated workforce is a key factor in an area's ability to attract new businesses and maintain economic 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 2023 was 657,407, which was an increase of 4.8% 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 2023 was at 4%, compared to the State's rate of 4.1% and a national rate of 3.8%.

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, 652,405 students were enrolled in Texas public community colleges during the fall of 2022 compared to 666,322 at Texas public universities and 16,949 at Texas State Technical Colleges.

The District headcount for credit enrollment for fall and spring increased 3.88% from 2021-22 to 2022-23.

Data Source: Collin College BANNER Student Information System



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 2023. 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

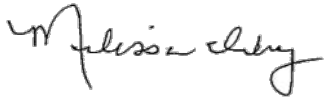
The Government Finance Officer Association (GFOA), awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its ACFR for Fiscal Year ended August 31, 2023. This was the 26th consecutive year the District has achieved this prestigious award. In order to be awarded 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, 2022

Christopher P. Morill

Executive Director/CEO

BOARD OF TRUSTEES



Andrew Hardin
Chairman



Jim Orr
Secretary



Stacy Anne Arias



Cathie Alexander

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



Megan Wallace



Officials and Staff

Elected Officials

Board of Trustees

	<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, 2029
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
Megan Wallace Place 1	McKinney, Texas	May, 2029
Cathie Alexander. Place 3	Plano, Texas	May, 2029
Greg Gomel Place 4	Plano, Texas	May, 2025

Principal Administrative Officers

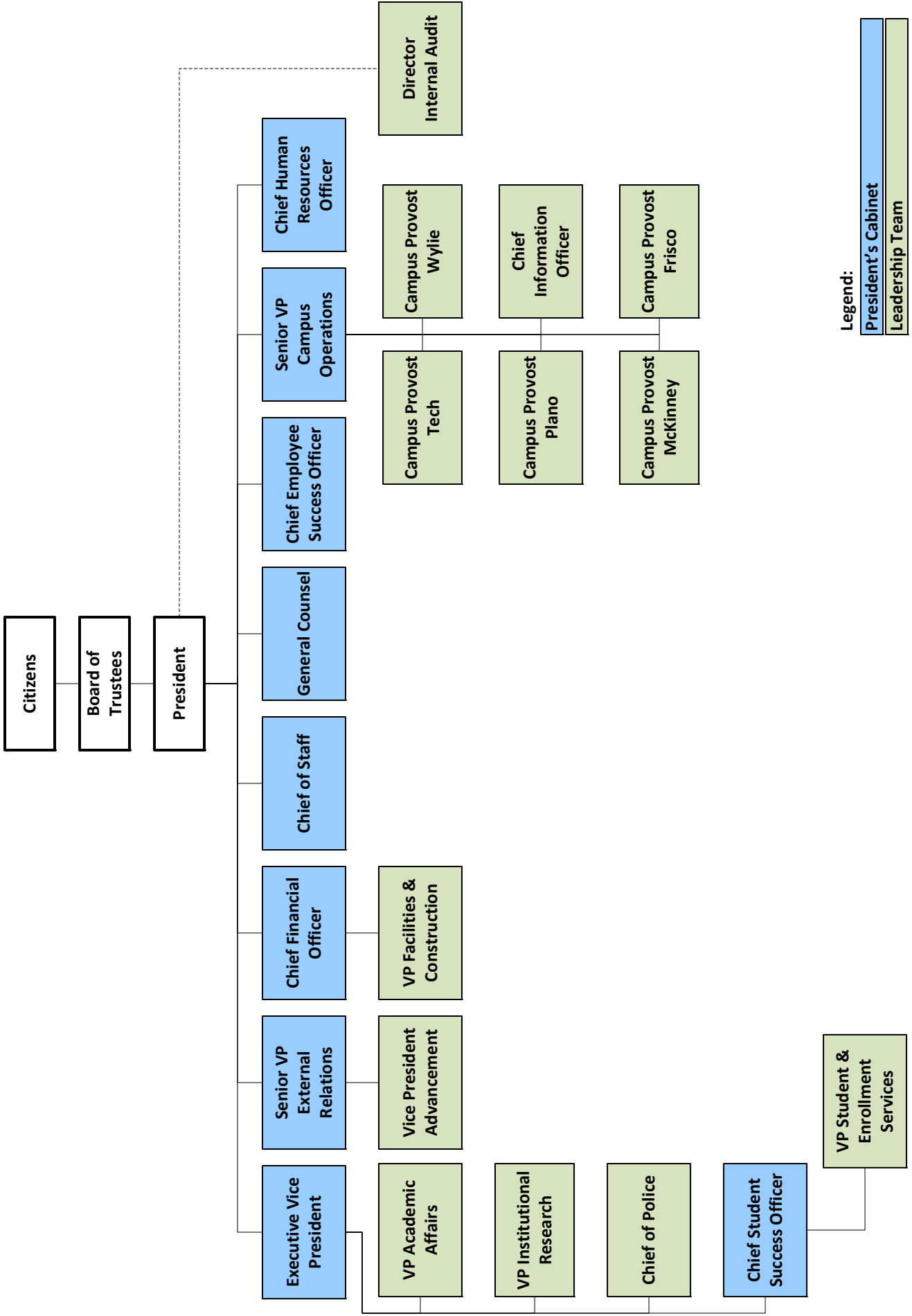
Neil Matkin, Ed.D.	District President
Bill King, Ph.D.	Executive Vice President
Jay Corwin, Ph.D.	Chief Student Success Officer
Melissa Irby, CPA	Chief Financial Officer
Jennifer DuPlessis Ph.D.	Chief Human Resources Officer
Abe Johnson, Ed.D.	Senior Vice President Campus Operations
Steve Matthews	Senior 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

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



Legend:

President's Cabinet

Leadership Team

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**COLLIN
COLLEGE**

Financial

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Collin County Community College District

Report on the Financial Statements

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

In our opinion, 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, 2023 and 2022 and the respective changes in financial position, and cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

To the Board of Trustees
Collin County Community College District

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

To the Board of Trustees
Collin County Community College District

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023, on our consideration of the College’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College’s internal control over financial reporting and compliance.

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

Dallas, Texas
December 5, 2023

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

Introduction

Collin County Community College District ("the District"), founded in 1985, is proud to present its financial statements for fiscal years ended August 31, 2023 and 2022 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, 2023, 2022, and 2021. 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, 2023 and 2022 are presented on separate pages behind the District's basic financial statements. The Foundation Notes may be found in Note 19 under Component Units.

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, the District has included the requirement in the current year financial statements to more accurately portray SBITA obligations by the District and to increase the usefulness of the governmental financial statements. Additional information can be found in Note 7 – Subscription-Based Information Technology Arrangements (SBITAs).

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, deferred outflows, liabilities, deferred inflows, and net position of the District as of the end of the fiscal year. It is a point in time financial statement.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

The purpose of the Statement of Net Position is to give financial statement readers a snapshot of the fiscal condition of the District.

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, 2023 and 2022. 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 2023 Financial Highlights

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

- Tuition revenue increased more than \$4 million from \$41.6 million to \$45.6 million. The increase of approximately 9.8% is a result of an increase in both tuition per credit hour for all residencies, and an increase of total credit hours taken by students of about 5%.
- The District has maintained a total tax rate of \$0.081222 for the current and previous fiscal years since fiscal year 2019. Taxable Assessed Value increased from \$167.8 billion in fiscal year 2022 to \$192.1 billion in fiscal year 2023 resulting in an increase of \$21.7 million in ad valorem tax revenues collected compared to the prior year.
- The District was able to generate \$16.8 million in investment income due to the interest rate increases available throughout the year for invested funds, as well as utilizing laddering investment strategies to manage cashflow.
- GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* reduced the District's net position by \$16.57 million.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

- As required by the Governmental Accounting Standards Board (GASB), the District implemented Statement No. 96 – *Subscription-Based Information Technology Arrangements (SBITA)* which resulted in the retroactive capitalization net of accumulated amortization of SBITAs totaling \$14.7 million. A corresponding SBITA liability, both current and non-current was also recorded totaling \$14.5 million. GASB Statement No. 96 *SBITA* also resulted in an increase in net position totaling \$282,820, which was recorded as a restatement of prior year's net position.
- Coronavirus Aid, Relief, and Economic Security Act (CARES) grant funding awarded to the District totaled \$83.2 million since 2020, including funds passed through the Texas Higher Education Coordinating board as Governor's Emergency Education Relief (GEER) Fund. During fiscal year 2023 the District expensed \$18.4 million for institutional purposes from CARES funding received directly from the Department of Education. An additional amount expended for all other CARES funding totaled \$1.9 million.

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

Table 1: Condensed Statement of Net Position (in Millions)

	Fiscal Year			Change	
	2023	Restated 2022	2021	2022 to 2023	2021 to 2022
Assets:					
Current assets	\$ 323.3	\$ 347.9	\$ 453.2	(7.1)%	(23.2)%
Capital assets	839.3	846.7	794.9	(0.9)%	6.5 %
Other noncurrent assets	97.6	74.1	36.1	31.7 %	105.3 %
Total assets	<u>\$ 1,260.2</u>	<u>\$ 1,268.7</u>	<u>\$ 1,284.2</u>	(0.7)%	(1.2)%
Deferred Outflows of Resources:	66.3	74.3	63.1	(10.8)%	17.7 %
Liabilities:					
Current liabilities	\$ 72.4	\$ 72.7	\$ 68.0	(0.4)%	6.9 %
Noncurrent liabilities	678.0	689.2	688.7	(1.6)%	0.1 %
Total liabilities	<u>\$ 750.4</u>	<u>\$ 761.9</u>	<u>\$ 756.7</u>	(1.5)%	0.7 %
Deferred Inflow of Resources:	37.3	41.9	29.1	(11.0)%	44.0 %
Net position:					
Net investment in capital assets	\$ 317.0	\$ 296.7	\$ 287.7	6.8 %	3.1 %
Restricted -- expendable	20.3	14.5	20.9	40.0 %	(30.6)%
Unrestricted	201.5	228.0	252.9	(11.6)%	(9.8)%
Total net position	<u>\$ 538.8</u>	<u>\$ 539.2</u>	<u>\$ 561.5</u>	(0.1)%	(4.0)%

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

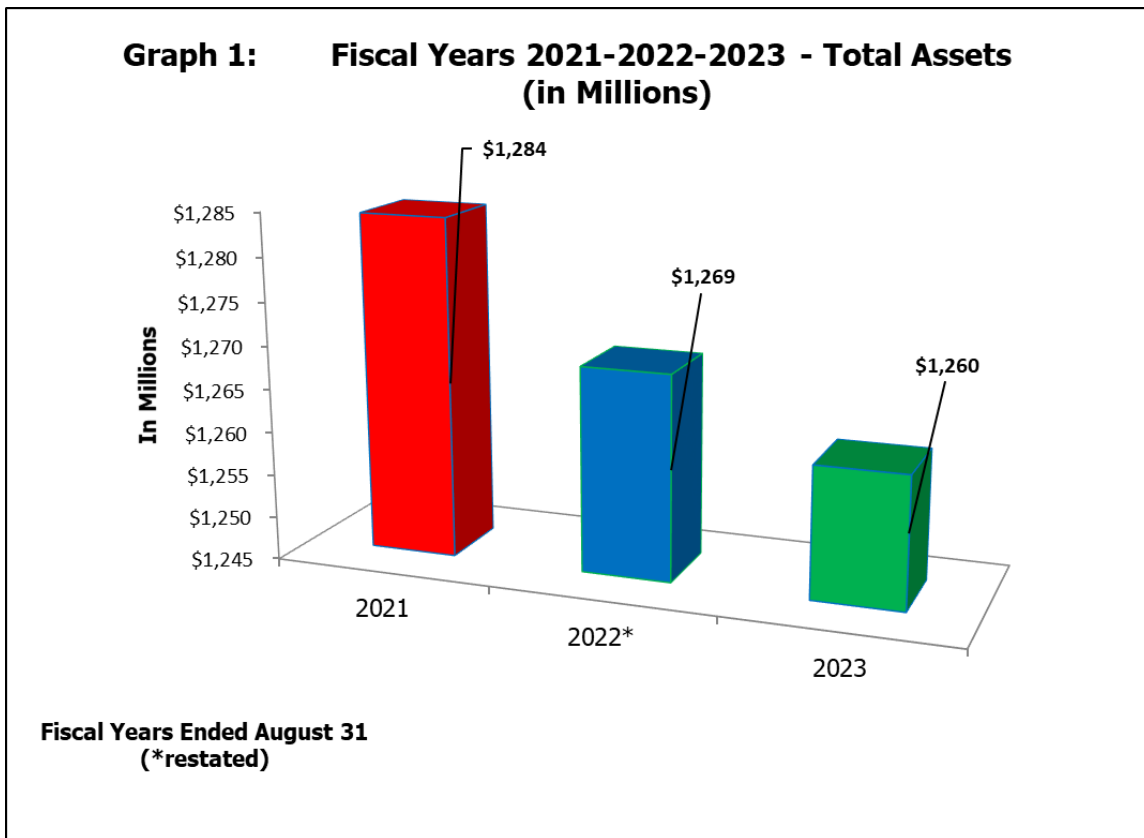
COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

Net position is divided into three major categories.

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

Total assets of the District for the current fiscal year have declined over the last three years as shown in Graph 1 from \$1.284 billion in 2021 to \$1.260 billion in the current fiscal year. Since the prior year, a 0.7% decrease in total assets has occurred, due primarily to depreciation of assets and amortization of SBITAs and leases. See Footnote 5 for additional information on assets.



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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

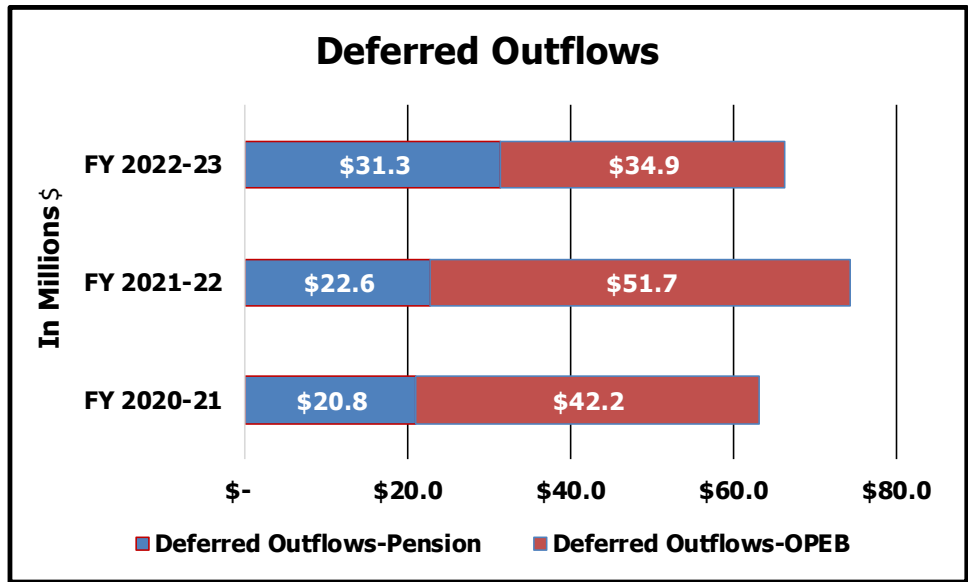
**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2023 and 2022**

While total assets have decreased slightly, as noted above, the fluctuation between current and noncurrent assets is more notable. Cash decreased by about 23% while short term investments increased about 28.6% and long-term investments increased 32% from the prior to current year. Prepays continue to decline as the threshold to classify transactions as prepaid increased from \$2,500 in fiscal year 2021 to \$10,000 in fiscal year 2022.

Between fiscal years 2021 and 2023, total depreciable assets increased from \$885.4 million to \$975.6 million, or \$90.2 million due to the completion of construction and equipping of campuses. As assets have been placed into service, accumulated depreciation on those assets has increased from \$152.9 million to \$200.5 million. Construction costs were associated with the McKinney Welcome Center, wayfinding at the McKinney Campus, and renovations at the Frisco Campus for fiscal year 2021. Further information regarding capital assets is shown in Note 2 Summary of Significant Accounting Policies and Note 5 Capital assets, as well as in the MD&A paragraph under the heading Capital Assets and Debt Administration.

Deferred outflow of resources is a consumption of net assets by the District that is applicable to future reporting periods. Deferred outflows of resources have fluctuated significantly from fiscal years ending 2021 to the current fiscal year, for both pensions and post-employment benefits (OPEB) as shown in Graph 2 and in Table 1: Condensed Statement of Net Position. Fluctuations in deferred outflows occurs as a result of recognizing the differences in projected and actual investment earnings at the plan level. Deferred outflows represent the District’s proportionate share of pension and other post-employment benefits the District could make that will benefit employees in the future, but are not considered assets. See Note 10 Employees’ Retirement Plan, and Note 14 Other Post-Employment Benefits for additional information on deferred outflows.

Graph 2 Deferred Outflows - Pensions and OPEB



Current liabilities totaling \$72.4 million remains consistent with prior year’s current liability. The implementation and restatement of prior periods related to GASB Statement No. 96 *Subscription Based Information Technology Arrangements (SBITAs)* increased current lease and SBITA liabilities

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2023 and 2022**

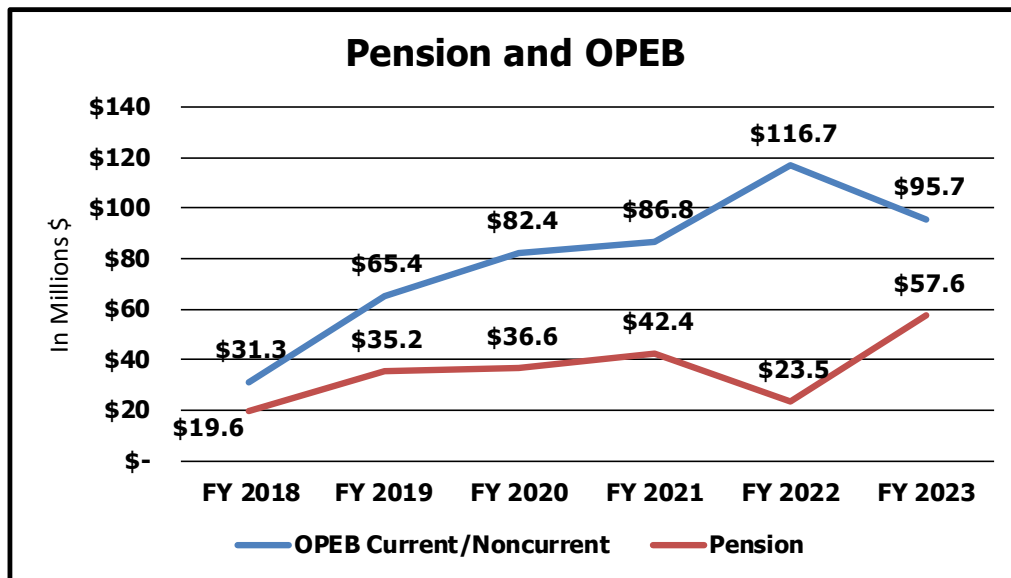
from \$500 thousand to more than \$3 million in both the current and prior fiscal years. Lease liabilities include both SBITA and lease liabilities. GASB Statement No. 87 *Leases* was implemented in fiscal year 2022 with a restatement of balances for fiscal year 2021 related to the District’s copier and equipment leases that exceed more than one current fiscal year. Approximately 88.7% of the lease liability relates to SBITAs with the remaining portion attributable to leases. A liability is considered to be current if it is due within one year. See Notes 6 and 7 for additional information on leases and SBITAs.

Unearned revenue and current portion of bonds payable make up more than 63% of current liabilities for each fiscal year presented. Unearned revenue primarily consists of student tuition and fees for future terms and is comparable for all years displayed, while current portion of bonds payable has increased more than \$2 million each fiscal year. Tuition rates for the upcoming fiscal year will remain the same as those in effect for the current fiscal year.

Total noncurrent liabilities declined \$11.2 million from the prior year to the current fiscal year. The overall decrease is attributable to the decrease in bonds payable totaling \$23.8 million, and a decrease in the OPEB liability of \$21.1 million. An increase in net pension liability of \$34.1 million offsets the overall decrease. Noncurrent liabilities represent more than 90% of total liabilities for all years presented, and consists of accrued compensable absences payable, lease liability, pension liability, the noncurrent portion of bonds payable not due within one year, and OPEB liability.

Noncurrent liabilities have remained constant over the past three fiscal years with fluctuations occurring primarily to pension and OPEB liabilities. See Graph 3 for Pension and OPEB liabilities since fiscal year 2018 until the current year. While it’s significant to note the fluctuations resulting from OPEB and Pension accounting impact liabilities, deferred inflows and outflows and expenses, there is no cash impact on the District. The primary objective of the GASB statements is to improve accounting and financial reporting for OPEB and Pensions. Additional information on noncurrent liabilities may be found in Note 7 SBITAs and Note 10 for Pensions and Note 14 for OPEB.

Graph 3 Pension and OPEB Liability Fiscal Years 2018-2023



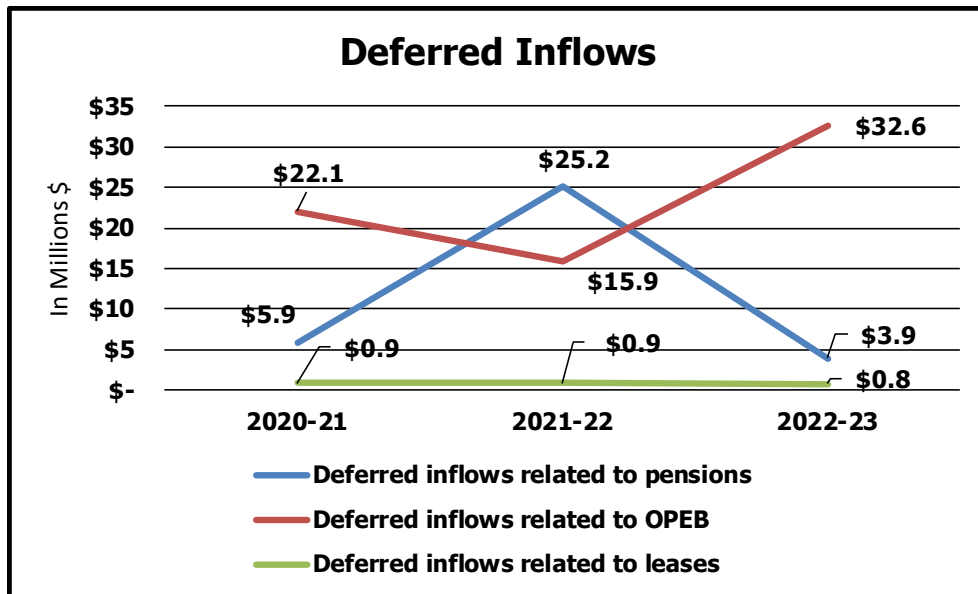
COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2023 and 2022**

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)* and GASB Statement No. 87 *Leases*. Graph 4 Deferred Inflows Related to Pensions, OPEB, and Leases demonstrates the fluctuations from Deferred Inflows for Pensions and OPEBs for the fiscal years 2021 until the current year. Statement No. 75 *Other Post-Employment Benefits* was issued (OPEB) to provide more transparent reporting of the liability and useful information about the liability and costs of post-employment benefits other than pensions. The District participates in a cost-sharing OPEB and has recorded a liability, equal to our proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. OPEBs pertain to all post-employment healthcare benefits, death benefits, life insurance, disability and long- term care benefits. See Note 10 Employees’ Retirement Plan, and Note 14 Other Post-Employment Benefits (OPEB) for additional information. See Graph 4 for an illustration of fluctuations in deferred inflows from fiscal years 2022 to the current fiscal year.

