



Allen  
Frisco  
McKinney  
Plano  
Rockwall  
Texas



# Comprehensive Annual *Financial Report* 2016

For the years Ended August 31, 2016 and 2015





# **Collin County Community College District**

**Allen Frisco McKinney  
Plano Rockwall  
Texas**

**Comprehensive Annual  
Financial Report**

**For Fiscal Years Ended  
August 31, 2016 and 2015**

**Prepared by:  
Administrative Services**



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Comprehensive Annual Financial Report**

**Fiscal Years Ended August 31, 2016 and 2015**

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# Introductory Section



To the Board of Trustees:

Thank you for another wonderful year. With your guidance, Collin College continues to improve in its quest to put students first. The pages of the college's FY 2016 Comprehensive Annual Financial Report which follow are evidence of the strong fiscal

management and insightful planning that the Board has provided.

The Board's work this year in developing the college's new strategic plan – Vision 2020 – has laid the groundwork necessary to answer the needs of growing populations in Collin, Rockwall, and Denton counties. In addition to a new campus in Wylie and education centers in Celina and Farmersville, the strategic plan encourages the expansion of workforce and academic programs aligned to the district's labor market needs. Implementing new programs to meet these needs will provide greater access for residents to careers in areas like financial services, information technology, logistics, construction, and manufacturing.

Vision 2020 goes on to outline improvements to services and facilities to make Collin College more welcoming to all, from students, faculty, and staff to our community partners. We are looking forward with great things in mind. We are smiling at the future.

The creation of Vision 2020 is just one of many things to smile about this past year, however.

The Cary A. Israel Health Sciences Center opened its doors in January and has been a boon to the district's health sciences education. The state-of-the-art facility is home to our nationally-recognized nursing and health sciences programs. The space vacated when those programs moved into the health sciences center has been repurposed for other programs, including six science labs, two new classrooms, an expanded fine arts and music area, and additional faculty offices.

Collin College's Health Sciences Academy (HSA) partnership with Plano Independent School District continues to be a sterling example of shared educational

responsibility. HSA students receive medical certification training from Collin College professors on campus at Plano East High School, earning dual credit and preparing them for immediate entry into the workforce if they so choose. The academy marked its first graduating class with a pinning ceremony in May and earned a Texas Association of College Technical Educators Award of Excellence for innovative partnerships and best practices in workforce education. The college plans to expand partnerships like these going forward.

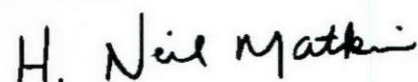
The district's commitment to student veterans was recognized by three top veteran-oriented publications. The college was named "2016 Military Friendly® School" by Victory Media, honored as a "2016 Best for Vets College" by Military Times, and recognized as a "Top School" in the 2016 Military Advanced Education & Transition Guide to Colleges and Universities. We see it as our duty and our privilege to support service men and women in their transition to college.

The college also reinstated Wintermester, a mini-semester allowing students to make the most of their traditional winter break. More than 1,100 students took advantage of the opportunity to earn credit for use at Collin or for transfer to their home university.

Collin College prides itself on putting students first, and I firmly believe we have done that over the past year, making improvements to programs, facilities, and internal structures to ensure that our students have every opportunity to excel. As our service area population continues to grow we will redouble our efforts to create a college district that welcomes students no matter their aim in life, whether it be continued academic pursuit or fast entrance into the workforce.

The 2016 fiscal year was a wonderful one for Collin College. Thanks to your leadership and the hard work of the District's faculty and staff, I am confident that the coming year will be even better.

Sincerely,



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

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November 25, 2016

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, 2016 and 2015 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
- appointing the tax assessor/collector
- ordering elections
- issuing bonds
- adopting tax rates, levying and collecting taxes
- approving a budget each year
- 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. A followup monitoring report was requested by SACSCOC and submitted by the District in April 2016. The SACSCOC Board of Trustees reviewed the District's First Monitoring Report in June 2016 and determined no additional action was required. The District's next decennial reaffirmation will take place in 2025.

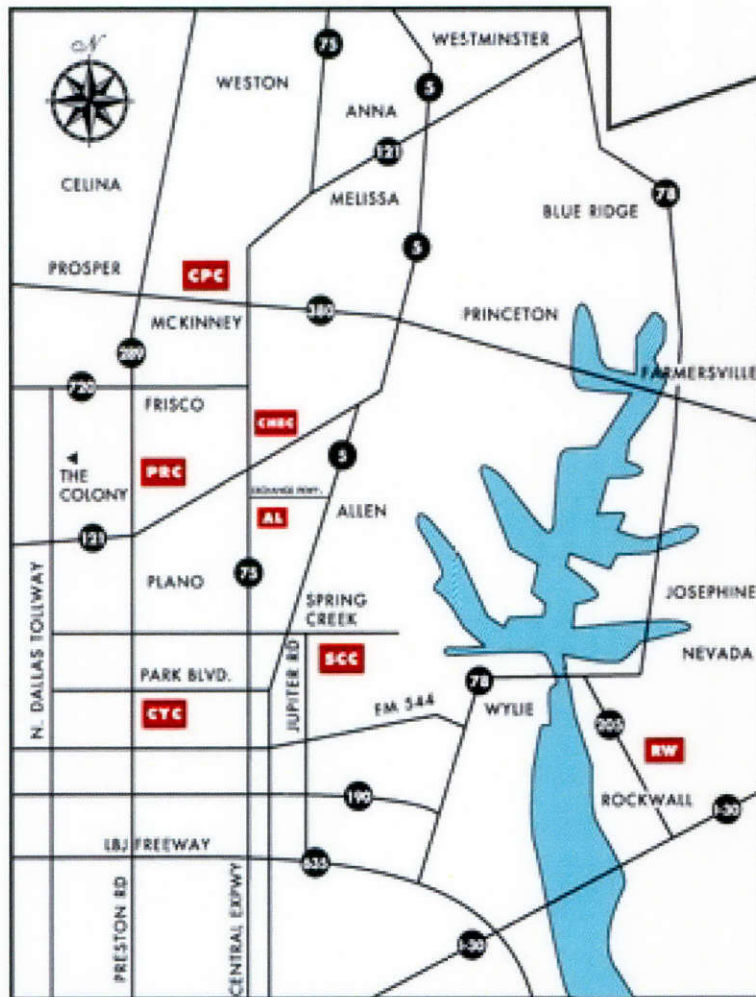
The District's mission is to provide students a community centered institution committed to developing skills, strengthening character and challenging the intellect. The student body is comprised mainly of residents of Collin County and surrounding communities.

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

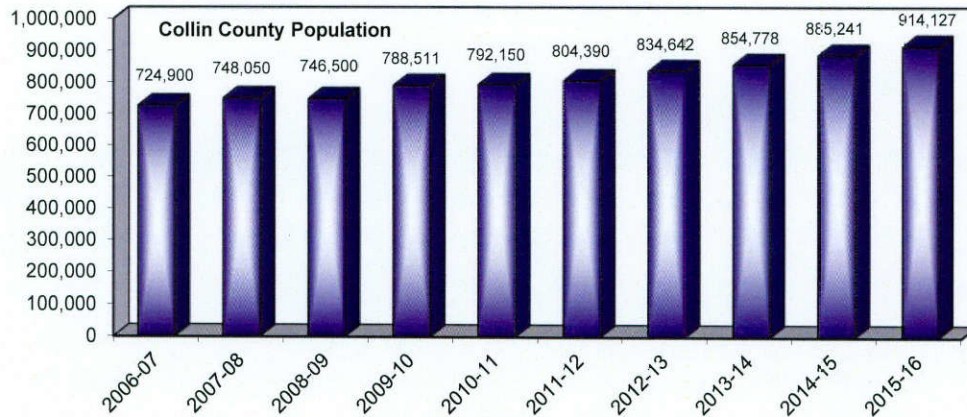
achieve their goals. The college promotes life-long learning and the opportunity for its residents to further their education regardless of their schedule, time and distance constraints.

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, 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 889 square miles with a population density of approximately 1,028 residents per square mile in 2016. The population of Collin County is estimated to be about 914,127 according to the US Census Bureau.



Information provided by the US Census Bureau as of 2016 shows an estimated 15.9% growth since 2010. In the past ten years, Collin County has experienced an increase in population of 26.1% 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 an agreement that allows Collin County to use up to sixteen strands of the District's Fiber Optic Wide Area Network (WAN), which is approximately 55 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 \$4.4 million grant to the District's National Convergence Technology Center in August 2012. An additional \$900,000 was awarded to the District in September 2014 for a total of \$5.3 million as well as extending the grant until 2018. \$2.1 million of budget remains to be expended at fiscal year end 2016. 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 Acting Vice President of Administrative Services and CFO, 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 current funds, auxiliary enterprise funds, restricted funds, plant 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

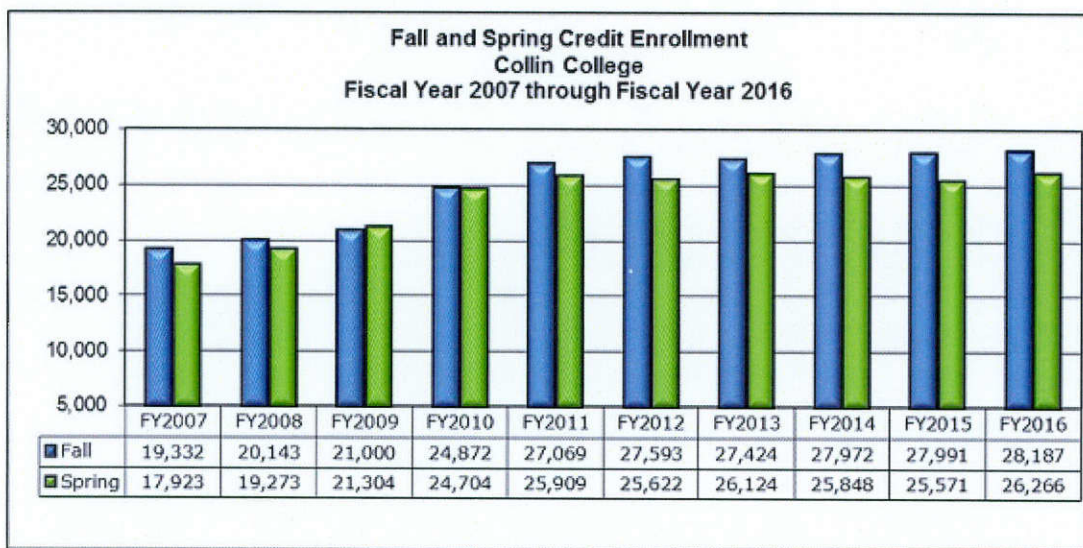
### Local economy

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 June 2015 to June 2016 of approximately 502,122 which was an increase of 5.5% over fiscal year 2015. The latest estimated unemployment rate for Collin County (August 2016) was at 3.8%, compared to the state's rate of 4.8% and a national rate of 5.1%, according to the Bureau of Labor statistics and the Texas Workforce Commission.

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 (TACC), more than 700,892 students enrolled in Texas public community colleges during the fall of 2015 compared to 619,284 at Texas public universities and 128,280 at independent college and universities.

The District headcount for credit enrollment for 2015-2016 held steady. Enrollment increased 1.6% from 2014-15 to 2015-16.



The 2015-2016 formula produced State appropriations were \$2,401 per full time student equivalent (FTSE). For years ending August 31, 2015, and 2014, the District received \$2,257, and \$2,140 per FTSE, respectively. (See Statistical Supplement 6 for additional information.) The current year's state appropriations, including state appropriations for benefits increased by \$1.95 million, a 5% increase from last year's total state support.

Tuition per credit hour remained unchanged during the current fiscal year. In-county tuition and fees are the lowest among colleges and universities in the state of Texas. A quality education at the District remains a smart economical choice and a wise investment.

Appraised taxable values in Collin County increased 10.9% from \$88.1 billion in 2015 to \$97.7 billion in 2016. New construction increased 21.7% from \$2.8 to \$3.4 billion from 2015 to 2016.

The District remains a valuable resource to the community in updating the skills necessary to obtain the new jobs of the 21<sup>st</sup> 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

The District and the City of McKinney have entered into an Interlocal agreement which allows the District to construct and operate a Public Safety Training Center 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 City of McKinney has agreed to contribute \$3.7 million (\$2.2 million-Fire, \$1.5 million-Law Enforcement) toward construction of the project. Discussions are on-going with other potential municipal partners.

## **Relevant financial policies**

Investment Policy: The District's investment policy is required by statute to be reviewed and updated annually. The Board approved the policy in June 2016. 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.

Standard and Poor's Ratings Services affirmed the District's 'AAA' rating in September 2013 based on their evaluation of the District's "very strong financial position, coupled with good management practices; and having diverse revenue streams with significant revenue-raising flexibility."

## **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, 2015. This was the 19th 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.

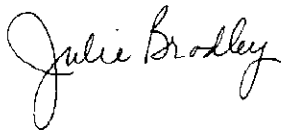
## Acknowledgements

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  
Acting Vice President of Administrative Services/CFO



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



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



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, 2015

Executive Director/CEO

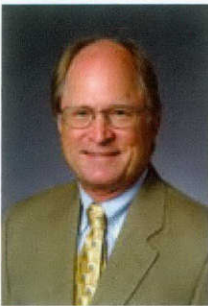
## BOARD OF TRUSTEES



Dr. J. Robert Collins  
*Chair*



Andrew Hardin  
*Secretary*



Mac Hendricks



Jim Orr

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.



Adrian Rodriguez



Nancy Wurzman  
*Treasurer*



Dr. Raj Menon



Jenny McCall



Larry Wainwright



**Officials and Staff**

**Elected Officials**

<u>Board of Trustees</u>	<u>City</u>	<u>Term Expires</u>
J. Robert Collins, Ph.D. Chair, Place 8	Farmersville, Texas	May, 2021
Andrew Hardin Secretary, Place 9	Frisco, Texas	May, 2021
Nancy Wurzman Treasurer, Place 1	Plano, Texas	May, 2017
Jenny McCall Place 2	Plano, Texas	May, 2017
Larry Wainwright Place 3	Allen, Texas	May, 2017
Adrian Rodriguez Place 4	Plano, Texas	May, 2019
Raj Menon, Ph.D. Place 5	Plano, Texas	May, 2017
Mac Hendricks Place 6	McKinney, Texas	May, 2019
Jim Orr Place 7	Lucas, Texas	May, 2021

**Principal Administrative Officers**

<u>Name</u>	<u>Position</u>
Neil Matkin, Ed.D.	District President
Brenda Kihl, Ph.D.	Executive Vice President
Kim K. Davison	Senior Vice President of Organizational Effectiveness
Sherry Schumann, Ph.D.	Senior Vice President for Academic, Workforce, & Enrollment Services
Jon Hardesty, Ph.D.	Vice President/Provost of Central Park Campus
Kenneth D. Lynn, CPA	Acting Vice President of Administrative Services/CFO
Abe Johnson, Ed.D.	Vice President/Provost of Preston Ridge Campus
Mary S. McRae, Ph.D.	Vice President/Provost of Spring Creek Campus
Lisa R. Vasquez	Vice President of Advancement
Andrew Groover, CPA, CIA	District Director of Internal Audit

**Financial Staff**

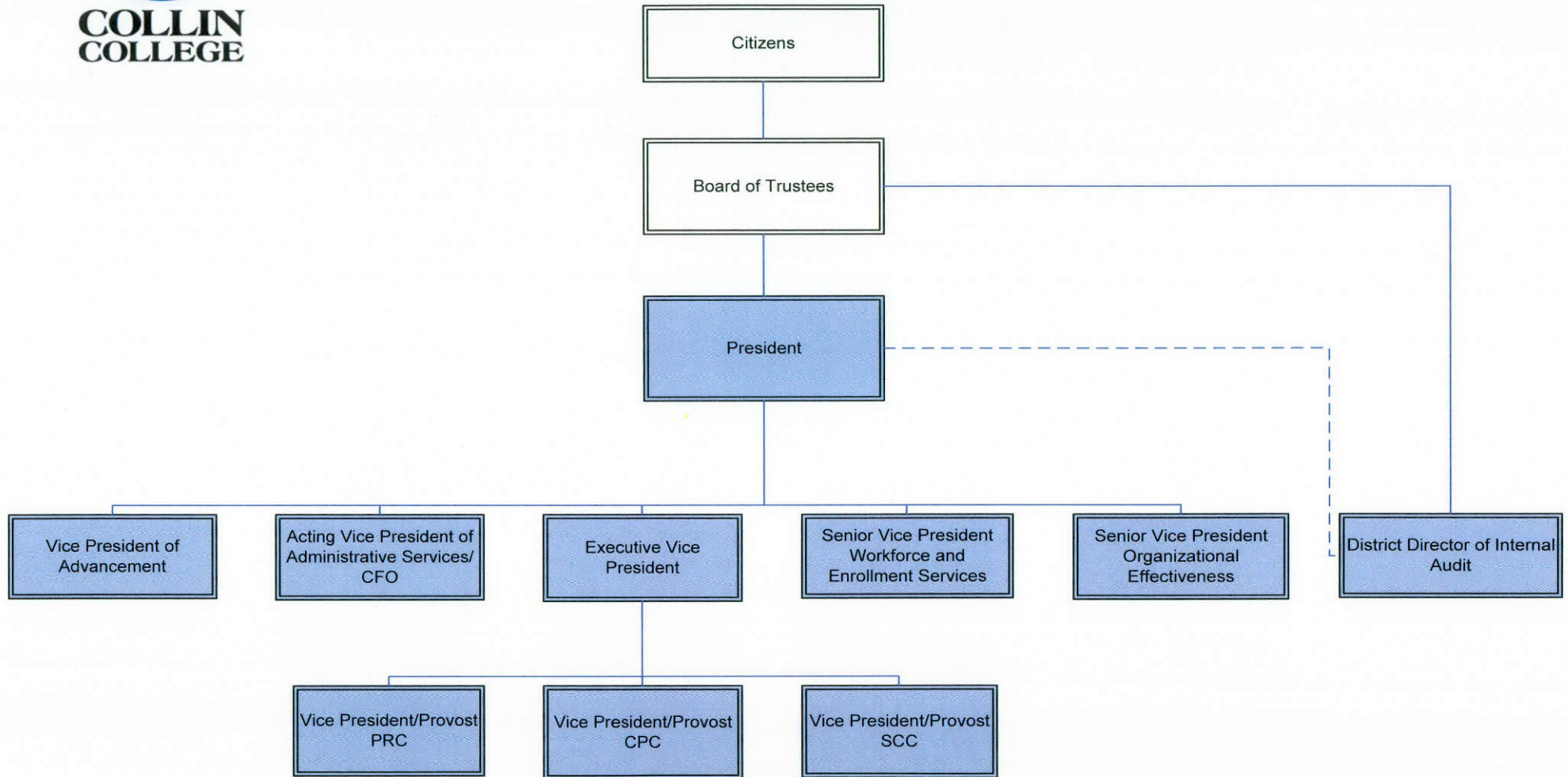
<u>Name</u>	<u>Position</u>
Julie Bradley, CPA	Associate Vice President – Controller, Student Financial Services
Barbara Jindra, CPA	Associate Vice President – Financial Services & Reporting





# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Organizational Chart





# Financial Section



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees  
Collin County Community College

Grant Thornton LLP  
1717 Main Street, Suite 1800  
Dallas, TX 75201-9436  
T 214.561.2300  
F 214.561.2370  
www.GrantThornton.com

### Report on the financial statements

We have audited the accompanying financial statements of the Collin County Community College District (the "District"), as of and for the years ended August 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's responsibility for the financial statements

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

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Collin County Community College Foundation, which represents the discretely presented component unit of the District. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based on the report of other auditors. We conducted our audits 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 opinion.

### **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, 2016 and 2015, 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 37, and the Required Supplemental Information on pages 93 through 95, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2016, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State of Texas *Single Audit Circular*, respectively on pages 141 through 145, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 98 through 102, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other information***

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

***Other reporting required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 6, 2016 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 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 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 6, 2016

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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, 2016 and 2015 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, 2016, 2015, and 2014. 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 39-47) and the notes to the financial statements (pages 48-92). 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, 2015 and 2014 are presented on separate pages behind the District's basic financial statements. The Foundation Notes may be found in Note 19 under Component Units.

**Understanding the Financial Statements**

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

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

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

**Basic Financial Statements:**

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

*Statement of Net Position* presents the assets, liabilities, 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

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited)  
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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, 2016 and 2015. 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 2016 Financial Highlights**

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

- Net position increased \$21.7 million, a 4.7% increase over the prior fiscal year.
- Non-operating revenues increased 5.6% due primarily to an increase in ad valorem tax collections for maintenance and operations totaling \$7.4 million.
- Construction in progress was completed on the Conference and Health Science Centers adding \$47.3 million to depreciable capitalized assets.
- The District received \$620 thousand more in state appropriations for 2016 for contact hour funding.
- Staff benefits paid by the District increased from \$8.7 to \$10.2 million, a 17.2% increase.
- On-behalf benefits paid by the State for medical and retirement benefits increased from \$5.6 to \$7.0 million, or 25.0%.



# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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- The District defeased the outstanding Limited Tax Improvement Bonds, Series 2006 totaling \$12.445 million, resulting in a net savings to the District of \$3.1 million in current and future interest expense.
- Total liabilities decreased 16.7% or \$13.5 million primarily due to the defeasance of the 2006 Limited Tax Improvement Bonds.
- Instruction expenses increased 11.6% due to an increase in faculty salaries and non-capital asset purchases related to the start-up of the Cary A. Israel Health Sciences Center for the Spring 2016 semester.

