



Allen
Frisco
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Plano
Rockwall
Texas



Comprehensive Annual *Financial Report* 2017

For the years Ended August 31, 2017 and 2016



Collin County Community College District

**Allen Frisco McKinney
Plano Rockwall
Texas**

**Comprehensive Annual
Financial Report**

**For Fiscal Years Ended
August 31, 2017 and 2016**

**Prepared by:
Administrative Services**



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report

Fiscal Years Ended August 31, 2017 and 2016

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Introductory Section





To the Board of Trustees:

Another great year at Collin College is in the books and I could not be more pleased with the work we have done to make your vision a reality for our students, faculty, staff, and the broader community.

The Comprehensive Annual Financial Report (CAFR) that follows provides a clear picture of the district's financial operations for Fiscal Year 2017. As you review it, you will see the positive results of your continued leadership and of the efforts put forth by the district staff to ensure Collin College grows intelligently and effectively along with its service area.

As is tradition, this opening letter provides me with the opportunity to talk about some of the great things we have achieved as a district in the past year. It seems fitting to mention the honor paid to the Collin College Administrative Services department this year, as it pertains to past editions of this document. For the 20th year in a row, the district has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada. Based on a professional review of the CAFR, this certificate is the highest honor that can be paid to a governmental body in the area of accounting and financial reporting. That the district has earned this honor each year for two decades says something important about its commitment to transparency and strong financial accountability.

I firmly believe that Collin County voters took that commitment into consideration when they authorized \$600 million in bonds in May of this past year. We will reward their trust by implementing the actions outlined in the district's Vision 2020 strategic plan, and providing underserved areas of Collin County with more access to the facilities and programs which make Collin College such a wonderful place to be.

The district is hard at work on the design of its new Wylie campus and the technical campus in Allen. Those two projects will be followed by campuses in Farmersville and Celina, further expanding the district's services throughout Collin County.

The Public Safety Training Center in McKinney, paid for largely with bond funds and through partnerships with the cities of McKinney and Allen, is on schedule for completion in May 2018. An example of the tangible benefits that Collin College offers to its service area, the 128,000-square-foot center will train local emergency personnel and the district's police and fire science academy cadets in reality-based scenarios, using the latest training technology.

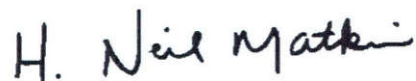
Along with new facilities, the district has made great strides in meeting the changing programming needs of its service area. A Bachelor of Science in Nursing (BSN) is moving through the approval process now, so that we may help address a critical nursing shortage in the United States. The implementation of a BSN program and two other bachelor's degrees at Collin College was authorized by the Texas legislature after years of work with our local legislators.

The district also has added, or plans to add, programs like diagnostic medical sonography, logistics, welding, and heating, ventilation and air conditioning, providing more students with job skills for a growing and competitive job market. You no doubt have heard me say "Students First. No Excuses." Providing new and better programs like these helps the district live up to that motto.

That we could do all of these great things while also reducing the tax rate for our residents is evidence of the pace of growth in Collin County and of the district's dedication to making smart choices with the public's money.

Thank you again for another great year of service through leadership. With your guidance and the hard work of the district's faculty and staff, I wholeheartedly believe that Collin College will continue to grow and prosper in the years to come.

Sincerely,



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

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December 12, 2017

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

The following comprehensive annual financial report ("CAFR") of Collin County Community College District ("the District") for the fiscal years ended August 31, 2017 and 2016 is hereby submitted. The purpose of this report is to provide detailed information about the financial condition and performance of the District. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

State statutes require an annual audit by independent certified public accountants. The District's Board of Trustees selected the accounting firm of Grant Thornton LLP. In addition to meeting the requirements set forth in state statutes, the audit is also designed to meet the U.S. Office of Management and Budget (OMB) 2 Code of Federal Regulations (CFR) 200, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular*. Information related to the single audit is included in the single audit section of this report.

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

The Administrative Services division is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits require estimates and judgments by management.

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

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

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

PROFILE OF THE DISTRICT

District structure and information

The District was established as a public community college in an election held in Collin County, Texas, on April 6, 1985, in accordance with the laws of the State of Texas. It operates as a community college district under the Constitution of the State of Texas and the Texas Education Code. The District is governed by an elected, nine-member Board of Trustees (hereinafter called the "Board"). An election is held every two years (the first Saturday in May in odd-numbered years), where three Trustees are elected to serve in a six-year, at-large position. The Board holds regularly scheduled meetings on the fourth Tuesday of each month. Board meetings are held in the board room at the Collin Higher Education Center campus located in McKinney or as noted in the notice for a meeting in accordance with public notice requirements.

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

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

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

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

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

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

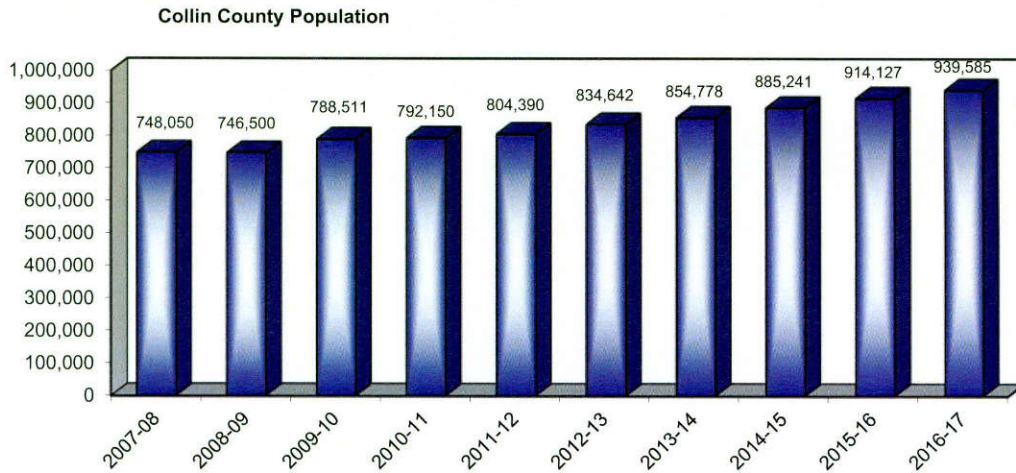
The District strives to offer affordable, small, personalized classes and award-winning faculty in a safe and friendly environment allowing students to fulfill their potential and achieve their goals. The college promotes life-long learning and the opportunity for its residents to further their education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

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



The District is located in Collin County which is in the Dallas metropolitan area of North Central Texas. The county consists of 886 square miles with a population density of approximately 1,060 residents per square mile in 2016. The population of Collin County was estimated to be about 939,585 in 2016 according to the US Census Bureau.

Information provided by the US Census Bureau as of 2016 shows an estimated 20.1% growth since 2010. In the past nine years, Collin County has experienced an increase in population of 25.6% as illustrated in the graph that follows.



Component units

The Collin County Community College District Foundation, Inc. (“Foundation”) has been discretely presented in the District’s statements as a component unit by inclusion of the statements and footnotes of the Foundation in the District’s statements and footnotes. Because the financial statements of the Foundation are presented in a different format from the District and are incompatible with the District’s financial statements, the Foundation’s financial statements are presented on separate pages from the District’s financial statements. The Foundation is a non-profit organization established in 1987 to maintain, develop, increase and extend the facilities and services of the District and to provide broader educational service opportunities to its students, staff, and faculty.

Inter-local agreements and partnerships

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

- The District has inter-local agreements with the Allen ISD and Rockwall ISD for satellite campuses to benefit students and staff.
- The District has reciprocal technical/occupational course agreements with the Dallas County Community College District, Tarrant County Community College District and Grayson County College, allowing students to enroll in programs not available in their home district at the in-county tuition rate.

- The road to medical school and other health care professions is shorter thanks to the unique partnership between Collin College and Plano Independent School District (PISD). The unique PISD Health Sciences Academy offers selected students a head start on health care careers while they are still in high school, starting as early as ninth grade. Students can earn more than 50 hours of college credit and complete certifications in order to enter the health care workforce upon graduation from high school.
- The District has inter-local agreements allowing Collin County to use up to sixteen strands and the City of Plano to use up to eight strands of the District's Fiber Optic Wide Area Network (WAN), which is approximately 58 miles long, surrounds the county and connects our campuses with high speed communications.
- The District has an agreement with the Department of Homeland Security/Collin County Health Care Services to establish procedures to utilize the District's facilities and staff in case of a public health emergency.
- The District has agreements with five higher education institutions to dedicate classroom and lab facilities, office space and other student services at the Collin Higher Education Center in order to enable these institutions to provide upper-level undergraduate courses and graduate degree programs.
- The National Science Foundation awarded a \$3.9 million grant to the District's National Convergence Technology Center in April 2017, with an award period of 2017 through 2022. This grant allows the District to meet the growing workforce needs for convergence technology workers and further establishes the District as a leading voice in this industry.

Budget

Administrative Services, under the direction of the Chief Financial Officer, maintains the District's budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the unrestricted funds, auxiliary funds, restricted funds, building funds, and debt service fund are included in the annual appropriated budget. The District also maintains an encumbrance accounting system which includes full-time payroll costs as a method for accomplishing budgetary control. Salary encumbrances lapse at year-end, while some encumbrances for outstanding purchase orders at year end are carried over as part of the next year's budget and are reserved as part of net position.

ECONOMIC CONDITION

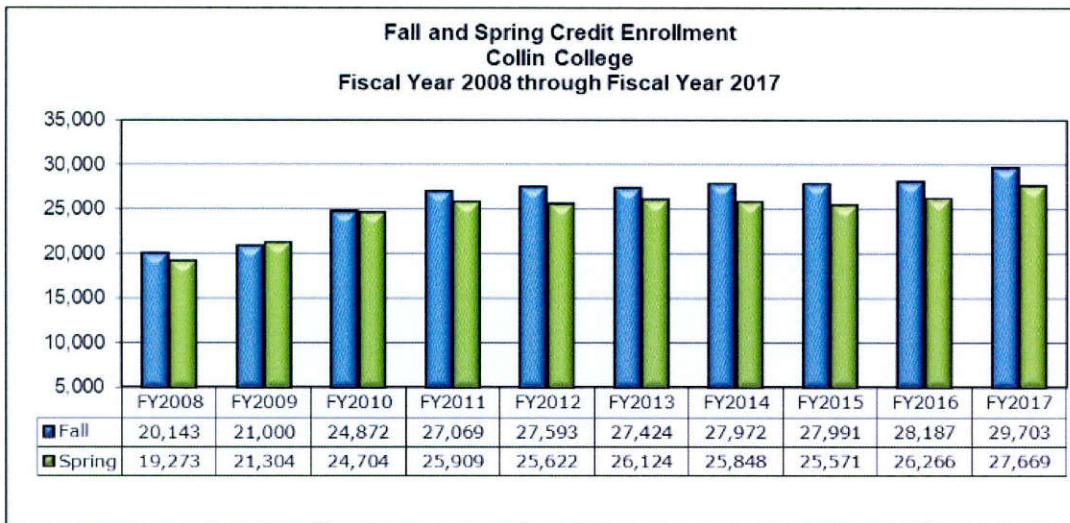
Local economy

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

Collin County had a civilian employed labor force from October 2015 to October 2016 of approximately 507,751 which was an increase of 6.3% over the prior fiscal year, according to the Workforce Solutions for North Central Texas. The latest estimated unemployment rate for Collin County (August 2017) was at 3.7%, compared to the state’s rate of 4.2% and a national rate of 4.4%, according to the Bureau of Labor statistics.

Community colleges continue to play an important role in the State’s workforce and economic development. Economic development depends on the strength of having a trained and educated workforce. As the economy changes due to automation, increased productivity, and advanced technology, the demand for physical jobs begins to decrease and workers are under greater pressure to learn new skills. Student enrollment at public two-year institutions in Texas has outnumbered enrollment in public four-year universities for more than ten years and state officials expect that trend to continue. According to the Texas Association of Community Colleges, more than 712,554 students enrolled in Texas public community colleges during the fall of 2016 compared to 636,750 at Texas public universities and 129,061 at independent colleges and universities.

The District headcount for credit enrollment for 2016-2017 increased 5.36% from 2015-16.



The 2016-2017 formula produced State appropriations were \$2,183 per full time student equivalent (FTSE). For years ending August 31, 2016, and 2015, the District received \$2,401, and \$2,257 per FTSE, respectively. (See MD&A and Statistical Supplement 6 for additional information.)

The 2016-2017 tuition per credit hour increased \$3 for in-district residents and increased \$5 for out-of-district and out-of-state/out-of country residents. In addition, tuition per credit hour increased \$50 for students enrolled in courses for which the contact hours generated are not eligible for state contact hour funding. The student activity fee remained unchanged during the current fiscal year. In-county tuition and fees remain the lowest among colleges and universities in the state of Texas. A quality education at the District remains a smart economical choice and a wise investment.

Appraised taxable values in Collin County increased 13.2% from \$97.7 billion in 2016 to \$110.6 billion in 2017. New construction increased 47.1% from \$3.4 to \$5.0 billion from 2016 to 2017.

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

Long-term financial planning

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

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

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

In May 2017, a \$600 million bond referendum was passed to fund the District's master plan. See the MD&A section labeled Capital Assets and Debt Administration for additional information on the 2017 Bond Election.

Relevant financial policies

Investment Policy: The District's investment policy is required by statute to be reviewed and updated annually. The Board approved the policy in September 2017. It is designed to provide safety of principal, liquidity to meet all operating requirements, and provide a reasonable market yield throughout the budgetary and economic cycles. Bank deposits were either insured by federal depository insurance or collateralized throughout the year.

Fund Balance Designation: Board policy dictates the District maintain a minimum fund balance equal to 25% of educational expenses adjusted for reserves and allocations. In addition, the Board continues to maintain designations totaling \$24.75 million for stabilization of maintenance and operations in the event ad valorem tax revenues were to decline based on fluctuations in appraised values. Health care reserves totaling \$30 million are being maintained in the event the State reduces its contribution to the District for health insurance.

AWARDS AND ACKNOWLEDGEMENTS

Awards

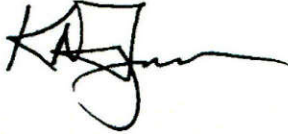
The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for Fiscal Year ended August 31, 2016. This was the 20th consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of Administrative Services, particularly in the Accounting Department. We would also like to thank the accounting firm of Grant Thornton LLP for their assistance and timely completion of the audit. Due credit should be given to the governing Board and District Leadership for their interest in planning and conducting the operations of the District in a responsible manner.

Respectfully submitted,



Kenneth D. Lynn, CPA
Chief Financial Officer



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



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



Shannon South, CPA
Director of Accounting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Collin County
Community College District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2016

Christopher P. Morill

Executive Director/CEO

BOARD OF TRUSTEES



Dr. J. Robert Collins
Chairman



Jim Orr
Secretary



Dr. Stacey Donald



Fred Moses

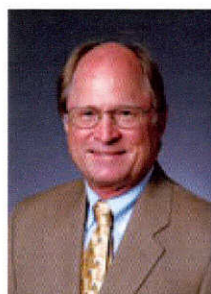
The Board of Trustees is a nine member governing board that serves without compensation and is elected at large for six-year terms of office by the voters of Collin County. The Board manages and governs the Collin County Community College District, provides policy direction, establishes goals, and appoints the faculty and staff. The Board is also responsible for the levy, assessment, and collection of taxes, the issuance of bonds, the adoption of an annual budget, the execution of contracts, and the performance of an annual audit. The Board of Trustees sets campus admission standards consistent with the role and mission of the District. Regular board meetings are held the fourth Tuesday of each month and are open to the public. The Collin County Community College District Trustees are committed to the mission and vision of the college. The Board of Trustees provides leadership and direction, as well as represents the college in a wide range of community activities and committees.



Andrew Hardin
Vice Chairman



Dr. Raj Menon
Treasurer



Mac Hendricks



Adrian Rodriguez



Nancy Wurzman



Officials and Staff

Elected Officials

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

Principal Administrative Officers

<u>Name</u>	<u>Position</u>
Neil Matkin, Ed.D.	District President
Brenda Kihl, Ph.D.	Executive Vice President
Kim Davison	Senior Vice President of Organizational Effectiveness
Tom Delamater	Chief Public Relations Officer
Kenneth D. Lynn, CPA	Chief Financial Officer
Sherry Schumann, Ph.D.	Senior Vice President of Academic, Workforce, & Enrollment Services
Jon Hardesty, Ph.D.	Vice President/Provost of Central Park Campus
Abe Johnson, Ed.D.	Vice President/Provost of Preston Ridge Campus
Mary McRae, Ph.D.	Vice President/Provost of Spring Creek Campus
Lisa Vasquez	Vice President of Advancement
Vacant	District Director of Internal Audit

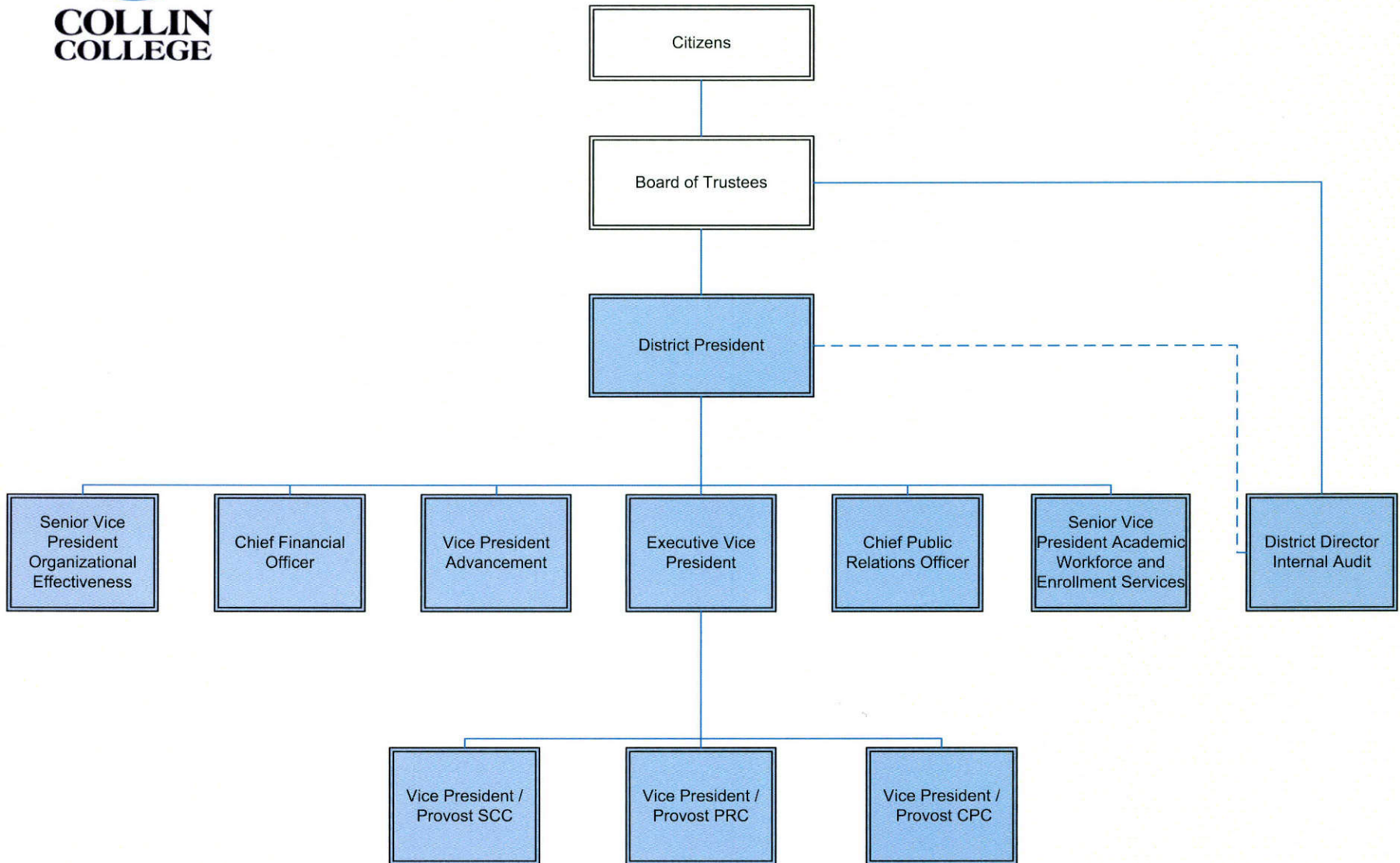
Financial Staff

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



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Organizational Chart





Financial Section





REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Collin County Community College District

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

Report on the financial statements

We have audited the accompanying financial statements of Collin County Community College District (the "District"), as of and for the year ended August 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Collin County Community College Foundation, which collectively represents 100% of the assets, net assets, and revenues of the discretely presented component unit of the District as of and for the years ended August 31, 2017 and 2016. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for that discretely presented component unit, is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Collin County Community College Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinion

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2017, and 2016, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 through 39, and the Required Supplemental Information on pages 97 through 100, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2017, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the State of Texas *Single Audit Circular*, respectively on pages 139 through 148, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 101 through 106, are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other information

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

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 12, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

GRANT THORNTON LLP

Dallas, Texas

December 12, 2017

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Introduction

Collin County Community College District ("the District") is proud to present its financial statements for fiscal years ended August 31, 2017 and 2016 which are in conformance with Governmental Accounting Standards Board (GASB) standards. The following Management's Discussion and Analysis (MD&A) reviews the District financial activity during the fiscal years ended August 31, 2017, 2016, and 2015. 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 (pages 3-12), the District's basic financial statements (pages 41-49) and the notes to the financial statements (pages 50-96). Responsibility for the completeness and fairness of the information in this section rests with the District management.

In accordance with GASB Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, the District is including financial statements for the District's discrete component unit, Collin County Community College Foundation ("the Foundation"). The Foundation financial statements are presented in a different format from the District with a December 31 year end, and are incompatible with the District's financial statements. Therefore, the Foundation's financial statements for fiscal years ending December 31, 2016 and 2015 are presented on separate pages behind the District's basic financial statements. The Foundation Notes may be found in Note 18 under Component Units.

Understanding the Financial Statements

The Financial section of the comprehensive annual financial report (CAFR) consists of:

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

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

Basic Financial Statements:

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

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

noncurrent liabilities, deferred inflows and net position (assets and deferred outflows minus liabilities and deferred inflows).

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

Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating capital and non-capital financing, and investing activities. It provides relevant information when evaluating the financial viability of the District during the fiscal years ended August 31, 2017 and 2016. 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 2017 Financial Highlights

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

- Net position increased \$34.7 million to \$520.5 million, a 7.1% increase over the prior fiscal year.
- Tuition and fee revenues increased \$4.1 million, due to an increase in enrollment, an increase in the hourly tuition rate, and the addition of special fees.
- Non-operating revenues increased 10.0% due primarily to an increase in ad valorem tax collections for maintenance and operations totaling \$9.0 million.
- Construction began on the Public Safety Training Center (PSTC) with construction in progress totaling \$14.1 million at year end.
- The city of Wylie gifted a parcel of land to the District valued at \$3.62 million for the construction of a campus.
- Collin County voters approved a \$600 million bond election to expand the footprint of the District.
- The District purchased land for future campuses in Allen and Wylie totaling \$13.9 million.
- Staff benefits paid by the District increased from \$10.2 to \$11.5 million, a 12.7% increase.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2017 and 2016

- On-behalf benefits paid by the State for medical and retirement benefits totaled \$7.1 million.

Condensed Statements of Net Position (in Millions)

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

Table 1: Condensed Statement of Net Position

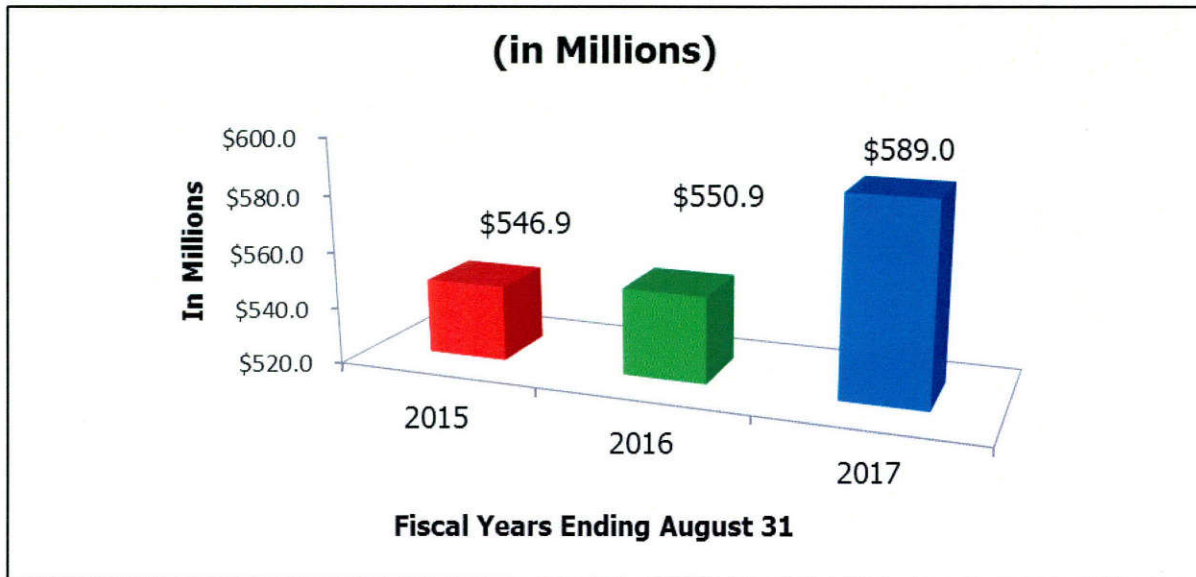
	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
Assets:					
Current assets	\$ 247.3	\$ 224.2	\$ 259.5	10.3 %	(13.6)%
Noncurrent assets	341.7	326.7	287.4	4.6 %	13.7 %
Total assets	<u>\$ 589.0</u>	<u>\$ 550.9</u>	<u>\$ 546.9</u>	6.9 %	0.7 %
Deferred Outflows:	7.1	8.4	3.1	(15.5)%	171.0 %
Liabilities:					
Current liabilities	\$ 35.3	\$ 28.6	\$ 31.7	23.4 %	(9.8)%
Noncurrent liabilities	34.6	38.6	49.0	(10.4)%	(21.2)%
Total liabilities	<u>\$ 69.9</u>	<u>\$ 67.2</u>	<u>\$ 80.7</u>	4.0 %	(16.7)%
Deferred Inflows:	5.7	6.3	5.3	(9.5)%	18.9 %
Net position:					
Net investment in capital assets	\$ 300.1	\$ 271.8	\$ 252.3	10.4 %	7.7 %
Restricted -- expendable	2.5	1.6	1.0	56.3 %	60.0 %
Unrestricted	217.9	212.4	210.8	2.6 %	0.8 %
Total net position	<u>\$ 520.5</u>	<u>\$ 485.8</u>	<u>\$ 464.1</u>	7.1 %	4.7 %

Net position is divided into three major categories.

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

Total assets of the District for fiscal year 2017 are \$589.0 million, an increase from \$550.9 million in fiscal year 2016 and \$546.9 million in fiscal year 2015. Total assets continue to increase as indicated in Graph 1-Total Assets.

Graph 1: Total Assets



Cash and cash equivalents, and short-term investments comprise 95.4% of the District's total current assets which is consistent with prior year's current assets. Other changes occurring in the current fiscal year include a 40.9% increase in short term investments and a 31.1% decrease in long term investments. Long term investments are defined as investments with a maturity date greater than one year. The shift to maintaining more short term investments is due to keeping cash flow readily available for ongoing construction projects. Current assets represent 42.0% of total assets and is comparable to prior year.

Cash resides in Texpool and TexStar, both of which are statewide investment pools and classified as cash equivalents. Short term investments consist of U.S. Government Agencies, Municipal bonds, and Commercial paper. During fiscal years ending 2017 and 2016, the District had \$24.5 and \$35.5 million in long term investments compared to none in 2015 year. The fluctuation is negligible when considering cash, short and long term investments together from year to year with changes between the categories being a function of timing and cash flow needs. For 2017, 2016, and 2015 the three

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2017 and 2016

asset categories combined were \$260.4 million, \$249.3 million, and \$246.8 million, respectively. See Notes 3 and 4 for additional information on investments.

Receivables totaling \$9.7 million including tuition and fees receivable and accounts receivable (net of allowance for doubtful accounts) is consistent with the previous year of \$8.8 million, particularly considering an increase in enrollment for Fall 2017 of approximately 6%. The allowance for doubtful accounts is also consistent with the prior year. The District utilizes first and second placement collection agencies after performing in-house collection procedures. Uncollectible receivables totaling \$279 thousand were returned to the District by the second collection agency with the District writing off the receivable against the allowance account. For additional information on accounts receivables and collections for the current fiscal year, see Note 12.