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

Graph 4 Deferred Inflows Related to Pensions, OPEB, and Leases



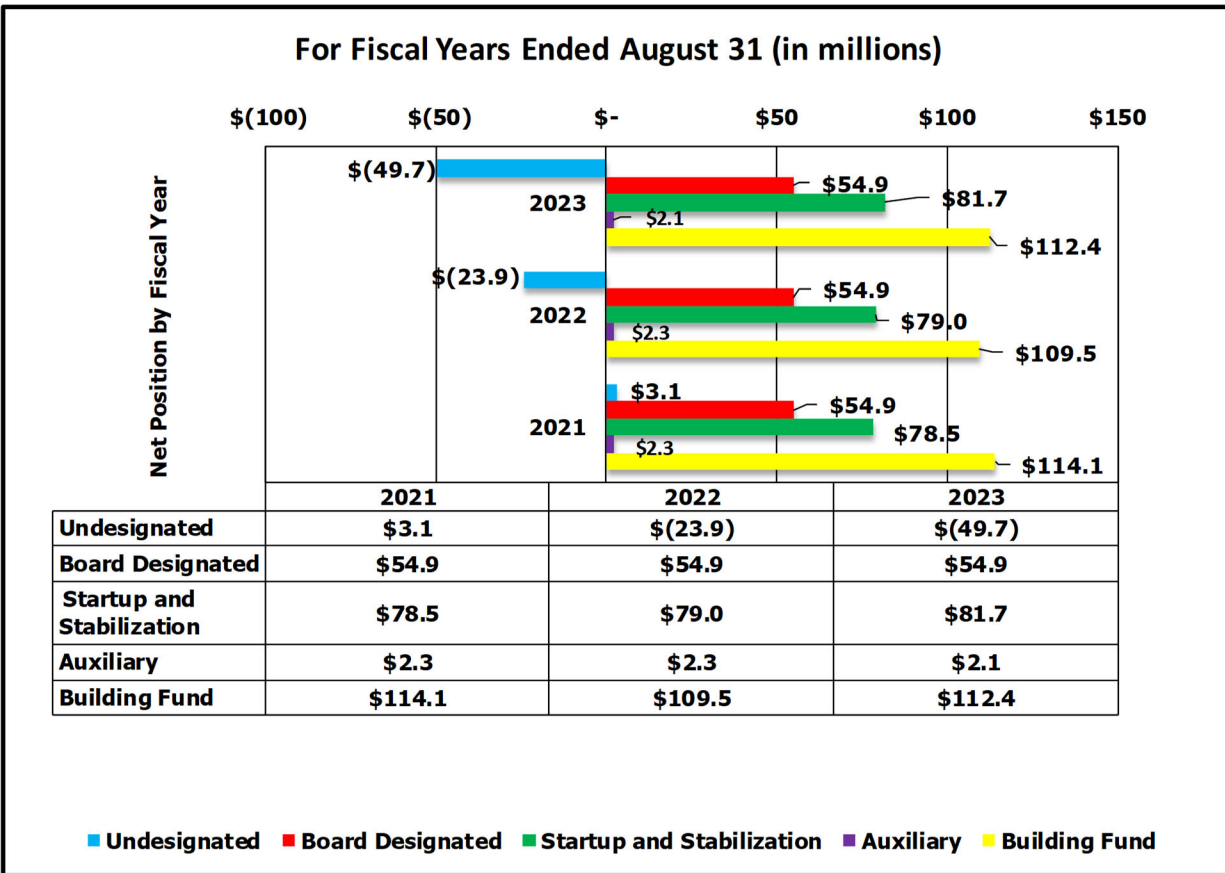
Net position represents the District’s equity, some of which is restricted for certain uses and some of which is unrestricted. Over the prior three fiscal years, unrestricted net position has declined from \$252.9 million in fiscal year 2021 to \$228.0 in fiscal year 2022, to \$201.4 million for the current fiscal year. Net investment in capital assets has steadily increased as the District added and furnished new campuses, as well as constructed new buildings on existing campuses. See Graph 5 - 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,

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

decreasing from \$3.1 million in fiscal year ended 2021, to (\$23.9) million in fiscal year ended 2022, to (\$49.7) million in the current fiscal year. The decrease in undesignated net position is due in part to a transfer from unrestricted funds to debt service totaling \$27.2 million, and \$34.3 million, respectively for fiscal years 2023 and 2022, 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 5 Current Unrestricted Net Position



Statement of Revenues, Expenses and Changes in Net Position

The purpose of the Statement of Revenues and Expenses, and Changes in Net Position is to present the revenues earned and expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the District. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenue and to carry out the District's mission. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as ad valorem taxes, state appropriations, and federal grants. See Table 2 for a comparative Condensed Statement of Revenues, Expenses, and Changes in Net Position for fiscal years 2022-23, 2021-22, and 2020-21.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

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

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Operating revenues:					
Tuition and Fees (Net)	\$ 45.6	\$ 41.6	\$ 39.3	9.6 %	5.9 %
Grants and Contracts	23.6	17.7	16.5	33.3 %	7.3 %
Auxiliary enterprises	4.6	3.9	3.0	17.9 %	30.0 %
Other operating revenues	1.2	1.3	0.8	(7.7)%	62.5 %
Total operating revenues	<u>75.0</u>	<u>64.5</u>	<u>59.6</u>	<u>16.3 %</u>	<u>8.2 %</u>
Operating expenses:					
Instruction	114.4	106.8	107.5	7.1 %	(0.7)%
Public service	0.6	0.7	0.7	(14.3)%	0.0 %
Academic support	34.0	29.9	23.1	13.7 %	29.4 %
Student services	22.5	20.7	20.1	8.7 %	3.0 %
Institutional support	62.8	51.3	41.0	22.4 %	25.1 %
Operation and maintenance of plant	27.8	23.6	20.9	17.8 %	12.9 %
Scholarships	18.9	36.9	24.1	(48.8)%	53.1 %
Auxiliary enterprises	5.7	4.5	3.8	26.7 %	18.4 %
Depreciation	27.2	22.8	18.7	19.3 %	21.9 %
Total operating expenses	<u>313.9</u>	<u>297.2</u>	<u>259.9</u>	<u>5.6 %</u>	<u>14.4 %</u>
Operating loss	(238.9)	(232.7)	(200.3)	2.7 %	16.2 %
Non-operating revenues (expenses):					
State appropriations	53.6	50.7	49.5	5.7 %	2.4 %
Ad-valorem taxes (Net)	154.2	132.5	124.2	16.4 %	6.7 %
Federal/State revenue, Non-operating	31.9	45.8	33.1	(30.3)%	38.4 %
Gifts	0.1	0.1	0.1	0.0 %	0.0 %
Interest on capital related debt	(18.4)	(18.8)	(19.0)	(2.1)%	(1.1)%
Investment income	16.8	0.0	0.7	167900.0 %	(98.6)%
Other non-operating revenues, net	0.3	0.3	0.2	0.0 %	50.0 %
Other non-operating expenses, net	-	(0.4)	-	100.0 %	0.0 %
Net non-operating revenues	<u>238.5</u>	<u>210.2</u>	<u>188.8</u>	<u>13.5 %</u>	<u>11.3 %</u>
Increase (decrease) in net position	<u>(0.4)</u>	<u>(22.5)</u>	<u>(11.5)</u>	<u>(98.2)%</u>	<u>95.6 %</u>
Net position - beginning of year	539.2	561.4	572.9	(4.0)%	(2.0)%
Cumulative effect of change in accounting principle	-	0.3	-		
Net position - beginning of year-restated	-	561.7	-		
Net position - ending of year	<u>\$ 538.8</u>	<u>\$ 539.2</u>	<u>\$ 561.4</u>	<u>(0.1)%</u>	<u>(4.0)%</u>

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

Because two of the three primary sources of revenue, state appropriations, and ad valorem taxes, which make up about 62.6%, 62.3%, and 65.0% of total District revenues in the current year, fiscal years ended 2022, and 2021, respectively, 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 16.3% or approximately \$10.5 million as a result of an 9.6% increase in tuition revenues and 33.3% increase in federal grants

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

and contracts. See Table 3 - Tuition Table below for the tuition per credit hour rate increases impacting total tuition. In addition to the credit hour rate increases, total credit hours taken by students increased 4.8% or more than 31,600 credit hours. See Statistical Supplements 4 and 15, Tuition and Fees, and Enrollment Details, respectively, for additional information on tuition and enrollment details.

Table 3	Tuition Table		
Fiscal Year	In county resident/credit hour	Out of county resident/credit hour	Out of state & country resident/credit hour
2020-21	\$52	\$98	\$165
2021-22	\$55	\$101	\$168
2022-23	\$60	\$115	\$185

Federal grants and contracts increased about 42.8% or from \$15.5 million in the prior year to \$22.1 million during fiscal year ending 2023. An increase of \$6.8 million from the Education Stabilization Fund – Emergency Grant Relief for Institutions (or CARES funding) was expended during the current fiscal year ending 2023 compared to the prior year. Revenue is recognized to the extent expenses are incurred.

For fiscal years ended 2022-23, 2021-22, and 2020-2021, scholarship allowances and discounts were \$21.6, \$18.1, and \$17.8 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. The increase in scholarship allowances from the prior year to the current year is due to an increase in remissions and exemptions totaling \$1.4 million, and an increase in Pell grants totaling \$1.9 million. About 66% of remissions and exemptions can be attributable to dual credit exemptions. 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. There was a 33.3% decrease in Federal Grants – Non-operating in fiscal year ending 2023. In fiscal year 2022, \$19.1 million was awarded to students from the Education Stabilization Fund – Emergency Grant Assistance for Students which exhausted all but \$35 thousand available to award to students in the current fiscal year. See Schedule E for additional information on federal grants.

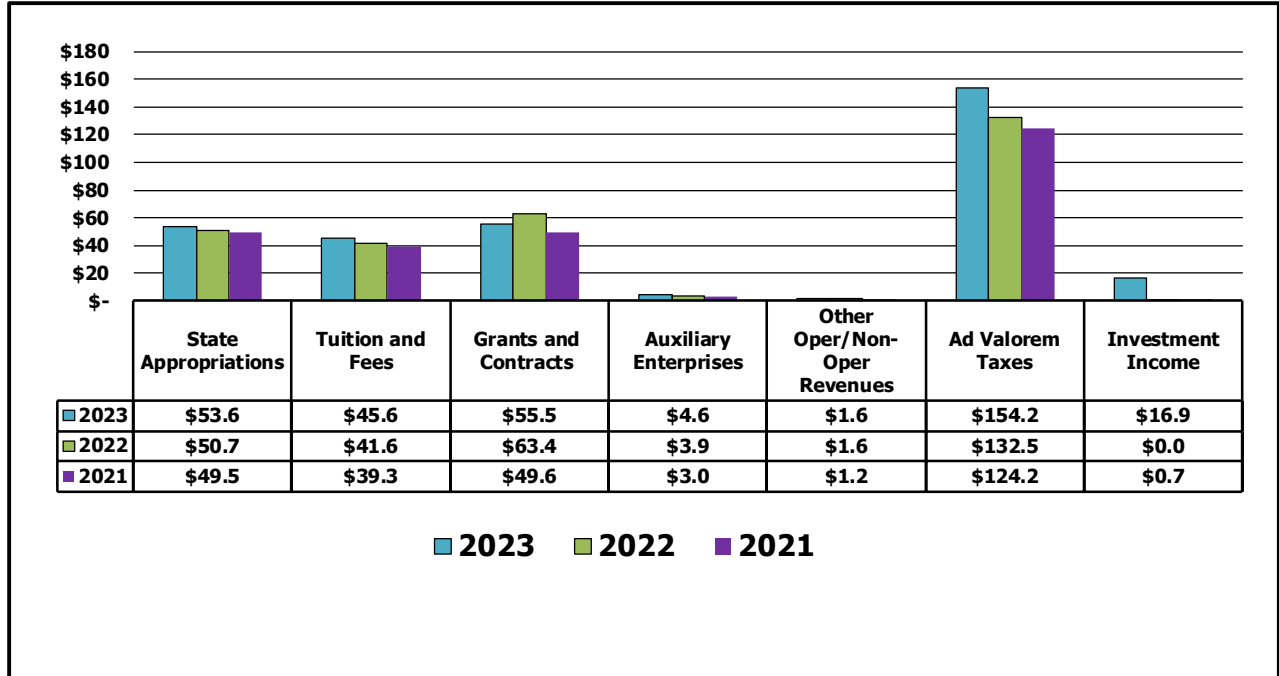
Other non-operating revenues consist of net investment income, gifts, and other non-operating revenues. Investment income has fluctuated significantly in the last several years. During the current fiscal year, the District recognized \$16.8 million in investment income. In the prior year, the District earned \$2.1 million in interest income, but due to market conditions and mark to market

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Management’s Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

adjustments, the financial statements reflected \$11 thousand. Based on the District’s investment policy, the intention is always to hold all investments to their maturity. We are required to mark to market any investment with a maturity date greater than one year. Graph 6 displays a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal years ending 2020-21, 2021-22 and 2022-23. The average yield for three-month treasury bills in September 2022 was 3.22%, increasing to 4.79% in February 2023, and 5.56% by August 2023. Maturity distribution has changed throughout the year to match cash inflows and outflows.

Graph 6 Operating and Non-Operating Revenues



State appropriation funding consists of funding for education and general expenses, specifically based on contact hours, student success measures, and core operations, as well as providing for a portion of employee benefits in the form of health insurance and state retirement matching (also known as on-behalf benefits). This is the second year of the biennium, with appropriations remaining at \$44.6 million (not including benefits). State appropriations per full time student equivalent decreased from \$1,738 in the prior year to \$1,669 in the current year since funding is constant but enrollment increased. State appropriations per funded contact hour in the prior and current years was \$2.72 and \$2.57, respectively. See Statistical Supplements 6b and 6c for state appropriation per FTSE and contact hours. See Schedule of Non-Operating Revenues and Expenses, Schedule C for additional information of state appropriations.

The fluctuation in State appropriations relates to on-behalf benefits. In the prior year, total on-behalf benefits totaled \$6.1 million, while the current fiscal year on-behalf benefits totals \$9.0 million. On behalf benefits are recorded as restricted revenues with the corresponding expenses allocated to the appropriate program code based on employee salaries. The State provides benefits at 50% for all eligible employees. The District pays 100% of benefits for employees not covered by the state, i.e. facilities and auxiliary employees. Benefits for grant employees are paid with grant funds. See Note 10 Employees’ Retirement Plan and Note 13 Healthcare and Life Insurance Benefits for additional information on benefits.

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Ad valorem taxes increased \$13.4 and \$8.3 million for Maintenance and Operations (M&O), and debt service, respectively, over the prior year, due to increased property values. The combined increase represents a 16.4% increase from the prior fiscal year. The overall tax rate has remained the same since fiscal year 2019 at \$.081220 per \$100 valuation. The split between M&O and debt service changed from the prior year to the current year. M&O in the prior year was \$.079100/\$100 valuation compared to the current year rate of \$0.07500. The debt service rate for the prior year was \$0.002122 compared to the current year rate of \$0.006220. Over the last three years, the taxable assessed property values (Assessed Valuation less Exemptions/Abatements) of the District for 2020-21, 2021-22, and 2022-23 was \$159.6, \$167.9, \$192.2 million, respectively. See Note 17 Property Tax and Tax Abatement and Statistical Supplement 5 for additional information on property taxes.

Auxiliary enterprise revenues are generated by student housing, food and catering services, bookstore commissions, and facilities leasing. An 18.7% increase in revenues totaling more than \$700 thousand was generated, attributable primarily to food services and bookstore commissions.

Operating Expenses by Functional Classification

As the District is considered a single governmental program business-type activity, the District is subcategorized into functional areas with direct expenses attributable to each area. A comparison of the District's functional operating expenses spanning fiscal years ending 2021 through 2023 may be found in Table 2. Graph 7 Fiscal Year 2022-23 Operating Expenses by Functional Classification highlights the percentage of total operating expenses each program represents of the total \$313.9 million. A graphical representation of operating expenses by functional classification for the three-year period of 2020-21, 2021-22, and 2022-23 is depicted in Graph 8.

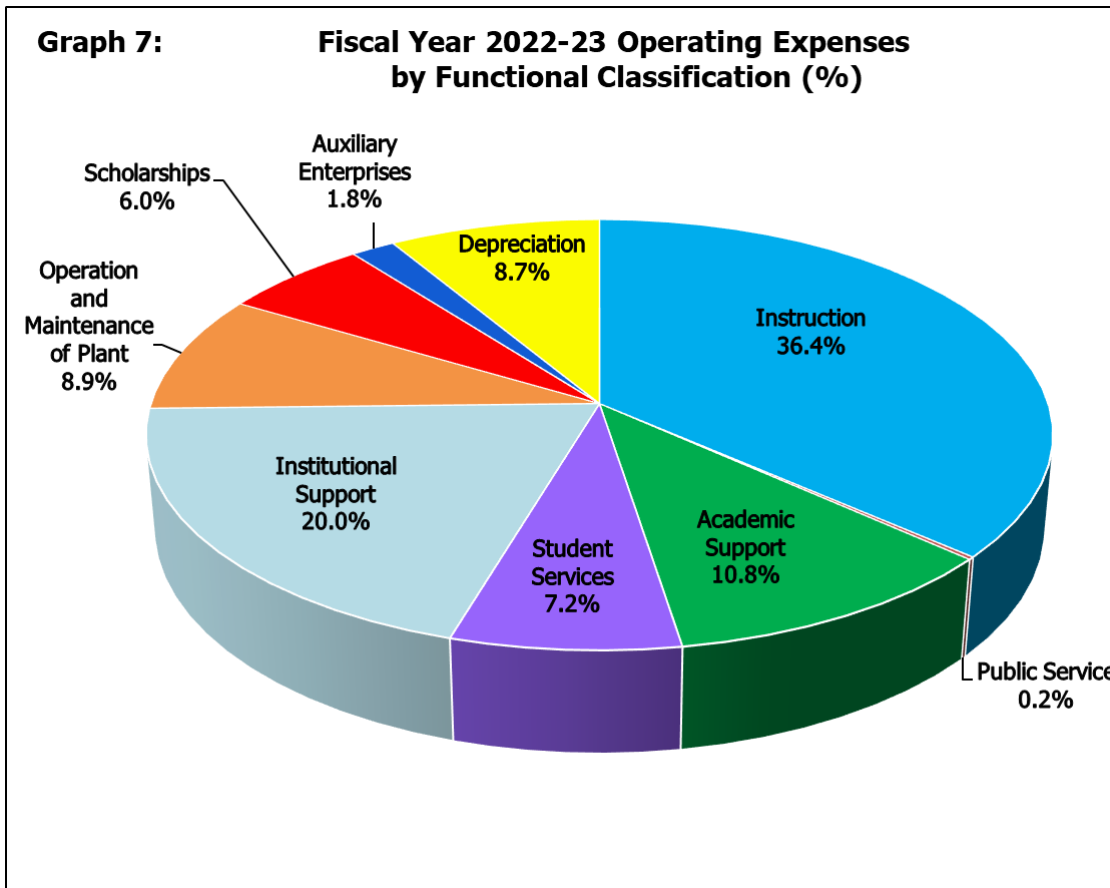
Overall operating expenses increased 5.6% and 14.4% from fiscal years 2020-21 to 2021-22 and from 2021-22 to 2022-23, respectively. The Board of Trustees approved a 5% salary increase for all full-time faculty and staff, and a 4% pay increase for administrators for fiscal year ending 2023; a 4.0% and 2.0% salary increase for all employees in fiscal years ending 2022 and 2021, respectively, was approved by the Board.

Benefits provided and expensed by the District include costs for health insurance, retirement expense, 403(b) tax sheltered retirement plan matching up to 3% of salaries for participating employees, and the employer portion of Medicare. All benefits are charged to the appropriate program code based on the employee's position. Expenses for pension and OPEB are allocated to the appropriate program code based on the percentage of salaries for each program code.

Benefits and salaries make up 93.9% of total instructional expenses in the current fiscal year compared to 94.0% in the prior year. There was an overall increase in instructional expenses totaling \$7.5 million which consists of an increase in part time faculty salaries totaling almost \$4.0 million and pension and OPEB expense totaling \$3.1 million. From fiscal year 2021 to 2022, there was also a slight decrease in instructional expenses due to more appropriately classifying some IT expense to the academic support functional area and out of instruction.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022



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, such as our Seniors Active in Learning (SAIL) classes offered through the District. It represents less than 0.2% of the District's total operating expenses in fiscal year 2022-23.

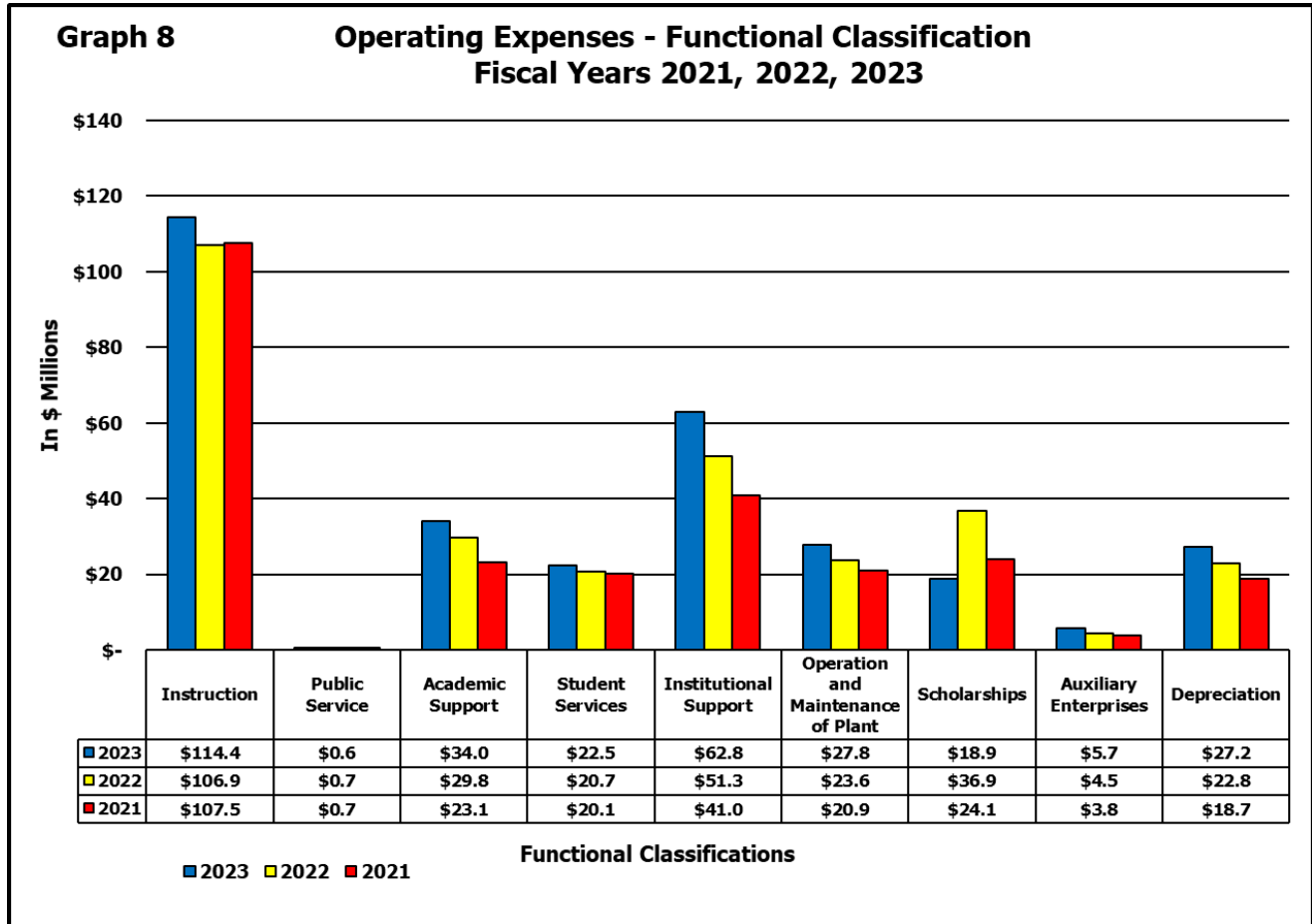
The academic support functional area includes expenses incurred to provide support services for the District's primary programs of instruction. It includes academic administration (provosts, academic deans and associate deans), and library services. There was an approximate 14.1% increase in academic support expenses totaling \$4.2 million during the current fiscal year compared to the prior year, with 80.9% of the increase attributable to salaries and benefits. The impact from pension and OPEB expenses on academic support totaled \$2.7 million. Approximately \$600 thousand was spent to upgrade IT components. The increase from fiscal year 2021 to fiscal year 2022 in academic support expenses was due to more appropriately classifying IT expenses to the academic support functional category from instruction.