## Statement of Net Position Table 1: 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,

	Fiscal Year			Change	
	2016	2015	2014	2015 to 2016	2014 to 2015
<b>Assets:</b>					
Current assets	\$ 259.7	\$ 259.5	\$ 265.4	0.1%	(2.2%)
Capita assets	291.1	287.4	261.4	1.3%	9.9%
<b>Total assets</b>	<u>\$ 550.8</u>	<u>\$ 546.9</u>	<u>\$ 526.8</u>	0.7%	3.8%
<b>Deferred Outflows:</b>	8.4	3.1	-	171.0%	100.0%
<b>Liabilities:</b>					
Current liabilities	\$ 28.6	\$ 31.7	\$ 30.4	(9.8%)	4.3%
Noncurrent liabilities	38.6	49.0	35.7	(21.2%)	37.3%
<b>Total liabilities</b>	<u>\$ 67.2</u>	<u>\$ 80.7</u>	<u>\$ 66.1</u>	(16.7%)	22.1%
<b>Deferred Inflows:</b>	6.3	5.3	-	18.9%	100.0%
<b>Net position:</b>					
Net investment in capital assets	\$ 271.8	\$ 252.3	\$ 222.3	7.7%	13.5%
Restricted -- expendable	1.1	1.0	2.7	10.0%	(63.0%)
Unrestricted	212.9	210.8	235.7	1.0%	(10.6%)
<b>Total net position</b>	<u>\$ 485.8</u>	<u>\$ 464.1</u>	<u>\$ 460.7</u>	4.7%	0.7%

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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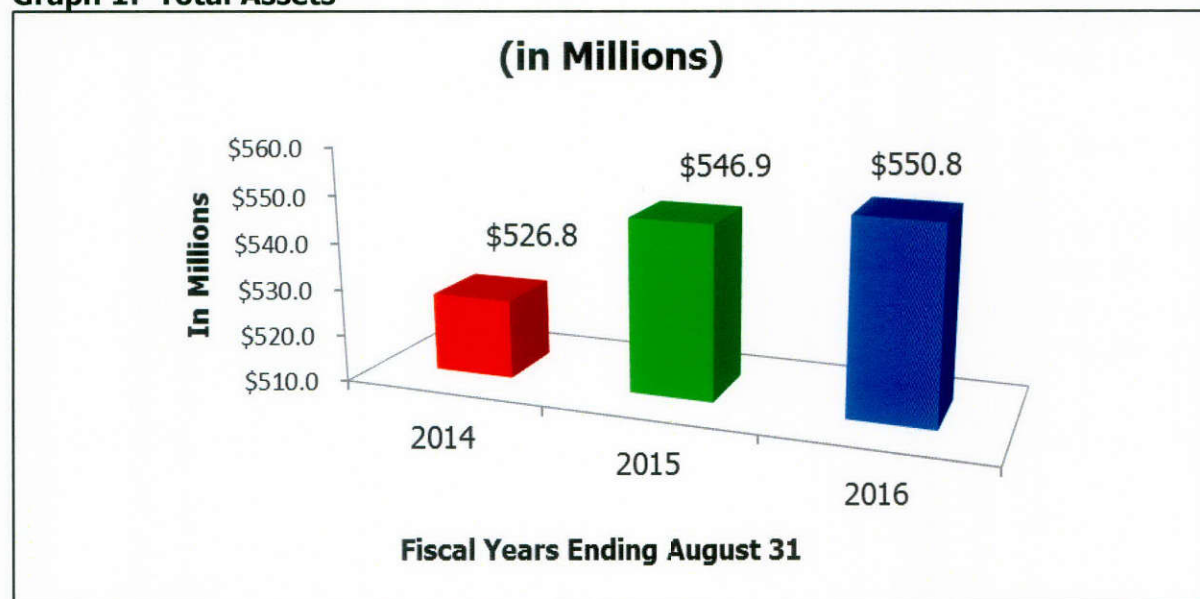
and are not assets or liabilities. For purposes of explanation the deferred inflows and outflows presented in the District financial statements pertain to pension contributions.

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 District management.

Total assets of the District for fiscal year 2016 are \$550.8 million, an increase from \$546.9 million in fiscal year 2015 and \$526.8 million in fiscal year 2014. Total assets increased from fiscal year 2015 to fiscal year 2016 by \$3.9 million and by \$20.1 million from 2014 to 2015. The District completed construction on a conference center in the Fall 2015 and opened the Health Science Center at the Central Park Campus for Spring 2016 classes. Construction in progress at fiscal year ending 2015 was \$38.1 million. An additional \$9.9 million was spent to complete construction during the current year with a total of \$47.3 million being transitioned from construction in progress to a depreciable capital asset. The increase in total assets from 2014 to 2015 occurred primarily due to the start of construction on the Conference and Health Science Centers. Total assets continue to increase as indicated in Graph 1-Total Assets.

**Graph 1: Total Assets**



Cash and cash equivalents, accounts receivables, and short-term investments comprise 99.4% of the District's total current assets. The District contracted with Barnes & Noble for the bookstore

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Management's Discussion and Analysis (unaudited)  
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operations during the current year, eliminating inventories for resale from current assets. The fiscal year ending 2015 balance for inventories for resale totaled \$2.6 million. While short term investments decreased from the prior year to the current year by \$9.5 million, cash and cash equivalents increased \$12.0 million. Timing differences account for the changes in the two assets from one year to the next. 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 and Commercial paper.

A similar timing difference trend occurred between fiscal years ending 2015 and 2014 with cash and cash equivalents totaling \$121.9 and \$186.4, respectively, and short term investments totaling \$124.9 and \$64.9 million for 2015 and 2014, respectively. Investments being held included certificates of deposit and U.S. Government Agencies. See Notes 3 and 4 for additional information on investments.

Receivables totaling \$8.8 million including tuition and fees receivable and accounts receivable (net of allowance for doubtful accounts) is consistent with the previous year of \$8.6 million. The allowance for doubtful accounts decreased 27.3% from the prior year. The District utilizes first and second placement collection agencies after performing in-house collection procedures. Uncollectible receivables totaling \$577 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 13.

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. 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 totaling \$8.4 million for fiscal year ending 2016 is compared to \$3.1 million in the prior year. The \$5.3 million increase from the prior to current year in deferred outflows is a result of recognizing the difference 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 \$67.2 million, \$80.7 million, and \$66.1 million in fiscal years ending 2016, 2015, and 2014, respectively. The net \$13.5 million decrease from 2015 to 2016 is due primarily to the District defeasing the Series 2006 general obligation bonds.

Fiscal year 2016 is the second 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. Implementation was required in the District financial statements for the fiscal year ending 2015. The impact was a net decrease in the

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Management's Discussion and Analysis (unaudited)  
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beginning net position for fiscal year 2015 totaling \$19.5 million and a pension liability of \$17.2 million. During the current fiscal year, the impact of GASB Statement No. 68 resulted in an increase in the pension liability by \$4.5 million, increasing from \$17.2 to \$21.7 million. Deferred inflows related to pensions increased from \$5.2 to \$6.2 million, a \$1 million increase from the prior to the current year. 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. There was less than a 2% change from 2014 to 2015 in total liabilities. See Note 10, Employees' Retirement Plan for information on pension liability, pension expense and related pension disclosures.

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 the largest percentage of current liabilities with accounts payable representing 25.7% of \$28.6 million in current liabilities and unearned revenues making up 60.1% of current liabilities for the current fiscal year. This compares to 36.8% and 47.5%, respectively for accounts payable and unearned revenues as a percentage of total current liabilities for the prior fiscal year in 2015, which totaled \$31.7 million.

The net overall decrease in accounts payable totaling \$4.3 million is attributable to vendor payables decreasing by \$3.9 million from the prior to the current year due to a decrease in construction payments due on the Central Park Campus project. The change to a contractually managed bookstore during this fiscal year, resulted in the District having a payable totaling \$1.2 million to Barnes & Noble for books purchased by students with federal financial aid. Short-term overdraft decreased \$710 thousand to \$509 thousand compared to the prior year's total of \$1.2 million, as did grants payables by \$518 thousand from the prior to current year. In addition, in the prior year there were payroll payables-related liabilities totaling \$740 thousand, and a \$6.3 million payable related to construction of the Health Science Center and Conference Center at Central Park Campus. See Note 13 for additional information on payables.

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. Pension liability is explained above as it relates to GASB 68. See Notes 2 and 10 for additional information on compensable absences and pension liability.

The Board of Trustees approved a resolution in December 2015 to defease the District's Limited Tax Improvement Bonds, Series 2006. Early payment of these bonds resulted in a net savings to the District totaling \$3.1 million in interest expense. The total outstanding principal balance on the Series 2006 Bonds paid by the District totaled \$12.445 million. Principal payments totaling \$3.28 million on the District's general obligation bonds Series 2010 and Series 2008 revenue bonds reduced the total outstanding bonds payable to \$19.366 million, of which \$3.385 million is classified as a current liability. See Notes 6, 7, and 8 for information on debt service.

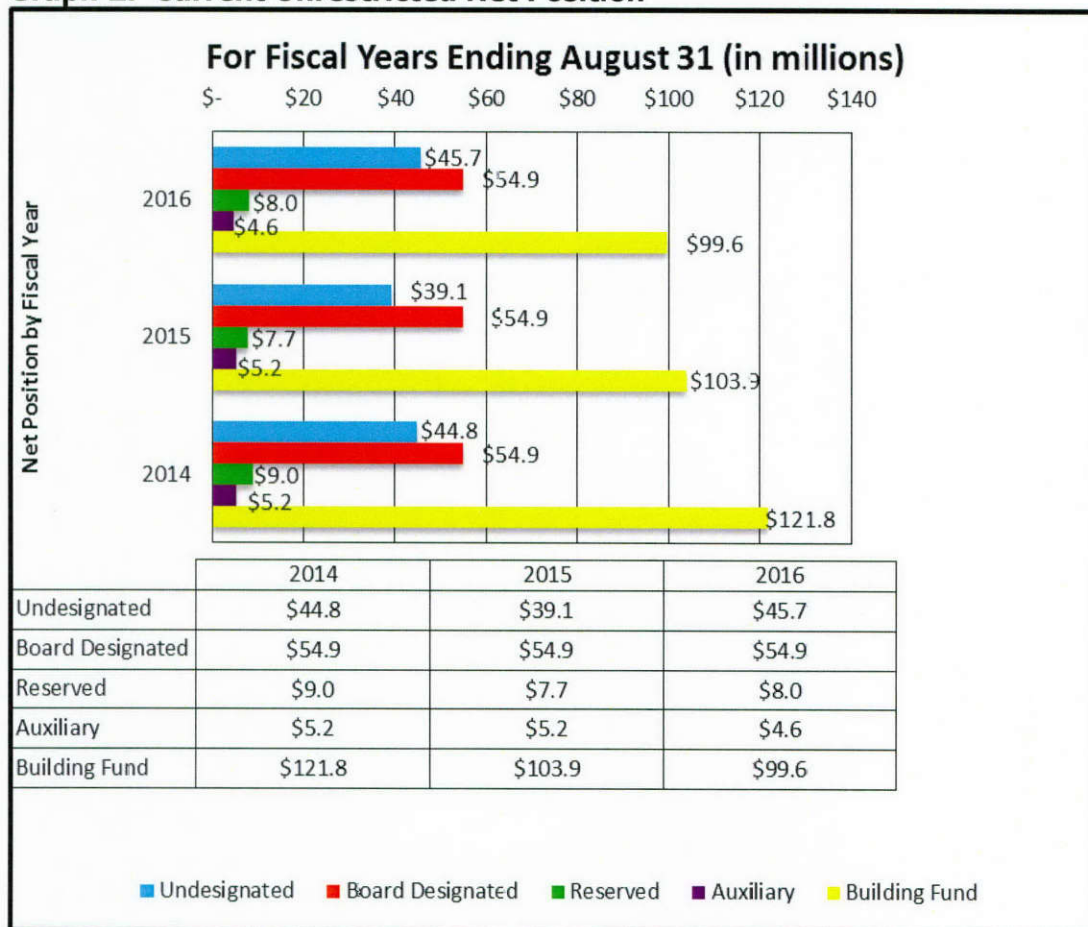
Net position represents the District's equity, some of which is restricted for certain uses and some of which is unrestricted. Unrestricted net position increased \$2.1 million from the prior year to

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

Management’s Discussion and Analysis (unaudited)  
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the current year. Total unrestricted net position at 2016, 2015, and 2014 totaled \$212.9, \$210.8, and \$235.7 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**



# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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## Statement of Revenues, Expenses and Changes in Net Position

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

	Fiscal Year			Change	
	2016	2015	2014	2015 to 2016	2014 to 2015
<b>Operating revenues:</b>					
Tuition and Fees (Net)	\$ 30.7	\$ 28.4	\$ 28.0	8.0%	1.4%
Grants and Contracts	3.9	8.5	8.2	(54.2%)	3.7%
Auxiliary enterprises	5.0	8.8	9.2	(42.8%)	(4.3%)
Other operating revenues	1.0	1.0	0.9	3.0%	11.1%
Total operating revenues	<u>40.6</u>	<u>46.7</u>	<u>46.3</u>	(13.0%)	0.9%
<b>Operating expenses:</b>					
Instruction	72.0	64.6	58.7	11.5%	10.1%
Public service	1.2	0.8	0.6	50.0%	33.3%
Academic support	11.9	15.5	15.6	(23.2%)	(0.6%)
Student services	11.9	10.4	9.7	14.4%	7.2%
Institutional support	20.0	18.9	15.5	5.8%	21.9%
Operation and maintenance of plant	11.7	10.4	13.3	12.5%	(21.8%)
Scholarships	16.3	19.4	20.1	(16.0%)	(3.5%)
Auxiliary enterprises	6.4	9.5	10.9	(32.6%)	(12.8%)
Depreciation	8.4	7.7	7.5	9.1%	2.7%
Total operating expenses	<u>159.8</u>	<u>157.2</u>	<u>151.9</u>	1.7%	3.5%
<b>Operating loss</b>	(119.2)	(110.5)	(105.6)	7.9%	4.6%
<b>Non-operating revenues (expenses):</b>					
State appropriations	40.7	38.7	38.4	5.2%	0.8%
Ad-valorem taxes (Net)	80.4	72.0	67.0	11.7%	7.5%
Federal revenue, Non-operating	20.0	23.8	24.4	(16.0%)	(2.5%)
Interest on capital related debt	(1.2)	(1.5)	(1.7)	(20.0%)	(11.8%)
Other non-operating revenues, net	1.0	0.5	(1.2)	100.0%	(141.7%)
Net non-operating revenues	<u>140.9</u>	<u>133.5</u>	<u>126.9</u>	5.5%	5.2%
<b>Increase in net position</b>	<u>21.7</u>	<u>23.0</u>	<u>21.3</u>	(5.4%)	7.8%
<b>Net position - beginning of year</b>	464.1	460.6	439.3	0.8%	4.8%
<b>Cumulative Effect of Change in Accounting Principle</b>	-	(19.5)	-	(100.0%)	0.0%
<b>Net position - ending of year</b>	<u>\$ 485.8</u>	<u>\$ 464.1</u>	<u>\$ 460.6</u>	4.7%	0.8%

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Management's Discussion and Analysis (unaudited)  
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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 2014, 2015, and 2016.

Depreciation on capital assets is included in operating expenses. Since State appropriations and ad valorem taxes make up a significant portion of the District's revenues, classification of this revenue as non-operating will usually result in an operating loss, as it does for the District in all fiscal years presented.

Seventy six percent of operating revenues consists of tuition and fees, net of discounts for fiscal year ending 2016 and 60.8% for year ending 2015. For fiscal years ending 2016, 2015, and 2014 tuition and fees, net of discounts was \$30.7 million, \$28.4 million, and \$28.0 million, respectively.

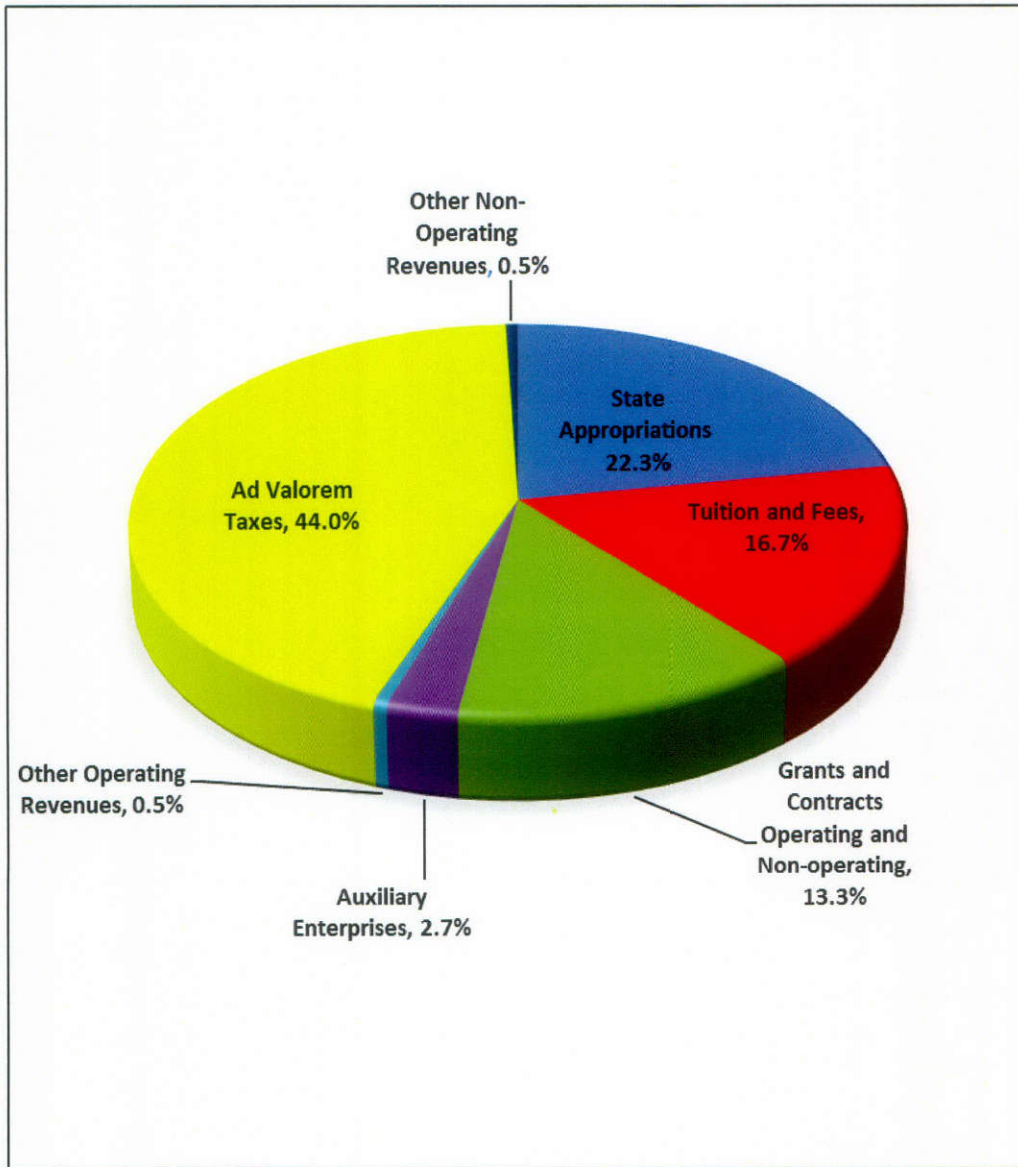
The District saw a 5.2% increase in fundable contact hours over the prior year which accounts for the increase in tuition revenues totaling \$2.3 million. The District offered winter semester classes in 2016 for the first time since 2010. In 2014, tuition increased per credit hour \$1 for in-county, \$2 for out-of-county, and \$7 for out-of-state/country. Tuition per credit hour did not change in 2015 or 2016.

For fiscal years ending 2016, 2015, and 2014, scholarship allowances and discounts were \$6.9, \$7.6, and \$7.0 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 reduction in Pell grants totaling \$3.7 million correlates to a reduction in scholarship allowances. The reduction in scholarship allowances is also a factor in the increase in tuition revenues.

Federal grants and contracts revenue decreased 67.1% from \$6.7 to \$2.2 million during the current year compared to the prior year due to the completion of the Department of Labor Trade Adjustment Assistance Community College and Career Training ("TAACCCT") Grant in September 2015. A 7.5% decrease in federal grants and contracts revenue occurred from fiscal year 2014 to 2015, primarily a result of decreased expenditures for the Department of Labor Trade Adjustment Assistance Community College and Career Training ("TAACCCT") Grant. Grant revenues are recognized to the extent expenditures are incurred.

See Graph 3 for a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal year ending August 31, 2016.

**Graph 3: 2016 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

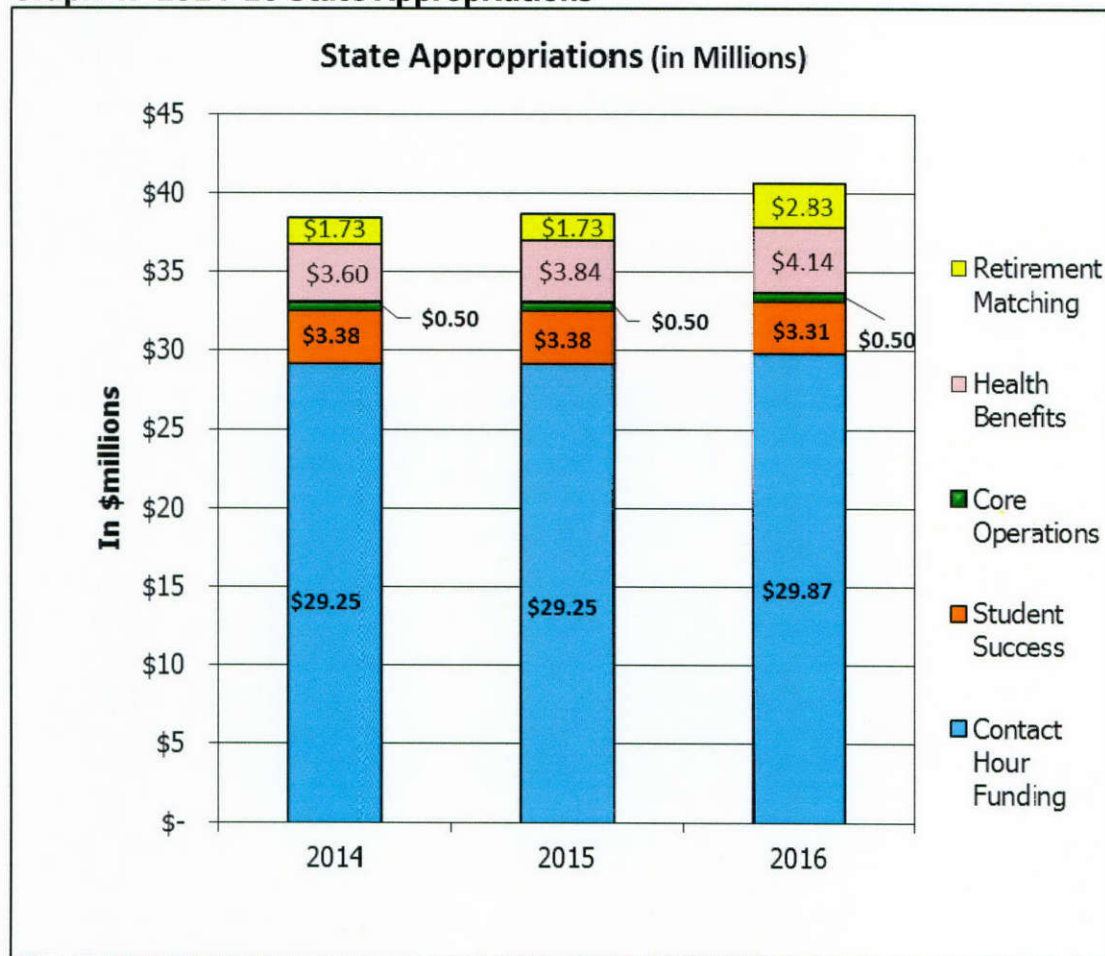


# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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a portion of employee benefits in the form of health insurance and state retirement matching. As shown in Graph 4 on the following page, contact hour funding from the State has remained steady from 2014 through 2016, increasing only \$550 thousand in the current year. The greatest change in appropriations occurred in the funding for benefits. Senate Bill 1812 became law after the 83<sup>rd</sup> legislative session in September, 2013. Senate Bill 1812 required the State to fund benefits at 50% for all eligible employees. For fiscal years 2014, 2015, and 2016, funding for benefits was \$5.3, \$5.5, and \$6.9 million, respectively. See Notes 10 and 11 for additional information on benefits.

