

IT'S GROW TIME!



**Collin College
Technical Campus**



Wylie Campus



Comprehensive Annual Financial Report 2020

For the years Ended August 31, 2020 and 2019

Collin County Community College District

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

Comprehensive Annual Financial Report

**For Fiscal Years Ended
August 31, 2020 and 2019**

**Prepared by:
Administrative Services**

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report

Fiscal Years Ended August 31, 2020 and 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

FINANCIAL SECTION

| | |
|---|----|
| Report of Independent Certified Public Accountants..... | 17 |
| Management's Discussion and Analysis..... | 21 |

Basic Financial Statements:

| | | |
|---|-----------------|----|
| Statement of Net Position As of August 31, 2020 and 2019 | Exhibit 1..... | 42 |
| Foundation Statement of Financial Position As of December 31, 2020 and 2019 | Exhibit 1A..... | 43 |
| Statement of Revenues, Expenses and Changes in Net Position For the Years Ended August 31, 2020 and 2019 | Exhibit 2..... | 44 |
| Foundation Statement of Activities For the Year Ended August 31, 2020 | Exhibit 2A..... | 46 |
| Foundation Statement of Activities For the Eight Months ended August 31, 2019 | Exhibit 2B..... | 47 |
| Statement of Cash Flows For the Years Ended August 31, 2020 and 2019 | Exhibit 3..... | 48 |
| Notes to Basic Financial Statements | | 50 |

Required Supplemental Information:

| | | |
|--|-----------------|-----|
| Schedule of the District's Share of Net Pension Liability..... | Schedule 1..... | 108 |
| Schedule of the District's Contributions for Pensions | Schedule 2..... | 109 |
| Schedule of the District's Share of Net OPEB Liability | Schedule 3..... | 110 |
| Schedule of the District's Contributions for OPEB..... | Schedule 4..... | 111 |
| Notes to Required Supplemental Information | | 112 |

Texas Higher Education Coordinating Board (THECB) Supplemental Schedules:

| | | |
|---|-----------------|-----|
| Schedule of Operating Revenues For the Year Ended August 31, 2020 | Schedule A..... | 116 |
| Schedule of Operating Expenses by Object For the Year Ended August 31, 2020 | Schedule B..... | 118 |
| Schedule of Non-Operating Revenues and Expenses For the Year Ended August 31, 2020 | Schedule C..... | 119 |
| Schedule of Net Position by Source and Availability As of August 31, 2020..... | Schedule D..... | 120 |

STATISTICAL SECTION (Unaudited)

| | | |
|---|--------------------------------|-----|
| Statistical Section Categories | | 123 |
| Net Position by Component | Statistical Supplement 1..... | 125 |
| Revenues by Source | Statistical Supplement 2..... | 126 |
| Program Expenses by Function | Statistical Supplement 3..... | 128 |
| Tuition and Fees..... | Statistical Supplement 4..... | 130 |
| Assessed Value and Taxable Assessed Value of Property..... | Statistical Supplement 5..... | 131 |
| General Appropriations Act Before Contact Hour Adjustments | Statistical Supplement 6a..... | 132 |
| State Appropriation per FTSE | Statistical Supplement 6b..... | 134 |

| | | |
|---|--------------------------------|-----|
| State Appropriation per Contact Hour | Statistical Supplement 6c..... | 135 |
| State Appropriation Per Student Success Point – Annualized | Statistical Supplement 6d..... | 136 |
| Student Success Points (SSP) | Statistical Supplement 6e..... | 137 |
| Principal Taxpayers | Statistical Supplement 7..... | 138 |
| Property Tax Levies and Collections..... | Statistical Supplement 8..... | 140 |
| Ratios of Outstanding Debt..... | Statistical Supplement 9..... | 142 |
| Legal Debt Margin Information | Statistical Supplement 10..... | 144 |
| Pledged Revenue Coverage | Statistical Supplement 11..... | 146 |
| Demographic and Economic Statistics | Statistical Supplement 12..... | 148 |
| Principal Employers..... | Statistical Supplement 13..... | 149 |
| Faculty, Staff, and Administrators Statistics..... | Statistical Supplement 14..... | 150 |
| Enrollment Details | Statistical Supplement 15..... | 152 |
| Student Profile | Statistical Supplement 16..... | 154 |
| Transfers to Senior Institutions | Statistical Supplement 17..... | 156 |
| Capital Asset Information | Statistical Supplement 18..... | 157 |

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 | 159 |
| 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..... | 161 |
| Schedule of Expenditures of Federal Awards | Schedule E.....163 |
| Notes to Schedule of Expenditures of Federal Awards | 164 |

| | | |
|---|-----------------|-----|
| Schedule of Expenditures of State Awards | Schedule F..... | 165 |
| Notes to Schedule of Expenditures of State Awards | | 166 |
| Schedule of Findings and Questioned Costs | | 167 |

SUPPLEMENTARY FINANCIAL INFORMATION (Unaudited)

| | | |
|---|-----------------------------|-----|
| Schedule of Net Position By Fund – Unaudited | | |
| As of August 31, 2020..... | Financial Supplement 1..... | 170 |
| Schedule of Changes in Net Position – By Fund - Unaudited | | |
| For the year ended August 31, 2020 | Financial Supplement 2..... | 172 |
| Schedule of Changes in Net Position – Auxiliary Enterprises - Unaudited | | |
| Current Unrestricted Funds – Auxiliary Enterprises | | |
| For the year ended August 31, 2020 | Financial Supplement 3..... | 174 |



Introductory Section



To the Board of Trustees:

It is my honor to present you with the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2020. As in years past, this information is designed to provide a clear understanding of the district's financial operations for the past year.

As we all know, this has been a year like no other. The latter half of this fiscal year presented us with challenges as a college and as a community, and I would like to believe we have answered those challenges and become stronger because of them.

I hope you will indulge me in a moment of reflection on the actions that we have taken to ensure that our students, staff and faculty are safe, healthy, and working together in such an unusual time.

In mid-March, the college rapidly moved its classes and student services to an online format, protecting the educational investment students had already made in the spring semester.

The college created new "Wi-Fi Drive-Ins" at our McKinney and Frisco campuses, allowing students to take advantage of college-provided external wireless hotspots.

We formulated a recovery plan which allowed the majority of faculty and staff to return to campus in early June. Although a small number of students had been allowed to continue face-to-face classes under strict safety protocols throughout the pandemic, many more students were offered that option beginning in the Five-Week July semester. By the fall semester, our campuses had reopened fully with face-to-face, online, and hybrid classes, providing students with a range of learning options.

The college is offering students, adjunct faculty, and part-time staff free 24/7 access to telehealth services known as CougarCare. Students, staff, and faculty remain vigilant against the spread of infection and are regularly reminded about social distancing, the need for cleanliness, and mask rules which create a safer environment for everyone.

Our vigilance and the creativity and innovation which is one of Collin College's Core Values, has allowed us to safely mark occasions like nurse and health science pinnings, spring graduation, and All College Day. We adapted and overcame.

We also celebrated the opening of two new campuses this fall. The Technical Campus, built in Allen, provides trade and technical programs in areas ranging from automotive repair to computer-aided drafting and design, and from health professions to welding for students throughout our service area. Our newest regional campus in Wylie will provide greater access to our students in southern Collin County.

The district broke ground on new planned campuses in Farmersville and Celina this year as well. The Farmersville Campus is on track to open in Spring 2021, with the Celina Campus following in the Fall of that same year.

With the Board of Trustees' guidance, the college continues to flourish. While some of our neighboring colleges and universities saw significant drops in enrollment for Fall 2020, Collin College actually grew by almost 1 percent.

The college's nursing program was honored as a Center of Excellence in Nursing Education for a third time by the National League for Nursing and introduced its new Bachelor of Science in Nursing Program. A second bachelor's program, the Bachelor of Applied Technology in Cybersecurity was introduced at the same time.

To top things off, Collin was named a "2020 Great College to Work For" for the second year in a row by The Great Colleges to Work For® program.

It's true that these are unusual times. They are exceptional in many senses of that word. I, for one, am eager to see what the coming year brings.

Sincerely,



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

This page intentionally left blank.



December 8, 2020

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, 2020 and 2019 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 Whitley Penn, LLP. In addition to meeting the requirements set forth in state statutes, the audit is also designed to meet the U.S. Office of Management and Budget (OMB) 2 Code of Federal Regulations (CFR) 200, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular*. Information related to the single audit is included in the single audit section of this report.

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

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

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

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

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

PROFILE OF THE DISTRICT

District structure and information

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

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

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

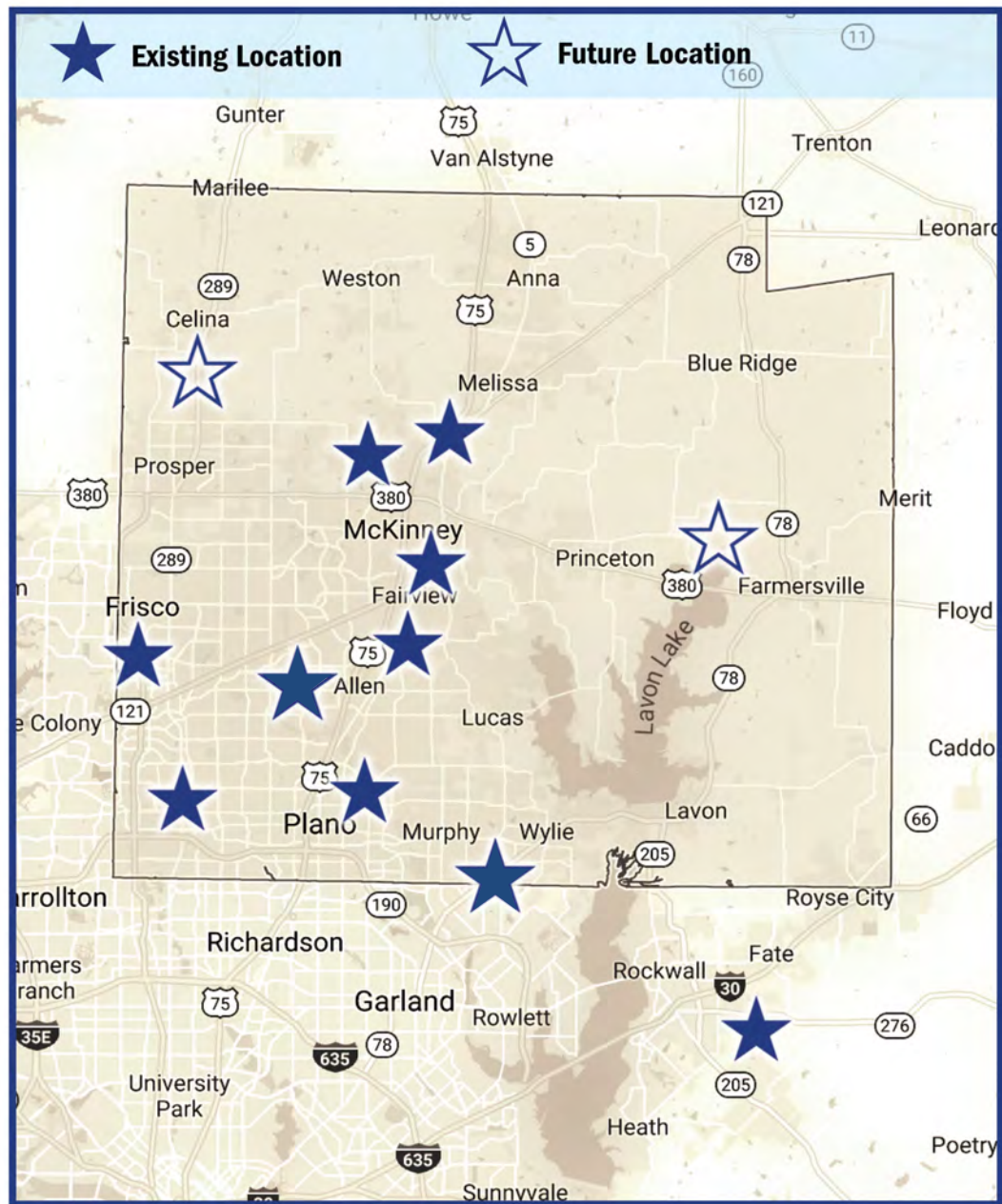
- setting and collecting tuition, rentals, rates, charges and fees
- establishing goals consistent with the District's role and mission
- ordering elections
- issuing bonds
- adopting tax rates, levying and collecting taxes
- approving an annual budget
- employing the President and hiring employees of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

The District is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award Bachelor's degrees, associate degrees, and certificates. A bachelor's degree is an award that generally requires four years of full-time equivalent college work. An associate degree is an award that typically requires at least two but less than four years of full-time equivalent college work. The Texas Higher Education Coordinating Board approved the District to offer the Bachelor of Applied Technology in Cybersecurity and the Bachelor of Science in Nursing degrees. The Bachelor degree programs started being offered in spring 2020. At the Associate degree level, the District offers Associate of Arts, Associate of Arts in Teaching, Associate of Science and Associate of Applied Science degrees, and numerous certificate programs.

To maintain its status as an institution accredited by SACSCOC, the District must complete the accreditation process's reaffirmation every ten years. This process requires extensive self-study, including completing a compliance certification document reflecting compliance with all the Principles of Accreditation. On June 11, 2015 SACSCOC reaffirmed Collin College's accreditation, and on June 13, 2019 SACSCOC accredited Collin College to offer Bachelor's degrees. The District's next decennial reaffirmation will take place in 2025.

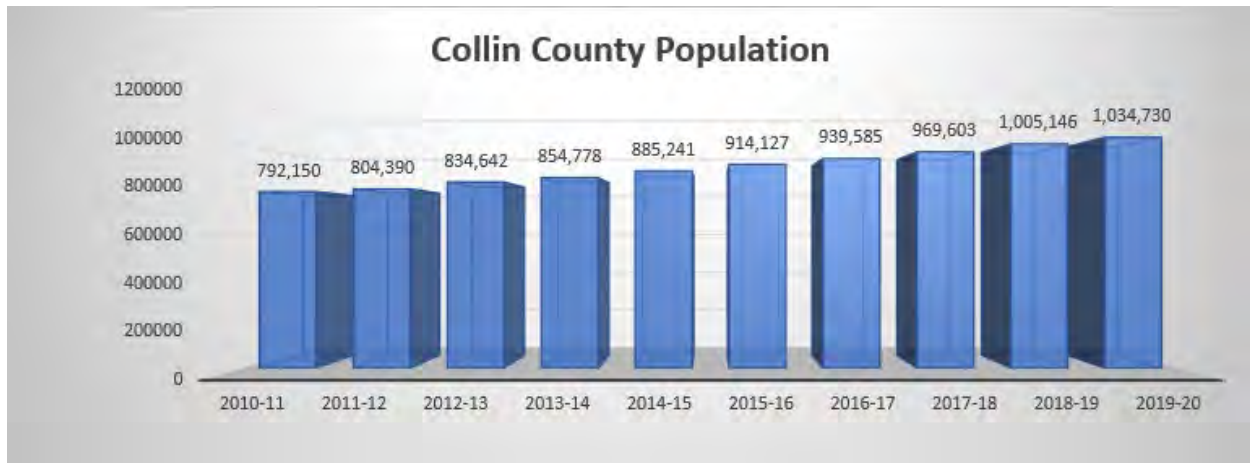
The District's mission is to provide students a community centered institution committed to developing skills, strengthening character and challenging the intellect. The student body is comprised mainly of residents of Collin County and surrounding communities.

The District strives to offer affordable, small, personalized classes and award-winning faculty in a safe and friendly environment allowing students to fulfill their potential and achieve their goals. The college promotes life-long learning and the opportunity for its residents to further their education regardless of their schedule, time and distance constraints. The District continues to meet the needs of the community in developing a professional workforce by expanding the educational opportunities available to its residents. The District provides training for many of the county's essential service positions such as police officers, firefighters, emergency medical technicians, nurses, dental hygienists, and respiratory therapists.



The District is located in Collin County which is in the Dallas metropolitan area of North Central Texas. The county consists of 886 square miles with a population density of approximately 1,168 residents per square mile in 2019. The population of Collin County was estimated to be about 1,034,730 in 2019 according to the US Census Bureau.

Information provided by the US Census Bureau as of 2020 shows an estimated 6.4% growth since 2010. In the past nine years, Collin County has experienced an increase in population of 30.6% as illustrated in the graph that follows.



Component units

The Collin County Community College District Foundation, Inc. ("Foundation") has been discretely presented in the District's statements as a component unit by inclusion of the statements and footnotes of the Foundation in the District's statements and footnotes. The Foundation changed their fiscal year end from December 31 to August 31 in 2018. The Statement of Activity is presented for the eight months ended as of August 31, 2019, and twelve months ended as of August 31, 2020. The Foundation is a non-profit organization established in 1987 to maintain, develop, increase and extend the facilities and services of the District and to provide broader educational service opportunities to its student, staff, and faculty.

Inter-local agreements and partnerships

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

- The District has inter-local agreements with Rockwall ISD for satellite campuses to benefit students and staff.
- The District has reciprocal technical/occupational course agreements with the Dallas County Community College District, Tarrant County Community College District and Grayson County College, allowing students to enroll in programs not available in their home district at the in-county tuition rate.
- The road to medical school and other health care professions is shorter thanks to the unique partnership between Collin College and Plano Independent School District (PISD). The unique PISD Health Sciences Academy offers selected students a head start on health care careers while they are still in high school, starting as early as ninth grade. Students can earn more than 50 hours of college credit and complete certifications that enable them to enter the health care workforce upon graduation from high school.

- A partnership exists between Collin College and Lewisville ISD for a Collegiate Academy at The Colony High School which allows students to earn their Associates Degree while still in high school.
- Allen ISD introduced the Associate Degree Pathway in the 2020-2021 school year. This project was started in the fall of 2018 and is a partnership between Allen ISD, Collin College, and the University of North Texas (UNT).
- The District has inter-local agreements with Collin County, City of Plano, City of McKinney, Plano Independent School District and Wylie Independent School District to complete fiber connections for the District's Fiber Optic Wide Area Network (WAN). It is approximately 88 miles long and comprised of 58 miles of College-owned fiber and 30 miles of fiber supplied through the inter-local agreements. The fiber network surrounds the county and connects our campuses with high speed communications.
- The District has an agreement with the Department of Homeland Security/Collin County Health Care Services to establish procedures to utilize the District's facilities and staff in case of a public health emergency.
- The District has agreements with five public universities to offer upper-level undergraduate courses and graduate degree programs at the Collin Higher Education Center. Universities have access to classrooms, lab facilities and office spaces to serve their students in the growing Collin County area.
- The District partnered with the Cities of McKinney and Allen to construct a state-of-the-art Public Safety Training Center to train current and future emergency services professionals. The tri-agency facility provides fire science training grounds, a reality-based simulation village for police training, three separate shooting ranges, and nine classrooms.
- The District has partnerships with local law enforcement and fire departments to provide necessary training to ensure first responders are adequately prepared.
- The National Science Foundation awarded to the District's National Convergence Technology Center a \$3.9 million grant in April 2017, with an award period of 2017 through 2022. This grant allows the District to meet the growing workforce needs for convergence technology workers and further establishes the District as a leading voice in this industry. A second National Science Foundation grant totaling \$3.8 million was awarded to the District in September 2018, with an award period of 2018 through 2022. The \$3.8 million award entitled, "Information Technology Skill Standards, 2020 and Beyond" will create a set of employer-led and verified Information Technology skill standards for high-demand job clusters.

Budget

Administrative Services, under the direction of the Chief Financial Officer, maintains the District's budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the unrestricted funds, auxiliary funds, restricted funds, building funds, and debt service fund are included in the annual appropriated budget. The District also maintains

an encumbrance accounting system which includes full-time payroll costs as a method for accomplishing budgetary control. Salary encumbrances lapse at year-end, while some encumbrances for outstanding purchase orders at year end are carried over as part of the next year's budget.

ECONOMIC CONDITION

Local economy

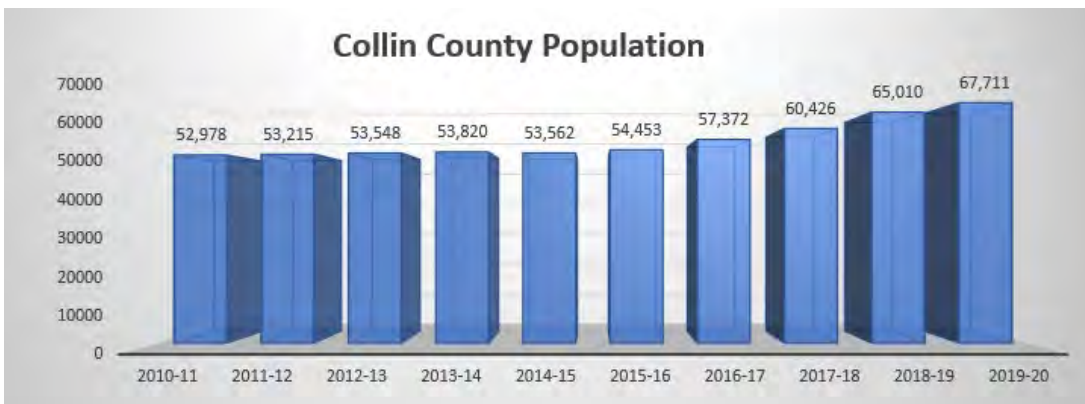
Major industries located within Collin County consist of finance, retail, computer technology, insurance, education, manufacturing, telecommunications, health care, and food industry. Possessing a well-educated workforce is a key factor in an area's ability to attract new businesses and maintain economic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

Collin County's civilian employed labor force as of August 2020 was 547,741 which was an increase of 0.2% over the prior year, according to the Texas Workforce Commission. The latest unemployment rate for Collin County as of August 2020 was at 5.5%, compared to the state's rate of 6.8% and a national rate of 8.4%, according to the Bureau of Labor statistics.

Community colleges continue to play an important role in the State's workforce and economic development. Economic development depends on the strength of having a trained and educated workforce. As the economy changes due to automation, increased productivity, and advanced technology, the demand for physical jobs begins to decrease and workers are under greater pressure to learn new skills. Student enrollment at public two-year institutions in Texas has outnumbered enrollment in public four-year universities for more than eleven years and state officials expect that trend to continue. According to the Texas Higher Education Coordinating Board, 757,594 students were enrolled in Texas public community colleges during the fall of 2019 compared to 657,985 at Texas public universities and 125,918 at independent colleges and universities.

The District headcount for credit enrollment for fall and spring increased 4.15% from 2018-19 to 2019-20.

Data Source: Collin College BANNER Student Information System



The 2019-2020 formula produced State appropriations were \$1,530 per full time student equivalent (FTSE). For years ending August 31, 2019, and 2018, the District received \$1,358, and \$1,418 per FTSE, respectively. (See Statistical Supplement 6b for additional information.)

The 2019-2020 tuition per credit hour increased \$4 for in-district residents, \$4 for out-of-district and \$5 for out-of-state/out-of country residents. In-county tuition and fees remain the lowest among colleges and universities in the state of Texas. A quality education at the District remains a smart economical choice and a wise investment.

Certified taxable values for Collin College increased 5.2% from \$152.0 billion in 2019 to \$159.9 billion in 2020. New construction declined slightly, from \$5.2 to \$5.1 billion from 2019 to 2020.

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

Long-term financial planning

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

Master Plan Priorities

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

Strategic Plan Goals

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

In May 2017, a \$600 million bond referendum was passed to fund the District's master plan, and in April 2018, \$250 million bonds were issued to fund capital projects. In April of the current fiscal year, the remaining \$350 million in bonds were issued to complete construction of the Farmersville and Celina campuses, IT Center at the Frisco Campus, and the Trane project, among other projects. See the MD&A section labeled Capital Assets and Debt Administration for additional information on the 2017 Bond Election.

Relevant financial policies

Investment Policy: The District's investment policy is required by statute to be reviewed and updated annually. The Board approved the policy in June 2020. It is designed to provide safety of principal, liquidity to meet all operating requirements, and provide a reasonable market yield throughout the budgetary and economic cycles. Bank deposits were either insured by federal depository insurance or collateralized throughout the year.

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

AWARDS AND ACKNOWLEDGEMENTS

Awards

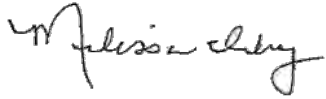
The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for Fiscal Year ended August 31, 2019. This was the 23rd consecutive year the District has achieved this prestigious award. In order to be awarded 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 Whitley Penn LLP for their assistance and timely completion of the audit. Due credit should be given to the governing Board and District Leadership for their interest in planning and conducting the operations of the District in a responsible manner.


Respectfully submitted,

Handwritten signature of Melissa Irby in black ink.

Melissa Irby, CPA
Chief Financial Officer

Handwritten signature of Julie Bradley in black ink.

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

Handwritten signature of Barbara Johnston in black ink.

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

Handwritten signature of Keitha Carlton in black ink.