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 8.3% increase in student services expenses totaling \$1.7 during the current fiscal year compared to the prior year, with approximately 46% or

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management’s Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

almost \$800 thousand of the increase attributable to the impact of the pension and OPEB expense. Other fluctuations occurred in employee benefits administration for Teledoc services for students and for travel expenses related to both student and professional development.



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 \$11.4 million, for a total of \$62.7 million compared to \$51.3 million in the prior year. Salary and benefits make up approximately 53.5% of the total expense, including approximately \$3.1 million related to pension and OPEB expenses, compared with \$1.6 million in the prior year. \$13.9 million of the increase in expenses was attributed to Department of Education – Emergency Grant Relief Institutional portion (CARES funding) expenses for replacement of HVAC system at the Plano campus. A decrease in software and licensing expenses, which has historically been categorized as contracted vendor services, occurred due to the implementation of GASB Statement No. 96 *Subscription Based Information Technology Arrangements (SBITAs)*, which requires the District to capitalize software when certain criteria is met, and establish liabilities in relation to the SBITA capitalization. See Notes 2 Summary of Significant Accounting Policies and Note 7 SBITAs for additional information on SBITAs.

During the current year, operations and maintenance of plant increased \$4.3 million. An increase in salaries and benefits totaling about \$740 thousand is due to the 5% across the board increase in

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Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

salaries for all employees. \$2.6 million or 59.7% of the increase was attributable to repairs and maintenance, including roof replacement at the McKinney campus totaling \$1.5 million.

Scholarships consists of both scholarships awarded directly to students and scholarship allowances, a contra expense. \$19.0 million in scholarships was awarded to students in fiscal year 2022 from the Education Stabilization Fund – Emergency Grant Assistance for Students (CARES). All but \$35,700 was exhausted in the prior year. Total change in expense from the prior year to the current year was a decrease of \$18.5 million. While awards from CARES decreased significantly, an increase in Pell grants from \$25.9 million to \$28.8 million occurred in the current fiscal year. The increase in Pell grants is due to both an increase in the total awards made from 6,985 students to 7,173, as well as an increase in the average payment given, from \$3,718 to \$4,019. An increase in scholarship allowances totaling \$18.1 million to \$21.6 million contributed to the decrease from the prior to current year since scholarship allowances reduce scholarship expenses. See Schedule A – Schedule of Operating Revenues for additional information on scholarship allowances and discounts, and Note 2 Summary of Significant Accounting Policies, specifically Other Tuition Discounts for additional information.

Auxiliary enterprises expenses increased from \$4.5 million to \$5.7 million from the prior year to the current year. Noncapital costs for exterior repairs on student housing totaling \$347 thousand at the Plano campus contributed to the increase in expenses from the prior year to the current year as does an increase in contract labor expense totaling \$386 thousand, and an increase in cost of goods sold.

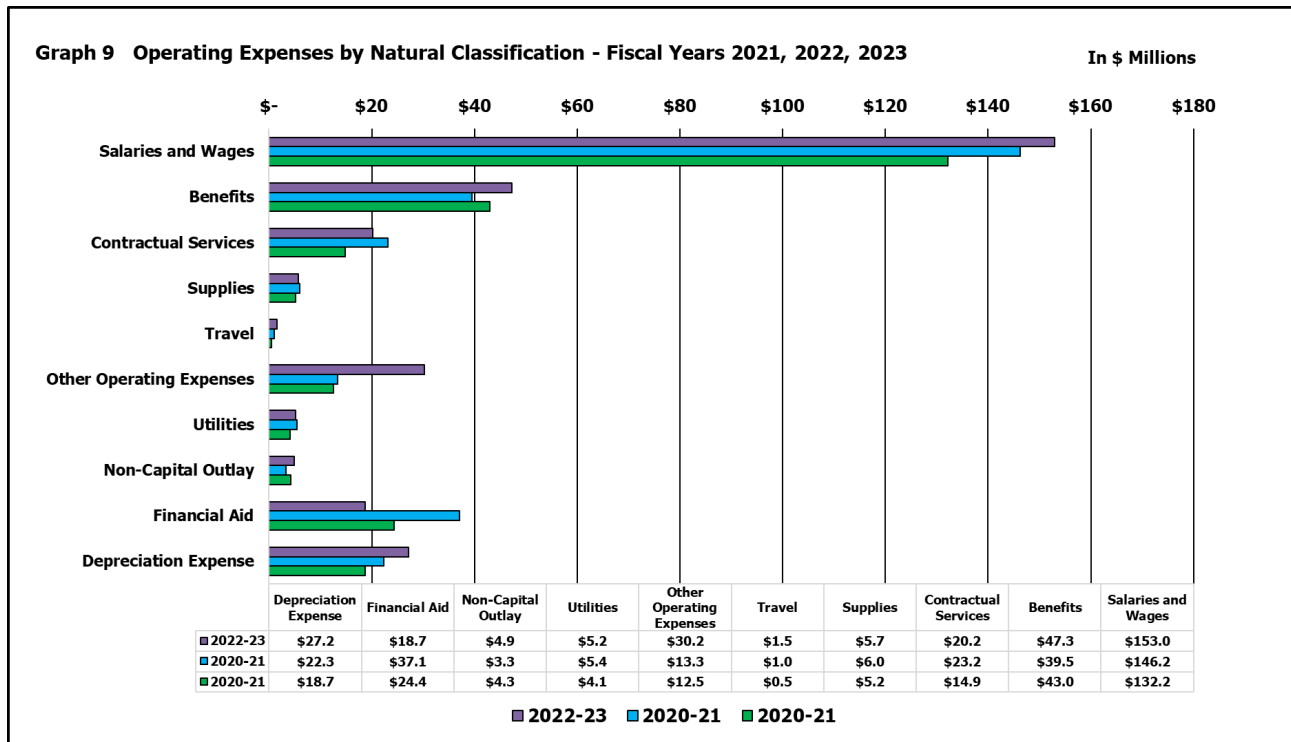
Depreciation expense increased \$4.3 million, or 19.1% from \$22.8 million in the prior year to \$27.2 million in the current year due in large part to the capitalization and related amortization of SBITAs totaling \$3.4 million. A half year's depreciation is taken the year of capitalization. Projects under construction are classified as construction in progress and no depreciation is taken until the construction is completed. See Notes 2 Summary of Significant Accounting Policies, Note 5 Capital Assets, and Note 7 SBITAs for additional information on capital assets and the District's capitalization and depreciation policies as well as SBITAs. In the prior year, the District implemented, GASB 87 – *Leases* which requires that long-term leases, any lease with a term of longer than one year, be amortized based on the length and term of the lease.

Operating Expenses by Natural Classification

A review of expenses by natural classification reveals the most significant changes from the prior years to the current year occurring in the categories for salaries/wages, other operating expenses, financial aid, and depreciation expense. As noted previously, a 5.0% increase in salaries was approved by the Board of Trustees for fiscal year 2023, which explains the increase of \$6.8 million or 4.7% increase in salaries and wages from the prior year to the current year. Significant expenses accounting for the increase in other operating expense includes \$20.5 million expended for repairs and maintenance, a \$15.7 million increase over the prior year, and \$1.1 million in construction expense. As mentioned previously, HVAC system was replaced with expenses totaling \$13.7 million in the current fiscal year.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management’s Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022



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.

At the end of the prior fiscal year, construction was completed that included renovations and expansions on the McKinney Campus adding a 38,426 square foot Welcome Center, replacing a parking lot, adding food service and expanding the dental hygiene clinic. Wayfinding for the McKinney Campus was also included in the renovations. The Frisco Campus additions and renovation project included site upgrades to the parking lot, additions to Alumni Hall and renovations to other Frisco Campus buildings. The Frisco Campus projects were also completed by the end of fiscal year 2022. An asset adjustment was made in the current fiscal year to the McKinney Campus building totaling \$1.68 million, as well as \$1.52 million adjustment to the Frisco Campus. In 2022, the District administration, with the approval of the Board of Trustees, also purchased a parcel of land for \$9 million in Anna, Texas for potential future development opportunities.

As mentioned earlier in the MD&A under Fiscal Year 2023 Financial Highlights section, the District implemented GASB No. 96 *Subscriptions-Based Information Technology Arrangements (SBITA)* during the current year which added \$19.3 million in SBITA assets with a corresponding accumulated amortization totaling \$6.1 million. Additional information may be found in Note 7 - SBITAs.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2023 and 2022

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 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. Implementation for Workday Student, begun in fiscal year 2022, continued in the current year, and is expected to be completed in fiscal year 2024. Expenses incurred in the current fiscal year and those from the prior year related to student implementation are being recorded as work in progress. The current years addition to work in progress for Workday Student Implementation totals \$5.3 million, and in the prior year was \$1.2 million, and is planned to be completed by 2024.

Table 4 Capital Assets

	2023	2022*	2021
Land	\$ 53,676,366	\$ 53,676,366	\$ 44,610,763
Construction in progress/Work in progress	10,468,265	3,055,870	16,899,611
Buildings	841,759,984	838,176,877	778,534,486
Land improvements	21,200,169	21,183,673	20,180,710
Equipment/IT Equipment & Software	80,529,415	76,751,778	73,893,147
Library Books	10,308,950	10,222,432	10,948,658
Right of Use - Leased Buildings	-	278,030	278,030
Right of Use - Leased Equipment	2,456,959	1,573,185	1,573,185
Right of Use - SBITA	19,362,434	17,448,752	
Total Assets	<u>1,039,762,542</u>	<u>1,022,366,963</u>	<u>946,918,590</u>
Less: Accumulated Depreciation	(200,488,620)	(175,707,951)	(134,559,906)
Total Net Assets	<u>\$ 839,273,922</u>	<u>\$ 846,659,012</u>	<u>\$ 812,358,684</u>

* Restated for Change in Accounting in Principle

The preceding table shows the capital assets for fiscal years ending August 31, 2023, 2022, and 2021. Additional information regarding capital assets may be found in Note 5 Capital Assets.

The District continues to pay for debt incurred related to bond issuances in 2018 and 2020 to fund the construction of four new campuses and additional buildings at existing campuses. No new debt has been added to the District's liabilities except as it relates to the implementation of SBITAs resulting in a SBITA liability totaling \$9.1 million which is added to the \$1.7 million lease liability recorded due to GASB No. 87 – *Leases*, implemented in the prior year.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2023 and 2022**

Noted in Table 5 is the outstanding debt at the end of fiscal years 2021 through 2023. The recent bond issuances in fiscal years 2018 and 2020 has raised the District’s current debt service commitment for the three years 2023, 2022, and 2021 to \$20.5, \$18.2, and \$15.9 million, respectively. See Note 8 Long Term Liabilities, which includes lease and SBITA liabilities, and Note 9 Bonds Payable for information on debt service.

Table 5: Bond Obligations

	<u>2023</u>	<u>2022</u>	<u>2021</u>
General obligation bonds			
Series 2018	\$ 209,556,723	\$ 219,399,838	\$ 228,817,953
Series 2020	325,433,259	337,123,744	346,929,230
Total	<u>\$ 534,989,982</u>	<u>\$ 556,523,582</u>	<u>\$ 575,747,183</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 is anticipated totaling 1.6% which is expected to generate additional tax revenues of \$11.3 million for the 2023-24 fiscal year. Property tax estimates are based on the certified assessed property values estimated by the Collin County Appraisal District and reflect an increase to tax exemptions representing an estimated \$8.2 million reduction in revenue. The tax rate for maintenance and operations and for debt service for fiscal year ending 2024 are \$0.0750 and \$0.00622, respectively, for a total of \$0.08122. This rate has held steady since fiscal year ending 2019. The property tax exemption for the owner of a residence homestead was raised from an amount equal to the greater of \$5,000 or 1.0% to an amount equal to the greater of \$5,000 or 20.0%. The property tax exemption for residential homeowners over the age of 65 was raised from \$30,000 to \$100,000.

According to the Bureau of Labor Statistics, Collin County’s civilian employed labor force as of September 2023 was 658,248, compared to 626,815 in 2022, an increase of 5.0% over the prior year. The latest unemployment rate for Collin County as of September 2023 was at 3.7%, compared to the state’s rate of 4.1% and a national rate of 3.8%.

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2023 and 2022**

State Appropriations for fiscal year 2023-24 are estimated at \$51,540,138 which is a 15.54% increase over fiscal year 2022-23.

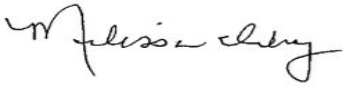
The Board of Trustees approved a 5.0% increase for all full-time salaries, a 4% increase to the new hire faculty salary schedule, a 4% increase to new hire staff pay grade ranges and any correlating market adjustments to existing staff needed, and an increase to the pay rates for part-time staff and adjunct faculty of 3% for the upcoming fiscal year. Additionally, the Board increased the District’s deferred compensation match from 3% to 4% of salaries beginning fiscal year 2024. Retirement benefits, as a percentage of salaries, will increase along with salary increases. The allocation for healthcare at \$6.1 million is the same as in the previous fiscal year.

Enrollment is anticipated to grow 5.0% for 2023-24 compared to the previous fiscal year. Tuition rates will remain the same as fiscal year 2023. The increase in enrollment is expected to generate an additional \$2.7 million in tuition and fees.

Financial information can be obtained from the Collin County Community College District Business Office via written request to 3452 Spur 399, McKinney, Texas 75069 or by visiting our website at www.collin.edu and selecting *Required Links* 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



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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Basic Financial Statements

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Exhibit 1

**Statement of Net Position
As of August 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 144,642,877	\$ 189,665,912
Restricted cash and cash equivalents	44,564,820	47,259,712
Accounts receivable (net of allowance for doubtful accounts of \$299,313 and \$259,781 respectively)	17,035,683	18,912,849
Short term investments	115,397,865	89,755,804
Tax receivable (net of allowance for doubtful accounts of \$1,233,319 and \$571,868 respectively)	653,613	829,926
Prepaid expenses	1,060,773	1,530,457
Total current assets	<u>323,355,631</u>	<u>347,954,660</u>
Noncurrent assets		
Long term investments	96,887,450	73,306,637
Lease receivable	740,392	807,160
Capital assets, net		
Not subject to depreciation	64,144,631	56,732,236
Subject to depreciation/amortization	775,129,291	789,926,775
Total noncurrent assets	<u>936,901,764</u>	<u>920,772,808</u>
Total assets	<u>\$ 1,260,257,395</u>	<u>\$ 1,268,727,468</u>
Deferred outflows of resources		
Deferred outflows related to pensions	\$ 31,383,949	\$ 22,644,701
Deferred outflows related to OPEB	34,968,451	51,701,661
Total deferred outflows of resources	<u>\$ 66,352,400</u>	<u>\$ 74,346,362</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,177,602	\$ 17,783,393
Accrued interest	1,166,486	1,245,843
Funds held for others	368,519	392,081
Unearned revenue	29,488,661	28,857,102
Accrued compensable absences payable - current portion	419,404	479,260
Lease and SBITA liabilities - current portion	3,868,940	3,353,629
Bonds payable - current portion	20,485,000	18,215,000
Net OPEB liability - current portion	2,486,437	2,398,482
Total current liabilities	<u>72,461,049</u>	<u>72,724,790</u>
Noncurrent liabilities		
Accrued compensable absences payable	1,865,657	1,582,934
Lease and SBITA liability	10,876,600	11,563,061
Net Pension liability	57,614,710	23,461,964
Net OPEB liability	93,153,606	114,306,618
Bonds payable	514,504,982	538,308,582
Total noncurrent liabilities	<u>678,015,555</u>	<u>689,223,159</u>
Total liabilities	<u>\$ 750,476,604</u>	<u>\$ 761,947,949</u>
Deferred inflows of resources		
Deferred inflows related to pensions	\$ 3,931,695	\$ 25,156,088
Deferred inflows related to OPEB	32,580,802	15,860,983
Deferred inflows related to leases	817,287	906,775
Total deferred inflows of resources	<u>\$ 37,329,784</u>	<u>\$ 41,923,846</u>
Net position		
Net investment in capital assets	\$ 317,041,513	\$ 296,652,425
Restricted for:		
Expendable		
Student aid/non-governmental grants and contracts	2,223,752	1,885,182
Reserve for debt service	18,082,180	12,652,364
Unrestricted	<u>201,455,962</u>	<u>228,012,064</u>
Total net position (Schedule D)	<u>\$ 538,803,407</u>	<u>\$ 539,202,035</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Net Position
As of August 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 1,502,227	\$ 1,256,782
Accounts receivable	158,783	62,705
Pledges receivable, net of discount	1,005,165	1,162,994
Prepaid expenses	36,141	85,944
Investments	<u>18,586,876</u>	<u>17,008,200</u>
Total assets	<u>\$ 21,289,192</u>	<u>\$ 19,576,625</u>
Liabilities		
Accounts payable	<u>\$ 19,309</u>	<u>\$ 18,820</u>
Net Assets		
Without donor restrictions	1,502,093	1,236,674
With donor restrictions	<u>19,767,790</u>	<u>18,321,131</u>
Total net assets	<u>21,269,883</u>	<u>19,557,805</u>
Total liabilities and net assets	<u>\$ 21,289,192</u>	<u>\$ 19,576,625</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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$21,623,362 and \$18,058,413 respectively)	\$ 45,623,058	\$ 41,569,307
Federal grants and contracts	22,155,146	15,511,436
State grants and contracts	1,387,418	2,042,960
Non-governmental grants and contracts	40,548	148,457
Sales and services of educational activities	768,718	711,199
Auxiliary enterprises	4,630,279	3,901,832
Other operating revenues	467,892	632,198
Total operating revenues (Schedule A)	<u>75,073,059</u>	<u>64,517,389</u>
Expenses		
Operating expenses:		
Instruction	114,409,028	106,883,051
Public service	581,897	734,651
Academic support	34,027,636	29,810,751
Student services	22,451,275	20,738,450
Institutional support	62,751,782	51,305,444
Operation and maintenance of plant	27,884,075	23,570,715
Scholarships	18,940,360	36,856,190
Auxiliary enterprises	5,711,413	4,543,309
Depreciation	27,205,727	22,838,726
Total operating expenses (Schedule B)	<u>313,963,193</u>	<u>297,281,287</u>
Operating loss	<u>(238,890,134)</u>	<u>(232,763,898)</u>
Non-operating revenues (expenses):		
State appropriations	53,648,625	50,730,109
Ad-valorem taxes:		
Taxes for maintenance and operations	142,321,411	128,909,255
Taxes for general obligation bonds	11,860,729	3,562,491
Federal grants and contracts	30,566,088	45,828,359
State grants & contracts	1,307,369	
Gifts	134,600	111,150
Investment income (net of investment expenses)	16,855,639	11,078
Interest on capital related debt	(18,461,878)	(18,757,487)
Other non-operating revenues	259,623	245,440
Other non-operating expenses	(700)	(442,054)
Net non-operating revenues (Schedule C)	<u>238,491,506</u>	<u>210,198,341</u>
Increase/(Decrease) in net position	<u>(398,628)</u>	<u>(22,565,557)</u>
Net position - beginning of year	539,202,035	561,484,772
Cumulative effect of change in accounting principle	-	282,820
Net Position - beginning of year restated	-	561,767,592
Net position - end of year	<u>\$ 538,803,407</u>	<u>\$ 539,202,035</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Activities
As of August 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Changes in net assets without donor restrictions:		
Revenues and other support:		
Donations and grants, net of adjustment to discount on pledges receivables	\$ 4,799	\$ 41,354
Special events and fundraising	80,224	42,207
Less: cost of direct benefit to donors	(64,864)	(49,698)
Net investment returns	354,401	(285,313)
In-kind contributions	<u>713,152</u>	<u>615,403</u>
	1,087,712	363,953
Net assets released from restrictions	<u>1,327,152</u>	<u>1,221,816</u>
 Total revenues and other support	 <u>2,414,864</u>	 <u>1,585,769</u>
Expenses:		
Program expenses	<u>1,553,951</u>	<u>1,424,851</u>
Supporting services:		
General and administrative	230,948	168,354
Fundraising	<u>364,546</u>	<u>332,261</u>
Total supporting activities	<u>595,494</u>	<u>500,615</u>
Total expenses	<u>2,149,445</u>	<u>1,925,466</u>
 Change in net assets without donor restrictions	 <u>265,419</u>	 <u>(339,697)</u>
Changes in net assets with donor restrictions:		
Donations and grants, net of adjustment to discount on pledges receivables	1,498,968	2,220,659
Special events and fundraising	223,423	166,977
Net investment returns	1,051,420	(2,294,914)
In-kind contributions	<u>-</u>	<u>30,247</u>
	2,773,811	122,969
Net assets released from restrictions	<u>(1,327,152)</u>	<u>(1,221,816)</u>
 Change in net assets with donor restrictions	 <u>1,446,659</u>	 <u>(1,098,847)</u>
 Total change in net assets	 1,712,078	 (1,438,544)
Net assets at beginning of year	<u>19,557,805</u>	<u>20,996,349</u>
Net assets at end of year	<u>\$ 21,269,883</u>	<u>\$ 19,557,805</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows
For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 54,011,093	\$ 49,540,495
Receipts from grants and contracts	23,583,112	17,702,853
Other receipts	467,892	632,198
Payments to or on behalf of employees:		
Payments to employees	(152,476,607)	(146,085,016)
Payments for employee benefits	(22,120,237)	(19,848,413)
Payments to suppliers for goods and services	(70,721,377)	(54,572,637)
Payments for scholarships	(18,736,255)	(36,202,918)
Net cash provided/(used) by operating activities	<u>(185,992,379)</u>	<u>(188,833,438)</u>
Cash flows from non-capital financing activities		
Receipts from state appropriations	44,609,466	44,609,466
Receipts from ad valorem taxes	142,570,305	129,034,130
Receipts from gifts, grants and contracts (other than capital)	31,870,962	45,839,509
Payments for student organizations and other agency transactions	(23,562)	(51,344)
Net cash provided by/(used) non-capital financing activities	<u>219,027,171</u>	<u>219,431,761</u>
Cash flows from capital and related financing activities		
Receipts from ad valorem taxes	12,047,771	3,529,527
Payments for capital assets	(19,786,037)	(75,650,142)
Payments on capital debt - principal	(21,704,751)	(5,634,260)
Payments on capital debt - interest	(18,541,935)	(18,441,952)
Receipts from gifts, grants and contracts - capital	100,000	100,000
Net cash provided/(used) by capital and related financing activities	<u>(47,884,952)</u>	<u>(96,096,827)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	91,060,569	68,485,958
Interest on investments	12,656,693	2,126,831
Purchase of investments	(136,585,029)	(128,955,225)
Net cash provided/(used) by investing activities	<u>(32,867,767)</u>	<u>(58,342,436)</u>
Increase (decrease) in cash and cash equivalents	(47,717,927)	(123,840,940)
Cash and cash equivalents - beginning of year	236,925,624	360,766,564
Cash and cash equivalents - end of year	<u>\$ 189,207,697</u>	<u>\$ 236,925,624</u>
Reconciliation of cash and cash equivalents to Exhibit 1:		
Cash and cash equivalents	\$ 144,642,877	\$ 189,665,912
Restricted cash and cash equivalents	44,564,820	47,259,712
	<u>\$ 189,207,697</u>	<u>\$ 236,925,624</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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Reconciliation of net operating loss to net cash provided (used)		
by operating activities:		
Operating loss	\$ (238,890,134)	\$ (232,763,898)
Adjustments to reconcile net operating loss to net cash provided (used) in operating activities:		
Depreciation expense	27,205,727	22,838,726
Payments made directly by state for benefits	11,185,471	6,940,217
Net OPEB expense	8,095,348	12,554,760
Pension expense	(4,189,104)	1,609,286
Changes in assets and liabilities		
Receivables, net	2,380,199	1,462,561
Lease receivables	66,768	100,323
Prepaid expenses	469,684	1,210,867
Deferred outflows related to pensions	(4,550,145)	(3,426,631)
Deferred outflows related to OPEB	6,491,550	(22,847,746)
Accounts payable & other accrued liabilities	(3,605,797)	(2,297,961)
Unearned revenue	631,560	1,884,761
Accrued salary and benefits	222,867	115,405
Pension liability	34,152,746	(18,972,002)
OPEB liability	(21,065,057)	29,903,390
Deferred inflows related to pensions	(21,224,393)	19,180,062
Deferred inflows related to OPEB	16,719,819	(6,236,070)
Deferred inflows related to leases	(89,488)	(89,488)
Net cash used by operating activities	<u>\$ (185,992,379)</u>	<u>\$ (188,833,438)</u>
Schedule for of non-cash investment, capital, and financing activities:		
Payments made directly by state for benefits	\$ 19,384,339	\$ 22,743,411
Increase (decrease) in fair value of investments	(523,687)	2,537,439
Donated capital asset	34,600	-
Net amortization of bond premiums and discounts	(3,318,601)	(3,318,601)
Net non-cash investment, capital, and financing activities	<u>\$ 15,576,651</u>	<u>\$ 21,962,249</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, 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, 2023 and 2022, and the Statement of Activities for the fiscal years ended August 31, 2023 and 2022.