**Graph 4: 2014-16 State Appropriations**



Ad valorem taxes received for maintenance and operations (M&O) increased 10.6% due to increased property values. The net assessed property values of the District totaled \$97.7 billion for fiscal year 2016 compared to \$88.1 billion in 2015. The District maintained the same M&O tax rate at \$0.078965 for both fiscal years 2015 and 2016, however, the increase in appraised values resulted in a \$7.3 million increase in maintenance and operations tax revenues. Total tax collections received for maintenance and operations has steadily increased over the last three years with the largest increase occurring in the most recent fiscal year. See Note 15 for additional information on property taxes.

The ad valorem tax rate for debt service remained the same at .002995. Due to the increase in assessed property values, tax collections increased from \$2.7 to 3.7 million from the prior year to the current year, which represents a 39.1% increase. The increase was required to replace a one-time rate subsidy created by an intentional reduction in restricted net assets.

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, largely a result from a more stringent satisfactory academic progress policy 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 from the prior to the current year has decreased 11.0%.

The District contracted with an external investment advisor to assist the District in managing the investment portfolio with the expectation investment income will increase while maintaining investment objectives of liquidity and safety of principal. Investment income increased \$590 thousand from the prior year to the current year. In general, the portfolio diversification plus a gradual increase in interest rates have allowed the District to earn more on investments.

In addition, the Board of Trustees approved revisions to the investment policy; a few revisions include adding additional eligible investments, diversifying 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.

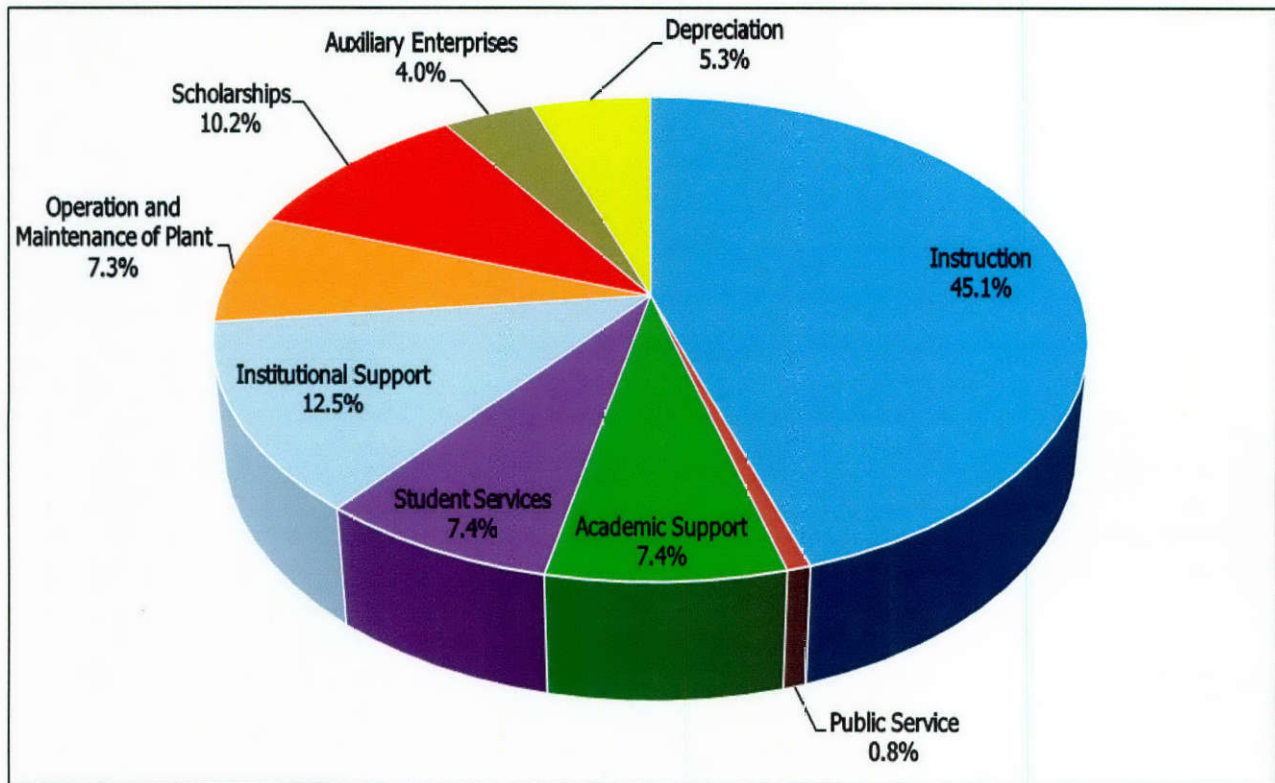
### **Operating Expenses by Functional Classification**

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 2014 through 2016 may be found in Table 2 on page 23. Graph 5 on page 33 highlights the percentage of total operating expenses each program represents of the total \$159.8 million. Instructional expenses make up 45.1% of total operating expenses for the current year, compared to 41.0% and 38.6% in the two previous years.

Overall operating expenses increased 1.7% and 3.5% from fiscal years 2015 to 2016 and from 2014 to 2015, respectively. The Board of Trustees approved a 4% salary increase for employees each of the last three years. There was an overall increase in instructional expenses of 11.5% or \$7.5 million from the previous to the current year made up faculty salaries, benefits, and furniture and equipment for the new Health Science Center. Faculty salaries account for the largest increase in this category and can be explained by the hiring of 24 new faculty as well as providing the 4% salary increase.

A 10.1% increase in instructional expenses occurred from fiscal year 2014 to 2015 made up primarily of an increase in faculty salaries. 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

**Graph 5: Fiscal Year 2015-16 Operating Expenses by Functional Classification (%)**



year and make recommendations to hire additional full time faculty to meet this objective for the next budget period.

Public service represents less than one percent of total operating expense, however, it showed an increase of \$502 thousand and \$202 thousand for the current and prior years, respectively. The increase is due primarily to an increase in instructional service contracts for skills development training for both fiscal years.

The academic support functional area includes expenses incurred to provide support services for the District’s primary programs of instruction and public service. It includes academic administration (academic deans), library services, educational and media services and several grants. The overall change in this category decreased 23.2% due primarily to the DOL-TAACCT grant ending in September 2015 during the current year. 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.

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**Management's Discussion and Analysis (unaudited)  
Fiscal Years Ended August 31, 2016 and 2015**

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 14.4% growing from \$10.4 to \$11.9 million from 2015 to 2016. This category also experienced a realignment beginning in July 2016 with the addition of four associate deans.

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 2014 to 2015 and from 2015 to 2016, institutional support saw a 21.9% and 5.8% increase, respectively. About \$1.5 million in salaries and operating expenses for the police force was reclassified as institutional support from Operations and Maintenance of Plant beginning in 2014-15. The District incurred election expenses and expenses related to preparation for the District's reaccreditation with the Southern Association of Colleges and Schools and Commission on Colleges (SACSCOC) which accounts for the increase from 2014 to 2015.

Operations and maintenance of Plant expenses increased during the current year by \$1.3 million. Twenty percent of the increase is due to an increase in utility expense over the prior year. Other increases occurred in the cost for custodial services and salary expense due to the addition of the new Health Science Center and Conference Center. The District provides for renewal and replacement of physical plant annually by budgeting \$2 million. For the current and prior fiscal years, approximately \$1.7 million was expended for renewal and replacement compared to \$2.6 million in 2014. These expenses are included in operation and maintenance of plant.

For the year ending August 31, 2015, costs associated with the construction on the Central Park Campus were recorded as Construction in Progress, therefore, not subject to depreciation. The construction project was completed during the current year. And accordingly, construction costs of \$47.3 million were capitalized and depreciated according to policy. Depreciation expense increased by 8.8% from \$7.7 million in fiscal year ending 2015 to \$8.4 million in 2016.

Scholarship expense decreased from 2015 to 2016 by 15.8 % or \$3.1 million and totaled \$16.3 million. The most significant factors impacting scholarship expense during the current fiscal year include the 11% decrease in federal financial aid applications, and the effect of the satisfactory academic progress policy implemented in 2014. The District also had a decrease from 2014 to 2015 of 3.6%, down from \$20.1 million in 2014 to \$19.4 million in 2015. The reduction in scholarship expense from 2014 through 2015 can be attributed to the change in satisfactory academic progress (SAP) policy resulting in a reduction in eligibility for students not meeting SAP standards.

## **Capital Assets and Debt Administration**

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 \$47.3 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

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conference room was repurposed as a student center. The project was funded from reserves from the building fund.

**Table 3: Capital Assets**

	2016	2015	2014
Land	\$ 25,194,267	\$ 25,194,267	\$ 25,654,319
Construction in progress	838,065	38,189,713	7,892,862
Buildings	244,195,773	202,111,414	206,937,657
Land improvements	9,455,469	10,139,426	10,837,665
Equipment	7,104,383	7,379,097	5,858,198
Library Books	4,322,686	4,359,323	4,146,266
WAN/LAN network equipment	28,716	30,268	31,820
Total	<u>\$ 291,139,359</u>	<u>\$287,403,508</u>	<u>\$261,358,787</u>

At August 31, 2016, the District had \$410 thousand committed for architectural services in connection with the design of the Public Safety Training Center which will house the law enforcement academy and a fire science program near the Central Park Campus.

The District and the City of McKinney have entered into an Inter-local agreement which allows the District to construct and operate a Public Safety Training Center 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 City of McKinney has agreed to contribute \$3.7 million (\$2.2 million-Fire, \$1.5 million-Law Enforcement) toward construction of the project. Discussions are on-going with other potential municipal partners.

The Public Safety Training Center will contain training structures and classrooms for both fire science and law enforcement programs. Construction on the Public Safety Training Center in McKinney is scheduled to begin in the spring of 2017 with completion estimated to be in March 2018.

At August 31, 2015, amounts committed under construction contracts were \$8.7 million for the construction projects at the Central Park Campus as noted above. The preceding table shows the capital assets for the fiscal years ending August 31, 2016, 2015, and 2014. Additional information regarding capital assets may be found in Note 5.

The District’s outstanding general obligation bonds at year ending 2016 consists of 2010 tax improvement bonds totaling \$17.206 million. Noted in Table 4 is the outstanding debt at the end of fiscal year 2016, compared to the debt at the end of the two previous fiscal years ending 2015 and 2014. 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 current unrestricted funds prior to bond maturity. The early retirement of the Series 2006 bonds

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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provided a savings to the District of \$3.1 million in interest expense. All general obligation bonds are funded through ad valorem taxes.

Revenue bonds totaling \$2.16 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**

	2016	2015	2014
General obligation bonds	\$ 17,206,467	\$ 31,787,200	\$ 34,805,723
Revenue bonds	2,160,000	3,195,000	4,195,000
Total	<u>\$ 19,366,467</u>	<u>\$ 34,982,200</u>	<u>\$ 39,000,723</u>

As of August 31, 2016, the district's bond ratings with both Moody's Investors Service and Standard and Poor's continues to remain at an Aaa/AAA rating since being elevated to this level at the issuance of the bonds in 2002. The most recent review by Standard and Poor's rating agency occurred in September 2013, with the agency reaffirming its AAA rating of the District.

For more detailed information on the District's capital assets and long-term debt, see Notes 5, 6, 7, 8 and 9.

## **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 appraised values totaling 13.5% is expected to generate additional tax revenues of \$8.8 million for the 2016-17 fiscal year. For fiscal year 2016-17, the debt service tax rate and maintenance and operations tax rate was set at \$0.078174/\$100 valuation and \$.003048/\$100 valuation, respectively. The maximum rate for M&O is \$.08/\$100 valuation. Similar expectations as those experienced in 2015-16 regarding tax revenue collections for 2016-17 is anticipated.

The unemployment rate in Collin County has steadily declined over the last several years, from a high of 6.5% unemployment in June 2012 to 3.8% in August 2016. 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 provide 22.1% of total revenue. State appropriations per full-time student equivalent ("FTSE") increased 6.3% for the current year to \$2,401 from \$2,257 in 2015. The increase can be attributable primarily to an increase in the benefit allocation for health insurance and retirement. State funding per FTSE for 2014 was \$2,140. The District will continue to receive the majority (90%) of state funding based on contact hours, but a portion (10%) of the funding is tied to a success-points system in which colleges earn funding for students' academic

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milestones, such as earning an associate's degree, a certificate or transferring to a university. Also included in the District's State appropriations is \$500,000 for core operations for each year of the biennium.

The Board of Trustees approved a tuition increase effective Fall 2016 increasing in-county tuition by \$3 per credit hour and by \$5 per credit hour for out-of-county, out-of-state, and out-of-country residencies. New programs approved by THECB and being offered beginning in Fall 2016 are Interpreter Education, Health Professions, and Entrepreneurship programs. Other programs approved by THECB that will be offered beginning Fall 2017 are Welding and HVAC.


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](http://www.collin.edu) and selecting the Financial Transparency tab at the bottom of the home page.



Kenneth D. Lynn, CPA  
Acting Vice President of Administrative Services/CFO



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



Barbara Jindra, CPA  
Associate Vice President of  
Financial Services and Reporting

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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.

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## COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

<b>Statement of Net Position</b>		
<b>As of August 31, 2016 and 2015</b>		
	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 133,939,629	\$ 121,944,757
Accounts receivable (net of allowance for doubtful accounts of \$621,141 and \$855,169 respectively)	8,809,383	8,639,383
Short term investments	79,867,736	124,900,970
Tax receivable (net of allowance for doubtful accounts of \$666,190 and \$934,536 respectively)	498,476	532,553
Consumable inventory	35,720	40,200
Inventories for resale	-	2,644,008
Prepaid expenses	1,055,187	764,803
Total current assets	<u>224,206,131</u>	<u>259,466,674</u>
Noncurrent assets		
Long term investments	35,539,898	-
Capital assets, net		
Not subject to depreciation	26,032,332	63,383,980
Subject to depreciation	265,107,027	224,019,528
Total noncurrent assets	<u>326,679,257</u>	<u>287,403,508</u>
Total assets	<u>\$ 550,885,388</u>	<u>\$ 546,870,182</u>
Deferred outflows related to pensions	<u>\$ 8,403,433</u>	<u>\$ 3,133,182</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 7,358,102	\$ 11,686,874
Accrued liabilities	147,435	253,205
Funds held for others	379,223	439,800
Unearned revenue	17,176,818	15,049,662
Accrued compensable absences payable	132,024	116,698
Bonds payable - current portion	3,385,000	4,170,000
Total current liabilities	<u>28,578,602</u>	<u>31,716,239</u>
Noncurrent liabilities		
Accrued compensable absences payable	901,468	867,105
Pension liability	21,734,977	17,249,730
Bonds payable	15,981,467	30,812,200
Total noncurrent liabilities	<u>38,617,912</u>	<u>48,929,035</u>
Total liabilities	<u>\$ 67,196,514</u>	<u>\$ 80,645,274</u>
Deferred inflows related to pensions	<u>\$ 6,276,680</u>	<u>\$ 5,276,744</u>
<b>Net position</b>		
Net investment in capital assets	271,788,069	252,327,218
Restricted for:		
Expendable		
Student aid/non-governmental grants and contracts	952,708	578,797
Student loans	21,707	21,707
Reserve debt service	656,495	364,843
Unrestricted	<u>212,396,648</u>	<u>210,788,781</u>
Total net position	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</u>

See accompanying notes to basic financial statements.

**COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.****Statement of Financial Position**  
As of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash & Cash Equivalents	\$ 753,851	\$ 649,444
Investments	10,142,424	10,578,030
Accounts Receivable	36,189	-
Pledges Receivable	260,627	244,706
Prepaid Expenses	500	1,350
Total Assets	<u>\$ 11,193,591</u>	<u>\$ 11,473,530</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 14,103	\$ 4,021
Other Liabilities	46,500	42,725
Total Liabilities	<u>60,603</u>	<u>46,746</u>
<b>Net Assets:</b>		
Unrestricted	502,118	544,688
Temporarily Restricted	4,382,997	4,719,378
Permanently Restricted	6,247,873	6,162,718
Total Net Assets	<u>11,132,988</u>	<u>11,426,784</u>
Total Liabilities and Net Assets	<u>\$ 11,193,591</u>	<u>\$ 11,473,530</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$6,885,624 and \$7,607,744 respectively)	\$ 30,671,124	\$ 28,426,123
Federal grants and contracts	2,192,596	6,687,572
State grants and contracts	1,637,637	1,797,840
Non-governmental grants and contracts	74,452	8,950
Sales and services of educational activities	681,057	644,103
Auxiliary enterprises	5,036,125	8,829,679
Other operating revenues	356,464	311,361
Total operating revenues	<u>40,649,455</u>	<u>46,705,628</u>
Expenses		
Operating expenses:		
Instruction	72,044,666	64,578,677
Public service	1,260,478	758,294
Academic support	11,908,733	15,485,516
Student services	11,875,226	10,430,474
Institutional support	19,966,816	18,940,401
Operation and maintenance of plant	11,666,212	10,388,845
Scholarships	16,342,810	19,417,452
Auxiliary enterprises	6,413,444	9,548,337
Depreciation	8,392,630	7,711,950
Total operating expenses	<u>159,871,015</u>	<u>157,259,946</u>
Operating loss	<u>(119,221,560)</u>	<u>(110,554,318)</u>
Non-operating revenues (expenses):		
State appropriations	40,667,403	38,713,358
Ad-valorem taxes:		
Taxes for maintenance and operations	76,691,956	69,305,745
Taxes for general obligation bonds	3,769,241	2,710,467
Federal grants and contracts	20,046,602	23,834,018
Gifts - noncapital	1,650	62,538
Investment income (net of investment expenses)	803,614	212,730
Interest on capital related debt	(1,223,125)	(1,525,612)
Other non-operating revenues	198,500	198,500
Net non-operating revenues	<u>140,955,841</u>	<u>133,511,744</u>
Increase in net position	<u>21,734,281</u>	<u>22,957,426</u>
Net position - beginning of year	464,081,346	460,667,935
Cumulative effect of change in accounting principle		(19,544,015)
Net position - beginning of year, as restated	<u>464,081,346</u>	<u>441,123,920</u>
Net position - ending of year	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</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, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
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	630,409	(630,409)	-	-
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	(100,095)	(608,034)	-	(708,129)
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 FOUNDATION, INC.****Statement of Activities  
For the Year Ended December 31, 2014**

	Unrestricted	Temporarily Restr cted	Permanently Restricted	Total
Change in Net Assets:				
Revenues, Gains and Other Support:				
Donations and Grants	\$ 2,510	\$ 1,898,089	\$ 65,483	\$ 1,966,082
Special Events and Fundraising	48,753	147,651	8,500	204,904
Less: Ccst of Direct Benefit to Donors	(31,398)	-	-	(31,398)
Investment Income	58,339	248,356	12,689	319,384
Realized Gains/(Losses) on Investments	27,641	74,793	6,084	108,518
Net Assets Released from Restrictions	514,713	(514,713)	-	-
Total Revenues, Gains, and Other Support	<u>620,558</u>	<u>1,854,176</u>	<u>92,756</u>	<u>2,567,490</u>
Expenses:				
Program Services:				
Schlarships	418,711	-	-	418,711
Schlarship Reception	31,209	-	-	31,209
Program Enhancements	76,689	-	-	76,689
Total Program Services	<u>526,609</u>	<u>-</u>	<u>-</u>	<u>526,609</u>
Management and Fundraising:				
Accounting Fees	8,200	-	-	8,200
Insurance	1,599	-	-	1,599
Investment Expense	21,932	-	-	21,932
Miscellaneous	3,344	-	-	3,344
Fundraising	116	-	-	116
Total Management and Fundraising	<u>35,191</u>	<u>-</u>	<u>-</u>	<u>35,191</u>
Total Expenses	<u>561,800</u>	<u>-</u>	<u>-</u>	<u>561,800</u>
Change in Net Assets from Operations	58,758	1,854,176	92,756	2,005,690
Non-Operating Income/(Expense)				
Unrealized Gain/(Loss) on Investments	(21,455)	(183,996)	-	(205,451)
Total Other Income/(Expense)	<u>(21,455)</u>	<u>(183,996)</u>	<u>-</u>	<u>(205,451)</u>
Total Change in Net Assets	37,303	1,670,180	92,756	1,800,239
Net Assets at Beginning of Year	507,385	3,049,198	6,069,962	9,626,545
Net Assets at End of Year	<u>\$ 544,688</u>	<u>\$ 4,719,378</u>	<u>\$ 6,162,718</u>	<u>\$ 11,426,784</u>

See accompanying notes to basic financial statements.