Keitha Carlton, CPA
Director of Accounting



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Collin County Community College
District, Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

August 31, 2019

Christopher P. Morill

Executive Director/CEO

BOARD OF TRUSTEES



Dr. J. Robert Collins
Chairman



Jim Orr
Secretary



Dr. Stacey Donald



Greg Gomel

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



Fred Moses



Andrew Hardin
Vice Chairman



Dr. Raj Menon
Treasurer



Stacy Arias



Jay Saad



Officials and Staff

Elected Officials

| <u>Board of Trustees</u> | <u>City</u> | <u>Term Expires</u> |
|---|---------------------|---------------------|
| J. Robert (Bob) Collins, Ph.D. Chairman, Place 8 | Farmersville, Texas | May, 2021 |
| Andrew (Andy) Hardin Vice Chairman, Place 9 | Frisco, Texas | May, 2021 |
| Jim Orr Secretary, Place 7 | Lucas, Texas | May, 2021 |
| Raj Menon, Ph.D. Treasurer, Place 5 | Plano, Texas | May, 2025 |
| Stacey Donald, Ph.D. Place 3 | Plano, Texas | May, 2023 |
| Stacy Anne Arias Place 6 | Melissa, Texas | May, 2025 |
| Fred Moses Place 1 | Plano, Texas | May, 2023 |
| Jay Saad Place 2 | Plano, Texas | May, 2023 |
| Greg Gomel Place 4 | Plano, Texas | May, 2025 |

Principal Administrative Officers

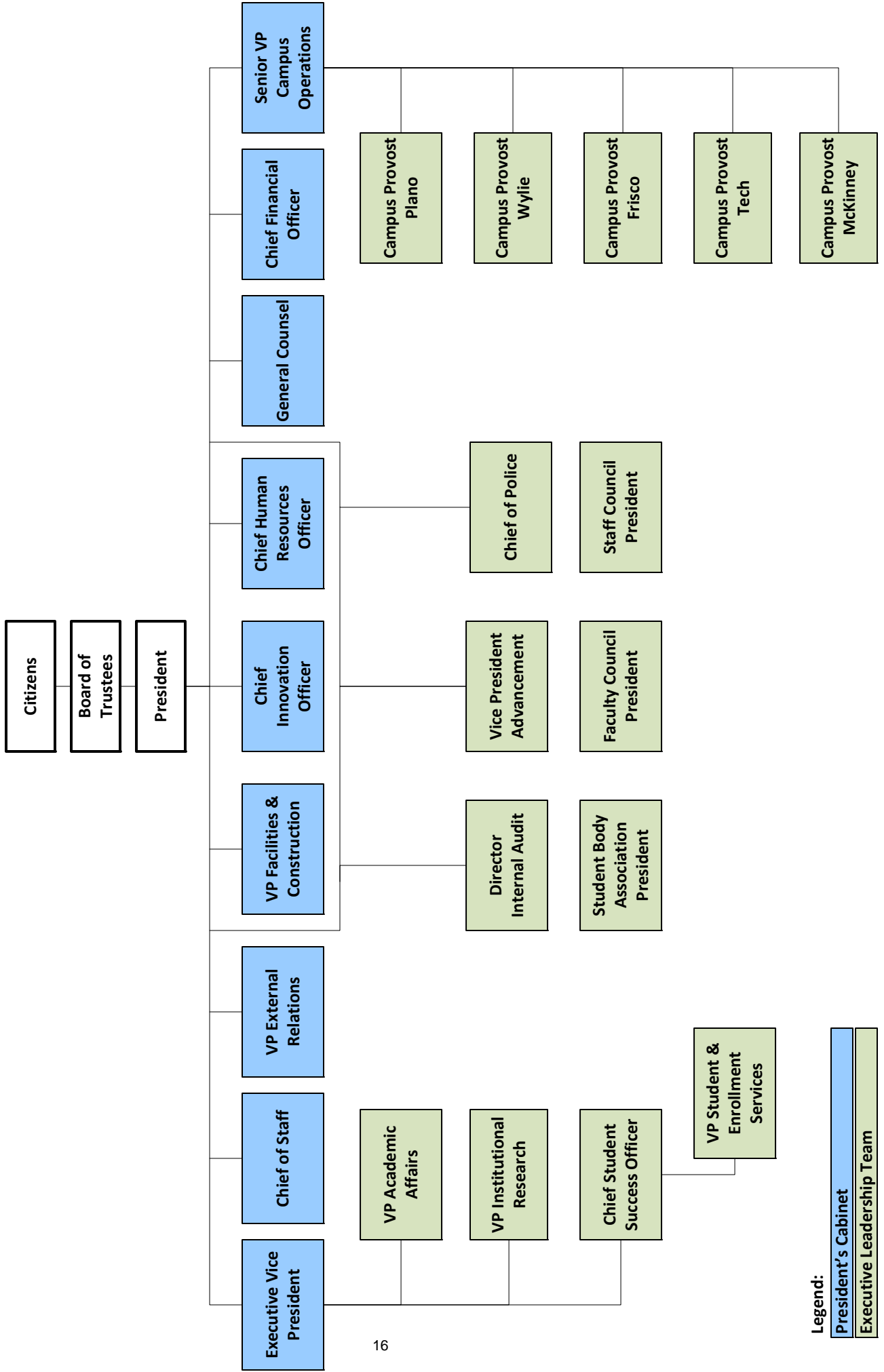
| <u>Name</u> | <u>Position</u> |
|------------------------|---|
| Neil Matkin, Ed.D. | District President |
| Sherry Schumann, Ph.D. | Executive Vice President |
| Kim Davison | Chief of Staff |
| Mike Dickson | Chief Innovation Officer |
| Chris Eyle | Vice President of Facilities and Construction |
| Melissa Irby, CPA | Chief Financial Officer |
| Toni Jenkins, Ph.D. | Senior Vice President of Campus Operations |
| Steve Matthews | Chief Public Relations Officer |
| Floyd Nickerson | Chief Human Resources Officer |
| Monica Velazquez | General Counsel |

Financial Staff

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

Collin County Community College District

Organizational Chart





Financial Section

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees
Collin County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Collin County Community College District (the "District"), as of and for the year ended August 31, 2020, 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the discretely presented component unit's financial statements of the Collin County Community College Foundation (the "Foundation") as of and for the years ended August 31, 2020. 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 the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the 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.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2020, and the changes in financial position and cash flows thereof 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 management's discussion and analysis on pages 21 through 40 and pension information and other-post employment benefit information on pages 108 through 113 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplemental Schedules A through D as required by the Texas Higher Education Coordinating Board's (THECB) *Budget Requirements and Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by

To the Board of Trustees
Collin County Community College District

Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Schedule of Expenditures of State Awards as required by the State of Texas *Uniform Grant Management Standards* and other information such as the introductory and statistical sections are also presented for additional analysis and are not a required part of the basic financial statements.

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

The introductory, statistical sections, and supplementary financial information have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2020 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matter

The financial statements of the District for the year ended August 31, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on December 10, 2019.

Whitley Penn LLP

Dallas, Texas
December 8, 2020

This page intentionally left blank.

Introduction

Collin County Community College District ("the District") is proud to present its financial statements for fiscal years ended August 31, 2020 and 2019 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, 2020, 2019, and 2018. The MD&A is based on currently known facts, decisions, and conditions having an impact on financial activities of the District and other key financial data as required by GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. It should be read in conjunction with the transmittal letter, the District's basic financial statements, and the notes to the financial statements. Responsibility for the completeness and fairness of the information in this section rests with the District management.

In accordance with GASB Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, the District is including financial statements for the District's discrete component unit, Collin County Community College Foundation ("the Foundation"). The Foundation financial statements presented for fiscal years ending August 31, 2020 and 2019 are presented on separate pages behind the District's basic financial statements. The Foundation Notes may be found in Note 18 under Component Units.

Understanding the Financial Statements

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

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

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

Basic Financial Statements:

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

Statement of Net Position presents the assets, liabilities, and net position of the District as of the end of the fiscal year. It is a point in time financial statement. The purpose of the Statement of Net Position is to give financial statement readers a snapshot of the fiscal condition of the District. It presents end-of-year data for current and noncurrent assets, deferred outflows, current and 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, 2020 and 2019. 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 2020 Financial Highlights

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

- Total assets increased 40.5% from \$952.7 million to \$1.3 billion from the prior to current fiscal year;
- On-behalf benefits provided by the State for health insurance and retirement, totals \$10.9 million for the current fiscal year, compared to \$8.5 million in the prior fiscal year; benefits paid by the District in the current year totals \$29.6 million compared to \$22.4 million in the prior fiscal year;
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits, Other than Pensions (OPEB)* continue to have significant impacts on the District's financial statements including:
 - **GASB 68 - Accounting and Financial Reporting for Pensions**
 - \$18.8 million recorded to deferred outflows compared to 17.3 million in the prior year;
 - \$6.9 million recorded to deferred inflows compared to \$3.3 million in the prior year;

- Pension liability for the current fiscal year totaled \$36.6 million, compared to \$35.2 million in the prior fiscal year;
- Pension expense totaled \$3.5 million for the current period while it was \$1.6 million in the prior fiscal year.
- GASB 75 - Accounting and Financial Reporting for Post-Employment Benefits, Other than Pensions (OPEB)
 - OPEB liability increased to \$82.4 million or 25.8% from the prior year to the current year;
 - Deferred outflows and inflows are \$46.8 and \$20.6 million, respectively, for the current fiscal year, compared to \$44.7 and \$25.3 million, respectively, in the prior fiscal year;
 - OPEB expense for the current year totals \$10.9 million, compared to \$9.2 million in the prior year.
- The District issued the remaining \$350 million general obligation bonds from the original \$600 million voter approved authorized bonds to fund the completion of the District's capital projects; the \$250 million proceeds from the Series 2018 Limited Tax Bonds issued in fiscal year 2018 were depleted during the current fiscal year.
- The District completed construction on two new campuses, the Technical and Wylie Campuses, resulting in capitalized assets totaling \$320.0 million, of which \$181.7 million was Construction in Progress at the end of the prior fiscal year. Construction in Progress at the end of the current fiscal year totals \$83.3 million for multiple capital projects, including Farmersville and Celina campuses, and the IT Center at the Frisco campus.
- Certified assessed property values increased 10.1%, from \$138.1 billion in the prior year to \$152.0 billion in the current year; the assessed tax rate remained at \$0.081222/\$100, resulting in an increase in tax revenues totaling \$8.1 million.
- Beginning in March through the end of May, the District's response to the coronavirus was to require all employees to work from home, if possible. No employees were furloughed, even if they were unable to work from home. Facilities personnel and police continued reporting to campus. The District successfully pivoted in Spring 2020 to fully online instruction, which continued throughout the summer. For a small number of lab and clinical class sections, special arrangements were made to complete those components in a safe, socially-distanced setting following the spring semester. In addition, the District applied for and received \$10.7 million in funding from the Department of Education, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited)
Fiscal Years Ended August 31, 2020 and 2019

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

| | Fiscal Year | | | Change | |
|--|--------------------|-----------------|-----------------|---------------------|---------------------|
| | 2020 | 2019 | 2018 | 2019 to 2020 | 2018 to 2019 |
| Assets: | | | | | |
| Current assets | \$ 610.6 | \$ 425.1 | \$ 526.3 | 43.6 % | (19.2)% |
| Capital assets | 719.1 | 502.6 | 343.4 | 43.1 % | 46.4 % |
| Other noncurrent assets | 9.2 | 25.0 | 11.0 | (63.2)% | 127.3 % |
| Total assets | <u>\$ 1,338.9</u> | <u>\$ 952.7</u> | <u>\$ 880.7</u> | 40.5 % | 8.2 % |
| Deferred Outflows of Resources: | 65.6 | 62.1 | 8.9 | 5.6 % | 597.8 % |
| Liabilities: | | | | | |
| Current liabilities | \$ 102.5 | \$ 82.3 | \$ 46.6 | 24.5 % | 76.6 % |
| Noncurrent liabilities | 701.6 | 346.9 | 309.5 | 102.2 % | 12.1 % |
| Total liabilities | <u>\$ 804.1</u> | <u>\$ 429.2</u> | <u>\$ 356.1</u> | 87.3 % | 20.5 % |
| Deferred Inflow of Resources: | 27.5 | 28.6 | 14.7 | (3.8)% | 94.6 % |
| Net position: | | | | | |
| Net investment in capital assets | \$ 278.2 | \$ 264.3 | \$ 262.4 | 5.3 % | 0.7 % |
| Restricted -- expendable | 13.1 | 15.4 | 1.3 | (14.9)% | 1084.6 % |
| Unrestricted | 281.6 | 277.1 | 255.0 | 1.6 % | 8.7 % |
| Total net position | <u>\$ 572.9</u> | <u>\$ 556.8</u> | <u>\$ 518.7</u> | 2.9 % | 7.3 % |

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 related to future periods, and are not assets or liabilities. For purposes of explanation the deferred inflows and outflows presented in the District financial statements pertain to pension contributions and other post-employment benefits.

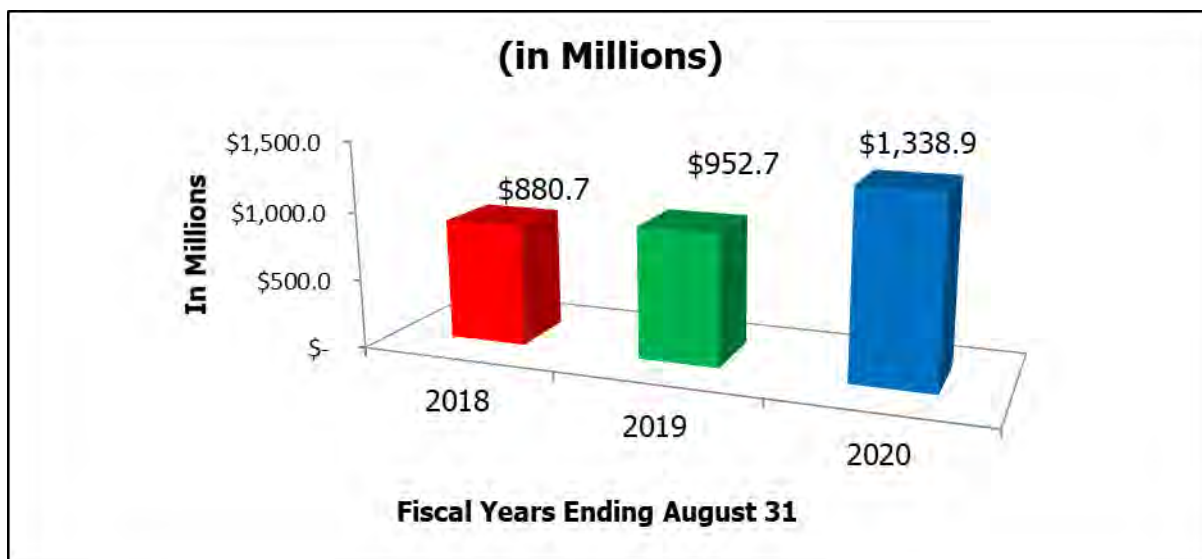
Net position is divided into three major categories.

- Net investment in capital assets: provides the District's equity in land, buildings and improvements, and equipment owned, net of related debt,

- Restricted Net Position: these assets have external limitations on the way in which they may be used, and are not accessible for general use,
- Unrestricted net position: assets in this category are available to be used for any lawful purpose of the District at the direction of the Board of Trustees.

Total assets of the District for fiscal year 2019-20 are \$1.3 billion, a 40.5% increase, \$952.7 million in fiscal year 2018-19 and an 8.2% increase, or \$880.7 million in fiscal year 2017-18. Total assets continue to increase as indicated in Graph 1-Total Assets.

Graph 1: Total Assets



Current assets represent 45.6% of total assets in the current year, comparable at 44.6% in the prior year. The influx of cash from the Series 2020 Limited Tax Bonds issuance in the current year increased total assets significantly.

Cash resides in TexPool, TexStar, and Texas Term, all statewide investment pools and all are classified as cash equivalents. Proceeds received from the Series 2020 Limited Tax Bonds are held in TexPool and are being recorded as Restricted Cash and Cash Equivalents. Short term investments consist of Certificates of Deposits (CDs) and Commercial Paper. In the prior year, \$14.6 million from the Series 2018 Limited Tax Bond proceeds was invested in Restricted short-term investments. It is not unusual for fluctuations to occur between cash and investments with changes occurring based on cash flow needs. See Note 3 Authorized Investments and Note 4 Deposits and Investments for additional information on cash and investments.

Accounts receivable decreased 46.7% from \$37.5 million to \$20.0 million from the prior year to the current year. Part of the decrease in receivables is due to the maturity of \$20 million in investments falling on a holiday weekend in the prior year, therefore the funds were delayed from being deposited in the bank and were recorded as a receivable. At the end of both the current and prior fiscal years, the District recorded a \$6 million receivable from Allen Independent School District (Allen ISD). Based on a contractual agreement with Allen ISD, the District received \$6 million upon 50%

completion of the construction on the Technical Campus and another \$6 million at the end of the project. At the end of the prior year, the Technical Campus was 51.6% complete. The District billed Allen ISD for the remaining \$6 million at the end of the current fiscal year.

Non-current assets consist of capital assets and long-term investments. Capital assets include land, land improvements, buildings, equipment, WAN/LAN network equipment, library books and construction in progress, and are shown net of accumulated depreciation. For the current fiscal year, capital assets increased \$216.5 million from the prior year. Construction costs associated with the Technical and Wylie Campuses were capitalized upon completion of the two projects at year end. In fiscal year ending 2018, \$30.9 million was capitalized when the Public Safety Training Center (PSTC) was completed at year end, reducing construction in progress by the same amount. Further information regarding capital assets is shown in Note 2 Summary of Significant Accounting Policies and Note 5 Capital assets, as well as in the MD&A paragraph under the heading Capital Assets and Debt Administration.

Deferred outflows of resources totaled \$65.6 million, \$62.1 million and \$8.9 million for fiscal years ending 2019-20, 2018-19, and 2017-18, respectively. The fluctuations in deferred outflows over the three years is a result of recognizing the differences in projected and actual investment earnings at the plan level. In the current fiscal year, \$46.8 million of the \$65.6 million in deferred outflows is for other post-employment benefits (OPEB), and \$18.8 million relates to deferred outflows related to pensions. Deferred outflows represent the District's proportionate share of pension and other post-employment benefits the District could make that will benefit employees in the future, but are not considered assets. See Note 9 Employees' Retirement Plan, and Note 13 Other Post-Employment Benefits for additional information on deferred outflows.

Total liabilities of the District are \$804.1 million, \$429.2 million, and \$356.1 million in fiscal years ending 2019-20, 2018-19, and 2017-18, respectively. Current liabilities total \$102.5 million, make up 12.7% of total liabilities for the current fiscal year and consists of accounts payable, accrued liabilities, funds held for others, unearned revenues and the current portions for accrued compensable absences and bonds payable. A liability is considered to be current if it is due within one year. Accounts payable and accrued liabilities make up the largest portion of current liabilities, approximately \$61.4 million in the current year, compared to \$45.9 million in the prior year. The increase is due to increased retainage and amounts owed vendors at year end for construction expenses for the new campuses. Unearned revenue is consistent with prior years, and represents tuition payments students have made for the upcoming fall semester. Tuition rates per credit hour for Fall 2020 is unchanged from Fall 2019. Credit hour enrollment is up slightly, .5% compared to the prior year. There was a 3.6% increase in enrollment from Fall 2018 to Fall 2019. With the issuance of the Series 2020 Limited Tax Bonds, the current portion of bonds payable increased from \$10.5 to 12.8 million from the prior year. See Note 14 Disaggregation of Receivables and Payables Balances for additional information on payables, and Note 6 for additional information on Liabilities.

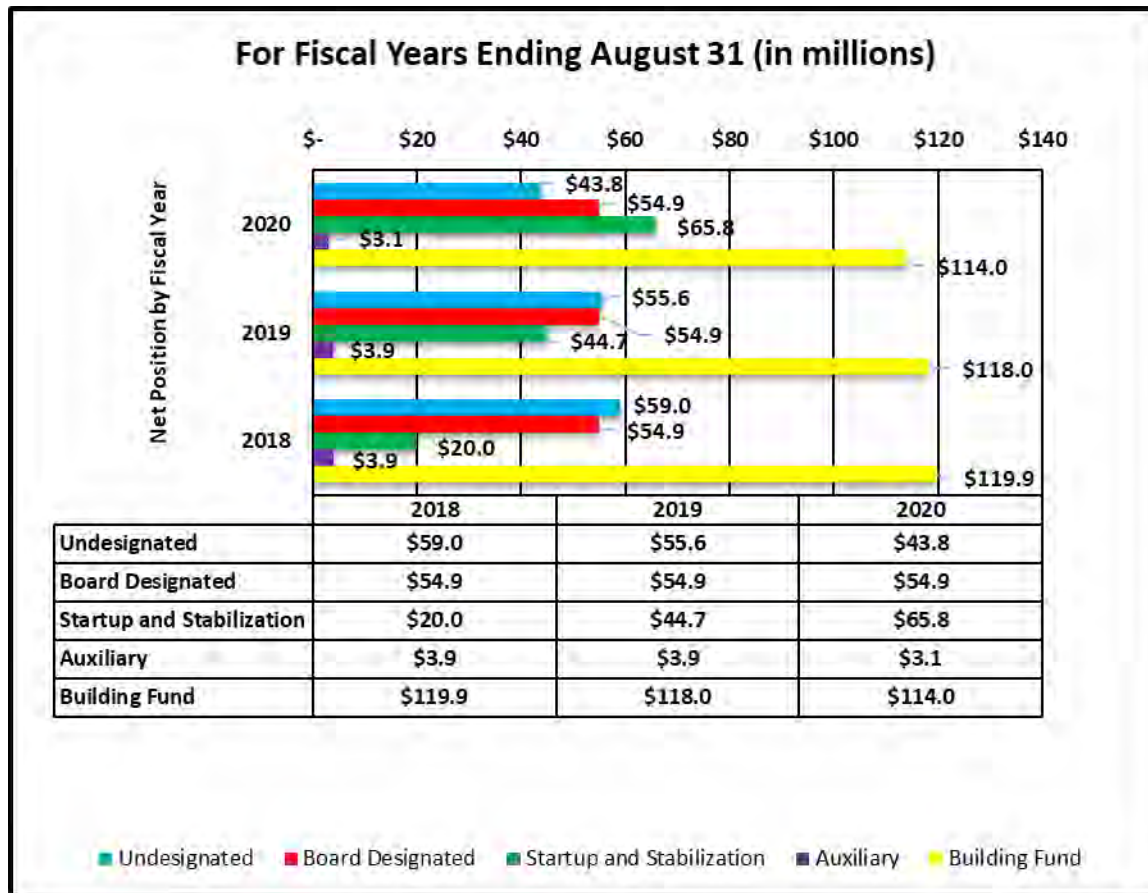
For fiscal years 2019-20, 2018-19, and 2017-18 noncurrent liabilities make up 87.3%, 80.8%, and 86.9% of total liabilities, and consists of accrued compensable absences payable, pension liability, the noncurrent portion of bonds payable not due within one year, and OPEB liability. Noncurrent liabilities totaled \$701.6 million in the current fiscal year compared to \$346.8 million, and \$309 million in the two prior fiscal years. The significant increase in long term liabilities from the prior year to

the current year consists of the increase in bonds payable totaling \$337.4 million and the \$15.2 million increase in net OPEB liability. The OPEB liability totaled \$64.5 million and \$31.3 million of non-current liabilities for fiscal years ending 2019 and 2018, respectively. An increase in pension liability totaling \$15 million from fiscal year 2018 raised the total pension liability to \$35.2 million in fiscal year 2019. Bonds payable increased from \$12.4 million in fiscal year ending 2017 to \$257.4 million in fiscal year ending 2018 as a result of the 2018 bond issuance. Additional information on Long-term liabilities may be found in Note 6.

Deferred inflows of resources are resources that represent an acquisition of net position related to future periods as required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits, Other than Pensions (OPEB)*. Deferred inflows related to OPEB decreased from \$25.3 million in the prior year to \$20.6 million in the current year. Deferred inflows related to pensions increased by 109.2% from \$3.3 million to \$6.9 million. GASB Statement 75, Other Post-Employment Benefits was issued (OPEB) to provide more transparent reporting of the liability and useful information about the liability and costs of post-employment benefits other than pensions. The District participates in a cost-sharing OPEB and has recorded a liability, equal to our proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. OPEBs pertain to all post-employment healthcare benefits, death benefits, life insurance, disability and long-term care benefits. See financial highlights for impact on financial statements specifically from OPEB implementation. See Note 9 Employees' Retirement Plan, and Note 13 Other Post-Employment Benefits (OPEB) for additional information.

Net position represents the District's equity, some of which is restricted for certain uses and some of which is unrestricted. Unrestricted net position increased 1.6% or \$4.5 million from the prior year to the current year. A reserve for capital projects which represents the \$6 million owed to the District by Allen ISD as noted above, and \$100,000 for the first installment of a \$400,000 Infrastructure Grant due to the District by Allen Economic Development Corporation is shown as restricted net position. See Graph 2 - Current Unrestricted Net Position for a graphical representation of the components of current unrestricted net position. For additional information, see THECB Supplemental Schedules, Schedule D for a breakdown of net position, and Note 2 - Summary of Significant Accounting Policies-Board Designations for information on board designated unrestricted net position.