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 \$1,597,782 and \$1,474,415 during the years ending August 31, 2023 and 2022, 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, 2023 and 2022 totaled \$648,824 and \$614,620, 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 Districts*. 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 §56.033). When the award for tuition and fees is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount disbursed is recorded as 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 District 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, 2023 and 2022, respectively, the minimum unrestricted fund balance to be maintained was \$58,243,075 and \$56,149,063. The District exceeded this minimum required fund balance for both years.

Cash and Cash Equivalents

The District considers cash and cash equivalents as cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The District also considers funds on deposit with TexPool, Texas Range, 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 SBITAs and intangible right-to-use lease assets, the measurement of which is discussed in Note 2, Leases, below) at the date of acquisition. Donated capital assets are recorded at acquisition value at the date of donation. The District's capitalization policy includes all assets with a purchase cost of \$5,000 or more 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

Buildings	50 years
Land Improvements	20 years
Library Books	15 years
Furniture, Equipment, and Vehicles	10 years
IT Equipment and Software	5 years
Right-to-use Lease Asset	4-6 years
Right-to-use SBITA Asset	2-10 years

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and 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 Districts is a deferred charge on refunding debt, pension and OPEB deferred outflows.

Other Post-Employment Benefits (OPEB)

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

Pensions

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

Supplemental Tax-Sheltered Retirement Plan

Full time, benefits-eligible employees may elect to participate in a District 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Unearned Revenues

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and 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 District reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

Estimates

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

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.

Reclassification

Certain reclassifications have been made to the 2022 financial statements to make them conform with the 2023 financial statement format. These reclassifications had no effect on change in net assets.

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, 2023 and 2022, and therefore, has not recorded a liability for income taxes.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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.

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District is using interest rates ranging from 3.31% to 4.00%.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a 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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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 of 4% as the discount rate for leases when an interest rate is not stated in a lease.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable 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.

Subscription-Based Information Technology Arrangements (SBITA)

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

option price that the District is reasonably certain to exercise. The District does not intend to purchase any of the software at the end of the SBITA terms.

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

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

New Accounting Pronouncement-Implemented

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

The objective of this to (1) define a SBITA; (2) establish that 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.

That statement provides an exception for short-term SBITAs with a maximum contract term of 12 months. Subscription payments for short-term SBITAs will be recognized as outflows of resources.

Prior Year Restatement

In the year of implementation of GASB Statement No. 96, a restatement to beginning net position was required for the recording of the beginning right of use assets and lease liabilities for resources associated with the SBITAs 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. 96, *Subscription-Based Information Technology Arrangements (SBITA)*.

Beginning net position	\$ 538,919,215
Prior period adjustment-implementation of GASB No. 96:	
Right of Use Asset - Subscription Asset	14,791,307
Lease liabilities	(14,153,902)
Accrued Interest	(354,585)
Beginning net position, as restated	<u>\$ 539,202,035</u>

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Pending Pronouncements

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

GASB Statement No. 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 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 Districts is planned for fiscal year 2024.

GASB Statement No. 101, Compensated Absences.

The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. Implementation of this Statement for community Districts is planned for fiscal year 2025.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

This guidance provides clarification to prior GASB pronouncements and implementation guides. In particular, question 5.1 addresses a prior question regarding capitalization thresholds. Districts should determine the capitalization threshold for a group of assets, the individual cost of which does not exceed the capitalization threshold above but could be significant in the aggregate. Implementation of the requirements for this topic 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, 2023 and 2022, the net carrying amount of the District’s deposits were \$154,837 and \$369,733 after reclassifying overdrafts of \$2,224,931 and \$3,480,020, 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 \$1,463,602 as of August 31, 2023. 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,	
	2023	2022
Petty cash on hand	\$ 38,275	\$ 38,525
Checking account	154,837	369,733
TexPool	142,132,346	191,601,853
TexSTAR	41,497,994	39,760,883
Texas TERM	5,384,245	5,154,630
Total cash and cash equivalents	<u>\$ 189,207,697</u>	<u>\$ 236,925,624</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, 2023, 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	\$ 21,284,596	\$ 11,877,563	\$ 9,407,033	\$ -	AAA
US Government Agencies	122,480,312	34,999,895	60,364,651	27,115,766	AAA
Commercial Paper	68,415,444	68,415,444	-	-	A1/P1
AIG 457(f)	104,963	104,963	-	-	
Total Fair Value	<u>\$ 212,285,315</u>	<u>\$ 115,397,865</u>	<u>\$ 69,771,684</u>	<u>\$ 27,115,766</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, 2023 and 2022 is as follows:

	As of August 31,	
	2023	2022
Total cash and cash equivalents	\$ 189,207,697	\$ 236,925,624
Total investments - current	115,397,865	89,755,804
Total investments - noncurrent	96,887,450	73,306,637
Total	<u>\$ 401,493,012</u>	<u>\$ 399,988,065</u>

	As of August 31,	
	2023	2022
Per Exhibit 1:		
Cash and cash equivalents	\$ 144,642,877	\$ 189,665,912
Restricted cash and cash equivalents	44,564,820	47,259,712
Short term investments	115,397,865	89,755,804
Long term investments	96,887,450	73,306,637
Total	<u>\$ 401,493,012</u>	<u>\$ 399,988,065</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 9 Bonds Payable.

Credit Risk

A primary stated objective of the District’s Board-adopted Investment Policy is the safety of principal and avoidance of principal loss while meeting cash flow needs. Risk is controlled by investment only in the highest credit quality investments as defined by Policy. The 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, 2023, percentages of each investment type to the total portfolio:

- US Treasury obligation represented 5.28%,
- Commercial paper represented 17.08%,
- US agency obligations represented 30.38%,
- Investment in local government investment pools represented 47.23%,
- Depository demand and money market accounts represented 0.03%.

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, 2023, 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, 2023, the portfolio contained:

- No holdings with a stated maturity date beyond 885 days,
- Holdings maturing beyond one year represented 23.01% of the total portfolio,
- The dollar weighted average maturity of the Pooled Funds portfolio was 200 days,
- The portfolio contained eight (8) structured notes as shown below.

Issuer	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Fair Value
FFCB	5,000,000	0.280%	9/16/2020	9/14/2023	9/7/2023	Callable anytime w/5 business day notice	\$ 5,000,000	\$ 4,989,326
FHLB	5,000,000	0.400%	3/12/2021	3/12/2024	9/12/2023	Callable monthly w/5 business day notice	5,000,000	4,866,913
FHLB	10,000,000	0.400%	6/28/2021	6/28/2024	9/28/2023	Callable quarterly w/5 business day notice	10,000,000	9,589,165
FHLB	5,000,000	0.500%	8/30/2021	8/28/2024	11/28/2023	Callable quarterly w/5 business day notice	5,000,000	4,761,314
FAMCA	5,000,000	0.500%	10/4/2021	10/4/2024	10/4/2023	Callable quarterly w/5 business day notice	5,000,000	4,740,146
FHLB	5,000,000	1.000%	12/20/2021	12/20/2024	9/20/2023	Callable quarterly w/5 business day notice	5,000,000	4,725,146
FHLMC	5,000,000	4.000%	7/14/2022	7/14/2025	10/14/2023	Callable quarterly w/5 business day notice	5,000,000	4,878,209
FHLB	10,000,000	2.01%	5/24/2023	9/30/2024	9/30/2023	Callable quarterly w/5 business day notice	9,690,641	9,641,553
Total							<u>\$ 49,690,641</u>	<u>\$ 48,191,772</u>

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, 2023, 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, 2023:

Investment Type	Rating
U.S. Treasury Notes	
T-Note	AAA
U.S. Government	
FFCB	AAA
FRMAC	AAA
FHLMC	AAA
FNMA	AAA
FHLB	AAA
Commercial Paper	
Credit Agricole	A1/P1
GTA Funding	A1/P1
MUFG Bank	A1/P1
Royal Bank of Canada	A1/P1
Swedbank	A1/P1
Toyota Motor Credit Corp	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 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, 2023 and 2022:

	Fiscal Year 2023				Fiscal Year 2022
	Level 1	Level 2	Level 3	Total	Total
US Treasuries	\$ -	\$ 21,284,596	\$ -	\$ 21,284,596	\$ 25,815,453
US Government Agencies	-	122,480,312	-	122,480,312	52,474,404
Municipal Obligations	-	-	-	-	6,016,235
Commercial Paper	-	68,415,444	-	68,415,444	78,655,968
Total Fair Value	\$ -	\$ 212,180,352	\$ -	\$ 212,180,352	\$ 162,962,060

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2023 and 2022**

NOTE 5. CAPITAL ASSETS

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2023 and 2022**

NOTE 5. CAPITAL ASSETS-continued

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

	Balance 8/31/2021	Increases	(Decreases) Adjustments	Restated 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>

*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: Amount for amortization of Right of Use Subscription Asset is included in cumulative effect of change in accounting principle related to GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. For more information, see Note 7.

NOTE 6. Leases

Lease Receivable

The District currently leases building rooftop space to third parties for cell tower use. The remaining lease terms range from 7 to 13 years, and the District receives monthly payments of \$7,675 to \$8,153 related to these lease agreements. The District recognized \$89,488 in lease revenue and \$34,164 in interest revenue during the current fiscal year related to these leases. As of August 31, 2023, the District's receivable for lease payments was \$807,161. Also, the District has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of August 31, 2023, the balance of the deferred inflow of resources was \$817,287.

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

August 31,	Principal	Interest	Total
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	79,132	19,029	98,161
2029-33	282,507	53,739	336,246
2034-37	150,080	10,216	160,296
Totals	<u>\$ 807,161</u>	<u>\$ 190,309</u>	<u>\$ 997,470</u>

Lease Payable

The District is currently entered into lease agreements as lessee for the use of copiers and a firetruck. As of August 31, 2023, the value of the lease liability for these leases was \$2,172,625. The District is required to make monthly principal and interest payments for a yearly total of \$591,501. The leases have interest rates ranging from 3.31% to 4.00%. The District does not intend to purchase the firetruck or copiers at the end of the lease term. The value of the right-to-use assets as of the end of the current fiscal year was \$2,456,959 and had accumulated amortization of \$209,194.

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

August 31,	Principal	Interest	Total
2024	\$ 437,184	\$ 78,744	\$ 515,928
2025	454,482	61,447	515,929
2026	472,446	43,482	515,928
2027	414,109	24,803	438,912
2028	394,404	7,932	402,336
Totals	<u>\$ 2,172,625</u>	<u>\$ 216,408</u>	<u>\$ 2,389,033</u>

NOTE 7. Subscription-Based Information Technology Arrangements (SBITA)

SBITA Liabilities

The District adopted GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITA)* during fiscal year 2023 for current licensing agreements. The District has a total of twenty subscription-based information technology arrangements (SBITA): 10 for educational software, 4 for IT management software, 3 for facilities management software, and 3 for financial software. As of August 31, 2023, the value of the SBITA liability, the yearly principal and interest payments, and the value of the right-to-use asset were as follows.

August 31, 2023	SBITA Liability	Principal + Interest Payment	Right of Use Asset
Educational SBITAs	\$ 1,701,791	\$ 1,145,317	\$ 2,125,741
IT management SBITAs	730,755	549,568	784,055
Facilities management SBITAs	734,419	319,142	822,052
Financial SBITAs	9,405,950	1,973,564	9,543,870
Totals	<u>\$ 12,572,915</u>	<u>\$ 3,987,591</u>	<u>\$ 13,275,718</u>

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

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

August 31,	Principal	Interest	Total
2024	\$ 3,431,755	\$ 502,917	\$ 3,934,672
2025	2,622,247	365,646	2,987,893
2026	1,780,647	260,757	2,041,404
2027	1,583,482	189,531	1,773,013
2028	1,648,036	126,191	1,774,227
2029-33	1,506,748	60,270	1,567,018
Totals	<u>\$ 12,572,915</u>	<u>\$ 1,505,312</u>	<u>\$ 14,078,227</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2023 and 2022**

NOTE 8. LONG-TERM LIABILITIES

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

	Balance 9/1/2022	Additions	Reductions	Amortization of Premium	Amortization of Discount	Balance 8/31/2023	Current Portion	Non-Current Portion
Bonds								
General Obligation Bonds								
Series 2018	\$ 219,399,838	\$ -	\$ (8,955,000)	\$ (931,437)	\$ 43,322	\$ 209,556,723	\$ 9,405,000	\$ 200,151,723
Series 2020	337,123,744	-	(9,260,000)	(2,430,485)	-	325,433,259	11,080,000	314,353,259
Subtotal	556,523,582	-	(18,215,000)	(3,361,922)	43,322	534,989,982	20,485,000	514,504,982
Accrued Compensable Absences	2,062,194	5,107,051	(4,884,184)	-	-	2,285,061	419,404	1,865,657
Lease and SBITA Liabilities	14,916,690	2,143,282	(2,314,432)	-	-	14,745,540	3,868,940	10,876,600
Net Pension Liability	23,461,964	38,681,277	(4,528,531)	-	-	57,614,710	-	57,614,710
Net OPEB Liability	116,705,100	16,753,105	(37,818,162)	-	-	95,640,043	2,486,437	93,153,606
Total	\$ 713,669,530	\$ 62,684,715	\$ (67,760,309)	\$ (3,361,922)	\$ 43,322	\$ 705,275,336	\$ 27,259,781	\$ 678,015,555

For comparison purposes, 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	Restated 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 and SBITA Liabilities	1,327,349	14,153,902	(564,561)	-	-	14,916,690	3,353,629	11,563,061
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	\$ 56,618,391	\$ (47,887,257)	\$ (3,361,923)	\$ 43,322	\$ 713,669,530	\$ 24,446,371	\$ 689,223,159

NOTE 9. BONDS PAYABLE

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

Bond issue	Purpose	Date Issued	Amount Issued and Authorized	Revenue Source	Outstanding Balance August 31, 2023	Outstanding Balance August 31, 2022
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	\$ 209,556,723	\$ 219,399,838
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	\$ 325,433,259	\$ 337,123,744
Total					\$ 534,989,982	\$ 556,523,582

Bonds payable are due in annual 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 9. 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, 2023, were as follows:

Year Ending <u>August 31,</u>	General Obligation Bonds		
	Principal	Interest	Total
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	25,020,000	15,932,156	40,952,156
2029-33	144,355,000	60,398,831	204,753,831
2034-38	177,380,000	36,819,969	214,199,969
2039-40	44,975,000	2,033,850	47,008,850
Subtotal	<u>480,350,000</u>	<u>190,268,430</u>	<u>670,618,430</u>
Net Premium/ Discount	54,639,982	-	54,639,982
Total	<u>\$ 534,989,982</u>	<u>\$ 190,268,430</u>	<u>\$ 725,258,412</u>

NOTE 10. EMPLOYEES' RETIREMENT PLAN**Defined Benefit Plan****Plan Description**

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

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 10. 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.

Contribution Rates

	<u>2023</u>	<u>2022</u>
Member	8.00%	8.00%
Non-Employer Contributing Entity (State) and Employer (District)	7.50%	7.75%
Member Contributions	\$ 8,907,595	\$ 8,415,902
District Contributions	\$ 4,905,086	\$ 4,516,523
State of Texas On-Behalf Contributions	\$ 3,604,344	\$ 3,679,899

The District’s contributions to the TRS pension plan in fiscal year 2023 was \$4,905,086, 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 \$4,020,888.

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 10. 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, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	8/31/2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate	3.91%
Last year ending August 31 in	
Projection period (100 years)	2121
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions were selected by the board of trustees based 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, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

NOTE 10. EMPLOYEES’ RETIREMENT PLAN-continued

Discount Rate

The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% 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 expected rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system’s target asset allocation, are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity*	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Absolute Return*	-	3.7%	-
Real Return			
Real Assets	15.0%	4.1%	0.94%
Energy, Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	-	3.6%	-
Risk Parity			
Risk Parity	8.0%	4.6%	0.43%
Asset Allocation Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation	-	-	2.70%
Volatility Drag****	-	-	-0.91%
Expected Return	100.00%	54.70%	8.21%

NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (7.00%) in measuring the 2023 Net Pension Liability.

Fiscal Year 2023 Net Pension Liability

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Collin County Community College District proportionate share of the net pension liability	\$ 89,626,644	\$ 57,614,710	\$ 31,667,535

Fiscal Year 2022 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, 2023, the District reported a liability of \$57,614,710 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	\$ 57,614,710
State's proportionate share that is associated with the District	45,856,638
Total	<u>\$ 103,471,348</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, 2021, through August 31, 2022.

NOTE 10. EMPLOYEES’ RETIREMENT PLAN-continued

At the measurement date of August 31, 2022, the employer’s proportion of the collective net pension liability was .0970476769% which was an increase of .0049188038% from its proportion measured as of August 31, 2021.

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, 2021, except the discount rate changed from 7.25% to 7.0%. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2021.

For the year ended August 31, 2023, the District recognized pension expense of \$9,106,208 and an additional on-behalf revenue and expense of \$4,383,375 for support provided by the State. Refer to the fiscal year 2022 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

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

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

NOTE 10. EMPLOYEES’ RETIREMENT PLAN-continued

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	<u>\$ 22,644,700</u>	<u>\$ 25,156,088</u>

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

The net amounts of the employer’s fiscal year 2023 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
2024	\$ 6,233,491
2025	4,244,506
2026	2,571,102
2027	8,062,518
2028	1,435,549
Thereafter	-
Total	<u>\$ 22,547,166</u>

NOTE 10. EMPLOYEES’ RETIREMENT PLAN-continued

The net amounts of the employer’s fiscal year 2022 balances of deferred outflows and inflows of resources related to pensions will be recognized in pensions 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	<u>\$ (7,027,901)</u>

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 \$677,570 and \$714,253 for fiscal years ended August 31, 2023 and 2022, 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 \$153,033,576 and \$146,260,700 for fiscal years 2023 and 2022, respectively. The total payroll of employees covered by the TRS was \$111,422,788 and \$105,120,853, and the total payroll of employees covered by the Optional Retirement Program was \$20,532,429 and \$21,644,024 for fiscal years 2023 and 2022, respectively.

NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued

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 \$16,400,008 and \$15,140,040 for the years ended August 31, 2023 and 2022, respectively.

NOTE 11. DEFERRED COMPENSATION PROGRAM

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

<u>Deferred Compensation Programs</u>	<u>2023</u>	<u>2022</u>
403(b) Tax Sheltered Annuity (TSA)		
Number of Participants	1,005	1,011
Employee Contributions	\$ 5,188,119	\$ 4,807,596
Employer Contributions	\$ 2,036,478	\$ 2,040,078
Section 457 Deferred Compensation (DCP)		
Number of Participants	47	46
Employee Contributions	\$ 565,846	\$ 590,086
Section 457 Roth Deferred Compensation (DCP)		
Number of Participants	28	27
Employee Contributions	\$ 289,112	\$ 271,431

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 2023 totaled \$2,036,398. Of the 1005 participants, 177 were not vested at year end. The vesting period is three years.

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

NOTE 12. COMPENSABLE ABSENCES

Vacation is earned in varying amounts up to a maximum of 21 days for employees with 11 years or more of service. Unused vacation leave carried forward from one year to the next is limited to 15 days for each employee. Upon termination, employees are paid for earned but unused vacation for the current year and up to the 10-day maximum allowed for unused vacation carried over from the prior year. The District recognized the accrued liability for the unpaid annual leave in the amounts of \$2,285,061 and \$2,062,194 for the years ended August 31, 2023 and 2022, respectively.

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

NOTE 13. HEALTHCARE AND LIFE INSURANCE BENEFITS

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

HealthSelect of Texas Plan	2023/2022	
	Employee Contribution	State/Employer Contribution
Member Only	\$ -	\$ 622.60
Member & Spouse	\$ 358.00	\$ 980.60
Member & Child(ren)	\$ 239.70	\$ 862.30
Member & Family	\$ 597.70	\$ 1,220.30

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

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

Cost of Providing Health Care Insurance	2023	2022
Number of Retirees	338	328
Cost of Health Benefits for Retirees	\$ 2,970,971	\$ 2,809,183
Number of Active Full Time Employees	1,599	1,487
Cost of Health Benefits for Active Full Time Employees	\$ 13,442,099	\$ 13,204,957
State Appropriation for Health Insurance	\$ 6,114,179	\$ 6,114,179
District's Expense	\$ 10,362,878	\$ 9,912,916

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

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

OPEB Plan Fiduciary Net Position

Detailed information about the GBP's fiduciary net position is available in the separately issued [ERS Annual Comprehensive Financial Report](#) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained online; by writing to ERS at: 200 East 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 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

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 2023**

	<u>2023</u>
Retiree only	\$ 622.60
Retiree & Spouse	\$ 1,338.60
Retiree & Children	\$ 1,102.00
Retiree & Family	\$ 1,818.00

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, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Employers	\$ 10,298,890	\$ 9,777,053
Members (Employees)	\$ 4,519,621	\$ 4,397,933
Nonemployer Contributing Entity (State of Texas)	\$ 6,114,179	\$ 6,114,180

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

**Actuarial Assumptions
ERS Group Benefits Program Plan**

Valuation Date	August 31, 2022
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not Applicable
Discount Rate	3.59%
Projected Annual Salary Increase (includes inflation)	2.30% to 8.95%, including inflation
Annual Healthcare Trend Rate	<p><u>Health Select</u>: 5.60% for FY24, 5.30% for FY25, 5.00% for FY26, 4.75% for FY27, 4.60% for FY28, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY31 and later years.</p> <p><u>Health Select Medicare Advantage</u>: 66.67% for FY24, 24.00% for FY25, 5.00% for FY26, 4.75% for FY27, 4.60% for FY28, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY31 and later years.</p> <p><u>Pharmacy</u>: 10.00% for FY24, 10.00% for FY25, decreasing 100 basis points per year to 5.00% for FY30 and 4.30% for FY31 and later years.</p>
Inflation Assumption Rate	2.30%
Ad hoc post-employment benefit changes	None

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

<p>Mortality Assumptions</p>	<p style="text-align: center;"><u>State Agency Members</u></p> <p>a. <i>Service Retirees, Survivors and other inactive Members (Regular, Elected, CPO/CO and 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 set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively.</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-2019 Projection Scale from the year 2010.</p> <p style="text-align: center;"><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 2021.</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 Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP Projection Scale from the year 2010</p>
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NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

Investment Policy

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

Discount Rate

Because the 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 2.14%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.59%, which amounted to an increase of 1.45%. The source of the municipal bond rate was the Bond Buyer Index of tax-exempt general obligation bonds with 20 years to maturity with an average credit quality that is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp’s AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

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

Fiscal Year 2023 Net OPEB Liability

	1% Decrease in Discount Rate (2.59%)	Discount Rate (3.59%)	1% Increase in Discount Rate (4.59%)
Collin County Community College District proportionate share of the net OPEB liability	\$ 111,545,192	\$ 95,640,044	\$ 82,919,750

Fiscal Year 2022 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 14. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued

Healthcare Trend Rate Sensitivity Analysis

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

Fiscal Year 2023 Net OPEB Liability

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

Fiscal Year 2022 Net OPEB Liability

	1% Decrease (HealthSelect: 4.25% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.25% decreasing to 4.30%)	1% Increase (HealthSelect: 6.25% decreasing to 5.30%)
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, 2023, the District reported a liability of \$95,640,043 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	\$	95,640,043
State's proportionate share of the collective net OPEB liability		59,070,679
Total	\$	<u>154,710,722</u>

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

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

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.33573265%.