## Collin County Community College District

### Statement of Cash Flows For the Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 40,233,026	\$ 38,619,429
Receipt of grants and contracts	4,639,187	8,865,700
Collections/(payments) of loans to students	646	2,109
Other receipts	356,464	311,361
Payments to or on behalf of employees:		
Payments to employees	(85,163,086)	(78,726,247)
Payments for benefits	(9,966,808)	(9,953,357)
Payments to suppliers for goods or services	(33,143,522)	(37,504,922)
Payments of scholarships	(16,342,810)	(19,417,453)
Net cash used in operating activities	<u>(99,386,903)</u>	<u>(97,803,380)</u>
Cash flows from noncapital financing activities		
Receipt from state appropriations	33,685,576	33,136,075
Ad valorem tax revenues (maintenance and operations)	76,727,227	69,216,523
Receipt of grants and contracts	20,046,602	23,834,018
Payments for student organizations and other agency transactions	(60,577)	58,764
Net cash provided by noncapital financing activities	<u>130,398,828</u>	<u>126,245,380</u>
Cash flows from capital and related financing activities		
Ad valorem tax revenues (general obligation bonds)	3,768,047	2,713,222
Purchases of capital assets	(16,323,596)	(30,749,701)
Payments on capital debt	(15,725,000)	(3,995,000)
Tax increment reinvestment payment	200,000	200,000
Interest payments on capital related debt	(1,255,915)	(1,534,757)
Net cash used in capital and related financing activities	<u>(29,336,464)</u>	<u>(33,366,236)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	135,000,000	105,026,592
Investment income (net of investment expenses)	640,053	141,290
Purchase of investments	(125,320,642)	(164,795,260)
Net cash provided by investing activities	<u>10,319,411</u>	<u>(59,627,378)</u>
Increase/(decrease) in cash and cash equivalents	11,994,872	(64,551,614)
Cash and cash equivalents - beginning of year	121,944,757	186,496,371
Cash and cash equivalents - end of year	<u>\$ 133,939,629</u>	<u>\$ 121,944,757</u>

See accompanying notes to basic financial statements.



## Collin County Community College District

### Statement of Cash Flows - continued For the Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (119,221,560)	\$ (110,554,318)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	8,392,630	7,711,950
Pension expense	214,932	150,723
Payments made directly by state for benefits	6,981,827	5,577,283
Changes in assets and liabilities		
Receivables, net	(170,650)	1,097,359
Inventories	2,648,488	195,797
Prepaid expenses	(290,384)	57,220
Deferred outflows related to pensions	(5,270,251)	(1,495,945)
Accounts payable & other accrued liabilities	(260,132)	(1,734,982)
Unearned revenue	2,127,159	(272,149)
Accrued salary and benefits	(24,791)	116,351
Loans to students	646	2,109
Pension liability	4,485,247	(3,931,522)
Deferred inflows related to pensions	999,936	5,276,744
Net cash used in operating activities	<u>\$ (99,386,903)</u>	<u>\$ (97,803,380)</u>

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

Payments made directly by state for benefits	\$ 6,981,827	\$ 5,577,283
Change in fair value of investments	(232,423)	(85,362)
Capital asset write off	-	460,052
Net non-cash investing, capital, and financing activities	<u>\$ 6,749,404</u>	<u>\$ 5,951,973</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 \$789,562 and \$615,863 during the years ending August 31, 2016 and 2015, 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, 2016 totaled \$255,108. The costs of these services were not significant to the District. The financial position and results of operations of the Foundation are included in these financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*, and Statement No. 61 *The Financial Reporting Entity: Omnibus—An Amendment of GASB Statements No. 14 and No. 34* as an affiliated entity because the Foundation's sole function is to fund the District and its students.

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

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

**Tuition Discounting**Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. These funds, called the Texas Public Education Grant ("TPEG"), are shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount disbursed is recorded as scholarship 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, 2016 and 2015, respectively, the minimum unrestricted fund balance to be maintained

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

was \$36,453,413 and \$32,686,314. 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.

**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.

**Inventories**

Consumable inventories consist of office supplies and postage, which are valued at cost and are charged to expense as consumed. Inventory held for sale, consisting primarily of textbooks, is valued using the retail method of inventory valuation and is recorded as an expense when sold.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued****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 2016 and 2015 totaled \$8,392,630 and \$7,711,950, 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 are valued at their estimated fair market value on the date received. The District reports capital assets net of accumulated depreciation. Depreciation on assets other than buildings and site improvements is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention and no residual value. The following lives are used:

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

**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 \$17,176,818 and \$15,049,662 are recorded on the Statements of Net Position as unearned revenue at August 31, 2016 and 2015, 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.

**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, 2016 and 2015 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2015	\$ 862,864	\$ 2,141,927	\$ (2,020,988)	\$ 983,803	\$ 116,698
2016	983,803	2,142,664	(2,092,975)	1,033,492	132,024

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, 2016 and 2015, and therefore, has not recorded a liability for income taxes.

**Board Designations**

Included in unrestricted net position are certain amounts that have been set aside by the Board. The Board has designated \$24,750,000 to provide maintenance and operations stabilization. Although maintenance and operations costs are budgeted yearly, this amount was set aside in case of decreased property values. The District also designated \$100,000 to cover insurance deductibles in the event of a catastrophic loss and \$30,000,000 for a health insurance reserve.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued****New Accounting Pronouncement-Implemented**

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. The objectives of this Statement are to improve the financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures around fair value measurements. The provisions of this statement are effective for community colleges beginning with fiscal year ending 2016.

In June 2015, GASB issued GASB Statement No. 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. This statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68 and amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans and Statement No. 68 for pension plans and pensions that are within the respective scopes.

GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP).

**Pending Pronouncements**

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

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. Implementation of this Statement for community colleges is planned for fiscal year 2017.

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. 77, Tax Abatement Disclosures. The requirements of this Statement will 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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be 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. Community college implementation of this statement is planned for fiscal year 2017.

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. Community college implementation of this statement is planned for fiscal year 2017.

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

This statement will enhance 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. Community college implementation of this statement is planned for fiscal year 2017.

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

The requirement of this statement will enhance comparability of financial statements among governments. Community college implementation of this statement is planned for fiscal year 2017.

**Prior Year Restatement**

In fiscal year ending 2015, the District implemented GASB Statement No. 68, as amended by GASB Statement No. 71, requiring a restatement to beginning net position for the recording of the beginning net pension liability and for the recording of deferred outflows of resources for contributions made after the measurement date of the beginning net pension liability and the beginning of the reporting entity's fiscal year.

Beginning net position as of September 1, 2014 was restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Beginning net position	\$ 460,667,935
Prior Period adjustment-implementation of GASB No. 68:	
Net pension liability (measurement date as of August 31, 2014)	(21,180,762)
Deferred outflows - District contributions made during FY 2014	1,637,237
Additional contributions made after the measurement date	(490)
Beginning net position, as restated	<u>\$ 441,123,920</u>



**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, 2016 and 2015, the net carrying amount of the District’s deposits was an overdraft of \$508,871 and \$1,219,273, 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 \$708,258 as of August 31, 2016. 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,	
	2016	2015
Petty cash on hand	\$ 10,900	\$ 24,750
Checking account	303,681	341,392
TexPool	96,162,028	84,220,579
TexSTAR	37,463,020	37,358,036
Total cash and cash equivalents	<u>\$ 133,939,629</u>	<u>\$ 121,944,757</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. The District did not have any securities collateralized by pledged securities at August 31, 2015.

As of August 31, 2016, 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. Government Securities					
FHLB	\$ 13,995,420	\$ -	\$ 13,995,420	\$ -	AAA
FHLMC	51,507,578	29,963,100	21,544,478	-	AAA
Farmer Mac	29,924,400	29,924,400	-	-	AAA
Commercial Paper	19,980,236	19,980,236	-	-	A1/P1
Total Fair Value	<u>\$ 115,407,634</u>	<u>\$ 79,867,736</u>	<u>\$ 35,539,898</u>	<u>\$ -</u>	
		(Exhibit 1)	(Exhibit 1)		

**Credit Risk**

A primary stated objective of the District’s Board-adopted Investment Policy is the safety of principal and avoidance of principal loss. 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.

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

Credit risk within authorized investments of the District's portfolio is limited by strong controls within the adopted policy.

Depository certificates of deposits are authorized only in Texas banks and must be fully insured by the FDIC or collateralized in accordance with policy. Collateral is required at a 102% margin with securities priced at market on a monthly basis as a contractual responsibility of the bank. Collateral is restricted by State law. Independent safekeeping of collateral is required outside the bank holding company with monthly reporting from the custodian. The authorization also includes CD spread programs which maintain all funds under the FDIC insurance levels.

Policy authorized local government investment pools must, by policy and state law, be AAA or equivalent rated.

SEC-registered money market mutual funds which strive to maintain a \$1 NAV are further restricted by policy to those which are AAA-rated and limited to only those invested in District authorized investments.

Domestic commercial paper is restricted by the District's Policy and state law to a credit rating of A1/P1 or equivalent by at least two recognized rating agencies. Policy restricts the securities to 180 days to stated maturity.

State and municipal debt obligations are restricted to a credit rating of A or better.

Brokered certificates of deposit must be issued by a US bank and must be delivered versus payment into the District's safekeeping agent.

Share certificates from credit unions are authorized if from Texas institutions and insured by the National Credit Union Insurance Fund.

The maximum average weighted maturity for the total portfolio is twelve (12) months and the maximum stated maturity for any investment is three (3) years by policy.

As of August 31, 2016, in the Portfolio

- Insured or collateralized demand deposit accounts represented 0.04% of the total portfolio,
- Investment in two different local government investment pools represented 53.63% of the total portfolio,
- Commercial paper, rated A1/P1 represented 8.02% of the total portfolio, and
- US Government agencies represented 38.32% of the total portfolio.

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

The District recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The adopted Investment Policy establishes diversification as a major objective of the investment program to meet cash flow needs.

As of August 31, 2016, in the Portfolio

- Insured or collateralized demand deposit accounts represented 0.04% of the total portfolio,
- Investment in two different local government investment pools represented 53.63% of the total portfolio,
- Commercial paper, rated A1/P1 represented 8.02% of the total portfolio, and
- US Government Agencies represented 38.32% 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 and quarterly reports compare the portfolio yield to the benchmark one-year Treasury Bill.

As of August 31, 2016, the portfolio contained:

- No holdings with a stated maturity date beyond 708 days,
- Holding maturing beyond one year represented 14.26% of the total portfolio,
- The dollar weighted average maturity of the portfolio was 145 days, and
- The portfolio contained four (4) structured notes as shown below.

Issuer	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Market Value
<b>Quarterly Callable Structure:</b>								
FHLB	5,000,000	1.000%	8/23/2016	8/23/2018	11/23/2016	Quarterly callable with 5 business days notice	\$ 5,000,000	\$ 4,987,685
FHLMC	10,000,000	1.070%	5/25/2016	5/25/2018	11/25/2016	Quarterly callable with 5 business days notice	10,000,000	10,004,140
FHLMC	11,549,000	1.100%	6/29/2016	6/29/2018	9/29/2016	Quarterly callable with 5 business days notice	11,551,874	11,540,338
<b>One-Time(European) Callable Structure:</b>								
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	4,990,695
Total							<u>\$ 31,551,874</u>	<u>\$ 31,522,858</u>

**Custodial Credit Risk**

To control custody and safekeeping risk, state law and the District's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the District and held in the District's name. The custodian is required to provide original

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

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, 2016, the portfolio contained:

- The portfolio contained no certificates of deposit,
- The portfolio contained no repurchase agreements,
- All bank demand deposits were fully insured and collateralized, and
- All pledged bank collateral for demand deposits was held by an independent institution outside the pledging bank’s holding company.

Below is a list of the individual investments held and their respective credit ratings as of August 31, 2016:

<u>Investment Type</u>	<u>Rating</u>
U.S. Government Securities	
FHLB	AAA
FHLMC	AAA
Farmer Mac	AAA
Commercial Paper	
Mountcliff Funding	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

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

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 US Government Agencies' 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. Commercial paper valuations are recorded at amortized cost. Level 2 inputs are utilized for valuations at the measurement date.

Fair Value Hierarchy of investments at August 31, 2016 and 2015

	Fiscal Year 2016				Fiscal Year 2015
	Level 1	Level 2	Level 3	Total	Total
US Government Agencies	\$ 95,427,398	\$ -	\$ -	\$ 95,427,398	\$ 124,900,970
Commercial Paper	-	19,980,236	-	19,980,236	-
Total Fair Value	\$ 95,427,398	\$19,980,236	\$ -	\$ 115,407,634	\$ 124,900,970

(Exhibit 1)

**NOTE 5. CAPITAL ASSETS**

The following table summarized changes in capital assets balances for the year ended August 31, 2016:

	Balance 8/31/2015	Increases	(Decreases) Adjustments	Balance 8/31/2016
<b>Not Depreciated</b>				
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>
<b>Depreciable Assets</b>				
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>
<b>Accumulated Depreciation</b>				
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 5. CAPITAL ASSETS-continued**

For comparison purposes, the following table summarizes changes in capital assets balances for the year ended August 31, 2015:

	Balance 8/31/2014	Increases	(Decreases) Adjustments	Balance 8/31/2015
<b>Not Depreciated</b>				
Land	\$ 25,654,319	\$ -	\$ (460,052)	\$ 25,194,267
Construction in Progress	7,892,862	30,296,851	-	38,189,713
Subtotal	<u>33,547,181</u>	<u>30,296,851</u>	<u>(460,052)</u>	<u>63,383,980</u>
<b>Depreciable Assets</b>				
Buildings	259,345,891	-	-	259,345,891
Land Improvements	20,180,710	-	-	20,180,710
Equipment	20,727,261	3,395,192	(511,060)	23,611,393
Library Books	9,506,512	524,680	(102,835)	9,928,357
WAN/LAN Network Equipment	2,940,746	-	-	2,940,746
Subtotal	<u>312,701,120</u>	<u>3,919,872</u>	<u>(613,895)</u>	<u>316,007,097</u>
<b>Accumulated Depreciation</b>				
Buildings	52,408,234	4,826,244	-	57,234,478
Land Improvements	9,343,045	698,239	-	10,041,284
Equipment	14,869,063	1,874,292	(511,060)	16,232,295
Library Books	5,360,246	311,623	(102,835)	5,569,034
WAN/LAN Network Equipment	2,908,926	1,552	-	2,910,478
Subtotal	<u>84,889,514</u>	<u>7,711,950</u>	<u>(613,895)</u>	<u>91,987,569</u>
Net Depreciable Assets	<u>227,811,606</u>	<u>(3,792,078)</u>	<u>-</u>	<u>224,019,528</u>
Net Capital Assets	<u>\$261,358,787</u>	<u>\$ 26,504,773</u>	<u>\$ (460,052)</u>	<u>\$287,403,508</u>

At August 31, 2015, amounts committed under capital construction contracts were \$8,745,888. Of the amount committed, \$8,607,860 is for construction costs, and \$138,028 is for architectural services, related to completion of the Central Park Campus Conference Center and Health Science Center. In addition, retainage payable for construction at August 31, 2015 totaled \$1,777,817. In May 2010, the City of Melissa conditionally donated twenty five acres to the District valued at \$375,000 for development and use as a public safety training center. At the time, total land costs capitalized by the District was \$460,052. In 2015 the land reverted back to the City of Melissa since a site in the City of McKinney was selected for the public safety training center to be built. Therefore, the capitalized land cost was removed from the District's assets.



**NOTE 6. LONG-TERM LIABILITIES**

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	2,142,654	(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

For comparison purposes, the following table summarizes changes in long-term liabilities for the year ended August 31, 2015:

	Balance 9/1/2014	Additions	Reductions	Amortization of Premium	Balance 8/31/2015	Current Portion
Bonds:						
General obligation bonds:						
Series 2006	\$ 13,300,000	\$ -	\$ (855,000)	\$ -	\$ 12,445,000	\$ 850,000
Series 2010	21,505,723	-	(2,140,000)	(23,523)	19,342,200	2,245,000
Revenue bonds, Series 2008	4,195,000	-	(1,000,000)	-	3,195,000	1,035,000
Subtotal	39,000,723	-	(3,995,000)	(23,523)	34,982,200	4,170,000
Accrued Compensable Absences	862,864	2,141,927	(2,020,988)	-	983,803	116,698
Net Pension Liability	-	17,249,730	-	-	17,249,730	-
Total Non-Current Liabilities	\$ 39,863,587	\$ 19,391,657	\$(6,015,988)	\$ (23,523)	\$ 53,215,733	\$ 4,286,698

**NOTE 7. DEBT OBLIGATIONS**

Debt service requirements as of August 31, 2016, were as follows:

Year Ended August 31,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 2,320,000	\$ 732,675	\$ 3,052,675	\$ 1,065,000	\$ 48,337	\$ 1,113,337
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	-	-	-
2022-2023	4,240,000	225,450	4,465,450	-	-	-
Subtotal	16,910,000	2,905,650	19,815,650	2,160,000	64,598	2,224,598
Net Premium/ Discount	296,467	-	296,467	-	-	-
Total	\$ 17,206,467	\$ 2,905,650	\$ 20,112,117	\$ 2,160,000	\$ 64,598	\$ 2,224,598

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
2017	\$ 3,385,000	\$ 781,012	\$ 4,166,012
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
2022-2023	4,240,000	225,450	4,465,450
Subtotal	19,070,000	2,970,248	22,040,248
Net Premium/ Discount	296,467	-	296,467
Total	\$ 19,366,467	\$ 2,970,248	\$ 22,336,715

**NOTE 8. BONDS PAYABLE**

Bonds payable as of August 31, 2016 and 2015 consisted of the following:

Bond issue	Purpose	Date Issued	Amount Issued and Authorized	Revenue Source	Outstanding Balance August 31, 2016	Outstanding Balance August 31, 2015
Series 2006 Limited Tax Improvement Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites.	1/15/2006	\$18,415,000	Ad valorem taxes	\$ -	\$12,445,000
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	\$ 2,163,000	\$ 3,195,000
Series 2010 Limited Tax Refunding Bonds	Refunded 2002 and 2003 Tax Bonds	11/2/2010	\$24,099,912	Ad valorem taxes	\$17,206,467	\$19,342,200
Total					\$19,365,467	\$34,982,200

Bonds payable are due in annual principal installments varying from \$1,065,000 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.

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

**NOTE 8. BONDS PAYABLE-continued**

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.

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, 2016, the District was in compliance with these restrictions and had made all applicable insurance premium payments. Insurance policies in force at August 31, 2016, include major equipment, fire and extended property, general liability and auto coverage.

In January 2006, the District closed on \$18,415,000 in Limited Tax Improvement Bonds, Series 2006 with an average interest rate of 4.24 percent. Proceeds from the sale of the bonds were used for constructing, renovating and equipping buildings, and paying issuance costs. Proceeds of the bonds were \$18,412,449. The District had related issuance costs of \$95,000 and accrued interest of \$92,449 at the closing of the bond sale. In February 2016, the District paid off the outstanding balance for the Series 2006 bonds totaling \$12,445,000, saving the District \$3,168,021 in interest expense that would have been incurred had the District paid the bonds according to the payment schedule.

The Series 2006 and 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 15.

**NOTE 9. DEFEASED BONDS OUTSTANDING**

As of August 31, 2016 and 2015 the District had the following defeased bonds outstanding:

	Year Refunded	Par Value Outstanding 2016	Par Value Outstanding 2015
Series 2002 Limited Tax Improvement Bonds	2010	\$ 8,545,000	\$ 9,730,000
Series 2003 Limited Tax Improvement Bonds	2010	9,065,000	10,140,000
Series 1997 Revenue Bonds	2008	555,000	1,075,000
Series 1998 Revenue Bonds	2008	680,000	995,000
Total Defeased Bonds		<u>\$ 18,845,000</u>	<u>\$ 21,940,000</u>

**NOTE 10. 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/TRS%20Documents/cafr.pdf#search=cafr> ; 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 of the system during the fiscal year. Texas Government Code 821.006 prohibits benefit

**NOTE 10. EMPLOYEES’ RETIREMENT PLAN-continued**

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 83<sup>rd</sup> Texas Legislature amended the Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2015 and 2017.

**Contribution Rates**

	<u>2016</u>	<u>2015</u>
Member	7.20%	6.70%
Non-Employer Contributing Entity (State)	3.40%	3.40%
Employer (District)	3.40%	3.40%
FY2015 Member Contributions	\$ 3,079,714	
FY2015 District Contributions	\$ 1,820,668	
FY2015 State of Texas On-Behalf Contributions	\$ 1,380,523	

The District’s contributions to the TRS pension plan in fiscal year 2016 was \$1,896,229 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 2016 was \$1,545,179.

- 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 contributor rate in the following instances:

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

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**Actuarial Assumptions**

The total pension liability in the August 31, 2015, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
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*	3.5% to 9.5%
Payroll Growth Rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

*\*Includes Inflation of 2.5%*

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015 by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. 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 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



**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

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, 2015, are summarized on the next page:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>	<b>Expected Contribution to Long-Term Portfolio Returns*</b>
<b>Global Equity</b>			
U.S.	13.0%	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%
<b>Stable Value</b>			
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	2.0%	( 0.2%)	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.0%	90.0%	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%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	<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 2015 Comprehensive Annual Financial Report

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2015 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	\$ 34,054,613	\$ 21,734,977	\$ 11,473,487

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

At August 31, 2016, the District reported a liability of \$21,734,977 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	\$ 21,734,977
State's proportionate share that is associated with the District	15,657,455
Total	<u>\$ 37,392,432</u>

The net pension liability was measured as of August 31, 2015, 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, 2014, through August 31, 2015.

At the measurement date of August 31, 2015, the employer's proportion of the collective net pension liability was .0614874% which was a decrease of .030908% from its proportion measured as of August 31, 2014.

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

For the year ended August 31, 2016, the District recognized pension expense of \$2,230,935 and revenue of \$2,230,935 for support provided by the State. Refer to the fiscal year 2016 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

At August 31, 2016, 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	\$ 221,866	\$ 835,295
Changes in actuarial assumptions	932,508	775,409
Differences between projected and actual investment earnings	5,352,841	3,954,167
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	(11)	711,809
Contributions paid to TRS subsequent to the measurement date	1,896,229	-
Total	<u>\$ 8,403,433</u>	<u>\$ 6,276,680</u>

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>
2017	\$ (139,180)
2018	(139,180)
2019	(139,180)
2020	1,178,874
2021	(176,211)
Thereafter	(354,597)

**Optional Retirement Plan-Defined Contribution Plan**

**Plan Description**

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

**Funding Policy**

Contribution requirements are not actuarially determined, but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state

**NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**

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 \$601,091 and \$570,728 for fiscal years ended August 31, 2016 and 2015, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the District.

<u>Optional Retirement Plan Contribution Rates</u>	<u>2016</u>	<u>2015</u>
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 \$84,958,612 and \$78,628,581 for fiscal years 2016 and 2015, respectively. The total payroll of employees covered by the TRS was \$50,608,925 and \$45,965,875, and the total payroll of employees covered by the Optional Retirement Program was \$18,214,889 and \$17,294,774 for fiscal years 2016 and 2015, 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 \$13,177,049 and \$12,531,500 for the years ended August 31, 2016 and 2015, respectively.