Graph 2: Current Unrestricted Net Position



Statement of Revenues, Expenses and Changes in Net Position

The purpose of the Statement of Revenues and Expenses, and Changes in Net Position is to present the revenues earned and expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains, and losses received or spent by the District. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenue and to carry out the District's mission. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as ad valorem taxes, state appropriations, and federal grants. See Table 2 on the following page for a comparative Condensed Statement of Revenues, Expenses, and Changes in Net Position for fiscal years 2019-20, 2018-19, and 2017-18.

Because two of the three primary sources of revenue, state appropriations, and ad valorem taxes, which make up 65.0% of total District revenues are reported as non-operating revenues, the District will typically report a net operating loss, as it does for the District in all fiscal years presented.

Additionally, since depreciation on capital assets is reported as an operating expense, it also contributes to the operating loss.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2020 and 2019

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

| | Fiscal Year | | | Change | |
|--|-------------|----------|----------|--------------|--------------|
| | 2020 | 2019 | 2018 | 2019 to 2020 | 2018 to 2019 |
| Operating revenues: | | | | | |
| Tuition and Fees (Net) | \$ 39.2 | \$ 40.1 | \$ 35.9 | (2.2)% | 11.7 % |
| Grants and Contracts | 7.0 | 4.0 | 4.9 | 75.0 % | (18.4)% |
| Auxiliary enterprises | 2.0 | 2.3 | 1.9 | (13.0)% | 21.1 % |
| Other operating revenues | 0.8 | 2.0 | 1.4 | (60.0)% | 42.9 % |
| Total operating revenues | 49.0 | 48.4 | 44.1 | 1.2 % | 9.8 % |
| Operating expenses: | | | | | |
| Instruction | 94.8 | 85.1 | 74.8 | 11.4 % | 13.8 % |
| Public service | 0.6 | 0.4 | 0.5 | 50.0 % | (20.0)% |
| Academic support | 20.5 | 16.8 | 14.2 | 22.0 % | 18.3 % |
| Student services | 19.1 | 17.4 | 15.4 | 9.8 % | 13.0 % |
| Institutional support | 39.2 | 32.3 | 26.9 | 21.4 % | 20.1 % |
| Operation and maintenance of plant | 16.5 | 15.5 | 13.4 | 6.5 % | 15.7 % |
| Scholarships | 22.5 | 18.5 | 18.8 | 21.6 % | (1.6)% |
| Auxiliary enterprises | 4.0 | 2.5 | 2.3 | 60.0 % | 8.7 % |
| Depreciation | 12.6 | 9.4 | 9.1 | 34.0 % | 3.3 % |
| Total operating expenses | 229.8 | 197.9 | 175.4 | 16.1 % | 12.8 % |
| Operating loss | (180.8) | (149.5) | (131.3) | 20.9 % | 13.9 % |
| Non-operating revenues (expenses): | | | | | |
| State appropriations | 50.8 | 44.0 | 44.0 | 15.5 % | 0.0 % |
| Ad-valorem taxes (Net) | 118.4 | 110.5 | 98.5 | 7.1 % | 12.2 % |
| Federal revenue, Non-operating | 30.6 | 23.9 | 23.3 | 28.0 % | 2.6 % |
| Gifts | 6.1 | 6.2 | - | (1.6)% | 0.0 % |
| Interest on capital related debt | (12.6) | (9.3) | (3.9) | 35.5 % | 138.5 % |
| Investment income | 5.4 | 12.1 | 6.3 | (55.4)% | 92.1 % |
| Other non-operating revenues, net | 0.2 | 0.2 | 0.2 | 0.0 % | 0.0 % |
| Other non-operating expenses, net | (2.0) | - | (2.3) | 100.0 % | 0.0 % |
| Net non-operating revenues | 196.9 | 187.6 | 166.1 | 5.0 % | 12.9 % |
| Increase in net position | 16.1 | 38.1 | 34.8 | (57.7)% | 9.5 % |
| Net position - beginning of year | 556.8 | 518.7 | 520.5 | 7.3 % | (0.3)% |
| Cumulative Effect of Change in Accounting Principle | | | (36.6) | 0.0 % | 0.0 % |
| Net position - ending of year | \$ 572.9 | \$ 556.8 | \$ 518.7 | 2.9 % | 7.3 % |

Tuition and fees, net of discounts, has consistently made up an average of approximately 81.4% of operating revenues for the last three fiscal years. Factors effecting tuition and fees include changes in the tuition rate per credit hour, enrollment data, and scholarship allowances. The 11.7% increase in tuition and fees in fiscal year ending 2019 compared to fiscal year ending 2018 is a result of an increase in student enrollment and an increase in tuition per credit hour. See Statistical Supplements

4 and 15, Tuition and Fees, and Enrollment Details, respectively, for additional information on tuition and enrollment details.

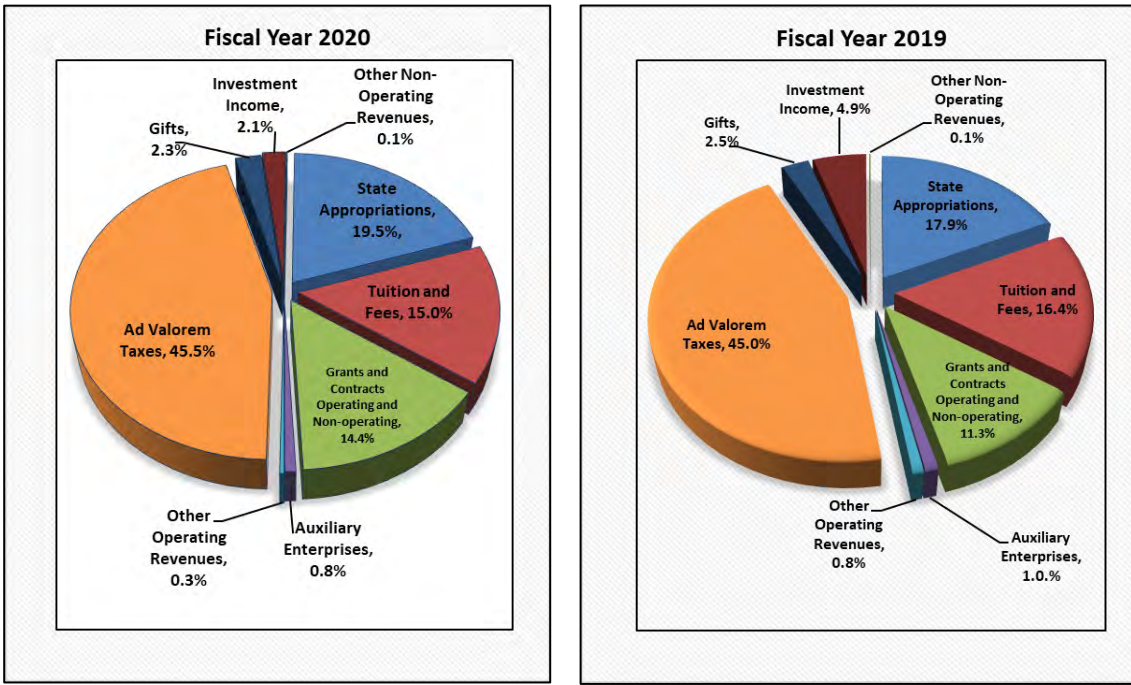
For fiscal years ending 2019-20, 2018-19, and 2017-18, scholarship allowances and discounts were \$17.4, \$11.3, and \$10.9 million, respectively. Scholarship allowances reduce tuition revenue for amounts paid to students from financial aid or sources other than the student or third parties making payments on behalf of the student. The major components of scholarship allowances include remissions and exemptions, TPEG awarded, and Federal Grants awarded to students. During the current year, all scholarship allowance components increased substantially. Remissions and exemptions increased 90.0%, from \$2.0 million to \$3.8 million; the District implemented a new waiver during the current fiscal year accounting for the increase in this category in which the difference between in-county tuition rates and all other residency tuitions rates was waived for all dual credit students. Scholarship allowances and discounts related to TPEG awarded increased 45.0% from \$1.5 million to \$2.1 million; and scholarship allowances related to Federal grants awarded to students increased 47.6% from \$7.2 million to \$10.7 million. See Schedule A-Schedule of Operating Revenues within the Texas Higher Education Coordinating Board Supplemental Schedules for a breakdown of Tuition, Fees, and Scholarship allowances and discounts.

Grants and Contracts as displayed in Table 2, Condensed Statement of Revenues, Expenses and Changes in Net Position, consists of Federal, State, and Non-governmental grants and contracts. The District applied for and received Higher Education Emergency Relief funding from the Department of Education under the Coronavirus Aid, Relief, and Economic Security (CARES) Act totaling \$5,395,456 for student grants, and \$5,395,456 in institution funding. The District expended \$2.7 million of the institutional CARES funding, which is shown in the operating revenues section of the Statement of Revenues, Expenses, and Changes in Net Position, and is primarily responsible for the 75.0% increase in this category from the prior year to the current year. Other grants reported in this line include the National Science Foundation, Small Business Administration, Texas Workforce Commission, Texas Education Opportunity Grants. Grant revenues are recognized to the extent expenditures are incurred.

Non-operating revenues are non-exchange transactions where funds are received for goods and services provided to an entity, who are not the payors. The primary source of non-operating revenues are State appropriations, ad valorem taxes and federal revenues received from the Department of Education in the form of Title IV funds, i.e. Federal Pell Program, Federal Supplemental Educational Opportunity Grants and Federal Work-Study Program. During the current year, the student portion of the CARES funding totaling \$5,395,456 is shown in the Federal revenue, Non-operating section. A total of 6,745 students received \$800 each in CARES funding. This category increased 28.0% due to the CARES funding; an increase in Pell Grants of \$1.5 million from the prior year to the current year was noted due to a 5% increase in Pell Grants recipients, as well as a 2% increase in the maximum Pell awarded in the current fiscal year, compared to the prior year. Other non-operating revenues consist of net investment income, gifts, and other non-operating revenues.

Graph 3 displays a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal years ending 2018-19 and 2019-20.

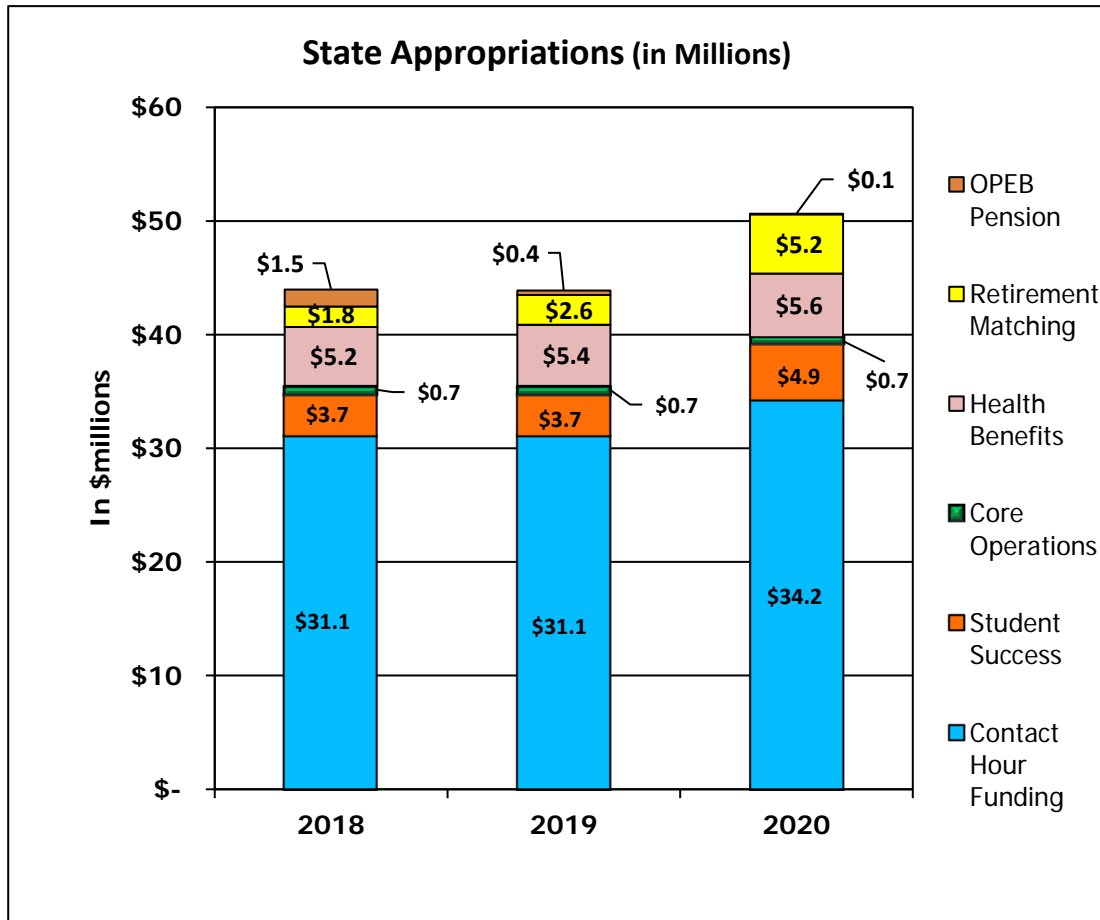
Graph 3: 2019 and 2020 Total Operating and Non-Operating Revenues



State appropriation funding consists of funding for education and general expenses, specifically based on contact hours, student success measures, and core operations, as well as providing for a portion of employee benefits in the form of health insurance and state retirement matching. This is the first year of the biennium, with appropriations increasing from \$44.0 million (including on-behalf benefits) in the prior year to \$50.7 million for the current. State appropriations per full time student equivalent increased from \$1,358 in the prior year to \$1,530 in the current year. State appropriation per funded contact hour in the prior and current years was \$2.37 and \$2.59, respectively. See Statistical Supplements 6b and 6c for state appropriation per FTSE and contact hours.

As shown in Graph 4, the major changes in state appropriations can be attributed to a 10.0% increase in contact hour funding, and a 100% increase in retirement funding, including the portion related to GASB Statement 68 *Accounting and Financial Reporting for Pensions*. The State provides benefits at 50% for all eligible employees. The District pays 100% of benefits for employees not covered by the state, excluding grant employees. Benefits for grant employees are paid with grant funds. See Notes 9 Employees' Retirement Plan and Note 12 Healthcare and Life Insurance Benefits for additional information on benefits.

Graph 4: State Appropriations: Fiscal Years 2018 through 2020



Ad valorem taxes received for maintenance and operations (M&O) increased \$8.9 million over the prior year, or 8.4% due to increased property values. Over the last three years, the net assessed property values of the District for 2017-18, 2018-19, and 2019-20 was \$125.2, \$137.9, \$148.4 million, respectively. The District's total assessed tax rate for the last three years per \$100 valuation: \$0.079810, \$0.0081222, and \$0.081222 for fiscal years 2017-18, 2018-19, and 2019-20, respectively. See Note 16 Property Tax for additional information on property taxes.

During the current year, the contribution from Allen ISD for the Technical Campus totaling \$6 million was accounted for as a gift. In the prior year, the District received \$6.0 million from Allen ISD, bringing the total contribution from Allen ISD to \$12 million over the two-year period. Allen Economic Development Corporation gifted the first \$100,000 of a \$400,000 Infrastructure Grant to the District in the current year. The remaining \$300,000 will be paid out over the next three years, on the anniversary date of the date of completion of construction of the Technical Campus.

Auxiliary enterprise revenues are generated by student housing, food and catering services, bookstore commission, and facilities leasing.

Interest expense on capital related debt has increased over the last three years due to the issuance of the 2018 and 2020 Series Bond issuance totaling \$600 million. See Notes 7 and 8 Debt Obligation and Bonds Payable, respectively, for additional information on debt service for the District.

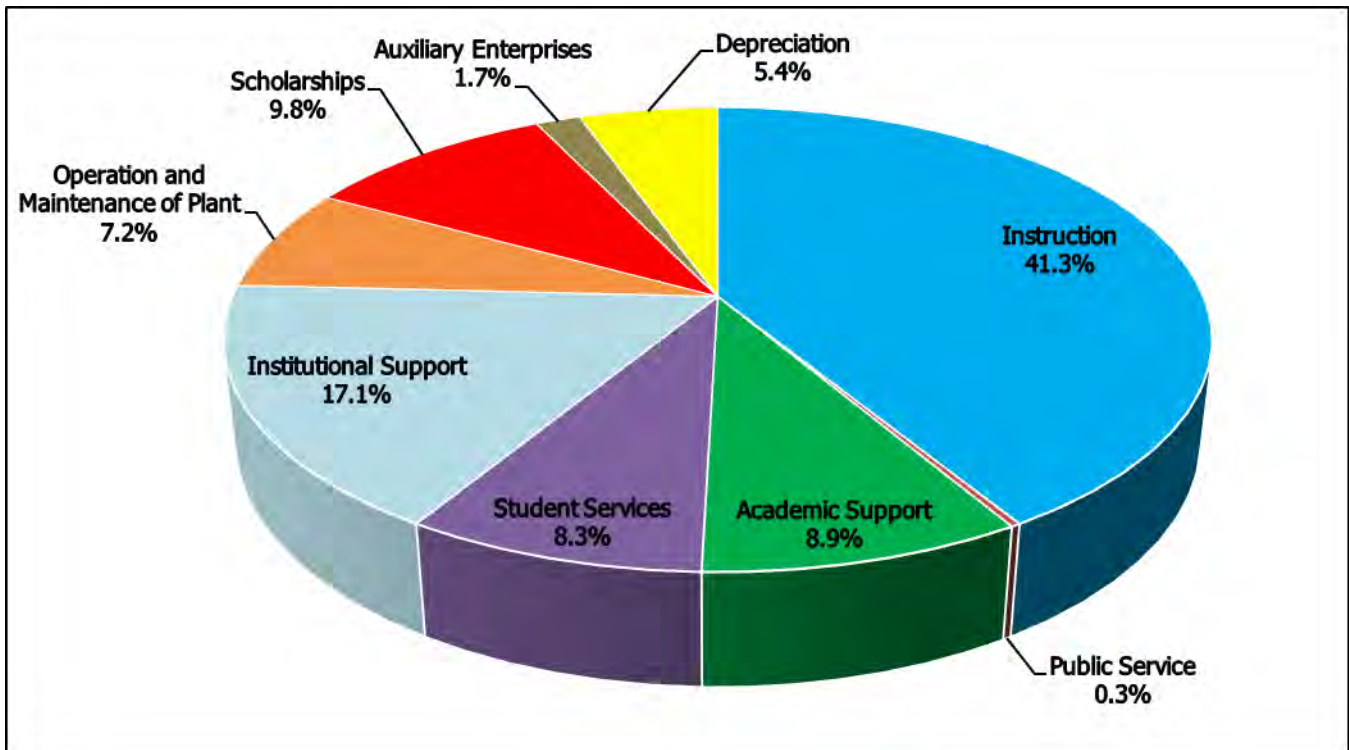
Operating Expenses by Functional Classification

As the District is considered a single governmental program business-type activity, the District is subcategorized into functional areas with direct expenses attributable to each area. A comparison of the District's functional operating expenses spanning fiscal years ending 2018 through 2020 may be found in Table 2. Graph 5 Fiscal Year Operating Expenses by Functional Classification highlights the percentage of total operating expenses each program represents of the total \$229.8 million. A graphical representation of operating expenses by functional classification for the three-year period of 2017-18, 2018-19, and 2019-20 is depicted in Graph 6.

Overall operating expenses increased 12.9% and 16.1% from fiscal years 2017-18 to 2018-19 and from 2018-19 to 2019-20, respectively. The Board of Trustees approved a 3.5% salary increase for all employees in fiscal year 2019-20; an adjustment of salary ranges was approved in order to be competitive with the current market, and some employees received a 3.0% or 4.0% market adjustment to maintain salary equity based on the new salary ranges. A 4.0% salary increase was approved in fiscal years ending 2019 and 2018.

To encourage Collin College employee participation in planned savings toward retirement and to enhance the District's benefits package to recruit and retain highly skilled employees, the Board of Trustees approved a dollar-for-dollar match of each full-time benefits-eligible employee's tax-sheltered savings plan, up to 3% of his/her annual base salary. Total cost to the District for this new benefit was almost \$1.8 million. For additional information see Note 10. Deferred Compensation Program.

Benefits and salaries make up 93.3% of total instructional expenses. There was an overall increase in instructional expenses totaling \$9.7 million of which 98.7% was due to the increases in salaries and benefits. In addition to the salary increases noted above, the increase can be explained by the addition of 124 new full-time faculty teaching at existing campuses and those hired in the current year that will be teaching at newly opened campuses in Fall 2020. Approximately 66 new faculty were hired in the current fiscal year to teach at existing campuses with the remaining 58 hired later in the year in preparation for the Technical and Wylie Campuses Fall 2020 openings.

Graph 5: Fiscal Year 2019-20 Operating Expenses by Functional Classification (%)

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

The public service functional expense category is for funds expended for activities primarily to provide non-instructional services beneficial to individuals and groups external to the District. Expenses in this classification primarily relate to services provided by the Small Business Development Center, and avocational courses offered through the District. It represents less than 1.0% of the District's total operating expenses in fiscal year 2019-20.

The academic support functional area includes expenses incurred to provide support services for the District's primary programs of instruction. It includes academic administration (provosts, academic deans and associate deans), and library services. There was a 22.0% increase in academic support expenses totaling \$3.6 million during the current fiscal year compared to the prior year, with 99.8% of the increase attributable to salaries and benefits. Throughout the year the District hired fifty new employees providing academic support services, many of whom were hired in preparation for the new Technical and Wylie campuses openings in Fall 2020.

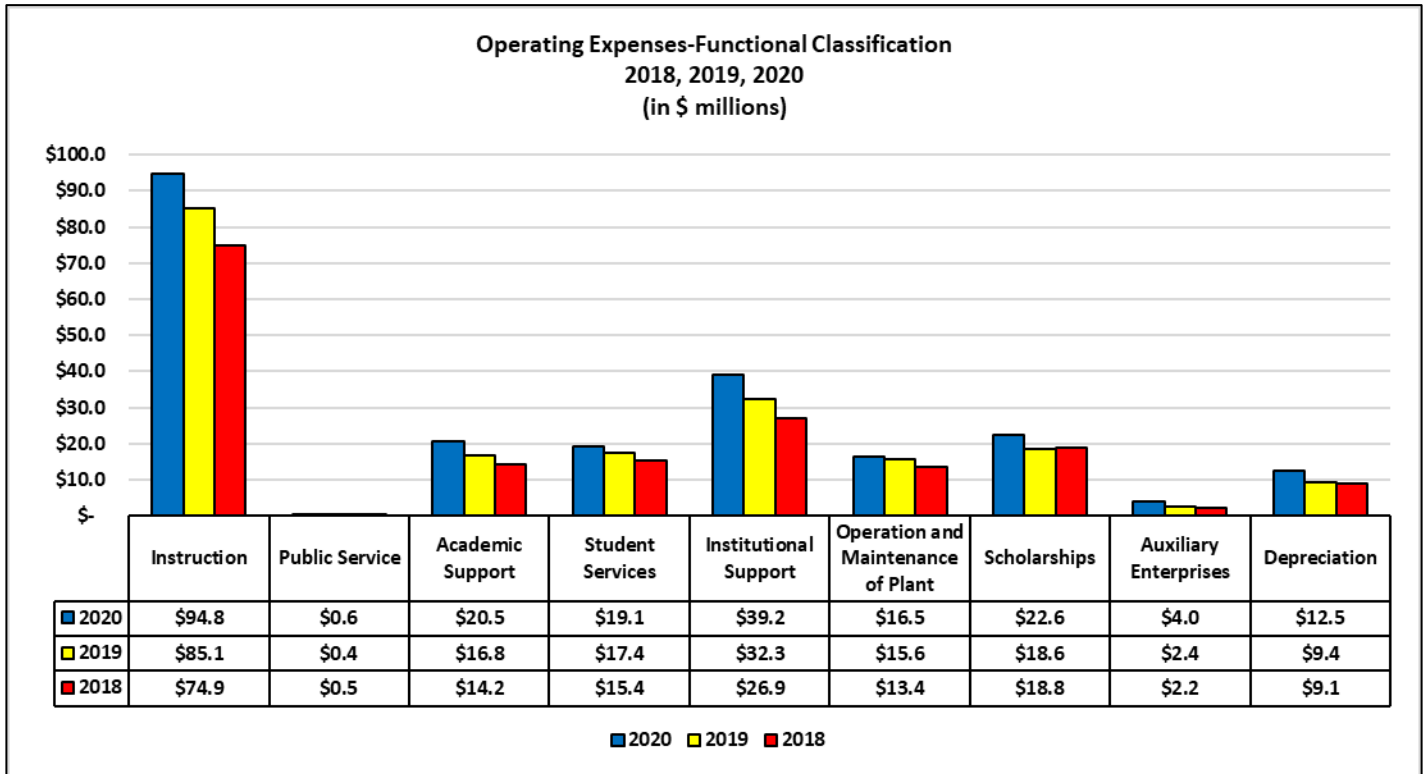
Student services includes expenses incurred to provide assistance and support the needs and interests of the students including counseling, advising, financial aid, admissions, and career guidance among others. Throughout the year eighteen employees were hired to provide student services support. As noted in the explanations for the previous functional categories, salary and

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2020 and 2019

benefit expenses account for a significant part of the increase which was an increase of the 9.8% or \$1.6 million increase in the student services category from the prior to the current fiscal year.