For the year ended August 31, 2023, the District recognized OPEB expense of \$13,459,038 and a reduction in on-behalf revenue and expense of \$2,146,312 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 proportion of future retirees assumed to cover dependent children.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- The discount rate was changed from 2.14% to 3.59% 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 fee payable under the Affordable Care Act has been updated to reflect the most recent information.

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 FY23, are provided for in the FY23 Assumed Per Capita Health Benefit Costs.

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,017,558
Changes of assumptions	5,619,234	29,563,244
Net difference between projected and actual investment return	16,496	-
Effect of change in proportion and contribution difference	28,266,985	-
Contributions subsequent to the measurement date	1,065,736	-
Total	<u>\$ 34,968,451</u>	<u>\$ 32,580,802</u>

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>

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

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

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

Fiscal Year 2023 OPEB Expense	
<u>Year ending August 31:</u>	<u>OPEB Expense Amount</u>
2024	\$ 5,631,439
2025	825,335
2026	(404,602)
2027	(2,041,869)
2028	(2,688,390)
Thereafter	-
Total	<u>\$ 1,321,913</u>

Fiscal Year 2022 OPEB Expense	
<u>Year ended August 31:</u>	<u>OPEB Expense Amount</u>
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 15. DISAGGREGATION OF RECEIVABLES AND PAYABLES
BALANCES**

Receivables at August 31 were as follows:

	2023	2022
Student Receivables	\$ 13,006,292	\$ 11,932,508
Federal and State Receivables	3,247,927	6,768,380
Interest Receivable	663,072	162,534
Other Receivables	417,705	309,208
Subtotal	<u>17,334,996</u>	<u>19,172,630</u>
Less: Allowance for Doubtful Accounts	<u>(299,313)</u>	<u>(259,781)</u>
Total Accounts Receivable	<u>\$ 17,035,683</u>	<u>\$ 18,912,849</u>
Taxes Receivable	\$ 1,886,932	\$ 1,401,794
Less: Allowance for Doubtful Accounts	<u>(1,233,319)</u>	<u>(571,868)</u>
Total Taxes Receivable	<u>\$ 653,613</u>	<u>\$ 829,926</u>

An allowance for doubtful accounts estimated at \$299,313 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 8/31/2022	Addition	Collections	Adjustments	Returned to Collin College	Balance 8/31/2023
First Placement Collection Agency	\$ 2,451	\$452,463	\$ (42,601)	\$ (7,253)	\$ (13,623)	\$ 391,437
Second Placement Collection Agency	257,330	1,568	(6,260)	40	(249,184)	3,494
Total Student Receivables Placed with Collections	<u>259,781</u>	<u>454,031</u>	<u>(48,861)</u>	<u>(7,213)</u>	<u>(262,807)</u>	<u>394,931</u>
Allowance for doubtful accounts	(259,781)	(263,597)	(25,998)	836	249,227	(299,313)
Net Receivables Placed with Collections	<u>\$ -</u>	<u>\$190,434</u>	<u>\$ (74,859)</u>	<u>\$ (6,377)</u>	<u>\$ (13,580)</u>	<u>\$ 95,618</u>

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

Payables at August 31 were as follows:

	<u>2023</u>	<u>2022</u>
Vendors Payable	\$ 10,616,360	\$ 14,045,158
Salary and Benefits Payable	1,531,262	1,912,360
Students Payable	2,029,980	1,825,875
Total Accounts Payable	<u>\$ 14,177,602</u>	<u>\$ 17,783,393</u>

NOTE 16. RISK MANAGEMENT

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

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

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

NOTE 17. PROPERTY TAX and TAX ABATEMENT

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

Exemptions include \$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,	2023	2022
Assessed Valuation of the District:	\$ 241,608,724,839	\$ 198,233,195,044
Less: Exemptions	(49,149,481,978)	(30,036,977,571)
Less: Abatements	<u>(306,338,178)</u>	<u>(300,853,010)</u>
Net Assessed Valuation of the District	192,152,904,683	167,895,364,463
Plus: Supplements through August 31	<u>(70,883,793)</u>	<u>(2,283,556)</u>
Adjusted Assessed Valuation	<u>\$ 192,082,020,890</u>	<u>\$ 167,893,080,907</u>

Tax rates for the years ended August 31, 2023 and 2022, are as follows:

Per \$100 valuation:	FY 2023			FY 2022		
	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	\$0.075000	\$0.006220	\$0.081220	\$0.079100	\$0.002122	\$0.081222

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2023 and 2022**

NOTE 17. PROPERTY TAX and TAX ABATEMENT-continued

Taxes levied for the years ended August 31, 2023 and 2022, were \$158,111,555 and \$135,143,656, 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 2023			FY 2022		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 144,227,876	\$ 11,958,089	\$ 156,185,965	\$ 130,434,484	\$ 3,499,140	\$ 133,933,624
Delinquent Taxes Collected	644,827	52,254	697,081	685,033	18,333	703,366
Penalties & Interest Collected	651,210	39,161	690,371	568,542	12,054	580,596
Total Gross Collections	145,523,913	12,049,504	157,573,417	131,688,059	3,529,527	135,217,586
Tax Appraisal and Collection Fee	(1,518,850)	-	(1,518,850)	(1,355,988)	-	(1,355,988)
Bad Debt Expense	(31,146)	(190,515)	(221,661)	120,565	32,964	153,529
Total Net Collections	\$ 143,973,917	\$ 11,858,989	\$ 155,832,906	\$ 130,452,636	\$ 3,562,491	\$ 134,015,127

Tax collections for the year ended August 31, 2023 and 2022, were 99.22% and 99.53% 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 2023	Taxes Forgone in 2022
City of Frisco TIF 1	100%	\$ 1,650,766	\$ 1,543,381
Total Taxes Forgone		\$ 1,650,766	\$ 1,543,381

Tax Abatement

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

Start Date	Agreement	Taxable Assessed Value	Tax Rate Per \$100 valuation	Taxes Abated
2013	Texas Instruments	\$ 306,338,178	0.081222	\$ 248,814
	Total	\$ 306,338,178		\$ 248,814

Based on the abatement agreement currently in place, the taxable assessed value of remaining abatements for fiscal year 2024 is anticipated to be \$215,215,121, resulting in abated taxes of \$174,802.

NOTE 18. CONTRACT AND GRANT AWARDS

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

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

	<u>2023</u>	<u>2022</u>
Federal Contracts and Grant Awards	\$ 5,946,360	\$ 28,757,671
State Contracts and Grant Awards	<u>1,920,412</u>	<u>1,462,373</u>
Total	<u>\$ 7,866,772</u>	<u>\$ 30,220,044</u>

NOTE 19. 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 19. COMPONENT UNITS-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 - The Foundation considers all bank deposits and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents. Portfolio cash held by investment managers is excluded from cash and cash equivalents.

Accounts Receivables - For various reasons, some scholarship awards are not utilized by the award recipient, so the Collin College District refunds unused scholarships to the Foundation on an annual basis. Accounts receivable primarily consists of unused scholarship awards for the respective academic years concluded in the Summers of 2023 and 2022.

Pledges Receivable - Pledges receivable are comprised of uncollected pledges and are considered fully collectible as of August 31, 2023 and 2022.

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

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

Donated Services and Facilities - Individuals volunteer their time and perform 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 are included in revenues and expenses on the accompanying statements of activities.

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.

NOTE 19. COMPONENT UNITS-continued

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, 2023, 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 2020 through 2023 tax years remain subject to examination by the Internal Revenue Service.

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

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

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

Subsequent Events - Management has evaluated subsequent events for potential disclosure through November 9, 2023, which is the date the financial statements were available to be issued.

NOTE 19. COMPONENT UNITS-continued

Liquidity and Availability of Resources

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

	2023	2022
Cash and cash equivalents	\$ 1,502,227	\$ 1,256,782
Accounts receivable	158,783	62,705
Pledges receivable, net of discount	1,005,165	1,162,994
Investments	18,586,876	17,008,200
	<u>21,253,051</u>	<u>19,490,681</u>
Donor-restricted assets	(19,765,175)	(18,321,131)
Financial assets available to meet general expenditure needs within one year	<u>\$ 1,487,876</u>	<u>\$ 1,169,550</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 8.50% discount rate (Prime Rate as of July 27, 2023).

Pledges receivable as of August 31, 2023 and 2022 are summarized as follows:

	2023	2022
Pledges receivable within one year	\$ 552,771	\$ 441,261
Pledges due in one year to five year	509,040	801,050
Less: discount to present value	<u>(56,646)</u>	<u>(79,317)</u>
Pledges receivable, net of discount	<u>\$ 1,005,165</u>	<u>\$ 1,162,994</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 19. COMPONENT UNITS-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, 2023 and 2022:

	2023			
	Level I	Level II	Level III	Total
Investments at fair value:				
Equity securities and funds	\$ 11,301,974	\$ -	\$ -	\$ 11,301,974
Fixed income funds	6,158,204	-	-	6,158,204
Subtotal, investments at fair value	<u>\$ 17,460,178</u>	<u>\$ -</u>	<u>\$ -</u>	17,460,178
Other investments:				
Portfolio cash and accrued income, at cost				1,099,983
Alternative investments, at contract value				26,715
Total investments				<u>\$ 18,586,876</u>
	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>	16,656,984
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>

NOTE 19. COMPONENT UNITS-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 are published annually each June.

Concentrations of Risk

The Foundation maintains cash and money market accounts at financial institutions which exceed federally insured limits. Uninsured amounts totaled \$1,252,227 and \$1,006,782 as of August 31, 2023 and 2022, respectively. The Foundation has not experienced any losses in these accounts, and management believes the Foundation is not exposed to any significant credit risks on such accounts.

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

Net Assets With Donor Restrictions

The balances of net assets with donor restrictions as of August 31, 2023 and 2022 relate to certain contributions for which donors have imposed restrictions. In accordance with Foundation policies, they are set forth as follows:

	<u>2023</u>	<u>2022</u>
Subject to purpose restrictions:		
Excellence program	\$ 952,288	\$ 763,224
Non-endowed scholarships	<u>2,246,408</u>	<u>2,041,302</u>
	<u>3,198,696</u>	<u>2,804,526</u>
Endowments:		
Available for Scholarship awards:		
Appropriated	1,803,315	2,234,592
Unappropriated	1,376,945	226,312
Subject to spending policy	<u>13,388,834</u>	<u>13,055,701</u>
	<u>16,569,094</u>	<u>15,516,605</u>
Total	<u>\$ 19,767,790</u>	<u>\$ 18,321,131</u>

NOTE 19. COMPONENT UNITS-continued

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.

During the years ended August 31, 2023 and 2022, net assets were released from donor restrictions as follows:

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished:		
Excellence program awards	\$ 271,306	\$ 192,879
Non-endowed scholarship awards	589,025	522,617
Program enhancements	<u>83,236</u>	<u>114,087</u>
	943,567	829,583
Endowed scholarship awards	<u>383,585</u>	<u>392,233</u>
Total	<u>\$ 1,327,152</u>	<u>\$ 1,221,816</u>

The following is a summary of endowment activities for the years ended August 31, 2023 and 2022:

	<u>Available for Scholarship Award</u>		Subject to Spending Policy	Total
	Appropriated	Unappropriated		
Balance at August 31, 2021	<u>\$ 1,725,076</u>	<u>\$ 3,688,355</u>	<u>\$ 11,604,613</u>	<u>\$ 17,018,044</u>
Contributions	-	-	1,185,708	1,185,708
Net investment return	901,749	(3,462,043)	265,380	(2,294,914)
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>
Contributions	-	-	384,654	384,654
Net investment return	(47,692)	1,150,633	(51,521)	1,051,420
Scholarship awards	<u>(383,585)</u>	<u>-</u>	<u>-</u>	<u>(383,585)</u>
Balance at August 31, 2023	<u>\$ 1,803,315</u>	<u>\$ 1,376,945</u>	<u>\$ 13,388,834</u>	<u>\$ 16,569,094</u>

NOTE 19. COMPONENT UNITS-continued

In-kind Contributions

For the years ended August 31, 2023 and 2022, in-kind contributions reported in the accompanying statements of activities are detailed as follows:

	<u>2023</u>	<u>2022</u>
Without Donor Contributions		
College District		
Personnel	\$ 536,519	\$ 469,442
Facilities	129,998	145,961
Other		
Trees	31,635	-
Sponsorship	15,000	-
	<u>713,152</u>	<u>615,403</u>
With Donor restrictions		
Vehicle	<u>-</u>	<u>30,247</u>
Total	<u>\$ 713,152</u>	<u>\$ 645,650</u>

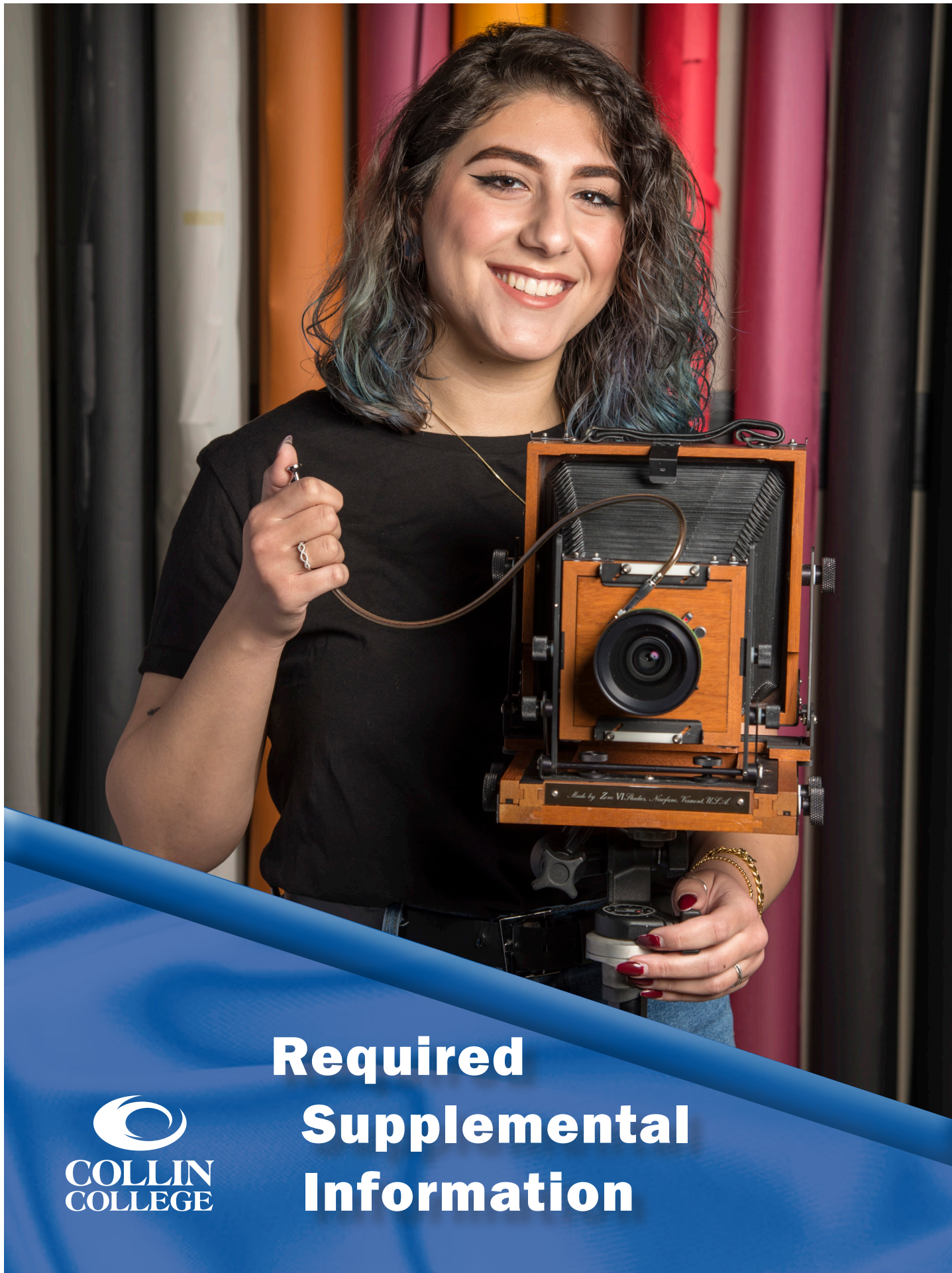
In the year ended August 31, 2022, the Foundation received a vehicle that was recorded as a contribution with a value equal to its retail price. The vehicle was raffled in the year ended August 31, 2023, with the proceeds reserved for non-endowed scholarships in accordance with donor-imposed restrictions.

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

NOTE 20. Subsequent Event

No significant subsequent events have occurred since year ending August 31, 2023 through the issuance date of this report.

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**Required
Supplemental
Information**



Required Supplemental Information

**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 Nine Fiscal Years

Fiscal years ended August 31,*	2023	2022	2021	2020
District's proportion of collective net pension liability (%)	0.09704768%	0.09212887%	0.07922998%	0.07049603%
District's proportionate share of collective net pension liability (\$)	\$ 57,614,710	\$ 23,461,964	\$ 42,433,966	\$ 36,646,040
State's proportionate share of net pension liability associated with the District	45,856,638	18,604,389	33,725,103	29,191,219
Total	<u>\$ 103,471,348</u>	<u>\$ 42,066,353</u>	<u>\$ 76,159,069</u>	<u>\$ 65,837,259</u>
District's covered payroll	\$ 105,120,853	\$ 94,008,898	\$ 78,435,332	\$ 67,685,206
District's proportionate share of collective net pension liability as a percentage of covered payroll	54.8%	25.0%	54.1%	54.1%
Plan fiduciary net position as percentage of the total pension liability	75.62%	88.79%	75.54%	75.24%

Fiscal years ended August 31,*	2019	2018	2017	2016	2015
District's proportion of collective net pension liability (%)	0.06395799%	0.06156220%	0.05619231%	0.06148740%	0.06457820%
District's proportionate share of collective net pension liability (\$)	\$ 35,204,032	\$ 19,684,288	\$ 21,234,239	\$ 21,734,977	\$ 17,249,730
State's proportionate share of net pension liability associated with the District	28,372,524	15,746,369	19,980,257	15,657,455	12,568,650
Total	<u>\$ 63,576,556</u>	<u>\$ 35,430,657</u>	<u>\$ 41,214,496</u>	<u>\$ 37,392,432</u>	<u>\$ 29,818,380</u>
District's covered payroll	\$ 57,589,464	\$ 53,246,493	\$ 50,608,925	\$ 41,402,433	\$ 35,073,700
District's proportionate share of collective net pension liability as a percentage of covered payroll	61.1%	37.0%	42.0%	52.5%	49.2%
Plan fiduciary net position as percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

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

** 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 Nine Fiscal Years

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

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

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

** 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 Six Fiscal Years

Fiscal years ended August 31,*	2023	2022	2021
District's proportion of collective net OPEB liability (%)	0.33573265%	0.32530579%	0.26268022%
District's proportionate share of collective net OPEB liability (\$)	\$ 95,640,043	\$ 116,705,100	\$ 86,801,710
State's proportionate share of net OPEB liability associated with the District	59,070,679	67,173,446	61,859,090
	<u>\$ 154,710,722</u>	<u>\$ 183,878,546</u>	<u>\$ 148,660,800</u>
District's covered payroll	\$ 126,764,877	\$ 115,001,448	\$ 98,096,908
District's proportionate share of collective net OPEB liability as a percentage of covered payroll	75.4%	101.5%	88.5%
Plan fiduciary net position as percentage of the total OPEB liability	0.57%	0.38%	0.32%
Fiscal years ended 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	62,938,382	53,074,547	28,185,772
	<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 Six Fiscal Years

Fiscal years ended August 31,*	2023	2022	2021
Legally required contributions	\$ 1,065,736	\$ 885,055	\$ 921,585
Less: Actual contributions	1,065,736	885,055	921,585
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered payroll amount	\$ 131,955,217	\$ 126,764,877	\$ 115,001,448
Ratio of: Actual contributions / ER covered payroll amount	0.8%	0.7%	0.8%

Fiscal years ended 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:

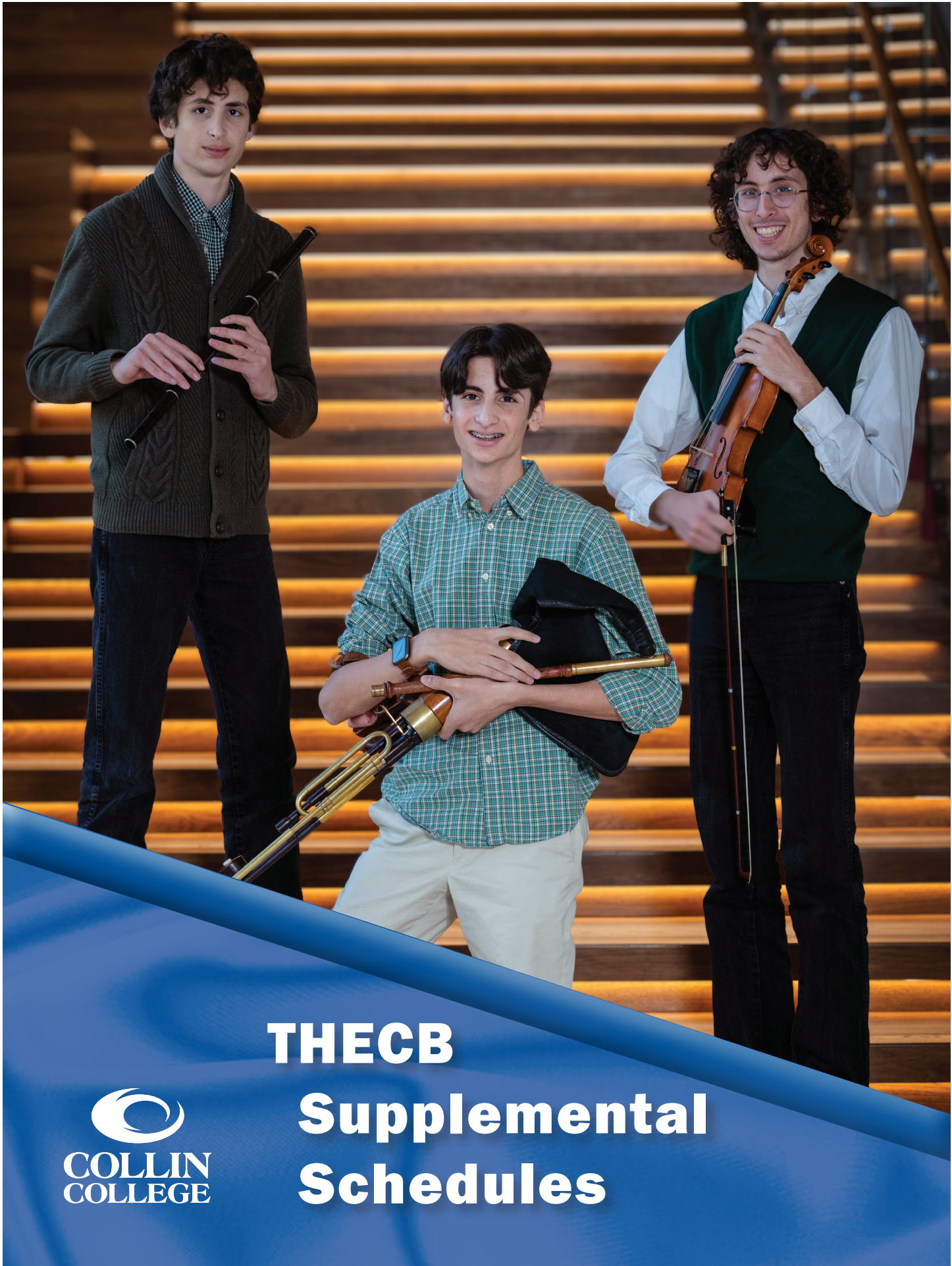
- The discount rate changed from 7.25% to 7.00%.