The District contracted with Barnes & Noble for the bookstore operations in fiscal year 2016, eliminating inventories for resale from current assets. The fiscal year ending 2015 balance for inventories for resale totaled \$2.6 million.

Non-current assets consist of capital assets. Capital assets include land, land improvements, buildings, equipment, WAN/LAN network equipment, library books and construction in progress, and are shown net of accumulated depreciation. A 126% increase in capital assets not subject to depreciation occurred as a result of land purchases in Allen and Wylie totaling \$13.9 million, the Wylie land donation totaling \$3.62 million, and \$16.1 million for construction in progress including Public Safety Training Center (PSTC) totaling (\$14.1 million), Wylie campus (\$.571 million), and Collin Technical Campus (\$.588 million). Further information regarding capital assets is shown in Notes 2 and 5, as well as in the MD&A paragraph under the heading Capital Assets and Debt Administration.

Deferred outflows of resources totaled \$7.1 million, \$8.4 million and \$3.1 million for fiscal years ending 2017, 2016, and 2015, respectively. The fluctuations in deferred outflows over the three years is a result of recognizing the differences in projected and actual investment earnings at the plan level. Deferred outflows represent retirement contributions made by the District that will benefit employees in the future, but are not considered assets.

Total liabilities of the District are \$69.9 million, \$67.2 million, and \$80.7 million in fiscal years ending 2017, 2016, and 2015, respectively. Current liabilities for the current fiscal year are 50.5% of total liabilities compared to 42.5% in the prior year. Current liabilities are made up of accounts payable, accrued liabilities, funds held for others, unearned revenues and the current portions for accrued compensable absences and bonds payable. A liability is considered to be current if it is due within one year.

Accounts payable and unearned revenues account for 88.3% of current liabilities with accounts payable representing 32.0% of \$35.1 million in current liabilities and unearned revenues making up 56.3% of current liabilities for the current fiscal year. This compares to 25.7% and 60.1%, respectively for accounts payable and unearned revenues as a percentage of total current liabilities for the prior fiscal year in 2016, which totaled \$28.6 million. The increase in accounts payable from \$7.4 million to \$11.3 million is due, in large part, to outstanding accounts payable due at August 31, 2017 for the construction of the PSTC totaling \$3.7 million. Consistent with the prior year's payable

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2017 and 2016**

of \$1.2 million is a \$1.8 million payable for the current fiscal year due Barnes and Noble for books purchased by students with financial aid. The increase in unearned revenues totaling \$2.7 million is consistent with the 6% increase in enrollment for Fall 2017. All other current liabilities are consistent with previous years. See Note 12 for additional information on payables.

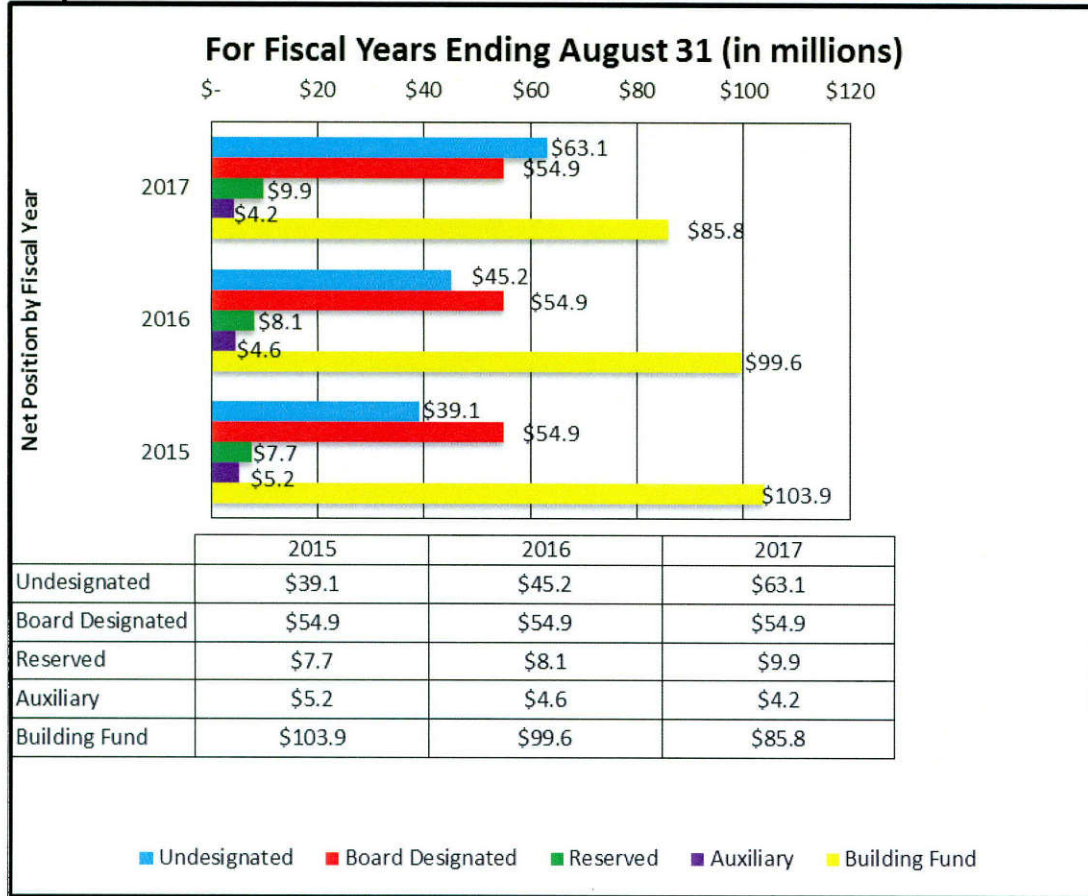
For fiscal years 2017, 2016, and 2015 noncurrent liabilities make up 49.5%, 57.5%, and 60.7% of total liabilities. The three non-current liabilities are accrued compensable absences payable, pension liability and the noncurrent portion of bonds payable which is not due within one year. The 22.3% decrease in the long term portion of bonds payable is a result of debt payments made during the fiscal year. Additional information on debt service can be found in the Capital Assets and Debt Administration discussion on page 16 in the MD&A. Pension liability is explained below as it relates to GASB 68. See Notes 2, 6, and 9 for additional information on compensable absences and pension liability.

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

Upon implementation of GASB Statement No. 68 in fiscal year 2015, a cumulative effect of a change in accounting principles was required for fiscal year 2015 decreasing the beginning net position by \$19.5 million and establishing a pension liability of \$17.2 million. In 2016 and 2017 the pension liability has stabilized to \$21.7 million and \$21.2 million, respectively. Deferred inflows related to pensions for fiscal years 2017, 2016, and 2015 have been \$5.7 million, \$6.3 million, and \$5.3 million respectively. The changes in deferred inflows represent the District's recording of its proportionate share, at the plan level, of expected and actuarial changes and assumptions the District may owe to the retirement fund in the future, but is not considered a liability. See Note 9, Employees' Retirement Plan and the section titled Required Supplementary Information for more information on pension liability, pension expense and related pension disclosures.

Net position represents the District's equity, some of which is restricted for certain uses and some of which is unrestricted. Unrestricted net position increased 2.3% or \$5.5 million from the prior year to the current year. Total unrestricted net position at 2017, 2016, and 2015 totaled \$217.9, \$212.4, and \$210.8 million, respectively. The Board of Trustees has designated \$24.75 million and \$30 million of the unrestricted, unreserved net position for stabilization of maintenance and operations and health insurance reserves, respectively. Designating a portion of the District's net position for these purposes protects the District in the event ad valorem property taxes decline and/or health insurance benefits provided by the State are decreased. See Graph 2-Current Unrestricted Net Position below for a graphical representation of the components of current unrestricted net position.

Graph 2: Current Unrestricted Net Position



Statement of Revenues, Expenses and Changes in Net Position

The purpose of the Statement of Revenues and Expenses, and Changes in Net Position is to present the revenues earned and expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the District. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenue and to carry out the District’s mission. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as ad valorem taxes, state appropriations, and federal grants. See Table 2 for a comparative Condensed Statement of Revenues, Expenses, and Changes in Net Position for fiscal years 2017, 2016, and 2015.

Because two of the three primary sources of revenue, state appropriations, and ad valorem taxes, which make up 66% of total District revenues are reported as non-operating revenues, the District will typically report a net operating loss, as it does for the District in all fiscal years presented. Additionally, since depreciation on capital assets is reported as an operating expense, it also contributes to the operating loss.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2017 and 2016**

Tuition and fees, net of discounts, make up 82.5% of operating revenues for fiscal year ending 2017 and 75.5% for year ending 2016. For fiscal years ending 2017, 2016, and 2015 tuition and fees, net of discounts was \$34.8 million, \$30.7 million, and \$28.4 million, respectively.

The \$4.1 million, or 13.4%, increase in tuition from 2016 to 2017 is a result of several factors including a 3.3% increase in fundable credit hours, an increase in hourly rates charged per credit hour, as well as the implementation of special fees for non-fundable classes. In 2017, tuition increased per credit hour \$3 for in-county, \$5 for out-of-county, and \$5 for out-of-state/country. Beginning Fall 2016, Texas residents attempting a course more than twice must pay regular tuition plus an additional \$50 per credit hour. Developmental courses taken in excess of the 27-hour threshold are assessed \$50 per credit hour additional tuition, and any courses not funded by the State of Texas are subject to the additional \$50 per credit hour.

The District saw a 5.7% increase in fundable credit hours from 2015 to 2016 accounting for the increase in tuition revenues totaling \$2.3 million. The District offered Wintermester classes in 2016 for the first time since 2010. Tuition per credit hour did not change in 2015 or 2016.

For fiscal years ending 2017, 2016, and 2015, scholarship allowances and discounts were \$7.4, \$6.9, and \$7.6 million, respectively. Scholarship allowances reduce tuition revenue for amounts paid to students from financial aid or sources other than the student or third parties making payments on behalf of the student. During the current year, the increase in scholarships allowances by 8.1% or \$.5 million is primarily a result of increases in Texas Education Opportunity Grants, Texas Public Education Grants awarded, and waivers.

Grants and Contracts as displayed in Table 2, Condensed Statement of Revenues, Expenses and Changes in Net Position, consists of Federal, State, and Non-governmental grants and contracts. Federal grants and contracts revenue have steadily decreased over the last three years from \$6.7 million in 2015, to \$2.2 million in 2016, to \$1.6 million in 2017 as a result of the completion of the Department of Labor Trade Adjustment Assistance Community College and Career Training ("TAACCCT") Grant which ended after four years plus one no-cost extension year in 2016. The National Science Foundation (NSF) grant increased from 2015 to 2016 by 53.9% or \$.386 million. From 2016 to 2017, NSF grant has remained constant at \$1.1 million. State grants and contracts have increased 51.3% from the prior fiscal year to the current fiscal year due in large part to a 70.1% increase in Texas Education Opportunity Grants awarded. Grant revenues are recognized to the extent expenditures are incurred.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

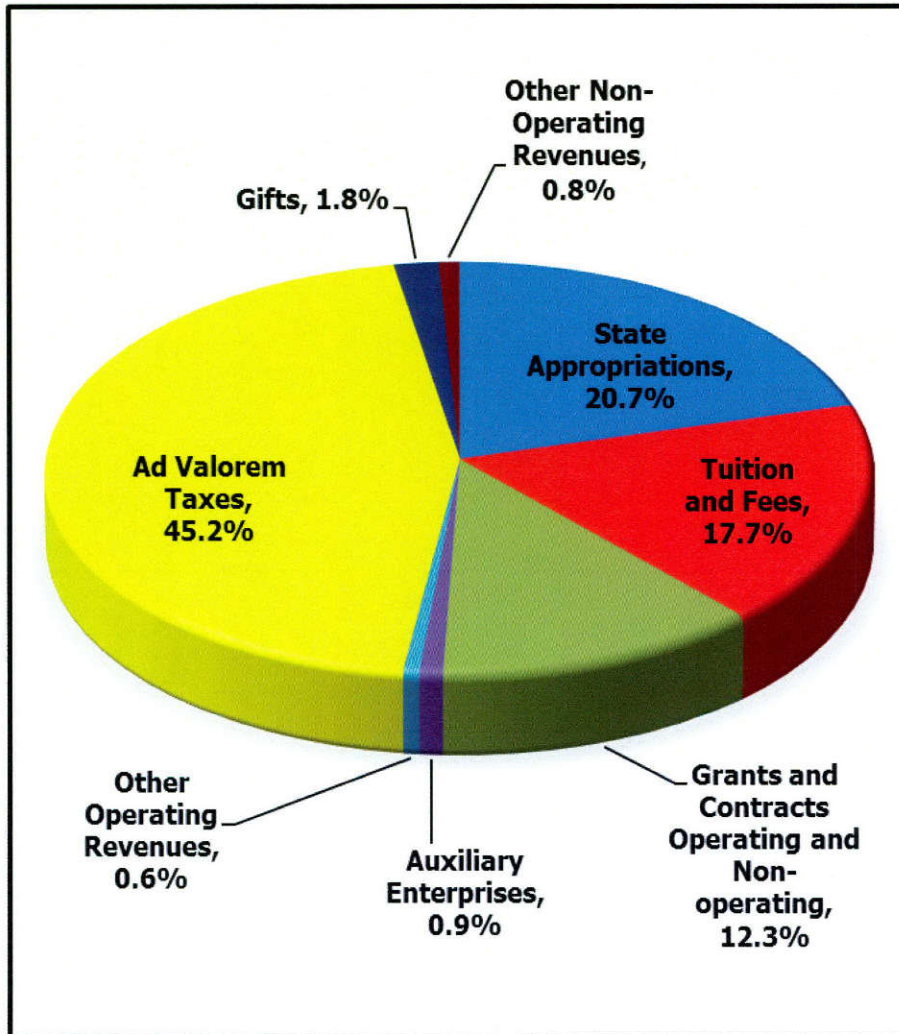
Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2017 and 2016

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

	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
Operating revenues:					
Tuition and Fees (Net)	\$ 34.8	\$ 30.7	\$ 28.4	13.5 %	8.0 %
Grants and Contracts	4.4	3.9	8.5	13.1 %	(54.2)%
Auxiliary enterprises	1.8	5.0	8.8	(64.2)%	(42.8)%
Other operating revenues	1.2	1.0	1.0	17.5 %	3.0 %
Total operating revenues	<u>42.2</u>	<u>40.6</u>	<u>46.7</u>	3.9 %	(13.0)%
Operating expenses:					
Instruction	70.8	72.0	64.6	(1.7)%	11.5 %
Public service	0.7	1.2	0.8	(41.7)%	50.0 %
Academic support	12.2	11.9	15.5	2.5 %	(23.2)%
Student services	13.0	11.9	10.4	9.2 %	14.4 %
Institutional support	24.2	20.0	18.9	21.0 %	5.8 %
Operation and maintenance of plant	12.9	11.7	10.4	10.3 %	12.5 %
Scholarships	16.9	16.3	19.4	3.7 %	(16.0)%
Auxiliary enterprises	3.0	6.4	9.5	(53.1)%	(32.6)%
Depreciation	8.8	8.4	7.7	4.8 %	9.1 %
Total operating expenses	<u>162.5</u>	<u>159.8</u>	<u>157.2</u>	1.7 %	1.7 %
Operating loss	(120.3)	(119.2)	(110.5)	0.9 %	7.9 %
Non-operating revenues (expenses):					
State appropriations	40.8	40.7	38.7	0.2 %	5.2 %
Ad-valorem taxes (Net)	89.1	80.4	72.0	10.8 %	11.7 %
Federal revenue, Non-operating	19.8	20.0	23.8	(1.0)%	(16.0)%
Gifts	3.6	-	-		
Interest on capital related debt	(0.7)	(1.2)	(1.5)	(41.7)%	(20.0)%
Other non-operating revenues, net	2.4	1.0	0.5	140.0 %	100.0 %
Net non-operating revenues	<u>155.0</u>	<u>140.9</u>	<u>133.5</u>	10.0 %	5.5 %
Increase in net position	<u>34.7</u>	<u>21.7</u>	<u>23.0</u>	59.8 %	(5.4)%
Net position - beginning of year	485.8	464.1	460.6	4.7 %	0.8 %
Cumulative Effect of Change in Accounting Principle	-	-	(19.5)	0.0 %	0.0 %
Net position - ending of year	<u>\$ 520.5</u>	<u>\$ 485.8</u>	<u>\$ 464.1</u>	7.1 %	4.7 %

See Graph 3 for a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal year ending August 31, 2017.

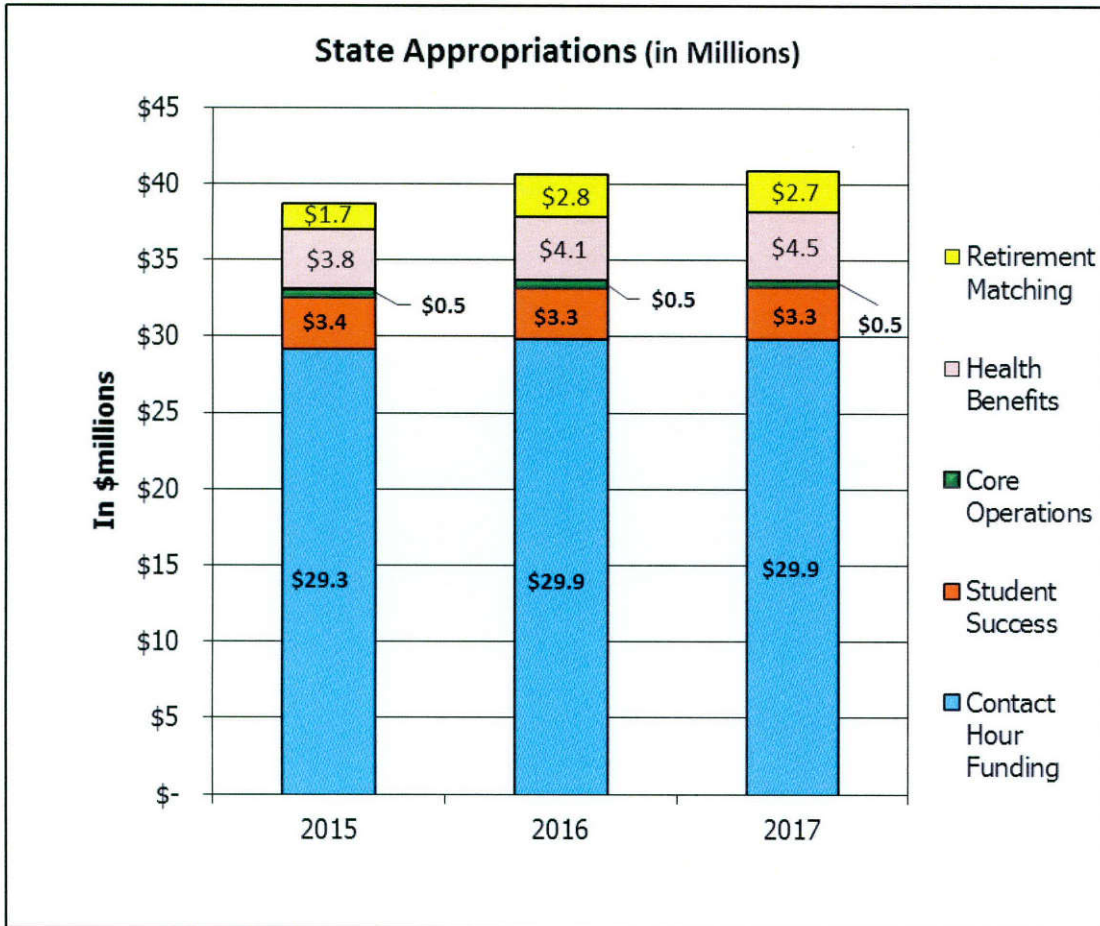
Graph 3: 2017 Total Operating and Non-Operating Revenues



As noted above, non-operating revenues are non-exchange transactions where funds are received for goods and services provided to an entity, in this case, students, who are not the payors. The primary source of non-operating revenues are State appropriations, ad valorem taxes and federal revenues received from the Department of Education in the form of Title IV funds, i.e. Federal Pell Program, Federal Supplemental Educational Opportunity Grants and Federal Work-Study Program. Other non-operating revenues consist of net investment income, gifts, and other non-operating revenues.

State appropriation funding consists of funding for education and general expenses, specifically based on contact hours, student success measures, and core operations, as well as providing for a portion of employee benefits in the form of health insurance and state retirement matching. This is the second year of the biennium, therefore the education and general state support is unchanged from fiscal year 2016. State appropriations per full-time student equivalent ("FTSE") decreased by 9.1% for the current year to \$2,183 from \$2,401 in 2016. The decrease can be attributable primarily to an increase in the FTSE from 16,938 to 18,714 with a static state appropriation per FTSE. State funding per FTSE for 2015 was \$2,257. As shown in Graph 4 the greatest change throughout the three year period has been in the State funding for benefits. Texas Senate Bill 1812, passed in September, 2013, requires the State to fund benefits at 50% for all eligible employees. For fiscal years 2015, 2016, and 2017, funding for benefits was \$5.5, \$6.9, and \$7.1 million, respectively. See Notes 9 and 10 for additional information on benefits.

Graph 4: 2015-17 State Appropriations



Ad valorem taxes received for maintenance and operations (M&O) increased \$9.0 million over the prior year, or 11.8% due to increased property values. The net assessed property values of the District for 2017, 2016, and 2015 was \$110.6, \$97.7, \$88.1 billion, respectively. The District's total assessed tax rate for M&O for 2015 and 2016 was \$0.078965 and was reduced to \$0.078174 in

2017. Debt service assessed tax rate is set to pay the District's outstanding general obligation and was \$0.002995 for 2015 and 2016, and \$0.003048 in 2017. See Note 14 for additional information on property taxes.

Federal grants and contracts shown as non-operating revenues represents funds received from the Department of Education for Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, and Federal Work Study. From 2015 through 2017 federal grants and revenues reported as non-operating revenues have steadily declined as follows: \$23.8, \$20.0, and \$19.8 million, respectively. A reduction in federal grants and contracts occurred primarily as a result of a decrease in Pell grants from fiscal year 2015 to 2016 by \$3.7 million, due to a more stringent satisfactory academic progress policy implemented in fiscal year 2014. The change in the satisfactory academic progress policy was necessary to bring the District in compliance with federal regulations as well as provide a consistent and equitable procedure to the process. Additionally, the number of students applying for financial aid has steadily decreased over the last several years, from 24,605 in 2015 and 23,069 in 2016 to 21,866 in 2017, a 5% decrease in the current year.

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

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

As a result of the changes noted above, as well as interest rates increasing by approximately 245% in the current fiscal year, investment income increased from \$202 thousand in 2015 to \$804 thousand in 2016 and to \$2.2 million in 2017, a 172% increase in investment income during the current fiscal year compared to the previous year.

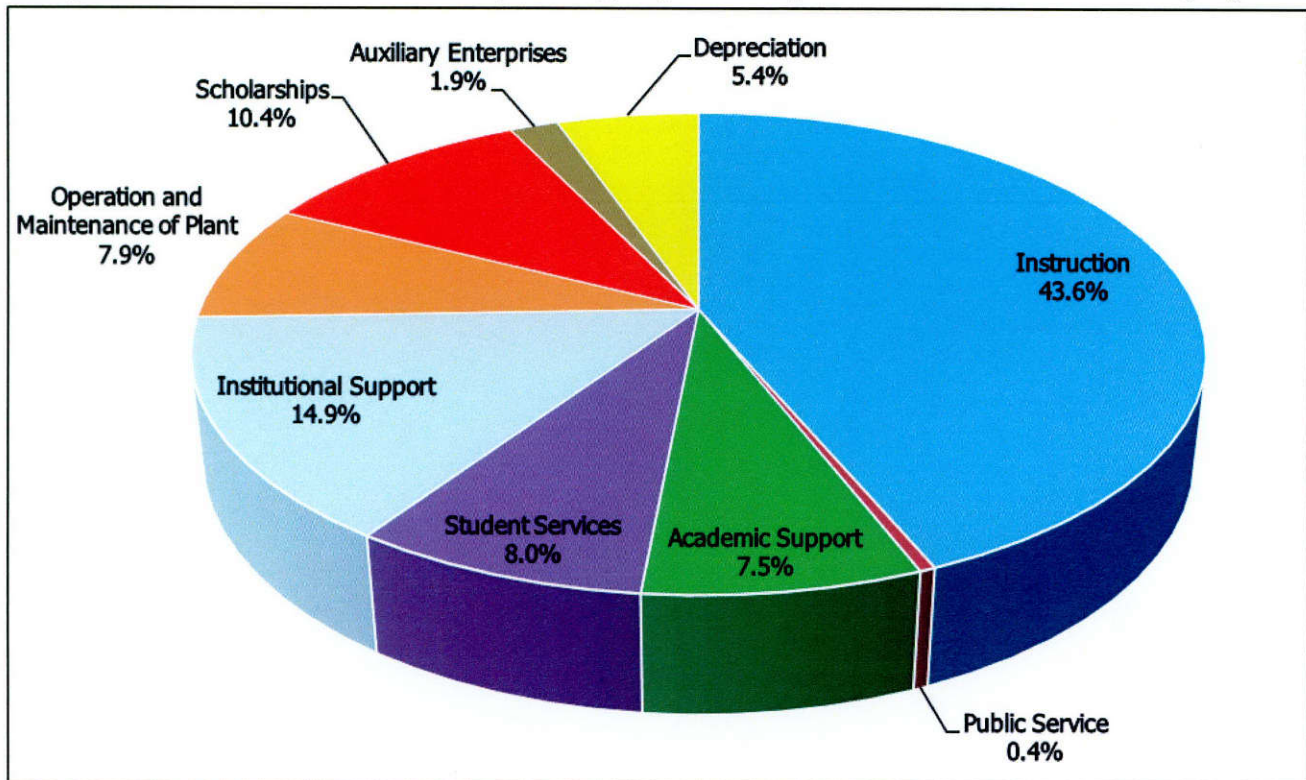
Operating Expenses by Functional Classification

Functional classifications are the traditional categories that have been used to categorize expenses and represent the type of programs and services provided. A comparison of the District's functional operating expenses from 2015 through 2017 may be found in Table 2 on page 29. Graph 5 on page 33 highlights the percentage of total operating expenses each program represents of the total \$162.5 million. A graphical representation of operating expenses by functional classification for the three year period of 2015, 2016, and 2017 may be found on page 34, Graph 6. Instruction expenses make up 43.6% of total operating expenses for the current year, compared to 45.1% and 41.1% in the two previous years.

Overall operating expenses increased 1.6% and 1.7% from fiscal years 2016 to 2017 and from 2015 to 2016, respectively. The Board of Trustees approved a 4% salary increase for employees each of the last three years.

Instructional expenses decreased \$1.2 million or 1.7% from the 2016 to 2017 primarily due to \$2.9 million expensed to the Instruction category for non-capital expenses related to the new Health Sciences Center in 2016. When excluding the one-time, non-capital expenses made in 2016 from consideration, there was an overall increase in the current year instruction expense of \$1.6 million which can be explained by the annual 4% salary increase. There was an overall increase in instructional expenses of 11.5% or \$7.5 million from 2015 to 2016 due to the 4% salary increase, hiring 24 new faculty, increase in benefits, and purchase of noncapital furniture and equipment for the new Health Science Center.

Graph 5: Fiscal Year 2016-17 Operating Expenses by Functional Classification (%)



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

Expenses in public service classification primarily relate to services provided by the Small Business Development Center, and the avocational courses offered through the District. It represents .4% of the District's total operating expenses in 2017.