Graph 6: Operating Expenses by Functional Classification



Institutional support expenses consist of the District's executive management, fiscal operations, general administration, public relations and development, debt service and information technology. Total institutional support expenses increased in the current year by \$6.9 million, for a total of \$39.2 million compared to \$32.2 million in the prior year. Salary and benefits make up approximately 81.2% of the increase. Twenty-eight new employees were hired in this category of which approximately 22 employees were for the police department. As part of the safety plan the Board of Trustees approved in 2017, the District spent approximately \$1.9 million in the current fiscal year to upgrade access controls, emergency communications, and other security systems. A decrease in contracted services totaling \$.7 million occurred in the current year of which commencement and meetings expenses are a part of and is attributable to the interruption of on-campus operations due to the coronavirus pandemic beginning in March 2020 and extending through the end of the fiscal year. Since elections expenses are only incurred in odd numbered years it, too, is partly responsible for the decrease in contracted services.

During the current year, Operations and maintenance of plant increased \$.9 million with salaries and benefits representing about 92% of the increase in this category. Five new employees were hired for plant operations. Plant supplies expense increased 35.9% with offsetting decreases in utilities (-4.2%) and contracted services (-3.2%), with the changes being attributable to the coronavirus pandemic impact.

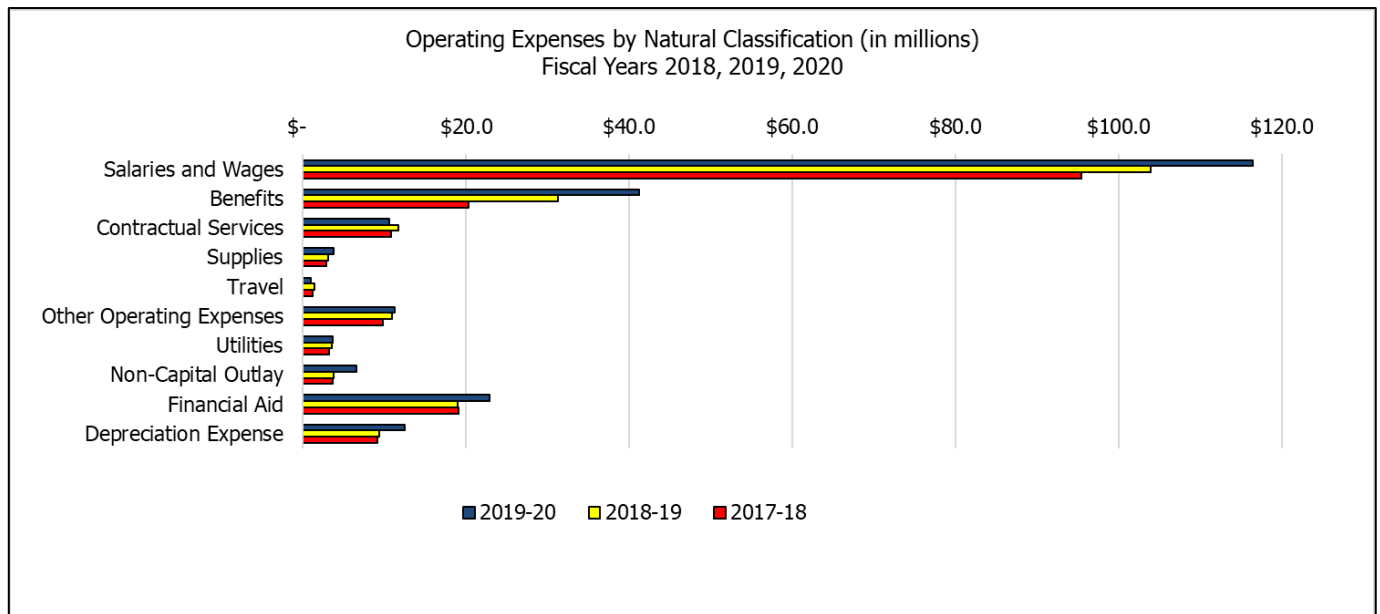
Between 2018 and 2020 depreciation expense has increase \$3.1 million due to the addition of the Technical and Wylie campuses at the end of the current fiscal year and the Public Safety Training Center addition at the end of fiscal year 2018. Projects under construction are classified as construction in progress and no depreciation is taken until the construction is completed.

Auxiliary enterprises expenses increased from \$2.4 million to \$4.0 million from the prior year to the current year. Salaries and benefits account for about 35.1% of the increase as a result of salary increases noted above and the addition of five student housing employees. The remaining increase in expenses is due primarily to non-capital furniture and equipment purchased for student housing.

Scholarship expense increased to \$22.6 million in the current fiscal year from \$18.6million in the prior year. The net effect of an increase in CARES student grants totaling \$5.9 million plus a \$1.5 million increase in Pell grants, along with an increase in scholarship allowances totaling \$3.5 million accounts for the \$4.0 overall increase in the current year. Scholarship allowances reduce scholarship expenses. See Schedule A – Schedule of Operating Revenues for additional information on scholarship allowances and discounts.

Operating Expenses-Natural Classification

Graph 7: Operating Expenses-Natural Classification



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

Salaries and benefits make up between 68.6%, 68.3% and 66.0% of total expenses for fiscal years ending 2020, 2019, and 2018. Financial aid is the next largest expense for the District with a 3-year average of approximately 10.0%.

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

Capital Assets and Debt Administration

In May 2017 Collin County voters approved a \$600 million bond referendum allowing the District to fund Collin College's Facilities Master Plan (2017 Bond Program). The District's long-range plan to accommodate the projected population growth in Collin County over the next two decades consists of building four new campuses: Wylie Campus, Technical Campus in Allen, Farmersville, and Celina Campus. The Wylie and Technical campuses were completed at the end of the current fiscal year and opened for classes in Fall 2020. Farmersville and Celina Campuses, and the IT Center in Frisco are scheduled to be completed in fiscal year 2021.

The Wylie Campus is approximately 339,455 SF with capitalized costs totaling \$153.1 million. Total capitalized costs for the Technical campus is \$158.1 million with 338,154 SF. The District completed renovation of student housing and capitalized \$8.8 million in connection with the purchase of and renovation of the student housing facility. In the prior year, the total amount paid by the District including legal fees associated with the purchase of the student housing was \$4.2 million.

At the end of the current fiscal year, construction on the 52,000 SF Farmersville Campus is about 52.4% complete, and the 96,000 SF Celina Campus is approximately 43.9% complete. The IT Center at the Frisco Campus is approximately 21.4% complete at year end. Total construction in progress for the projects noted totals \$83.3 million at year end. At the end of the prior year, construction in progress totaled \$181.7 million and with the current year construction expenses, a total of \$320.0 million moved from construction in progress to capitalized buildings at the end of the current fiscal year.

The District entered into an agreement with AECOM Technical Services to provide Program Management Services of the 2017 Bond program. The initial agreement called for AECOM to manage the construction of the Wylie and Technical campuses or Phase 1 of the project at a cost of \$9.6 million. Phase 2 was added to the agreement to manage the construction of Farmersville and Celina Campuses as well as the IT Center at Frisco for \$2.75 million. AECOM's management fee for Phases 3 and 4 totals \$3.052 million. Phases 3 and 4 include the McKinney Welcome Center, the Trane project totaling \$21.8 million, and an accreditation-driven expansion and remodeling of the Dental Hygiene space at the McKinney campus totaling \$5.7 million.

The Trane project includes high-efficiency lighting retrofits, building automation system retrofits, and revisions, chilled water system control optimization, electrical demand load control strategies, domestic water consumption reduction, landscape irrigation water control, and heating system optimization. The District is expected to realize operations, maintenance, and capital replacement savings of \$738 thousand yearly over the life of the project in addition to the "guaranteed" energy savings. Trane's fee for performance and furnishing of the service is \$3.2 million. At year end, the Trane project is 77.9% complete.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2020 and 2019

The District administration, with the approval of the Board of Trustees, initiated the implementation of a new software system, Workday, to replace the existing system, Ellucian-Banner, in order to improve and streamline college services and system security. In addition to Workday, the District contracted with two implementation partners. The first partner, Accenture (formerly Sierra Cedar) is providing the subject matter experts for Finance, Human Capital Administration, Payroll and technical support for security and system integration. Precision Task Group will provide overall project management, data conversion, and state reporting assistance. Total amount approved by the Board of Trustees for Workday and the implementation services was \$11.5 million. The District is recording the implementation costs as work in progress, which will be capitalized upon completion of the implementation in accordance with GASB No. 51. At the end of the current fiscal year, the District had \$2.3 million in work in progress for Workday implementation. Implementation is anticipated to be completed for the Finance, Human Capital Administration, and Payroll systems in fiscal year 2021.

Capital equipment purchases related to the operations of the Technical and Wylie campuses totaled \$4.1 million. Another \$1.6 million in capital equipment was purchased for existing campuses during the current fiscal year.

Table 3: Capital Assets

| | 2020 | 2019 | 2018 |
|---------------------------|-----------------------|----------------------|----------------------|
| Land | \$ 44,610,763 | \$ 44,610,763 | \$ 44,585,763 |
| Construction in progress | 83,325,234 | 181,771,116 | 15,965,729 |
| Buildings | 567,878,184 | 256,946,297 | 263,175,358 |
| Land improvements | 6,890,597 | 7,508,284 | 8,129,068 |
| Equipment | 12,075,296 | 7,784,456 | 7,476,311 |
| Library Books | 4,329,328 | 3,892,234 | 4,085,846 |
| WAN/LAN network equipment | 22,507 | 24,059 | 25,611 |
| Total | <u>\$ 719,131,909</u> | <u>\$502,537,209</u> | <u>\$343,443,686</u> |

The preceding table shows the capital assets for fiscal years ending August 31, 2020, 2019, and 2018. Additional information regarding capital assets may be found in Note 5 Capital Assets.

In April 2018, the District sold \$234.25 million in bonds at a net premium of \$18.058 million receiving \$252.308 million less underwriter's discount of \$1.758 million. The District executed another bond issuance in April of the current fiscal year, selling \$302.665 million general obligation bonds at a premium of \$49.419 million. Cost of bond issuance and underwriter's discount totaling \$2.085 million was incurred and expensed in the current year in accordance with GASB Statement 65 *Items Previously Reported as Assets and Liabilities*. With the Series 2020 Bond Issuance, the District has sold all bonds authorized by the voters in the 2017 Bond Election.

Noted in Table 4 is the outstanding debt at the end of fiscal years 2018 through 2020. The recent bond issuances in fiscal years 2018 and 2020 has raised the District's debt service in 2020 to \$12.6

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2020 and 2019

million compared to \$3.9 in 2018. See Note 6 Long Term Liabilities, Note 7 Debt Obligations, and Note 8 Bonds Payable for information on debt service.

Table 4: Bond Obligations

| | 2020 | 2019 | 2018 |
|--------------------------|-----------------------|-----------------------|-----------------------|
| General obligation bonds | | | |
| Series 2010 | \$ 7,126,043 | \$ 9,803,649 | \$ 12,376,255 |
| Series 2018 | 237,911,068 | 246,684,183 | 252,012,296 |
| Series 2020 | 351,274,716 | - | - |
| Total | <u>\$ 596,311,827</u> | <u>\$ 256,487,832</u> | <u>\$ 264,388,551</u> |

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

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

Economic Factors That Will Affect the Future

The economic position of the District is closely tied to that of Collin County and the State of Texas. An increase in taxable assessed values from the prior year totaling 10.58% is expected to generate additional tax revenues of \$12.3 million for the 2020-21 fiscal year. For fiscal year 2020-21, the debt service tax rate and maintenance and operations (M&O) tax rate was set at \$0.002122/\$100 valuation and \$.079100/\$100 valuation, respectively. The maximum rate for M&O is \$.08/\$100 valuation. The tax rate assessed by the District for the 2020-21 fiscal year is the same as that levied in 2019-20. Similar expectations as those experienced in 2019-20 regarding tax revenue collections is anticipated for fiscal year 2020-21.

Collin County's civilian employed labor force as of August 2020 was 547,741 which was an increase of 0.2% over the prior year, according to the Texas Workforce Commission. The latest unemployment rate for Collin County as of August 2020 was at 5.5%, compared to the state's rate of 6.8% and a national rate of 8.4%, according to the Bureau of Labor statistics.

In response to the coronavirus, for Fall 2020, the District developed new teaching modalities, with approximately 35% of courses taught fully online, 25% taught fully on a face-to-face basis, and 40% taught in a blended instructional modality that allows for appropriate social distancing. In addition, smaller class sizes for face-to-face and hybrid classes due to the need for social distancing have

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (unaudited) Fiscal Years Ended August 31, 2020 and 2019

increased instructional costs. The cost of safety, sanitation, and personal protective equipment required to resume classes in summer and fall continues to increase. Eligible costs could be offset by the CARES funding provided by the Department of Education, of which the District has until May 2021 to spend almost \$2.7 million.

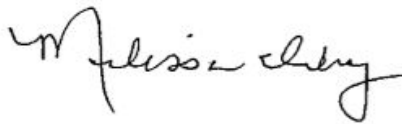
The upcoming fiscal year is the second year of the biennium, with appropriations remaining constant, excluding benefits. The District will continue to receive the majority (85.9%) of state funding based on contact hours, but a portion (12.4%) of the funding is tied to a success-points system in which colleges earn funding for students' academic milestones, such as earning an associate's degree, a certificate or transferring to a university. Also included in the District's State appropriations is \$680,406 for core operations for each year of the biennium. Retirement benefits, as a percentage of salaries, will increase along with salary increases. The allocation for healthcare for fiscal year 2020-21 is the same as the prior year, at \$5.6 million.

While enrollment was budgeted to increase four percent during the 2020-21 fiscal year, the effects of COVID-19 could adversely impact enrollment. COVID-19's arrival was at a pivotal point in the District's implementation plans for two of its new campuses. Full implementation of the planned partnerships with local public schools to expand career and technology offerings has been delayed due to the timing of the pandemic. Tuition rates will remain unchanged from the current fiscal year.

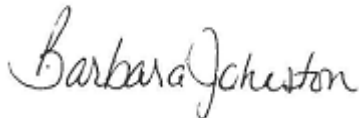
The District anticipates calling for the redemption and defeasing of the remaining \$7 million, Series 2010 General Obligation Bonds in the upcoming fiscal year, saving \$.5 million in future interest payments.

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

Melissa Irby, CPA
Chief Financial Officer



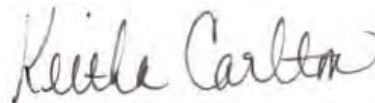
Barbara Johnston, CPA
Associate Vice President,
Financial Services and Reporting



Julie Bradley, CPA
Associate Vice President, Controller



Keitha Carlton, CPA
Director of Accounting



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Basic Financial Statements

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Statement of Net Position
As of August 31, 2020 and 2019

| | 2020 | 2019 |
|---|------------------|----------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 308,159,852 | \$ 246,369,444 |
| Restricted cash and cash equivalents | 193,364,692 | 39,125,045 |
| Accounts receivable (net of allowance for doubtful accounts of \$287,497 and \$464,078 respectively) | 20,023,074 | 37,579,130 |
| Short term investments | 87,268,230 | 86,063,678 |
| Restricted short term investments | - | 14,684,975 |
| Tax receivable (net of allowance for doubtful accounts of \$650,115 and \$630,965 respectively) | 627,699 | 627,469 |
| Consumable inventory | - | 5,545 |
| Prepaid expenses | 1,144,906 | 664,879 |
| Total current assets | 610,588,453 | 425,120,165 |
| Noncurrent assets | | |
| Long term investments | 9,183,558 | 25,048,292 |
| Capital assets, net | | |
| Not subject to depreciation | 127,935,998 | 226,381,879 |
| Subject to depreciation | 591,195,912 | 276,155,330 |
| Total noncurrent assets | 728,315,468 | 527,585,501 |
| Total assets | \$ 1,338,903,921 | \$ 952,705,666 |
| Deferred outflows of resources | | |
| Deferred outflows related to pensions | \$ 18,873,473 | \$ 17,383,822 |
| Deferred outflows related to OPEB | 46,788,225 | 44,757,743 |
| Total deferred outflows of resources | \$ 65,661,698 | \$ 62,141,565 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | \$ 57,586,202 | \$ 46,070,629 |
| Accrued interest | 4,830,009 | 416,781 |
| Funds held for others | 381,342 | 365,227 |
| Unearned revenue | 24,122,550 | 23,923,975 |
| Accrued compensable absences payable - current portion | 102,025 | 127,152 |
| Bonds payable - current portion | 12,880,000 | 10,520,000 |
| Net OPEB liability - current portion | 2,612,800 | 963,647 |
| Total current liabilities | 102,514,928 | 82,387,411 |
| Noncurrent liabilities | | |
| Accrued compensable absences payable | 1,658,761 | 1,157,375 |
| Net Pension liability | 36,646,040 | 35,204,032 |
| Net OPEB liability | 79,824,497 | 64,546,843 |
| Bonds payable | 583,431,827 | 245,967,832 |
| Total noncurrent liabilities | 701,561,125 | 346,876,082 |
| Total liabilities | \$ 804,076,053 | \$ 429,263,493 |
| Deferred inflows of resources | | |
| Deferred inflows related to pensions | \$ 6,977,084 | \$ 3,335,757 |
| Deferred inflows related to OPEB | 20,566,705 | 25,356,761 |
| Total deferred inflows of resources | \$ 27,543,789 | \$ 28,692,518 |
| Net position | | |
| Net investment in capital assets | \$ 278,203,505 | \$ 264,285,928 |
| Restricted for: | | |
| Expendable | | |
| Student aid/non-governmental grants and contracts | 1,423,211 | 1,653,402 |
| Reserve for debt service | 5,604,309 | 7,801,049 |
| Reserve for bond funded projects | 6,100,000 | 6,000,000 |
| Unrestricted | 281,614,752 | 277,150,841 |
| Total net position | \$ 572,945,777 | \$ 556,891,220 |

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Net Position
As of August 31, 2020 and 2019**

| | 2020 | 2019 |
|-------------------------------------|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,110,140 | \$ 910,163 |
| Accounts receivable | 69,023 | 3,417 |
| Pledges receivable, net of discount | 331,606 | 263,951 |
| Prepaid expenses | 30,942 | 20,365 |
| Investments | 15,573,610 | 13,722,806 |
| Total assets | <u>\$ 17,115,321</u> | <u>\$ 14,920,702</u> |
| Liabilities | | |
| Accounts payable | \$ 17,024 | \$ 25,983 |
| Deferred revenues | 53,500 | 10,000 |
| Total liabilities | <u>70,524</u> | <u>35,983</u> |
| Net Assets | | |
| Without donor restrictions | 1,136,886 | 919,911 |
| With donor restrictions | 15,907,911 | 13,964,808 |
| Total net assets | <u>17,044,797</u> | <u>14,884,719</u> |
| Total liabilities and net assets | <u>\$ 17,115,321</u> | <u>\$ 14,920,702</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, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|-----------------------|
| Revenues | | |
| Operating revenues: | | |
| Tuition and fees (net of discounts of \$17,470,883 and \$11,328,556 respectively) | \$ 39,230,781 | \$ 40,182,049 |
| Federal grants and contracts | 4,831,908 | 2,171,735 |
| State grants and contracts | 1,992,483 | 1,609,536 |
| Non-governmental grants and contracts | 179,103 | 150,053 |
| Sales and services of educational activities | 505,344 | 919,031 |
| Auxiliary enterprises | 2,039,803 | 2,376,831 |
| Other operating revenues | 317,769 | 1,089,590 |
| Total operating revenues | <u>49,097,191</u> | <u>48,498,825</u> |
| Expenses | | |
| Operating expenses: | | |
| Instruction | 94,808,531 | 85,053,537 |
| Public service | 633,445 | 438,331 |
| Academic support | 20,472,310 | 16,817,374 |
| Student services | 19,062,205 | 17,416,367 |
| Institutional support | 39,239,368 | 32,273,267 |
| Operation and maintenance of plant | 16,518,861 | 15,561,126 |
| Scholarships | 22,555,231 | 18,571,380 |
| Auxiliary enterprises | 4,038,776 | 2,470,080 |
| Depreciation | 12,552,149 | 9,423,418 |
| Total operating expenses | <u>229,880,876</u> | <u>198,024,880</u> |
| Operating loss | <u>(180,783,685)</u> | <u>(149,526,055)</u> |
| Non-operating revenues (expenses): | | |
| State appropriations | 50,782,813 | 44,026,968 |
| Ad-valorem taxes: | | |
| Taxes for maintenance and operations | 115,221,104 | 106,276,226 |
| Taxes for general obligation bonds | 3,157,002 | 4,213,427 |
| Federal grants and contracts | 30,649,045 | 23,865,674 |
| Gifts | 6,112,500 | 6,209,422 |
| Investment income (net of investment expenses) | 5,440,542 | 12,134,040 |
| Interest on capital related debt | (12,675,077) | (9,341,076) |
| Other non-operating revenues | 245,440 | 250,233 |
| Other non-operating expenses | (2,095,127) | - |
| Net non-operating revenues | <u>196,838,242</u> | <u>187,634,914</u> |
| Increase in net position | <u>16,054,557</u> | <u>38,108,859</u> |
| Net position - beginning of year | 556,891,220 | 518,782,361 |
| Net position - ending of year | <u>\$ 572,945,777</u> | <u>\$ 556,891,220</u> |

See accompanying notes to basic financial statements.

This page intentionally left blank.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Activities
Year End August 31, 2020**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|----------------------------------|-------------------------------|----------------------|
| Revenues and other support: | | | |
| Donations and grants, net of adjustment to discount on pledges receivable | \$ 37,225 | \$ 1,808,469 | \$ 1,845,694 |
| Special events and fundraising | 93,306 | 142,644 | 235,950 |
| Less: cost of direct benefits to donors | (72,975) | - | (72,975) |
| Net investment returns | 177,976 | 906,777 | 1,084,753 |
| In-kind contributions | 692,811 | - | 692,811 |
| Net assets released from restrictions | 914,787 | (914,787) | - |
| Total revenues and other support | <u>1,843,130</u> | <u>1,943,103</u> | <u>3,786,233</u> |
| Expenses: | | | |
| Program expenses | <u>1,133,446</u> | <u>-</u> | <u>1,133,446</u> |
| Supporting services: | | | |
| General and administrative | 144,509 | - | 144,509 |
| Fundraising | <u>348,200</u> | <u>-</u> | <u>348,200</u> |
| Total supporting services | <u>492,709</u> | <u>-</u> | <u>492,709</u> |
| Total expenses | <u>1,626,155</u> | <u>-</u> | <u>1,626,155</u> |
| Total change in net assets | 216,975 | 1,943,103 | 2,160,078 |
| Net assets at beginning of year | <u>919,911</u> | <u>13,964,808</u> | <u>14,884,719</u> |
| Net assets at end of year | <u>\$ 1,136,886</u> | <u>\$ 15,907,911</u> | <u>\$ 17,044,797</u> |

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.**Statement of Activities
Eight Months Ended August 31, 2019**

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|----------------------------------|-------------------------------|----------------------|
| Revenues and other support: | | | |
| Donations and grants, net of adjustment to discount on pledges receivable | \$ 556 | \$ 704,849 | \$ 705,405 |
| Special events and fundraising | 78,788 | 184,298 | 263,086 |
| Less: cost of direct benefits to donors | (60,254) | (741) | (60,995) |
| Net investment returns | 152,880 | 1,134,799 | 1,287,679 |
| In-kind contributions | 331,156 | - | 331,156 |
| Net assets released from restrictions | 440,969 | (440,969) | - |
| Total revenues and other support | <u>944,095</u> | <u>1,582,236</u> | <u>2,526,331</u> |
| Expenses: | | | |
| Program expenses | <u>489,003</u> | <u>-</u> | <u>489,003</u> |
| Supporting services: | | | |
| General and administrative | 122,978 | - | 122,978 |
| Fundraising | <u>170,477</u> | <u>-</u> | <u>170,477</u> |
| Total supporting services | <u>293,455</u> | <u>-</u> | <u>293,455</u> |
| Total expenses | <u>782,458</u> | <u>-</u> | <u>782,458</u> |
| Total change in net assets | 161,637 | 1,582,236 | 1,743,873 |
| Net assets at beginning of period | <u>758,274</u> | <u>12,382,572</u> | <u>13,140,846</u> |
| Net assets at end of period | <u>\$ 919,911</u> | <u>\$ 13,964,808</u> | <u>\$ 14,884,719</u> |

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows For the Years Ended August 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------------|-----------------------|
| Cash flows from operating activities | | |
| Receipts from students and other customers | \$ 59,378,870 | \$ 21,841,097 |
| Receipts from grants and contracts | 7,003,494 | 3,931,324 |
| Other receipts | 317,769 | 1,089,590 |
| Payments to or on behalf of employees: | | |
| Payments to employees | (115,981,223) | (103,790,259) |
| Payments for employee benefits | (16,167,397) | (12,625,719) |
| Payments to suppliers for goods and services | (26,115,474) | (1,567,707) |
| Payments for scholarships | (22,909,928) | (18,679,512) |
| Net cash used in operating activities | <u>(114,473,889)</u> | <u>(109,801,186)</u> |
| Cash flows from noncapital financing activities | | |
| Receipts from state appropriations | 39,845,411 | 35,511,392 |
| Receipts from ad valorem taxes | 115,464,477 | 106,479,921 |
| Receipts from gifts, grants and contracts (other than capital) | 30,661,545 | 23,865,674 |
| Receipts for student organizations and other agency transactions | 16,115 | 3,265 |
| Net cash provided by noncapital financing activities | <u>185,987,548</u> | <u>165,860,252</u> |
| Cash flows from capital and related financing activities | | |
| Proceeds from issuance of general obligation bonds | 352,084,877 | - |
| Bond issuance costs | (2,095,127) | - |
| Receipts from ad valorem taxes | 3,158,839 | 4,207,213 |
| Payments for capital assets | (229,146,850) | (168,307,519) |
| Payments on capital debt - principal | (12,260,882) | (7,900,721) |
| Payments on capital debt - interest | (8,261,849) | (12,618,614) |
| Receipts from gifts, grants and contracts - capital | 6,100,000 | 6,000,000 |
| Net cash provided/(used) by capital and related financing activities | <u>109,579,008</u> | <u>(178,619,641)</u> |
| Cash flows from investing activities | | |
| Proceeds from sales and maturities of investments | 135,867,763 | 526,191,511 |
| Interest on investments | 5,067,527 | 9,132,548 |
| Purchase of investments | (105,997,902) | (335,711,184) |
| Net cash provided/(used)used in investing activities | <u>34,937,388</u> | <u>199,612,875</u> |
| Increase in cash and cash equivalents | 216,030,055 | 77,052,300 |
| Cash and cash equivalents - beginning of year | <u>285,494,489</u> | <u>208,442,189</u> |
| Cash and cash equivalents - end of year | <u>\$ 501,524,544</u> | <u>\$ 285,494,489</u> |
| Reconciliation of cash and cash equivalents to Exhibit 1: | | |
| Cash and cash equivalents | 308,159,852 | \$ 246,369,444 |
| Restricted cash and cash equivalents | 193,364,692 | 39,125,045 |
| | <u>\$ 501,524,544</u> | <u>\$ 285,494,489</u> |

See accompanying notes to basic financial statements.