Changes of Assumptions for OPEB:

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

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effect on our short-term expectations. The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent information.
- The discount rate was changed from 2.14% to 3.59% 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.

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THECB
Supplemental
Schedules



THECB Supplemental Schedules

**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, 2023
(with comparative totals at August 31, 2022)**

	Unrestricted	Restricted	Total		Total	
			Educational Activities	Auxiliary Enterprises	2023	2022
Tuition						
State funded courses						
In-district resident tuition	\$ 27,724,627	\$ -	\$ 27,724,627	\$ -	27,724,627	\$ 24,801,139
Out-of-district resident tuition	19,819,836	-	19,819,836	-	19,819,836	16,012,933
TPEG Credit (set aside)*	1,929,051	-	1,929,051	-	1,929,051	1,705,281
Non-resident tuition	11,881,224	-	11,881,224	-	11,881,224	11,011,117
Continuing education	2,249,943	-	2,249,943	-	2,249,943	2,789,061
TPEG Non-Credit (set aside)*	156,140	-	156,140	-	156,140	174,257
Non-state funded continuing education	192,279	-	192,279	-	192,279	154,879
Total tuition	<u>63,953,100</u>	<u>-</u>	<u>63,953,100</u>	<u>-</u>	<u>63,953,100</u>	<u>56,648,667</u>
General fees	1,252,630	-	1,252,630	-	1,252,630	1,002,697
Student activity fee	1,395,402	-	1,395,402	-	1,395,402	1,332,457
Laboratory fee	645,288	-	645,288	-	645,288	643,899
Total fees	<u>3,293,320</u>	<u>-</u>	<u>3,293,320</u>	<u>-</u>	<u>3,293,320</u>	<u>2,979,053</u>
Scholarship allowances and discounts						
Remissions and exemptions	(5,432,929)	-	(5,432,929)	-	(5,432,929)	(4,070,796)
TPEG awarded	(1,534,123)	-	(1,534,123)	-	(1,534,123)	(1,635,395)
Federal grants to students	(13,793,935)	-	(13,793,935)	-	(13,793,935)	(11,631,853)
Other	(862,375)	-	(862,375)	-	(862,375)	(720,369)
Total scholarship allowances	<u>(21,623,362)</u>	<u>-</u>	<u>(21,623,362)</u>	<u>-</u>	<u>(21,623,362)</u>	<u>(18,058,413)</u>
Total net tuition and fees	<u>\$ 45,623,058</u>	<u>\$ -</u>	<u>\$ 45,623,058</u>	<u>\$ -</u>	<u>\$ 45,623,058</u>	<u>\$ 41,569,307</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2023
(with comparative totals at August 31, 2022)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Total	
					2023	2022
Additional operating revenues						
Federal grants and contracts	\$ 466,287	\$ 21,688,859	\$ 22,155,146	\$ -	\$ 22,155,146	\$ 15,511,436
State grants and contracts	99	1,387,319	1,387,418	-	1,387,418	2,042,960
Nongovernmental grants and contracts	-	40,548	40,548	-	40,548	148,457
Sales and services of educational activities	768,718	-	768,718	-	768,718	711,199
Other operating revenues	467,892	-	467,892	-	467,892	632,198
Total additional operating revenues	<u>1,702,996</u>	<u>23,116,726</u>	<u>24,819,722</u>	<u>-</u>	<u>24,819,722</u>	<u>19,046,250</u>
Auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,630,279</u>	<u>4,630,279</u>	<u>3,901,832</u>
Total Operating Revenues	<u>\$ 47,326,054</u>	<u>\$ 23,116,726</u>	<u>\$ 70,442,780</u>	<u>\$ 4,630,279</u>	<u>\$ 75,073,059</u> (Exhibit 2)	<u>\$ 64,517,389</u> (Exhibit 2)

* In accordance with Education Code 56.033; \$2,085,191 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, 2023
(with comparative totals at August 31, 2022)

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other Expenses	2023	2022
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 86,195,882	\$ -	\$ 16,568,611	\$ 5,249,452	\$ 108,013,945	\$ 102,867,035
Public service	122,856	-	17,772	4,250	144,878	205,300
Academic support	20,767,624	-	6,160,603	4,445,333	31,373,560	28,415,256
Student services	14,413,669	-	4,411,753	2,204,947	21,030,369	19,273,143
Institutional support	21,826,353	-	9,083,457	13,853,045	44,762,855	42,055,653
Operation and maintenance of plant	6,476,994	-	1,457,876	19,949,205	27,884,075	23,570,715
Total unrestricted educational activities	149,803,378	-	37,700,072	45,706,232	233,209,682	216,387,102
Restricted - educational activities						
Instruction	69,131	4,569,005	8,878	1,748,069	6,395,083	4,016,016
Public service	318,828	30,700	72,030	15,461	437,019	529,351
Academic support	503,677	1,072,607	114,489	963,303	2,654,076	1,395,495
Student services	434,420	772,499	81,333	132,654	1,420,906	1,465,307
Institutional support	64,104	2,594,350	9,625	15,320,848	17,988,927	9,249,791
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships	-	-	-	18,940,360	18,940,360	36,856,190
Total restricted educational activities	1,390,160	9,039,161	286,355	37,120,695	47,836,371	53,512,150
Total educational activities	151,193,538	9,039,161	37,986,427	82,826,927	281,046,053	269,899,252
Auxiliary enterprises	1,505,936	-	329,787	3,875,690	5,711,413	4,543,309
Depreciation expense - buildings and other real estate improvements	-	-	-	15,964,717	15,964,717	15,416,562
Depreciation expense - equipment and furniture	-	-	-	11,241,010	11,241,010	7,422,164
Total operating expenses	\$ 152,699,474	\$ 9,039,161	\$ 38,316,214	\$ 113,908,344	\$ 313,963,193	\$ 297,281,287
				(Exhibit 2)	(Exhibit 2)	

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Non-Operating Revenues and Expenses
For the year ended August 31, 2023
(with comparative totals at August 31, 2022)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary enterprises</u>	<u>2023</u>	<u>Totals</u> <u>2022</u>
Non-operating revenues:					
State appropriations					
Education and general state support	\$ 44,609,466	\$ -	\$ -	\$ 44,609,466	\$ 44,609,466
State group insurance	-	6,114,179	-	6,114,179	6,114,179
State retirement matching	-	5,071,292	-	5,071,292	826,038
OPEB revenue / (expenses)	-	(2,146,312)	-	(2,146,312)	(819,574)
Total state appropriations	<u>44,609,466</u>	<u>9,039,159</u>	<u>-</u>	<u>53,648,625</u>	<u>50,730,109</u>
Ad valorem taxes	142,321,411	11,860,729	-	154,182,140	132,471,746
Federal contracts and grants	75,313	30,490,775	-	30,566,088	45,828,359
State contracts and grants	-	1,307,369	-	1,307,369	-
Gifts	34,600	100,000	-	134,600	111,150
Investment income (net of investment expenses)	16,855,639	-	-	16,855,639	11,078
Other non-operating revenues	<u>259,623</u>	<u>-</u>	<u>-</u>	<u>259,623</u>	<u>245,440</u>
Total non-operating revenues	<u>204,156,052</u>	<u>52,798,032</u>	<u>-</u>	<u>256,954,084</u>	<u>229,397,882</u>
Non-operating expenses:					
Interest on capital related debt	(544,521)	(17,917,357)	-	(18,461,878)	(18,757,487)
Other non-operating expenses	<u>(700)</u>	<u>-</u>	<u>-</u>	<u>(700)</u>	<u>(442,054)</u>
Total non-operating expenses	<u>(545,221)</u>	<u>(17,917,357)</u>	<u>-</u>	<u>(18,462,578)</u>	<u>(19,199,541)</u>
Net non-operating revenues	<u>\$ 203,610,831</u>	<u>\$ 34,880,675</u>	<u>\$ -</u>	<u>\$ 238,491,506</u>	<u>\$ 210,198,341</u>
				(Exhibit 2)	(Exhibit 2)

Collin County Community College District

Schedule of Net Position by Source and Availability
As of August 31, 2023
(with comparative totals at August 31, 2022)

	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	\$ (49,710,569)	\$ -	\$ -	\$ -	\$ (49,710,569)	\$ (49,710,569)	\$ -
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	-	2,223,752	-	-	2,223,752	-	2,223,752
Auxiliary enterprises	2,126,049	-	-	-	2,126,049	2,126,049	-
Startup and stabilization	81,760,257	-	-	-	81,760,257	81,760,257	-
Plant:							
Unexpended	112,430,225	-	-	-	112,430,225	-	112,430,225
Debt service	-	18,082,180	-	-	18,082,180	-	18,082,180
Investment in plant	-	-	-	317,041,513	317,041,513	-	317,041,513
Total net position - August 31, 2023	201,455,962	20,305,932	-	317,041,513	538,803,407 (Exhibit 2)	34,175,737	504,627,670
Total net position - August 31, 2022	221,712,064	20,837,546	-	296,369,605	538,919,215	57,408,303	481,510,912
Cumulative effect of change in accounting principle	282,820	-	-	-	282,820	-	282,820
Total net position - August 31, 2022 as restated	221,994,884	20,837,546	-	296,369,605	539,202,035 (Exhibit 2)	57,408,303	481,793,732
Net increase in net position	\$ (20,538,922)	\$ (531,614)	\$ -	\$ 20,671,908	\$ (398,628) (Exhibit 2)	\$ (23,232,566)	\$ 22,833,938

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, 2023 and August 31, 2022, the minimum required unrestricted fund balance was \$58,243,075 and \$56,149,063, respectively. This amount is included as part of the undesignated balance.



Statistical

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Statistical Section

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

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Statistical Section (unaudited)

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

Financial Trends- Statistical Supplements 1-3

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

Revenue Capacity- Statistical Supplements 4-8

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

Debt Capacity- Statistical Supplements 9-11

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

Demographic and Economic Information- Statistical Supplements 12-13

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

Operating Information- Statistical Supplements 14-18

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

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**Net Position by Component
Fiscal Years 2014 to 2023
(unaudited)**

For the Fiscal Year Ended August 31,					
		(a) Restated	(b) Restated		
	2023	2022	2021	2020	2019
Net investment in capital assets	\$ 317,041,513	\$ 296,652,425	\$ 287,636,997	\$ 278,203,505	\$ 264,285,928
Restricted - expendable	20,305,932	14,537,546	20,951,426	13,127,520	15,454,451
Unrestricted	201,455,962	228,012,064	252,896,349	281,614,752	277,150,841
Total Net Position	<u>\$ 538,803,407</u>	<u>\$ 539,202,035</u>	<u>\$ 561,484,772</u>	<u>\$ 572,945,777</u>	<u>\$ 556,891,220</u>
Total Change in Net Position	<u>\$ (398,628)</u>	<u>\$ (22,282,737)</u>	<u>\$ (11,461,005)</u>	<u>\$ 16,054,557</u>	<u>\$ 38,108,859</u>

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

Notes:

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

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

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

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

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

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

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Revenues by Source
Fiscal Years 2014 to 2023
(unaudited)**

	For the Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
Tuition and Fees (Net of Discounts)	\$ 45,623,058	\$ 41,569,307	\$ 39,263,227	\$ 39,230,781	\$ 40,182,049
Governmental Grants and Contracts					
Federal Grants and Contracts	22,155,146	15,511,436	13,952,721	4,831,908	2,171,735
State Grants and Contracts	1,387,418	2,042,960	2,396,768	1,992,483	1,609,536
Non-Governmental Grants and Contracts	40,548	148,457	134,939	179,103	150,053
Sales & Services of Educational Activities	768,718	711,199	602,201	505,344	919,031
Auxiliary Enterprises	4,630,279	3,901,832	2,956,851	2,039,803	2,376,831
Other Operating Revenues	467,892	632,198	241,892	317,769	1,089,590
Total Operating Revenues	75,073,059	64,517,389	59,548,599	49,097,191	48,498,825
State Appropriations	53,648,625	50,730,109	49,492,556	50,782,813	44,026,968
Ad Valorem Taxes	154,182,140	132,471,746	124,226,128	118,378,106	110,489,653
Federal Grants and Contracts	30,566,088	45,828,359	33,107,077	30,649,045	23,865,674
State Grants and Contracts	1,307,369	-	-	-	-
Gifts	134,600	111,150	172,388	6,112,500	6,209,422
Investment Income	16,855,639	11,078	708,958	5,440,542	12,134,040
Other Non-Operating Revenues	259,623	245,440	251,333	245,440	250,233
Total Non-Operating Revenues	256,954,084	229,397,882	207,958,440	211,608,446	196,975,990
Total Revenues	\$ 332,027,143	\$ 293,915,271	\$ 267,507,039	\$ 260,705,637	\$ 245,474,815

	For the Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
Tuition and Fees (Net of Discounts)	13.74%	14.14%	14.68%	15.05%	16.37%
Governmental Grants and Contracts					
Federal Grants and Contracts	6.67%	5.28%	5.22%	1.85%	0.88%
State Grants and Contracts	0.42%	0.70%	0.90%	0.76%	0.66%
Non-Governmental Grants and Contracts	0.01%	0.05%	0.05%	0.07%	0.06%
Sales & Services of Educational Activities	0.23%	0.24%	0.23%	0.19%	0.37%
Auxiliary Enterprises	1.39%	1.33%	1.11%	0.78%	0.97%
Other Operating Revenues	0.14%	0.22%	0.09%	0.12%	0.44%
Total Operating Revenues	22.60%	21.96%	22.28%	18.82%	19.75%
State Appropriations	16.16%	17.26%	18.50%	19.48%	17.94%
Ad Valorem Taxes	46.44%	45.07%	46.42%	45.42%	45.02%
Federal Grants and Contracts	9.21%	15.59%	12.38%	11.76%	9.72%
State Grants and Contracts	0.39%	0.00%	0.00%	0.00%	0.00%
Gifts	0.04%	0.04%	0.06%	2.34%	2.53%
Investment Income	5.08%	0.00%	0.27%	2.09%	4.94%
Other Non-Operating Revenues	0.08%	0.08%	0.09%	0.09%	0.10%
Total Non-Operating Revenues	77.40%	78.04%	77.72%	81.18%	80.25%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Revenues by Source
Fiscal Years 2014 to 2023
(unaudited)**

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

	For the Fiscal Year Ended August 31,				
	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	16.58%	17.58%	16.78%	15.64%	15.84%
Governmental Grants and Contracts					
Federal Grants and Contracts	0.86%	0.83%	1.20%	3.68%	4.10%
State Grants and Contracts	1.31%	1.25%	0.90%	0.99%	0.55%
Non-Governmental Grants and Contracts	0.11%	0.14%	0.04%	0.00%	0.01%
Sales & Services of Educational Activities	0.46%	0.38%	0.37%	0.35%	0.31%
Auxiliary Enterprises	0.91%	0.88%	2.75%	4.86%	5.23%
Other Operating Revenues	0.17%	0.24%	0.19%	0.17%	0.20%
Total Operating Revenues	20.40%	21.30%	22.23%	25.69%	26.24%
State Appropriations	20.31%	20.65%	22.24%	21.30%	21.79%
Ad Valorem Taxes	45.48%	45.02%	44.02%	39.64%	37.94%
Federal Grants and Contracts	10.77%	10.00%	10.96%	13.11%	13.84%
State Grants and Contracts	0.00%	0.00%	0.00%	0.00%	0.00%
Gifts	0.01%	1.83%	0.00%	0.03%	0.02%
Investment Income	2.94%	1.10%	0.44%	0.12%	0.06%
Other Non-Operating Revenues	0.09%	0.10%	0.11%	0.11%	0.11%
Total Non-Operating Revenues	79.60%	78.70%	77.77%	74.31%	73.76%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Program Expenses by Function
Fiscal Years 2014 to 2023
(unaudited)**

	For the Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
Instruction	\$ 114,409,028	\$ 106,883,051	\$ 107,515,025	\$ 94,808,531	\$ 85,053,537
Public Service	581,897	734,651	706,221	633,445	438,331
Academic Support	34,027,636	29,810,751	23,120,562	20,472,310	16,817,374
Student Services	22,451,275	20,738,450	20,110,660	19,062,205	17,416,367
Institutional Support	62,751,782	51,305,444	40,961,730	39,239,368	32,273,267
Operation and Maintenance of Plant	27,884,075	23,570,715	20,882,496	16,518,861	15,561,126
Scholarships and Fellowships	18,940,360	36,856,190	24,078,545	22,555,231	18,571,380
Auxiliary Enterprises	5,711,413	4,543,309	3,828,317	4,038,776	2,470,080
Depreciation	27,205,727	22,838,726	18,691,859	12,552,149	9,423,418
Total Operating Expenses	313,963,193	297,281,287	259,895,415	229,880,876	198,024,880
Interest on Capital Related Debt	18,461,878	18,757,487	19,060,180	12,675,077	9,341,076
Other Non-operating Expenses	700	442,054	2,638	2,095,127	-
Loss on Disposal of Fixed Assets	-	-	-	-	-
Total Non-Operating Expenses	18,462,578	19,199,541	19,062,818	14,770,204	9,341,076
Total Expenses	\$ 332,425,771	\$ 316,480,828	\$ 278,958,233	\$ 244,651,080	\$ 207,365,956

	For the Fiscal Year Ended August 31,				
	2023	2022	2021	2020	2019
Instruction	34.42%	33.77%	38.54%	38.75%	41.02%
Public Service	0.18%	0.23%	0.25%	0.26%	0.21%
Academic Support	10.24%	9.42%	8.29%	8.37%	8.11%
Student Services	6.75%	6.55%	7.21%	7.79%	8.40%
Institutional Support	18.88%	16.21%	14.69%	16.05%	15.57%
Operation and Maintenance of Plant	8.39%	7.45%	7.49%	6.75%	7.50%
Scholarships and Fellowships	5.69%	11.64%	8.63%	9.22%	8.96%
Auxiliary Enterprises	1.72%	1.44%	1.37%	1.65%	1.19%
Depreciation	8.18%	7.22%	6.70%	5.13%	4.54%
Total Operating Expenses	94.45%	93.93%	93.17%	93.97%	95.50%
Interest on Capital Related Debt	5.55%	5.93%	6.83%	5.17%	4.50%
Other Non-operating Expenses	0.00%	0.14%	0.00%	0.86%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	5.55%	6.07%	6.83%	6.03%	4.50%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Program Expenses by Function
Fiscal Years 2014 to 2023
(unaudited)**

	For the Fiscal Year Ended August 31,				
	2018	2017	2016	2015	2014
Instruction	\$ 74,863,647	\$ 70,813,288	\$ 72,044,666	\$ 64,578,677	\$ 58,718,787
Public Service	533,546	701,327	1,260,478	758,294	556,778
Academic Support	14,226,341	12,194,878	11,908,733	15,485,516	15,605,938
Student Services	15,406,930	12,965,133	11,875,226	10,430,474	9,716,643
Institutional Support	26,911,239	24,213,569	19,966,816	18,940,401	15,469,145
Operation and Maintenance of Plant	13,444,347	12,933,541	11,666,212	10,388,845	13,274,011
Scholarships and Fellowships	18,760,158	16,856,378	16,342,810	19,417,452	20,149,733
Auxiliary Enterprises	2,253,950	3,038,575	6,413,444	9,548,337	10,899,311
Depreciation	9,053,254	8,788,326	8,392,630	7,711,950	7,544,508
Total Operating Expenses	175,453,412	162,505,015	159,871,015	157,259,946	151,934,854
Interest on Capital Related Debt	3,982,439	731,903	1,223,125	1,525,612	1,664,760
Other Non-operating Expenses	2,309,087	-	-	-	1,583,757
Loss on Disposal of Fixed Assets	13,121	-	-	-	-
Total Non-Operating Expenses	6,304,647	731,903	1,223,125	1,525,612	3,248,517
Total Expenses	\$ 181,758,059	\$ 163,236,918	\$ 161,094,140	\$ 158,785,558	\$ 155,183,371

	For the Fiscal Year Ended August 31,				
	2018	2017	2016	2015	2014
Instruction	41.19%	43.39%	44.74%	40.67%	37.85%
Public Service	0.29%	0.43%	0.78%	0.48%	0.36%
Academic Support	7.83%	7.47%	7.39%	9.75%	10.06%
Student Services	8.48%	7.94%	7.37%	6.57%	6.26%
Institutional Support	14.80%	14.83%	12.39%	11.93%	9.97%
Operation and Maintenance of Plant	7.40%	7.92%	7.24%	6.54%	8.55%
Scholarships and Fellowships	10.32%	10.33%	10.14%	12.23%	12.98%
Auxiliary Enterprises	1.24%	1.86%	3.98%	6.01%	7.02%
Depreciation	4.98%	5.38%	5.21%	4.86%	4.86%
Total Operating Expenses	96.53%	99.55%	99.24%	99.04%	97.91%
Interest on Capital Related Debt	2.19%	0.45%	0.76%	0.96%	1.07%
Other Non-operating Expenses	1.27%	0.00%	0.00%	0.00%	1.02%
Loss on Disposal of Fixed Assets	0.01%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	3.47%	0.45%	0.76%	0.96%	2.09%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**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
		2022	\$ 2			\$ 60	\$ 115	-	\$ 2
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%

**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
		2022	\$ 2			\$ 185	\$ 185	-	\$ 2
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%

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)
2022-23	\$ 241,608,724,839	\$ 49,455,820,156	\$ 192,152,904,683	79.53%	0.075000	0.00622	0.081220
2021-22	198,233,195,044	30,337,830,581	167,895,364,463	84.70%	0.079100	0.002122	0.081222
2020-21	188,791,935,841	29,225,450,705	159,566,485,136	84.52%	0.079100	0.002122	0.081222
2019-20	176,741,386,622	28,361,861,908	148,379,524,714	83.95%	0.079100	0.002122	0.081222
2018-19	165,358,186,889	27,407,338,073	137,950,848,816	83.43%	0.078190	0.003032	0.081222
2017-18	150,997,988,054	25,735,409,816	125,262,578,238	82.96%	0.077118	0.002692	0.079810
2016-17	134,712,150,568	24,102,439,926	110,609,710,642	82.11%	0.078174	0.003048	0.081222
2015-16	119,250,034,517	21,520,774,913	97,729,259,604	81.95%	0.078965	0.002995	0.081960
2014-15	103,609,292,320	15,479,038,414	88,130,253,906	85.06%	0.078965	0.002995	0.081960
2013-14	93,973,412,369	13,502,474,479	80,470,937,890	85.63%	0.080000	0.003643	0.083643