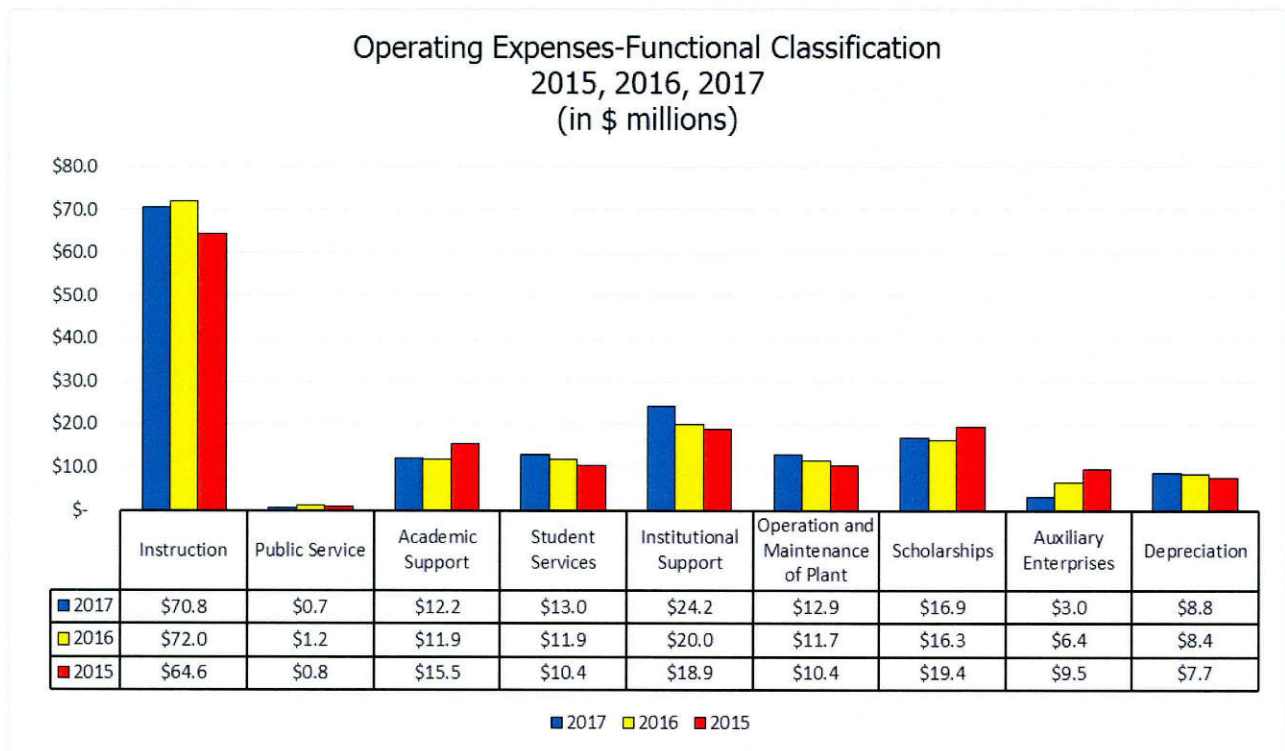
COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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The academic support functional area includes expenses incurred to provide support services for the District's primary programs of instruction. It includes academic administration (provosts, academic deans and associate deans), and library services. There was a 2.4% increase in academic support between 2016 and 2017 due to 4% increases in salaries. The overall change from 2015 to 2016 was a decrease of 23.2% due primarily to the DOL-TAACCT grant ending in September 2015. The District underwent a realignment affecting academic support beginning July 2016, whereby fourteen associate deans were hired to assist deans with managing faculty, and to allow deans to focus on program assessment, improvement, and development. Eight associate deans were promoted from within the District, while four were hired from outside the District. A reduction in expenses was realized by eliminating faculty release time and part-time department chair responsibilities, allowing faculty to resume teaching responsibilities in the classroom. In addition, three academic dean positions were eliminated.

Student services includes expenses incurred to provide assistance and support the needs and interests of the students including counseling, advising, financial aid, admissions, and career guidance among others. This category has seen an increase in expenses during the current year of 9.2% growing from \$11.9 to \$13.0 million from 2016 to 2017. This category experienced a realignment beginning in July 2016 with the addition of three associate deans. A fourth dean was hired in the current fiscal year. The impact of a full year's salary for the associate deans, the 4% salary increase and the addition of the intramural program accounts for the increase student services for the current year.

Graph 6: Fiscal Years 2015, 2016, 2017 Operating Expenses by Functional Classification



Institutional support expenses consist of the District's executive management, fiscal operations, general administration, public relations and development, debt service and information technology. From fiscal years 2015 to 2016 and from 2016 to 2017, institutional support saw a 5.8% and 21.3% increase, respectively. During the current year, software and contracted services increased almost \$1 million in connection with District computer services and access. Vacancies in the police department were filled increasing the number of officers from 17 in 2016 to 31 officers in 2017 with a corresponding increase in salaries, benefits and other departmental expenses from \$.8 to 2.7 million, respectively. The remaining increase in expenses for institutional support may be attributable to the 4% salary and benefits increase.

Operations and maintenance of Plant expenses increased during the current year by \$1.3 million. The increase is due primarily to the 4% increase in salaries and benefits, as well as the increase in three new positions, including an electrician. From 2015 to 2016 there was a 12.3% increase due to an increase in utilities, custodial, and salary expenses due to the addition of the new Health Science Center and Conference Center in 2016. The District provides for renewal and replacement of physical plant annually by budgeting between \$1.5 and \$2.0 million. For the current and two prior fiscal years, approximately \$1.5, \$1.7 and \$2.6 million, respectively, was expended for renewal and replacement. These expenses are included in operation and maintenance of plant.

Depreciation expense has steadily increased over the last three years from \$7.7 million in 2015, to \$8.4 million and \$8.8 million in 2016 and 2017, respectively as is expected with the addition of new construction. In 2016, the District capitalized and began depreciating a \$47.3 million Conference Center and Health Science Center on the Central Park Campus, accounting for the 8.8% increase in depreciation from 2015. The 4.7% increase in depreciation from 2016 to the current year is reasonable since no significant capitalizable assets have been added during the current fiscal year.

Scholarship expense increased slightly from 2016 to 2017 by 3.1% or \$.5 million and totaled \$16.8 million. The most significant increase in scholarship expense during the current fiscal is attributable to the Texas Education Opportunity Grant increasing from \$.6 million in 2016 to \$1.3 million in 2017. Pell Grant awards have decreased slightly since the previous year, decreasing from \$19.4 million in 2016 to \$19.1 million in 2017.

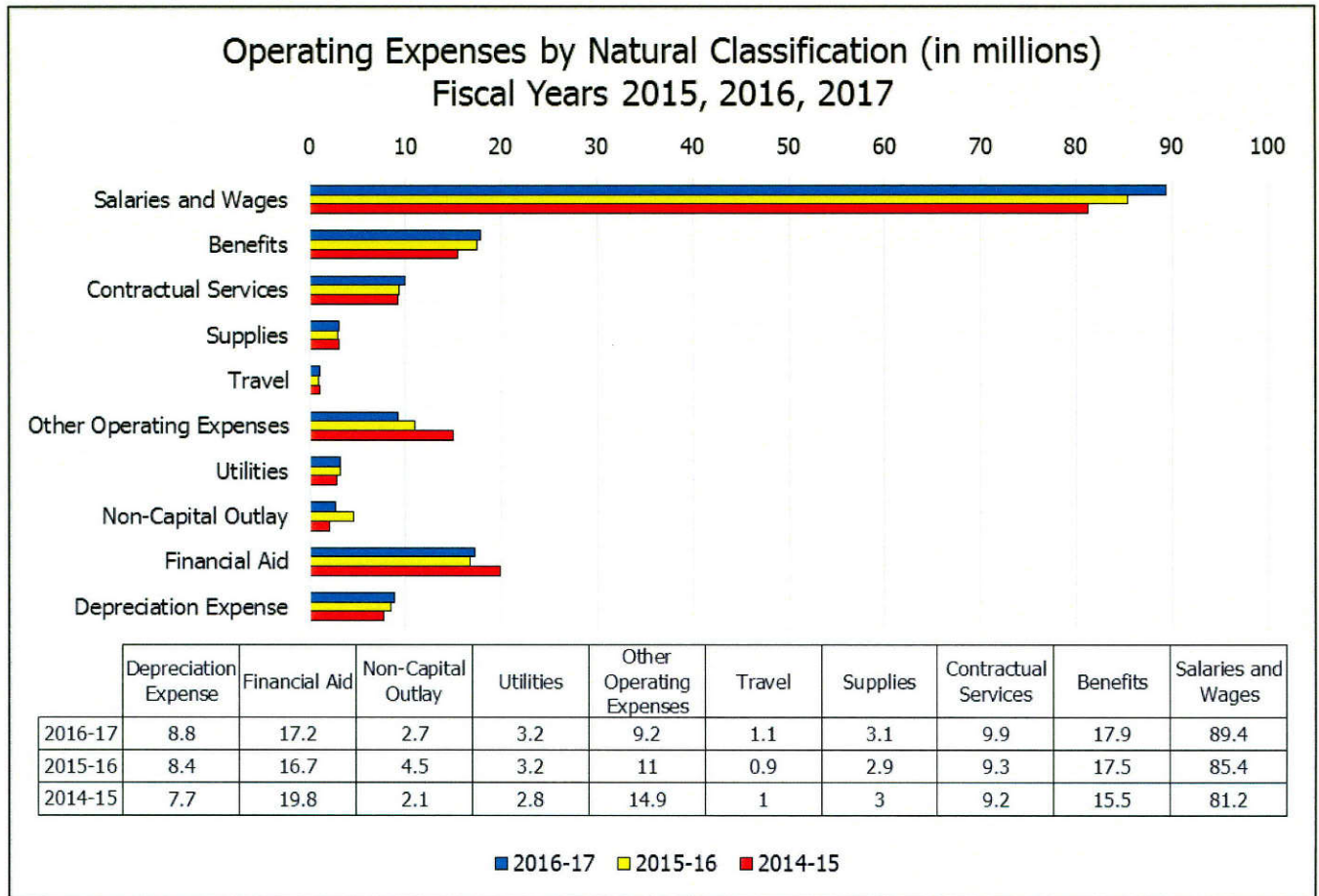
Operating Expenses-Natural Classification

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

Salaries and benefits make up between 66% and 62% of total expenses for all years shown. Financial aid is the next largest expense for the District at 10.6%, 10.5%, and 12.6% in 2017, 2016, and 2015, respectively.

Operating expenses consist of expenses for software, printing, repairs, insurance, advertising, cost of goods sold, memberships, among other expenses. Operating expenses decreased by 26.2% and 16.4% from 2015 to 2016, and 2016 to 2017, respectively. One key factor for the decrease in operating expenses is due to the District contracting out the bookstore to Barnes & Noble at the end of 2016 eliminating costs of goods sold, and most freight charges.

Graph 7: Operating Expenses-Natural Classification



Capital Assets and Debt Administration

The District and the City of McKinney have entered into an Inter-local agreement which allows the District to construct and operate a 110,000 SF Public Safety Training Center (PSTC) on twenty-five acres of land owned by the City. The terms of the agreement provide for the District to receive a 50 year ground lease from the City of McKinney at \$10 per year. The project is anticipated to cost \$40.4 million which will be offset by contributions from the City of McKinney, who has agreed to contribute \$3.7 million (\$2.2 million-Fire, \$1.5 million-Law Enforcement and other site development costs), and the City of Allen, who has agreed to contribute \$4.6 million (Law Enforcement).

When completed the PSTC will consist of classrooms for the fire science and law enforcement programs as well as a 37 lane shooting range, simunition building, apparatus bay, burn tower and other structures for the fire science training program. The preliminary construction phase of the PSTC was begun in fiscal year 2015-16 with approximately \$828 thousand being spent.

During the current fiscal year, the District was gifted 44 acres of land by the City of Wylie, valued at \$3.62 million, to construct and operate a campus. Additionally, the District has purchased 31.75

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acres of land in Allen for a technical campus and an additional 42 acres of land adjacent to the donated parcel of land the District received from Wylie for a total cost of \$13.9 million.

Preliminary work has begun on both the Wylie and Technical campuses. Construction in progress for the current fiscal year for the three projects including the PSTC totals \$16.1 million. The PSTC is 35% complete with the estimated completion date in May, 2018 and classes scheduled to begin Fall 2018.

The District completed construction on a Conference Center and Health Science Center at the Central Park Campus during fiscal year 2016. Total capitalized cost of the construction was \$47 million of which \$38.1 million was classified as construction in progress at year ending 2015. In addition to new construction, the existing facility was renovated to add laboratories, and a conference room was repurposed as a student center. The project was funded from reserves from the building fund.

Table 3: Capital Assets

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land	\$ 42,706,349	\$ 25,194,267	\$ 25,194,267
Construction in progress	16,131,827	838,065	38,189,713
Buildings	238,151,813	244,195,773	202,111,414
Land improvements	8,778,524	9,455,469	10,139,426
Equipment	7,154,584	7,104,383	7,379,097
Library Books	4,213,162	4,322,686	4,359,323
WAN/LAN network equipment	27,164	28,716	30,268
Total	<u>\$ 317,163,423</u>	<u>\$291,139,359</u>	<u>\$287,403,508</u>

In May 2017 Collin County voters approved a \$600 million bond referendum allowing the District to fund Collin College's Facilities Master Plan. The bond program supports the Facilities Master Plan by providing funding for the PSTC, new campuses in Wylie, Celina and Farmersville, a Technical Campus in Allen, an Information Technology Center of Excellence on the Preston Ridge campus, as well as other district-wide improvements and renovations. The projects will be scheduled in four phases with Phase 1 dedicated to the construction of the Wylie Campus and Technical Campus. Anticipated completion of Phase I projects is expected to be in 2020. The remaining phases should be completed over the next four to seven years. The District entered into an agreement with AECOM Technical Services to provide Program Management Services for Phase 1 of the 2017 Bond program totaling \$9.6 million.

The preceding table shows the capital assets for the fiscal years ending August 31, 2017, 2016, and 2015. Additional information regarding capital assets may be found in Note 5.

The District's outstanding general obligation bonds at year ending 2017 consists of 2010 tax improvement bonds totaling \$14.843 million. Noted in Table 4 is the outstanding debt at the end of fiscal year 2017, compared to the debt at the end of the two previous fiscal years ending 2016 and 2015. In 2015 the Board of Trustees approved the redemption and defeasance of the District's Limited Tax Improvement Bonds, Series 2006, whereby \$12.445 million in principal was paid from

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Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2017 and 2016

current unrestricted funds prior to bond maturity. The early retirement of the Series 2006 bonds provided a savings to the District of \$3.1 million in interest expense. All general obligation bonds are funded through ad valorem taxes.

Principal payments totaling \$3.385 million on the District's general obligation bonds Series 2010 and Series 2008 revenue bonds during the current year reduced the total outstanding bonds payable to \$15.938 million, of which \$3.520 million is classified as a current liability. See Notes 6, 7, and 8 for information on debt service.

Revenue bonds totaling \$1.095 million are outstanding at year end and are collateralized by pledged revenues of the unrestricted current funds, excluding state allocations or those raised by local taxes. These bonds will be paid off during the 2017-18 fiscal year.

Table 4: Bond Obligations

	2017	2016	2015
General obligation bonds	\$ 14,843,861	\$ 17,206,467	\$ 31,787,200
Revenue bonds	1,095,000	2,160,000	3,195,000
Total	<u>\$ 15,938,861</u>	<u>\$ 19,366,467</u>	<u>\$ 34,982,200</u>

As of February, 2017 Standard & Poor's Global Ratings' affirmed the District's AAA rating, basing their opinion of the District on the following factors:

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

Economic Factors That Will Affect the Future

The economic position of the District is closely tied to that of Collin County and the State of Texas. An increase in taxable assessed values from the prior year totaling 14.5% is expected to generate additional tax revenues of \$10.4 million for the 2017-18 fiscal year. For fiscal year 2017-18, the debt service tax rate and maintenance and operations tax rate was set at \$0.077118/\$100 valuation and \$.002692/\$100 valuation, respectively. The maximum rate for M&O is \$.08/\$100 valuation. Similar expectations as those experienced in 2016-17 regarding tax revenue collections for 2016-17 is anticipated.

The unemployment rate in Collin County has remained low over the current year, steadily declined over the last several years, from a high of 6.5% unemployment in June 2012 to 3.7% in August 2017. This trend stands to continue with the increase in new employers moving into Collin County including State Farm, Liberty Mutual Insurance, Fannie Mae, JP Morgan Chase, and Toyota.

State appropriations are budgeted at 21% of the District's total revenue for fiscal year ending 2018. The upcoming fiscal year is the first year of the biennium. Appropriations will increase 5.2% over the 2017 rate from \$33.7 million to \$35.5 million, excluding benefits. The District will continue to

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2017 and 2016

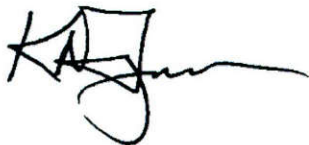
receive the majority (90%) of state funding based on contact hours, but a portion (10%) of the funding is tied to a success-points system in which colleges earn funding for students' academic milestones, such as earning an associate's degree, a certificate or transferring to a university. Also included in the District's State appropriations is \$680,406 for core operations for each year of the biennium. Retirement benefits, as a percentage of salaries, will increase along with salary increases. The allocation for healthcare for 2018 fiscal year has increased 16.1% from \$4.4 in 2017 to \$5.2 million.

The Board of Trustees approved a tuition increase effective Fall 2017 increasing in-county tuition by \$3 per credit hour and by \$4 per credit hour for out-of-county, and \$5 per credit hour for out-of-state, and out-of-country residencies. Enrollment is anticipated to increase four percent during the 2018 fiscal year. In addition, the student activity fee was increased from \$1 per credit hour to \$2 per credit hour beginning in Fall 2017. This additional fee will help pay for the new intramural programs the District is offering to students.

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

The District is planning on issuing bonds in Spring 2018 to support the construction of the campus in Wylie, Technical campus in Allen, as well as fund the PSTC under construction in McKinney.

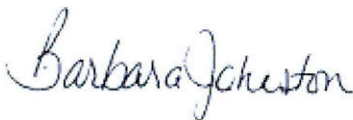
Financial information can be obtained from the Collin County Community College District Business Office via written request to 3452 Spur 399, McKinney, Texas 75069 or by visiting our website at www.collin.edu and selecting the *Required Links* tab at the bottom of the home page.



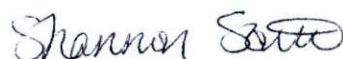
Kenneth D. Lynn, CPA
Chief Financial Officer



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



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



Shannon South, CPA
Director of Accounting

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Basic Financial Statements

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Statement of Net Position
As of August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 123,451,580	\$ 133,939,629
Accounts receivable (net of allowance for doubtful accounts of \$625,640 and \$621,141 respectively)	9,739,711	8,809,383
Short term investments	112,522,949	79,867,736
Tax receivable (net of allowance for doubtful accounts of \$667,442 and \$666,190 respectively)	568,562	498,476
Consumable inventory	33,528	35,720
Prepaid expenses	<u>1,020,119</u>	<u>1,055,187</u>
Total current assets	<u>247,336,449</u>	<u>224,206,131</u>
Noncurrent assets		
Long term investments	24,473,262	35,539,898
Capital assets, net		
Not subject to depreciation	58,838,176	26,032,332
Subject to depreciation	<u>258,325,247</u>	<u>265,107,027</u>
Total noncurrent assets	<u>341,636,685</u>	<u>326,679,257</u>
Total assets	<u>\$ 588,973,134</u>	<u>\$ 550,885,388</u>
Deferred outflows related to pensions	<u>\$ 7,082,702</u>	<u>\$ 8,403,433</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 11,285,397	\$ 7,358,102
Accrued liabilities	190,614	147,435
Funds held for others	276,831	379,223
Unearned revenue	19,868,416	17,176,818
Accrued compensable absences payable	148,438	132,024
Bonds payable - current portion	<u>3,520,000</u>	<u>3,385,000</u>
Total current liabilities	<u>35,289,696</u>	<u>28,578,602</u>
Noncurrent liabilities		
Accrued compensable absences payable	914,041	901,468
Pension liability	21,234,239	21,734,977
Bonds payable	<u>12,418,861</u>	<u>15,981,467</u>
Total noncurrent liabilities	<u>34,567,141</u>	<u>38,617,912</u>
Total liabilities	<u>\$ 69,856,837</u>	<u>\$ 67,196,514</u>
Deferred inflows related to pensions	<u>\$ 5,725,926</u>	<u>\$ 6,276,680</u>
Net position		
Net investment in capital assets	300,132,133	271,788,069
Restricted for:		
Expendable		
Student aid/non-governmental grants and contracts	1,384,935	952,708
Student loans	21,707	21,707
Reserve debt service	1,073,545	656,495
Unrestricted	<u>217,860,753</u>	<u>212,396,648</u>
Total net position	<u>\$ 520,473,073</u>	<u>\$ 485,815,627</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Financial Position
As of December 31, 2016 and 2015**

Assets:	<u>2016</u>	<u>2015</u>
Cash & Cash Equivalents	\$ 1,418,824	\$ 753,851
Investments	10,716,602	10,142,424
Accounts Receivable	1,270	36,189
Pledges Receivable	212,594	260,627
Prepaid Expenses	-	500
Total Assets	<u>\$ 12,349,290</u>	<u>\$ 11,193,591</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	114,179	14,103
Other Liabilities	<u>36,798</u>	<u>46,500</u>
Total Liabilities	<u>150,977</u>	<u>60,603</u>
Net Assets:		
Unrestricted	610,658	502,118
Temporarily Restricted	5,047,149	4,382,997
Permanently Restricted	<u>6,540,506</u>	<u>6,247,873</u>
Total Net Assets	<u>12,198,313</u>	<u>11,132,988</u>
Total Liabilities and Net Assets	<u>\$ 12,349,290</u>	<u>\$ 11,193,591</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, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$7,440,124 and \$6,885,624 respectively)	\$ 34,777,289	\$ 30,671,124
Federal grants and contracts	1,650,574	2,192,596
State grants and contracts	2,477,397	1,637,637
Non-governmental grants and contracts	276,616	74,452
Sales and services of educational activities	744,120	681,057
Auxiliary enterprises	1,740,221	5,036,125
Other operating revenues	469,662	356,464
Total operating revenues	<u>42,135,879</u>	<u>40,649,455</u>
Expenses		
Operating expenses:		
Instruction	70,813,288	72,044,666
Public service	701,327	1,260,478
Academic support	12,194,878	11,908,733
Student services	12,965,133	11,875,226
Institutional support	24,213,569	19,966,816
Operation and maintenance of plant	12,933,541	11,666,212
Scholarships	16,856,378	16,342,810
Auxiliary enterprises	3,038,575	6,413,444
Depreciation	8,788,326	8,392,630
Total operating expenses	<u>162,505,015</u>	<u>159,871,015</u>
Operating loss	<u>(120,369,136)</u>	<u>(119,221,560)</u>
Non-operating revenues (expenses):		
State appropriations	40,859,962	40,667,403
Ad-valorem taxes:		
Taxes for maintenance and operations	85,704,942	76,691,956
Taxes for general obligation bonds	3,406,829	3,769,241
Federal grants and contracts	19,783,712	20,046,602
Gifts	3,620,000	1,650
Investment income (net of investment expenses)	2,183,790	803,614
Interest on capital related debt	(731,903)	(1,223,125)
Other non-operating revenues	199,250	198,500
Net non-operating revenues	<u>155,026,582</u>	<u>140,955,841</u>
Increase in net position	<u>34,657,446</u>	<u>21,734,281</u>
Net position - beginning of year	485,815,627	464,081,346
Net position - ending of year	<u>\$ 520,473,073</u>	<u>\$ 485,815,627</u>

See accompanying notes to basic financial statements.

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Change in Net Assets:				
Revenues, Gains and Other Support:				
Donations and Grants	\$ 568	\$ 634,978	\$ 270,050	\$ 905,596
Special Events and Fundraising	35,390	125,183	5,000	165,573
Less: Cost of Direct Benefit to Donors	(27,423)	(11,858)	-	(39,281)
Investment Income	57,210	202,629	12,484	272,323
Realized Gains/(Losses) on Investments	23,718	90,910	5,099	119,727
Net Assets Released from Restrictions	<u>768,289</u>	<u>(768,289)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>857,752</u>	<u>273,553</u>	<u>292,633</u>	<u>1,423,938</u>
Expenses:				
Program Services:				
Scholarships	559,516	-	-	559,516
Scholarship Reception	36,089	-	-	36,089
Program Enhancements	<u>188,975</u>	<u>-</u>	<u>-</u>	<u>188,975</u>
Total Program Services	<u>784,580</u>	<u>-</u>	<u>-</u>	<u>784,580</u>
Management and Fundraising:				
Accounting Fees	8,200	-	-	8,200
Insurance	1,600	-	-	1,600
Investment Expense	22,158	-	-	22,158
Miscellaneous	3,961	-	-	3,961
Fundraising	<u>239</u>	<u>-</u>	<u>-</u>	<u>239</u>
Total Management and Fundraising	<u>36,158</u>	<u>-</u>	<u>-</u>	<u>36,158</u>
Total Expenses	<u>820,738</u>	<u>-</u>	<u>-</u>	<u>820,738</u>
Change in Net Assets from Operations	<u>37,014</u>	<u>273,553</u>	<u>292,633</u>	<u>603,200</u>
Non-Operating Income/(Expense)				
Unrealized Gain/(Loss) on Investments	<u>71,526</u>	<u>390,599</u>	<u>-</u>	<u>462,125</u>
Total Other Income/(Expense)	<u>71,526</u>	<u>390,599</u>	<u>-</u>	<u>462,125</u>
Total Change in Net Assets	108,540	664,152	292,633	1,065,325
Net Assets at Beginning of Year	<u>502,118</u>	<u>4,382,997</u>	<u>6,247,873</u>	<u>11,132,988</u>
Net Assets at End of Year	<u>\$ 610,658</u>	<u>\$ 5,047,149</u>	<u>\$ 6,540,506</u>	<u>\$ 12,198,313</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Activities
For the Year Ended December 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Change in Net Assets:				
Revenues, Gains and Other Support:				
Donations and Grants	\$ 1,695	\$ 443,358	\$ 63,185	\$ 508,238
Special Events and Fundraising	65,949	120,978	3,500	190,427
Less: Cost of Direct Benefit to Donors	(41,578)	-	-	(41,578)
Investment Income	52,906	235,711	10,879	299,496
Realized Gains/(Losses) on Investments	37,290	102,015	7,591	146,896
Net Assets Released from Restrictions	<u>630,409</u>	<u>(630,409)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>746,671</u>	<u>271,653</u>	<u>85,155</u>	<u>1,103,479</u>
Expenses:				
Program Services:				
Scholarships	548,324	-	-	548,324
Scholarship Reception	41,849	-	-	41,849
Program Enhancements	62,181	-	-	62,181
Total Program Services	<u>652,354</u>	<u>-</u>	<u>-</u>	<u>652,354</u>
Management and Fundraising:				
Accounting Fees	8,200	-	-	8,200
Insurance	1,299	-	-	1,299
Investment Expense	22,263	-	-	22,263
Miscellaneous	4,421	-	-	4,421
Fundraising	609	-	-	609
Total Management and Fundraising	<u>36,792</u>	<u>-</u>	<u>-</u>	<u>36,792</u>
Total Expenses	<u>689,146</u>	<u>-</u>	<u>-</u>	<u>689,146</u>
Change in Net Assets from Operations	<u>57,525</u>	<u>271,653</u>	<u>85,155</u>	<u>414,333</u>
Non-Operating Income/(Expense)				
Unrealized Gain/(Loss) on Investments	<u>(100,095)</u>	<u>(608,034)</u>	<u>-</u>	<u>(708,129)</u>
Total Other Income/(Expense)	<u>(100,095)</u>	<u>(608,034)</u>	<u>-</u>	<u>(708,129)</u>
Total Change in Net Assets	(42,570)	(336,381)	85,155	(293,796)
Net Assets at Beginning of Year	<u>544,688</u>	<u>4,719,378</u>	<u>6,162,718</u>	<u>11,426,784</u>
Net Assets at End of Year	<u>\$ 502,118</u>	<u>\$ 4,382,997</u>	<u>\$ 6,247,873</u>	<u>\$ 11,132,988</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows For the Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 39,051,535	\$ 40,233,026
Receipt of grants and contracts	4,684,222	4,639,187
Collections/(payments) of loans to students	1,856	646
Other receipts	469,662	356,464
Payments to or on behalf of employees:		
Payments to employees	(88,531,850)	(85,163,086)
Payments for benefits	(10,094,776)	(9,966,808)
Payments to suppliers for goods or services	(27,960,271)	(33,143,522)
Payments of scholarships	(16,856,378)	(16,342,810)
Net cash used in operating activities	<u>(99,236,000)</u>	<u>(99,386,903)</u>
Cash flows from noncapital financing activities		
Receipt from state appropriations	33,739,730	33,685,576
Ad valorem tax revenues (maintenance and operations)	85,635,390	76,727,227
Receipt of grants and contracts	19,783,712	20,046,602
Payments for student organizations and other agency transactions	(102,392)	(60,577)
Net cash provided by noncapital financing activities	<u>139,056,440</u>	<u>130,398,828</u>
Cash flows from capital and related financing activities		
Ad valorem tax revenues (general obligation bonds)	3,406,295	3,768,047
Purchases of capital assets	(30,021,444)	(16,323,596)
Payments on capital debt	(3,427,606)	(15,725,000)
Tax increment reinvestment payment	200,000	200,000
Interest payments on capital related debt	(737,733)	(1,255,915)
Net cash used in capital and related financing activities	<u>(30,580,488)</u>	<u>(29,336,464)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	132,000,000	135,000,000
Investment income (net of investment expenses)	1,781,530	640,053
Purchase of investments	(153,509,531)	(125,320,642)
Net cash (used) provided by investing activities	<u>(19,728,001)</u>	<u>10,319,411</u>
Increase/(decrease) in cash and cash equivalents	(10,488,049)	11,994,872
Cash and cash equivalents - beginning of year	133,939,629	121,944,757
Cash and cash equivalents - end of year	<u>\$ 123,451,580</u>	<u>\$ 133,939,629</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows - continued For the Years Ended August 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (120,369,136)	\$ (119,221,560)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	8,788,326	8,392,630
Pension expense	707,406	214,932
Payments made directly by state for benefits	7,120,232	6,981,827
Changes in assets and liabilities		
Receivables, net	(595,722)	(170,650)
Inventories	2,192	2,648,488
Prepaid expenses	35,068	(290,384)
Deferred outflows related to pensions	1,320,731	(5,270,251)
Accounts payable & other accrued liabilities	2,107,269	(260,132)
Unearned revenue	2,691,597	2,127,159
Accrued salary and benefits	5,673	(24,791)
Loans to students	1,856	646
Pension liability	(500,738)	4,485,247
Deferred inflows related to pensions	(550,754)	999,936
Net cash used in operating activities	<u>\$ (99,236,000)</u>	<u>\$ (99,386,903)</u>

Schedule of non-cash investing, capital, and financing activities:

Payments made directly by state for benefits	\$ 7,120,232	\$ 6,981,827
Change in fair value of investments	(43,836)	(16,348)
Donated capital asset	3,620,000	-
Net non-cash investing, capital, and financing activities	<u>\$ 10,696,396</u>	<u>\$ 6,965,479</u>

NOTE 1. REPORTING ENTITY

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

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

The Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the District. The District does not appoint a voting majority, nor is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation made restricted payments to or on behalf of the District in amounts totaling approximately \$478,175 and \$789,562 during the years ending August 31, 2017 and 2016, 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, 2017 totaled \$366,617. The costs of these services were not significant to the District. The financial position and results of operations of the Foundation are included in these financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*, and Statement No. 61 *The Financial Reporting Entity: Omnibus—An Amendment of GASB Statements No. 14 and No. 34* as an affiliated entity because the Foundation's sole function is to fund the District and its students.