Exhibit 3

Collin County Community College District

Statement of Cash Flows - continued
For the Years Ended August 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------------|-------------------------|
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (180,783,685) | \$ (149,526,055) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation expense | 12,552,149 | 9,423,418 |
| Payments made directly by state for benefits | 10,862,570 | 8,827,950 |
| Net OPEB expense | 10,330,765 | 7,905,522 |
| Pension expense | 3,593,686 | 1,604,456 |
| Changes in assets and liabilities | | |
| Receivables, net | 17,404,367 | (23,341,650) |
| Inventories | 5,545 | 1,935 |
| Prepaid expenses | (480,027) | 120,339 |
| Deferred outflows related to pensions | (5,083,337) | (11,010,442) |
| Deferred outflows related to OPEB | (12,286,415) | (51,998,452) |
| Accounts payable & other accrued liabilities | 11,515,573 | 32,784,710 |
| Unearned revenue | 198,575 | 1,704,836 |
| Accrued salary and benefits | 476,259 | 68,605 |
| Pension liability | 1,442,008 | 15,519,744 |
| OPEB liability | 16,926,807 | 34,191,270 |
| Deferred inflows related to pensions | 3,641,327 | (4,509,302) |
| Deferred inflows related to OPEB | (4,790,056) | 18,431,930 |
| Net cash used in operating activities | <u>\$ (114,473,889)</u> | <u>\$ (109,801,186)</u> |
| Schedule of non-cash investing, capital, and financing activities: | | |
| Payments made directly by state for benefits | \$ 24,637,357 | \$ 18,650,302 |
| Change in fair value of investments | (108,093) | (61,920) |
| Donated capital asset | - | 209,422 |
| Net amortization of bond premiums and discounts | (1,740,882) | (930,721) |
| Net non-cash investing, capital, and financing activities | <u>\$ 22,788,382</u> | <u>\$ 17,867,083</u> |

NOTE 1. REPORTING ENTITY

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

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, gives guidance in determining whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. It requires reporting as a component unit if the organization raises and holds economic resources for the direct benefit of the governmental unit and the component unit is significant compared to the primary government. GASB Statement No. 61 has been applied as required in the preparation of these financial statements, and as such, the District is including the Collin County Community College District Foundation (the "Foundation") as a component unit, as noted below. The Foundation's Board of Directors approved changing the fiscal year end from December 31 to August 31 to coincide with the District's fiscal year end. The Foundation financial statements presented in the District's 2020 Comprehensive Annual Financial Report include the Statement of Activities for the eight-month period ending August 31, 2019, and the twelve-month period ending August 31, 2020. The Foundation's Statement of Financial Position is presented as of August 31, 2019 and 2020. In the District's 2019 CAFR, the comparative financials were presented as of December 31, 2019 and 2018.

The Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the District. The District does not appoint a voting majority, nor is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation made restricted payments to or on behalf of the District in amounts totaling approximately \$1,079,143 and \$1,218,733 during the years ending August 31, 2020 and 2019, 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, 2020 totaled \$617,929. The costs of these services were not significant to the District. The financial position and results of operations of the Foundation are included in these financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*, and Statement No. 61 *The Financial Reporting Entity: Omnibus—An Amendment of GASB Statements No. 14 and No. 34* as an affiliated entity because the Foundation's sole function is to fund the District and its students.

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

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

Tuition DiscountingTexas Public Education Grants

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

Title IV Higher Education Authority (HEA) Program Funds

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

Other Tuition Discounts

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

Basis of Accounting

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

Budgetary Data

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

equal to 25% of educational expenses adjusted for reserves and allocations. For the years ended August 31, 2020 and 2019, respectively, the minimum unrestricted fund balance to be maintained was \$40,614,879 and \$36,482,612. The District exceeded this minimum required fund balance for both years.

Cash and Cash Equivalents

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

Investments

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

Inventories

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

Capital Assets

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**Deferred Outflows of Resources**

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

Other Post-Employment Benefits (OPEB)

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

Pensions

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

Supplemental Tax-Sheltered Retirement Plan

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

Unearned Revenues

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

Deferred Inflows of Resources

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

permitted to report deferred inflows of resources in circumstances specifically authorized by the GASB.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

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

Income Tax Status

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The District had no significant unrelated business income tax liability for the years ended August 31, 2020 and 2019, and therefore, has not recorded a liability for income taxes.

Board Designations

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

New Accounting Pronouncement-Implemented

GASB Statement No. 83, *Certain Asset Retirement Obligations*.

This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). It requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred and requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement. In addition, this statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation, at least annually, and requires a government to evaluate all relevant factors, at least annually, to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

outlays. In cases where governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities, this statement requires disclosure of how those funding and assurance requirements are being met, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets.

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

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

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.*

The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-10 pandemic. This is accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for reporting periods beginning after June 15, 2018 and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement Nos. 83, 84, 88, 89, 90, 91, 92, 93, and Implementation Guide Nos. 2017-3, 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87 and Implementation Guide No. 2019-3.

Pending Pronouncements

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

GASB Statement No. 84, *Fiduciary Activities.*

The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Separate criteria are included to identify fiduciary component units and post-

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

employment benefit arrangements that are fiduciary activities. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Implementation of this Statement for community colleges was originally planned for fiscal year 2020 but is now postponed to fiscal year 2021 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 87, Leases.

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, as lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of this Statement for community colleges was originally planned for fiscal year 2021 but is now postponed to fiscal year 2022 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

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

The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations. Implementation of this Statement for community colleges was originally planned for fiscal year 2020 but is now postponed to fiscal year 2021 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 91, Current Debt Obligations.

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. Implementation of this Statement for community colleges was originally planned for fiscal year 2022 but is now postponed to fiscal year 2023 as a

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 92, *Omnibus 2020*.

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics and includes the following: Statement No. 87, Statement No. 73, Statement No. 74, Statement No. 84, and other topics. The application of this statement is expected to provide more comparable reporting and improve the usefulness for financial statement users. Implementation of some requirements of this Statement for community colleges is planned for fiscal year 2020 and others are postponed to fiscal year 2022 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

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

The objective of this statement is to address accounting and financial reporting implications resulting from global reference rate reform. Government agreements in which variable payments made or received depend on IBOR, most notably the London Interbank Offered Rate (LIBOR), will be affected, as LIBOR will cease to exist at the end of 2021. Rate provisions in Statements 53 and 87 will also be affected. Implementation of this Statement for community colleges was originally planned for fiscal year 2021 but is now postponed to fiscal year 2022 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

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

The objective of this statement is to improve financial reporting related to PPPs and APAs by establishing the definitions of these arrangements and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This statement will enhance the decision usefulness of financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PP transactions. Implementation of this Statement for community colleges is planned for fiscal year 2023.

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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

The primary objectives of this statement are the following: (1) increase consistency and comparability in the reporting of fiduciary component units where the potential component unit does not have a governing board and the primary government performs those duties; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of reporting defined contribution plans, defined contribution OPEB plans, or other employee benefit plans that are administered through trusts are effective immediately. Implementation for the requirements related to reporting on fiduciary component units and 457 plans are planned for implementation by community college in fiscal year 2022.

NOTE 3. AUTHORIZED INVESTMENTS

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

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

NOTE 4. DEPOSITS AND INVESTMENTS

At August 31, 2020 and 2019, the net carrying amount of the District's deposits was an overdraft of \$6,007,233 and \$1,882,957, respectively. Overall cash position was short funded on August 31, 2020, resulting in a negative balance. 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 \$706,000 as of August 31, 2020. 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:

| | As of August 31, | |
|---------------------------------|-----------------------|-----------------------|
| Cash and Cash Equivalents | 2020 | 2019 |
| Petty cash on hand | \$ 23,600 | \$ 18,850 |
| Checking account | (265,828) | 159,347 |
| TexPool | 457,081,555 | 241,097,594 |
| TexSTAR | 39,559,117 | 39,150,898 |
| Texas TERM | 5,126,100 | 5,067,800 |
| Total cash and cash equivalents | <u>\$ 501,524,544</u> | <u>\$ 285,494,489</u> |

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

As of August 31, 2020, 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 | |
| Municipal Bonds | \$ 9,183,558 | - | \$ 6,025,818 | \$ 3,157,740 | AA |
| Certificates of Deposit | 47,269,477 | 47,269,477 | - | - | FDIC insured |
| Commercial Paper | 39,944,658 | 39,944,658 | - | - | A1/P1 |
| AIG 457(f) | 54,095 | 54,095 | - | - | |
| Total Fair Value | <u>\$ 96,451,788</u> | <u>\$ 87,268,230</u> | <u>\$ 6,025,818</u> | <u>\$ 3,157,740</u> | |

NOTE 4. DEPOSITS AND INVESTMENTS-continued

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statement of Net Position at August 31, 2020 and 2019 is as follows:

| | As of August 31, | |
|---------------------------------|-----------------------|-----------------------|
| | 2020 | 2019 |
| Total cash and cash equivalents | \$ 501,524,544 | \$ 285,494,489 |
| Total investments - current | 87,268,230 | 100,748,653 |
| Total investments - noncurrent | 9,183,558 | 25,048,292 |
| Total | <u>\$ 597,976,332</u> | <u>\$ 411,291,434</u> |

| | As of August 31, | |
|--------------------------------------|-----------------------|-----------------------|
| | 2020 | 2019 |
| Per Exhibit 1: | | |
| Cash and cash equivalents | \$ 308,159,852 | \$ 246,369,444 |
| Restricted cash and cash equivalents | 193,364,692 | 39,125,045 |
| Short term investments | 87,268,230 | 86,063,678 |
| Restricted short-term investments | - | 14,684,975 |
| Long term investments | 9,183,558 | 25,048,292 |
| Total | <u>\$ 597,976,332</u> | <u>\$ 411,291,434</u> |

Restricted cash and cash equivalents and restricted short-term investments represent unspent proceeds from the 2018 and 2020 bond issuance. For additional information on the bond issuance, see Note 8 Bonds Payable.

Credit Risk

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

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

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

NOTE 4. DEPOSITS AND INVESTMENTS-continued

US Treasury and agency obligations are all AAA rated. The policy also includes a procedure for monitoring and liquidating any security which loses its required credit rating.

State law and the District's adopted Investment Policy restrict both time and demand deposits to those with banks doing business in the State of Texas and further require full FDIC insurance and 102% collateralization above FDIC coverage on all deposits. Collateral is held in an independent third-party institution and is marked to market on a monthly basis as a contractual responsibility of the bank. Collateral is restricted to fully guaranteed obligations of the US Government, its agencies or instrumentalities and reported by the custodian monthly.

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

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

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

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

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

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

As of August 31, 2020, percentages of each investment type to the total portfolio:

- Local government debt obligations represented 1.54%,
- Commercial paper represented 6.68%,
- Investment in local government investment pools represented 83.91%,
- Certificates of deposit represented 7.92%, and
- Depository demand deposits represented 0.05%.

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

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

As of August 31, 2020, all funds were diversified as shown above.

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the District's adopted Investment Policy sets a maximum maturity limit of three (3) years. The maximum weighted average maturity (WAM) is restricted to twelve (12) months.

As of August 31, 2020, the portfolio contained:

- No holdings with a stated maturity date beyond 866 days,
- Holdings maturing beyond one year represented 1.54% of the total portfolio,
- The dollar weighted average maturity of the Pooled Funds portfolio was 37 days, and
- The portfolio contained no structured notes.

Custodial Credit Risk

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

As of August 31, 2020, the portfolio:

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

NOTE 4. DEPOSITS AND INVESTMENTS-continued

Following is a list of the individual investments held and their respective credit ratings as of August 31, 2020:

| <u>Investment Type</u> | <u>Rating</u> |
|-------------------------|---------------|
| Municipal Bonds | |
| State of Connecticut | AA+ |
| Commercial Paper | |
| Barclays Bank | A1/P1 |
| Chevron Corp | A1/P1 |
| Coca Cola | A1/P1 |
| Pepsico | A1/P1 |
| Certificates of Deposit | |
| East West Bank | FDIC insured |

Fair Value of Financial Instruments

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

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

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

NOTE 4. DEPOSITS AND INVESTMENTS-continued

The *exit* or fair market prices used for these market valuations of the portfolio are all Level 1 and Level 2 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

Fair Value Hierarchy of investments at August 31, 2020 and 2019:

| | Fiscal Year 2020 | | | | Fiscal Year 2019 |
|-------------------------|---------------------|----------------------|-------------|----------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total | Total |
| US Treasury Obligations | \$ - | \$ - | \$ - | \$ - | \$ 4,722,171 |
| US Government Agencies | - | - | - | - | 55,967,879 |
| Municipal Obligations | 9,183,558 | - | - | 9,183,558 | 1,000,000 |
| Commercial Paper | - | 39,944,658 | - | 39,944,658 | 17,989,131 |
| Total Fair Value | <u>\$ 9,183,558</u> | <u>\$ 39,944,658</u> | <u>\$ -</u> | <u>\$ 49,128,217</u> | <u>\$ 79,679,181</u> |

NOTE 5. CAPITAL ASSETS

The following table summarizes changes in capital assets balances for the year ended August 31, 2020:

| | Balance 8/31/2019 | Increases | (Decreases) Adjustments | Balance 8/31/2020 |
|-------------------------------|----------------------|-----------------------|----------------------------|----------------------|
| Not Depreciated | | | | |
| Land | \$ 44,610,763 | \$ - | - | \$ 44,610,763 |
| Construction/Work in Progress | <u>181,771,116</u> | <u>221,594,116</u> | <u>(320,039,997)</u> | <u>83,325,235</u> |
| Subtotal | <u>226,381,879</u> | <u>221,594,116</u> | <u>(320,039,997)</u> | <u>127,935,998</u> |
| Depreciable Assets | | | | |
| Buildings | 337,283,938 | 320,039,997 | - | 657,323,935 |
| Land Improvements | 20,180,710 | - | - | 20,180,710 |
| Equipment | 29,608,124 | 6,529,025 | (1,601,020) | 34,536,129 |
| Library Books | 10,484,298 | 1,023,709 | (733,709) | 10,774,298 |
| WAN/LAN Network Equipment | 2,940,746 | - | - | 2,940,746 |
| Subtotal | <u>400,497,816</u> | <u>327,592,731</u> | <u>(2,334,729)</u> | <u>725,755,818</u> |
| Accumulated Depreciation | | | | |
| Buildings | 80,337,641 | 9,108,110 | - | 89,445,751 |
| Land Improvements | 12,672,426 | 617,687 | - | 13,290,113 |
| Equipment | 21,823,668 | 2,238,185 | (1,601,020) | 22,460,833 |
| Library Books | 6,592,064 | 586,615 | (733,709) | 6,444,970 |
| WAN/LAN Network Equipment | 2,916,687 | 1,552 | - | 2,918,239 |
| Subtotal | <u>124,342,486</u> | <u>12,552,149</u> | <u>(2,334,729)</u> | <u>134,559,906</u> |
| Net Depreciable Assets | <u>276,155,330</u> | <u>315,040,582</u> | <u>-</u> | <u>591,195,912</u> |
| Net Capital Assets | <u>\$502,537,209</u> | <u>\$ 536,634,698</u> | <u>\$ (320,039,997)</u> | <u>\$719,131,910</u> |

NOTE 5. CAPITAL ASSETS-continued

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
**Notes to Basic Financial Statements
August 31, 2020 and 2019**
NOTE 6. LONG-TERM LIABILITIES

The following table summarizes changes in long-term liabilities for the year ended August 31, 2020:

| | Balance 9/1/2019 | Additions | Reductions | Amortization of Premium | Amortization of Discount | Balance 8/31/2020 | Current Portion | Non-Current Portion |
|-----------------------------|---------------------|----------------|-----------------|----------------------------|-----------------------------|----------------------|--------------------|------------------------|
| Bonds | | | | | | | | |
| General obligation bonds | | | | | | | | |
| Series 2010 | \$ 9,803,649 | \$ - | \$ (2,635,000) | \$ (42,606) | \$ - | \$ 7,126,043 | \$ 2,760,000 | \$ 4,366,043 |
| Series 2018 | 246,684,183 | - | (7,885,000) | (931,437) | 43,322 | 237,911,068 | 8,205,000 | 229,706,068 |
| Series 2020 | - | 352,084,877 | - | (810,161) | - | 351,274,716 | 1,915,000 | 349,359,716 |
| Subtotal | 256,487,832 | 352,084,877 | (10,520,000) | (1,784,204) | 43,322 | 596,311,827 | 12,880,000 | 583,431,827 |
| Accrued Compensable Absence | 1,284,527 | 3,088,020 | (2,611,761) | - | - | 1,760,786 | 102,025 | 1,658,761 |
| Net Pension Liability | 35,204,032 | 1,442,008 | - | - | - | 36,646,040 | - | 36,646,040 |
| Net OPEB Liability | 65,510,490 | 16,926,807 | - | - | - | 82,437,297 | 2,612,800 | 79,824,497 |
| Total | \$ 358,486,881 | \$ 373,541,712 | \$ (13,131,761) | \$ (1,784,204) | \$ 43,322 | \$ 717,155,950 | \$ 15,594,825 | \$ 701,561,125 |

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

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

NOTE 7. DEBT AND LEASE OBLIGATIONS

Debt service requirements as of August 31, 2020, were as follows:

| Year Ended <u>August 31,</u> | General Obligation Bonds | | |
|---------------------------------|--------------------------|-----------------------|-----------------------|
| | Principal | Interest | Total |
| 2021 | 12,880,000 | 26,716,844 | 39,596,844 |
| 2022 | 18,800,000 | 22,254,256 | 41,054,256 |
| 2023 | 19,560,000 | 21,314,256 | 40,874,256 |
| 2024 | 20,485,000 | 20,363,156 | 40,848,156 |
| 2025 | 21,615,000 | 19,338,906 | 40,953,906 |
| 2026-30 | 125,400,000 | 79,362,281 | 204,762,281 |
| 2031-35 | 157,510,000 | 47,246,006 | 204,756,006 |
| 2036-40 | 155,340,000 | 14,525,525 | 169,865,525 |
| Subtotal | 531,590,000 | 251,121,230 | 782,711,230 |
| Net Premium/ Discount | 64,721,827 | - | 64,721,827 |
| Total | <u>\$ 596,311,827</u> | <u>\$ 251,121,230</u> | <u>\$ 847,433,057</u> |

Included in operating expenses is \$718,700 and \$806,897 of rental and operating leases paid during fiscal years 2020 and 2019, respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2020 are as follows:

| <u>Year Ended</u> | <u>Future Minimum</u> |
|-------------------|---------------------------|
| 2021 | \$ 495,942 |
| 2022 | 495,942 |
| 2023 | 495,942 |
| 2024 | 77,016 |
| 2025 | 77,016 |
| 2026 | 167,712 |
| | <u>\$ 1,809,570</u> |

NOTE 8. BONDS PAYABLE

Bonds payable as of August 31, 2020 and 2019 consisted of the following:

| Bond issue | Purpose | Date Issued | Amount Issued and Authorized | Revenue Source | Outstanding Balance August 31, 2020 | Outstanding Balance August 31, 2019 |
|---|---|-------------|------------------------------|------------------|-------------------------------------|-------------------------------------|
| Series 2010 Limited Tax Refunding Bonds | Refunded 2002 and 2003 Tax Bonds | 11/2/2010 | \$ 24,099,912 | Ad valorem taxes | \$ 7,126,043 | \$ 9,803,649 |
| Series 2018 Limited Tax Bonds | Constructing, renovating, improving and equipping school buildings and purchasing necessary sites | 3/1/2018 | \$ 234,250,000 | Ad valorem taxes | \$ 237,911,068 | \$ 246,684,183 |
| Series 2020 Limited Tax Bonds | Constructing, renovating, improving and equipping school buildings and purchasing necessary sites | 4/7/2020 | \$ 352,084,877 | Ad valorem taxes | \$ 351,274,716 | \$ - |
| Total | | | | | \$ 596,311,827 | \$ 256,487,832 |

Bonds payable are due in annual principal installments varying from \$1,345,000 to \$23,506,200 with interest rates of 3.00% to 5.00% and the final installments are due in 2040.

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

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

- Maximum principal amount not to exceed \$250 million

NOTE 8. BONDS PAYABLE-continued

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

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

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

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

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

The tax rates authorized and assessed to pay principal and interest on the Series 2010, Series 2018 and Series 2020 bonds are discussed in Note 16.

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

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2019.pdf (select *About TRS*, then *Publications*, then *Financial Reports*); or write to TRS at 1000 Red River Street, Austin, TX 78701-2698.

Benefits Provided

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

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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the State, participating employers and active employees to make the pension fund actuarially sound. Because this action causes the pension fund to be actuarially sound, the Legislature approved funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

Contributions

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

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

Contribution Rates

| | <u>2020</u> | <u>2019</u> |
|--|-------------|-------------|
| Member | 7.70% | 7.70% |
| Non-Employer Contributing Entity (State) and Employer (District) | 7.50% | 6.80% |

| | |
|---|--------------|
| FY2019 Member Contributions | \$ 5,066,787 |
| FY2019 District Contributions | \$ 2,453,290 |
| FY2019 State of Texas On-Behalf Contributions | \$ 2,021,451 |

The District's contributions to the TRS pension plan in fiscal year 2020 was \$3,278,320 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 2020 was \$2,621,649.

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

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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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

Actuarial Assumptions

The total pension liability in the August 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

| | |
|--|---|
| Valuation Date | 8/31/2018 rolled forward to August 31, 2019 |
| Actuarial Cost Method | Individual Entry Age Normal |
| Asset Valuation Method | Market Value |
| Actuarial Assumptions: | |
| Single Discount Rate | 7.25% |
| Long-term expected Investment Rate of Return* | 7.25% |
| Municipal Bond Rate* | 2.63%* |
| Last year ending August 31 in the 2016 to 2115 | |
| Projection period (100 years) | 2116 |
| Inflation | 2.30% |
| Salary Increases including inflation | 3.05% to 9.05% |
| Benefit changes during the year | None |
| Ad hoc post-employment benefit changes | None |

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

The actuarial methods and assumptions were selected by the board of trustees based upon analysis and recommendations by the system's actuary. The board of trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019.