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)**

For the Year Ended August 31,					
Appropriation Funding Elements	2023	2022	2021	2020	2019
State Appropriation Contact Hour Funding (CH)	\$ 36,450,479	\$ 36,450,479	\$ 34,207,367	\$ 34,207,367	\$ 31,084,468
State Appropriation Student Success Points (SSP)	7,478,581	7,478,581	4,946,247	4,946,247	3,735,127
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
Total	\$ 44,609,466	\$ 44,609,466	\$ 39,843,128	\$ 39,845,411	\$ 35,511,392

Appropriation Funding Elements	2018	2017	2016	2015	2014*
State Appropriation Contact Hour Funding (CH)	\$ 31,084,468	\$ 29,864,582	\$ 29,923,738	\$ 29,252,294	\$ 29,252,294
State Appropriation Student Success Points (SSP)	3,735,128	3,320,992	3,320,993	3,383,781	3,383,781
State Appropriation Core Operations (CO)	680,406	500,000	500,000	500,000	500,000
Recouped Funds/Audit Adj	11,391	-	-	-	-
Total	\$ 35,511,393	\$ 33,685,574	\$ 33,744,731	\$ 33,136,075	\$ 33,136,075

Formula funding methodology changed in fiscal year 2014
Source: THECB - Ten Pay Schedule 2014-2023;

* 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

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

Fiscal Year	State Appropriation (Unrestricted) From Sch C	FTSE¹	State Appropriation per FTSE
2023	\$ 44,609,466	26,726	\$ 1,669
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

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)**

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

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

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

Source CBM004 and CBM00C

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	SSP - State Appropriation (Unrestricted)	3-Year Average Student Success Points	Appropriation per Student Success Point
2023	\$ 7,478,581	60,334	\$ 124
2022	7,478,581	60,334	124
2021	4,946,247	48,844	101
2020	4,946,247	48,844	101
2019	3,735,127	43,544	86
2018	3,735,128	43,544	86
2017	3,320,992	38,485	86
2016	3,320,993	38,485	86
2015	3,383,781	36,557	93
2014	3,383,781	36,557	93

State Funded student success point appropriation as presented in Schedule 6a
Source: THECB - Ten Pay Schedule

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

For the Fiscal Year Ended August 31,

Success Point Elements²	2021*	2020	2019**	2018	2017	2016
Degrees or Certs in Critical Fields	2,311	1,986	2,022	1,136	1,008	889
Degrees, CCCs, or Certs (Undup)	6,610	6,671	5,368	8,338	8,078	7,312
Math Readiness	1,444	1,744	961	1,040	1,064	837
Read Readiness	544	556	486	478	488	383
Student Transfers to a 4-Yr Inst	10,743	11,943	11,247	6,196	5,988	6,254
Students Who Complete 15 SCH	10,974	10,901	10,201	9,538	9,205	8,130
Students Who Complete 30 SCH	10,164	9,943	9,341	5,927	5,523	5,217
Students Who Pass FCL Math Course	7,237	7,791	6,728	6,054	5,728	5,529
Students Who Pass FCL Read Course	6,548	7,031	6,985	6,368	5,940	5,450
Students Who Pass FCL Write Course	6,385	6,913	6,872	6,215	5,765	5,309
Write Readiness	270	263	199	332	458	357
Annual Success Points Total	63,230	65,742	60,410	51,622	49,245	45,667

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

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

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 Accountability System

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Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2023	2022	2021	2020	2019
Texas Instruments, Inc	Manufacturer	\$ 1,909,511,992	\$ 822,609,379	\$ 235,321,892	\$ 179,559,887	\$ 171,414,883
Oncor Electric Delivery Company	Public Utility	797,946,750	718,708,443	666,336,300	586,563,240	-
Corporate Properties Trust I SPE #1 LLC	Commercial	722,623,725	714,253,292	707,032,327	725,887,092	711,682,592
Toyota Motor North America INC	Manufacturer	640,841,317	634,470,917	624,549,283	634,470,917	613,365,733
JP Morgan Chase Bank NA	Commercial	630,746,696	626,490,539	565,051,815	433,884,153	362,487,692
Legacy West Investors LP	Commercial	435,534,207	394,500,000	372,527,440	392,564,484	378,750,238
Bank of America	Commercial	412,548,857	295,148,704	175,165,343	319,273,489	280,562,279
Liberty Mutual Plano LLC	Commercial	390,006,849	381,938,992	377,170,909	385,270,425	377,568,425
CCI-D 6501 Legacy Owners LLC	Commercial	356,210,866	335,000,000	-	-	-
Stonebriar Mall Ltd. Partnership	Commercial	341,025,726	331,853,647	327,766,669	354,194,082	330,831,345
Health Care Service Corporation	Commercial	338,477,716	336,126,339	333,160,554	342,496,820	335,422,191
Atmos Energy/Mid Tex Division	Commercial	327,249,717	274,063,937	295,259,831	272,524,706	253,817,943
5765 Bozeman (TX) Owner LP	Commercial	313,981,951	229,952,844	-	-	-
Harbert Parkside Investor LP	Commercial	265,470,217	253,741,682	-	-	-
T-Mobile West LLC	Commercial	246,659,922	267,796,614	197,673,166	-	167,217,724
Capital One National Association	Commercial	235,215,970	235,215,970	232,887,100	237,730,753	232,838,352
Blue Star HQ Inc	Commercial	225,596,462	217,920,051	224,437,922	224,713,504	210,342,421
Encore Wire Corporation	Manufacturer	211,036,786	-	-	-	-
Raytheon TI Systems Inc	Manufacturer	198,779,758	-	-	-	-
394 Pacific DCD LLC	Commercial	-	-	-	-	-
AT&T Mobility LLC	Telephone Utility	-	-	-	-	-
BCS Office Investments One LP	Commercial	-	-	-	-	-
Briar Preston Ridge Shop. Ctr.	Commercial	-	-	-	-	-
Cisco Systems	Commercial	-	-	-	-	-
Cisco Systems Sales & Service Inc	Commercial	-	-	-	159,000,000	194,800,000
CXA-16 Corporation	Commercial	-	-	332,634,547	-	-
EMC Corp	Commercial	-	-	-	-	-
HP Enterprise Services LLC	Commercial	-	-	-	-	-
HSP of Texas Inc	Commercial	-	-	-	-	-
IBM Credit	Commercial	-	-	-	-	-
JC Penney Co. Inc.	Commercial	-	-	-	-	-
KBSIII Legacy Town Center LLC	Commercial	-	-	167,200,000	165,382,954	-
Legacy Campus LP	Commercial	-	-	-	-	-
SI DFW01 ABS LLC	Commercial	-	-	-	-	224,700,000
Silos Harvesting Partners LP	Commercial	-	-	-	397,480,240	389,652,603
T5@Dallas LLC	Commercial	-	-	-	-	-
Texas Heart Hospital of the Southwest LLP	Commercial	-	-	162,571,929	169,745,271	177,346,413
United Dominion Realty LP	Commercial	-	-	-	-	-
VAA Improvements LLC	Commercial	-	-	-	160,680,000	162,926,685
Village at Allen LP	Commercial	-	-	-	-	-
Wal-Mart Stores Texas LLC	Commercial	-	-	-	-	-
Watters Creek LLC	Commercial	-	-	-	-	-
Willow Bend Shopping Center	Commercial	-	-	-	-	-
Qorvo Texas LLC	Manufacturer	-	173,002,383	178,972,094	174,902,640	196,551,827
UDR Legacy Village LLC	Commercial	-	176,750,105	163,556,782	163,000,000	-
Totals		\$ 8,999,465,484	\$ 7,419,543,838	\$ 6,339,275,903	\$ 6,479,324,657	\$ 5,772,279,346
Total Taxable Assessed Value		\$ 192,152,904,683	\$ 167,895,364,463	\$ 159,566,485,139	\$ 148,379,524,714	\$ 137,950,848,816

Source: Tax Assessor/Collector of Collin County

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Statistical Supplement 7

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2018	2017	2016	2015	2014
Texas Instruments, Inc	Manufacturer	\$ 190,297,524	\$ 195,581,438	\$ -	\$ -	\$ -
Oncor Electric Delivery Company	Public Utility	544,867,308	511,950,135	543,516,118	541,253,800	519,537,661
Corporate Properties Trust I SPE #1 LLC	Commercial	720,068,550	685,493,462	-	-	-
Toyota Motor North America INC	Manufacturer	592,679,891	358,473,658	-	-	-
JP Morgan Chase Bank NA	Commercial	312,538,085	140,967,122	-	-	-
Legacy West Investors LP	Commercial	340,861,050	221,702,635	-	-	-
Bank of America	Commercial	248,522,533	198,249,810	438,945,810	386,940,931	320,720,305
Liberty Mutual Plano LLC	Commercial	345,798,915	-	-	-	-
CCI-D 6501 Legacy Owners LLC	Commercial	-	-	-	-	-
Stonebriar Mall Ltd. Partnership	Commercial	321,459,957	294,907,713	287,982,811	276,304,342	260,753,175
Health Care Service Corporation	Commercial	292,703,563	257,500,000	234,520,075	234,520,075	211,520,075
Atmos Energy/Mid Tex Division	Commercial	174,619,058	-	-	-	-
5765 Bozeman (TX) Owner LP	Commercial	-	-	-	-	-
Harbert Parkside Investor LP	Commercial	-	-	-	-	-
T-Mobile West LLC	Commercial	-	-	-	-	-
Capital One National Association	Commercial	216,428,297	190,788,000	149,429,000	147,883,770	142,606,357
Blue Star HQ Inc	Commercial	201,017,500	-	-	-	-
Encore Wire Corporation	Manufacturer	-	-	-	-	-
Raytheon TI Systems Inc	Manufacturer	-	-	-	-	-
394 Pacific DCD LLC	Commercial	187,235,847	168,000,000	-	-	-
AT&T Mobility LLC	Telephone Utility	189,870,432	149,825,169	161,911,224	180,969,477	175,236,979
BCS Office Investments One LP	Commercial	-	-	362,453,234	329,153,747	-
Briar Preston Ridge Shop. Ctr.	Commercial	-	-	121,936,281	121,815,390	121,741,860
Cisco Systems	Commercial	-	-	-	163,176,492	159,890,798
Cisco Systems Sales & Service Inc	Commercial	181,600,000	155,000,000	135,112,776	122,829,796	115,958,112
CXA-16 Corporation	Commercial	-	-	-	-	-
EMC Corp	Commercial	-	-	-	122,159,054	137,003,309
HP Enterprise Services LLC	Commercial	-	178,540,755	151,351,731	146,470,263	-
HSP of Texas Inc	Commercial	-	149,281,614	143,641,649	144,545,391	114,469,428
IBM Credit	Commercial	-	-	-	-	116,205,684
JC Penney Co. Inc.	Commercial	-	-	166,000,000	165,336,836	161,355,729
KBSIII Legacy Town Center LLC	Commercial	163,915,077	154,458,567	-	-	113,067,926
Legacy Campus LP	Commercial	-	139,524,292	133,735,904	139,950,145	126,045,001
SI DFW01 ABS LLC	Commercial	-	-	-	-	-
Silos Harvesting Partners LP	Commercial	310,000,000	245,000,000	-	-	-
T5@Dallas LLC	Commercial	-	-	146,000,000	125,500,000	112,001,268
Texas Heart Hospital of the Southwest LLP	Commercial	-	-	-	-	-
United Dominion Realty LP	Commercial	-	-	122,947,560	-	-
VAA Improvements LLC	Commercial	160,963,346	-	-	-	-
Village at Allen LP	Commercial	-	154,189,216	147,302,454	144,273,092	144,127,995
Wal-Mart Stores Texas LLC	Commercial	-	-	-	139,644,608	125,878,773
Watters Creek LLC	Commercial	-	-	117,750,824	-	-
Willow Bend Shopping Center	Commercial	-	-	140,600,000	200,800,000	142,581,631
Qorvo Texas LLC	Manufacturer	-	-	190,075,709	-	-
UDR Legacy Village LLC	Commercial	-	-	-	-	-
Totals		\$ 5,851,046,933	\$ 4,691,961,486	\$ 3,895,213,160	\$ 3,833,527,209	\$ 3,320,702,066
Total Taxable Assessed Value		\$ 125,262,578,238	\$ 110,609,710,642	\$ 97,729,259,604	\$ 88,130,253,906	\$ 80,470,937,890

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
2023	\$ 151,001	\$ 7,110	\$ 158,111	\$ 156,186	98.78%	\$ 697	\$ 690	\$ 157,573	99.66%
2022	134,544	600	135,144	133,934	99.10%	703	581	135,218	100.05%
2021	126,519	514	127,033	125,968	99.16%	268	659	126,895	99.89%
2020	121,041	2,933	123,974	120,008	96.80%	321	666	120,995	97.60%
2019	112,145	2,631	114,776	111,448	97.10%	830	619	112,897	98.36%
2018	100,783	2,267	103,050	99,383	96.44%	844	544	100,771	97.79%
2017	91,096	2,941	94,037	89,217	94.87%	1,157	648	91,022	96.79%
2016	82,019	2,092	84,111	80,484	95.69%	1,239	597	82,320	97.87%
2015	73,897	1,544	75,441	72,385	95.95%	818	496	73,699	97.69%
2014	68,790	1,208	69,998	67,645	96.64%	499	437	68,581	97.98%

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

For the Fiscal Year Ended August 31,

	<u>2023</u>	<u>2022*</u>	<u>2021*</u>	<u>2020</u>	<u>2019</u>
General Bonded Debt					
General Obligation Bonds	\$ 534,989,981	\$ 556,523,582	\$ 575,747,183	\$ 596,311,827	\$ 256,487,832
Less: Funds restricted for debt service	(12,595,820)	(10,409,124)	(10,188,965)	(7,378,630)	(6,342,738)
Net General Bonded Debt	<u>522,394,161</u>	<u>546,114,458</u>	<u>565,558,218</u>	<u>588,933,197</u>	<u>250,145,094</u>
Other Debt					
Revenue Bonds	-	-	-	-	-
Lease and SBITA Liabilities	14,745,540	14,916,690	1,327,349	-	-
Total Other Debt	<u>14,745,540</u>	<u>14,916,690</u>	<u>1,327,349</u>	<u>-</u>	<u>-</u>
Total Net Outstanding Debt	<u>\$ 537,139,701</u>	<u>\$ 561,031,148</u>	<u>\$ 566,885,567</u>	<u>\$ 588,933,197</u>	<u>\$ 250,145,094</u>
Total Gross Amount of Outstanding Debt	<u>\$ 549,735,521</u>	<u>\$ 571,440,272</u>	<u>\$ 577,074,532</u>	<u>\$ 596,311,827</u>	<u>\$ 256,487,832</u>
General Bonded Debt Ratios					
Per Capita	450.85	492.23	531.31	569.17	248.86
Per FTSE	26,726	21,283	22,407	22,613	9,564
As a percentage of Taxable Assessed Value	0.27%	0.33%	0.35%	0.40%	0.18%
Total Outstanding Debt Ratios					
Per Capita	474.44	515.06	542.13	576.30	255.17
Per FTSE	26,726	21,283	22,407	22,613	9,564
As a percentage of Taxable Assessed Value	0.28%	0.33%	0.36%	0.40%	0.18%

* Restated

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

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014
General Bonded Debt					
General Obligation Bonds	\$ 264,388,553	\$ 14,843,861	\$ 17,206,467	\$ 31,787,200	\$ 34,805,723
Less: Funds restricted for debt service	(2,250,198)	(894,905)	(552,079)	(364,843)	-
Net General Bonded Debt	<u>262,138,355</u>	<u>13,948,956</u>	<u>16,654,388</u>	<u>31,422,357</u>	<u>34,805,723</u>
Other Debt					
Revenue Bonds	-	1,095,000	2,160,000	3,195,000	4,195,000
Lease and SBITA Liabilities	-	-	-	-	-
Total Other Debt	<u>-</u>	<u>1,095,000</u>	<u>2,160,000</u>	<u>3,195,000</u>	<u>4,195,000</u>
Total Outstanding Debt	<u>\$ 262,138,355</u>	<u>\$ 15,043,956</u>	<u>\$ 18,814,388</u>	<u>\$ 34,617,357</u>	<u>\$ 39,000,723</u>
Total Gross Amount of Outstanding Debt	<u>\$ 264,388,553</u>	<u>\$ 15,938,861</u>	<u>\$ 19,366,467</u>	<u>\$ 34,982,200</u>	<u>\$ 39,000,723</u>
General Bonded Debt Ratios					
Per Capita	270.36	14.85	18.22	35.50	40.72
Per FTSE	10,464	574	702	1,408	1,501
As a percentage of Taxable Assessed Value	0.21%	0.01%	0.02%	0.04%	0.04%
Total Outstanding Debt Ratios					
Per Capita	272.68	16.96	21.19	39.52	45.63
Per FTSE	10,464	619	794	1,551	1,682
As a percentage of Taxable Assessed Value	0.21%	0.01%	0.02%	0.04%	0.05%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

General Obligation Bonds

For the Year Ended August 31	Net Taxable Assessed Value	Statutory Tax Levy Limit for Debt Service (\$0.12/\$100)	Less: Funds Restricted for Repayment	Total Net Debt	Current Year Debt Service	Excess of Statutory Limit for Debt Service over Current Requirement	Net Current Requirements as a % of Statutory Limit
2023	\$ 192,152,904,683	\$ 230,583,486	\$ 12,595,820	\$ 217,987,666	\$ 42,807,507	\$ 175,180,159	13.10%
2022	167,895,364,463	201,474,437	10,409,124	191,065,313	41,292,757	149,772,556	15.33%
2021	159,566,485,139	191,479,782	10,188,965	181,290,817	46,979,928	134,310,889	19.21%
2020	148,379,524,714	178,055,430	7,378,630	170,676,800	22,263,613	148,413,187	8.36%
2019	137,950,848,816	165,541,019	6,342,738	159,198,281	20,561,942	138,636,339	8.59%
2018	125,262,578,238	150,315,094	2,250,198	148,064,896	3,107,481	144,957,415	0.57%
2017	110,609,710,642	132,731,653	894,905	131,836,748	3,095,281	128,741,467	1.66%
2016	97,729,259,604	117,275,112	552,079	116,723,033	4,567,230	112,155,803	3.42%
2015	88,130,253,906	105,756,305	364,843	105,391,462	4,470,731	100,920,731	3.88%
2014	80,470,937,890	96,565,125	2,063,560	94,501,565	4,447,626	90,053,939	2.47%

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues						Debt Service Requirements			Coverage Ratio
	Tuition	Building Fees	Interest Income	Food Services	Bookstore Commission	Total	Principal	Interest	Total	
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2022	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2018	1,050,668	-	4,058,101	638,312	853,467	6,600,548	1,095,000	16,261	1,111,261	5.94
2017	968,370	-	2,160,097	353,272	740,618	4,222,357	1,065,000	48,337	1,113,337	3.79
2016	921,998	3,326,064	795,600	93,547	4,253,551	9,390,760	1,035,000	79,522	1,114,522	8.43
2015	906,060	3,288,927	210,829	100,000	7,795,310	12,301,126	1,000,000	109,742	1,109,742	11.08
2014	1,312,365	3,265,810	109,513	100,840	8,260,036	13,048,564	970,000	138,996	1,108,996	11.77

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	District Population¹	District Personal Income (\$ in thousands)²	District Personal Income Per Capita	District Unemployment Rate³
2023	1,158,696	\$95,700,547	\$82,593	3.1%
2022	1,109,462	76,380,741	71,246	4.3%
2021	1,064,465	70,852,208	68,474	4.0%
2020	1,034,730	66,212,712	65,874	5.4%
2019	1,005,146	62,078,378	64,025	3.1%
2018	969,603	57,482,679	61,179	3.4%
2017	939,585	62,113,034	63,911	3.7%
2016	914,127	58,385,800	61,866	3.8%
2015	885,241	54,420,085	59,532	3.6%
2014	854,778	52,358,740	59,146	5.0%

¹Source: Population statistics obtained from July preceding the fiscal year presented; i.e. July 2022 Census Bureau used for fiscal year 2023

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Employer	2023		2014	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
State Farm Insurance Corporate Office	10,000	1.64%	-	-
JP Morgan Chase	8,108	1.33%	-	-
Frisco Independent School District	8,088	1.33%	6,000	1.37%
Capital One Finance	7,273	1.20%	4,500	1.03%
Bank of America	4,500	0.74%	8,000	1.83%
Raytheon Intelligence and Space	4,347	0.71%	3,300	0.75%
Toyota North American HG	4,018	0.66%	-	-
University of Texas at Dallas	3,455	0.57%	3,500	0.80%
Blue Cross Blue Shield of Texas	3,100	0.51%	-	-
McKinney Independent School District	2,749	0.45%	3,056	0.70%
	55,638	9.14%	28,356	6.48%

2023 data from Collin County Annual Comprehensive Financial
 2014 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				
	2023	2022	2021	2020	2019
Faculty					
Full-Time	541	500	532	472	436
Part-Time	1,196	812	881	982	952
Total	<u>1,737</u>	<u>1,312</u>	<u>1,413</u>	<u>1,454</u>	<u>1,388</u>
Percent					
Full-Time	31.1%	38.1%	37.7%	32.5%	31.4%
Part-Time	68.9%	61.9%	62.3%	67.5%	68.6%
Staff and Administrators					
Full-Time	1,020	988	946	808	735
Part-Time	473	392	425	740	576
Total	<u>1,493</u>	<u>1,380</u>	<u>1,371</u>	<u>1,548</u>	<u>1,311</u>
Percent					
Full-Time	68.3%	71.6%	69.0%	52.2%	56.1%
Part-Time	31.7%	28.4%	31.0%	47.8%	43.9%
FTSE per Full-Time Faculty	49.40	50.48	47.44	55.18	59.99
FTSE per Full-Time Staff Member	26.20	25.55	26.68	32.23	35.59
Average Annual Faculty Salary	\$ 74,399	\$ 74,217	\$ 70,855	\$ 68,070	\$ 69,311

*Source: FTSE as reported on CBM001/CBM00A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Faculty					
Full-Time	402	395	409	396	372
Part-Time	1,000	945	905	885	880
Total	<u>1,402</u>	<u>1,340</u>	<u>1,314</u>	<u>1,281</u>	<u>1,252</u>
Percent					
Full-Time	28.7%	29.5%	31.1%	30.9%	29.7%
Part-Time	71.3%	70.5%	68.9%	69.1%	70.3%
Staff and Administrators					
Full-Time	685	648	626	638	614
Part-Time	599	599	583	610	578
Total	<u>1,284</u>	<u>1,247</u>	<u>1,209</u>	<u>1,248</u>	<u>1,192</u>
Percent					
Full-Time	53.3%	52.0%	51.8%	51.1%	51.5%
Part-Time	46.7%	48.0%	48.2%	48.9%	48.5%
FTSE per Full-Time Faculty	62.32	61.55	57.97	56.36	62.33
FTSE per Full-Time Staff Member	36.57	37.52	37.87	34.98	37.76
Average Annual Faculty Salary	\$ 66,728	\$ 65,167	\$ 62,315	\$ 60,412	\$ 57,209

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Enrollment Details
Last Ten Fiscal Years
(unaudited)**

Student Classification	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	23,403	67%	22,253	66%	27,068	76%	24,311	69%	22,928	68%
31-60 hours	8,242	23%	8,335	25%	6,367	18%	8,004	23%	7,839	23%
> 60 hours	3,440	10%	3,102	9%	1,957	6%	2,829	8%	2,910	9%
Total	35,085	100%	33,690	100%	35,392	100%	35,144	100%	33,677	100%