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

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

Tuition DiscountingTexas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. These funds, called the Texas Public Education Grant ("TPEG"), are shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount disbursed is recorded as scholarships expense.

Title IV Higher Education Authority (HEA) Program Funds

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

Other Tuition Discounts

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as scholarship expense.

Basis of Accounting

The financial statements of the District are reported using the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned and all expenses are recorded when the liability is incurred and they have been reduced to a legal or contractual obligation to pay.

Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The District's Board of Trustees adopts the budget, which is prepared on an accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the THECB, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1. Board policy requires that the District maintain a minimum fund balance equal to 25% of educational expenses adjusted for reserves and allocations. For the years ended August 31, 2017 and 2016, respectively, the minimum unrestricted fund balance to be maintained

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

was \$33,644,831 and \$36,453,413. The District exceeded this minimum required fund balance for both years.

Cash and Cash Equivalents

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

Investments

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

Deferred Outflows

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

Inventories

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

Capital Assets

Assets with a purchase cost of at least \$5,000 and a useful life greater than one year are capitalized. Interest costs incurred during construction of physical plant are capitalized as incurred. Depreciation on buildings and site improvements is calculated using the half-year convention, straight-line method with residual value of 10%. Depreciation for the fiscal years 2017 and 2016 totaled \$8,788,326 and \$8,392,630, respectively. Depreciation is not allocated to the functional expense categories. Expenditures for construction in progress are capitalized as incurred, but are not depreciable until assets are put into service.

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention and no residual value. The following lives are used:

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

Pensions

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

Unearned Revenues

Revenues of \$19,868,416 and \$17,176,818 are recorded on the Statements of Net Position as unearned revenue at August 31, 2017 and 2016, respectively, and primarily consist of tuition and fees related to academic terms in the next fiscal year. Unearned revenues related to grant funds pertain to funds received, but not yet expended.

Deferred Inflows

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB.

Estimates

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**Operating and Non-Operating Revenue and Expense Policy**

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a business type activity ("BTA") and as a single proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees, auxiliary enterprises, and federal grants and contracts, excluding Title IV financial aid programs. The major non-operating revenues consist of state appropriations, property tax collections, federal grant revenue related to Title IV financial aid programs, and investment income. Operating expenses include providing educational services, administrative expenses, and depreciation on capital assets. Non-operating expenses consist of interest on capital related debt.

Vested Vacation Benefits and Other Compensated Absences

Vacation is earned in varying amounts up to a maximum of 21 days for employees with 11 years or more of service. Unused vacation leave carried forward from one year to the next is limited to 15 days for each employee. Upon termination, employees are paid for earned but unused vacation for the current year and up to the 10 day maximum allowed for unused vacation carried over from the prior year.

Compensated absences activity for the years ended August 31, 2017 and 2016 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2016	\$ 983,803	\$ 2,142,664	\$ (2,092,975)	\$ 1,033,492	\$ 132,024
2017	1,033,492	2,363,333	(2,334,346)	1,062,479	148,438

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.

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, 2017 and 2016, and therefore, has not recorded a liability for income taxes.

Board Designations

Included in unrestricted net position are certain amounts that have been set aside by the Board. The Board has designated \$24,750,000 to provide maintenance and operations stabilization. Although maintenance and operations costs are budgeted yearly, this amount was set aside in

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

case of decreased property values. The District also designated \$100,000 to cover insurance deductibles in the event of a catastrophic loss and \$30,000,000 for a health insurance reserve.

New Accounting Pronouncement-Implemented

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans.*

The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

GASB Statement No. 77, *Tax Abatement Disclosures.*

The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements make these transactions more transparent to financial statement users. As a result, users are better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Pension Plans.*

This statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.*

This statement enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an Amendment of GASB Statement No. 14.*

The requirement of this statement enhances comparability of financial statements among governments. This statement amends the blending requirement for the financial statement presentation of component units of all state and local governments.

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. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions.*

The requirements of this Statement will improve the usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Implementation of this Statement for community colleges is planned for fiscal year 2018.

GASB Statement No. 81, *Irrevocable split-interest agreements.*

The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This statement requires that a government recognize revenue when the resources become applicable to the reporting period. Implementation of this Statement for community colleges is planned for fiscal year 2018.

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

The objective of this statement is to address certain issues that have been raised with respect to Statements 67, Financial Reporting for Pension Plans; 68, Accounting and Financial Reporting for Pensions; 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68; and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Implementation of this Statement for community colleges is planned for fiscal year 2018.

GASB Statement No. 85, *Omnibus 2017.*

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer-defined benefit OPEB plans

Implementation of this Statement for community colleges is planned for fiscal year 2018.

GASB Statement No. 86, Certain Debt Extinguishment Issues.

The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. Implementation of this Statement for community colleges is planned for fiscal year 2018.

NOTE 3. AUTHORIZED INVESTMENTS

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

- Treasury bills, treasury notes, and treasury bonds of the United States and other direct obligations of the agencies and instrumentalities of the United States,
- FDIC insured or collateralized time or demand deposits issued by a state or national bank domiciled in this state that are guaranteed by the FDIC or secured by obligations described in Public Funds Collateral Act, Chapter 2257,
- Fully collateralized repurchase agreements as expressly defined by Texas Government Code 2256.011,
- Local government investment pools approved by the College District's Board, by resolution, with a continuous rating of no lower than AAA or an equivalent rating by at least one nationally recognized rate service, and striving to maintain a \$1 net asset value,
- No-load AAA-rated money market mutual funds as permitted by Texas Government Code 2256.014,
- Domestic commercial paper rated A1/P1 or equivalent with a maximum maturity of 180 days,
- Obligations of state, agencies, counties, cities, and other political subdivisions of any US state rated A or equivalent by a nationally recognized investment rating agency.
- FDIC insured, brokered certificates of deposit securities issued by any bank in the US delivered versus payment to the District's safekeeping agent, and
- Share certificates of credit unions domiciled in the state insured by the National Credit Union Insurance Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

At August 31, 2017 and 2016, the net carrying amount of the District's deposits was an overdraft of \$1,405,746 and \$508,871, 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 \$1,094,697 as of August 31, 2017. 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,	
	2017	2016
Petty cash on hand	\$ 13,200	\$ 10,900
Checking account	152,655	303,681
TexPool	85,577,931	96,162,028
TexSTAR	37,707,794	37,463,020
Total cash and cash equivalents	<u>\$ 123,451,580</u>	<u>\$ 133,939,629</u>
	(Exhibit 1)	(Exhibit 1)

In accordance with GASB Statement No. 31, colleges may also report money market and other short-term, highly liquid investments at amortized cost, provided that the fair market value is not significantly different. This GASB Statement considers U.S. Treasury and agency obligations with maturities of less than one year to be money market investments.

As of August 31, 2017, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			Rating
		Less than 1 Year	1 to 2 Years	2 to 3 Years	
U.S. Treasury Notes & Bills	\$ 5,000,649	\$ 5,000,649	\$ -	\$ -	AAA
U.S. Government Securities					
FFCB	4,999,983	4,999,983	-	-	AAA
FHLB	14,002,784	14,002,784	-	-	AAA
FHLMC	33,515,519	21,549,000	11,966,519	-	AAA
Farmer Mac	49,951,518	44,955,533	4,995,985	-	AAA
Municipal Bonds	19,525,758	12,015,000	6,506,868	1,003,890	AA+
Commercial Paper	10,000,000	10,000,000	-	-	A1/P1
Total Fair Value	<u>\$ 136,996,211</u>	<u>\$ 112,522,949</u>	<u>\$ 23,469,372</u>	<u>\$ 1,003,890</u>	

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

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

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

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

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 monthly basis as a contractual responsibility of the bank. Collateral is restricted to fully guaranteed obligations of the US Government, its agencies or instrumentalities and reported by the custodian monthly.

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

Commercial paper is restricted by Policy and state law to A1/P1 or equivalent by at least two nationally recognized rating agencies. Policy restricts the securities to 180 days to stated maturity.

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

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

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

NOTE 4. DEPOSITS AND INVESTMENTS-continued

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

As of August 31, 2017, in the Portfolio

- US Government Treasury obligations represented 1.92% of the total portfolio,
- US Government agencies represented 39.32% of the total portfolio,
- Local government debt obligations represented 7.49% of the total portfolio,
- Commercial paper represented 3.84% represent of the total portfolio,
- Investment in two different local government investment pools represented 47.36% of the total portfolio, and
- Depository demand deposits represented 0.06% of the total portfolio.

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, 2017, in the Portfolio

- US Government Treasury obligations represented 1.92% of the total portfolio,
- US Government agencies represented 39.32% of the total portfolio,
- Local government debt obligations represented 7.49% of the total portfolio,
- Commercial paper, rated A1/P1 represented 3.84% of the total portfolio, and
- Investment in two different local government investment pools represented 47.36% of the total portfolio, and
- Depository demand deposits represented 0.06% of the total portfolio.

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, 2017, the portfolio contained:

- No holdings with a stated maturity date beyond 897 days,
- Holding maturing beyond one year represented 17.86% of the total portfolio,
- The dollar weighted average maturity of the portfolio was 133 days, and
- The portfolio contained ten (10) structured notes as shown below.

NOTE 4. DEPOSITS AND INVESTMENTS-continued

Issuer	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Market Value
Quarterly Callable Structure:								
FHLMC	10,000,000	1.070%	5/25/2016	5/25/2018	11/25/2017	Quarterly callable with 5 business days notice.	\$ 10,000,000	\$ 9,987,630
FHLMC	11,549,000	1.100%	6/29/2016	6/29/2018	9/29/2017	Quarterly callable with 5 business days notice.	11,549,000	11,513,983
FHLB	5,000,000	1.000%	8/23/2016	8/23/2018	11/23/2017	Quarterly callable with 5 business days notice.	5,000,000	4,981,625
FHLMC	2,500,000	1.150%	9/14/2016	9/14/2018	9/14/2017	Quarterly callable with 5 business days notice.	2,500,000	2,495,160
FHLMC	5,000,000	1.070%	11/28/2016	11/28/2018	11/28/2017	Quarterly callable with 5 business days notice.	5,000,000	4,995,985
Monthly Callable Structure:								
FAMCA	7,500,000	1.25%	4/19/2017	4/19/2018	10/19/2017	Callable monthly with 5 business days notice.	7,500,000	7,498,313
FAMCA	7,500,000	1.25%	4/19/2017	4/19/2018	10/19/2017	Callable monthly with 5 business days notice.	7,500,000	7,498,313
Step Up Callable Structure:								
FHLMC	2,500,000	0.875%	9/28/2016	9/28/2018	9/28/2017	Quarterly callable with 5 business days notice. .875% coupon ends if not called by 9/28/17. 1.25% coupon ends if not called by 3/28/18. 1.50% coupon ends if not called by 6/28/18. 2.50% coupon ends at maturity.	2,500,000	2,497,440
Sub-Total							51,549,000	51,468,448
One-Time(European) Callable Structure:								
FHLMC	2,000,000	1.375%	2/28/2017	2/28/2019	2/28/2018	Callable only once on the call date	2,000,000	1,998,784
Sub-Total							2,000,000	1,998,784
One-Time(European) Callable Structure Past Call Date:								
FHLB	5,000,000	0.875%	8/8/2016	8/8/2018	8/8/2017	Callable only once on the call date	5,000,000	4,982,100
Sub-Total							5,000,000	4,982,100
Total							\$ 58,549,000	\$ 58,449,332

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, 2017, the portfolio:

- Contained no repurchase agreements
- All bank deposits were fully insured and collateralized to 102%, and certificates of deposit,

NOTE 4. DEPOSITS AND INVESTMENTS-continued

- All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

Below is a list of the individual investments held and their respective credit ratings as of August 31, 2017:

Investment Type	Rating
U.S. Treasury Notes & Bills	AAA
U.S. Government Securities	
FFCB	AAA
FHLB	AAA
FHLMC	AAA
Farmer Mac	AAA
Municipal Bonds	
Beaufort County SC	SP-1+
Texas A & M	AAA
Texas Tech University	AA+
Commercial Paper	
Ebury Finance	A1/P1

Fair Value of Financial Instruments

GASB Statement 72 regarding Fair Value Measurement and Application for financial reporting purposes categorizes financial instruments within three different levels of risk dependent upon the measure of their fair value and pricing.

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

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

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

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

NOTE 4. DEPOSITS AND INVESTMENTS-continued

Fair Value Hierarchy of investments at August 31, 2017 and 2016

	Fiscal Year 2017			Total	Fiscal Year 2016
	Level 1	Level 2	Level 3		Total
US Treasury Obligations	\$ 5,000,649	\$ -	\$ -	5,000,649	\$ -
US Government Agencies	102,469,804	-	-	102,469,804	95,427,398
Municipal Obligations	19,525,758	-	-	19,525,758	-
Commercial Paper	10,000,000	-	-	10,000,000	19,980,236
Total Fair Value	<u>\$ 136,996,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,996,211</u>	<u>\$ 115,407,634</u>

NOTE 5. CAPITAL ASSETS

The following table summarized changes in capital assets balances for the year ended August 31, 2017:

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

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

NOTE 5. CAPITAL ASSETS-continued

For comparison purposes, the following table summarizes changes in capital assets balances for the year ended August 31, 2016:

	Balance 8/31/2015	Increases	(Decreases) Adjustments	Balance 8/31/2016
Not Depreciated				
Land	\$ 25,194,267	\$ -	\$ -	\$ 25,194,267
Construction in Progress	38,189,713	9,984,985	(47,336,633)	838,065
Subtotal	<u>63,383,980</u>	<u>9,984,985</u>	<u>(47,336,633)</u>	<u>26,032,332</u>
Depreciable Assets				
Buildings	259,345,891	47,336,634	-	306,682,525
Land Improvements	20,180,710	-	-	20,180,710
Equipment	23,611,393	1,718,664	(632,369)	24,697,688
Library Books	9,928,357	424,831	(291,879)	10,061,309
WAN/LAN Network Equipment	2,940,746	-	-	2,940,746
Subtotal	<u>316,007,097</u>	<u>49,480,129</u>	<u>(924,248)</u>	<u>364,562,978</u>
Accumulated Depreciation				
Buildings	57,234,478	5,252,274	-	62,486,752
Land Improvements	10,041,284	683,957	-	10,725,241
Equipment	16,232,295	1,993,379	(632,369)	17,593,305
Library Books	5,569,034	461,468	(291,879)	5,738,623
WAN/LAN Network Equipment	2,910,478	1,552	-	2,912,030
Subtotal	<u>91,987,569</u>	<u>8,392,630</u>	<u>(924,248)</u>	<u>99,455,951</u>
Net Depreciable Assets	<u>224,019,528</u>	<u>41,087,499</u>	<u>-</u>	<u>265,107,027</u>
Net Capital Assets	<u>\$287,403,508</u>	<u>\$ 51,072,484</u>	<u>\$(47,336,633)</u>	<u>\$291,139,359</u>

At August 31, 2016, amounts committed for architectural services in connection with the design of the Public Safety Training Center totaled \$410 thousand. At August 31, 2016 retainage payable for construction related to the Conference and Health Science Centers totaled \$2,220,710.

NOTE 6. LONG-TERM LIABILITIES

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

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

For comparison purposes, the following table summarizes changes in long-term liabilities for the year ended August 31, 2016:

	Balance 9/1/2015	Additions	Reductions	Amortization of Premium	Balance 8/31/2016	Current Portion
Bonds:						
General obligation bonds:						
Series 2006	\$ 12,445,000	\$ -	\$ (12,445,000)	\$ -	\$ -	\$ -
Series 2010	19,342,200	-	(2,245,000)	109,267	17,206,467	2,320,000
Revenue bonds, Series 2008	3,195,000	-	(1,035,000)	-	2,160,000	1,065,000
Subtotal	34,982,200	-	(15,725,000)	109,267	19,366,467	3,385,000
Accrued Compensable Absences	983,803	2,142,664	(2,092,975)	-	1,033,492	132,024
Net Pension Liability	17,249,730	4,485,247	-	-	21,734,977	-
Total Non-Current Liabilities	\$ 53,215,733	\$ 6,627,911	\$ (17,817,975)	\$ 109,267	\$ 42,134,936	\$ 3,517,024

NOTE 7. DEBT OBLIGATIONS

Debt service requirements as of August 31, 2017, were as follows:

Year Ended August 31,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 2,425,000	\$ 639,875	\$ 3,064,875	\$ 1,095,000	\$ 16,261	\$ 1,111,261
2019	2,530,000	542,875	3,072,875	-	-	-
2020	2,635,000	441,675	3,076,675	-	-	-
2021	2,760,000	323,100	3,083,100	-	-	-
2022	2,895,000	185,100	3,080,100	-	-	-
2023	1,345,000	40,350	1,385,350	-	-	-
Subtotal	14,590,000	2,172,975	16,762,975	1,095,000	16,261	1,111,261
Net Premium/ Discount	253,861	-	253,861	-	-	-
Total	\$ 14,843,861	\$ 2,172,975	\$ 17,016,836	\$ 1,095,000	\$ 16,261	\$ 1,111,261

The total debt service principal and interest for all bonds for the next five years and beyond are in the following table:

Year Ended August 31,	Total Bonds		
	Principal	Interest	Total
2018	\$ 3,520,000	\$ 656,136	\$ 4,176,136
2019	2,530,000	542,875	3,072,875
2020	2,635,000	441,675	3,076,675
2021	2,760,000	323,100	3,083,100
2022	2,895,000	185,100	3,080,100
2023	1,345,000	40,350	1,385,350
Subtotal	15,685,000	2,189,236	17,874,236
Net Premium/ Discount	253,861	-	253,861
Total	\$ 15,938,861	\$ 2,189,236	\$ 18,128,097

NOTE 8. BONDS PAYABLE

Bonds payable as of August 31, 2017 and 2016 consisted of the following:

Bond issue	Purpose	Date Issued	Amount Issued and Authorized	Revenue Source	Outstanding Balance August 31, 2017	Outstanding Balance August 31, 2016
Series 2008 Refunding Revenue Bonds	Refunded 1997 and 1998 Revenue Bonds	2/20/2008	\$ 9,610,000	Pledged revenues from general use fees, gross revenues from the bookstore, tuition pledge	\$ 1,095,000	\$ 2,160,000
Series 2010 Limited Tax Refunding Bonds	Refunded 2002 and 2003 Tax Bonds	11/2/2010	\$ 24,099,912	Ad valorem taxes	\$ 14,843,861	\$ 17,206,467
Total					\$ 15,938,861	\$ 19,366,467

Bonds payable are due in annual principal installments varying from \$1,095,000 to \$2,895,000 with interest rates of 2.97% to 5.00% and the final installments are due in 2023.

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

The Series 2010 Tax Improvement Bonds are tax-supported general obligation bonds. The tax rate authorized and assessed to pay principal and interest on these bonds is discussed in Note 14.

During February 2008, the District closed on \$9,610,000 in Consolidated Fund Revenue Refunding Bonds with an interest rate of 2.97 percent. The proceeds from the bonds were used to call Revenue Series 1997 and 1998 Bonds. The District had related issuance costs of \$50,178 at the closing of the bond sale. This refunding reduced the District’s future debt service payments by \$941,870. An economic gain (the difference between net present values of the debt service payments on the old and new debt adjusted for cash paid out) of \$901,391 was obtained by the refunding. The accounting loss that resulted from the bond refunding was \$80,571.

NOTE 8. BONDS PAYABLE-continued

The Series 2008 revenue bonds are collateralized by pledged revenues of the Unrestricted Current Fund other than state allocations or those raised by local taxation. They require mandatory transfer of gross revenue to the Retirement of Indebtedness Fund as set forth in the bonds' covenants. This transfer provides for principal and interest payments as they become due. In addition, they impose certain restrictions on the District with respect to the maintenance of insurance and other financial covenants. At August 31, 2017, the District was in compliance with these restrictions and had made all applicable insurance premium payments. Insurance policies in force at August 31, 2017, include major equipment, fire and extended property, general liability and auto coverage.

NOTE 9. EMPLOYEES' RETIREMENT PLAN**Defined Benefit Plan****Plan Description**

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments ("COLAS"). Ad hoc post-employment benefit changes, including ad hoc COLAS can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended the Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

Contribution Rates

	2016	2017
Member	7.20%	7.70%
Non-Employer Contributing Entity (State)	3.40%	3.40%
Employer (District)	3.40%	3.40%
FY2016 Member Contributions	\$ 3,643,843	
FY2016 District Contributions	\$ 1,896,229	
FY2016 State of Texas On-Behalf Contributions	\$ 1,545,179	

The District's contributions to the TRS pension plan in fiscal year 2017 was \$2,010,704 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 2017 was \$1,632,107.

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code
- During the new member's first 90 days of employment
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

- 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, 2016, actuarial valuation was determined using the

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Inflation	2.50%
Salary Increases*	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

**Includes Inflation of 2.5%*

following actuarial assumptions:

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2015, and adopted on September 24, 2015 by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. The most significant changes were related to the update of the post-retirement mortality rates based on the most recent TRS member experience and the decrease in the assumption for general wage inflation from 3.0% to 2.5%. Other changes to overall assumptions and methods had a minor impact on the results of the actuarial valuation and the related pension liability.

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

Discount Rate

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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016, are summarized below:

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

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

Source: Teacher Retirement System of Texas 2016 Comprehensive Annual Financial Report

NOTE 9. EMPLOYEES’ RETIREMENT PLAN-continued

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2016 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Collin County Community College District proportionate share of the net pension liability	\$ 32,863,449	\$ 21,234,239	\$ 11,370,318

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

At August 31, 2017, the District reported a liability of \$21,234,239 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	\$ 21,234,239
State's proportionate share that is associated with the District	19,980,257
Total	<u>\$ 41,214,496</u>

The net pension liability was measured as of August 31, 2016, 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, 2015, through August 31, 2016.

At the measurement date of August 31, 2016, the employer’s proportion of the collective net pension liability was .0561923115% which was a decrease of .0052950885% from its proportion measured as of August 31, 2015.

NOTE 9. EMPLOYEES’ RETIREMENT PLAN-continued

For the year ended August 31, 2017, the District recognized pension expense of \$2,073,474 and revenue of \$2,073,474 for support provided by the State. Refer to the fiscal year 2017 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

At August 31, 2017, 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	\$ 332,949	\$ 634,042
Changes in actuarial assumptions	647,182	588,585
Net differences between projected and actual investment earnings	4,091,867	2,293,795
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions ¹	-	2,209,504
Contributions paid to TRS subsequent to the measurement date	2,010,704	-
Total	\$ 7,082,702	\$ 5,725,926

¹ Per paragraph 71b of GASB Statement 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions.

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

<u>Year ended August 31:</u>	<u>Pension Expense Amount</u>
2018	\$ (234,311)
2019	(234,311)
2020	912,586
2021	(322,414)
2022	(582,819)
Thereafter	(192,659)

Optional Retirement Plan-Defined Contribution Plan

Plan Description

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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued**Funding Policy**

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

The retirement expense to the state for the District for ORP was \$600,278 and \$601,091 for fiscal years ended August 31, 2017 and 2016, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the District.

Optional Retirement Plan Contribution Rates	2017	2016
Member Contribution	6.65%	6.65%
State Contribution	3.30%	3.30%
District Contribution (State Mandate)	3.30%	3.30%
District Contribution	1.75%	1.75%

The total payroll for all college employees was \$88,704,662 and \$84,958,612 for fiscal years 2017 and 2016, respectively. The total payroll of employees covered by the TRS was \$53,246,493 and \$50,608,925, and the total payroll of employees covered by the Optional Retirement Program was \$18,190,240 and \$18,214,889 for fiscal years 2017 and 2016, respectively.

Other

Part-time employees of the District are required to participate in the Program for Extra Retirement Compensation (the PERC plan) unless exempt. The PERC plan, as established by the District under the provisions of the Omnibus Budget Reconciliation Act of 1990, requires participants to contribute 7.5% of their pay to a tax-sheltered annuity administered by Metropolitan Life Insurance Company. Contributions to the PERC plan are immediately 100% vested. The District makes no contributions to the PERC plan. Total payroll of participants in the PERC plan was approximately \$14,300,826 and \$13,177,049 for the years ended August 31, 2017 and 2016, respectively.

NOTE 10. HEALTHCARE AND LIFE INSURANCE BENEFITS

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

HealthSelect of Texas Plan	2017		2016	
	Employee Contribution	State/Employer Contribution	Employee Contribution	State/Employer Contribution
Member Only	\$ -	\$ 617.30	\$ -	\$ 576.54
Member & Spouse	353.68	970.98	330.24	906.78
Member & Child(ren)	236.80	854.10	221.12	797.66
Member & Family	590.48	1,207.78	551.36	1,127.90

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

In addition to the pension benefits described in Note 9, the State provides certain healthcare and life insurance benefits for active retired employees. Almost all of the employees may be eligible for those benefits if they reach normal retirement age with at least ten years of TRS/ORP eligible service credit while working for the State. 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	2017	2016
Number of Retirees	196	175
Cost of Health Benefits for Retirees	\$ 1,636,793	\$ 1,361,462
Number of Active Full Time Employees	1,043	1,035
Cost of Health Benefits for Active Full Time Employees	\$ 9,511,145	\$ 8,952,789
State Appropriation for Health Insurance	\$ 4,446,482	\$ 4,149,801
District's Expense	\$ 6,701,456	\$ 6,164,450

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. The general maximum annual contribution limit in tax years 2017 and 2016 was \$18,000 (\$21,000 for Section 403(b) participants who qualified for the 15-year rule) with a \$6,000 catch-up provision.

<u>Deferred Compensation Programs</u>	<u>2017</u>	<u>2016</u>
Number of Participants (TSA)	306	323
403(b) Tax Sheltered Annuity (TSA) Contributions	\$ 1,596,843	\$ 1,567,911
Number of Participants (DCP)	33	36
Section 457 Deferred Compensation Plan (DCP)	\$ 213,446	\$ 278,151

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

**NOTE 12. DISAGGREGATION OF RECEIVABLES AND PAYABLES
BALANCES**

Receivables at August 31 were as follows:

	2017	2016
Student loans	\$ 226	\$ 2,081
Federal and state receivables	762,792	702,413
Trade receivables	8,816,558	7,041,432
Other receivables (auxiliary)	80,423	985,404
A/R collection agency	705,352	699,194
Total Accounts Receivable	<u>10,365,351</u>	<u>9,430,524</u>
Less: allowance for doubtful accounts	<u>(625,640)</u>	<u>(621,141)</u>
Accounts Receivable Net of Allowance	<u>\$ 9,739,711</u>	<u>\$ 8,809,383</u>
Taxes receivable	1,236,004	1,164,666
Less: allowance for doubtful accounts	<u>(667,442)</u>	<u>(666,190)</u>
Total Taxes Receivable	<u>\$ 568,562</u>	<u>\$ 498,476</u>

An allowance for doubtful accounts estimated at \$625,640 has been established for student receivables based on the uncertainty of collectability. A corresponding bad debt expense has been recorded to institutional support. One hundred percent allowance was established for student receivables aged two or more years and a seventy five percent allowance was set up for student receivables more than one year, but less than two years old. In August 2012, the District contracted with two collection agencies to provide collection services for outstanding student receivables. See the Student Receivables Placed with Collection Agencies Table below for additional information on student receivables.