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued**Discount Rate**

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

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

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2019, are summarized below:

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

| Asset Class | FY19 Target Allocation %* | New Target Allocation %** | Long-Term Expected Geometric Real Rate of Return*** |
|--|--|--|--|
| Global Equity | | | |
| USA | 18.0% | 18.0 % | 6.4% |
| Non-U.S. Developed | 13.0% | 13.0 % | 6.3% |
| Emerging Markets | 9.0% | 9.0 % | 7.3% |
| Directional Hedge Funds | 4.0% | - | - |
| Private Equity | 13.0% | 14.0 % | 8.4% |
| Stable Value | | | |
| U.S. Treasuries**** | 11.0% | 16.0 % | 3.1% |
| Stable Value Hedge Funds | 4.0% | 5.0 % | 4.5% |
| Absolute Return (Including Credit Sensitive Investments) | - | - | - |
| Real Return | | | |
| Global Inflation Linked Bonds**** | 3.0% | - | - |
| Real Assets | 14.0% | 15.0 % | 8.5% |
| Energy, Natural Resources and Infrastructure | 5.0% | 6.0 % | 7.3% |
| Commodities | - | - | - |
| Risk Parity | | | |
| Risk Parity | 5.0% | 8.0 % | 5.8%/6.5%***** |
| Asset Allocation Leverage Cash | 1.0% | 2.0% | 2.5 % |
| Asset Allocation Leverage | - | -6.0% | 2.7 % |
| Expected Return | 100.0% | 100.0% | 7.23% |

*FY2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

**New target allocation based on the Strategic Asset Allocation dated 10/1/2019

***10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

****New Target Allocation groups Government Bonds within stable value allocation. This includes global sovereign nominal and inflation-linked bonds

*****5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

Source: Teacher Retirement System of Texas 2019 Comprehensive Annual Financial Report

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (7.250%) in measuring the 2019 Net Pension Liability.

| | 1% Decrease in Discount Rate (6.250%) | Discount Rate (7.250%) | 1% Increase in Discount Rate (8.250%) |
|---|---|---------------------------|---|
| Collin County Community College District proportionate share of the net pension liability | \$ 56,330,287 | \$ 36,646,040 | \$ 20,698,001 |

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

At August 31, 2020, the District reported a liability of \$36,646,040 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 | \$ 36,646,040 |
| State's proportionate share that is associated with the District | 29,191,219 |
| Total | <u>\$ 65,837,259</u> |

The net pension liability was measured as of August 31, 2019, and rolled forward to August 31, 2020 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, 2018, through August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net pension liability was .0704960296% which was an increase of .0065380359% from its proportion measured as of August 31, 2018.

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued**Changes Since the Prior Actuarial Valuation**

- The single discount rate as of August 31, 2018, was a blended rate of 6.907%, and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 86th Texas Legislature, 2019, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

For the year ended August 31, 2020, the District recognized pension expense of \$6,885,891 and an additional on-behalf revenue and expense of \$4,585,529 for support provided by the State. Refer to the fiscal year 2019 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

At August 31, 2020, 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 | \$ 153,946 | \$ 1,272,409 |
| Changes in actuarial assumptions | 11,369,401 | 4,698,375 |
| Net differences between projected and actual investment earnings | 367,968 | - |
| Changes in proportion and difference between the employer's contributions and the proportionate share of contributions | 3,703,838 | 1,006,300 |
| Contributions paid to TRS subsequent to the measurement date | 3,278,320 | - |
| Total | <u>\$ 18,873,473</u> | <u>\$ 6,977,084</u> |

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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> |
|------------------------------|-------------------------------|
| 2020 | \$ 1,483,518 |
| 2021 | 1,153,682 |
| 2022 | 2,516,960 |
| 2023 | 2,586,985 |
| 2024 | 1,073,535 |
| Thereafter | (196,520) |
| Total | <u>\$ 8,618,160</u> |

Optional Retirement Plan-Defined Contribution Plan**Plan Description**

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

Funding Policy

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

The retirement expense to the state for the District for ORP was \$648,832 and \$623,798 for fiscal years ended August 31, 2020 and 2019, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the District.

The total payroll for all college employees was \$116,469,272 and \$103,858,868 for fiscal years 2020 and 2019, respectively. The total payroll of employees covered by the TRS was \$78,435,332 and \$67,685,206, and the total payroll of employees covered by the Optional Retirement Program was \$19,661,576 and \$18,902,978 for fiscal years 2020 and 2019, 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

NOTE 9. EMPLOYEES' RETIREMENT PLAN-continued

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 \$14,650,763 and \$15,864,463 for the years ended August 31, 2020 and 2019, respectively.

NOTE 10. DEFERRED COMPENSATION PROGRAM

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

| <u>Deferred Compensation Programs</u> | <u>2020</u> | <u>2019</u> |
|---|--------------|--------------|
| 403(b) Tax Sheltered Annuity (TSA) | | |
| Number of Participants | 838 | 323 |
| Employee Contributions | \$ 3,841,944 | \$ 1,842,570 |
| Employer Contributions | 1,780,906 | - |
| Section 457 Deferred Compensation (DCP) | | |
| Number of Participants | 37 | 411 |
| Employee Contributions | \$ 449,336 | \$ 343,499 |

The District established the *Collin Invests Enhanced Retirement Savings Plan (The Plan)* and began offering benefits of The Plan beginning September 2019. The Plan allows for full-time benefits-eligible employees to participate in a College District-sponsored supplemental tax - sheltered retirement plan that includes a dollar-for-dollar match of an employee's contributions to an individual tax-sheltered retirement account (up to a maximum of three percent of the employee's full-time salary). Employer contributions are subject to budget availability. Employer expenses for the 403(b) District matching TSA recorded for fiscal year ending 2020 totaled \$1,780,906. Of the 838 participants, 393 were not vested at year end.

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

NOTE 11. COMPENSABLE ABSENCES

Vacation is earned in varying amounts up to a maximum of 21 days for employees with 11 years or more of service. Unused vacation leave carried forward from one year to the next is limited to 15 days for each employee. Upon termination, employees are paid for earned but unused vacation for the current year and up to the 10-day maximum allowed for unused vacation carried over from the prior year. The District recognized the accrued liability for the unpaid annual leave in the amounts of \$1,760,786 and \$1,284,527 for the years ended August 31, 2020 and 2019, respectively.

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

NOTE 12. HEALTHCARE AND LIFE INSURANCE BENEFITS

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

| | 2020 | | 2019 | |
|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|
| HealthSelect of Texas Plan | Employee Contribution | State/Employer Contribution | Employee Contribution | State/Employer Contribution |
| Member Only | \$ - | \$ 624.82 | \$ - | \$ 624.82 |
| Member & Spouse | \$ 358.00 | \$ 982.82 | \$ 358.00 | \$ 982.82 |
| Member & Child(ren) | \$ 239.70 | \$ 864.52 | \$ 239.70 | \$ 864.52 |
| Member & Family | \$ 597.70 | \$ 1,222.52 | \$ 597.70 | \$ 1,222.52 |

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

In addition to the pension benefits described in Note 9, the State provides certain healthcare and life insurance benefits for active retired employees. Almost all of the employees may be eligible for those benefits if they reach normal retirement age with at least ten years of TRS/ORP eligible service credit while working for the State. See Note 13 for additional information on retiree benefits. The cost of retirees and active employees' health care is provided in the table below:

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

| Cost of Providing Health Care Insurance | 2020 | 2019 |
|--|---------------|---------------|
| Number of Retirees | 273 | 246 |
| Cost of Health Benefits for Retirees | \$ 2,313,451 | \$ 2,100,842 |
| Number of Active Full Time Employees | 1,353 | 1,169 |
| Cost of Health Benefits for Active Full Time Employees | \$ 11,361,203 | \$ 10,264,424 |
| State Appropriation for Health Insurance | \$ 5,627,503 | \$ 5,396,028 |
| District's Expense | \$ 8,047,151 | \$ 6,969,238 |

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

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

OPEB Plan Fiduciary Net Position

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/2019-CAFR.pdf>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided

Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provide a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

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

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

**Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2019**

| | 2019 |
|--------------------|-------------|
| Retiree only | \$ 624.82 |
| Retiree & Spouse | \$ 982.82 |
| Retiree & Children | \$ 864.52 |
| Retiree & Family | \$ 1,222.52 |

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

**Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2019 and 2018**

| | 2019 | 2018 |
|--|--------------|--------------|
| Employers | \$ 7,067,769 | \$ 6,421,046 |
| Members (Employees) | \$ 3,589,933 | \$ 3,338,427 |
| Nonemployer Contributing Entity (State of Texas) | \$ 5,396,028 | \$ 5,202,130 |

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**Actuarial Assumptions
ERS Group Benefits Program Plan**

| | |
|---|---|
| Valuation Date | August 31, 2019 |
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level Percent of Pay, Open |
| Remaining Amortization Period | 30 Years |
| Asset Valuation Method | N/A, plan operates on a pay-as-you-go basis |
| Discount Rate | 2.97% |
| Projected Annual Salary Increase (includes inflation) | 2.50% to 9.50%, including inflation |
| Annual Healthcare Trend Rate | <p><u>Health Select</u>: 7.30% for FY21, 7.40% for FY22, 7.00% for FY23, decreasing 50 basis points per year to an ultimate rate of 4.50% for FY28 and later years.</p> <p><u>Health Select Medicare Advantage</u>: 10.80% for FY21, 7.40% for FY22, 7.00% for FY23, decreasing 50 points per year to an ultimate rate of 4.50% for FY28 and later years.</p> |
| Inflation Assumption Rate | 2.50% |
| Ad hoc post-employment benefit changes | None |
| Mortality Assumptions: | <p><u>State Agency Members</u></p> <ul style="list-style-type: none"> - <i>Service Retirees, Survivors and other inactive Members (Regular, Elected, CPO/CO and its JRS I and II Employee Classes)</i>: 2017 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2017 - <i>Disability Retirees (Regular, Elected CPO/CO and JRS I and II Employee Classes)</i>: RP-2014 Disabled Retiree Mortality with Ultimate MP Projection Scale projected from the year 2014 - <i>Active Members</i>: RP-2014 Active Member Mortality tables with Ultimate MP Projection Scale from the year 2014 <p><u>Higher Education Members</u></p> <ul style="list-style-type: none"> - <i>Service Retirees, Survivors and other Inactive Members</i>: Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 - <i>Disability Retirees</i>: Tables based on TRS experience with Ultimate MP Projection Scale projected from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members - <i>Active Members</i>: Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014 |

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

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

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.96%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.97%, which amounted to a decrease of 0.99%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.97%) in measuring the net OPEB Liability.

| | 1% Decrease in Discount Rate (1.97%) | Discount Rate (2.97%) | 1% Increase in Discount Rate (3.97%) |
|--|--|--------------------------|--|
| Collin County Community College District proportionate share of the net OPEB liability | \$ 98,373,338 | \$ 82,437,299 | \$ 70,175,094 |

NOTE 13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)-continued**Healthcare Trend Rate Sensitivity Analysis**

The initial healthcare trend rate is 7.3% and the ultimate rate is 4.5%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (7.3% decreasing to 4.5%) in measuring the net OPEB Liability.

| | 1% Decrease (HealthSelect: 6.30% decreasing to 3.50%; HealthSelect Medicare Advantage: 9.80% to 3.50%) | (HealthSelect: 7.30% decreasing to 4.50%; HealthSelect Medicare Advantage: 10.80% to 4.50%) | 1% Increase (HealthSelect: 8.30% decreasing to 5.50%; HealthSelect Medicare Advantage: 11.80% to 5.50%) |
|--|---|---|--|
| Collin County Community College District proportionate share of the net OPEB liability | \$ 69,221,870 | \$ 82,437,299 | \$ 99,706,837 |

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

At August 31, 2020, the District reported a liability of \$82,437,298 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

| | |
|---|-----------------------|
| Collin County Community College District's proportionate Share of the collective net OPEB liability | \$ 82,437,298 |
| State's proportionate share that is associated with the District | 62,938,382 |
| Total | <u>\$ 145,375,680</u> |

The net OPEB liability was measured as of August 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018, thru August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net OPEB liability was 0.23851539%.

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

For the year ended August 31, 2020, the District recognized OPEB expense of \$10,925,499 and an additional on-behalf revenue and expense of \$74,382 for support provided by the State.

Changes Since the Prior Actuarial Valuation – Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the trustees from the Teachers Retirement System of Texas.
- Assumed expenses, assumed per capita health benefit costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future male retirees assumed to be married and electing coverage for their spouse.
- The percentage of future retirees and future retiree spouses assumed to use tobacco have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was increased from 3.96% as of August 31, 2018 to 2.97% as of August 31, 2019 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

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

- The valuation reflects the benefit change that will become effective January 1, 2020. The change to HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,650 to \$6,750 for individuals and from \$13,300 to \$13,500 for families in order to remain consistent with Internal Revenue maximums.

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

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

At August 31, 2020, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ - | \$ 2,145,092 |
| Changes in actuarial assumptions | 5,866,623 | 18,421,613 |
| Net difference between projected and actual investment earnings | 33,892 | - |
| Changes in proportion and difference between the employer's contributions and the proportionate share of contributions | 40,072,010 | - |
| Contributions paid to ERS subsequent to the measurement date | 815,700 | - |
| Total | <u>\$ 46,788,225</u> | <u>\$ 20,566,705</u> |

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

| <u>Year ended August 31:</u> | <u>OPEB Expense Amount</u> |
|------------------------------|----------------------------|
| 2021 | \$ 5,140,859 |
| 2022 | 5,140,859 |
| 2023 | 7,401,210 |
| 2024 | 6,492,323 |
| 2025 | 1,230,570 |
| Thereafter | - |
| Total | <u>\$ 25,405,821</u> |

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

Receivables at August 31 were as follows:

| | 2020 | 2019 |
|---------------------------------------|---------------|---------------|
| Student Receivables | \$ 10,036,026 | \$ 9,916,815 |
| Federal and State Receivables | 3,395,434 | 794,699 |
| Interest Receivable | 100,305 | 251,994 |
| Other Receivables | 6,778,806 | 27,079,700 |
| Subtotal | 20,310,571 | 38,043,208 |
| Less: Allowance for Doubtful Accounts | (287,497) | (464,078) |
| Total Accounts Receivable | \$ 20,023,074 | \$ 37,579,130 |
| Taxes Receivable | \$ 1,277,814 | \$ 1,258,434 |
| Less: Allowance for Doubtful Accounts | (650,115) | (630,965) |
| Total Taxes Receivable | \$ 627,699 | \$ 627,469 |

An allowance for doubtful accounts estimated at \$287,497 has been established for student receivables based on the uncertainty of collectability. A corresponding bad debt expense has been recorded to institutional support. One hundred percent allowance was established for student receivables aged two or more years and a seventy five percent allowance was set up for student receivables more than one year, but less than two years old. In August 2012, the District contracted with two collection agencies to provide collection services for outstanding student receivables. See the Student Receivables Placed with Collection Agencies Table below for additional information on student receivables.

| Student Receivables Placed with Collection Agencies | Balance at 8/31/2019 | Addition | Collections | Adjustments | Returned to Collin College | Balance 8/31/2020 |
|--|-------------------------|-----------|-------------|-------------|-------------------------------|----------------------|
| First Placement Collection Agency | \$ 255,725 | \$155,056 | \$ (51,356) | \$ (2,208) | \$ (116,075) | \$ 241,142 |
| Second Placement Collection Agency | 293,322 | 114,859 | (29,668) | (3,520) | (270,116) | 104,877 |
| Total Student Receivables Placed with Collections | 549,047 | 269,915 | (81,024) | (5,728) | (386,191) | 346,019 |
| Allowance for doubtful accounts | (464,078) | (57,233) | - | (38,291) | 272,105 | (287,497) |
| Net Receivables Placed with Collections | \$ 84,969 | \$212,682 | \$ (81,024) | \$ (44,019) | \$ (114,086) | \$ 58,522 |

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

Payables at August 31 were as follows:

| | 2020 | 2019 |
|-----------------------------|----------------------|----------------------|
| Vendors Payable | \$ 55,423,798 | \$ 43,975,668 |
| Salary and Benefits Payable | 1,025,222 | 603,082 |
| Students Payable | 1,137,182 | 1,491,879 |
| Total Accounts Payable | <u>\$ 57,586,202</u> | <u>\$ 46,070,629</u> |

NOTE 15. RISK MANAGEMENT

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

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

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

NOTE 16. PROPERTY TAX

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

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

| <u>At August 31,</u> | <u>2020</u> | <u>2019</u> |
|--|---------------------------|---------------------------|
| Assessed Valuation of the District: | \$ 176,741,386,622 | \$ 165,358,186,889 |
| Less: Exemptions | (28,055,735,606) | (27,247,346,110) |
| Less: Abatements | <u>(306,126,302)</u> | <u>(159,991,963)</u> |
| Net Assessed Valuation of the District | 148,379,524,714 | 137,950,848,816 |
| Plus: Supplements through August 31 | <u>27,718,416</u> | <u>19,620,325</u> |
| Adjusted Assessed Valuation | <u>\$ 148,407,243,130</u> | <u>\$ 137,970,469,141</u> |

Tax rates for the years ended August 31, 2020 and 2019, are as follows:

| | <u>FY 2020</u> | | | <u>FY 2019</u> | | |
|--|---------------------------|---------------------|--------------|---------------------------|---------------------|--------------|
| <u>Per \$100 valuation:</u> | <u>Current Operations</u> | <u>Debt Service</u> | <u>Total</u> | <u>Current Operations</u> | <u>Debt Service</u> | <u>Total</u> |
| Authorized Tax Rate (Maximum per enabling legislation) | \$0.080000 | \$0.120000 | \$0.200000 | \$0.080000 | \$0.120000 | \$0.200000 |
| Assessed Tax Rate | \$0.079100 | \$0.002122 | \$0.081222 | \$0.078190 | \$0.003032 | \$0.081222 |

NOTE 16. PROPERTY TAX-continued

Taxes levied for the years ended August 31, 2020 and 2019, were \$121,041,066 and \$112,144,749, 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 2020 | | | FY 2019 | | |
|----------------------------------|-----------------------|--------------------|-----------------------|-----------------------|--------------------|-----------------------|
| | Current Operations | Debt Service | Total | Current Operations | Debt Service | Total |
| Current Taxes Collected | \$116,873,397 | \$3,135,339 | \$ 120,008,736 | \$107,287,492 | \$4,160,323 | \$ 111,447,815 |
| Delinquent Taxes Collected | 312,215 | 8,390 | 320,605 | 792,225 | 37,687 | 829,912 |
| Penalties & Interest collected | 651,947 | 13,697 | 665,644 | 599,587 | 19,057 | 618,644 |
| Total Gross Collections | 117,837,559 | 3,157,426 | 120,994,985 | 108,679,304 | 4,217,067 | 112,896,371 |
| Tax Appraisal and Collection Fee | (1,254,011) | - | (1,254,011) | (1,097,689) | - | (1,097,689) |
| Bad Debt Expense | 25,173 | (424) | 24,749 | (19,837) | (3,640) | (23,477) |
| Total Net Collections | <u>\$116,608,721</u> | <u>\$3,157,002</u> | <u>\$ 119,765,723</u> | <u>\$107,561,778</u> | <u>\$4,213,427</u> | <u>\$ 111,775,205</u> |

Tax collections for the year ended August 31, 2020 and 2019, were 99.70% and 99.93% respectively, of the current tax levy. Allowances for uncollectible taxes are based on historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

The District participates in one tax incremental financing district (TIF). The following table summarizes the obligations of the District's involvement in the TIF:

| TIF Title | Incremental Tax Committed | Taxes Forgone in 2020 | Taxes Forgone in 2019 |
|----------------------|------------------------------|--------------------------|--------------------------|
| City of Frisco TIF 1 | 100% | \$ 1,387,617 | \$ 1,285,555 |
| Total Taxes Forgone | | <u>\$ 1,387,617</u> | <u>\$ 1,285,555</u> |

Tax Abatement

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

NOTE 16. PROPERTY TAX-continued

For fiscal year ending August 31, 2020, the District abated property taxes totaling \$248,642 on property values totaling \$306,126,302. The terms of each abatement vary based on the agreements with each entity.

| Start Date | Agreement | Taxable Assessed Value | Tax Rate Per \$100 valuation | Taxes Abated |
|------------|-------------------|---------------------------|------------------------------------|-------------------|
| 2007 | Texas Instruments | \$ 306,126,302 | 0.081222 | \$ 248,642 |
| | Total | <u>\$ 306,126,302</u> | | <u>\$ 248,642</u> |

Based on abatement agreements currently in place, the taxable assessed value of remaining abatements for fiscal year 2020 is anticipated to be \$354,028,805, resulting in abated taxes of \$287,549.

NOTE 17. CONTRACT AND GRANT AWARDS

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

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

| | 2020 | 2019 |
|------------------------------------|----------------------|---------------------|
| Federal Contracts and Grant Awards | \$ 10,212,577 | \$ 6,171,447 |
| State Contracts and Grant Awards | 1,034,879 | 649,935 |
| Total | <u>\$ 11,247,456</u> | <u>\$ 6,821,382</u> |

NOTE 18. COMPONENT UNITS

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

Background

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

Significant Accounting Policies

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

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

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

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

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

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

NOTE 18. COMPONENT UNITS-continued

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

Program enhancements - The Foundation also assists in securing support for strategic academic and technical programs for the District. To name just a few, past projects have included support for veteran center programming, career center initiatives, fire science equipment, IT lab equipment, health science camps, cybersecurity camps and more.

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

Pledges Receivable - Pledges receivable are comprised of uncollected pledges and are considered fully collectible as of August 31, 2020 and 2019.

Investments - As required by the Not-for-Profit Entities Investments of Debt and Equity Securities topic of the FASB ASC, investments in marketable equity securities with readily determinable fair values and investments in debt securities are valued at their fair values in the statements of financial position. Net realized and unrealized gains and losses are included in the changes in net assets.

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

Donated Assets - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services and Facilities - Individuals volunteer their time and perform a variety of tasks that help the Foundation pursue its objectives. The value of these donated services is not reflected in the financial statements.

The District allows the Foundation to use designated office space, personnel, and equipment at no cost. The value of these in-kind contributions was \$692,811 and \$331,156 for the year ended August 31, 2020 and the eight months ended August 31, 2019, respectively, and is included in revenues and expenses on the accompanying statements of activities. Of these amounts, \$346,159 and \$169,943, respectively, are considered fundraising expenses for the year ended August 31, 2020 and the eight months ended August 31, 2019.

Use of Estimates - Management used estimates and assumptions in preparing these financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the

NOTE 18. COMPONENT UNITS-continued

reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

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

Income Taxes - The Foundation follows the Income Taxes topic of the FASB ASC, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Foundation is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income. As of August 31, 2020, the Foundation has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and does not expect this to change in the next twelve months. The 2017 through 2020 tax years remain subject to examination by the Internal Revenue Service.

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

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

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

Concentration of Credit Risk - The Foundation maintains accounts at financial institutions which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts, and management believes that the Foundation is not exposed to any significant credit risks on such accounts.

Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor restrictions limiting their use or without requiring specific action of the Board, within one year of the date of the

NOTE 18. COMPONENT UNITS-continued

statements of financial position as of August 31, 2020 and 2019, are comprised of the following:

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Cash and cash equivalents | \$ 1,110,140 | \$ 910,163 |
| Investments | <u>15,573,610</u> | <u>13,722,806</u> |
| | 16,683,750 | 14,632,969 |
| Donor-restricted funds | <u>(15,907,911)</u> | <u>(13,964,808)</u> |
| Financial assets available to meet general expenditure needs within one year | <u>\$ 775,839</u> | <u>\$ 668,161</u> |

Pledges Receivable

Pledges are recognized as revenues in the period that they are made. Pledges due in one year or more have been discounted to present value using a 3.25% and 5.25% discount rate as of August 31, 2020 and 2019, respectively.

Pledges receivable as of August 31, 2020 and 2019 are summarized as follows:

| | 2020 | 2019 |
|-------------------------------------|-------------------|-------------------|
| Pledges receivable | \$ 344,891 | \$ 286,763 |
| Less: discount to present value | <u>(13,285)</u> | <u>(22,812)</u> |
| Pledges receivable, net of discount | <u>\$ 331,606</u> | <u>\$ 263,951</u> |

Fair Value Measurements and Disclosures

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

The topic establishes a hierarchy for grouping these assets and liabilities based on the significance level of the following inputs:

Level I – Quoted prices in active markets for identical assets or liabilities.

NOTE 18. COMPONENT UNITS-continued

Level II – Quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations whose inputs are observable or whose significant drivers are observable.

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

The following is a listing of investments measured at fair value on a recurring basis and where they are classified within the hierarchy as of August 31, 2020 and 2019:

| | 2020 | | |
|---|----------------------|-------------|-------------|
| | Level I | Level II | Level III |
| Cash equivalents and short-term investments | \$ 391,582 | \$ - | \$ - |
| Equity securities | 11,255,382 | - | - |
| Fixed income securities | 3,540,631 | - | - |
| Alternative investments | 386,015 | - | - |
| | <u>\$ 15,573,610</u> | <u>\$ -</u> | <u>\$ -</u> |
| | 2019 | | |
| | Level I | Level II | Level III |
| Cash equivalents and short-term investments | \$ 570,430 | \$ - | \$ - |
| Equity securities | 9,907,369 | - | - |
| Fixed income securities | 2,426,502 | - | - |
| Alternative investments | 818,505 | - | - |
| | <u>\$ 13,722,806</u> | <u>\$ -</u> | <u>\$ -</u> |

During the year ended August 31, 2020, the United States and global markets experienced fluctuations in value resulting from uncertainty caused by the worldwide coronavirus pandemic. The Foundation is closely monitoring its investment portfolios and its liquidity and is actively working to minimize the impact of any declines in value.