**NOTE 11. 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	2016		2015	
	Employee Contribution	State/Employer Contribution	Employee Contribution	State/Employer Contribution
Member Only	\$ -	\$ 576.54	\$ -	\$ 537.66
Member & Spouse	330.24	906.78	307.88	845.54
Member & Child(ren)	221.12	797.66	206.14	743.80
Member & Family	551.36	1,127.90	514.02	1,051.68

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

In addition to the pension benefits described in Note 10 above, 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	2016	2015
Number of Retirees	175	171
Cost of Health Benefits for Retirees	\$1,361,462	\$1,179,277
Number of Active Full Time Employees	1,035	1,028
Cost of Health Benefits for Active Full Time Employees	\$ 8,952,789	\$ 7,953,659
State Appropriation for Health Insurance	\$ 4,149,801	\$ 3,844,607
District's Expense	\$ 6,164,450	\$ 5,288,329

**NOTE 12. 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 2016 and 2015 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>2016</u>	<u>2015</u>
Number of Participants (TSA)	323	298
403(b) Tax Sheltered Annuity (TSA) Contributions	\$ 1,567,911	\$ 1,372,653
Number of Participants (DCP)	36	38
Section 457 Deferred Compensation Plan (DCP)	\$ 278,151	\$ 286,556

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 13. DISAGGREGATION OF RECEIVABLES AND PAYABLES  
BALANCES**

Receivables at August 31 were as follows:

	2016	2015
Student loans	\$ 2,081	\$ 2,728
Federal and state receivables	702,413	1,212,590
Trade receivables	7,041,432	6,527,231
Other receivables (auxiliary)	985,404	536,459
A/R collection agency	699,194	1,215,544
Total Accounts Receivable	<u>9,430,524</u>	<u>9,494,552</u>
Less: allowance for doubtful accounts	<u>(621,141)</u>	<u>(855,169)</u>
Accounts Receivable Net of Allowance	<u>\$ 8,809,383</u>	<u>\$ 8,639,383</u>
Taxes receivable	1,164,666	1,467,089
Less: allowance for doubtful accounts	<u>(666,190)</u>	<u>(934,536)</u>
Total Taxes Receivable	<u>\$ 498,476</u>	<u>\$ 532,553</u>

An allowance for doubtful accounts estimated at \$621,141 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 9/1/2015	Addition	Collections	Adjustments	Returned to Collin College	Balance 8/31/2016
First Placement Collection Agency	\$ 424,123	\$ 171,322	\$ (58,230)	\$ (8,379)	\$ (209,379)	\$ 319,407
Second Placement Collection Agency	791,421	209,701	(31,848)	(12,462)	(577,025)	379,787
Total Student Receivables Placed with Collections	<u>1,215,544</u>	<u>381,023</u>	<u>(90,128)</u>	<u>(20,841)</u>	<u>(786,404)</u>	<u>699,194</u>
Allowance for doubtful accounts	(855,169)	(302,782)	-	(31,049)	567,859	(621,141)
Net Receivables Placed with Collections	<u>\$ 360,375</u>	<u>\$ 78,241</u>	<u>\$ (90,128)</u>	<u>\$ (51,890)</u>	<u>\$ (218,545)</u>	<u>\$ 78,053</u>

**NOTE 13. DISAGGREGATION OF RECEIVABLES AND PAYABLES  
BALANCES-continued**

Payables at August 31 were as follows:

	2016	2015
Vendors payable	\$ 2,105,927	\$ 1,871,984
Salary and benefits payable	779,882	740,682
Federal and state grants payable	86,900	604,426
Auxiliary payables	854,080	306,257
Unexpended plant payables	2,343,466	6,308,602
Student payable	678,976	635,655
Short-term bank overdraft	508,871	1,219,268
Total Accounts Payable	<u>\$ 7,358,102</u>	<u>\$ 11,686,874</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 14. 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, 2016 and 2015, were \$159 and \$106, respectively. Total estimated claims outstanding for the years ended August 31, 2016 and 2015 were \$4,465 and \$4,656, 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 2016 and 2015 were:

	Beginning of fiscal year <u>liability</u>	Claims & changes in <u>estimate</u>	Claim <u>payments</u>	End of fiscal year <u>liability</u>
2016	\$ 4,656	\$ (32)	\$ (159)	\$ 4,465
2015	4,743	19	(106)	4,656

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 15. 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,	2016	2015
Assessed Valuation of the District:	\$ 119,250,034,517	\$103,609,292,320
Less: Exemptions	(21,153,741,442)	(14,962,118,225)
Less: Abatements	<u>(367,033,471)</u>	<u>(516,920,189)</u>
Net Assessed Valuation of the District	97,729,259,604	88,130,253,906
Plus: Supplements through August 31	<u>10,436,786</u>	<u>9,861,371</u>
Adjusted Assessed Valuation	<u>\$ 97,739,696,390</u>	<u>\$ 88,140,115,277</u>

Tax rates for the years ended August 31, 2016 and 2015, are as follows:

Per \$100 valuation:	FY 2016			FY 2015		
	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	\$0.078965	\$0.002995	\$0.081960	\$0.078965	\$0.002995	\$0.081960

**NOTE 15. PROPERTY TAX-continued**

Taxes levied for the years ended August 31, 2016 and 2015, were \$82,019,258 and \$73,897,090, 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 2016			FY 2015		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$77,542,589	\$2,941,051	\$80,483,640	\$69,709,727	\$2,675,432	\$72,385,159
Delinquent Taxes Collected	1,193,619	45,271	1,238,890	787,399	31,087	818,486
Penalties & Interest collected	579,028	18,592	597,620	477,361	18,485	495,846
Total Gross Collections	<u>79,315,236</u>	<u>3,004,914</u>	<u>82,320,150</u>	<u>70,974,487</u>	<u>2,725,004</u>	<u>73,699,491</u>
Tax Appraisal and Collection Fee	(854,043)	-	(854,043)	(771,717)	(11,702)	(783,419)
Bad Debt Expense	(32,599)	1,295	(31,304)	86,009	(2,835)	83,174
Total Net Collections	<u>\$78,428,594</u>	<u>\$3,006,209</u>	<u>\$81,434,803</u>	<u>\$70,288,779</u>	<u>\$2,710,467</u>	<u>\$72,999,246</u>

Tax collections for the year ended August 31, 2016 and 2015, were 98.85% and 98.62% 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 two tax incremental financing districts (TIFs). The following table summarizes the obligations of the District's involvement in the TIFs:

TIF Title	Percentage of Incremental Tax Committed	Taxes Forgone in 2016	Taxes Forgone in 2015
City of Frisco TIF 1	100%	\$ (973,606)	\$ (908,907)
City of Plano TIF 2	50%	-	(74,126)
Total Taxes Forgone		<u>\$ (973,606)</u>	<u>\$ (983,033)</u>

**NOTE 16. 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, 2016 and 2015 were \$446,141 and \$491,695.

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,	
	2016	2015
2017	235,794	127,612
2018	146,668	119,240
2019	121,682	115,116
2020	121,682	115,116
Total	<u>\$ 625,826</u>	<u>\$ 477,084</u>

**NOTE 17. 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, 2016, 2015, and 2014 were \$716,287, \$624,306, and \$34,519, respectively which equaled the required contributions each year.

**NOTE 18. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with generally accepted accounting principles ("GAAP"). Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenses made under the provisions of the grant. Accordingly, when such funds are received in advance, they are recorded as unearned revenue until earned. Revenues recognized are presented on Exhibit 2 and Schedules A and C. Funds expended for federal and non-federal contract and grant awards, but not collected, are reported within accounts receivable on Exhibit 1 and in Note 13. 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.

	2016	2015
Federal contracts and Grant Awards	\$ 2,386,633	\$ 5,920,605
State Contracts and Grant Awards	676,666	820,065
Total	<u>\$ 3,063,299</u>	<u>\$ 6,740,670</u>

**NOTE 19. COMPONENT UNITS**

Complete financial statements of **Collin County Community College Foundation** 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 fund-raising 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 19. 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, 2015, the Foundation's carrying amount of deposits was \$753,851, which includes \$241,665 with JP Morgan Chase Bank, N.A., \$100 of petty cash and \$449,565 with Northern Trust, NA 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, 2015, the bank balance was fully insured.

As of December 31, 2014, the Foundations carrying amount of deposits was \$649,444, which includes \$289,849 with JP Morgan Chase Bank, N.A., \$100 of petty cash, \$329,432 with Northern Trust, N.A., and \$30,063 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, \$6,302 was not 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 19. COMPONENT UNIT-C. INVESTMENTS-continued**

	2015		2014	
	Cost	Fair Value	Cost	Fair Value
Marketable Debt and Equity Securities				
Northern Trust, N.A.	\$ 8,453,409	\$ 8,181,363	\$ 8,225,791	\$ 8,537,063
Concord Trust Company	2,098,549	1,941,372	2,047,190	2,022,923
	<u>10,551,958</u>	<u>10,123,335</u>	<u>10,272,981</u>	<u>10,559,986</u>
Cash Value of Life Insurance	19,097	19,089	18,111	18,044
Total Investments	<u>\$ 10,571,055</u>	<u>\$ 10,142,424</u>	<u>\$ 10,291,092</u>	<u>\$ 10,578,030</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.

	2015	2014
Reconciliation of Investment Income/(Loss)		
Interest and Dividends	\$ 299,496	\$ 319,384
Unrealized Gains/(Losses)	(708,187)	(205,341)
Realized Gains/(Losses)	146,896	108,518
Increase/Decrease in Cash Value of Life Insurance Policies- Net of Premiums	58	(110)
Investment Expenses	(22,263)	(21,932)
Gain/(Loss) on Investments	<u>\$ (284,000)</u>	<u>\$ 200,519</u>
Investment Gain/(Loss) reported in:		
Unrestricted Fund	\$ (32,162)	\$ 42,593
Temporarily Restricted Fund	(270,308)	139,153
Permanently Restricted Fund	18,470	18,773
Gain/(Loss) on Investments	<u>\$ (284,000)</u>	<u>\$ 200,519</u>

**NOTE 19. 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 19. 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>2015</u>	<u>2014</u>
Scholarships	\$ 2,289,625	\$ 2,064,050
Excellence Funds	302,680	337,632
Trust/Quasi-Endowments	2,259,034	2,177,946
Other	<u>(468,342)</u>	<u>139,750</u>
	<u>\$ 4,382,997</u>	<u>\$ 4,719,378</u>

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

Purpose	<u>2015</u>	<u>2014</u>
Scholarships	\$ 548,324	\$ 418,711
Program Enhancements	62,181	76,689
Investment Expenses	<u>19,904</u>	<u>19,313</u>
	<u>\$ 630,409</u>	<u>\$ 514,713</u>

**NOTE 19. 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>2015</u>	<u>2014</u>
Scholarships	\$ 6,247,873	\$ 6,162,718

**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>2015</u>	<u>2014</u>
Gross Pledges Receivable at December 31	\$ 271,784	\$ 256,698
Discount for Loss in Value of Money Over the Twenty Four Month Collection Period	(11,157)	(11,992)
Net Pledges Receivable at December 31	<u>\$ 260,627</u>	<u>\$ 244,706</u>

Estimated Pledge Collection by Fiscal Year:

2016	\$ 145,540
2017	35,243
2018	34,552
2019	15,397
2020	15,096
2021	14,799
	<u>\$ 260,627</u>

It is estimated that all outstanding pledges will be collected.

**NOTE 19. 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 \$274,177. 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 August 3, 2016, the date which the financial statements were available to be issued, citing no material subsequent events have occurred since the year ended December 31, 2015.

**NOTE 20. SUBSEQUENT EVENTS**

No significant subsequent events have occurred since year ending August 31, 2016 through the issuance date of this report.



Required  
Supplemental  
Information



# Required Supplemental Information Section

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

Fiscal year ending August 31,*	2016	2015
TRS net position as percentage of total pension liability	78.43%	83.25%
The District's proportionate share of collective net pension liability (%)	0.000614874	0.000645782
The District's proportionate share of collective net pension liability (\$)	\$ 21,734,977	\$ 17,249,730
Portion of nonemployer contributing entities' total proportionate share of NPL associated with the District	<u>15,657,455</u>	<u>12,568,650</u>
	<u>\$ 37,392,432</u>	<u>\$ 29,818,380</u>
District's covered payroll amount	\$ 50,608,925	\$ 45,965,875
Ratio of: ER proportionate share of collective NP_ / ER's covered payroll amount	42.9%	37.5%

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

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



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

Fiscal year ending August 31,*	2016	2015
Legally required contributions	\$ 1,896,229	\$ 1,745,156
Less: Actual contributions	<u>1,803,918</u>	<u>1,822,000</u>
Contributions deficiency (excess)	<u>\$ 92,311</u>	<u>\$ (76,844)</u>
District covered employee payroll amount	\$ 50,608,925	\$ 45,965,875
Ratio of: Actual contributions / ER covered payroll amount	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.

**NOTE 1. Changes of Assumptions**

The actuarial methods and assumptions have been selected by the Board of Trustees of the Teacher Retirement System of Texas based upon actuarial consultants' analysis and recommendations. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and were adopted in September 2015. With the exception of the post retirement mortality rates and the decrease in the assumption for general wage inflation, the changes to overall assumptions and methods had a minor impact on results. Post-Retirement Mortality rates for current and future retirees are prepared in accordance with Actuarial Standards of Practice No. 35 which advises actuaries to *"adjust mortality rates to reflect mortality improvement prior to the measurement date and to include an assumptions as to the expected mortality improvement after the measurement date."*

**Mortality Rate Assumption Changes:**

As of August 31, 2014:

Active Mortality: 1994 Group Annuity Mortality Table set back 5 years for both males and females.

Post-Retirement: Client specific tables multiplied by 80%

As of August 31, 2015:

Active Mortality: Based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2015 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using Scale BB.

**General Wage Inflation Assumption Changes:**

As of August 31, 2014:

Salary Increases: 4.25% to 7.25% including inflation

As of August 31, 2015:

Salary Increases: 3.50% to 9.50% including inflation

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# THECB Supplemental Schedules Section



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Operating Revenues  
For the year ended August 31, 2016  
(with comparative totals at August 31, 2015)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Total	
					2016	2015
<b>Tuition</b>						
State funded courses						
In-district resident tuition	\$ 12,487,724	\$ -	\$ 12,487,724	\$ -	12,487,724	\$ 11,476,714
Out-of-district resident tuition	8,219,760	-	8,219,760	-	8,219,760	8,251,562
TPEG Credit (set aside)*	1,063,796	-	1,063,796	-	1,063,796	1,044,349
Non-resident tuition	6,343,700	-	6,343,700	-	6,343,700	6,249,709
Continuing education	4,363,451	-	4,363,451	-	4,363,451	4,010,003
TPEG Non-Credit (set aside)*	279,052	-	279,052	-	279,052	253,934
Non-state funded continuing education	66,607	-	66,607	-	66,607	68,319
<b>Total tuition</b>	<b>32,824,090</b>	<b>-</b>	<b>32,824,090</b>	<b>-</b>	<b>32,824,090</b>	<b>31,354,590</b>
<b>Fees</b>						
Building fees	3,326,064	-	3,326,064	-	3,326,064	3,288,928
General fees	439,181	-	439,181	-	439,181	420,328
Student activity fee	-	-	-	554,344	554,344	548,153
Laboratory fee	413,069	-	413,069	-	413,069	421,868
<b>Total fees</b>	<b>4,178,314</b>	<b>-</b>	<b>4,178,314</b>	<b>554,344</b>	<b>4,732,658</b>	<b>4,679,277</b>
<b>Scholarship allowances and discounts</b>						
Remissions and exemptions	(955,082)	-	(955,082)	-	(955,082)	(1,020,070)
TPEG awarded	(842,430)	-	(842,430)	-	(842,430)	(299,607)
Federal grants to students	(4,848,667)	-	(4,848,667)	-	(4,848,667)	(5,930,608)
Other	(239,445)	-	(239,445)	-	(239,445)	(357,459)
<b>Total scholarship allowances</b>	<b>(6,885,624)</b>	<b>-</b>	<b>(6,885,624)</b>	<b>-</b>	<b>(6,885,624)</b>	<b>(7,607,744)</b>
<b>Total net tuition and fees</b>	<b>\$ 30,116,780</b>	<b>\$ -</b>	<b>\$ 30,116,780</b>	<b>\$ 554,344</b>	<b>\$ 30,671,124</b>	<b>\$ 28,426,123</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Operating Revenues  
For the year ended August 31, 2016 (Continued)  
(with comparative totals at August 31, 2015)**

	Unrestricted	Restricted	Total	Auxiliary Enterprises	Total	
			Educational Activities		2016	2015
Additional operating revenues						
Federal grants and contracts	\$ 141,416	\$ 2,051,180	\$ 2,192,596	\$ -	\$ 2,192,596	\$ 6,687,572
State grants and contracts	816	1,636,821	1,637,637	-	1,637,637	1,797,840
Nongovernmental grants and contracts	-	74,452	74,452	-	74,452	8,950
Sales and services of educational activities	681,057	-	681,057	-	681,057	644,103
Other operating revenues	356,464	-	356,464	-	356,464	311,361
Total additional operating revenues	<u>1,179,753</u>	<u>3,762,453</u>	<u>4,942,206</u>	<u>-</u>	<u>4,942,206</u>	<u>9,449,826</u>
Auxiliary enterprises						
Bookstore (net of discount of \$79,607 and \$357,026 respectively)	-	-	-	4,253,547	4,253,547	7,795,310
Other auxiliary enterprises	-	-	-	782,578	782,578	1,034,369
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,036,125</u>	<u>5,036,125</u>	<u>8,829,679</u>
 Total Operating Revenues	<u>\$ 31,296,533</u>	<u>\$ 3,762,453</u>	<u>\$ 35,058,986</u>	<u>\$ 5,590,469</u>	<u>\$ 40,649,455</u> (Exhibit 2)	<u>\$ 46,705,628</u> (Exhibit 2)

\* In accordance with Education Code 56.033; \$1,342,848 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, 2016**  
**(with comparative totals at August 31, 2015)**

	Operating Expenses			Total		
	Salaries and Wages	Benefits		Other Expenses	2016	2015
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 52,658,706	\$ -	\$ 6,359,249	\$ 8,359,689	\$ 67,377,644	\$ 60,833,430
Public service	90,267	-	10,901	2,039	103,207	111,679
Academic support	7,578,048	-	915,152	1,481,508	9,974,708	8,720,868
Student services	8,664,364	-	1,046,339	984,107	10,694,810	9,570,115
Institutional support	11,160,601	-	1,347,793	6,486,250	18,994,644	18,182,239
Operation and maintenance of plant	2,481,767	-	528,896	8,655,549	11,666,212	10,388,845
Total unrestricted educational activities	82,633,753	-	10,208,330	25,969,142	118,811,225	107,807,176
Restricted - educational activities						
Instruction	40,982	4,586,960	13,084	25,996	4,667,022	3,745,247
Public service	390,519	7,862	91,938	666,952	1,157,271	646,615
Academic support	523,290	660,104	102,861	647,770	1,934,025	6,764,648
Student services	181,303	754,729	17,830	226,554	1,180,416	860,359
Institutional support	-	972,172	-	-	972,172	758,162
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships	-	-	-	16,342,810	16,342,810	19,417,452
Total restricted educational activities	1,136,094	6,981,827	225,713	17,910,082	26,253,716	32,192,483
Total educational activities	83,769,847	6,981,827	10,434,043	43,879,224	145,064,941	139,999,659
Auxiliary enterprises	1,188,765	-	259,027	4,965,652	6,413,444	9,548,337
Depreciation expense - buildings and other real estate improvements	-	-	-	5,936,231	5,936,231	5,524,482
Depreciation expense - equipment and furniture	-	-	-	2,456,399	2,456,399	2,187,468
Total operating expenses	\$ 84,958,612	\$ 6,981,827	\$ 10,693,070	\$ 57,237,506	\$ 159,871,015	\$ 157,259,946

(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, 2016**  
**(with comparative totals at August 31, 2015)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary enterprises</u>	<u>Totals 2016</u>	<u>Totals 2015</u>
Non-operating revenues:					
State appropriations					
Education and general state support	\$ 33,685,576	\$ -	\$ -	\$ 33,685,576	\$ 33,136,075
State group insurance	-	4,149,801	-	4,149,801	3,844,607
State retirement matching	-	2,832,026	-	2,832,026	1,732,676
Total state appropriations	<u>33,685,576</u>	<u>6,981,827</u>	-	<u>40,567,403</u>	<u>38,713,358</u>
Ac valorem taxes	30,461,197	-	-	80,461,197	72,016,212
Federal contracts and grants	215,634	19,830,968	-	20,046,602	23,834,018
Gifts	1,650	-	-	1,650	62,538
Investment income (net of investment expenses)	803,614	-	-	303,614	212,730
Other non-operating revenues	<u>198,500</u>	-	-	<u>198,500</u>	<u>198,500</u>
Total non-operating revenues	<u>115,366,171</u>	<u>26,812,795</u>	-	<u>142,178,966</u>	<u>135,037,356</u>
non-operating expenses:					
Interest on capital related debt	-	(1,223,125)	-	(1,223,125)	(1,525,612)
Other non-operating expenses	-	-	-	-	-
Total non-operating expenses	-	<u>(1,223,125)</u>	-	<u>(1,223,125)</u>	<u>(1,525,612)</u>
Net non-operating revenues	<u>\$ 115,366,171</u>	<u>\$ 25,589,670</u>	<u>\$ -</u>	<u>\$ 140,955,841</u>	<u>\$ 133,511,744</u>
				<small>(Exhibit 2)</small>	<small>(Exhibit 2)</small>

See accompanying independent auditors' report.

## COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Source and Availability**  
**As of August 31, 2016**  
**(with comparative totals at August 31, 2015)**

	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	\$ 45,235,176	\$ -	\$ -	\$ -	\$ 45,235,176	\$ 45,235,176	\$ -
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	7,134,773	-	-	-	7,134,773	7,134,773	-
Prepaid expenses	953,149	-	-	-	953,149	953,149	-
Restricted:							
Student aid/non-governmental grants and contracts	-	952,708	-	-	952,708	-	952,708
Auxiliary enterprises	4,670,398	-	-	-	4,670,398	4,670,398	-
Loans	-	21,707	-	-	21,707	-	21,707
Plant:							
Unexpended	99,553,152	-	-	-	99,553,152	-	99,153,152
Debt service	-	656,495	-	-	656,495	-	656,495
Investment in plant	-	-	-	271,788,069	271,788,069	-	271,788,069
Total net position - August 31, 2016	212,396,648	1,630,910	-	271,788,069	485,815,627 (Exhibit 1)	57,993,496	427,422,131
Total net position - August 31, 2015	210,788,781	965,347	-	252,327,218	464,081,346 (Exhibit 1)	52,009,474	412,071,872
Net increase in net position	\$ 1,607,867	\$ 665,563	\$ -	\$ 19,460,851	\$ 21,734,281 (Exhibit 2)	\$ 5,984,022	\$ 15,350,259

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, 2016 and August 31, 2015, the minimum required unrestricted fund balance was \$36,453,413 and \$32,686,314, respectively. This amount is included as part of the undesignated balance.