Student Receivables Placed with Collection Agencies	Balance at 9/1/2016	Addition	Collections	Adjustments	Returned to Collin College	Balance 8/31/2017
First Placement Collection Agency	\$ 319,407	\$ 44,802	\$ (34,218)	\$ (3,325)	\$ -	\$ 326,666
Second Placement Collection Agency	<u>379,787</u>	<u>316,237</u>	<u>(34,686)</u>	<u>(4,113)</u>	<u>(278,539)</u>	<u>378,686</u>
Total Student Receivables Placed with Collections	<u>699,194</u>	<u>361,039</u>	<u>(68,904)</u>	<u>(7,438)</u>	<u>(278,539)</u>	<u>705,352</u>
Allowance for doubtful accounts	<u>(621,141)</u>	<u>(248,582)</u>	<u>-</u>	<u>(35,609)</u>	<u>279,692</u>	<u>(625,640)</u>
Net Receivables Placed with Collections	<u>\$ 78,053</u>	<u>\$ 112,457</u>	<u>\$ (68,904)</u>	<u>\$ (43,047)</u>	<u>\$ 1,153</u>	<u>\$ 79,712</u>

**NOTE 12. DISAGGREGATION OF RECEIVABLES AND PAYABLES
BALANCES-continued**

Payables at August 31 were as follows:

	<u>2017</u>	<u>2016</u>
Vendors payable	\$ 3,299,550	\$ 2,105,927
Salary and benefits payable	1,381,263	779,882
Federal and state grants payable	230,889	86,900
Auxiliary payables	53,757	854,080
Unexpended plant payables	4,273,650	2,343,466
Student payable	640,542	678,976
Short-term bank overdraft	1,405,746	508,871
Total Accounts Payable	<u>\$ 11,285,397</u>	<u>\$ 7,358,102</u>

District funds are held in highly liquid investments and are used to fund disbursements on a daily basis as they are presented to the bank, sometimes resulting in a short-term overdraft due to timing differences.

NOTE 13. RISK MANAGEMENT

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

Previously, the District participated in a self-funded workers' compensation program in which the remaining outstanding claims are administered by Claims Administrative Services ("CAS") of Tyler, Texas. Total claims paid by the District to CAS during the years ended August 31, 2017 and 2016, were \$105 and \$159, respectively. Total estimated claims outstanding for the years ended August 31, 2017 and 2016 were \$4,372 and \$4,465, respectively. The estimated liability includes the amount of money that will be needed for future payments, on both (a) claims that have been reported and (b) claims that have been incurred but not reported. Changes in the fund's claims liability amount in fiscal years 2017 and 2016 were:

	Beginning of fiscal year liability	Claims & changes in estimate	Claim payments	End of fiscal year liability
2017	\$ 4,465	\$ 12	\$ (105)	\$ 4,372
2016	4,656	(32)	(159)	4,465

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

The District has other insurance coverage such as property, general liability, and automobile insurance. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

NOTE 14. PROPERTY TAX

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

Exemptions include \$30,000 for over age 65 and \$20,000 for disabled persons in addition to Homestead and Veteran exemptions. If a person who is disabled or is sixty-five (65) years of age or older receives a residence homestead exemption, the total amount of ad valorem taxes imposed by the District may not be increased while it remains the residence homestead of that person or that person’s spouse who is disabled or sixty-five (65) years of age or older and receives the residence homestead exemption on the homestead. This tax limitation cannot be repealed or rescinded.

At August 31,	2017	2016
Assessed Valuation of the District:	\$ 134,712,150,568	\$ 119,250,034,517
Less: Exemptions	(23,739,348,207)	(21,153,741,442)
Less: Abatements	(363,091,719)	(367,033,471)
Net Assessed Valuation of the District	110,609,710,642	97,729,259,604
Plus: Supplements through August 31	17,503,164	10,436,786
Adjusted Assessed Valuation	<u>\$ 110,627,213,806</u>	<u>\$ 97,739,696,390</u>

Tax rates for the years ended August 31, 2017 and 2016, are as follows:

Per \$100 valuation:	FY 2017			FY 2016		
	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	\$ 0.078174	\$ 0.003048	\$ 0.081222	\$ 0.078965	\$ 0.002995	\$ 0.081960

NOTE 14. PROPERTY TAX-continued

Taxes levied for the years ended August 31, 2017 and 2016, were \$91,095,659 and \$82,019,258, 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 2017			FY 2016		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 85,875,233	\$ 3,342,080	\$ 89,217,313	\$ 77,542,589	\$ 2,941,051	\$ 80,483,640
Delinquent Taxes Collected	1,113,576	43,290	1,156,866	1,193,619	45,271	1,238,890
Penalties & Interest collected	627,619	21,013	648,632	579,028	18,592	597,620
Total Gross Collections	87,616,428	3,406,383	91,022,811	79,315,236	3,004,914	82,320,150
Tax Appraisal and Collection Fee	(922,407)	-	(922,407)	(854,043)	-	(854,043)
Bad Debt Expense	67,461	446	67,907	(32,599)	1,295	(31,304)
Total Net Collections	\$ 86,761,482	\$ 3,406,829	\$ 90,168,311	\$ 78,428,594	\$ 3,006,209	\$ 81,434,803

Tax collections for the year ended August 31, 2017 and 2016, were 98.65% and 98.85% 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 2017	Taxes Forgone in 2016
City of Frisco TIF 1	100%	\$ 1,056,540	\$ 973,606
Total Taxes Forgone		\$ 1,056,540	\$ 973,606

Tax Abatement

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

For fiscal year ending August 31, 2017, the District abated property taxes totaling \$294,910 on property values totaling \$363,091,719. The terms of each abatement vary based on the agreements with each entity.

NOTE 14. PROPERTY TAX-continued

Start Date	Agreement	Taxable		Taxes Abated
		Assessed Value	Tax Rate	
2003	Texas Instruments	\$ 325,140,004	0.08122%	\$ 264,085
Misc	Others	37,951,715	0.08122%	30,825
	Total	<u>\$ 363,091,719</u>		<u>\$ 294,910</u>

Based on abatement agreements currently in place, the taxable assessed value of remaining abatements for fiscal year 2018 is anticipated to be \$326,396,475, resulting in abated taxes of approximately \$260,497.

NOTE 15. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS

The District entered into a 62-month operating lease agreement during the 2014-15 fiscal year for all District copiers/multifunctional devices. The terms of the agreement include a monthly payment of \$10,884 plus an allowance for overage charges. Rental payments made during the years ending August 31, 2017 and 2016 were \$476,743 and \$446,141.

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

FY	August 31,	
	2017	2016
2018	260,001	146,668
2019	154,715	121,682
2020	154,715	121,682
Total	\$ 569,431	\$ 390,032

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**Plan Description**

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the state. The District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the ERS. SRHP provides medical benefits to retired employees of participating universities, community colleges, and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

Funding Policy

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. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Beginning September 1, 2013, SB 1812 limited the state's contribution to fifty percent of eligible employees for community colleges.

The District's contributions to SRHP for the years ended August 31, 2017, 2016, and 2015 were \$911,046, \$716,287, and \$624,306, respectively which equaled the required contributions each year.

NOTE 17. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with generally accepted accounting principles ("GAAP"). Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenses made under the provisions of the grant. Accordingly, when such funds are received in advance, they are recorded as unearned revenue until earned. Revenues recognized are presented on Exhibit 2 and Schedules A and C. Funds expended for federal and non-federal contract and grant awards, but not collected, are reported within accounts receivable on Exhibit 1 and in Note 12. Contract and grant awards that are not yet funded and for which the District has not yet performed services are not included in the basic financial statements.

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

	<u>2017</u>	<u>2016</u>
Federal Contracts and Grant Awards	\$ 5,503,198	\$ 2,386,633
State Contracts and Grant Awards	567,429	676,666
Total	<u>\$ 6,070,627</u>	<u>\$ 3,063,299</u>

NOTE 18. COMPONENT UNITS

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

A. Background & Summary of Significant Accounting Policies**Background**

Collin County Community College District Foundation, Inc. ("Foundation") is a nonprofit organization established to maintain, develop, increase, and extend the facilities and services of the Collin County Community College District ("District") and to provide broader educational service opportunities to its students, staff, and faculty.

The Foundation is supported primarily through contributions, grants, and fundraising activities.

Basis of Accounting

The accounting policies of the Foundation conform to accounting principles generally accepted in the United States of America. The financial statements of the Foundation were prepared using the accrual basis of accounting. Material amounts of goods and services are recorded as assets or expenses at the time the liabilities arise, which is normally when title to the goods pass or when the services are received.

Basis of Presentation

In order to comply with accounting principles generally accepted in the United States of America, the Foundation must prepare its external financial statements in accordance with statements issued by the Financial Accounting Standards Board. The Board requires that all not-for-profit organizations provide a statement of financial position, a statement of activities, and a statement of cash flows. It requires reporting amounts for the Foundation's total assets, liabilities, and net assets in a statement of financial position; reporting the change in the Foundation's net assets in a statement of activities; and reporting the change in its cash and cash equivalents in a statement of cash flows.

The Board also requires classification of the Foundation's net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets - permanently restricted, temporarily restricted, and unrestricted - be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value.

NOTE 18. COMPONENT UNIT- Summary of Significant Accounting Policies-continued**Donated Services and Facilities**

Many individuals volunteer their time and perform a variety of tasks that help the Foundation provide expanded educational opportunities in Collin County. These donated services are not reflected in the financial statements.

The District allows the Foundation to use certain office space, personnel and equipment at no cost. The value of these in kind contributions are not reflected in the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments with a maturity date within three months of the date acquired by the Foundation.

Investments

Investments in marketable debt and equity securities are stated at fair value. Fair value is based upon quoted market prices.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

B. Deposits

As of December 31, 2016, the Foundation's carrying amount of deposits was \$1,418,824, which includes \$297,812 with JP Morgan Chase Bank, N.A., \$100 of petty cash, \$1,024,119 with Northern Trust, NA and \$96,793 with HighGround Trust Company. The bank balance at JP Chase Morgan Bank, N.A. is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015, \$47,812 was not insured.

As of December 31, 2015, the Foundations carrying amount of deposits was \$753,851, which includes \$241,665 with JP Morgan Chase Bank, N.A., \$100 of petty cash, \$449,565 with Northern Trust, N.A., and \$62,521 with Concord Trust Company. The bank balance at JP Chase Morgan Bank, N.A. is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2014, the bank balance was fully insured.

C. Investments

Investments are stated at fair value and consist mainly of equity and fixed income securities. Investments are summarized on the following page.

NOTE 18. COMPONENT UNIT-C. INVESTMENTS-continued

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Marketable Debt and Equity Securities				
Northern Trust, N.A.	\$ 8,539,561	\$ 8,657,162	\$ 8,453,409	\$ 8,181,363
Concord Trust Company	2,123,636	2,039,310	2,098,549	1,941,972
	<u>10,663,197</u>	<u>10,696,472</u>	<u>10,551,958</u>	<u>10,123,335</u>
Cash Value of Life Insurance	20,083	20,130	19,097	19,089
Total Investments	<u>\$ 10,683,280</u>	<u>\$ 10,716,602</u>	<u>\$ 10,571,055</u>	<u>\$ 10,142,424</u>

Fair value is defined 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. Fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value.

- Level 1 Quoted prices in active markets for identical assets or liabilities
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Foundation has only Level 1 investments.

	2016	2015
Reconciliation of Investment Income/(Loss)		
Interest and Dividends	\$ 272,323	\$ 299,496
Unrealized Gains/(Losses)	462,070	(708,187)
Realized Gains/(Losses)	119,727	146,896
Increase/Decrease in Cash Value of Life Insurance Policies- Net of Premiums	55	58
Investment Expenses	<u>(22,158)</u>	<u>(22,263)</u>
Gain/(Loss) on Investments	<u>\$ 832,017</u>	<u>\$ (284,000)</u>

	2016	2015
Investment Gain/(Loss) reported in:		
Unrestricted Fund	\$ 130,296	\$ (32,162)
Temporarily Restricted Fund	684,138	(270,308)
Permanently Restricted Fund	<u>17,583</u>	<u>18,470</u>
Gain/(Loss) on Investments	<u>\$ 832,017</u>	<u>\$ (284,000)</u>

NOTE 18. COMPONENT UNIT-C. INVESTMENTS-continued

The Foundation has an investment policy which directs that investments be managed as follows:

1. Make a reasonable effort to preserve capital, understanding that losses may occur in individual securities. Further, reasonable efforts will be taken to control risk, understanding that risk is present in all types of securities and investment styles and recognizing that some risk is necessary to produce long-term investment results sufficient to meet the Foundation's objectives.
2. Portfolio will be managed in the following manner with monies being allocated into the following accounts:
 - a. Endowment accounts: Asset allocation will be determined by the Board of Directors to facilitate the achievement of the Foundation's long-term objectives. Assets will be diversified to minimize adverse or unexpected results, reducing the detrimental impact of the entire portfolio. The portfolio will be rebalanced by the investment manager to maintain appropriate asset class weights. Appropriations of investment earnings will be voted on by the Board of Directors based on current endowment value compared to historical dollar value of gifts and consistent with terms of the endowment agreements.
 - b. Reserve accounts: Funds will include Excellence Funds, annual scholarship, non-endowed funds and operating funds authorized but not expended. Funds will be primarily invested in interest bearing accounts, money market accounts, certificates of deposits, and government securities. When Reserve Account is held with a brokerage firm, certificate of deposits should not exceed the federal insurance limits unless approved by the Board. Investments will be limited in term, with the board approving terms longer than three years.
 - c. Operating accounts: Purpose of funds will be to provide cash for expenditures for operational needs of the Foundation. Funds will be held primarily by commercial banks, savings and loans, credit unions and brokerage firms in interest bearing accounts, money market accounts, certificates of deposit and government securities. Certificates of Deposits will not exceed federal insurance limits. Investments will be limited in term, with the board approving terms longer than one year.

Performance Measurement

The Investment Committee will review and evaluate investment performance quarterly in the context of the prevailing investment environment and consistent with the long-term investment horizon of the portfolio. Performance evaluation will be done at the portfolio level and for each asset class.

The performance review at the portfolio level will evaluate total portfolio performance versus the overall policy benchmark. The performance review at the asset class level will evaluate asset class performance versus the benchmark.

The portfolio risk will be evaluated by standard deviation, and any other metric the committee deems appropriate after discussion with investment managers.

NOTE 18. COMPONENT UNIT-D. Temporarily Restricted Net Assets**D. Temporarily Restricted Net Assets**

The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Foundation reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Temporarily restricted net assets are available for the following purposes:

Purpose	<u>2016</u>	<u>2015</u>
Scholarships	\$ 2,413,957	\$ 2,289,625
Excellence Funds	335,214	302,680
Trust/Quasi-Endowments	2,400,043	2,259,034
Other	<u>(102,065)</u>	<u>(468,342)</u>
	<u>\$ 5,047,149</u>	<u>\$ 4,382,997</u>

Temporarily restricted net assets were released from restriction for the following purposes:

Purpose	<u>2016</u>	<u>2015</u>
Scholarships	\$ 559,516	\$ 548,324
Program Enhancements	188,975	62,181
Investment Expenses	<u>19,798</u>	<u>19,904</u>
	<u>\$ 768,289</u>	<u>\$ 630,409</u>

NOTE 18. COMPONENT UNIT-E. Permanently Restricted Net Assets**E. Permanently Restricted Net Assets**

These assets were given with donor imposed restrictions that stipulate the original gift must be permanently maintained but permit the Foundation to use part or all of derived income.

Permanently restricted net assets are held in perpetuity, the income from which is expendable to support:

Purpose	<u>2016</u>	<u>2015</u>
Scholarships	\$ 6,540,506	\$ 6,247,873

F. Other Liabilities

Other liabilities represent revenues received in advance of being earned.

Pledges Receivable

Unconditional promises to give are recognized as revenues in the period that the promise is made and at their fair value. Pledges due in one year or more are discounted to a present value using a 2% discount rate.

	<u>2016</u>	<u>2015</u>
Gross Pledges Receivable at December 31	\$ 219,853	\$ 271,784
Discount for Loss in Value of Money Over the Twenty Four Month Collection Period	(7,259)	(11,157)
Net Pledges Receivable at December 31	<u>\$ 212,594</u>	<u>\$ 260,627</u>

Estimated Pledge Collection by Fiscal Year:

2017	\$ 127,307
2018	43,252
2019	23,558
2020	18,477
	<u>\$ 212,594</u>

It is estimated that all outstanding pledges will be collected.

NOTE 18. COMPONENT UNIT-G. In-Kind Services and Facilities**G. In-Kind Services and Facilities**

During the year, individuals at the college have devoted a substantial amount of time developing and cultivating business relationships and planning fundraisers for the Foundation. The value of contributed services and facilities meeting the requirements for recognition in the financial statements was \$233,669. However, the Foundation has elected not to record either the revenue or expense as the results would have no bearing on net assets.

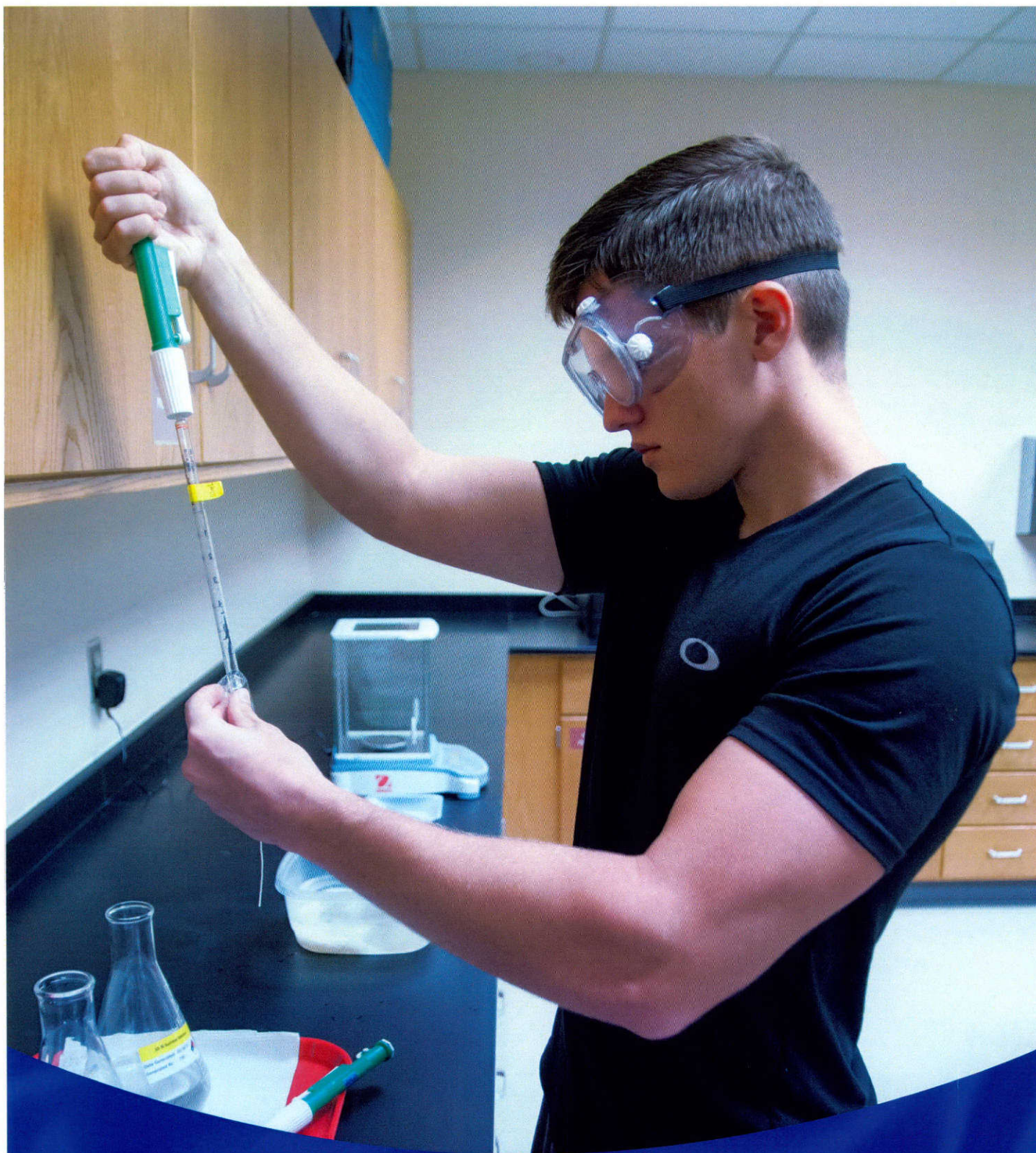
H. Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through May 25, 2017, the date which the financial statements were available to be issued, citing no material subsequent events have occurred since the year ended December 31, 2016.

NOTE 19. Subsequent Events

In October 2017, an agreement was reached between the District and the property owner of a 9.94 acre tract of land located in Wylie, Texas to settle an eminent domain proceeding allowing the District to acquire the land for the simple fee value of \$1,493,741. This property will be utilized along with other acreage acquired by and donated to the District for the construction of instructional and support facilities on a 97-acre site in Wylie, Texas.

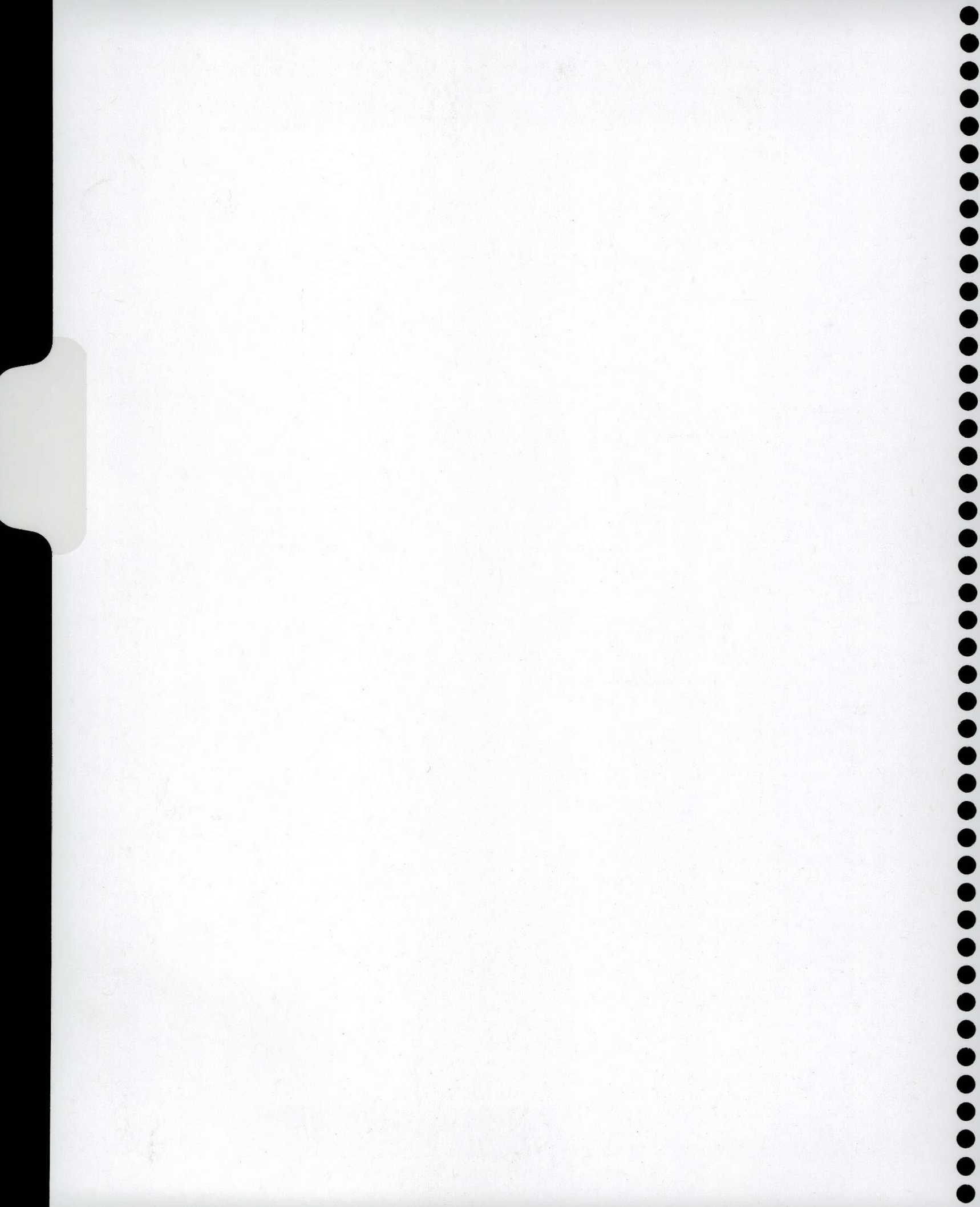
On May 6, 2017, Collin County voters approved a \$600 million bond referendum to facilitate a long-range master plan to accommodate the projected population growth in Collin County over the next two decades. The District's intention is to issue \$200 million in bonds during the 2018 fiscal year to fund the first of four phases planned. Phase one consists of constructing the Collin College Wylie Campus, and the Collin College Technical Campus with an estimated completion target of both campuses during 2020.



Required
Supplemental
Information



Required Supplemental Information Section



**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

Required Supplemental Information

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal year ending August 31,*	2017	2016	2015
TRS net position as percentage of total pension liability	78.00%	78.43%	83.25%
The District's proportionate share of collective net pension liability (%)	0.000561923	0.000614874	0.000645782
The District's proportionate share of collective net pension liability (\$)	\$ 21,234,239	\$ 21,734,977	\$ 17,249,730
Portion of nonemployer contributing entities' total proportionate share of NPL associated with the District	<u>19,980,257</u>	<u>15,657,455</u>	<u>12,568,650</u>
	<u>\$ 41,214,496</u>	<u>\$ 37,392,432</u>	<u>\$ 29,818,380</u>
District's covered payroll amount	\$ 50,608,925	\$ 45,965,875	\$ 41,402,433
Ratio of: ER proportionate share of collective NPL / ER's covered payroll amount	42.0%	47.3%	41.7%

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

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

Required Supplemental Schedule 2

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of the District's Contributions

****Last Three Fiscal Years**

Fiscal year ending August 31,*	2017	2016	2015
Legally required contributions	\$ 1,988,654	\$ 1,896,229	\$ 1,745,156
Less: Actual contributions	2,010,704	1,803,918	1,822,000
Contributions deficiency (excess)	\$ (22,050)	\$ 92,311	\$ (76,844)
District covered employee payroll amount	\$ 53,246,493	\$ 50,608,925	\$ 45,965,875
Ratio of: Actual contributions / ER covered payroll amount	3.8%	3.6%	4.0%

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

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

Changes of Benefit Terms:

There were no changes in benefit terms for the fiscal year ended August 31, 2017

Changes of Assumptions:

There were no changes in benefit assumptions for the year ended August, 31, 2017.