Net Assets With Donor Restrictions

The balances of net assets with donor restrictions as of August 31, 2020 and 2019 relate to certain contributions for which the donors have imposed restrictions. These restrictions require the Foundation to expend such funds for scholarships and program enhancements as follows:

NOTE 18. COMPONENT UNITS-continued

| | <u>2020</u> | <u>2019</u> |
|-------------------|----------------------|----------------------|
| Endowment Funds | \$ 11,049,261 | \$ 9,472,574 |
| Excellence Funds | 516,794 | 458,243 |
| Quasi Endowments | 2,690,626 | 2,494,301 |
| Scholarship Funds | <u>1,651,230</u> | <u>1,539,690</u> |
| | <u>\$ 15,907,911</u> | <u>\$ 13,964,808</u> |

Endowment Funds represent funds not yet appropriated for expenditure for endowed scholarships. Excellence Funds represent funds not yet appropriated for expenditure for strategic academic and technical programs, as well as special achievement awards and scholarships. Quasi Endowments represent a) funds which have not yet reached the level required to become endowment funds or which do not yet have signed endowment agreements, or b) funds which are controlled by the District's Board of Trustees. Scholarship Funds represent funds not yet appropriated for expenditure for non-endowed scholarships.

During the year ended August 31, 2020 and the eight months ended August 31, 2019, net assets with donor restrictions in the amounts of \$914,787 and \$440,969, respectively, have been expended in accordance with donor restrictions and have been reclassified to net assets without donor restrictions.

The following is a summary of changes in endowment fund net assets for the year ended August 31, 2020 and the eight months ended August 31, 2019:

| | |
|------------------------------|----------------------|
| Balance at December 31, 2018 | \$ 8,122,736 |
| Contributions | 341,936 |
| Earnings | 1,104,428 |
| Appropriations | <u>(96,526)</u> |
| Balance at August 31, 2019 | <u>\$ 9,472,574</u> |
| Contributions | 1,057,703 |
| Earnings | 737,326 |
| Appropriations | <u>(218,342)</u> |
| Balance at August 31, 2020 | <u>\$ 11,049,261</u> |

Fiscal Year End Change

The fiscal year end of the Foundation was changed from December 31 to August 31 so as to align with the fiscal year of the District. Accordingly, the 2019 financial statements have been prepared for the eight months from January 1, 2019 to August 31, 2019.

Subsequent Events

Subsequent events have been evaluated through November 10, 2020, which is the date the financial statements were available to be issued.

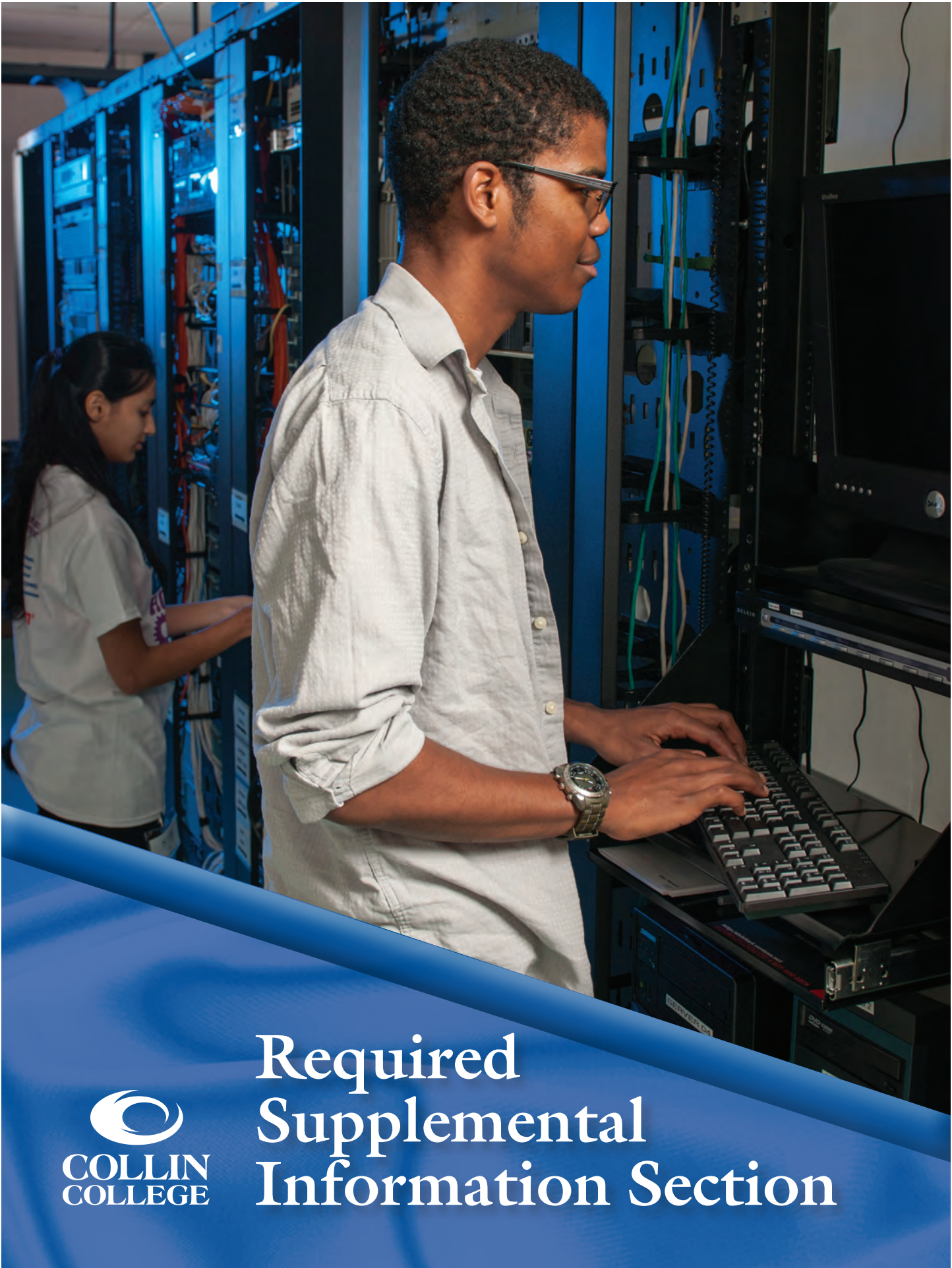
NOTE 18. COMPONENT UNITS-continued

Subsequent to year-end, the United States and global markets may experience additional fluctuations in value resulting from uncertainty caused by the worldwide coronavirus pandemic.

NOTE 19. Subsequent Event

At the end of the current fiscal year, the District had \$7 million in outstanding Limited Tax Bonds, Series 2010 bonds maturing in the years 2021 through 2023. The Board of Trustees authorized the defeasance of the Defeasible Obligations prior to their scheduled maturities. In September 2020, the District defeased the bonds, resulting in a savings of \$.5 million in future interest payments.

This page intentionally left blank.



Required
Supplemental
Information



Required Supplemental Information Section

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Required Supplementary Information Schedules

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of the District's Proportionate Share of Net Pension Liability**
****Last Six Fiscal Years**

| Fiscal years ending August 31,* | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|
| District's proportion of collective net pension liability (%) | 0.000704960 | 0.000639580 | 0.000615622 |
| District's proportionate share of collective net pension liability (\$) | \$ 36,646,040 | \$ 35,204,032 | \$ 19,684,288 |
| State's proportionate share of net pension liability associated with the District | 29,191,219 | 28,372,524 | 15,746,369 |
| Total | <u>\$ 65,837,259</u> | <u>\$ 63,576,556</u> | <u>\$ 35,430,657</u> |
| District's covered payroll | \$ 67,685,206 | \$ 57,589,464 | \$ 53,246,493 |
| District's proportionate share of collective net pension liability as a percentage of covered payroll | 54.1% | 61.1% | 37.0% |
| Plan fiduciary net position as percentage of the total pension liability | 75.24% | 73.74% | 82.17% |

| Fiscal years ending August 31,* | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|
| District's proportion of collective net pension liability (%) | 0.000561923 | 0.000614874 | 0.000645782 |
| District's proportionate share of collective net pension liability (\$) | \$ 21,234,239 | \$ 21,734,977 | \$ 17,249,730 |
| State's proportionate share of net pension liability associated with the District | 19,980,257 | 15,657,455 | 12,568,650 |
| Total | <u>\$ 41,214,496</u> | <u>\$ 37,392,432</u> | <u>\$ 29,818,380</u> |
| District's covered payroll | \$ 50,608,925 | \$ 41,402,433 | \$ 35,073,700 |
| District's proportionate share of collective net pension liability as a percentage of covered payroll | 42.0% | 52.5% | 49.2% |
| Plan fiduciary net position as percentage of the total pension liability | 78.00% | 78.43% | 83.25% |

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of the District's Contributions for Pensions**
****Last Six Fiscal Years**

| Fiscal years ending August 31,* | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|
| Legally required contributions | \$ 3,278,320 | \$ 2,453,559 | \$ 2,171,617 |
| Actual contributions | <u>3,278,320</u> | <u>2,453,559</u> | <u>2,171,617</u> |
| Contributions deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll amount | \$ 78,435,332 | \$ 67,685,206 | \$ 57,589,464 |
| Contributions as a percentage of covered payroll | 4.2% | 3.6% | 3.8% |

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

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of the District's Proportionate Share of Net OPEB Liability**
****Last Three Fiscal Years**

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

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of the District's Contributions for OPEB
Last Three Fiscal Years

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

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

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

Changes since Prior Actuarial Valuation for Pensions:

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

- The discount rate was changed from 6.907% as of August 31, 2018 to 7.25% as of August 31, 2019
- The Municipal Bond Rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019.
- Projection of cash flows used to determine the single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session.
- It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years; including all employer and state contributions for active and rehired retirees.
- With the enactment of SB 3 by the 86th Texas Legislature, 2019, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less.

Changes of Benefit Terms for OPEB:

Under Q/A #4.107 of GASB's *Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, this valuation reflects the benefit changes that will become effective January 1, 2020, since these changes were communicated to plan members in advance of the preparation of the valuation used for this report. The only benefit change for FY2020 for HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,650 to \$6,750 for individuals and from \$13,300 to \$13,500 for families in order to remain consistent with Internal Revenue Service maximums.

This minor benefit change is provided for in the FY2020 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary. For a complete description of the benefit provisions, see Section VII of this report.

Changes of Assumptions for OPEB:

Demographic Assumptions

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

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence
- Percentage of future male retirees assumed to be married and electing coverage for their spouse
- Percentage of future retirees and future retiree spouses assumed to use tobacco

Economic Assumptions

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effect on our short-term expectations.

The discount rate was changed from 3.96% to 2.97% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit changes have been reflected in the FY 2020 Assumed Per Capita Health Benefits Costs.

This page intentionally left blank.



THECB
Supplemental
Schedules



THECB Supplemental Schedules Section

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

THECB Supplemental Schedules

Schedule A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2020
(with comparative totals at August 31, 2019)**

| | <u>Unrestricted</u> | <u>Restricted</u> | Total Educational <u>Activities</u> | Auxiliary <u>Enterprises</u> | <u>Total</u> | |
|---|----------------------|-------------------|---|---------------------------------|----------------------|----------------------|
| | | | | | <u>2020</u> | <u>2019</u> |
| Tuition | | | | | | |
| State funded courses | | | | | | |
| In-district resident tuition | \$ 24,222,730 | \$ - | \$ 24,222,730 | \$ - | \$ 24,222,730 | \$ 21,206,617 |
| Out-of-district resident tuition | 15,036,449 | - | 15,036,449 | - | 15,036,449 | 13,252,058 |
| TPEG Credit (set aside)* | 1,908,454 | - | 1,908,454 | - | 1,908,454 | 1,814,459 |
| Non-resident tuition | 9,354,974 | - | 9,354,974 | - | 9,354,974 | 8,652,701 |
| Continuing education | 3,366,002 | - | 3,366,002 | - | 3,366,002 | 3,844,579 |
| TPEG Non-Credit (set aside)* | 210,239 | - | 210,239 | - | 210,239 | 247,876 |
| Non-state funded continuing education | 79,049 | - | 79,049 | - | 79,049 | 147,286 |
| Total tuition | <u>54,177,897</u> | <u>-</u> | <u>54,177,897</u> | <u>-</u> | <u>54,177,897</u> | <u>49,165,576</u> |
| General fees | 575,077 | - | 575,077 | - | 575,077 | 569,914 |
| Student activity fee | 1,326,003 | - | 1,326,003 | - | 1,326,003 | 1,231,458 |
| Laboratory fee | <u>622,687</u> | <u>-</u> | <u>622,687</u> | <u>-</u> | <u>622,687</u> | <u>543,657</u> |
| Total fees | <u>2,523,767</u> | <u>-</u> | <u>2,523,767</u> | <u>-</u> | <u>2,523,767</u> | <u>2,345,029</u> |
| Scholarship allowances and discounts | | | | | | |
| Remissions and exemptions | (3,861,939) | - | (3,861,939) | - | (3,861,939) | (2,076,733) |
| TPEG awarded | (2,197,533) | - | (2,197,533) | - | (2,197,533) | (1,515,512) |
| Federal grants to students | (10,768,624) | - | (10,768,624) | - | (10,768,624) | (7,294,115) |
| Other | <u>(642,787)</u> | <u>-</u> | <u>(642,787)</u> | <u>-</u> | <u>(642,787)</u> | <u>(442,196)</u> |
| Total scholarship allowances | <u>(17,470,883)</u> | <u>-</u> | <u>(17,470,883)</u> | <u>-</u> | <u>(17,470,883)</u> | <u>(11,328,556)</u> |
| Total net tuition and fees | <u>\$ 39,230,781</u> | <u>\$ -</u> | <u>\$ 39,230,781</u> | <u>\$ -</u> | <u>\$ 39,230,781</u> | <u>\$ 40,182,049</u> |

* In accordance with Education Code 56.033; \$2,118,693 was set aside for Texas Public Education Grants (TPEG).

Schedule A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2020
(with comparative totals at August 31, 2019)**

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total Educational Activities</u> | <u>Auxiliary Enterprises</u> | <u>Total</u> | |
|--|----------------------|---------------------|---|----------------------------------|-------------------------------------|-------------------------------------|
| | | | | | <u>2020</u> | <u>2019</u> |
| Additional operating revenues | | | | | | |
| Federal grants and contracts | \$ 216,384 | \$ 4,615,524 | \$ 4,831,908 | \$ - | \$ 4,831,908 | \$ 2,171,735 |
| State grants and contracts | 366 | 1,992,117 | 1,992,483 | - | 1,992,483 | 1,609,536 |
| Nongovernmental grants and contracts | - | 179,103 | 179,103 | - | 179,103 | 150,053 |
| Sales and services of educational activities | 505,344 | - | 505,344 | - | 505,344 | 919,031 |
| Other operating revenues | 317,769 | - | 317,769 | - | 317,769 | 1,089,590 |
| Total additional operating revenues | <u>1,039,863</u> | <u>6,786,744</u> | <u>7,826,607</u> | <u>-</u> | <u>7,826,607</u> | <u>5,939,945</u> |
| | | | | | | |
| Auxiliary enterprises | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,039,803</u> | <u>2,039,803</u> | <u>2,376,831</u> |
| | | | | | | |
| Total Operating Revenues | <u>\$ 40,270,644</u> | <u>\$ 6,786,744</u> | <u>\$ 47,057,388</u> | <u>\$ 2,039,803</u> | <u>\$ 49,097,191</u> (Exhibit 2) | <u>\$ 48,498,825</u> (Exhibit 2) |

Collin County Community College District

Schedule of Operating Expenses by Object
For the year ended August 31, 2020
(with comparative totals at August 31, 2019)

| | Operating Expenses | | | | Total | |
|--|-----------------------|---------------|---------------|-------------------|-------------------------------|-------------------------------|
| | Salaries and Wages | Benefits | | Other Expenses | 2020 | 2019 |
| | | State | Local | | | |
| Unrestricted - educational activities | | | | | | |
| Instruction | \$ 66,522,617 | \$ - | \$ 15,404,115 | \$ 5,699,765 | \$ 87,626,497 | \$ 80,378,085 |
| Public service | 22,620 | - | 53,133 | 7,503 | 83,256 | 44,032 |
| Academic support | 12,725,296 | - | 3,329,034 | 2,103,754 | 18,158,084 | 14,930,885 |
| Student services | 11,436,379 | - | 3,236,282 | 1,600,131 | 16,272,792 | 15,753,956 |
| Institutional support | 17,045,600 | - | 6,550,554 | 12,233,638 | 35,829,792 | 29,856,398 |
| Operation and maintenance of plant | 3,838,710 | - | 1,066,855 | 11,504,270 | 16,409,835 | 15,561,126 |
| Total unrestricted educational activities | 111,591,222 | - | 29,639,973 | 33,149,061 | 174,380,256 | 156,524,482 |
| Restricted - educational activities | | | | | | |
| Instruction | 1,027,759 | 5,465,699 | 43,043 | 645,533 | 7,182,034 | 4,675,452 |
| Public service | 394,862 | 7,946 | 91,187 | 56,194 | 550,189 | 394,299 |
| Academic support | 650,819 | 1,271,551 | 118,037 | 273,819 | 2,314,226 | 1,886,489 |
| Student services | 1,119,350 | 1,308,160 | 111,420 | 250,483 | 2,789,413 | 1,662,411 |
| Institutional support | 292,960 | 2,884,046 | - | 232,570 | 3,409,576 | 2,416,869 |
| Operation and maintenance of plant | 104,330 | - | - | 4,696 | 109,026 | - |
| Scholarships | - | - | - | 22,555,231 | 22,555,231 | 18,571,380 |
| Total restricted educational activities | 3,590,080 | 10,937,402 | 363,687 | 24,018,526 | 38,909,695 | 29,606,900 |
| Total educational activities | 115,181,302 | 10,937,402 | 30,003,660 | 57,167,587 | 213,289,951 | 186,131,382 |
| Auxiliary enterprises | 1,276,180 | - | 285,830 | 2,476,766 | 4,038,776 | 2,470,080 |
| Depreciation expense - buildings and other | | | | | | |
| real estate improvements | - | - | - | 9,725,797 | 9,725,797 | 6,849,845 |
| Depreciation expense - equipment and furniture | - | - | - | 2,826,352 | 2,826,352 | 2,573,573 |
| Total operating expenses | \$ 116,457,482 | \$ 10,937,402 | \$ 30,289,490 | \$ 72,196,502 | \$ 229,880,876 (Exhibit 2) | \$ 198,024,880 (Exhibit 2) |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Non-Operating Revenues and Expenses
For the year ended August 31, 2020
(with comparative totals at August 31, 2019)

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Auxiliary enterprises</u> | <u>2020</u> | <u>Totals</u> <u>2019</u> |
|--|-----------------------|----------------------|----------------------------------|-----------------------|------------------------------|
| Non-operating revenues: | | | | | |
| State appropriations | | | | | |
| Education and general state support | \$ 39,845,411 | \$ - | \$ - | \$ 39,845,411 | \$ 35,511,392 |
| State group insurance | - | 5,627,503 | - | \$ 5,627,503 | 5,396,028 |
| State retirement matching | - | 5,235,067 | - | \$ 5,235,067 | 3,431,922 |
| OPEB revenue / (expenses) | - | 74,832 | - | 74,832 | (312,374) |
| Total state appropriations | <u>39,845,411</u> | <u>10,937,402</u> | <u>-</u> | <u>50,782,813</u> | <u>44,026,968</u> |
| Ad valorem taxes | 115,221,104 | 3,157,002 | - | 118,378,106 | 110,489,653 |
| Federal contracts and grants | 183,337 | 30,465,708 | - | 30,649,045 | 23,865,674 |
| Gifts | 6,112,500 | - | - | 6,112,500 | 6,209,422 |
| Investment income (net of investment expenses) | 5,440,542 | - | - | 5,440,542 | 12,134,040 |
| Other non-operating revenues | <u>245,440</u> | <u>-</u> | <u>-</u> | <u>245,440</u> | <u>250,233</u> |
| Total non-operating revenues | <u>127,202,923</u> | <u>33,622,710</u> | <u>-</u> | <u>160,825,633</u> | <u>152,949,022</u> |
| Non-operating expenses: | | | | | |
| Interest on capital related debt | - | (12,675,077) | - | (12,675,077) | (9,341,076) |
| Other non-operating expenses | <u>(2,095,127)</u> | <u>-</u> | <u>-</u> | <u>(2,095,127)</u> | <u>-</u> |
| Total non-operating expenses | <u>(2,095,127)</u> | <u>(12,675,077)</u> | <u>-</u> | <u>(14,770,204)</u> | <u>(9,341,076)</u> |
| Net non-operating revenues | <u>\$ 164,953,207</u> | <u>\$ 31,885,035</u> | <u>\$ -</u> | <u>\$ 196,838,242</u> | <u>\$ 187,634,914</u> |
| | | | | (Exhibit 2) | (Exhibit 2) |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Net Position by Source and Availability
As of August 31, 2020
(with comparative totals at August 31, 2019)

| | Detail by Source | | | | | Available for Current Operations | |
|---|------------------|----------------|----------------|--|------------------------------|----------------------------------|--------------|
| | Unrestricted | Restricted | | Capital Assets Net of Depreciation & Related Debt | Total | Yes | No |
| | | Expendable | Non-Expendable | | | | |
| Current: | | | | | | | |
| Unrestricted: | | | | | | | |
| Undesignated | \$ 43,873,987 | \$ - | \$ - | \$ - | \$ 43,873,987 | \$ 43,873,987 | \$ - |
| Board designated - | | | | | | | |
| Stabilization of maintenance and operations | 24,750,000 | - | - | - | 24,750,000 | - | 24,750,000 |
| Insurance deductibles | 100,000 | - | - | - | 100,000 | - | 100,000 |
| Health Reserve | 30,000,000 | - | - | - | 30,000,000 | - | 30,000,000 |
| Restricted: | | | | | | | |
| Student aid/non-governmental grants and contracts | - | 1,423,211 | - | - | 1,423,211 | - | 1,423,211 |
| Auxiliary enterprises | 3,104,948 | - | - | - | 3,104,948 | 3,104,948 | - |
| Startup and stabilization | 65,798,096 | - | - | - | 65,798,096 | 65,798,096 | - |
| Plant: | | | | | | | |
| Unexpended | 113,987,721 | - | - | - | 113,987,721 | - | 113,987,721 |
| Bond capital projects | - | 7,212,894 | - | - | 7,212,894 | - | 7,212,894 |
| Debt service | - | 5,604,309 | - | - | 5,604,309 | - | 5,604,309 |
| Investment in plant | - | - | - | 277,090,611 | 277,090,611 | - | 277,090,611 |
| Total net position - August 31, 2020 | 281,614,752 | 14,240,414 | - | 277,090,611 | 572,945,777 (Exhibit 2) | 112,777,031 | 460,168,746 |
| Total net position - August 31, 2019 | 277,150,841 | 15,454,451 | - | 264,285,928 | 556,891,220 (Exhibit 2) | 104,302,879 | 452,588,341 |
| Net increase in net position | \$ 4,463,911 | \$ (1,214,037) | \$ - | \$ 12,804,683 | \$ 16,054,557 (Exhibit 2) | \$ 8,474,152 | \$ 7,580,405 |

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, 2020 and August 31, 2019, the minimum required unrestricted fund balance was \$40,614,879 and \$36,482,612, respectively. This amount is included as part of the undesignated balance.



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.

This page intentionally left blank.