See accompanying independent auditors' report.



# Statistical Section

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# **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 107-111

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 112-118

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

Debt Capacity- Statistical Supplements 9-11, pages 120-125

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 126-127

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 128-134

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

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Statistical Supplement 1**

**Net Position by Component  
Fiscal Years 2007 to 2016  
(unaudited)**

**For the Fiscal Year Ended August 31,**

	(a) Restated				
	2016	2015	2014	2013	2012
Net investment in capital assets	\$ 271,768,069	\$ 252,327,218	\$ 222,287,496	\$ 216,482,469	\$ 209,933,352
Restricted - expendable	1,630,910	965,347	2,704,038	3,941,734	3,402,218
Unrestricted	212,396,648	210,788,781	235,676,401	218,899,001	204,578,278
Total Net Position	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</u>	<u>\$ 460,667,935</u>	<u>\$ 439,323,204</u>	<u>\$ 418,013,848</u>
Total Change in Net Position	<u>\$ 21,734,281</u>	<u>\$ 3,413,411</u>	<u>\$ 21,344,731</u>	<u>\$ 21,309,356</u>	<u>\$ 25,141,044</u>

**For the Fiscal Year Ended August 31,**

	For the Fiscal Year Ended August 31,				
	2011	2010	2009	2008	2007
Net investment in capital assets	\$ 188,707,425	\$ 170,630,995	\$ 154,294,591	\$ 108,769,751	\$ 85,151,890
Restricted - expendable	3,511,310	3,285,217	3,111,119	2,878,393	5,245,704
Unrestricted	200,654,069	195,298,234	183,091,871	197,414,131	182,087,163
Total Net Position	<u>\$ 392,872,804</u>	<u>\$ 369,214,446</u>	<u>\$ 340,497,581</u>	<u>\$ 309,062,275</u>	<u>\$ 272,484,757</u>
Total Change in Net Position	<u>\$ 23,653,358</u>	<u>\$ 28,716,865</u>	<u>\$ 31,435,306</u>	<u>\$ 36,577,518</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 2007 to 2016  
(unaudited)**

**For the Fiscal Year Ended August 31,**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Tuition and Fees (Net of Discounts)	\$ 30,671,124	\$ 28,426,123	\$ 27,967,481	\$ 26,569,192	\$ 23,740,042
Governmental Grants and Contracts					
Federal Grants and Contracts	2,192,596	6,687,572	7,229,621	6,067,520	2,087,054
State Grants and Contracts	1,637,637	1,797,840	964,194	628,453	807,249
Non-Governmental Grants and Contracts	74,452	8,950	13,320	-	6,939
Sales & Services of Educational Activities	681,057	644,103	550,913	426,387	364,115
Auxiliary Enterprises	5,036,125	8,829,679	9,240,358	9,617,775	10,023,129
Other Operating Revenues	356,464	311,361	350,264	406,538	338,787
<b>Total Operating Revenues</b>	<b>40,649,455</b>	<b>46,705,628</b>	<b>46,316,151</b>	<b>43,715,865</b>	<b>37,367,315</b>
State Appropriations	40,667,403	38,713,358	38,457,174	35,504,958	34,416,713
Ad Valorem Taxes	80,461,197	72,016,212	66,978,476	65,149,280	63,326,803
Federal Grants and Contracts	20,046,602	23,834,018	24,431,878	25,332,176	27,115,496
Gifts	1,650	62,538	31,200	49,005	6,798
Investment Income	803,614	212,730	113,223	238,855	239,901
Other Non-Operating Revenues	198,500	198,500	200,000	200,000	543,862
<b>Total Non-Operating Revenues</b>	<b>142,178,966</b>	<b>135,037,356</b>	<b>130,211,951</b>	<b>126,474,274</b>	<b>125,649,573</b>
<b>Total Revenues</b>	<b>\$ 182,828,421</b>	<b>\$ 181,742,984</b>	<b>\$ 176,528,102</b>	<b>\$ 170,190,139</b>	<b>\$ 163,016,888</b>

**For the Fiscal Year Ended August 31,**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Tuition and Fees (Net of Discounts)	16.79%	15.65%	15.84%	15.61%	14.56%
Governmental Grants and Contracts					
Federal Grants and Contracts	1.20%	3.68%	4.10%	3.57%	1.28%
State Grants and Contracts	0.90%	0.99%	0.55%	0.37%	0.50%
Non-Governmental Grants and Contracts	0.04%	0.00%	0.01%	0.00%	0.00%
Sales & Services of Educational Activities	0.37%	0.35%	0.31%	0.25%	0.22%
Auxiliary Enterprises	2.75%	4.86%	5.23%	5.65%	6.15%
Other Operating Revenues	0.19%	0.17%	0.20%	0.24%	0.21%
<b>Total Operating Revenues</b>	<b>22.24%</b>	<b>25.70%</b>	<b>26.24%</b>	<b>25.69%</b>	<b>22.92%</b>
State Appropriations	22.24%	21.30%	21.79%	20.86%	21.11%
Ad Valorem Taxes	44.01%	39.63%	37.94%	38.28%	38.86%
Federal Grants and Contracts	10.96%	13.11%	13.84%	14.88%	16.63%
Gifts	0.00%	0.03%	0.02%	0.03%	0.00%
Investment Income	0.44%	0.12%	0.06%	0.14%	0.15%
Other Non-Operating Revenues	0.11%	0.11%	0.11%	0.12%	0.33%
<b>Total Non-Operating Revenues</b>	<b>77.76%</b>	<b>74.30%</b>	<b>73.76%</b>	<b>74.31%</b>	<b>77.08%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Revenues by Source  
Fiscal Years 2007 to 2016  
(unaudited)**

**For the Fiscal Year Ended August 31,**

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Tuition and Fees (Net of Discounts)	\$ 24,395,778	\$ 24,934,426	\$ 22,498,442	\$ 19,489,224	\$ 18,277,273
Governmental Grants and Contracts					
Federal Grants and Contracts	1,204,670	1,676,112	1,066,775	873,556	1,072,664
State Grants and Contracts	1,670,765	1,434,709	943,864	687,929	389,576
Non-Governmental Grants and Contracts	4,817	12,593	9,240	23,991	11,862
Sales & Services of Educational Activities	379,225	352,891	313,790	302,878	274,927
Auxiliary Enterprises	10,131,837	9,417,923	8,403,605	7,683,019	8,355,599
Other Operating Revenues	209,032	159,378	93,012	214,742	235,532
<b>Total Operating Revenues</b>	<b>37,996,132</b>	<b>37,988,032</b>	<b>33,328,728</b>	<b>29,275,339</b>	<b>28,617,433</b>
State Appropriations	36,545,683	35,806,088	34,736,692	34,531,169	30,348,597
Ad Valorem Taxes	61,837,754	62,548,821	62,453,402	59,342,814	54,007,568
Federal Grants and Contracts	23,786,051	17,158,787	8,071,608	5,969,004	5,109,697
Gifts	-	2,675,000	2,904,466	75,503	324,320
Investment Income	289,044	403,036	2,412,354	7,255,898	10,034,876
Other Non-Operating Revenues	341,504	248,680	191,463	165,902	7,560,259
<b>Total Non-Operating Revenues</b>	<b>122,800,032</b>	<b>113,840,412</b>	<b>111,769,985</b>	<b>107,343,290</b>	<b>107,385,317</b>
<b>Total Revenues</b>	<b>\$ 160,796,164</b>	<b>\$ 157,828,444</b>	<b>\$ 144,098,713</b>	<b>\$ 136,615,629</b>	<b>\$ 136,002,750</b>

**For the Fiscal Year Ended August 31,**

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Tuition and Fees (Net of Discounts)	15.17%	15.80%	15.61%	14.27%	13.44%
Governmental Grants and Contracts					
Federal Grants and Contracts	0.75%	1.06%	0.74%	0.64%	0.79%
State Grants and Contracts	1.04%	0.91%	0.66%	0.50%	0.29%
Non-Governmental Grants and Contracts	0.00%	0.01%	0.01%	0.02%	0.01%
Sales & Services of Educational Activities	0.24%	0.22%	0.22%	0.22%	0.20%
Auxiliary Enterprises	6.30%	5.97%	5.83%	5.62%	6.14%
Other Operating Revenues	0.13%	0.10%	0.06%	0.16%	0.17%
<b>Total Operating Revenues</b>	<b>23.63%</b>	<b>24.07%</b>	<b>23.13%</b>	<b>21.43%</b>	<b>21.04%</b>
State Appropriations	22.73%	23.32%	24.11%	25.28%	22.31%
Ad Valorem Taxes	38.46%	39.63%	43.34%	43.43%	39.71%
Federal Grants and Contracts	14.79%	10.87%	5.60%	4.37%	3.76%
Gifts	0.00%	1.69%	2.02%	0.06%	0.24%
Investment Income	0.18%	0.26%	1.67%	5.31%	7.38%
Other Non-Operating Revenues	0.21%	0.16%	0.13%	0.12%	5.56%
<b>Total Non-Operating Revenues</b>	<b>76.37%</b>	<b>75.93%</b>	<b>76.87%</b>	<b>78.57%</b>	<b>78.96%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Program Expenses by Function  
Fiscal Years 2007 to 2016  
(unaudited)**

**For the Fiscal Year Ended August 31,**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Instruction	\$ 72,044,666	\$ 64,578,677	\$ 58,718,787	\$ 56,679,653	\$ 52,319,020
Public Service	1,260,478	758,294	556,778	560,542	561,438
Academic Support	11,908,733	15,485,516	15,605,938	14,847,063	10,193,826
Student Services	11,875,226	10,430,474	9,716,643	8,941,731	8,374,056
Institutional Support	19,966,816	18,940,401	15,469,145	14,401,055	13,664,780
Operation and Maintenance of Plant	11,666,212	10,388,845	13,274,011	13,557,062	11,802,975
Scholarships and Fellowships	16,342,810	19,417,452	20,149,733	20,731,109	22,207,900
Auxiliary Enterprises	6,413,444	9,548,337	10,899,311	10,048,826	10,032,534
Depreciation	8,392,630	7,711,950	7,544,508	7,315,549	6,790,160
<b>Total Operating Expenses</b>	<b>159,871,015</b>	<b>157,259,946</b>	<b>151,934,854</b>	<b>147,082,590</b>	<b>135,946,689</b>
Interest on Capital Related Debt	1,223,125	1,525,612	1,664,760	1,797,093	1,929,155
Other Non-operating Expenses	-	-	1,583,757	1,100	-
Loss on Disposal of Fixed Assets	-	-	-	-	-
<b>Total Non-Operating Expenses</b>	<b>1,223,125</b>	<b>1,525,612</b>	<b>3,248,517</b>	<b>1,798,193</b>	<b>1,929,155</b>
<b>Total Expenses</b>	<b>\$ 161,094,140</b>	<b>\$ 158,785,558</b>	<b>\$ 155,183,371</b>	<b>\$ 148,880,783</b>	<b>\$ 137,875,844</b>

**For the Fiscal Year Ended August 31,**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Instruction	44.73%	40.67%	37.85%	38.07%	37.95%
Public Service	0.78%	0.48%	0.36%	0.38%	0.41%
Academic Support	7.39%	9.75%	10.06%	9.97%	7.39%
Student Services	7.37%	6.57%	6.26%	6.01%	6.07%
Institutional Support	12.40%	11.93%	9.97%	9.67%	9.91%
Operation and Maintenance of Plant	7.24%	6.54%	8.55%	9.11%	8.56%
Scholarships and Fellowships	10.14%	12.23%	12.98%	13.92%	16.11%
Auxiliary Enterprises	3.98%	6.01%	7.02%	6.75%	7.28%
Depreciation	5.21%	4.86%	4.86%	4.91%	4.92%
<b>Total Operating Expenses</b>	<b>99.24%</b>	<b>99.04%</b>	<b>97.91%</b>	<b>98.79%</b>	<b>98.60%</b>
Interest on Capital Related Debt	0.76%	0.96%	1.07%	1.21%	1.40%
Quasi-Endowment Distribution	0.00%	0.00%	1.02%	0.00%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Non-Operating Expenses</b>	<b>0.76%</b>	<b>0.96%</b>	<b>2.09%</b>	<b>1.21%</b>	<b>1.40%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Program Expenses by Function**  
**Fiscal Years 2007 to 2016**  
**(unaudited)**

For the Fiscal Year Ended August 31,

	2011	2010	2009	2008	2007
Instruction	\$ 54,534,791	\$ 51,489,934	\$ 48,239,642	\$ 42,794,701	\$ 39,935,069
Public Service	888,626	493,288	502,870	454,130	621,999
Academic Support	9,542,089	9,398,653	10,968,150	8,453,432	7,664,703
Student Services	8,640,882	8,754,737	8,164,472	7,842,678	7,123,789
Institutional Support	13,455,591	12,738,632	11,402,452	11,146,898	10,753,717
Operation and Maintenance of Plant	11,415,758	12,844,813	9,799,019	9,526,095	8,531,481
Scholarships and Fellowships	19,943,709	15,152,414	5,839,746	4,226,017	3,298,728
Auxiliary Enterprises	10,124,598	9,448,349	8,687,861	8,008,239	8,343,012
Depreciation	6,737,301	6,404,053	5,614,898	5,066,598	4,292,962
<b>Total Operating Expenses</b>	<b>135,283,345</b>	<b>126,724,873</b>	<b>113,219,110</b>	<b>97,518,788</b>	<b>90,565,460</b>
Interest on Capital Related Debt	1,854,465	2,386,706	2,444,297	2,519,323	2,805,393
Other Non-operating Expenses	-	-	-	-	-
Loss on Disposal of Fixed Assets	-	1,125	8,537	-	-
<b>Total Non-Operating Expenses</b>	<b>1,854,465</b>	<b>2,387,831</b>	<b>2,452,834</b>	<b>2,519,323</b>	<b>2,805,393</b>
<b>Total Expenses</b>	<b>\$ 137,137,810</b>	<b>\$ 129,112,704</b>	<b>\$ 112,671,944</b>	<b>\$ 100,038,111</b>	<b>\$ 93,370,853</b>

For the Fiscal Year Ended August 31,

	2011	2010	2009	2008	2007
Instruction	39.78%	39.87%	42.81%	42.79%	42.76%
Public Service	0.65%	0.38%	0.45%	0.45%	0.67%
Academic Support	6.96%	7.28%	9.73%	8.45%	8.21%
Student Services	6.30%	6.78%	7.25%	7.84%	7.63%
Institutional Support	9.81%	9.87%	10.12%	11.14%	11.52%
Operation and Maintenance of Plant	8.32%	9.95%	8.70%	9.52%	9.14%
Scholarships and Fellowships	14.54%	11.74%	6.07%	4.22%	3.53%
Auxiliary Enterprises	7.38%	7.32%	7.71%	8.01%	8.94%
Depreciation	4.91%	4.96%	4.98%	5.06%	4.60%
<b>Total Operating Expenses</b>	<b>98.65%</b>	<b>98.15%</b>	<b>97.82%</b>	<b>97.48%</b>	<b>97.00%</b>
Interest on Capital Related Debt	1.35%	1.85%	2.17%	2.52%	3.00%
Quasi-Endowment Distribution	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.00%	0.01%	0.00%	0.00%
<b>Total Non-Operating Expenses</b>	<b>1.35%</b>	<b>1.85%</b>	<b>2.18%</b>	<b>2.52%</b>	<b>3.00%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**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		Increase from Prior Year	
			In-District	Out-of-District			In-District	Out-of-District	In-District	Out-of-District
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%
2006	2	2	27	35	9	1	448	544	0.0%	4.6%

**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		Increase from Prior Year	
			Out of State	International			In-District	Out-of-District	In-District	Out-of-District
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%
2006	2	2	86	86	9	1	1,156	1,156	6.6%	6.6%

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)
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
2006-07	72,611,550,902	10,599,692,156	62,011,858,746	85.40%	0.080000	0.007683	0.087683

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 Appropriation	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	
2015-16	\$ 40,667,403	16,938	\$ 2,401	9,555,750	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
2006-07	30,348,597	12,960	2,342	6,804,144	1,479,300	8,283,444	3.66

(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				
		2016	2015	2014	2013	2012
AT&T Mobility LLC	Telephone Utility	\$ 161,911,224	\$ 180,969,477	\$ 175,236,979	\$ 137,198,694	\$ 150,721,071
Bank of America	Commercial	438,945,810	386,940,331	320,720,305	321,486,177	132,676,129
BCS Office Investments One LP	Commercial	362,453,234	329,153,747			
Briar Preston R.dge Shop. Ctr.	Commercial	121,936,281	121,815,390	121,741,860		118,250,000
Capital One National Association	Commercial	149,429,000	147,883,770	142,606,357		
Cisco Systems	Commercial		163,176,492	159,890,798	163,098,708	171,484,217
Cisco Systems Sales & Service Inc	Commercial	135,112,776	122,829,796	115,958,112		
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	234,520,075	234,520,075	211,520,075	209,172,377	208,172,377
HP Enterprise Services LLC	Commercial	151,351,731	146,470,263			
HSP of Texas Inc	Commercial	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	165,336,336	161,355,729	164,974,971	163,195,767
KBSIII Legacy Town Center LLC	Commercial			113,067,926		
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial	133,735,904	139,950,145	126,045,001		152,500,000
Oncor/TXU/Lore Star Gas	Public Utility	543,516,118	541,253,300	519,537,661	495,218,356	461,211,196
Qorvo Texas LLC	Manufacturer	190,075,709				
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	287,982,811	276,304,342	260,753,175	239,971,384	232,137,734
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial	146,000,000	125,500,000	112,001,268		
United Dominion Realty LP	Commercial	122,947,560				
Village at Allen LP	Commercial	147,302,454	144,273,092	144,127,995	142,468,550	136,534,873
Wal-Mart Stores Texas LLC	Commercial		139,644,508	125,878,773		
Watters Creek .LC	Commercial	117,750,824				
Willow Bend Shopping Center	Commercial	140,600,000	200,800,000	142,581,631		
<b>Totals</b>		<b>3,895,213,160</b>	<b>3,833,527,209</b>	<b>3,320,702,066</b>	<b>2,143,887,579</b>	<b>1,926,883,364</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 97,729,259,604</b>	<b>\$ 88,130,253,306</b>	<b>\$ 80,470,937,890</b>	<b>\$ 75,781,388,098</b>	<b>\$ 73,592,994,694</b>

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2016	2015	2014	2013	2012
AT&T Mobility LLC	Telephone Utility	0.18%	0.21%	0.22%	0.18%	0.20%
Bank of America	Commercial	0.50%	0.44%	0.40%	0.42%	0.18%
BCS Office Investments One LP	Commercial	0.41%	0.37%			
Briar Preston R.dge Shop. Ctr.	Commercial	0.14%	0.14%	0.15%		0.16%
Capital One National Association	Commercial	0.17%	0.17%	0.18%		
Cisco Systems	Commercial		0.19%	0.20%	0.22%	0.23%
Cisco Systems Sales & Service Inc	Commercial	0.15%	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	0.27%	0.27%	0.26%	0.28%	0.28%
HP Enterprise Services LLC	Commercial	0.17%	0.17%			
HSP of Texas Inc	Commercial	0.16%	0.16%	0.14%		
IBM Credit	Commercial			0.14%	0.18%	
JC Penney Co. Inc.	Commercial	0.19%	0.19%	0.20%	0.22%	0.22%
KBSIII Legacy Town Center LLC	Commercial			0.14%		
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial	0.15%	0.16%	0.16%		0.21%
Oncor/TXU/Lore Star Gas	Public Utility	0.62%	0.61%	0.65%	0.65%	0.63%
Qorvo Texas LLC	Manufacturer	0.22%				
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	0.33%	0.31%	0.32%	0.32%	0.32%
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial	0.17%	0.14%	0.14%		
United Dominion Realty LP	Commercial	0.14%				
Village at Allen LP	Commercial	0.17%	0.16%	0.18%	0.19%	0.19%
Wal-Mart Stores Texas LLC	Commercial		0.16%	0.16%		
Watters Creek .LC	Commercial	0.13%				
Willow Bend Shopping Center	Commercial	0.16%	0.23%	0.18%		
<b>Totals</b>		<b>4.42%</b>	<b>4.35%</b>	<b>4.13%</b>	<b>2.83%</b>	<b>2.62%</b>

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				
		2011	2010	2009	2008	2007
AT&T Mobility LLC	Telephone Utility		\$ 132,990,356	\$ 107,715,878		
Bank of America	Commercial	141,863,601				
BCS Office Investments One LP	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial	116,000,000	125,000,000	126,355,751	124,500,000	121,547,370
Capital One National Association	Commercial					
Cisco Systems	Commercial					
Cisco Systems Sales & Service Inc	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			134,319,916	140,996,529	138,310,883
EMC Corp	Commercial	126,362,835				
General Telephone of the SW	Telephone Utility				108,684,240	
Health Care Service Corporation	Commercial	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	159,971,610	161,877,423	166,407,858	171,255,476	169,035,192
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial		237,172,377			
Legacy Campus LP	Commercial	148,990,000				100,000,000
Oncor/TXU/Lone Star Gas	Public Utility	451,374,380	439,174,980	449,097,946	465,330,568	444,233,857
Qorvo Texas LLC	Manufacturer					
Southwestern Bell/SBC	Telephone Utility			117,082,347	131,758,930	142,582,790
Stonebriar Mall Ltd. Partnership	Commercial	226,514,276	221,706,370	221,339,975	221,339,975	209,537,242
Tenet Frisco LTD	Commercial					98,758,617
Texas Instruments, Inc	Manufacturer					99,132,100
T5@Dallas LLC	Commercial					
United Dominion Realty LP	Commercial				113,285,714	
Village at Allen LP	Commercial	139,937,198	113,881,870			
Wal-Mart Stores Texas LLC	Commercial					
Watters Creek LLC	Commercial					
Willow Bend Shopping Center	Commercial					
<b>Totals</b>		<b>1,883,245,229</b>	<b>1,781,474,414</b>	<b>1,692,134,340</b>	<b>1,715,823,747</b>	<b>1,650,138,051</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 73,187,370,452</b>	<b>\$ 72,804,521,749</b>	<b>\$ 72,113,179,950</b>	<b>\$ 68,715,640,383</b>	<b>\$ 62,011,858,746</b>

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2011	2010	2009	2008	2007
AT&T Mobility LLC	Telephone Utility		0.18%	0.15%		
Bank of America	Commercial	0.19%				
BCS Office Investments One LP	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial	0.16%	0.17%	0.18%	0.18%	0.20%
Capital One National Association	Commercial					
Cisco Systems	Commercial					
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%	0.22%
EMC Corp	Commercial	0.17%				
General Telephone of the SW	Telephone Utility				0.16%	
Health Care Service Corporation	Commercial	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%	0.23%	0.25%	0.27%
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial		0.33%			
Legacy Campus LP	Commercial	0.20%				0.16%
Oncor/TXU/Lone Star Gas	Public Utility	0.62%	0.60%	0.62%	0.68%	0.72%
Qorvo Texas LLC	Manufacturer					
Southwestern Bell/SBC	Telephone Utility			0.16%	0.19%	0.23%
Stonebriar Mall Ltd. Partnership	Commercial	0.31%	0.30%	0.31%	0.32%	0.34%
Tenet Frisco LTD	Commercial					0.16%
Texas Instruments, Inc	Manufacturer					0.16%
T5@Dallas LLC	Commercial					
United Dominion Realty LP	Commercial				0.16%	
Village at Allen LP	Commercial	0.19%	0.16%			
Wal-Mart Stores Texas LLC	Commercial					
Willow Bend Shopping Center	Commercial		0.15%	0.16%	0.19%	0.20%
<b>Totals</b>		<b>2.57%</b>	<b>2.45%</b>	<b>2.36%</b>	<b>2.49%</b>	<b>2.66%</b>

**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
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%
2007	54,846	305	55,151	54,108	98.11%	953	400	55,461	100.56%

Source:

- (a) As reported in notes to the financial statement for the year of the levy.
- (b) As of August 31st of the current reporting year.
- (c) Property tax only - does not include penalties and interest.
- (d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.
- (e) Represents current year collections of prior years levies.