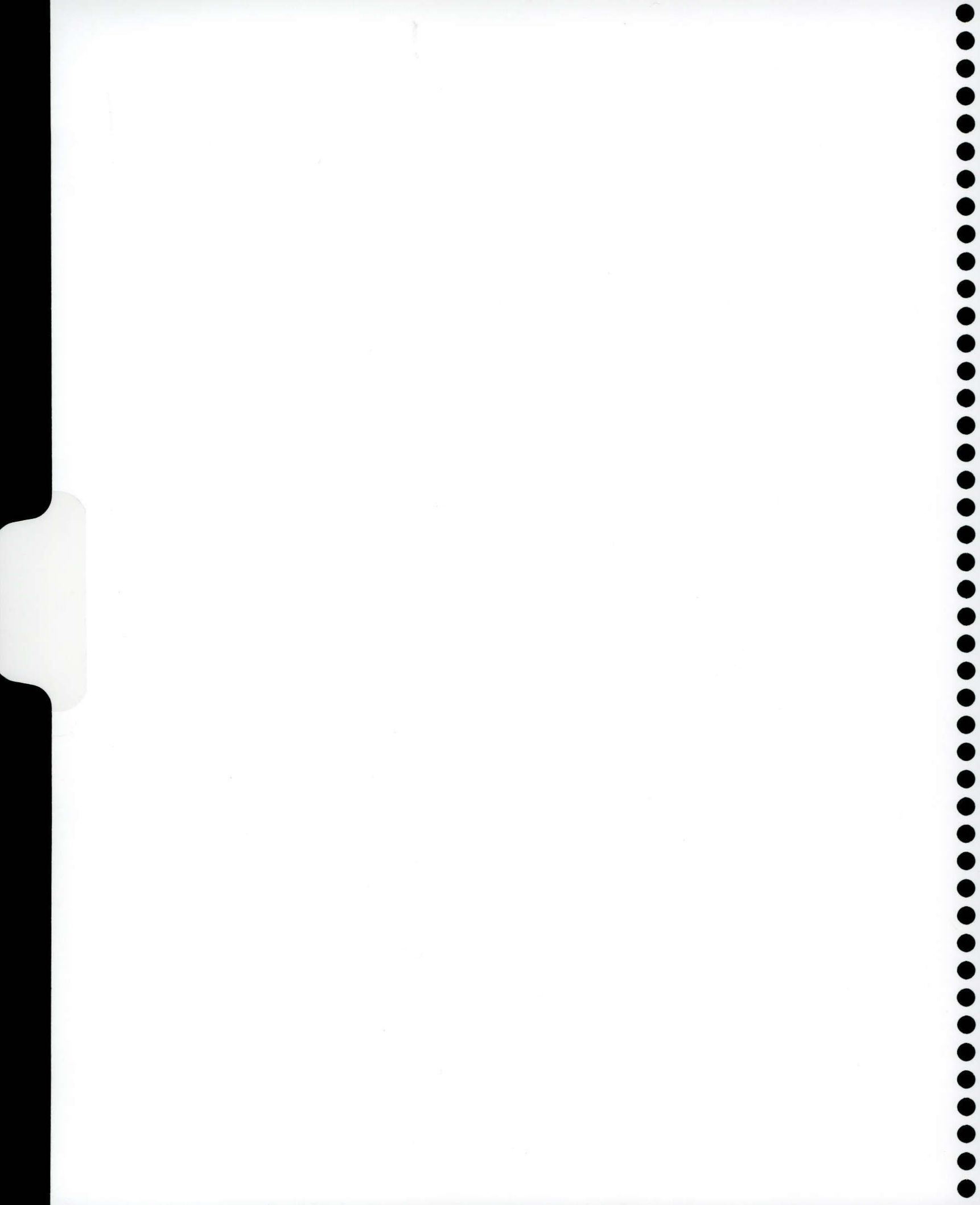
Actuarial assumptions are described in TRS's Comprehensive Annual Financial Report for the year ended August 31, 2016, which can be accessed at the following address: [https://www.trs.texas.gov/Pages/about archive cafr.aspx](https://www.trs.texas.gov/Pages/about_archive_cafr.aspx).



THECB
Supplemental
Schedules



THECB Supplemental Schedules Section



**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

THECB Supplemental Schedules

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2017
(with comparative totals at August 31, 2016)**

	<u>Unrestricted</u>	<u>Restricted</u>	Total		Total		
			<u>Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2017</u>	<u>2016</u>	
Tuition							
State funded courses							
In-district resident tuition	\$ 16,957,178	\$ -	\$ 16,957,178	\$ -	\$ 16,957,178	\$ 12,487,724	
Out-of-district resident tuition	9,998,158	-	9,998,158	-	9,998,158	8,219,760	
TPEG Credit (set aside)*	1,405,986	-	1,405,986	-	1,405,986	1,063,796	
Non-resident tuition	7,494,610	-	7,494,610	-	7,494,610	6,343,700	
Continuing education	4,499,797	-	4,499,797	-	4,499,797	4,363,451	
TPEG Non-Credit (set aside)*	269,513	-	269,513	-	269,513	279,052	
Non-state funded continuing education	97,721	-	97,721	-	97,721	66,607	
Total tuition	<u>40,722,963</u>	<u>-</u>	<u>40,722,963</u>	<u>-</u>	<u>40,722,963</u>	<u>32,824,090</u>	
Fees							
Building fees	-	-	-	-	-	3,326,064	
General fees	480,556	-	480,556	-	480,556	439,181	
Student activity fee	-	-	-	580,932	580,932	554,344	
Laboratory fee	432,962	-	432,962	-	432,962	413,069	
Total fees	<u>913,518</u>	<u>-</u>	<u>913,518</u>	<u>580,932</u>	<u>1,494,450</u>	<u>4,732,658</u>	
Scholarship allowances and discounts							
Remissions and exemptions	(1,177,194)	-	(1,177,194)	-	(1,177,194)	(955,082)	
TPEG awarded	(1,115,926)	-	(1,115,926)	-	(1,115,926)	(842,430)	
Federal grants to students	(4,752,184)	-	(4,752,184)	-	(4,752,184)	(4,848,667)	
Other	(394,820)	-	(394,820)	-	(394,820)	(239,445)	
Total scholarship allowances	<u>(7,440,124)</u>	<u>-</u>	<u>(7,440,124)</u>	<u>-</u>	<u>(7,440,124)</u>	<u>(6,885,624)</u>	
Total net tuition and fees	<u>\$ 34,196,357</u>	<u>\$ -</u>	<u>\$ 34,196,357</u>	<u>\$ 580,932</u>	<u>\$ 34,777,289</u>	<u>\$ 30,671,124</u>	

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Operating Revenues
For the year ended August 31, 2017 (Continued)
(with comparative totals at August 31, 2016)

	Unrestricted	Restricted	Total		Total	
			Educational Activities	Auxiliary Enterprises	2017	2016
Additional operating revenues						
Federal grants and contracts	\$ 146,616	\$ 1,503,958	\$ 1,650,574	\$ -	\$ 1,650,574	\$ 2,192,596
State grants and contracts	50,541	2,426,856	2,477,397	-	2,477,397	1,637,637
Nongovernmental grants and contracts	-	276,616	276,616	-	276,616	74,452
Sales and services of educational activities	744,120	-	744,120	-	744,120	681,057
Other operating revenues	469,662	-	469,662	-	469,662	356,464
Total additional operating revenues	<u>1,410,939</u>	<u>4,207,430</u>	<u>5,618,369</u>	<u>-</u>	<u>5,618,369</u>	<u>4,942,206</u>
Auxiliary enterprises						
Bookstore (net of discount of \$0 and \$79,607 respectively)	-	-	-	735,863	735,863	4,253,547
Other auxiliary enterprises	-	-	-	1,004,358	1,004,358	782,578
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,740,221</u>	<u>1,740,221</u>	<u>5,036,125</u>
Total Operating Revenues	<u>\$ 35,607,296</u>	<u>\$ 4,207,430</u>	<u>\$ 39,814,726</u>	<u>\$ 2,321,153</u>	<u>\$ 42,135,879</u> (Exhibit 2)	<u>\$ 40,649,455</u> (Exhibit 2)

* In accordance with Education Code 56.033; \$1,675,499 was set aside for Texas Public Education Grants (TPEG).

See accompanying independent auditors' report.

Collin County Community College District

Schedule of Operating Expenses by Object
For the year ended August 31, 2017
(with comparative totals at August 31, 2016)

	Operating Expenses			Total		
	Salaries and Wages	Benefits		Other Expenses	2017	2016
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 54,158,693	\$ -	\$ 5,403,556	\$ 5,911,545	\$ 65,473,794	\$ 67,377,644
Public service	118,072	-	6,258	41,730	166,060	103,207
Academic support	8,179,441	-	993,197	1,521,243	10,693,881	9,974,708
Student services	9,336,053	-	1,105,231	1,156,947	11,598,231	10,694,810
Institutional support	11,957,736	-	2,708,452	8,530,762	23,196,950	18,994,644
Operation and maintenance of plant	2,883,419	-	847,348	9,202,774	12,933,541	11,666,212
Total unrestricted educational activities	86,633,414	-	11,064,042	26,365,001	124,062,457	118,811,225
Restricted - educational activities						
Instruction	123,660	4,604,448	36,066	575,320	5,339,494	4,667,022
Public service	361,646	10,038	79,480	84,103	535,267	1,157,271
Academic support	428,633	695,397	93,549	283,418	1,500,997	1,934,025
Student services	273,813	793,730	26,065	273,294	1,366,902	1,180,416
Institutional support	-	1,016,619	-	-	1,016,619	972,172
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships	-	-	-	16,856,378	16,856,378	16,342,810
Total restricted educational activities	1,187,752	7,120,232	235,160	18,072,513	26,615,657	26,253,716
Total educational activities	87,821,166	7,120,232	11,299,202	44,437,514	150,678,114	145,064,941
Auxiliary enterprises	883,496	-	207,622	1,947,457	3,038,575	6,413,444
Depreciation expense - buildings and other real estate improvements	-	-	-	6,348,477	6,348,477	5,936,231
Depreciation expense - equipment and furniture	-	-	-	2,439,849	2,439,849	2,456,399
Total operating expenses	\$ 88,704,662	\$ 7,120,232	\$ 11,506,824	\$ 55,173,297	\$ 162,505,015	\$ 159,871,015
					(Exhibit 2)	(Exhibit 2)

See accompanying independent auditors' report.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Non-Operating Revenues and Expenses
For the year ended August 31, 2017
(with comparative totals at August 31, 2016)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2017</u>	<u>Totals</u> <u>2016</u>
Non-operating revenues:				
State appropriations				
Education and general state support	\$ 33,739,730	\$ -	\$ 33,739,730	\$ 33,685,576
State group insurance	-	4,446,482	4,446,482	4,149,801
State retirement matching	-	2,673,750	2,673,750	2,832,026
Total state appropriations	33,739,730	7,120,232	40,859,962	40,667,403
Ad valorem taxes	89,111,771	-	89,111,771	80,461,197
Federal contracts and grants	274,859	19,508,853	19,783,712	20,046,602
Gifts	3,620,000	-	3,620,000	1,650
Investment income (net of investment expenses)	2,183,790	-	2,183,790	803,614
Other non-operating revenues	199,250	-	199,250	198,500
Total non-operating revenues	129,129,400	26,629,085	155,758,485	142,178,966
non-operating expenses:				
Interest on capital related debt	-	(731,903)	(731,903)	(1,223,125)
Other non-operating expenses	-	-	-	-
Total non-operating expenses	-	(731,903)	(731,903)	(1,223,125)
Net non-operating revenues	<u>\$ 129,129,400</u>	<u>\$ 25,897,182</u>	<u>\$ 155,026,582</u>	<u>\$ 140,955,841</u>
			(Exhibit 2)	(Exhibit 2)

See accompanying independent auditors' report.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Source and Availability
As of August 31, 2017
(with comparative totals at August 31, 2016)**

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non- Expendable				
Current:							
Unrestricted:							
Unreserved							
Undesignated	\$ 63,050,800	\$ -	\$ -	\$ -	\$ 63,050,800	\$ 63,050,800	\$ -
Board designated - Stabilization of maintenance and operations	24,750,000	-	-	-	24,750,000	-	24,750,000
Board designated - Insurance deductibles	100,000	-	-	-	100,000	-	100,000
Board designated - Health Reserve	30,000,000	-	-	-	30,000,000	-	30,000,000
Reserved							
Accounts receivable	8,914,823	-	-	-	8,914,823	8,914,823	-
Prepaid expenses	1,012,333	-	-	-	1,012,333	1,012,333	-
Restricted:							
Student aid/non-governmental grants and contracts	-	1,384,935	-	-	1,384,935	-	1,384,935
Auxiliary enterprises	4,223,231	-	-	-	4,223,231	4,223,231	-
Loans	-	21,707	-	-	21,707	-	21,707
Plant:							
Unexpended	85,809,566	-	-	-	85,809,566	-	85,809,566
Debt service	-	1,073,545	-	-	1,073,545	-	1,073,545
Investment in plant	-	-	-	300,132,133	300,132,133	-	300,132,133
Total net position - August 31, 2017	217,860,753	2,480,187	-	300,132,133	520,473,073 (Exhibit 1)	77,201,187	443,271,886
Total net position - August 31, 2016	212,396,648	1,630,910	-	271,788,069	485,815,627 (Exhibit 1)	57,993,496	427,822,131
Net increase in net position	\$ 5,464,105	\$ 849,277	\$ -	\$ 28,344,064	\$ 34,657,446 (Exhibit 2)	\$ 19,207,691	\$ 15,449,755

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, 2017 and August 31, 2016, the minimum required unrestricted fund balance was \$33,644,831 and \$36,453,413, respectively. This amount is included as part of the undesignated balance.

See accompanying independent auditors' report.




COLLIN
COLLEGE

Statistical Section



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Statistical Section

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

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Statistical Section (unaudited)

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

Financial Trends- Statistical Supplements 1-3, pages 111-115

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, pages 116-122

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

Debt Capacity- Statistical Supplements 9-11, pages 124-129

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, pages 130-131

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, pages 132-138

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 2008 to 2017
(unaudited)

	For the Fiscal Year Ended August 31,				
	2017	2016	(a) Restated 2015	2014	2013
Net investment in capital assets	\$ 300,132,133	\$ 271,788,069	\$ 252,327,218	\$ 222,287,496	\$ 216,482,469
Restricted - expendable	2,480,187	1,630,910	965,347	2,704,038	3,941,734
Unrestricted	217,860,753	212,396,648	210,788,781	235,676,401	218,899,001
Total Net Position	<u>\$ 520,473,073</u>	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</u>	<u>\$ 460,667,935</u>	<u>\$ 439,323,204</u>
Total Change in Net Position	<u>\$ 34,657,446</u>	<u>\$ 21,734,281</u>	<u>\$ 3,413,411</u>	<u>\$ 21,344,731</u>	<u>\$ 21,309,356</u>

	For the Fiscal Year Ended August 31,				
	2012	2011	2010	2009	2008
Net investment in capital assets	\$ 209,933,352	\$ 188,707,425	\$ 170,630,995	\$ 154,294,591	\$ 108,769,751
Restricted - expendable	3,402,218	3,511,310	3,285,217	3,111,119	2,878,393
Unrestricted	204,678,278	200,654,069	195,298,234	183,091,871	197,414,131
Total Net Position	<u>\$ 418,013,848</u>	<u>\$ 392,872,804</u>	<u>\$ 369,214,446</u>	<u>\$ 340,497,581</u>	<u>\$ 309,062,275</u>
Total Change in Net Position	<u>\$ 25,141,044</u>	<u>\$ 23,658,358</u>	<u>\$ 28,716,865</u>	<u>\$ 31,435,306</u>	<u>\$ 42,631,897</u>

Notes:

(a) 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 2008 to 2017
(unaudited)****For the Fiscal Year Ended August 31,**

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

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	17.57%	16.79%	15.65%	15.84%	15.61%
Governmental Grants and Contracts					
Federal Grants and Contracts	0.83%	1.20%	3.68%	4.10%	3.57%
State Grants and Contracts	1.25%	0.90%	0.99%	0.55%	0.37%
Non-Governmental Grants and Contracts	0.14%	0.04%	0.00%	0.01%	0.00%
Sales & Services of Educational Activities	0.38%	0.37%	0.35%	0.31%	0.25%
Auxiliary Enterprises	0.88%	2.75%	4.86%	5.23%	5.65%
Other Operating Revenues	0.24%	0.19%	0.17%	0.20%	0.24%
Total Operating Revenues	21.29%	22.24%	25.70%	26.24%	25.69%
State Appropriations	20.65%	22.24%	21.30%	21.79%	20.86%
Ad Valorem Taxes	45.03%	44.01%	39.63%	37.94%	38.28%
Federal Grants and Contracts	10.00%	10.96%	13.11%	13.84%	14.88%
Gifts	1.83%	0.00%	0.03%	0.02%	0.03%
Investment Income	1.10%	0.44%	0.12%	0.06%	0.14%
Other Non-Operating Revenues	0.10%	0.11%	0.11%	0.11%	0.12%
Total Non-Operating Revenues	78.71%	77.76%	74.30%	73.76%	74.31%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Revenues by Source
Fiscal Years 2008 to 2017
(unaudited)****For the Fiscal Year Ended August 31,**

	2012	2011	2010	2009	2008
Tuition and Fees (Net of Discounts)	\$ 23,740,042	\$ 24,395,778	\$ 24,934,426	\$ 22,498,442	\$ 19,489,224
Governmental Grants and Contracts					
Federal Grants and Contracts	2,087,054	1,204,670	1,676,112	1,066,775	873,556
State Grants and Contracts	807,249	1,670,769	1,434,709	943,864	687,929
Non-Governmental Grants and Contracts	6,939	4,817	12,593	9,240	23,991
Sales & Services of Educational Activities	364,115	379,229	352,891	313,790	302,878
Auxiliary Enterprises	10,023,129	10,131,837	9,417,923	8,403,605	7,683,019
Other Operating Revenues	338,787	209,032	159,378	93,012	214,742
Total Operating Revenues	37,367,315	37,996,132	37,988,032	33,328,728	29,275,339
State Appropriations	34,416,713	36,545,683	36,806,088	34,736,692	34,531,169
Ad Valorem Taxes	63,326,803	61,837,754	62,548,821	62,453,402	59,342,814
Federal Grants and Contracts	27,115,496	23,786,051	17,158,787	8,071,608	5,969,004
Gifts	6,798	-	2,675,000	2,904,466	75,503
Investment Income	239,901	289,044	403,036	2,412,354	7,255,898
Other Non-Operating Revenues	543,862	341,504	248,680	191,463	165,902
Total Non-Operating Revenues	125,649,573	122,800,036	119,840,412	110,769,985	107,340,290
Total Revenues	\$ 163,016,888	\$ 160,796,168	\$ 157,828,444	\$ 144,098,713	\$ 136,615,629

For the Fiscal Year Ended August 31,

	2012	2011	2010	2009	2008
Tuition and Fees (Net of Discounts)	14.56%	15.17%	15.80%	15.61%	14.27%
Governmental Grants and Contracts					
Federal Grants and Contracts	1.28%	0.75%	1.06%	0.74%	0.64%
State Grants and Contracts	0.50%	1.04%	0.91%	0.66%	0.50%
Non-Governmental Grants and Contracts	0.00%	0.00%	0.01%	0.01%	0.02%
Sales & Services of Educational Activities	0.22%	0.24%	0.22%	0.22%	0.22%
Auxiliary Enterprises	6.15%	6.30%	5.97%	5.83%	5.62%
Other Operating Revenues	0.21%	0.13%	0.10%	0.06%	0.16%
Total Operating Revenues	22.92%	23.63%	24.07%	23.13%	21.43%
State Appropriations	21.11%	22.73%	23.32%	24.11%	25.28%
Ad Valorem Taxes	38.86%	38.46%	39.63%	43.34%	43.43%
Federal Grants and Contracts	16.63%	14.79%	10.87%	5.60%	4.37%
Gifts	0.00%	0.00%	1.69%	2.02%	0.06%
Investment Income	0.15%	0.18%	0.26%	1.67%	5.31%
Other Non-Operating Revenues	0.33%	0.21%	0.16%	0.13%	0.12%
Total Non-Operating Revenues	77.08%	76.37%	75.93%	76.87%	78.57%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Program Expenses by Function
Fiscal Years 2008 to 2017
(unaudited)****For the Fiscal Year Ended August 31,**

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

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014	2013
Instruction	43.38%	44.73%	40.67%	37.85%	38.07%
Public Service	0.43%	0.78%	0.48%	0.36%	0.38%
Academic Support	7.47%	7.39%	9.75%	10.06%	9.97%
Student Services	7.94%	7.37%	6.57%	6.26%	6.01%
Institutional Support	14.84%	12.40%	11.93%	9.97%	9.67%
Operation and Maintenance of Plant	7.92%	7.24%	6.54%	8.55%	9.11%
Scholarships and Fellowships	10.33%	10.14%	12.23%	12.98%	13.92%
Auxiliary Enterprises	1.86%	3.98%	6.01%	7.02%	6.75%
Depreciation	5.38%	5.21%	4.86%	4.86%	4.91%
Total Operating Expenses	99.55%	99.24%	99.04%	97.91%	98.79%
Interest on Capital Related Debt	0.45%	0.76%	0.96%	1.07%	1.21%
Quasi-Endowment Distribution	0.00%	0.00%	0.00%	1.02%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	0.45%	0.76%	0.96%	2.09%	1.21%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Fiscal Years 2008 to 2017
(unaudited)

For the Fiscal Year Ended August 31,

	2012	2011	2010	2009	2008
Instruction	\$ 52,319,020	\$ 54,534,791	\$ 51,489,934	\$ 48,239,642	\$ 42,794,701
Public Service	561,438	888,626	493,288	502,870	454,130
Academic Support	10,193,826	9,542,089	9,398,653	10,968,150	8,453,432
Student Services	8,374,056	8,640,882	8,754,737	8,164,472	7,842,678
Institutional Support	13,664,780	13,455,591	12,738,632	11,402,452	11,146,898
Operation and Maintenance of Plant	11,802,975	11,415,758	12,844,813	9,799,019	9,526,095
Scholarships and Fellowships	22,207,900	19,943,709	15,152,414	6,839,746	4,226,017
Auxiliary Enterprises	10,032,534	10,124,598	9,448,349	8,687,861	8,008,239
Depreciation	6,790,160	6,737,301	6,404,053	5,614,898	5,066,598
Total Operating Expenses	135,946,689	135,283,345	126,724,873	110,219,110	97,518,788
Interest on Capital Related Debt	1,929,155	1,854,465	2,386,706	2,444,297	2,519,323
Other Non-operating Expenses	-	-	-	-	-
Loss on Disposal of Fixed Assets	-	-	1,125	8,537	-
Total Non-Operating Expenses	1,929,155	1,854,465	2,387,831	2,452,834	2,519,323
Total Expenses	\$ 137,875,844	\$ 137,137,810	\$ 129,112,704	\$ 112,671,944	\$ 100,038,111

For the Fiscal Year Ended August 31,

	2012	2011	2010	2009	2008
Instruction	37.95%	39.78%	39.87%	42.81%	42.79%
Public Service	0.41%	0.65%	0.38%	0.45%	0.45%
Academic Support	7.39%	6.96%	7.28%	9.73%	8.45%
Student Services	6.07%	6.30%	6.78%	7.25%	7.84%
Institutional Support	9.91%	9.81%	9.87%	10.12%	11.14%
Operation and Maintenance of Plant	8.56%	8.32%	9.95%	8.70%	9.52%
Scholarships and Fellowships	16.11%	14.54%	11.74%	6.07%	4.22%
Auxiliary Enterprises	7.28%	7.38%	7.32%	7.71%	8.01%
Depreciation	4.92%	4.91%	4.96%	4.98%	5.06%
Total Operating Expenses	98.60%	98.65%	98.15%	97.82%	97.48%
Interest on Capital Related Debt	1.40%	1.35%	1.85%	2.17%	2.52%
Quasi-Endowment Distribution	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.01%	0.00%
Total Non-Operating Expenses	1.40%	1.35%	1.85%	2.18%	2.52%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

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

Academic Year (Fall)	Student ID Fee (per student)	Records Fee (per student)	Tuition		Building Use Fee (per hour)	Student Activity Fee (per hour)	Cost for 12 SCH		Change from Prior Year	
			In-District	Out-of-District			In-District	Out-of-District	In-District	Out-of-District
2016	\$ -	\$ 2	\$ 41	\$ 82	\$ -	\$ 1	\$ 506	\$ 998	7.7%	6.4%
2015	-	2	32	71	6	1	470	938	0.0%	0.0%
2014	-	2	32	71	6	1	470	938	2.6%	4.0%
2013	-	2	31	68	6	1	458	902	11.7%	10.3%
2012	-	2	27	61	6	1	410	818	0.0%	0.0%
2011	-	2	27	61	6	1	410	818	0.0%	11.4%
2010	-	2	27	54	6	1	410	734	(8.1%)	0.0%
2009	-	2	27	51	9	1	446	734	(0.4%)	19.2%
2008	2	2	27	41	9	1	448	616	0.0%	8.5%
2007	2	2	27	37	9	1	448	568	0.0%	4.4%

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

Academic Year (Fall)	Student ID Fee (per student)	Records Fee (per student)	Tuition		Building Use Fee (per hour)	Student Activity Fee (per hour)	Cost for 12 SCH		Change from Prior Year	
			Out of State	International			In-District	Out-of-District	In-District	Out-of-District
2016	\$ -	\$ 2	\$ 142	\$ 142	\$ -	\$ 1	\$ 1,718	\$ 1,718	3.6%	3.6%
2015	-	2	131	131	6	1	1,658	1,658	0.0%	0.0%
2014	-	2	131	131	6	1	1,658	1,658	2.2%	2.2%
2013	-	2	128	128	6	1	1,622	1,622	14.4%	14.4%
2012	-	2	111	111	6	1	1,418	1,418	(4.1%)	(4.1%)
2011	-	2	116	116	6	1	1,478	1,478	6.0%	6.0%
2010	-	2	109	109	6	1	1,394	1,394	0.0%	0.0%
2009	-	2	106	106	9	1	1,394	1,394	9.2%	9.2%
2008	2	2	96	96	9	1	1,276	1,276	6.0%	6.0%
2007	2	2	90	90	9	1	1,204	1,204	4.2%	4.2%

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	Assessed Valuation of Property	Less: Exemptions / Abatements	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2016-17	\$134,712,150,568	\$ 24,102,439,926	\$ 110,609,710,642	82.11%	0.078174	0.003048	0.081222
2015-16	119,250,034,517	21,520,774,913	97,729,259,604	81.95%	0.078965	0.002995	0.081960
2014-15	103,609,292,320	15,479,038,414	88,130,253,906	85.06%	0.078965	0.002995	0.081960
2013-14	93,973,412,369	13,502,474,479	80,470,937,890	85.63%	0.080000	0.003643	0.083643
2012-13	88,709,272,519	12,927,884,421	75,781,388,098	85.43%	0.080000	0.006299	0.086299
2011-12	85,669,094,108	12,076,099,414	73,592,994,694	85.90%	0.080000	0.006300	0.086300
2010-11	85,119,964,782	11,932,594,330	73,187,370,452	85.98%	0.080000	0.006300	0.086300
2009-10	85,047,894,779	12,243,373,030	72,804,521,749	85.60%	0.080000	0.006300	0.086300
2008-09	84,577,368,984	12,464,189,034	72,113,179,950	85.26%	0.080000	0.006493	0.086493
2007-08	80,761,165,342	12,045,524,959	68,715,640,383	85.09%	0.080000	0.006984	0.086984

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	State Appropriations	Appropriation per FTSE		Appropriation per Contact Hour			State Appropriation per Contact Hour
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a,b)	Total Contact Hours	
2016-17	\$ 40,859,962	18,714	\$ 2,183	9,890,990	2,003,089	11,894,079	3.44
2015-16	40,667,403	16,938	2,401	9,555,760	2,014,560	11,570,320	3.51
2014-15	38,713,358	17,153	2,257	8,977,240	1,978,958	10,956,198	3.53
2013-14	38,457,174	17,973	2,140	9,332,840	2,017,851	11,350,691	3.39
2012-13	35,504,958	18,007	1,972	9,377,528	2,032,408	11,409,936	3.11
2011-12	34,416,713	17,471	1,970	9,300,792	1,902,860	11,203,652	3.07
2010-11	36,545,683	17,661	2,069	9,383,992	1,803,113	11,187,105	3.27
2009-10	36,806,088	17,143	2,147	8,979,768	1,832,395	10,812,163	3.40
2008-09	34,736,692	14,749	2,355	7,806,584	1,583,558	9,390,142	3.70
2007-08	34,531,169	13,741	2,513	7,347,024	1,507,665	8,854,689	3.90

(a) Source CBM001
(b) Source CBM00A

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2017	2016	2015	2014	2013
AT&T Mobility LLC	Telephone Utility	0.14%	0.17%	0.21%	0.22%	0.18%
Bank of America	Commercial	0.18%	0.45%	0.44%	0.40%	0.42%
BCS Office Investments One LP	Commercial		0.37%			
Briar Preston Ridge Shop. Ctr.	Commercial			0.14%	0.15%	
Capital One National Association	Commercial	0.17%	0.15%	0.17%		
Cisco Systems	Commercial			0.19%		0.22%
Cisco Systems Sales & Service Inc	Commercial	0.14%	0.14%	0.14%		
Countrywide Home Loans Inc	Commercial					
Coventry II DDR	Commercial					
Electronic Data Systems Corp	Computer Center					
EMC Corp	Commercial			0.14%	0.17%	0.18%
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	0.23%	0.24%	0.27%	0.26%	0.28%
HP Enterprise Services LLC	Commercial	0.16%	0.15%			
HSP of Texas Inc	Commercial	0.13%	0.15%	0.16%		
IBM Credit	Commercial				0.14%	0.18%
JC Penney Co. Inc.	Commercial		0.17%	0.19%	0.20%	0.22%
KBSIII Legacy Town Center LLC	Commercial	0.14%				
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial	0.13%	0.14%	0.16%	0.16%	
Oncor/TXU/Lone Star Gas	Public Utility	0.46%	0.56%	0.61%	0.65%	0.65%
Qorvo Texas LLC	Manufacturer					
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	0.27%	0.29%	0.31%	0.32%	0.32%
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer	0.18%				
T5@Dallas LLC	Commercial		0.15%	0.14%		
United Dominion Realty LP	Commercial					
Village at Allen LP	Commercial	0.14%	0.15%	0.16%	0.18%	0.19%
Wal-Mart Stores Texas LLC	Commercial			0.16%		
Watters Creek LLC	Commercial					
Willow Bend Shopping Center	Commercial		0.14%	0.23%	0.18%	
Totals		2.47%	3.54%	3.81%	3.23%	2.83%