Semester Hour Load	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	145	0%	129	0%	163	0%	154	0%	136	0%
3-5 semester hours	7,436	21%	7,086	21%	7,936	22%	7,653	21%	7,451	22%
6-8 semester hours	9,803	28%	9,327	28%	9,586	27%	9,347	27%	9,138	27%
9-11 semester hours	6,341	18%	6,401	19%	6,949	20%	7,230	21%	6,290	19%
12-14 semester hours	8,625	25%	8,227	24%	8,153	23%	8,557	24%	8,701	26%
15-17 semester hours	2,404	7%	2,284	7%	2,338	7%	1,984	6%	1,777	5%
18 & Over	331	1%	236	1%	267	1%	219	1%	184	1%
Total	35,085	100%	33,690	100%	35,392	100%	35,144	100%	33,677	100%

Average course load	8.5	8.5	8.3	8.3	8.4
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Tuition Status	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
TX Resident (In-District)	22,797	65%	22,450	67%	23,577	67%	23,749	68%	23,310	69%
TX Resident (Out-of-District)	8,751	25%	8,251	24%	8,727	24%	8,647	24%	7,837	23%
Non-Resident Tuition	3,537	10%	2,989	9%	3,088	9%	2,748	8%	2,530	8%
Total	35,085	100%	33,690	100%	35,392	100%	35,144	100%	33,677	100%

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Enrollment Details
Last Ten Fiscal Years
(unaudited)**

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

Semester Hour Load	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	216	1%	219	1%	186	1%	284	1%	223	1%
3-5 semester hours	6,712	21%	6,105	21%	5,890	21%	5,528	20%	5,682	20%
6-8 semester hours	8,489	26%	7,949	27%	7,340	26%	6,897	24%	7,274	26%
9-11 semester hours	5,971	19%	5,788	19%	5,330	19%	5,383	19%	5,150	18%
12-14 semester hours	8,431	27%	8,018	27%	7,700	27%	8,116	29%	7,939	28%
15-17 semester hours	1,623	5%	1,476	5%	1,563	5%	1,626	6%	1,543	6%
18 & Over	177	1%	148	0%	178	1%	157	1%	161	1%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Average course load	8.4	8.5	8.5	8.7	8.6
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Tuition Status	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
TX Resident (In-District)	21,810	69%	20,912	70%	19,660	70%	19,405	70%	19,309	69%
TX Resident (Out-of-District)	6,685	21%	6,381	22%	5,845	20%	5,951	21%	6,057	22%
Non-Resident Tuition	3,124	10%	2,410	8%	2,682	10%	2,635	9%	2,606	9%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Gender	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	15,787	45%	14,764	44%	15,113	43%	15,489	44%	14,899	44%
Female	19,298	55%	18,926	56%	20,279	57%	19,655	56%	18,778	56%
Total	35,085	100%	33,690	100%	35,392	100%	35,144	100%	33,677	100%

Ethnic Origin	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	15,015	43%	15,042	45%	16,574	46%	16,751	48%	16,309	49%
Hispanic	7,783	22%	7,427	22%	7,395	21%	7,386	21%	6,867	20%
African American	4,189	12%	3,956	12%	4,142	12%	3,955	11%	3,798	11%
Asian	4,767	14%	4,188	12%	4,193	12%	3,907	11%	3,641	11%
Foreign	606	2%	578	2%	538	2%	725	2%	794	2%
Native American	123	0%	121	0%	131	0%	123	0%	135	0%
Other	2,602	7%	2,378	7%	2,419	7%	2,297	7%	2,133	7%
Total	35,085	100%	33,690	100%	35,392	100%	35,144	100%	33,677	100%

Age	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	9,139	26%	8,361	25%	9,556	27%	8,339	23%	7,224	21%
18 - 21	15,403	44%	14,923	44%	15,172	43%	15,634	44%	15,180	45%
22 - 24	4,001	11%	3,689	11%	3,714	10%	4,076	12%	3,932	12%
25 - 35	4,056	12%	4,260	13%	4,439	13%	4,536	13%	4,607	13%
36 - 50	1,975	6%	1,964	6%	2,023	6%	2,024	6%	2,191	7%
51 & Over	511	1%	493	1%	488	1%	535	2%	543	2%
Total	35,085	100%	33,690	100%	35,392	100%	35,144	100%	33,677	100%

Average Age (Fall)	21.8	21.8	21.8	22.1	22.4
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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 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	14,214	45%	13,315	45%	12,697	45%	12,371	44%	12,393	44%
Female	17,405	55%	16,388	55%	15,490	55%	15,620	56%	15,579	56%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Ethnic Origin	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	15,508	49%	14,961	51%	14,676	52%	14,786	53%	15,262	55%
Hispanic	6,249	20%	5,699	19%	5,360	20%	5,190	19%	4,898	18%
African American	3,644	12%	3,361	11%	3,264	12%	3,384	12%	3,376	12%
Asian	3,292	10%	2,903	10%	2,592	9%	2,396	9%	2,297	8%
Foreign	1,008	3%	1,173	4%	908	3%	891	3%	826	3%
Native American	134	0%	136	0%	137	0%	124	0%	135	0%
Other	1,784	6%	1,470	5%	1,250	4%	1,220	4%	1,178	4%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

Age	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	5,530	17%	4,533	15%	3,765	13%	3,161	11%	3,061	11%
18 - 21	14,678	46%	13,681	46%	13,052	47%	12,787	46%	12,342	44%
22 - 24	4,019	13%	3,813	13%	3,670	13%	3,701	13%	3,623	13%
25 - 35	4,636	15%	4,730	16%	4,619	16%	4,879	17%	5,109	18%
36 - 50	2,263	7%	2,386	8%	2,466	9%	2,761	10%	3,070	11%
51 & Over	493	2%	560	2%	615	2%	702	3%	767	3%
Total	31,619	100%	29,703	100%	28,187	100%	27,991	100%	27,972	100%

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

**Transfers to Senior Institutions
2021 Fall Students as of Fall 2022
(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	7	4	-	11	0.15%
Lamar University	6	5	-	11	0.15%
Midwestern State University	21	7	-	28	0.37%
Prairie View A&M University	12	13	-	25	0.33%
Sam Houston State University	59	10	-	69	0.91%
Stephen F. Austin State University	89	39	-	128	1.69%
Sul Ross State University	2	-	-	2	0.03%
Sul Ross State University - Rio Grande College	1	-	-	1	0.01%
Tarleton State University	74	39	-	113	1.49%
Texas A&M International University	1	1	-	2	0.03%
Texas A&M University	512	242	-	754	9.94%
Texas A&M University - Central Texas	6	1	-	7	0.09%
Texas A&M University - Commerce	220	42	-	262	3.45%
Texas A&M University - Corpus Christi	15	3	-	18	0.24%
Texas A&M University - Galveston	13	4	-	17	0.22%
Texas A&M University - Kingsville	1	-	-	1	0.01%
Texas A&M University - San Antonio	1	1	-	2	0.03%
Texas A&M University - Texarkana	4	1	-	5	0.07%
Texas Southern University	5	2	-	7	0.09%
Texas State University - San Marcos	196	62	-	258	3.40%
Texas Tech University	384	236	-	620	8.17%
Texas Woman's University	282	93	-	375	4.94%
The University of Texas - Rio Grande Valley	1	-	-	1	0.01%
The University of Texas at Arlington	192	75	-	267	3.52%
The University of Texas at Austin	352	157	-	509	6.71%
The University of Texas at Dallas	1,614	583	-	2,197	28.97%
The University of Texas at El Paso	1	2	-	3	0.04%
The University of Texas at San Antonio	20	11	-	31	0.41%
The University of Texas at Tyler	27	19	-	46	0.61%
The University of Texas of the Permian Basin	5	1	-	6	0.08%
University of Houston	59	23	-	82	1.08%
University of Houston - Clear Lake	-	2	-	2	0.03%
University of Houston - Downtown	4	1	-	5	0.07%
University of Houston - Victoria	1	-	-	1	0.01%
University of North Texas	1,301	281	-	1,582	20.86%
University of North Texas at Dallas	17	3	-	20	0.26%
West Texas A&M University	18	6	-	24	0.32%
Total	5,523	1,969	-	7,492	98.79%
Health Science Institutions					
Sam Houston State University Medical School	2	1	-	3	0.04%
Texas A&M Univ Health Science Center	13	7	-	20	0.26%
Texas Tech Univ Health Sciences Center	22	18	-	40	0.53%
Texas Tech Univ Health Sciences Center - El Paso	2	-	-	2	0.03%
The Univ of Texas Health Science Ctr at Houston	-	-	-	-	0.00%
The Univ of Texas Health Science Ctr at San Antonio	-	1	-	1	0.01%
The Univ of Texas MD Anderson Cancer Center	-	-	-	-	0.00%
The Univ of Texas Health Science Center at Tyler	-	-	-	-	0.00%
The Univ of Texas Medical Branch at Galveston	9	3	-	12	0.16%
The University of Texas Southwestern Medical Center	1	-	-	1	0.01%
The University of Texas - Rio Grande Valley - Medical School	1	-	-	1	0.01%
University of N Texas Health Science Ctr	9	4	-	13	0.17%
Total	59	34	-	93	1.21%
Grand Total	5,582	2,003	-	7,585	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Academic Building	22	22	22	19	12	12	11	11	9	9
Square Footage	1,947,338	1,947,338	1,943,305	1,708,744	1,244,952	1,244,952	1,105,585	1,105,585	957,433	957,433
Libraries	7	7	7	5	3	3	3	3	3	3
Square Footage	352,108	352,108	352,108	334,842	295,429	295,429	295,429	295,429	295,429	295,429
Administrative and Support Buildings										
Square Footage*	618,729	618,729	580,429	580,429	456,649	456,649	449,314	449,314	449,314	449,314
Dining Facilities	4	4	4	4	2	2	2	2	2	2
Square Footage	29,117	29,117	29,117	29,117	11,926	11,926	11,926	11,926	11,926	11,926
Athletic Facilities	4	4	4	4	3	3	3	3	3	3
Square Footage	97,647	97,647	97,647	97,647	89,647	89,647	89,647	89,647	89,647	89,647
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	4	4	4	4	3	3	3	3	3	3
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Student Housing Facilities	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a
Square Footage	86,308	86,308	86,308	86,308	86,308	n/a	n/a	n/a	n/a	n/a
Plant Facilities	6	6	6	6	4	4	4	4	4	4
Square Footage	45,808	45,808	45,808	45,808	20,381	20,381	20,381	20,381	20,381	20,381
Transportation										
Cars	27	30	27	29	7	7	11	11	13	12
Light Trucks/Vans	46	46	40	32	42	30	24	22	20	23

* Comprise parts of various buildings.

**Includes accessible e-books

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Single Audit

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

To the Board of Trustees
Collin County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the business-type activities of Collin County Community College District (the District), which comprise the statement of financial position as of and for the year ended August 31, 2023, 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 5, 2023. Our report includes a reference to other auditors who audited the financial statements of Collin County Community College Foundation (the “Foundation”), as described in our report on the District’s financial statements. The financial statements of the Foundation, audited by other auditors, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial or instances of reportable noncompliance associated with the Foundation.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

To the Board of Trustees
Collin County Community College District

Purpose of this Report

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

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

Dallas, Texas
December 5, 2023

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

To the Board of Trustees
Collin County Community College District

Report on Compliance for Each Major Federal and State Program

We have audited Collin County Community College District’s (the “District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended August 31, 2023. 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, 2023.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

To the Board of Trustees
Collin County Community College District

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

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

Whitley Penn LLP

Dallas, Texas
December 5, 2023

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2023**

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	\$ 785,504	\$ -	\$ 785,504	\$ -
Federal Work-Study Program	84.033	270,372	-	270,372	-
Federal Pell Grant Program	84.063	28,882,139	-	28,882,139	-
Federal Direct Student Loans	84.268	13,355,929	-	13,355,929	-
Total Student Financial Assistance Cluster		43,293,944	-	43,293,944	-
Direct Program:					
Child Care Access Means Parents in School - CCAMPIS	84.335A	179,029	-	179,029	-
Direct Program:					
COVID-19 Education Stabilization Fund - Emergency Grant Assistance for Students	84.425E	35,700	-	35,700	-
COVID-19 Education Stabilization Fund - Emergency Grant Relief for Institution	84.425F	18,459,532	-	18,459,532	-
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	-	22,886	22,886	-
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief Workbased- Apprenticeships 2020-GE-84425C	84.425C	-	20,830	20,830	-
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief- Accelerating Student Success Planning 2020-GE-84425C	84.425C	-	36,743	36,743	-
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief II- Accelerating Student Success Implementation S425C210050	84.425C	-	123,213	123,213	-
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief II- Accelerating Student Success Implementation - Operation Degree Completion S425C210050	84.425C	-	187,412	187,412	153,000
COVID-19 Education Stabilization Fund - Texas Reskilling Support Fund- Round One 2020-GE-84425C	84.425C	-	26,763	26,763	450
COVID-19 Education Stabilization Fund - Texas Reskilling Support Fund- Round Two 2020-GE-84425C	84.425C	-	118,696	118,696	47,388
COVID-19 Education Stabilization Fund - Texas Reskilling Support Fund- Round Three 2020-GE-84425C	84.425C	-	788,385	788,385	478,080
COVID-19 Education Stabilization Fund - OER Course Development and Implementation 2020-GE-84425C	84.425C	-	9,674	9,674	-
Total COVID-19 Education Stabilization Fund		18,495,232	1,334,602	19,829,834	678,918
Pass-Through from:					
Texas Higher Education Coordinating Board					
Career and Technical Education - Basic Grants to States -214223	84.048	-	1,183,253	1,183,253	-
Total U.S. Department of Education		61,968,205	2,517,855	64,486,060	678,918
U.S. Department of Commerce					
Pass-Through from:					
Economic Development Cluster					
Dallas County Community College District:					
Good Jobs Challenge Grant - ED22HDQ3070118	11.307	-	120,371	120,371	-
Total Economic Development Cluster		-	120,371	120,371	-
Total Department of Commerce		-	120,371	120,371	-
U.S. Department of Labor					
Pass-Through from:					
Texas Workforce Commission					
WIOA Cluster					
WIOA Dislocated Worker Formula Grants					
College Credit for Heroes Capacity Building and Sustainability Program - 0423WOS002 AA-38558-22-55-A-48	17.278	-	2,794	2,794	-
Total WIOA Cluster (ALN-17.278)		-	2,794	2,794	-
Apprenticeship USA Grants - 0421ATG004-AP-33510-20-60-A-48	17.285	-	34,856	34,856	-
Columbus State Community College					
H-1B Job Training Grants-HG-33028-K-70	17.268	-	277,673	277,673	-
Total Department of Labor		-	315,323	315,323	-

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2023**

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 Transportation					
Direct Program:					
Commercial Motor Vehicle Operator Safety Training Grants	20.235	135,925	-	135,925	-
Total Department of Transportation		<u>135,925</u>	<u>-</u>	<u>135,925</u>	<u>-</u>
National Science Foundation					
Research and Development Cluster					
Direct Program:					
Education and Human Resources	47.076	823,066	-	823,066	84,558
Education and Human Resources	47.076	285,708	-	285,708	29,807
Pass-Through from:					
Texas A&M University-Commerce - M2203566-Education and Human Resources	47.076	-	1,737	1,737	-
Total Research and Development Cluster		<u>1,108,774</u>	<u>1,737</u>	<u>1,110,511</u>	<u>114,365</u>
Total National Science Foundation		<u>1,108,774</u>	<u>1,737</u>	<u>1,110,511</u>	<u>114,365</u>
U.S. Small Business Administration					
Pass-Through from:					
Dallas County Community College District:					
Small Business Development Centers - SBAHQ-22-B-0006	59.037	-	128,056	128,056	-
Small Business Development Centers - SBAHQ-23-B-0053	59.037	-	176,379	176,379	-
Total U.S. Small Business Administration		<u>-</u>	<u>304,435</u>	<u>304,435</u>	<u>-</u>
U.S. Department of Health and Human Services					
Pass-Through from:					
CCDF Cluster					
Texas Workforce Commission					
COVID-19 - Child Care and Development Fund - 2201TXCDC6; TWC#0423CAT001	93.575	-	25,085	25,085	-
Total CCDF Cluster		<u>-</u>	<u>25,085</u>	<u>25,085</u>	<u>-</u>
Total U.S. Department of Health and Human Services		<u>-</u>	<u>25,085</u>	<u>25,085</u>	<u>-</u>
U.S. Department of Treasury					
Pass-Through from:					
Texas Higher Education Coordinating Board					
Covid-19 - Texas Reskilling and Upskilling through Education Grant - TRUE - 2021C5-21027	21.027	-	572,471	572,471	202,110
Total U.S. Department of Treasury		<u>-</u>	<u>572,471</u>	<u>572,471</u>	<u>202,110</u>
Federal Institute of Museum and Library Services					
Pass-Through from: Texas Sate Library and Archives Commission					
Texas Sate Library and Archives Commission - JCLC-22008	45.310	-	2,375	2,375	-
Total Expenditures of Federal Awards		<u>\$ 63,212,904</u>	<u>\$ 3,859,652</u>	<u>\$ 67,072,556</u>	<u>\$ 995,393</u>

Notes to schedule on following page

Note 1: Federal assistance reconciliation

	FY 23
Additional Operating Revenues - Federal grants and contracts - per Schedule A	\$ 21,688,760
Add: Indirect/Administrative Costs Recoveries - per Schedule A	\$ 466,386
Add: Non Operating Revenues - Federal contracts and grants - per Schedule C	\$ 30,566,088
Total Federal Revenues per Schedule A and C	<u>\$ 52,721,234</u>
Reconciling items:	
Add: Funds passed through to others	\$ 995,393
Add: Direct Student Loans	\$ 13,355,929
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 67,072,556</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	\$ 3,668
Lansing Community College	10,383
Lone Star College	6,791
Sinclair Community College	21,567
University of North Texas	42,148
Subtotal NSF DUE-1700530	<u>\$ 84,558</u>
NSF DUE-1838535:	
Lone Star College	7,756
Suffolk County Community College	22,051
Subtotal NSF DUE-1700530	<u>\$ 29,807</u>
Total amount passed-through: NSF	<u>\$ 114,365</u>

Note 3: Amounts passed-through by the District - (Continued)

The following amounts were passed through to the listed subrecipients by the District. These amounts were originally from the U.S. Department of Education CFDA 84.425 - 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.

Texas Reskilling Support Fund 2020-GE-84425C:	Round One	
University of North Texas		\$ 450
Subtotal Round One:		<u>450</u>
Texas Reskilling Support Fund 2020-GE-84425C:	Round Two	
University of North Texas		<u>47,388</u>
Subtotal Round Two		<u>47,388</u>
Texas Reskilling Support Fund 2020-GE-84425C:	Round Three	
University of North Texas		285,207
The University of Texas at Dallas		<u>192,873</u>
Subtotal Round Two		<u>478,080</u>
Total amount passed-through: Texas Reskilling		<u><u>\$ 525,918</u></u>

The following amounts were passed through to the listed subrecipients by the District. These amounts were originally from the U.S. Department of Treasury, CFDA 21.027 Coronavirus State Fiscal Recovery Fund (SFRF). U.S. Department of Treasury provided this grant to Texas Higher Education Coordinating Board (THECB) from Coronavirus State and Local Fiscal Recovery Funds. The Consortium, led by Collin College, in partnership with Ranger College, Hill College and Cisco College, awarded these funds from THECB to build workforce training programs.

TRUE Grant - 2021C5-21027:		
Ranger College		33,491
Hill College		80,868
Cisco College		87,751
Total amount passed-through: True Grant		<u><u>\$ 202,110</u></u>

The following amounts were passed through to the listed subrecipients by the District. These amounts were originally from the U.S. Department of Education's administration of the Education Stabilization Fund Program, CFDA 84.425C Governor's Emergency Education Relief (GEER II) Fund. U.S. Department of Education provided this grant to Texas Higher Education Coordinating Board (THECB) from the Governor's Emergency Education Relief(GEER II) Fund. The Consortium, led by Collin College, in partnership with North Central Community College and University of North Texas, awarded these funds from THECB to cover tuition and fees for students to completing a certification or degree.

Accelerating Student Success - Implementation - Operation Degree Completion - S425C210050:		
North Central Community College		76,500
University of North Texas		76,500
Total amount passed-through: Accelerating Student Success		<u><u>\$ 153,000</u></u>
Total amount passed-through: All Subrecipients		<u><u>\$ 995,393</u></u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of State Awards
For the year ended August 31, 2023**

<u>Grantor/Pass-through Grantor/ Program Title</u>	<u>Grantor's Number</u>	<u>Disbursements and Expenses</u>
Texas Workforce Commission		
Skills Development in Partnership with a Business Consortium	0421SDF001	\$ 3,980
Pre-Apprenticeship Pilot Automotive Consortium	0422DON001	135,570
Skills for Small Business Program	0422SSD001	1,703
Skills Development in Partnership with a Manufacturing Consortium	0422SDF003	179,889
Skills Development in Partnership with a Business Consortium	0422SDF004	306,304
Skills Development in Partnership with a Business Consortium	0422SDF005	298,760
Skills for Small Business Program	0423SSD001	385
Skills Development Fund	0423SDF001	6,220
Total Texas Workforce Commission		<u>932,811</u>
Texas Higher Education Coordinating Board		
Nursing Shortage Reduction FY2020		67,577
Nursing Shortage Reduction Over 70 FY19		173,301
Texas Education Opportunity Grant-Renewal Year		533,271
Texas Education Opportunity Grant-Initial Year		774,098
College Access Loans		15,436
Texas College Work-Study		74,761
Total Texas Higher Education Coordinating Board		<u>1,638,444</u>
The Office of the Governor		
Bullet-Resistant Shields	4635201	33,135
Total The Office of the Governor		<u>33,135</u>
Pass-through from:		
Dallas County Community College District		
Small Business Development Center 21/22	SBAHQ-22-B-0006	16,085
Small Business Development Center (SBDC) State FY23	SBAHQ-23-B-0053	74,312
Total Small Business Development Center		<u>90,397</u>
Total State Financial Assistance		<u>\$ 2,694,787</u>

Notes to schedule on following page.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of State Awards
For the year ended August 31, 2023**

Note 1: State Assistance Reconciliation

State Revenues - per Schedules A and C
State Financial Assistance

Operating Revenues - Per Schedule of Expenditures of State Awards per Schedule A	\$	1,387,319
Add: Indirect/Administrative Cost Recoveries - per Schedule A		99
Add: Non Operating Revenues - State contracts and grants - per Schedule C		1,307,369
Total State Revenues per Schedules A and C	\$	<u>2,694,787</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 – OER Course Development and Implementation	84.425C

Name of State Programs

Texas Education Opportunity Grant – Renewal and Initial Year	N/A
Texas Workforce Commission Skills Development Programs	N/A

I. Summary of Auditors' Results (continued)

Dollar Threshold used to Distinguish between
Type A and B Programs

Federal	\$ 2,012,177
State	\$ 750,000

Auditee qualified as a low-risk auditee

Federal	Yes
State	Yes

II. Financial Statement Findings

There are no current year findings.

III. Federal and State Award Findings and Questioned Costs

There are no current year findings and questioned costs.



Celina Campus
2505 Kinship Parkway
Celina, Texas 75009

Farmersville Campus
501 S. Collin Parkway
Farmersville, Texas 75442

Frisco Campus
9700 Wade Boulevard
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 Boulevard
Plano, Texas 75093

Public Safety Training Center
3600 Redbud Boulevard
McKinney, Texas 75071

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

iCollin Virtual Campus
2800 E. Spring Creek Parkway
Plano, Texas 75074



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