Total Collections = C + D + E

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

	For the Year Ended August 31,				
	2016	2015	2014	2013	2012
<b>General Bonded Debt</b>					
General Obligation Bonds	\$ 17,206,467	\$ 31,787,200	\$ 34,805,723	\$ 37,694,245	\$ 40,467,768
Less: Funds restricted for debt service	(552,079)	(364,843)	-	(3,755,162)	(3,375,209)
Net General Bonded Debt	<u>16,654,388</u>	<u>31,422,357</u>	<u>34,805,723</u>	<u>33,939,083</u>	<u>37,092,559</u>
<b>Other Debt</b>					
Revenue Bonds	2,160,000	3,195,000	4,195,000	5,165,000	6,111,000
Less: Funds restricted for debt service	-	-	-	-	-
Net Revenue Bonds	<u>2,160,000</u>	<u>3,195,000</u>	<u>4,195,000</u>	<u>5,165,000</u>	<u>6,111,000</u>
Total Outstanding Debt	<u>\$ 18,814,388</u>	<u>\$ 34,617,357</u>	<u>\$ 39,000,723</u>	<u>\$ 39,104,083</u>	<u>\$ 43,203,559</u>
<b>General Bonded Debt Ratios</b>					
Per Capita	18.22	35.50	40.72	40.66	46.11
Per FTSE	983	1,832	1,937	1,885	2,123
As a percentage of Taxable Assessed Value	0.02%	0.04%	0.04%	0.04%	0.05%
<b>Total Outstanding Debt Ratios</b>					
Per Capita	21.19	39.52	45.63	51.35	57.91
Per FTSE	1,111	2,018	2,170	2,172	2,473
As a percentage of Taxable Assessed Value	0.02%	0.04%	0.05%	0.05%	0.06%

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

	For the Year Ended August 31,				
	2011	2010	2009	2008	2007
<b>General Bonded Debt</b>					
General Obligation Bonds	\$ 43,111,290	\$ 45,980,000	\$ 48,345,000	\$ 50,595,000	\$ 52,745,000
Less: Funds restricted for debt service	(3,009,581)	(2,880,577)	(2,686,501)	(2,324,904)	(1,962,274)
Net General Bonded Debt	<u>40,101,709</u>	<u>43,099,423</u>	<u>45,658,499</u>	<u>48,270,096</u>	<u>50,782,726</u>
<b>Other Debt</b>					
Revenue Bonds	7,025,000	7,915,000	8,775,000	9,610,000	13,511,860
Less: Funds restricted for debt service	-	-	-	-	(2,826,857)
Net Revenue Bonds	<u>7,025,000</u>	<u>7,915,000</u>	<u>8,775,000</u>	<u>9,610,000</u>	<u>10,685,003</u>
Total Outstanding Debt	<u>\$ 47,126,709</u>	<u>\$ 51,014,423</u>	<u>\$ 54,433,499</u>	<u>\$ 57,880,096</u>	<u>\$ 61,467,729</u>
<b>General Bonded Debt Ratios</b>					
Per Capita	50.62	54.66	59.72	64.53	\$ 70.05
Per FTSE	2,271	2,514	3,096	3,513	\$ 3,918
As a percentage of Taxable Assessed Value	0.05%	0.06%	0.36%	0.07%	0.08%
<b>Total Outstanding Debt Ratios</b>					
Per Capita	63.29	68.35	74.72	80.48	91.40
Per FTSE	2,668	2,976	3,691	4,212	4,743
As a percentage of Taxable Assessed Value	0.06%	0.07%	0.38%	0.08%	0.10%

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

	For the Year Ended August 31				
	2016	2015	2014	2013	2012
Taxable Assessed Value	\$ 97,729,259,604	\$ 88,130,253,906	\$ 80,470,937,890	\$ 75,781,388,098	\$ 73,592,994,694
<b>General Obligations</b>					
Statutory Tax Levy/Limit for Debt Service	\$11,727,511,152	\$10,575,630,469	\$9,656,512,547	\$9,093,766,572	\$8,831,159,363
Less: Funds Restricted for Repayment of General Obligations	552,079	364,843	2,063,560	3,755,162	3,375,209
Total Net General Obligation Debt	11,726,959,073	10,575,265,626	9,654,448,987	9,090,011,410	8,827,784,154
Less: Current Year Debt Service Requirements	4,567,230	4,470,731	4,447,626	4,381,998	4,356,365
Excess Statutory Limit for Debt Service Over Current Requirements	\$ 11,722,391,843	\$ 10,570,794,895	\$ 9,650,001,361	\$ 9,085,629,412	\$ 8,823,427,789
Net Current Requirements as a % of Statutory Limit	0.04%	0.05%	0.07%	0.09%	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.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

	For the Year Ended August 31				
	2011	2010	2009	2008	2007
Taxable Assessed Value	\$ 73,187,370,452	\$ 72,804,521,749	\$ 72,113,179,950	\$ 68,715,640,383	\$ 62,011,858,746
<b>General Obligations</b>					
Statutory/Tax Levy/Limit for Debt Service	\$8,782,484,454	\$8,736,542,610	\$8,653,581,594	\$8,245,876,846	\$7,441,423,050
Less: Funds Restricted for Repayment of General Obligations	3,009,581	2,880,577	2,686,501	2,324,904	1,962,276
Total Net General Obligation Debt	8,779,474,873	8,733,662,033	8,650,895,093	8,243,551,942	7,439,460,774
Less: Current Year Debt Service Requirements Excess Statutory Limit for Debt Service Over Current Requirements	6,023,225	5,617,732	5,529,297	6,282,577	4,421,635
	\$ 8,773,451,648	\$ 8,728,044,301	\$ 8,645,365,796	\$ 8,237,269,365	\$ 7,435,039,139
Net Current Requirements as a % of Statutory Limit	0.10%	0.10%	0.09%	0.10%	0.09%



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

**Revenue Bonds**

<b>Fiscal Year Ended August 31</b>	<b>Pledged Revenues</b>			
	<b>Tuition</b>	<b>Building Fees</b>	<b>Interest Income</b>	<b>Food Services</b>
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	4,019,955	2,412,354	67,102
2008	731,213	3,721,857	7,255,898	95,073
2007	683,775	3,472,753	10,034,876	109,013

**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>
\$ 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
7,192,529	21,492,956		800,000	688,709	1,488,709	14.44

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

<b>Fiscal Year</b>	<b>District Population<sup>1</sup></b>	<b>District Personal Income (\$ in thousands)<sup>2</sup></b>	<b>District Personal Income Per Capita</b>	<b>District Unemployment Rate<sup>3</sup></b>
2016	914,127	N/A*	N/A*	3.8%
2015	885,241	N/A*	N/A*	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%
2007	724,900	35,116,000	48,443	3.6%

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.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

Employer	2016		2007	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Plano Independent School District	6,854	1.48%	-	0.00%
Frisco ISD	6,492	1.40%	-	0.00%
Capital One Finance	5,500	1.19%	1,400	0.38%
Bank of America Home Loans (formerly Countrywide)	3,400	0.74%	9,262	2.48%
Hewlett Packard Enterprise (HP)	3,250	0.70%	1,000	0.27%
Ericsson Headquarters	3,020	0.65%	-	0.00%
McKinney ISD	2,756	0.60%	-	0.00%
University of Texas at Dallas	2,674	0.58%	3,058	0.82%
Collin County Community College District	2,635	0.57%	1,869	0.50%
Raytheon	2,607	0.56%	2,850	0.76%
J.C. Penny Company, Inc.	2,420	0.52%	4,300	1.15%
Allen ISD	2,391	0.52%	-	0.00%
Dell Services	2,250	0.49%	-	0.00%
City of Plano	2,111	0.46%	1,256	0.34%
Texas Health Presbyterian Hospital Plano	1,680	0.36%	1,497	0.40%
Collin County	1,659	0.36%	-	0.00%
Medical Center of Plano (HCA Medical Ctr)	1,600	0.35%	1,491	0.40%
Electronic Data Systems Corp (purchased by HP in 2008)	-	0.00%	5,700	1.53%
University of Texas at Dallas	-	0.00%	3,058	0.82%
Perot Systems Corporated	-	0.00%	2,732	0.73%
Alcatel	-	0.00%	2,280	0.61%
AT&T	-	0.00%	2,140	0.57%
CHC Acquisition Corporation	-	0.00%	2,000	0.54%
Dr Pepper Snapple Group Inc	1,250	0.27%	1,700	0.46%
T-Mobile USA	-	0.00%	1,500	0.40%
	<b>54,549</b>	<b>11.80%</b>	<b>49,093</b>	<b>13.17%</b>

Source: 2016 data from Plano Economic Development Board and Local University and School District web sites  
2007 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				
	2016	2015	2014	2013	2012
<b>Faculty</b>					
Full-Time	409	396	372	361	356
Part-Time	905	885	880	845	846
Total	<u>1,314</u>	<u>1,281</u>	<u>1,252</u>	<u>1,206</u>	<u>1,202</u>
<b>Percent</b>					
Full-Time	31.1%	30.9%	29.7%	29.9%	29.6%
Part-Time	68.9%	69.1%	70.3%	70.1%	70.4%
<b>Staff and Administrators</b>					
Full-Time	626	638	614	577	580
Part-Time	583	610	578	555	565
Total	<u>1,209</u>	<u>1,248</u>	<u>1,192</u>	<u>1,132</u>	<u>1,145</u>
<b>Percent</b>					
Full-Time	51.8%	51.1%	51.5%	51.0%	50.7%
Part-Time	48.2%	48.9%	48.5%	49.0%	49.3%
FTSE per Full-Time Faculty	41.41	43.32	48.31	49.88	49.08
FTSE per Full-Time Staff Member	27.06	26.89	29.27	31.21	30.12
Average Annual Faculty Salary	\$ 62,315	\$ 60,412	\$ 57,209	\$ 56,614	\$ 54,821

FTSE as reported on CBM001/CBM00A

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Faculty, Staff, and Administrators Statistics**

**Last Ten Fiscal Years**

**(unaudited)**

	Fiscal Year				
	2011	2010	2009	2008	2007
<b>Faculty</b>					
Full-Time	350	319	293	274	268
Part-Time	931	836	955	767	758
Total	1,281	1,155	1,248	1,041	1,026
<b>Percent</b>					
Full-Time	27.3%	27.6%	23.5%	26.3%	26.1%
Part-Time	72.7%	72.4%	76.5%	73.7%	73.9%
<b>Staff and Administrators</b>					
Full-Time	580	575	575	543	523
Part-Time	549	564	630	556	905
Total	1,129	1,139	1,205	1,099	1,428
<b>Percent</b>					
Full-Time	51.4%	50.5%	47.7%	49.4%	36.6%
Part-Time	48.6%	49.5%	52.3%	50.6%	63.4%
FTSE per Full-Time Faculty	50.45	53.74	50.34	50.15	48.36
FTSE per Full-Time Staff Member	30.45	29.81	25.65	25.31	24.78
Average Annual Faculty Salary	\$ 55,392	\$ 55,231	\$ 54,181	\$ 53,404	\$ 51,108

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

Student Classification	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	18,351	65%	18,005	64%	18,363	66%	17,845	65%	17,379	64%
31-60 hours	7,089	25%	7,244	26%	6,839	24%	7,175	26%	7,611	28%
> 60 hours	2,747	10%	2,742	10%	2,770	10%	2,404	9%	2,198	8%
Total	28,187	100%	27,991	100%	27,972	100%	27,424	100%	27,188	100%

Semester Hour Load	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	186	1%	284	1%	223	1%	241	1%	190	1%
3-5 semester hours	5,890	21%	5,528	20%	5,682	20%	5,577	20%	4,900	18%
6-8 semester hours	7,340	26%	6,897	25%	7,274	26%	6,917	25%	7,162	26%
9-11 semester hours	5,330	19%	5,383	19%	5,150	18%	5,012	18%	5,042	19%
12-14 semester hours	7,700	27%	8,116	29%	7,939	28%	7,845	29%	8,419	31%
15-17 semester hours	1,563	6%	1,626	6%	1,543	6%	1,632	6%	1,264	5%
18 & Over	178	1%	157	1%	161	1%	200	1%	211	1%
Total	28,187	100%	27,991	100%	27,972	100%	27,424	100%	27,188	100%

Average course load	8.5	8.7	8.6	8.8	8.8
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Tuition Status	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
TX Resident (In-District)	19,660	70%	19,405	69%	19,309	69%	18,597	68%	19,298	71%
TX Resident (Out-of-District)	5,845	21%	5,951	21%	6,057	22%	5,909	22%	5,770	21%
Non-Resident Tuition	2,682	10%	2,635	9%	2,606	9%	2,918	11%	2,120	8%
Total	28,187	100%	27,991	100%	27,972	100%	27,424	100%	27,188	100%

Source: Fall Census Headcounts

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

<b>Gender</b>	<b>Fall 2015</b>		<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Male	12,697	45%	12,371	44%	12,393	44%	11,931	44%	15,695	57%
Female	15,490	55%	15,620	56%	15,579	56%	15,493	56%	11,894	43%
<b>Total</b>	<b>28,187</b>	<b>100%</b>	<b>27,991</b>	<b>100%</b>	<b>27,972</b>	<b>100%</b>	<b>27,424</b>	<b>100%</b>	<b>27,593</b>	<b>100%</b>

<b>Ethnic Origin</b>	<b>Fall 2015</b>		<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
White	14,676	52%	14,786	53%	15,262	55%	15,440	56%	16,022	58%
Hispanic	5,360	19%	5,190	19%	4,898	18%	4,435	16%	4,020	15%
African American	3,264	12%	3,384	12%	3,376	12%	3,228	12%	3,081	11%
Asian	2,592	9%	2,396	9%	2,297	8%	2,268	8%	2,093	8%
Foreign	908	3%	891	3%	826	3%	842	3%	1,111	4%
Native American	137	0%	124	0%	135	0%	124	0%	128	0%
Other	1,250	4%	1,220	4%	1,178	4%	1,087	4%	1,138	4%
<b>Total</b>	<b>28,187</b>	<b>100%</b>	<b>27,991</b>	<b>100%</b>	<b>27,972</b>	<b>100%</b>	<b>27,424</b>	<b>100%</b>	<b>27,593</b>	<b>100%</b>

<b>Age</b>	<b>Fall 2015</b>		<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 18	3,765	13%	3,161	11%	3,061	11%	2,685	10%	2,613	9%
18 - 21	13,052	46%	12,787	46%	12,342	44%	11,643	42%	13,023	47%
22 - 24	3,670	13%	3,701	13%	3,623	13%	3,527	13%	5,387	20%
25 - 35	4,619	16%	4,879	17%	5,109	18%	5,451	20%	3,929	14%
36 - 50	2,466	9%	2,761	10%	3,070	11%	3,318	12%	2,233	8%
51 & Over	615	2%	702	3%	767	3%	800	3%	408	1%
<b>Total</b>	<b>28,187</b>	<b>100%</b>	<b>27,991</b>	<b>100%</b>	<b>27,972</b>	<b>100%</b>	<b>27,424</b>	<b>100%</b>	<b>27,593</b>	<b>100%</b>

Average Age (Fall)	23.7	24.3	24.7	25.3	25.8
--------------------	------	------	------	------	------



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Transfers to Senior Institutions  
2014 Fall Students as of Fall 2015  
(Includes community, technical and public senior colleges in Texas)  
(unaudited)**

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
<b>Community and Technical Colleges</b>						
ACCD-Northwest Vista College	1	-	-	-	1	0.0122%
ACCD-San Antonio College	3	3	-	-	6	0.0734%
ACCD-St Phillip's College	-	2	-	-	2	0.0245%
Alvin Community College	2	-	-	-	2	0.0245%
Amarillo College	2	-	-	-	2	0.0245%
Angelina College	1	1	-	-	2	0.0245%
Austin Community College	47	16	-	-	63	0.7712%
Blinn College	72	37	-	-	109	1.3343%
Brazosport	1	-	-	-	1	0.0122%
Central Texas College	2	-	-	-	2	0.0245%
Cisco Junior College	2	-	-	-	2	0.0245%
Clarendon College	1	-	-	-	1	0.0122%
Collin County Community College District	754	134	7	4	899	11.0050%
Dallas County Community College District	386	116	3	2	507	6.2064%
Del Mar College	2	-	-	-	2	0.0245%
El Paso Community College District	1	-	-	-	1	0.0122%
Galveston College	-	1	-	-	1	0.0122%
Grayson County College	49	21	-	-	70	0.8569%
HCJCD-Howard College	1	-	-	-	1	0.0122%
Hill College	2	1	-	-	3	0.0367%
Houston Community College System	6	9	-	-	15	0.1836%
Kilgore College	3	2	-	-	5	0.0612%
Lone Star College	8	3	-	-	11	0.1347%
McLennan Community College	10	4	-	-	14	0.1714%
Midland College	1	2	-	-	3	0.0367%
Navarro College	9	4	-	-	13	0.1591%
North Central Texas College	48	23	-	-	71	0.8691%
Northeast Texas Community College	2	-	-	-	2	0.0245%
Odessa College	2	-	-	-	2	0.0245%
Paris Junior College	15	12	-	-	27	0.3305%
Ranger College	-	1	-	-	1	0.0122%
San Jacinto College	5	1	-	-	6	0.0734%
South Plains College	16	7	-	-	23	0.2816%
South Texas College	1	-	-	-	1	0.0122%
Southwest Texas Junior College	3	-	-	-	3	0.0367%
Tarrant County College District	48	13	-	-	61	0.7467%
Temple College	2	1	-	-	3	0.0367%
Texarkana College	2	2	-	-	4	0.0490%
Texas State Technical College-Waco	4	3	-	-	7	0.0857%
Texas State Technical College-West Texas	1	-	-	-	1	0.0122%
Trinity Valley Community College	8	3	-	-	11	0.1347%
Tyler Junior College	3	6	-	-	9	0.1102%
Vernon College	1	-	-	-	1	0.0122%
Weatherford College	3	1	-	-	4	0.0490%
Westerr Texas College	1	-	-	-	1	0.0122%
Wharton County Junior College	-	1	-	-	1	0.0122%
<b>Total</b>	<b>1,531</b>	<b>430</b>	<b>10</b>	<b>6</b>	<b>1,977</b>	<b>24.2012%</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Transfers to Senior Institutions  
2014 Fall Students as of Fall 2015  
(Includes community, technical and public senior colleges in Texas)  
(unaudited)**

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
<b>Universities</b>						
Angelo State University	6	5	-	-	11	0.1347%
Lamar University	6	4	-	-	10	0.1224%
Midwestern State University	39	15	-	-	54	0.6610%
Prairie View A&M University	7	2	-	-	9	0.1102%
Sam Houston State University	45	16	-	-	61	0.7467%
Stephen F. Austin State University	106	41	-	-	147	1.7995%
Sul Ross State University	1	1	1	-	3	0.0367%
Tarleton State University	44	14	1	-	59	0.7222%
Texas A&M University	318	-	5	-	323	3.9540%
Texas A&M University - Central Texas	2	-	-	-	2	0.0245%
Texas A&M University - Commerce	257	41	2	-	300	3.6724%
Texas A&M University - Corpus Christi	22	3	-	-	25	0.3060%
Texas A&M University - Galveston	13	2	-	-	15	0.1836%
Texas A&M University - Kingsville	1	-	-	-	1	0.0122%
Texas A&M University - San Antonio	1	110	-	-	111	1.3588%
Texas A&M University - Texarkana	3	-	-	-	3	0.0367%
Texas Southern University	5	2	-	-	7	0.0857%
Texas State University - San Marcos	155	63	2	-	220	2.6931%
Texas Tech University	413	198	3	-	614	7.5162%
Texas Woman's University	390	83	2	-	475	5.8147%
The University of Texas - Rio Grande Valley	2	-	1	-	3	0.0367%
The University of Texas at Arlington	189	60	-	-	249	3.0481%
The University of Texas at Austin	241	101	3	-	345	4.2233%
The University of Texas at Dallas	1,246	397	-	-	1,643	20.1126%
The University of Texas at El Paso	4	-	-	-	4	0.0490%
The University of Texas at San Antonio	30	11	-	-	41	0.5019%
The University of Texas at Tyler	22	7	-	-	29	0.3550%
The University of Texas of the Permian Basin	7	3	-	-	10	0.1224%
University of Houston	49	14	-	-	63	0.7712%
University of North Texas	979	231	9	1	1,220	14.9345%
University of North Texas at Dallas	10	4	9	-	23	0.2816%
West Texas A&M University	21	3	-	-	24	0.2938%
<b>Total</b>	<b>4,634</b>	<b>1,431</b>	<b>38</b>	<b>1</b>	<b>6,104</b>	<b>74.7215%</b>
<b>Health Science Institutions</b>						
Texas A&M Univ Health Science Center	8	2	-	-	10	0.1224%
Texas Tech Univ Health Sciences Center	30	25	1	-	56	0.6855%
The Univ of Texas Health Science Ctr at Houston	4	-	-	-	4	0.0490%
The Univ of Texas Health Science Ctr at San Antonio	2	-	-	-	2	0.0245%
The Univ of Texas Medical Branch at Galveston	3	2	-	-	5	0.0612%
The University of Texas Southwestern Medical Center	-	1	-	-	1	0.0122%
University of N Texas Health Science Ctr	6	3	-	-	9	0.1102%
University of Texas M.D. Anderson Cancer Center	1	-	-	-	1	0.0122%
<b>Total</b>	<b>54</b>	<b>33</b>	<b>1</b>	<b>-</b>	<b>88</b>	<b>1.0772%</b>
<b>Grand Total</b>	<b>6,219</b>	<b>1,894</b>	<b>49</b>	<b>7</b>	<b>8,169</b>	<b>100.00%</b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Academic Building	11	9	9	9	9	9	9	8	8	8
Square Footage	1,105,585	957,433	957,433	957,433	883,571	809,709	806,634	744,634	723,368	651,361
Libraries	3	3	3	3	3	3	3	3	3	3
Square Footage	295,429	295,429	295,429	295,429	206,539	206,539	206,539	206,539	135,172	135,172
Number of Volumes**	233,569	233,693	246,192	262,427	252,135	240,855	221,417	204,403	193,266	189,003
Administrative and Support Buildings										
Square Footage*	449,314	449,314	449,314	449,314	429,227	409,140	412,215	350,215	241,691	239,991
Dining Facilities	2	2	2	2	2	2	2	2	2	2
Square Footage	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926
Average Daily Customers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Athletic Facilities	3	3	3	3	3	3	3	3	3	3
Square Footage	89,647	89,647	89,647	89,647	89,647	89,647	89,647	89,647	99,167	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	4	4	4	4	4	4	4	4	4	4
Square Footage	20,381	20,381	20,381	20,381	20,381	20,381	20,381	20,381	20,381	20,381
Transportation										
Cars	11	13	12	10	9	9	9	7	7	7
Light Trucks/Vans	22	20	23	17	17	16	16	16	15	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") as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2016.