Source: Tax Assessor/Collector of Collin County

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2012	2011	2010	2009	2008
AT&T Mobility LLC	Telephone Utility	\$ 150,721,071		\$ 132,990,356	\$ 107,715,878	
Bank of America	Commercial	132,676,129	141,863,601			
BCS Office Investments One LP	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial	118,250,000	116,000,000	125,000,000	126,955,751	124,500,000
Capital One National Association	Commercial					
Cisco Systems	Commercial	171,484,217				
Cisco Systems Sales & Service Inc	Commercial					
Corporate Properties Trust I SPE #1 LL	Commercial					
Countrywide Home Loans Inc	Commercial					111,297,882
Coventry II DDR	Commercial		121,100,000	111,700,000	133,138,544	
Electronic Data Systems Corp	Computer Center				134,919,916	140,996,529
EMC Corp	Commercial		126,362,835			
General Telephone of the SW	Telephone Utility					108,684,240
Health Care Service Corporation	Commercial	208,172,377	251,131,329			
HP Enterprise Services LLC	Commercial					
HSP of Texas Inc	Commercial					
IBM Credit	Commercial			127,971,038	118,976,125	
JC Penney Co. Inc.	Commercial	163,195,767	159,971,610	161,877,423	166,407,858	171,255,476
JP Morgan Chase Bank NA	Commercial					
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial			237,172,377		
Legacy Campus LP	Commercial	152,500,000	148,990,000			
Legacy West Investors LP	Commercial					
Oncor/TXU/Lone Star Gas	Public Utility	461,211,196	451,374,380	439,174,980	449,097,946	465,330,568
Qorvo Texas LLC	Manufacturer					
Silos Harvesting Partners LP	Commercial					
Southwestern Bell/SBC	Telephone Utility				117,082,347	131,758,930
Stonebriar Mall Ltd. Partnership	Commercial	232,137,734	226,514,276	221,706,370	221,339,975	221,339,975
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial					
Toyota Motor North America INC	Manufacturer					
UDR Legacy Village LLC	Commercial					
United Dominion Realty LP	Commercial					113,285,714
Village at Allen LP	Commercial	136,534,873	139,937,198	113,881,870		
Wal-Mart Stores Texas LLC	Commercial					
Watters Creek LLC	Commercial					
Willow Bend Shopping Center	Commercial			110,000,000	116,500,000	127,374,433
Totals		1,926,883,364	1,883,245,229	1,781,474,414	1,692,134,340	1,715,823,747
Total Taxable Assessed Value		\$ 73,592,994,694	\$ 73,187,370,452	\$ 72,804,521,749	\$ 72,113,179,950	\$ 68,715,640,383

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2012	2011	2010	2009	2008
AT&T Mobility LLC	Telephone Utility	0.20%		0.18%	0.15%	
Bank of America	Commercial	0.18%	0.19%			
BCS Office Investments One LP	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial	0.16%	0.16%	0.17%	0.18%	0.18%
Capital One National Association	Commercial					
Cisco Systems	Commercial	0.23%				
Cisco Systems Sales & Service Inc	Commercial					
Countrywide Home Loans Inc	Commercial					0.16%
Coventry II DDR	Commercial		0.17%	0.15%	0.18%	
Electronic Data Systems Corp	Computer Center				0.19%	0.21%
EMC Corp	Commercial		0.17%			
General Telephone of the SW	Telephone Utility					0.16%
Health Care Service Corporation	Commercial	0.28%	0.34%			
HP Enterprise Services LLC	Commercial					
HSP of Texas Inc	Commercial					
IBM Credit	Commercial			0.18%	0.16%	
JC Penney Co. Inc.	Commercial	0.22%	0.22%	0.22%	0.23%	0.25%
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial			0.33%		
Legacy Campus LP	Commercial	0.21%	0.20%			
Oncor/TXU/Lone Star Gas	Public Utility	0.63%	0.62%	0.60%	0.62%	0.68%
Qorvo Texas LLC	Manufacturer					
Southwestern Bell/SBC	Telephone Utility				0.16%	0.19%
Stonebriar Mall Ltd. Partnership	Commercial	0.32%	0.31%	0.30%	0.31%	0.32%
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial					
United Dominion Realty LP	Commercial					0.16%
Village at Allen LP	Commercial	0.19%	0.19%	0.16%		
Wal-Mart Stores Texas LLC	Commercial					
Watters Creek LLC	Commercial					
Willow Bend Shopping Center	Commercial			0.15%	0.16%	0.19%
Totals		2.62%	2.57%	2.45%	2.36%	2.49%

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
2017	\$91,096	\$2,941	\$94,037	\$89,217	94.87%	\$1,157	\$648	\$91,022	96.79%
2016	82,019	2,092	84,111	80,484	95.69%	1,239	597	82,320	97.87%
2015	73,897	1,544	75,441	72,385	95.95%	818	496	73,699	97.69%
2014	68,790	1,208	69,998	67,645	96.64%	499	437	68,581	97.98%
2013	66,738	691	67,429	65,697	97.43%	683	403	66,783	99.04%
2012	64,923	585	65,508	63,852	97.47%	577	417	64,846	98.99%
2011	63,659	(733)	62,926	62,553	99.41%	672	373	63,598	101.07%
2010	64,509	(568)	63,941	63,378	99.12%	501	448	64,327	100.60%
2009	64,397	(953)	63,444	62,909	99.16%	820	417	64,146	101.11%
2008	60,873	(69)	60,804	59,223	97.40%	1,083	431	60,737	99.89%

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 Year Ended August 31,				
	2017	2016	2015	2014	2013
General Bonded Debt					
General Obligation Bonds	\$ 14,843,861	\$ 17,206,467	\$ 31,787,200	\$ 34,805,723	\$ 37,694,245
Less: Funds restricted for debt service	(894,905)	(552,079)	(364,843)	-	(3,755,162)
Net General Bonded Debt	<u>13,948,956</u>	<u>16,654,388</u>	<u>31,422,357</u>	<u>34,805,723</u>	<u>33,939,083</u>
Other Debt					
Revenue Bonds	1,095,000	2,160,000	3,195,000	4,195,000	5,165,000
Net Revenue Bonds	<u>1,095,000</u>	<u>2,160,000</u>	<u>3,195,000</u>	<u>4,195,000</u>	<u>5,165,000</u>
Total Net Outstanding Debt	<u>\$ 15,043,956</u>	<u>\$ 18,814,388</u>	<u>\$ 34,617,357</u>	<u>\$ 39,000,723</u>	<u>\$ 39,104,083</u>
Total Gross Amount of Outstanding Debt	<u>\$ 15,938,861</u>	<u>\$ 19,366,467</u>	<u>\$ 34,982,200</u>	<u>\$ 39,000,723</u>	<u>\$ 42,859,245</u>
General Bonded Debt Ratios					
Per Capita	14.85	18.22	35.50	40.72	40.66
Per FTSE	745	983	1,832	1,937	1,885
As a percentage of Taxable Assessed Value	0.01%	0.02%	0.04%	0.04%	0.04%
Total Outstanding Debt Ratios					
Per Capita	16.96	21.19	39.52	45.63	51.35
Per FTSE	804	1,111	2,018	2,170	2,172
As a percentage of Taxable Assessed Value	0.01%	0.02%	0.04%	0.05%	0.05%

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

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
General Bonded Debt					
General Obligation Bonds	\$ 40,467,768	\$ 43,111,290	\$ 45,980,000	\$ 48,345,000	\$ 50,595,000
Less: Funds restricted for debt service	(3,375,209)	(3,009,581)	(2,880,577)	(2,686,501)	(2,324,904)
Net General Bonded Debt	<u>37,092,559</u>	<u>40,101,709</u>	<u>43,099,423</u>	<u>45,658,499</u>	<u>48,270,096</u>
Other Debt					
Revenue Bonds	6,111,000	7,025,000	7,915,000	8,775,000	9,610,000
Net Revenue Bonds	<u>6,111,000</u>	<u>7,025,000</u>	<u>7,915,000</u>	<u>8,775,000</u>	<u>9,610,000</u>
Total Outstanding Debt	<u>\$ 43,203,559</u>	<u>\$ 47,126,709</u>	<u>\$ 51,014,423</u>	<u>\$ 54,433,499</u>	<u>\$ 57,880,096</u>
Total Gross Amount of Outstanding Debt	<u>\$ 46,578,768</u>	<u>\$ 50,136,290</u>	<u>\$ 53,895,000</u>	<u>\$ 57,120,000</u>	<u>\$ 60,205,000</u>
General Bonded Debt Ratios					
Per Capita	46.11	50.62	54.66	59.72	64.53
Per FTSE	2,123	2,271	2,514	3,096	3,513
As a percentage of Taxable Assessed Value	0.05%	0.05%	0.06%	0.06%	0.07%
Total Outstanding Debt Ratios					
Per Capita	57.91	63.29	68.35	74.72	80.48
Per FTSE	2,473	2,668	2,976	3,691	4,212
As a percentage of Taxable Assessed Value	0.06%	0.06%	0.07%	0.08%	0.08%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31				
	2017	2016	2015	2014	2013
Taxable Assessed Value	\$ 110,609,710,642	\$ 97,729,259,604	\$ 88,130,253,906	\$ 80,470,937,890	\$ 75,781,388,098
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$13,273,165,277	\$11,727,511,152	\$10,575,630,469	\$9,656,512,547	\$9,093,766,572
Less: Funds Restricted for Repayment of General Obligations	894,905	552,079	364,843	2,063,560	3,755,162
Total Net General Obligation Debt	13,272,270,372	11,726,959,073	10,575,265,626	9,654,448,987	9,090,011,410
Less: Current Year Debt Service Requirements	3,095,281	4,567,230	4,470,731	4,447,626	4,381,998
Excess Statutory Limit for Debt Service Over Current Requirements	\$ 13,269,175,091	\$ 11,722,391,843	\$ 10,570,794,895	\$ 9,650,001,361	\$ 9,085,629,412
Net Current Requirements as a % of Statutory Limit	0.03%	0.04%	0.05%	0.07%	0.09%

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

Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31				
	2012	2011	2010	2009	2008
Taxable Assessed Value	\$ 73,592,994,694	\$ 73,187,370,452	\$ 72,804,521,749	\$ 72,113,179,950	\$ 68,715,640,383
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$8,831,159,363	\$8,782,484,454	\$8,736,542,610	\$8,653,581,594	\$8,245,876,846
Less: Funds Restricted for Repayment of General Obligations	3,375,209	3,009,581	2,880,577	2,686,501	2,324,904
Total Net General Obligation Debt	8,827,784,154	8,779,474,873	8,733,662,033	8,650,895,093	8,243,551,942
Less: Current Year Debt Service Requirements Excess Statutory Limit for Debt Service Over Current Requirements	4,356,365	6,023,225	5,617,732	5,529,297	6,282,577
	\$ 8,823,427,789	\$ 8,773,451,648	\$ 8,728,044,301	\$ 8,645,365,796	\$ 8,237,269,365
Net Current Requirements as a % of Statutory Limit	0.09%	0.10%	0.10%	0.09%	0.10%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues			
	Tuition	Building Fees	Interest Income	Food Services
2017	\$ 968,370	\$ -	\$ 2,160,097	\$ 353,272
2016	921,998	3,326,064	795,600	93,547
2015	906,060	3,288,927	210,829	100,000
2014	1,312,365	3,265,810	109,513	100,840
2013	952,965	3,283,382	232,155	78,813
2012	947,430	3,238,390	233,034	85,387
2011	779,775	3,250,705	288,665	83,512
2010	912,345	3,768,215	403,036	87,702
2009	786,968	4,019,965	2,412,354	67,102
2008	731,213	3,721,857	7,255,898	95,073

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

<u>Pledged Revenues</u>		<u>Debt Service Requirements</u>			
<u>Bookstore Commission</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage Ratio</u>
\$ 740,618	\$ 4,222,357	\$ 1,065,000	\$ 48,337	\$ 1,113,337	3.79
4,253,551	9,390,760	1,035,000	79,522	1,114,522	8.43
7,795,310	12,301,126	1,000,000	109,742	1,109,742	11.08
8,260,036	13,048,564	970,000	138,996	1,108,996	11.77
8,599,022	13,146,337	945,000	167,434	1,112,434	11.82
9,063,221	13,567,462	915,000	195,055	1,110,055	12.22
9,148,169	13,550,826	890,000	221,859	1,111,859	12.19
8,436,630	13,607,928	860,000	250,847	1,110,847	12.25
7,466,484	14,752,873	835,000	273,017	1,108,017	13.31
6,692,096	18,496,137	1,160,000	643,748	1,803,748	10.25

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
2017	939,585	N/A*	N/A*	3.7%
2016	914,127	N/A*	N/A*	3.8%
2015	885,241	54,420,085	59,532	3.6%
2014	854,778	52,358,740	59,146	5.0%
2013	834,642	47,457,632	55,520	5.5%
2012	804,390	46,837,453	56,117	6.3%
2011	792,150	42,576,156	52,419	7.7%
2010	788,511	38,029,236	48,229	7.7%
2009	764,500	36,447,393	47,675	8.2%
2008	748,050	37,746,642	50,460	4.8%

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

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

3 Unemployment rate from Texas Workforce Commission LCMI Tracer

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

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Employer	2017		2008	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Plano Independent School District	6,854	1.40%	6,608	1.77%
Frisco ISD	6,970	1.42%	4,100	1.10%
Capital One Finance	5,500	1.12%	1,400	0.38%
Bank of America Home Loans (formerly Countrywide)	3,400	0.69%	9,262	2.48%
DXC Technology (formerly Hewlett Packard Enterprise)	4,000	0.82%	1,000	0.27%
Ericsson Headquarters	3,200	0.65%	-	0.00%
Toyota Motor North American, Inc.	2,900	0.59%	-	0.00%
McKinney ISD	2,772	0.56%	-	0.00%
University of Texas at Dallas	2,674	0.54%	3,058	0.82%
Allen ISD	2,660	0.54%	2,125	0.57%
Collin County Community College District	2,587	0.53%	2,377	0.64%
Frito-Lay	2,500	0.51%	-	0.00%
J.C. Penny Company, Inc.	2,420	0.49%	4,850	1.30%
City of Plano	2,407	0.49%	1,256	0.34%
NTT DATA Services (formerly Dell Services)	2,250	0.46%	-	0.00%
Collin County	1,727	0.35%	-	0.00%
Raytheon	1,700	0.35%	2,500	0.67%
Texas Health Presbyterian Hospital Plano	1,680	0.34%	1,497	0.40%
Medical Center of Plano (HCA Medical Ctr)	1,600	0.33%	1,491	0.40%
Electronic Data Systems Corp (purchased by HP in 2008)	-	0.00%	5,000	1.34%
Perot Systems Corporated	-	0.00%	2,732	0.73%
AT&T	-	0.00%	2,140	0.57%
CHC Acquisition Corporation	-	0.00%	2,000	0.54%
PespiCo	1,300	0.26%	1,000	0.27%
Dr Pepper Snapple Group Inc	1,250	0.25%	1,700	0.46%
T-Mobile USA	-	0.00%	1,500	0.40%
FedEx Office	1,220	0.25%	-	0.00%
McAfee (formerly known as Intel Security)	1,100	0.22%	-	0.00%
Nokia (former Alcatel-Lucent)	1,100	0.22%	2,280	0.61%
Cigna	948	0.21%	-	0.00%
	<u>66,719</u>	<u>12.71%</u>	<u>59,876</u>	<u>15.45%</u>

Source: 2017 data from Plano Economic Development Board and Local University and School District web sites

2008 data from North Central Texas Council of Governments

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Faculty					
Full-Time	395	409	396	372	361
Part-Time	945	905	885	880	845
Total	<u>1,340</u>	<u>1,314</u>	<u>1,281</u>	<u>1,252</u>	<u>1,206</u>
Percent					
Full-Time	29.5%	31.1%	30.9%	29.7%	29.9%
Part-Time	70.5%	68.9%	69.1%	70.3%	70.1%
Staff and Administrators					
Full-Time	648	626	638	614	577
Part-Time	599	583	610	578	555
Total	<u>1,247</u>	<u>1,209</u>	<u>1,248</u>	<u>1,192</u>	<u>1,132</u>
Percent					
Full-Time	52.0%	51.8%	51.1%	51.5%	51.0%
Part-Time	48.0%	48.2%	48.9%	48.5%	49.0%
FTSE per Full-Time Faculty	47.38	41.41	43.32	48.31	49.88
FTSE per Full-Time Staff Member	28.88	27.06	26.89	29.27	31.21
Average Annual Faculty Salary	\$ 65,167	\$ 62,315	\$ 60,412	\$ 57,209	\$ 56,614

FTSE as reported on CBM001/CBM00A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year				
	2012	2011	2010	2009	2008
Faculty					
Full-Time	356	350	319	293	274
Part-Time	846	931	836	955	767
Total	<u>1,202</u>	<u>1,281</u>	<u>1,155</u>	<u>1,248</u>	<u>1,041</u>
Percent					
Full-Time	29.6%	27.3%	27.6%	23.5%	26.3%
Part-Time	70.4%	72.7%	72.4%	76.5%	73.7%
Staff and Administrators					
Full-Time	580	580	575	575	543
Part-Time	565	549	564	630	556
Total	<u>1,145</u>	<u>1,129</u>	<u>1,139</u>	<u>1,205</u>	<u>1,099</u>
Percent					
Full-Time	50.7%	51.4%	50.5%	47.7%	49.4%
Part-Time	49.3%	48.6%	49.5%	52.3%	50.6%
FTSE per Full-Time Faculty	49.08	50.46	53.74	50.34	50.15
FTSE per Full-Time Staff Member	30.12	30.45	29.81	25.65	25.31
Average Annual Faculty Salary	\$ 54,821	\$ 55,392	\$ 55,231	\$ 54,181	\$ 53,404

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Enrollment Details
Last Five Fiscal Years
(unaudited)

Student Classification	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	19,706	66%	18,351	65%	18,005	64%	18,363	66%	17,845	65%
31-60 hours	7,174	24%	7,089	25%	7,244	26%	6,839	24%	7,175	26%
> 60 hours	2,823	10%	2,747	10%	2,742	10%	2,770	10%	2,404	9%
Total	29,703	100%	28,187	100%	27,991	100%	27,972	100%	27,424	100%

Semester Hour Load	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	219	1%	186	1%	284	1%	223	1%	241	1%
3-5 semester hours	6,105	21%	5,890	21%	5,528	20%	5,682	20%	5,577	20%
6-8 semester hours	7,949	27%	7,340	26%	6,897	25%	7,274	26%	6,917	25%
9-11 semester hours	5,788	19%	5,330	19%	5,383	19%	5,150	18%	5,012	18%
12-14 semester hours	8,018	27%	7,700	27%	8,116	29%	7,939	28%	7,845	29%
15-17 semester hours	1,476	5%	1,563	6%	1,626	6%	1,543	6%	1,632	6%
18 & Over	148	0%	178	1%	157	1%	161	1%	200	1%
Total	29,703	100%	28,187	100%	27,991	100%	27,972	100%	27,424	100%

Average course load	8.5	8.5	8.7	8.6	8.8
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Tuition Status	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
TX Resident (In-District)	20912	70%	19,660	70%	19,405	69%	19,309	69%	18,597	68%
TX Resident (Out-of-District)	6381	22%	5,845	21%	5,951	21%	6,057	22%	5,909	22%
Non-Resident Tuition	2410	8%	2,682	10%	2,635	9%	2,606	9%	2,918	11%
Total	29703	100%	28,187	100%	27,991	100%	27,972	100%	27,424	100%

Source: Fall Census Headcounts

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

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

<u>Ethnic Origin</u>	<u>Fall 2016</u>		<u>Fall 2015</u>		<u>Fall 2014</u>		<u>Fall 2013</u>		<u>Fall 2012</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
White	14,961	51%	14,676	52%	14,786	53%	15,262	55%	15,440	56%
Hispanic	5,699	19%	5,360	19%	5,190	19%	4,898	18%	4,435	16%
African American	3,361	11%	3,264	12%	3,384	12%	3,376	12%	3,228	12%
Asian	2,903	10%	2,592	9%	2,396	9%	2,297	8%	2,268	8%
Foreign	1,173	4%	908	3%	891	3%	826	3%	842	3%
Native American	136	0%	137	0%	124	0%	135	0%	124	0%
Other	1,470	5%	1,250	4%	1,220	4%	1,178	4%	1,087	4%
Total	29,703	100%	28,187	100%	27,991	100%	27,972	100%	27,424	100%

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

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

**Transfers to Senior Institutions
2015 Fall Students as of Fall 2016
(Includes community, technical and public senior colleges in Texas)
(unaudited)**

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
Community and Technical Colleges						
ACCD-Northeast Lakeview College	1	1	-	-	2	0.0238%
ACCD-Northwest Vista College	3	2	-	-	5	0.0596%
AACD-Palo Alto College	-	1	-	-	1	0.0119%
ACCD-San Antonio College	2	2	-	-	4	0.0477%
Alvin Community College	1	-	-	-	1	0.0119%
Amarillo College	1	1	-	-	2	0.0238%
Angelina College	1	1	-	-	2	0.0238%
Austin Community College	45	24	-	-	69	0.8222%
Blinn College	76	39	-	-	115	1.3704%
Central Texas College	5	1	-	-	6	0.0715%
Cisco Junior College	1	-	-	-	1	0.0119%
Clarendon College	-	1	-	-	1	0.0119%
Coastal Bend College	3	2	-	-	5	0.0596%
College of the Mainland Community College District	1	-	-	-	1	0.0119%
Collin County Community College District	843	126	6	1	976	11.6301%
Dallas County Community College District	366	143	2	-	511	6.0891%
Del Mar College	2	2	-	-	4	0.0477%
El Paso Community College District	2	1	-	-	3	0.0357%
Grayson County College	33	21	-	-	54	0.6435%
Hill College	2	-	-	-	2	0.0238%
Houston Community College System	4	4	-	-	8	0.0953%
Kilgore College	-	2	-	-	2	0.0238%
Lee College	1	-	-	-	1	0.0119%
Lone Star Community College System	9	2	-	-	11	0.1311%
McLennan Community College	2	2	-	-	4	0.0477%
Midland College	3	3	-	-	6	0.0715%
Navarro College	6	2	-	-	8	0.0953%
North Central Texas College	38	15	-	-	53	0.6316%
Northeast Texas Community College	2	3	-	-	5	0.0596%
Odessa College	2	-	-	-	2	0.0238%
Panola College	1	-	-	-	1	0.0119%
Paris Junior College	11	13	-	-	24	0.2860%
Ranger College	2	-	-	-	2	0.0238%
San Jacinto College	5	-	-	-	5	0.0596%
South Plains College	8	9	-	-	17	0.2026%
South Texas College	2	-	-	-	2	0.0238%
Tarrant County College District	42	19	-	-	61	0.7269%
Temple College	2	-	-	-	2	0.0238%
Texarkana College	1	-	-	-	1	0.0119%
Texas State Technical College-North Texas	1	-	-	-	1	0.0119%
Texas State Technical College-Waco	3	1	-	-	4	0.0477%
Texas State Technical College-West Texas	-	1	-	-	1	0.0119%
Trinity Valley Community College	5	1	-	-	6	0.0715%
Tyler Junior College	8	5	-	-	13	0.1549%
Vernon College	2	2	-	-	4	0.0477%
Weatherford College	6	2	-	-	8	0.0953%
Wharton County Junior College	1	-	-	-	1	0.0119%
Total	1,555	454	8	1	2,018	24.0467%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfers to Senior Institutions
2015 Fall Students as of Fall 2016
(Includes community, technical and public senior colleges in Texas)
(unaudited)**

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
Universities						
Angelo State University	6	4	-	-	10	0.1192%
Lamar University	7	1	-	-	8	0.0953%
Midwestern State University	27	18	-	-	45	0.5362%
Prairie View A&M University	12	4	-	-	16	0.1907%
Sam Houston State University	44	15	-	-	59	0.7031%
Stephen F. Austin State University	82	47	1	-	130	1.5491%
Tarleton State University	55	16	-	-	71	0.8460%
Texas A&M International University	2	-	-	-	2	0.0238%
Texas A&M University	335	123	3	-	461	5.4933%
Texas A&M University - Commerce	252	40	-	-	292	3.4795%
Texas A&M University - Corpus Christi	22	8	-	-	30	0.3575%
Texas A&M University - Galveston	11	-	-	-	11	0.1311%
Texas A&M University - Kingsville	2	-	-	-	2	0.0238%
Texas A&M University - San Antonio	-	1	-	-	1	0.0119%
Texas A&M University - Texarkana	6	-	-	-	6	0.0715%
Texas Southern University	2	4	-	-	6	0.0715%
Texas State University - San Marcos	163	54	2	-	219	2.6096%
Texas Tech University	395	195	3	-	593	7.0663%
Texas Woman's University	363	117	2	-	482	5.7436%
The University of Texas - Rio Grande Valley	4	-	-	-	4	0.0477%
The University of Texas at Arlington	233	75	-	-	308	3.6702%
The University of Texas at Austin	268	112	2	-	382	4.5520%
The University of Texas at Dallas	1,256	444	12	-	1,712	20.4004%
The University of Texas at El Paso	5	2	1	-	8	0.0953%
The University of Texas at San Antonio	18	6	-	-	24	0.2860%
The University of Texas at Tyler	23	16	1	-	40	0.4766%
The University of Texas of the Permian Basin	6	2	-	-	8	0.0953%
University of Houston	40	17	-	-	57	0.6792%
University of North Texas	998	248	5	-	1,251	14.9071%
University of North Texas at Dallas	9	2	-	-	11	0.1311%
West Texas A&M University	14	4	-	-	18	0.2145%
Total	4,660	1,575	32	-	6,267	74.6783%
Health Science Institutions						
Texas A&M Univ Health Science Center	12	3	-	-	15	0.1787%
Texas Tech Univ Health Sciences Center	25	33	-	-	58	0.6911%
The Univ of Texas Health Science Ctr at Houston	2	3	-	-	5	0.0596%
The Univ of Texas Health Science Ctr at San Antonio	2	1	-	-	3	0.0357%
The Univ of Texas Medical Branch at Galveston	8	1	-	-	9	0.1072%
The University of Texas Southwestern Medical Center	5	-	-	-	5	0.0596%
The University of Texas-Rio Grande Valley- Medical School	1	-	-	-	1	0.0119%
University of N Texas Health Science Ctr	10	1	-	-	11	0.1311%
Total	65	42	-	-	107	1.2750%
Grand Total	6,280	2,071	40	1	8,392	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Academic Building Square Footage	11 1,105,585	11 1,105,585	9 957,433	9 957,433	9 957,433	9 883,571	9 809,709	9 806,634	8 744,634	8 723,368
Libraries Square Footage	3 295,429	3 295,429	3 295,429	3 295,429	3 295,429	3 206,539	3 206,539	3 206,539	3 206,539	3 135,172
Number of Volumes**	235,396	233,569	233,693	246,192	262,427	252,135	240,855	221,417	204,403	193,266
Administrative and Support Buildings Square Footage*	449,314	449,314	449,314	449,314	449,314	429,227	409,140	412,215	350,215	241,691
Dining Facilities Square Footage	2 11,926	2 11,926	2 11,926	2 11,926	2 11,926	2 11,926	2 11,926	2 11,926	2 11,926	2 11,926
Average Daily Customers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Athletic Facilities Square Footage	3 89,647	3 89,647	3 89,647	3 89,647	3 89,647	3 89,647	3 89,647	3 89,647	3 89,647	3 99,167
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	3	3	3	3	3	3	3	3	3	3
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Racquet Ball Courts	9	9	9	9	9	9	9	9	9	9
Plant Facilities Square Footage	4 20,381	4 20,381	4 20,381	4 20,381	4 20,381	4 20,381	4 20,381	4 20,381	4 20,381	4 20,381
Transportation Cars	11	11	13	12	10	9	9	9	7	7
Light Trucks/Vans	24	22	20	23	17	17	16	16	16	15

* Comprise parts of various buildings.

**Includes accessible e-books



Single Audit Section





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

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Board of Trustees
Collin County Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Collin County Community College District (the "District") which comprise the statement of financial position as of August 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 12, 2017.

Our report includes a reference to other auditors who audited the financial statements of Collin County Community College Foundation (the "Foundation"), as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation, audited by other auditors, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal control over financial reporting

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

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

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

Compliance and other matters

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

Intended purpose

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

GRANT THORNTON LLP

Dallas, Texas

December 12, 2017



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

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Board of Trustees
Collin County Community College District

Report on compliance for each major federal and state program

We have audited the compliance of Collin County Community College District (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* and the State of Texas *Single Audit Circular* that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2017. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s responsibility

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

Auditor’s responsibility

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

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

Opinion on each major federal and state program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2017.

Other matters

The results of our audit procedures disclosed one instance of noncompliance, described in the accompanying schedule of findings and questioned costs as item 2017-001 that is required to be reported in accordance with the State of Texas *Single Audit Circular*. Our opinion on each major state program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the District's response.

Report on internal control over compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal and state program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas *Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The District's response to the finding on internal control over compliance identified in our audit, which is described in the accompanying schedule of findings and questioned costs as item 2017-001, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the District's response.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State of Texas *Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

GRANT THORNTON LLP

Dallas, Texas
December 12, 2017

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Expenditures of Federal Awards
For the year ended August 31, 2017

Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number	Federal CFDA Number	Direct Awards	Expenditures Pass-Through Awards	Total	Subrecipients Expenditures
U.S. Department of Education					
Direct Programs:					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 335,021	\$ -	\$ 335,021	\$ -
Federal Work-Study Program	84.033	370,456	-	370,456	-
Federal Pell Grant Program	84.063	19,078,235	-	19,078,235	-
Federal Direct Student Loans	84.268	19,798,862	-	19,798,862	-
Total Student Financial Assistance Cluster		39,582,574	-	39,582,574	-
Pass-Through from:					
Texas Higher Education Coordinating Board					
Career and Technical Education - Basic Grants to States 174228	84.048	-	530,181	530,181	-
Total U.S. Department of Education		39,582,574	530,181	40,112,755	-
National Science Foundation					
Research and Development Cluster					
Direct Program:					
Education and Human Resources	47.076	1,132,977	-	1,132,977	360,700
Pass-Through from:					
Austin Community College District					
Education and Human Resources DUE-1501207	47.076	-	82,358	82,358	-
Education Development Center, Inc					
Education and Human Resources DUE-1501911	47.076	-	37,592	37,592	-
Florida State College at Jacksonville					
Education and Human Resources DUE-1501359	47.076	-	8,333	8,333	-
Total National Science Foundation		1,132,977	128,283	1,261,260	360,700
U.S. Small Business Administration					
Pass-Through from:					
Dallas County Community College District:					
Small Business Development Centers SBAHQ-16-B-0004	59.037	-	6,597	6,597	-
Small Business Development Centers SBAHQ-17-B-0002	59.037	-	213,236	213,236	-
Total U.S. Small Business Administration		-	219,833	219,833	-
Total Federal Financial Assistance		\$ 40,715,551	\$ 878,297	\$ 41,593,848	\$ 360,700

Notes to schedule on following page

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of Federal Awards
Fiscal Year Ended August 31, 2017**

Note 1: Federal Assistance Reconciliation

Additional Operating Revenues - Federal grants and contracts - per Schedule A	\$ 1,503,958
Add: Indirect/Administrative Costs Recoveries - per Schedule A	146,616
Add: Non-Operating Revenues - Federal contracts and grants - per Schedule C	<u>19,783,712</u>
Total Federal Revenues per Schedule A and C	<u>\$21,434,286</u>
Reconciling items:	
Add: Funds passed through to others	\$ 360,700
Add: Direct Student Loans	<u>19,798,862</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$41,593,848</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 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.

National Science Foundation Education and Human Resources Program (CFDA 47.076)	
City College of San Francisco	\$ 7,108
Dallas County Community College	17,303
Florence-Darlington Technical College	24,969
Florida State College at Jacksonville	37,199
Fox Valley Technical College	26,798
Georgia Southern University	28,089
Hillsborough Community College	18,422
Lansing Community College	45,559
Maricopa County Community College District	43,047
University of North Texas	<u>112,206</u>
Total amount passed through by the District	<u>\$ 360,700</u>

Schedule F

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of State Awards
For the year ended August 31, 2017**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Workforce Commission		
Skills for Small Business Program	0415SSD000	\$ 9,025
Skills Development in Partnership with an Information Technology Consortium	0415SDF006	62,591
Skills Development in Partnership with a Manufacturing Consortium	0416SDF002	422,145
Skills Development in Partnership with a Manufacturing Consortium	0417SDF000	113,804
FY 17 Skills for Small Business Program	0417SSD002	4,683
Skills Development in Partnership with a Supply Chain Consortium	0417SDF003	16,593
Total Texas Workforce Commission		<u>628,841</u>
Texas Higher Education Coordinating Board		
Professional Nursing Shortage Reduction Over 70 Program		323,093
Texas College Work Study	9129627M	49,888
Texas Education Opportunity Grant-Renewal Year		179,989
Texas Education Opportunity Grant-Initial Year		1,082,497
College Access Loans		10,537
Total Texas Higher Education Coordinating Board		<u>1,646,004</u>
Pass-through from:		
Dallas County Community College District		
Small Business Development Center 15/16	SBAHQ-16-B-0004	48,261
Small Business Development Center 16/17	SBAHQ-17-B-0002	154,291
Total Small Business Development Center		<u>202,552</u>
Total State Financial Assistance		<u><u>\$ 2,477,397</u></u>

Notes to schedule on following page.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of State Awards
Fiscal Year Ended August 31, 2017**

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A
State Financial Assistance

Per Schedule of expenditures of state awards	\$2,477,397
Total State Revenues per Schedule A	<u>\$2,477,397</u>

Note 2: Significant accounting policies used in preparing the schedule

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? No

Federal and State Awards

Internal control over major programs:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? No

Identification of major programs:

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

Major Federal Programs:

84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
47.076	National Science Foundation

Major State Programs:

Texas Education Opportunity Grant
Texas Workforce Commission Skills Development

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

Auditee qualified as low-risk auditee? Yes

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2017.

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2017-001

State Program: Texas Educational Opportunity Grant (“TEOG”)

CFDA: N/A

State Award Number: N/A

Award Year: 2016/2017

Type of Finding: Control Deficiency

Compliance Requirement: Eligibility

Criteria: To receive an initial or renewal year award through the TEOG Program, a student must meet the eligibility requirements outlined in Title 19 of the Texas Administrative Code Section 22.256. A student’s eligibility ends if any of the following have been met: (1) 4 years from the start of the semester in which the student received the first award through the program; (2) 75 Semester Credit Hours (SCH’s) attempted while receiving the grant; or (3) completion of an associate degree.

Condition: For one student out of forty (40) judgmentally selected for testing, it was noted that the student received a TEOG award after completion of an associate degree.

Questioned Costs: \$629.00

Context: One student was inappropriately awarded a TEOG award after they had received an associate degree.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2017

Cause:	<p>One student was ineligible to receive the Spring 2017 TEOG award as the student had already completed an associate's degree. For the initial year TEOG awards, the District receives a list of students that are eligible for the award and those students are automatically awarded by the system. The system has an automated process that verifies that the requirements to receive the aid are met. For the renewal year TEOG award, the Financial Aid Advisor and Grant Administrator manually evaluates each student that previously received an initial TEOG award to determine whether they are eligible to receive the renewal award. We noted that TEOG awards are submitted for approval the summer prior to disbursement. The student was approved for Fall and Spring aid in the previous summer. In the Fall semester, the student still met the eligibility requirements to receive the TEOG award and was awarded. However, during the Spring semester the student applied for graduation for the previous Fall semester. Therefore, the student met the graduation requirement in Fall of 2016 and should not have received TEOG in the Spring 2017. This change in eligibility was not identified by the Financial Aid Advisor and Grant Administrator; therefore, the student received the TEOG award for Spring 2017.</p>
Effect:	<p>The District awarded TEOG awards to an ineligible student.</p>
Identification of a repeat finding:	<p>This is not a repeat finding from the immediate previous audit.</p>
Recommendations:	<p>We recommend the District implement an automated process that is consistent with the TEOG eligibility requirements to determine if the student is eligible to receive TEOG awards similar to the automated process used for the initial TEOG grant awarded.</p>
Management's Response:	<p>The District acknowledges a student was ineligible to receive the TEOG award paid to the student totaling \$629. The Financial Aid staff made an award for both fall and spring semesters. The student was eligible for the award for both semesters at the time the award was made. The student received an associate's degree after the fall semester, making the student ineligible for the TEOG award. When the student re-enrolled for the spring semester in a different program, Financial Aid staff did not recognize the student had received a degree, awarding the student \$629 for spring. Upon discovery of the error, the award was reversed and the money returned to the Texas Higher Education Coordinating Board.</p> <p>An automated report has been created and will be utilized to identify students with pending TEOG awards who have graduated, thus alerting the financial aid staff to cancel the award.</p>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2017

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Finding: 2016-001

Federal Program: U.S. Department of Education - Student Financial Assistance Cluster

CFDA: 84.268 **Federal Award Number:** Not Applicable **Award Year:** 2015/2016

Type of Finding: Significant Deficiency

Compliance Requirement: Special Test and Provisions – Enrollment Reporting

Criteria: Under 34 CFR 682.610, the District is required to report to the Secretary of the Department of Education when a student who has received a loan ceases to be enrolled on at least a half-time basis. If the student did complete a formal withdrawal, the District is required to determine from District records the date that the student last attended classes. The method for this reporting is the National Student Loan Data System (“NSLDS”). Per the NSLDS Enrollment Reporting Guide, students who withdraw from all courses are to be reported to NSLDS within thirty days as withdrawn as of the last date that attendance can be verified.

Condition: For five students out of forty judgmentally selected for testing, it was noted that the change in status was not reported to the NSLDS in the appropriate time frame.

Questioned Costs: None

Context: Five students who were unofficial withdrawals were not reported to the NSLDS to update their status within the required time period.

Cause: One student identified as unofficially withdrawn as of Fall 2015 was reported to the National Student Clearinghouse (“NSCH”) by the District without an address. The student record was subsequently rejected by the NSLDS when reported by the NSCH. The District did not have a process in place to identify and correct the rejected student file.

Four students identified as unofficially withdrawn as of Spring 2016 were not reported to NSLDS as being withdrawn until October 2016. The error was caused by the configuration of the report used by the District’s Registrar to report to NSLDS. As a result of the configuration, the change in status of students identified as unofficially withdrawn through the District’s Return to Title IV process was not updated in the NSLDS report.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2017

Effect: Lenders are not able to correctly assess when students should begin their grace period or enter loan repayment.

Identification of a repeat finding: This was not a repeat finding from the immediate previous audit.

Prior Year Recommendations: We recommended that the District correct the configuration of the report used to report student enrollment status to include changes in student enrollment status identified through the Return to Title IV process. Furthermore, we also recommended that the District implement a detective process to manually verify that reporting completed through NSCH is accurately captured in the NSLDS.

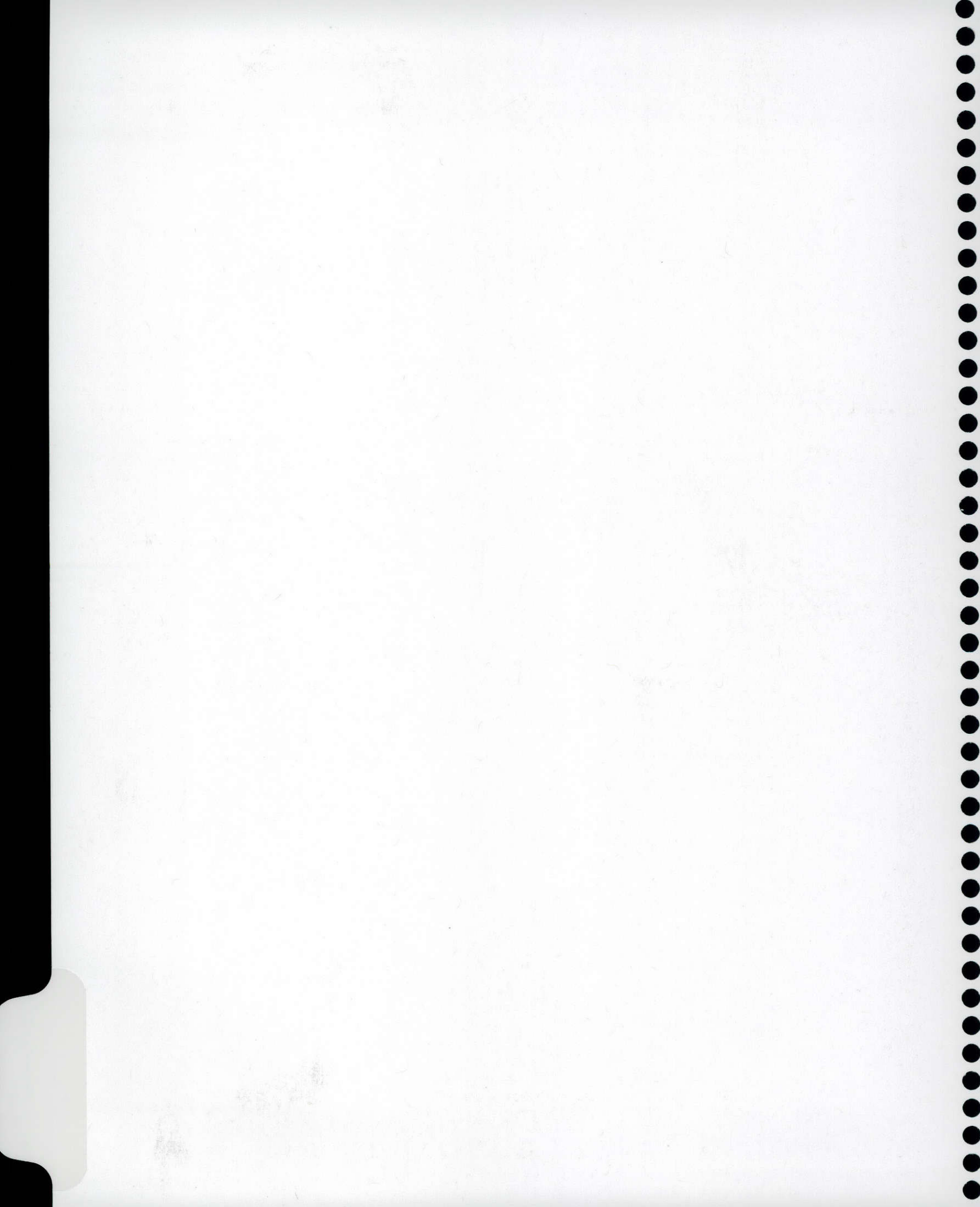
Management Response: The District acknowledged a setting in the student system was not set appropriately to detect when a student ceases to attend all his classes, resulting in the District not reporting the student to the NSLDS as withdrawn. The District subsequently set the appropriate flag in the student system to trigger proper reporting to the NSLDS when the District discovers the student stops attending all classes. In addition, the District acknowledged a file was sent to the NSCH without an address, and was rejected by the NSLDS. In response to this finding, the student system made a change in the reporting process so that an address hierarchy is used, which should eliminate any files being sent to NSLDS without an address.

Current Year Update: The District has updated its reporting procedures to include students that stop attending class. In addition, error reports from NSLDS are being reviewed and the necessary action is being taken to correct any errors from the NSLDS error report. A compliance review was conducted in June 2017 to ensure students who stopped attending were reported to NSLDS properly. No exceptions were noted in the review and the proper controls are in place to report students correctly to NSLDS.

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Supplementary Financial Information Section



**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Fund
As of August 31, 2017
(with comparative totals at August 31, 2016)
(unaudited)**

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
Assets				
Cash and cash equivalents	\$ 84,241,327	\$ 900	\$ -	\$ 84,242,227
Investments	96,983,122	-	-	96,983,122
Accounts receivable (net of allowance for doubtful accounts of \$625,640 and \$624,141)	8,834,400	80,423	-	8,914,823
Tax receivable (net of allowance for doubtful accounts of \$667,442 and \$666,190)	471,287	-	-	471,287
Prepaid expenses	943,403	68,930	3,886	1,016,219
Contracts and grants receivables	-	-	720,050	720,050
Consumable inventory	-	33,528	-	33,528
Capital assets	-	-	-	-
Total assets	<u>\$ 191,473,539</u>	<u>\$ 183,781</u>	<u>\$ 723,936</u>	<u>\$ 192,381,256</u>
Deferred outflows related to pensions	<u>\$ 7,082,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,082,702</u>
Liabilities:				
Accounts payable / accrued liabilities	\$ 6,890,719	\$ 53,757	\$ 230,889	\$ 7,175,365
Interfund payable/(receivable)	17,548,889	(4,844,863)	(1,742,615)	\$ 10,961,411
Unearned revenues	18,266,033	751,656	850,727	19,868,416
Accrued compensable absences payable	1,062,479	-	-	1,062,479
Bonds payable	-	-	-	-
Pension Liability	21,234,239	-	-	21,234,239
Amounts held for others	-	-	-	-
Total liabilities	<u>\$ 65,002,359</u>	<u>\$ (4,039,450)</u>	<u>\$ (660,999)</u>	<u>\$ 60,301,910</u>
Deferred Inflows related to pensions	<u>\$ 5,725,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,725,926</u>
Unrestricted:				
Reserved:				
Accounts receivable	\$ 8,834,400	\$ 80,423	\$ -	\$ 8,914,823
Prepaid expenses	943,403	68,930	-	1,012,333
Designated:				
Insurance deductibles	100,000	-	-	100,000
Stabilization of maintenance and operations	24,750,000	-	-	24,750,000
Health insurance reserve	30,000,000	-	-	30,000,000
Undesignated	63,200,153	4,073,878	-	67,274,031
Restricted:				
Student aid/non-governmental grants and contracts	-	-	1,384,935	1,384,935
Building fund	-	-	-	-
Reserve debt service	-	-	-	-
Net investment in plant	-	-	-	-
Student loans	-	-	-	-
Total net position	<u>\$ 127,827,956</u>	<u>\$ 4,223,231</u>	<u>\$ 1,384,935</u>	<u>\$ 133,436,122</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Fund - continued
As of August 31, 2017
(with comparative totals at August 31, 2016)
(unaudited)**

Plant funds					Totals (memorandum only)	
Building fund	Investment in plant	Debt service	Student loans	Agency funds	2017	2016
\$ 38,314,448	\$ -	\$ 894,905	\$ -	\$ -	\$ 123,451,580	\$ 133,939,629
40,013,089	-	-	-	-	136,996,211	115,407,634
102,963	-	-	225	1,650	9,019,661	8,123,908
-	-	97,275	-	-	568,562	498,476
3,900	-	-	-	-	1,020,119	1,055,187
-	-	-	-	-	720,050	685,475
-	-	-	-	-	33,528	35,720
-	317,163,423	-	-	-	317,163,423	291,139,359
<u>\$ 78,434,400</u>	<u>\$ 317,163,423</u>	<u>\$ 992,180</u>	<u>\$ 225</u>	<u>\$ 1,650</u>	<u>\$ 588,973,134</u>	<u>\$ 550,885,388</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,082,702	\$ 8,403,433
\$ 4,273,650	\$ -	\$ 26,661	\$ -	\$ 335	\$ 11,476,011	\$ 7,505,537
(11,648,816)	1,092,429	(108,026)	(21,482)	(275,516)	-	-
-	-	-	-	-	19,868,416	17,176,818
-	-	-	-	-	1,062,479	1,033,492
-	15,938,861	-	-	-	15,938,861	19,366,467
-	-	-	-	-	21,234,239	21,734,977
-	-	-	-	276,831	276,831	379,223
<u>\$ (7,375,166)</u>	<u>\$ 17,031,290</u>	<u>\$ (81,365)</u>	<u>\$ (21,482)</u>	<u>\$ 1,650</u>	<u>\$ 69,856,837</u>	<u>\$ 67,196,514</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,725,926	\$ 6,276,680
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,914,823	\$ 8,120,177
-	-	-	-	-	1,012,333	1,031,358
-	-	-	-	-	100,000	100,000
-	-	-	-	-	24,750,000	24,750,000
-	-	-	-	-	30,000,000	30,000,000
-	-	-	-	-	67,274,031	48,841,961
-	-	-	-	-	1,384,935	952,708
85,809,566	-	-	-	-	85,809,566	99,553,152
-	-	1,073,545	-	-	1,073,545	656,495
-	300,132,133	-	-	-	300,132,133	271,788,069
-	-	-	21,707	-	21,707	21,707
<u>\$ 85,809,566</u>	<u>\$ 300,132,133</u>	<u>\$ 1,073,545</u>	<u>\$ 21,707</u>	<u>\$ -</u>	<u>\$ 520,473,073</u>	<u>\$ 485,815,627</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position by Fund
For the year ended August 31, 2017
(with comparative totals for the year ended August 31, 2016)
(unaudited)**

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
Net Position - beginning of year	\$ 108,173,098	\$ 4,670,398	\$ 952,708	\$ 113,796,204
Revenues and other additions:				
Unrestricted current funds revenue	156,997,206	2,358,297	-	159,355,503
State appropriations - restricted	-	-	7,120,231	7,120,231
Tax revenues for debt service	-	-	-	-
Federal grants and contracts	-	-	21,012,811	21,012,811
State grants and contracts	-	-	2,426,855	2,426,855
Non-governmental grants and contracts	-	-	276,616	276,616
TPEG set aside	-	-	1,675,499	1,675,499
Investment income	-	-	7,272	7,272
Miscellaneous income	-	-	-	-
Net decrease in bonds payable	-	-	-	-
Expended for plant facilities	-	-	-	-
Total revenues and other additions	<u>156,997,206</u>	<u>2,358,297</u>	<u>32,519,284</u>	<u>191,874,787</u>
Expenses and other deductions:				
Expenses	122,713,864	3,146,325	32,174,680	158,034,869
Administrative and collection costs	-	-	-	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness	-	-	-	-
Depreciation	-	-	-	-
Total expenditures and other deductions	<u>122,713,864</u>	<u>3,146,325</u>	<u>32,174,680</u>	<u>158,034,869</u>
Transfers - additions (deductions):				
Mandatory transfers:				
Grant matching	(87,623)	-	87,623	-
Non-mandatory transfers	(14,540,861)	340,861	-	(14,200,000)
Total transfers - additions (deductions)	<u>(14,628,484)</u>	<u>340,861</u>	<u>87,623</u>	<u>(14,200,000)</u>
Net increase (decrease) for the fiscal year	19,654,858	(447,167)	432,227	19,639,918
Net Position - end of year	<u>\$ 127,827,956</u>	<u>\$ 4,223,231</u>	<u>\$ 1,384,935</u>	<u>\$ 133,436,122</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position by Fund - continued
For the year ended August 31, 2017
(with comparative totals for the year ended August 31, 2016)
(unaudited)**

Plant funds		Debt service	Student loans	Totals (memorandum only)	
Building fund	Investment in plant			2017	2016
\$ 99,553,152	\$ 271,788,069	\$ 656,495	\$ 21,707	\$ 485,815,627	\$ 464,081,346
-	-	-	-	159,355,503	149,322,838
-	-	-	-	7,120,231	6,981,827
-	-	3,406,830	-	3,406,830	3,006,210
-	-	-	-	21,012,811	21,881,332
-	-	-	-	2,426,855	1,553,118
-	-	-	-	276,616	74,452
-	-	-	-	1,675,499	1,342,847
756,029	-	16,422	-	779,723	294,947
3,820,000	-	-	-	3,820,000	200,000
-	2,320,000	-	-	2,320,000	15,725,000
-	34,812,390	-	-	34,812,390	12,128,481
<u>4,576,029</u>	<u>37,132,390</u>	<u>3,423,252</u>	<u>-</u>	<u>237,006,458</u>	<u>212,511,052</u>
32,519,615	-	-	-	190,554,484	166,199,045
-	-	-	-	-	(763,029)
-	-	2,320,000	-	2,320,000	15,725,000
-	-	686,202	-	686,202	1,223,125
-	8,788,326	-	-	8,788,326	8,392,630
<u>32,519,615</u>	<u>8,788,326</u>	<u>3,006,202</u>	<u>-</u>	<u>202,349,012</u>	<u>190,776,771</u>
-	-	-	-	-	-
14,200,000	-	-	-	-	-
<u>14,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(13,743,586)	28,344,064	417,050	-	34,657,446	21,734,281
<u>\$ 85,809,566</u>	<u>\$ 300,132,133</u>	<u>\$ 1,073,545</u>	<u>\$ 21,707</u>	<u>\$ 520,473,073</u>	<u>\$ 485,815,627</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2017
(unaudited)**

	Rental Income Scholarships	Student Activities	Camps	Scholarships	Intercollegiate Athletics
Net Position - beginning of year	\$ -	\$ 227,095	\$ 84,833	\$ -	\$ -
Revenues and other additions:					
Gifts	-	-	-	-	-
Sales and services	111,510	-	-	-	-
Student fees	-	580,932	-	-	-
Miscellaneous income	-	-	74,572	-	2,110
Total revenue	<u>111,510</u>	<u>580,932</u>	<u>74,572</u>	<u>-</u>	<u>2,110</u>
Expenses and other deductions:					
Salaries and wages	-	-	11,955	-	149,818
Staff benefits	-	-	57	-	33,850
Financial Aid	-	-	-	113,144	234,021
Other operating expenses	-	460,701	53,348	-	241,508
Total expenditures	<u>-</u>	<u>460,701</u>	<u>65,360</u>	<u>113,144</u>	<u>659,197</u>
Excess (deficit) of revenue over (under) expenditure	<u>111,510</u>	<u>120,231</u>	<u>9,212</u>	<u>(113,144)</u>	<u>(657,087)</u>
Transfers - additions (deductions):					
Transfer from operating fund	-	-	-	-	-
Other fund transfers:					
Student activities	-	(150,000)	-	-	150,000
Bookstore	-	-	-	1,634	507,087
Rental Income Scholarships	(111,510)	-	-	111,510	-
Total transfers - additions(deductions)	<u>(111,510)</u>	<u>(150,000)</u>	<u>-</u>	<u>113,144</u>	<u>657,087</u>
Net increase (decrease) for the fiscal year	<u>-</u>	<u>(29,769)</u>	<u>9,212</u>	<u>-</u>	<u>-</u>
Net Position - end of year	<u>\$ -</u>	<u>\$ 197,326</u>	<u>\$ 94,045</u>	<u>\$ -</u>	<u>\$ -</u>

*Student Refund Petition, Texas Association of Community Colleges, Auxiliary Organizational Effectiveness


COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - continued
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2017
(unaudited)**

<u>Food Services</u>	<u>Bookstore*</u>	<u>Facilities Rental</u>	<u>Child Care Center</u>	<u>Auxiliary Administration</u>	<u>Print Shop</u>	<u>Total</u>
\$ -	\$ 4,357,090	\$ -	\$ -	\$ 1,380	\$ -	\$ 4,670,398
-	-	-	-	-	-	-
316,160	-	177,120	180,556	-	134,887	920,233
-	-	-	-	-	-	580,932
37,112	740,618	-	-	2,720	-	857,132
<u>353,272</u>	<u>740,618</u>	<u>177,120</u>	<u>180,556</u>	<u>2,720</u>	<u>134,887</u>	<u>2,358,297</u>
129,084	2,308	100,301	340,226	101,841	47,964	883,497
18,150	33	30,618	95,953	13,769	15,192	207,622
-	-	-	-	-	-	347,165
572,779	106,003	4,912	85,238	6,767	176,785	1,708,041
<u>720,013</u>	<u>108,344</u>	<u>135,831</u>	<u>521,417</u>	<u>122,377</u>	<u>239,941</u>	<u>3,146,325</u>
<u>(366,741)</u>	<u>632,274</u>	<u>41,289</u>	<u>(340,861)</u>	<u>(119,657)</u>	<u>(105,054)</u>	<u>(788,028)</u>
-	-	-	340,861	-	-	340,861
-	-	-	-	-	-	-
-	(732,052)	-	-	118,277	105,054	-
-	-	-	-	-	-	-
<u>-</u>	<u>(732,052)</u>	<u>-</u>	<u>340,861</u>	<u>118,277</u>	<u>105,054</u>	<u>340,861</u>
<u>(366,741)</u>	<u>(99,778)</u>	<u>41,289</u>	<u>-</u>	<u>(1,380)</u>	<u>-</u>	<u>(447,167)</u>
<u>\$ (366,741)</u>	<u>\$ 4,257,312</u>	<u>\$ 41,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,223,231</u>

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Allen Center

Allen High School
300 Rivercrest Boulevard
Allen, Texas 75002

Central Park Campus

2200 West University Drive
McKinney, Texas 75071

**Collin Higher
Education Center**

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

Courtyard Center

4800 Preston Park Boulevard
Plano, Texas 75093

Preston Ridge Campus

9700 Wade Boulevard
Frisco, Texas 75035

Spring Creek Campus

2800 East Spring Creek Parkway
Plano, Texas 75074

Rockwall Center

1050 Williams Street
Rockwall, Texas 75087



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