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, was 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 opinions 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and other matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 6, 2016



**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 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, 2016. 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 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, 2016.

**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 2016-001 that is required to be reported in accordance with the Uniform Guidance and State of Texas *Single Audit Circular*. Our opinion on each major federal and 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 and 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 and 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned as item 2016-001 that we consider to be a significant deficiency in the District's internal control over compliance.



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, 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 6, 2016

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Expenditures of Federal Awards  
For the year ended August 31, 2016**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures and Pass-through Disbursements
U.S. Department of Education				
Direct programs:				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007			\$ 343,697
Federal Work-Study Program	84.033			307,848
Federal Pell Grant Program	84.063			19,395,057
Federal Direct Student Loans	84.268			<u>21,434,554</u>
Total Student Financial Assistance Cluster				<u>41,481,156</u>
Pass-Through from:				
Texas Higher Education Coordinating Board				
Career and Technical Education - Basic Grants to States	84.048	164225		560,165
Career and Technical Education - Leadership Grants	84.048	14742		<u>10,983</u>
				571,148
Total U.S. Department of Education				<u>42,052,304</u>
Department of Labor				
Direct programs:				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282			518,593
National Science Foundation				
Research and Development Cluster				
Direct Programs:				
Education and Human Resources	47.076		319,973	1,102,756
Pass-Through from:				
Austin Community College District				
Education and Human Resources	47.076	DUE-1501207		81,062
Education Development Center, Inc				
Education and Human Resources	47.076	DUE-1501911		11,916
Florida State College at Jacksonville				
Education and Human Resources	47.076	DUE-1501359		4,110
Total National Science Foundation				<u>1,199,844</u>
U.S. Small Business Administration				
Pass-Through from:				
Dallas County Community College District:				
Small Business Development Centers	59.037	SBAHQ-15-B-0018		14,373
Small Business Development Centers	59.037	SBAHQ-16-B-0004		208,611
Total U.S. Small Business Administration				<u>222,984</u>
Total Federal Financial Assistance				<u>\$ 43,993,725</u>

Notes to schedule on following page

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Notes to Schedule of Expenditures of Federal Awards For the year ended August 31, 2016**

### Note 1: Federal Assistance Reconciliation

	FY 16
Federal Grants and Contracts revenue - per Schedule A	\$ 2,051,180
Add: Indirect/Administrative Costs Recoveries - per Schedule A	141,416
Add: Non Operating Federal Revenue - per Schedule C	20,046,602
	<hr/>
Total Federal Revenues per Basic Financial Statements (Exhibit 2)	\$22,239,198
Reconciling items:	
Add:	
Funds passed through to others	\$ 319,973
Direct Student Loans	21,434,554
	<hr/>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	\$43,993,725

### Note 2: Significant accounting policies used in preparing the schedule

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

### Note 3: Amounts processed through the District

The following amounts expended by the listed consortium members were reimbursed by and recorded as an expense to the District. These amounts were from the Trade Adjustment Assistance Community College and Career Training (TAACCT) Grant, CFDA 17.282, from the Department of Labor:

Bellevue College	\$ 41,246
Bunker Hill Community College	42,785
Del Mar College	66,975
Moraine Valley Community College	99,138
Maricopa County Community College/Rio Salado	88,621
Salt Lake Community College	14,276
	<hr/>
Total amount expended by consortium members	\$ 353,041

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Notes to Schedule of Expenditures of Federal Awards  
For the year ended August 31, 2016  
(Continued)**

Note 4: Amounts passed-through by the District

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

City College of San Francisco	\$ 9,153
Dallas County Community College	20,000
Florence-Darlington Technical College	36,155
Florida State College at Jacksonville	52,430
Fox Valley Technical College	29,117
Georgia Southern University	45,094
Hillsborough Community College	10,805
Lansing Community College	25,932
Maricopa County Community College District	31,665
Ozarks Technical Community College	4,737
University of North Texas	54,885
Total amount passed-through	<u>\$ 319,973</u>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Expenditures of State Awards  
For the year ended August 31, 2016**

<u>Grantor/Pass-through Grantor/ Program Title</u>	<u>Grantor's Number</u>	<u>Disbursements and Expenses</u>
Texas Workforce Commission		
Skills Development in Partnership with Moneygram	0415SDF000-1	\$ 231,578
Skills Development with Veterans	0414SDF004-2	73,623
Skills for Small Business Program	0415SSD000	17,128
Skills Development in Partnership with an Information Technology Consortium	0415SDF006	374,636
Skills Development in Partnership with a Manufacturing Consortium	0416SDF002	3,124
Total Texas Workforce Commission		<u>700,089</u>
Texas Higher Education Coordinating Board		
Professional Nursing Shortage Reduction Program		4,435
Professional Nursing Shortage Reduction Over 70 Program		75,627
Texas College Work Study	9129627M	84,519
Texas Education Opportunity Grant-Renewal Year		423,151
Texas Education Opportunity Grant-Initial Year		223,616
College Access Loans		2,375
Total Texas Higher Education Coordinating Board		<u>813,723</u>
Pass-through from:		
Dallas County Community College District		
Small Business Development Center 14/15	SBAHQ-15-B-0018	25,684
Small Business Development Center 15/16	SBAHQ-15-B-0018	98,141
Total Small Business Development Center		<u>123,825</u>
<b>Total State Financial Assistance</b>		<u><u>\$ 1,637,637</u></u>

Notes to schedule on following page.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Notes to Schedule of Expenditures of State Awards  
For the year ended August 31, 2016**

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A	
State Financial Assistance	
State Grants and Contracts revenue - per Schedule A	\$ 1,636,821
Add: Indirect/Administrative Costs Recoveries - per Schedule A	816
Total State Revenues per Schedule A	<u><u>\$ 1,637,637</u></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, 2016

**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? Yes

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 Program:

84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
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Major State Program:

Texas Education Opportunity Grant

Dollar threshold used to distinguish between type A and type B programs:	\$750,000 for federal programs \$300,000 for state programs
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Auditee qualified as low-risk auditee? Yes



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2016.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2016

**Part III - Federal Award Findings and Questioned Costs**

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 is not a repeat finding from the immediate previous audit.

Recommendations: We recommend 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 recommend the District implement a detective process to manually verify that reporting completed through NSCH is accurately captured in the NSLDS.

Management's Response: The District acknowledges 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 has 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 acknowledges a file was sent to the NSCH without an address, and was rejected by the NSLDS. In response to this finding, the student system has 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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2016

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

The results of our procedures disclosed no findings reported for the year ended August 31, 2015.

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# Supplementary Financial Information Section

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**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.

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## COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Fund**  
**As of August 31, 2016**  
**(with comparative totals at August 31, 2015)**  
**(unaudited)**

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 56,279,969	\$ 78,324	\$ -	\$ 56,358,293
Investments	90,457,749	-	-	90,457,749
Accounts receivable (net of allowance for doubtful accounts of \$624,141 and \$855,169)	7,134,773	985,404	-	8,120,177
Tax receivable (net of allowance for doubtful accounts of \$666,190 and \$934,536)	401,735	-	-	401,735
Prepaid expenses	953,149	78,209	(771)	1,030,587
Contracts and grants receivables	-	-	685,475	685,475
Consumable inventory	-	35,720	-	35,720
Inventories for resale	-	-	-	-
Capital assets	-	-	-	-
<b>Total assets</b>	<b><u>\$ 155,227,375</u></b>	<b><u>\$ 1,177,657</u></b>	<b><u>\$ 684,704</u></b>	<b><u>\$ 157,089,736</u></b>
Deferred outflows related to pensions	<u>\$ 8,403,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,403,433</u>
<b>Liabilities:</b>				
Accounts payable / accrued liabilities	\$ 4,004,271	\$ 854,080	\$ 86,900	\$ 4,945,251
Interfund payable/(receivable)	6,002,224	(4,609,432)	(863,045)	529,747
Unearned revenues	16,406,066	262,611	508,141	17,176,818
Accrued compensable absences payable	1,033,492	-	-	1,033,492
Bonds payable	-	-	-	-
Pension Liability	21,734,977	-	-	21,734,977
Amounts held for others	-	-	-	-
<b>Total liabilities</b>	<b><u>\$ 49,181,030</u></b>	<b><u>\$ (3,492,741)</u></b>	<b><u>\$ (268,004)</u></b>	<b><u>\$ 45,420,285</u></b>
Deferred Inflows related to pensions	<u>\$ 6,276,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,276,680</u>
<b>Unrestricted:</b>				
<b>Reserved:</b>				
Accounts receivable	\$ 7,134,773	\$ 985,404	\$ -	\$ 8,120,177
Prepaid expenses	953,149	78,209	-	1,031,358
<b>Designated:</b>				
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	45,235,176	3,606,785	-	48,841,961
<b>Restricted:</b>				
Student aid/non-governmental grants and contracts	-	-	952,708	952,708
Building fund	-	-	-	-
Reserve debt service	-	-	-	-
Net investment in plant	-	-	-	-
Student loans	-	-	-	-
<b>Total net position</b>	<b><u>\$ 108,173,098</u></b>	<b><u>\$ 4,670,398</u></b>	<b><u>\$ 952,708</u></b>	<b><u>\$ 113,796,204</u></b>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Net Position by Fund - continued**  
**As of August 31, 2016**  
**(with comparative totals at August 31, 2015)**  
**(unaudited)**

Plant funds		Debt service	Student loans	Agency funds	Totals (memorandum only)	
Building fund	Investment in plant				2016	2015
\$ 77,029,257	\$ -	\$ 552,079	\$ -	\$ -	\$ 133,939,629	\$ 121,944,757
24,949,885	-	-	-	-	115,407,634	124,900,970
-	-	-	2,081	1,650	8,123,908	7,441,524
-	-	96,741	-	-	498,476	532,553
24,600	-	-	-	-	1,055,187	764,803
-	-	-	-	-	685,475	1,197,859
-	-	-	-	-	35,720	40,200
-	-	-	-	-	-	2,644,008
-	291,139,359	-	-	-	291,139,359	287,403,508
<u>\$ 102,003,742</u>	<u>\$ 291,139,359</u>	<u>\$ 648,820</u>	<u>\$ 2,081</u>	<u>\$ 1,650</u>	<u>\$ 550,885,388</u>	<u>\$ 546,870,182</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,403,433</u>	<u>\$ 3,133,182</u>
\$ 2,449,491	\$ -	\$ 35,874	\$ -	\$ 74,921	\$ 7,505,537	\$ 10,720,811
1,099	(15,177)	(43,549)	(19,626)	(452,494)	-	1,219,268
-	-	-	-	-	17,176,818	15,049,662
-	-	-	-	-	1,033,492	983,803
-	19,366,467	-	-	-	19,366,467	34,982,200
-	-	-	-	-	21,734,977	17,249,730
-	-	-	-	379,223	379,223	439,800
<u>\$ 2,450,590</u>	<u>\$ 19,351,290</u>	<u>\$ (7,675)</u>	<u>\$ (19,626)</u>	<u>\$ 1,650</u>	<u>\$ 67,196,514</u>	<u>\$ 80,645,274</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,276,680</u>	<u>\$ 5,276,744</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,120,177	\$ 7,438,796
-	-	-	-	-	1,031,358	765,276
-	-	-	-	-	100,000	100,000
-	-	-	-	-	24,750,000	24,750,000
-	-	-	-	-	30,000,000	30,000,000
-	-	-	-	-	48,841,961	43,805,402
-	-	-	-	-	952,708	578,797
99,553,152	-	-	-	-	99,553,152	103,929,307
-	-	656,495	-	-	656,495	364,843
-	271,788,069	-	-	-	271,788,069	252,327,218
-	-	-	21,707	-	21,707	21,707
<u>\$ 99,553,152</u>	<u>\$ 271,788,069</u>	<u>\$ 656,495</u>	<u>\$ 21,707</u>	<u>\$ -</u>	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</u>



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Changes in Net Position by Fund  
For the year ended August 31, 2016  
(with comparative totals for the year ended August 31, 2015)  
(unaudited)**

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
Net Position - beginning of year	\$ 101,662,434	\$ 5,197,040	\$ 578,797	\$ 107,438,271
Revenues and other additions:				
Unrestricted current funds revenue	143,683,612	5,639,226	-	149,322,838
State appropriations - restricted	-	-	6,981,827	6,981,827
Tax revenues for debt service	-	-	-	-
Federal grants and contracts	-	-	21,881,332	21,881,332
State grants and contracts	-	-	1,553,118	1,553,118
Non-governmental grants and contracts	-	-	74,452	74,452
TPEG set aside	-	-	1,342,847	1,342,847
Investment income	-	-	2,012	2,012
Miscellaneous income	-	-	-	-
Net decrease in bonds payable	-	-	-	-
Expended for plant facilities	-	-	-	-
<b>Total revenues and other additions</b>	<b>143,683,612</b>	<b>5,639,226</b>	<b>31,835,588</b>	<b>181,158,426</b>
Expenses and other deductions:				
Expenses	112,589,843	6,420,845	31,541,653	150,552,341
Indirect costs	-	-	-	-
Administrative and collection costs	-	-	-	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness	-	-	-	-
Depreciation	-	-	-	-
Loss on disposal of plant facilities	-	-	-	-
<b>Total expenditures and other deductions</b>	<b>112,589,843</b>	<b>6,420,845</b>	<b>31,541,653</b>	<b>150,552,341</b>
Transfers - additions (deductions):				
Mandatory transfers:				
Retirement of indebtedness:				
Building use fee	(1,114,522)	-	-	(1,114,522)
Grant matching	(79,976)	-	79,976	-
Non-mandatory transfers	(23,388,607)	254,977	-	(23,133,630)
<b>Total transfers - additions (deductions)</b>	<b>(24,583,105)</b>	<b>254,977</b>	<b>79,976</b>	<b>(24,248,152)</b>
Net increase (decrease) for the fiscal year	6,510,664	(526,642)	373,911	6,357,933
Net Position - end of year	\$ 108,173,098	\$ 4,670,398	\$ 952,708	\$ 113,796,204

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Changes in Net Position by Fund - continued**  
**For the year ended August 31, 2016**  
**(with comparative totals for the year ended August 31, 2015)**  
**(unaudited)**

Plant funds		Debt service	Student loans	Totals (memorandum only)	
Building fund	Investment in plant			2016	2015**
\$ 103,929,307	\$ 252,327,218	\$ 364,843	\$ 21,707	\$ 464,031,346	\$ 441,123,920
-	-	-	-	149,322,838	149,455,116
-	-	-	-	6,981,827	5,577,283
-	-	3,006,210	-	3,006,210	2,722,169
-	-	-	-	21,881,332	30,218,664
-	-	-	-	1,553,118	1,797,840
-	-	-	-	74,452	8,950
-	-	-	-	1,342,847	1,298,283
286,932	-	6,003	-	294,947	92,897
200,000	-	-	-	200,000	200,000
-	15,725,000	-	-	15,725,000	3,995,000
-	12,128,481	-	-	12,128,481	34,216,723
<u>486,932</u>	<u>27,853,481</u>	<u>3,012,213</u>	<u>-</u>	<u>212,511,052</u>	<u>229,582,925</u>
15,646,704	-	-	-	166,199,045	193,128,721
-	-	-	-	-	252,514
-	-	(763,029)	-	(763,029)	11,703
-	-	15,725,000	-	15,725,000	3,995,000
-	-	1,223,125	-	1,223,125	1,525,612
-	8,392,630	-	-	8,392,630	7,711,949
-	-	-	-	-	-
<u>15,646,704</u>	<u>8,392,630</u>	<u>16,185,096</u>	<u>-</u>	<u>190,776,771</u>	<u>206,625,499</u>
-	-	1,114,522	-	-	-
-	-	-	-	-	-
10,783,617	-	12,350,013	-	-	-
<u>10,783,617</u>	<u>-</u>	<u>13,464,535</u>	<u>-</u>	<u>-</u>	<u>-</u>
(4,376,155)	19,460,851	291,652	-	21,734,281	22,957,426
<u>\$ 99,553,152</u>	<u>\$ 271,788,069</u>	<u>\$ 656,495</u>	<u>\$ 21,707</u>	<u>\$ 485,815,627</u>	<u>\$ 464,081,346</u>

\*\*Note:

Total net position - August 31, 2014	\$ 460,667,935
Cumulative effect of change in accounting principle	(19,544,015)
Total net position - August 31, 2015, as restated	<u>\$ 441,123,920</u>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Changes in Net Position  
Current Unrestricted Funds - Auxiliary Enterprises  
For the year ended August 31, 2016  
(unaudited)**

	Rental Income Scholarships	Student Activities	Camps	Scholarships	Intercollegiate Athletics
Net Position - beginning of year	\$ 7,600	\$ 226,641	\$ 78,421	\$ -	\$ -
Revenues and other additions:					
Gifts	-	-	-	-	-
Sales and services	106,108	-	-	-	-
Student fees	-	554,344	-	-	-
Miscellaneous income	-	-	75,491	-	4,164
Total revenue	<u>106,108</u>	<u>554,344</u>	<u>75,491</u>	<u>-</u>	<u>4,164</u>
Expenses and other deductions:					
Salaries and wages	-	-	11,805	-	156,339
Staff benefits	-	-	-	-	6,927
Financial Aid	-	-	-	114,845	217,878
Other operating expenses	-	411,740	57,274	-	192,783
Total expenditures	<u>-</u>	<u>411,740</u>	<u>69,079</u>	<u>114,845</u>	<u>573,927</u>
Excess (deficit) of revenue over (under) expenditure	<u>106,108</u>	<u>142,604</u>	<u>6,412</u>	<u>(114,845)</u>	<u>(569,763)</u>
Transfers - additions (deductions):					
Transfer from operating fund	-	-	-	-	-
Other fund transfers:					
Student activities	-	(142,150)	-	-	142,150
Bockstore	-	-	-	516	315,842
Rental Income	-	-	-	45,378	-
Fine Arts	(113,708)	-	-	68,951	44,757
Food service	-	-	-	-	67,014
Total transfers - additions(deductions)	<u>(113,708)</u>	<u>(142,150)</u>	<u>-</u>	<u>114,845</u>	<u>569,763</u>
Net increase (decrease) for the fiscal year	<u>(7,600)</u>	<u>454</u>	<u>6,412</u>	<u>-</u>	<u>-</u>
Net Position - end of year	<u>\$ -</u>	<u>\$ 227,095</u>	<u>\$ 84,833</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, 2016  
(unaudited)**

Food Services	Bookstore	Facilities Rental	Child Care Center	Auxiliary Other*	Print Shop	Total
\$ -	\$ 4,884,378	\$ -	\$ -	\$ -	\$ -	\$ 5,197,040
-	-	-	-	-	-	-
44,795	4,230,941	180,514	192,487	-	178,581	4,933,426
-	-	-	-	-	-	554,344
48,752	22,610	-	-	-	439	151,456
<u>93,547</u>	<u>4,253,551</u>	<u>180,514</u>	<u>192,487</u>	<u>-</u>	<u>179,020</u>	<u>5,639,226</u>
-	491,924	102,464	328,960	-	95,510	1,117,002
-	125,394	26,705	74,008	-	25,993	259,027
-	-	-	-	-	-	332,723
<u>26,533</u>	<u>3,725,252</u>	<u>5,967</u>	<u>44,496</u>	<u>(1,380)</u>	<u>179,428</u>	<u>4,642,093</u>
<u>26,533</u>	<u>4,342,570</u>	<u>135,136</u>	<u>447,464</u>	<u>(1,380)</u>	<u>300,931</u>	<u>6,420,845</u>
<u>67,014</u>	<u>(89,019)</u>	<u>45,378</u>	<u>(254,977)</u>	<u>1,380</u>	<u>(121,911)</u>	<u>(781,619)</u>
-	-	-	254,977	-	-	254,977
-	-	-	-	-	-	-
-	(438,269)	-	-	-	121,911	-
-	-	(45,378)	-	-	-	-
-	-	-	-	-	-	-
<u>(67,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(67,014)</u>	<u>(438,269)</u>	<u>(45,378)</u>	<u>254,977</u>	<u>-</u>	<u>121,911</u>	<u>254,977</u>
-	(527,288)	-	-	1,380	-	(525,642)
<u>\$ -</u>	<u>\$ 4,357,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,380</u>	<u>\$ -</u>	<u>\$ 4,670,398</u>

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