Statistical Section (unaudited)

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

Financial Trends- Statistical Supplements 1-3

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

Revenue Capacity- Statistical Supplements 4-8

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

Debt Capacity- Statistical Supplements 9-11

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

Demographic and Economic Information- Statistical Supplements 12-13

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

Operating Information- Statistical Supplements 14-18

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

This page intentionally left blank.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Net Position by Component
Fiscal Years 2011 to 2020
(unaudited)

| | | For the Fiscal Year Ended August 31, | | | |
|----------------------------------|-----------------------|---|-----------------------|-----------------------|-----------------------|
| | | (a) | | | |
| | | Restated | | | |
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Net investment in capital assets | \$ 278,203,505 | \$ 264,285,928 | \$ 262,417,005 | \$ 300,132,133 | \$ 271,788,069 |
| Restricted - expendable | 13,127,520 | 15,454,451 | 1,299,745 | 2,480,187 | 1,630,910 |
| Unrestricted | 281,614,752 | 277,150,841 | 255,065,611 | 217,860,753 | 212,396,648 |
| Total Net Position | <u>\$ 572,945,777</u> | <u>\$ 556,891,220</u> | <u>\$ 518,782,361</u> | <u>\$ 520,473,073</u> | <u>\$ 485,815,627</u> |
| Total Change in Net Position | <u>\$ 16,054,557</u> | <u>\$ 38,108,859</u> | <u>\$ (1,690,712)</u> | <u>\$ 34,657,446</u> | <u>\$ 21,734,281</u> |

| | | For the Fiscal Year Ended August 31, | | | |
|----------------------------------|-----------------------|---|-----------------------|-----------------------|-----------------------|
| | | (b) | | | |
| | | Restated | | | |
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Net investment in capital assets | \$ 252,327,218 | \$ 222,287,496 | \$ 216,482,469 | \$ 209,933,352 | \$ 188,707,425 |
| Restricted - expendable | 965,347 | 2,704,038 | 3,941,734 | 3,402,218 | 3,511,310 |
| Unrestricted | 210,788,781 | 235,676,401 | 218,899,001 | 204,678,278 | 200,654,069 |
| Total Net Position | <u>\$ 464,081,346</u> | <u>\$ 460,667,935</u> | <u>\$ 439,323,204</u> | <u>\$ 418,013,848</u> | <u>\$ 392,872,804</u> |
| Total Change in Net Position | <u>\$ 3,413,411</u> | <u>\$ 21,344,731</u> | <u>\$ 21,309,356</u> | <u>\$ 25,141,044</u> | <u>\$ 23,658,358</u> |

Notes:

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

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

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
Revenues by Source
Fiscal Years 2011 to 2020
(unaudited)

For the Fiscal Year Ended August 31,

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Tuition and Fees (Net of Discounts) | \$ 39,230,781 | \$ 40,182,049 | \$ 35,922,095 | \$ 34,777,289 | \$ 30,671,124 |
| Governmental Grants and Contracts | | | | | |
| Federal Grants and Contracts | 4,831,908 | 2,171,735 | 1,864,618 | 1,650,574 | 2,192,596 |
| State Grants and Contracts | 1,992,483 | 1,609,536 | 2,836,838 | 2,477,397 | 1,637,637 |
| Non-Governmental Grants and Contracts | 179,103 | 150,053 | 237,701 | 276,616 | 74,452 |
| Sales & Services of Educational Activities | 505,344 | 919,031 | 995,562 | 744,120 | 681,057 |
| Auxiliary Enterprises | 2,039,803 | 2,376,831 | 1,970,718 | 1,740,221 | 5,036,125 |
| Other Operating Revenues | 317,769 | 1,089,590 | 365,138 | 469,662 | 356,464 |
| Total Operating Revenues | 49,097,191 | 48,498,825 | 44,192,670 | 42,135,879 | 40,649,455 |
| State Appropriations | 50,782,813 | 44,026,968 | 44,006,835 | 40,859,962 | 40,667,403 |
| Ad Valorem Taxes | 118,378,106 | 110,489,653 | 98,490,012 | 89,111,771 | 80,461,197 |
| Federal Grants and Contracts | 30,649,045 | 23,865,674 | 23,330,718 | 19,783,712 | 20,046,602 |
| Gifts | 6,112,500 | 6,209,422 | 30,070 | 3,620,000 | 1,650 |
| Investment Income | 5,440,542 | 12,134,040 | 6,375,739 | 2,183,790 | 803,614 |
| Other Non-Operating Revenues | 245,440 | 250,233 | 200,000 | 199,250 | 198,500 |
| Total Non-Operating Revenues | 211,608,446 | 196,975,990 | 172,433,374 | 155,758,485 | 142,178,966 |
| Total Revenues | \$ 260,705,637 | \$ 245,474,815 | \$ 216,626,044 | \$ 197,894,364 | \$ 182,828,421 |

For the Fiscal Year Ended August 31,

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------|----------------|----------------|----------------|----------------|
| Tuition and Fees (Net of Discounts) | 15.05% | 16.37% | 16.58% | 17.58% | 16.79% |
| Governmental Grants and Contracts | | | | | |
| Federal Grants and Contracts | 1.85% | 0.88% | 0.86% | 0.83% | 1.20% |
| State Grants and Contracts | 0.76% | 0.66% | 1.31% | 1.25% | 0.90% |
| Non-Governmental Grants and Contracts | 0.07% | 0.06% | 0.11% | 0.14% | 0.04% |
| Sales & Services of Educational Activities | 0.19% | 0.37% | 0.46% | 0.38% | 0.37% |
| Auxiliary Enterprises | 0.78% | 0.97% | 0.91% | 0.88% | 2.75% |
| Other Operating Revenues | 0.12% | 0.44% | 0.17% | 0.24% | 0.19% |
| Total Operating Revenues | 18.82% | 19.75% | 20.40% | 21.30% | 22.24% |
| State Appropriations | 19.48% | 17.94% | 20.31% | 20.65% | 22.24% |
| Ad Valorem Taxes | 45.42% | 45.02% | 45.48% | 45.02% | 44.01% |
| Federal Grants and Contracts | 11.76% | 9.72% | 10.77% | 10.00% | 10.96% |
| Gifts | 2.34% | 2.53% | 0.01% | 1.83% | 0.00% |
| Investment Income | 2.09% | 4.94% | 2.94% | 1.10% | 0.44% |
| Other Non-Operating Revenues | 0.09% | 0.10% | 0.09% | 0.10% | 0.11% |
| Total Non-Operating Revenues | 81.18% | 80.25% | 79.60% | 78.70% | 77.76% |
| Total Revenues | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Revenues by Source
Fiscal Years 2011 to 2020
(unaudited)

| | For the Fiscal Year Ended August 31, | | | | |
|--|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Tuition and Fees (Net of Discounts) | \$ 28,426,123 | \$ 27,967,481 | \$ 26,569,192 | \$ 23,740,042 | \$ 24,395,778 |
| Governmental Grants and Contracts | | | | | |
| Federal Grants and Contracts | 6,687,572 | 7,229,621 | 6,067,520 | 2,087,054 | 1,204,670 |
| State Grants and Contracts | 1,797,840 | 964,194 | 628,453 | 807,249 | 1,670,769 |
| Non-Governmental Grants and Contracts | 8,950 | 13,320 | - | 6,939 | 4,817 |
| Sales & Services of Educational Activities | 644,103 | 550,913 | 426,387 | 364,115 | 379,229 |
| Auxiliary Enterprises | 8,829,679 | 9,240,358 | 9,617,775 | 10,023,129 | 10,131,837 |
| Other Operating Revenues | 311,361 | 350,264 | 406,538 | 338,787 | 209,032 |
| Total Operating Revenues | 46,705,628 | 46,316,151 | 43,715,865 | 37,367,315 | 37,996,132 |
| State Appropriations | 38,713,358 | 38,457,174 | 35,504,958 | 34,416,713 | 36,545,683 |
| Ad Valorem Taxes | 72,016,212 | 66,978,476 | 65,149,280 | 63,326,803 | 61,837,754 |
| Federal Grants and Contracts | 23,834,018 | 24,431,878 | 25,332,176 | 27,115,496 | 23,786,051 |
| Gifts | 62,538 | 31,200 | 49,005 | 6,798 | - |
| Investment Income | 212,730 | 113,223 | 238,855 | 239,901 | 289,044 |
| Other Non-Operating Revenues | 198,500 | 200,000 | 200,000 | 543,862 | 341,504 |
| Total Non-Operating Revenues | 135,037,356 | 130,211,951 | 126,474,274 | 125,649,573 | 122,800,036 |
| Total Revenues | \$ 181,742,984 | \$ 176,528,102 | \$ 170,190,139 | \$ 163,016,888 | \$ 160,796,168 |

| | For the Fiscal Year Ended August 31, | | | | |
|--|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Tuition and Fees (Net of Discounts) | 15.64% | 15.84% | 15.61% | 14.56% | 15.17% |
| Governmental Grants and Contracts | | | | | |
| Federal Grants and Contracts | 3.68% | 4.10% | 3.57% | 1.28% | 0.75% |
| State Grants and Contracts | 0.99% | 0.55% | 0.37% | 0.50% | 1.04% |
| Non-Governmental Grants and Contracts | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% |
| Sales & Services of Educational Activities | 0.35% | 0.31% | 0.25% | 0.22% | 0.24% |
| Auxiliary Enterprises | 4.86% | 5.23% | 5.65% | 6.15% | 6.30% |
| Other Operating Revenues | 0.17% | 0.20% | 0.24% | 0.21% | 0.13% |
| Total Operating Revenues | 25.69% | 26.24% | 25.69% | 22.92% | 23.63% |
| State Appropriations | 21.30% | 21.79% | 20.86% | 21.11% | 22.73% |
| Ad Valorem Taxes | 39.64% | 37.94% | 38.28% | 38.86% | 38.46% |
| Federal Grants and Contracts | 13.11% | 13.84% | 14.88% | 16.63% | 14.79% |
| Gifts | 0.03% | 0.02% | 0.03% | 0.00% | 0.00% |
| Investment Income | 0.12% | 0.06% | 0.14% | 0.15% | 0.18% |
| Other Non-Operating Revenues | 0.11% | 0.11% | 0.12% | 0.33% | 0.21% |
| Total Non-Operating Revenues | 74.31% | 73.76% | 74.31% | 77.08% | 76.37% |
| Total Revenues | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Fiscal Years 2011 to 2020
(unaudited)

For the Fiscal Year Ended August 31,

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Instruction | \$ 94,808,531 | \$ 85,053,537 | \$ 74,863,647 | \$ 70,813,288 | \$ 72,044,666 |
| Public Service | 633,445 | 438,331 | 533,546 | 701,327 | 1,260,478 |
| Academic Support | 20,472,310 | 16,817,374 | 14,226,341 | 12,194,878 | 11,908,733 |
| Student Services | 19,062,205 | 17,416,367 | 15,406,930 | 12,965,133 | 11,875,226 |
| Institutional Support | 39,239,368 | 32,273,267 | 26,911,239 | 24,213,569 | 19,966,816 |
| Operation and Maintenance of Plant | 16,518,861 | 15,561,126 | 13,444,347 | 12,933,541 | 11,666,212 |
| Scholarships and Fellowships | 22,555,231 | 18,571,380 | 18,760,158 | 16,856,378 | 16,342,810 |
| Auxiliary Enterprises | 4,038,776 | 2,470,080 | 2,253,950 | 3,038,575 | 6,413,444 |
| Depreciation | 12,552,149 | 9,423,418 | 9,053,254 | 8,788,326 | 8,392,630 |
| Total Operating Expenses | 229,880,876 | 198,024,880 | 175,453,412 | 162,505,015 | 159,871,015 |
| Interest on Capital Related Debt | 12,675,077 | 9,341,076 | 3,982,439 | 731,903 | 1,223,125 |
| Other Non-operating Expenses | 2,095,127 | - | 2,309,087 | - | - |
| Loss on Disposal of Fixed Assets | - | - | 13,121 | - | - |
| Total Non-Operating Expenses | 14,770,204 | 9,341,076 | 6,304,647 | 731,903 | 1,223,125 |
| Total Expenses | \$ 244,651,080 | \$ 207,365,956 | \$ 181,758,059 | \$ 163,236,918 | \$ 161,094,140 |

For the Fiscal Year Ended August 31,

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Instruction | 38.75% | 41.02% | 41.19% | 43.39% | 44.74% |
| Public Service | 0.26% | 0.21% | 0.29% | 0.43% | 0.78% |
| Academic Support | 8.37% | 8.11% | 7.83% | 7.47% | 7.39% |
| Student Services | 7.79% | 8.40% | 8.48% | 7.94% | 7.37% |
| Institutional Support | 16.05% | 15.57% | 14.80% | 14.83% | 12.39% |
| Operation and Maintenance of Plant | 6.75% | 7.50% | 7.40% | 7.92% | 7.24% |
| Scholarships and Fellowships | 9.22% | 8.96% | 10.32% | 10.33% | 10.14% |
| Auxiliary Enterprises | 1.65% | 1.19% | 1.24% | 1.86% | 3.98% |
| Depreciation | 5.13% | 4.54% | 4.98% | 5.38% | 5.21% |
| Total Operating Expenses | 93.97% | 95.50% | 96.53% | 99.55% | 99.24% |
| Interest on Capital Related Debt | 5.17% | 4.50% | 2.19% | 0.45% | 0.76% |
| Other Non-operating Expenses | 0.86% | 0.00% | 1.27% | 0.00% | 0.00% |
| Loss on Disposal of Fixed Assets | 0.00% | 0.00% | 0.01% | 0.00% | 0.00% |
| Total Non-Operating Expenses | 6.03% | 4.50% | 3.47% | 0.45% | 0.76% |
| Total Expenses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Fiscal Years 2011 to 2020
(unaudited)

For the Fiscal Year Ended August 31,

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Instruction | \$ 64,578,677 | \$ 58,718,787 | \$ 56,679,653 | \$ 52,319,020 | \$ 54,534,791 |
| Public Service | 758,294 | 556,778 | 560,542 | 561,438 | 888,626 |
| Academic Support | 15,485,516 | 15,605,938 | 14,847,063 | 10,193,826 | 9,542,089 |
| Student Services | 10,430,474 | 9,716,643 | 8,941,731 | 8,374,056 | 8,640,882 |
| Institutional Support | 18,940,401 | 15,469,145 | 14,401,055 | 13,664,780 | 13,455,591 |
| Operation and Maintenance of Plant | 10,388,845 | 13,274,011 | 13,557,062 | 11,802,975 | 11,415,758 |
| Scholarships and Fellowships | 19,417,452 | 20,149,733 | 20,731,109 | 22,207,900 | 19,943,709 |
| Auxiliary Enterprises | 9,548,337 | 10,899,311 | 10,048,826 | 10,032,534 | 10,124,598 |
| Depreciation | 7,711,950 | 7,544,508 | 7,315,549 | 6,790,160 | 6,737,301 |
| Total Operating Expenses | 157,259,946 | 151,934,854 | 147,082,590 | 135,946,689 | 135,283,345 |
| Interest on Capital Related Debt | 1,525,612 | 1,664,760 | 1,797,093 | 1,929,155 | 1,854,465 |
| Other Non-operating Expenses | - | 1,583,757 | 1,100 | - | - |
| Loss on Disposal of Fixed Assets | - | - | - | - | - |
| Total Non-Operating Expenses | 1,525,612 | 3,248,517 | 1,798,193 | 1,929,155 | 1,854,465 |
| Total Expenses | \$ 158,785,558 | \$ 155,183,371 | \$ 148,880,783 | \$ 137,875,844 | \$ 137,137,810 |

For the Fiscal Year Ended August 31,

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Instruction | 40.67% | 37.85% | 38.07% | 37.95% | 39.78% |
| Public Service | 0.48% | 0.36% | 0.38% | 0.41% | 0.65% |
| Academic Support | 9.75% | 10.06% | 9.97% | 7.39% | 6.96% |
| Student Services | 6.57% | 6.26% | 6.01% | 6.07% | 6.30% |
| Institutional Support | 11.93% | 9.97% | 9.67% | 9.91% | 9.81% |
| Operation and Maintenance of Plant | 6.54% | 8.55% | 9.11% | 8.56% | 8.32% |
| Scholarships and Fellowships | 12.23% | 12.98% | 13.92% | 16.11% | 14.54% |
| Auxiliary Enterprises | 6.01% | 7.02% | 6.75% | 7.28% | 7.38% |
| Depreciation | 4.86% | 4.86% | 4.91% | 4.92% | 4.91% |
| Total Operating Expenses | 99.04% | 97.91% | 98.79% | 98.60% | 98.65% |
| Interest on Capital Related Debt | 0.96% | 1.07% | 1.21% | 1.40% | 1.35% |
| Other Non-operating Expenses | 0.00% | 1.02% | 0.00% | 0.00% | 0.00% |
| Loss on Disposal of Fixed Assets | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total Non-Operating Expenses | 0.96% | 2.09% | 1.21% | 1.40% | 1.35% |
| Total Expenses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Tuition and Fees
Last Ten Academic Years
(unaudited)****Resident
Fees per Semester Credit Hour (SCH)**

| Academic Year (Fall) | Student ID Fee (per student) | Records Fee (per student) | Tuition | | Building Use Fee (per hour) | Student Activity Fee (per hour) | Cost for 12 SCH | | Change from Prior Year | |
|----------------------------|------------------------------------|---------------------------------|-------------|-----------------|-----------------------------------|--|-----------------|-----------------|------------------------|-----------------|
| | | | In-District | Out-of-District | | | In-District | Out-of-District | In-District | Out-of-District |
| 2019 | - | 2 | 52 | 98 | - | 2 | 650 | 1,202 | 8.0% | 4.2% |
| 2018 | - | 2 | 48 | 94 | - | 2 | 602 | 1,154 | 8.7% | 9.1% |
| 2017 | - | 2 | 44 | 86 | - | 2 | 554 | 1,058 | 9.5% | 6.0% |
| 2016 | - | 2 | 41 | 82 | - | 1 | 506 | 998 | 7.7% | 6.4% |
| 2015 | - | 2 | 32 | 71 | 6 | 1 | 470 | 938 | 0.0% | 0.0% |
| 2014 | - | 2 | 32 | 71 | 6 | 1 | 470 | 938 | 2.6% | 4.0% |
| 2013 | - | 2 | 31 | 68 | 6 | 1 | 458 | 902 | 11.7% | 10.3% |
| 2012 | - | 2 | 27 | 61 | 6 | 1 | 410 | 818 | 0.0% | 0.0% |
| 2011 | - | 2 | 27 | 61 | 6 | 1 | 410 | 818 | 0.0% | 11.4% |
| 2010 | - | 2 | 27 | 54 | 6 | 1 | 410 | 734 | (8.1%) | 0.0% |

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

| Academic Year (Fall) | Student ID Fee (per student) | Records Fee (per student) | Tuition | | Building Use Fee (per hour) | Student Activity Fee (per hour) | Cost for 12 SCH | | Change from Prior Year | |
|----------------------------|------------------------------------|---------------------------------|--------------|---------------|-----------------------------------|--|-----------------|-----------------|------------------------|-----------------|
| | | | Out of State | International | | | In-District | Out-of-District | In-District | Out-of-District |
| 2019 | - | 2 | 165 | 165 | - | 2 | 2,006 | 2,006 | 3.1% | 3.1% |
| 2018 | - | 2 | 160 | 160 | - | 2 | 1,946 | 1,946 | 8.7% | 8.7% |
| 2017 | - | 2 | 147 | 147 | - | 2 | 1,790 | 1,790 | 4.2% | 4.2% |
| 2016 | - | 2 | 142 | 142 | - | 1 | 1,718 | 1,718 | 3.6% | 3.6% |
| 2015 | - | 2 | 131 | 131 | 6 | 1 | 1,658 | 1,658 | 0.0% | 0.0% |
| 2014 | - | 2 | 131 | 131 | 6 | 1 | 1,658 | 1,658 | 2.2% | 2.2% |
| 2013 | - | 2 | 128 | 128 | 6 | 1 | 1,622 | 1,622 | 14.4% | 14.4% |
| 2012 | - | 2 | 111 | 111 | 6 | 1 | 1,418 | 1,418 | (4.1%) | (4.1%) |
| 2011 | - | 2 | 116 | 116 | 6 | 1 | 1,478 | 1,478 | 6.0% | 6.0% |
| 2010 | - | 2 | 109 | 109 | 6 | 1 | 1,394 | 1,394 | 0.0% | 0.0% |

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) |
| 2019-20 | \$176,741,386,622 | \$ 28,361,861,908 | \$ 148,379,524,714 | 83.95% | 0.079100 | 0.002122 | 0.081222 |
| 2018-19 | 165,358,186,889 | 27,407,338,073 | 137,950,848,816 | 83.43% | 0.078190 | 0.003032 | 0.081222 |
| 2017-18 | 150,997,988,054 | 25,735,409,816 | 125,262,578,238 | 82.96% | 0.077118 | 0.002692 | 0.079810 |
| 2016-17 | 134,712,150,568 | 24,102,439,926 | 110,609,710,642 | 82.11% | 0.078174 | 0.003048 | 0.081222 |
| 2015-16 | 119,250,034,517 | 21,520,774,913 | 97,729,259,604 | 81.95% | 0.078965 | 0.002995 | 0.081960 |
| 2014-15 | 103,609,292,320 | 15,479,038,414 | 88,130,253,906 | 85.06% | 0.078965 | 0.002995 | 0.081960 |
| 2013-14 | 93,973,412,369 | 13,502,474,479 | 80,470,937,890 | 85.63% | 0.080000 | 0.003643 | 0.083643 |
| 2012-13 | 88,709,272,519 | 12,927,884,421 | 75,781,388,098 | 85.43% | 0.080000 | 0.006299 | 0.086299 |
| 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 |

Source: Collin County Central Appraisal District

Note: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Appropriation Funding Elements | For the Year Ended August 31, | | | | |
|--|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019* | 2018 | 2017 | 2016 |
| State Appropriation Contact Hour Funding (CH) | \$ 34,207,367 | \$ 31,084,468 | \$ 31,084,468 | \$ 29,864,582 | \$ 29,923,738 |
| State Appropriation Student Success Points (SSP) | 4,946,247 | 3,735,127 | 3,735,128 | 3,320,992 | 3,320,993 |
| State Appropriation Core Operations (CO) | 680,406 | 680,406 | 680,406 | 500,000 | 500,000 |
| State Appropriation Bachelor of Applied Technology (BAT) | - | - | - | - | - |
| State Appropriation Non-Formula Items | - | - | - | - | - |
| Recouped Funds/Audit Adj | 11,391 | 11,391 | 11,391 | - | - |
| Total | \$ 39,845,411 | \$ 35,511,392 | \$ 35,511,393 | \$ 33,685,574 | \$ 33,744,731 |

¹ General Appropriations Act, SB 1, 85th Texas Legislature, Section 1 (page III-209) - Informational Listing of Appropriated Funds

² Formula funding methodology changed in fiscal year 2014

Source: THECB - Ten Pay Schedule 2012-2019; District records 2010-2011

*FY Year Formula Funding Changed Methodology

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Appropriation Funding Elements | For the Year Ended August 31, | | | | |
|--|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 ² | 2013 | 2012 | 2011 |
| State Appropriation Contact Hour Funding (CH) | \$ 29,252,294 | \$ 29,252,294 | \$ 29,422,391 | \$ 29,422,391 | \$ 29,536,937 |
| State Appropriation Student Success Points (SSP) | 3,383,781 | 3,383,781 | - | - | - |
| State Appropriation Core Operations (CO) | 500,000 | 500,000 | - | - | - |
| State Appropriation Bachelor of Applied Technology (BAT) | - | - | - | - | - |
| State Appropriation Non-Formula Items | - | - | - | - | - |
| Recouped Funds/Audit Adj | - | - | 1,043,828 | 187,193 | - |
| Total | \$ 33,136,075 | \$ 33,136,075 | \$ 30,466,219 | \$ 29,609,584 | \$ 29,536,937 |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**State Appropriation per FTSE
Last Ten Fiscal Years**

| Fiscal Year | State Appropriation (Unrestricted) From Sch C | FTSE¹ | State Appropriation per FTSE |
|--------------------|--|-------------------------|---|
| 2020 | \$ 39,845,411 | 26,044 | \$ 1,530 |
| 2019* | 35,511,392 | 26,155 | 1,358 |
| 2018 | 35,512,154 | 25,052 | 1,418 |
| 2017 | 33,739,730 | 24,314 | 1,388 |
| 2016 | 33,685,576 | 23,709 | 1,421 |
| 2015 | 33,136,075 | 22,319 | 1,485 |
| 2014 | 33,136,075 | 23,185 | 1,429 |
| 2013 | 31,087,895 | 23,510 | 1,322 |
| 2012 | 30,210,041 | 22,694 | 1,331 |
| 2011 | 29,536,937 | 22,268 | 1,326 |

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

*FY Year Formula Funding Changed Methodology

Source: CBM004 and CBM00C

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**State Appropriation per Contact Hour
Last Ten Fiscal Years
(unaudited)**

| Fiscal Year | CH - State Appropriation (Unrestricted)¹ | Academic Contact Hours | Technical Contact Hours | Continuing Education Contact Hours | Total Contact Hours | CH - State Appropriation per Funded Contact Hour |
|--------------------|--|---------------------------------------|--|---|------------------------------------|---|
| 2020 | \$ 34,207,367 | 10,907,704 | 1,762,720 | 521,754 | 13,192,178 | \$ 2.59 |
| 2019* | 31,084,468 | 10,904,854 | 1,606,672 | 625,733 | 13,137,259 | 2.37 |
| 2018 | 31,084,468 | 10,451,199 | 1,421,600 | 625,735 | 12,498,534 | 2.49 |
| 2017 | 29,864,582 | 9,890,990 | 1,369,872 | 633,393 | 11,894,255 | 2.51 |
| 2016 | 29,923,738 | 9,555,760 | 1,348,656 | 665,890 | 11,570,306 | 2.59 |
| 2015 | 29,252,294 | 8,977,240 | 1,363,840 | 615,142 | 10,956,222 | 2.67 |
| 2014 | 29,252,294 | 9,332,840 | 1,388,352 | 629,499 | 11,350,691 | 2.58 |
| 2013 | 29,422,391 | 9,377,528 | 1,372,912 | 659,484 | 11,409,924 | 2.58 |
| 2012 | 29,422,391 | 9,300,792 | 1,322,016 | 585,755 | 11,208,563 | 2.62 |
| 2011 | 29,536,937 | 9,383,992 | 1,271,888 | 530,841 | 11,186,721 | 2.64 |

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

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

*FY Year formula Funding Changed Methodology

Source CBM00C and CBM00C

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Fiscal Year | SSP - State Appropriation (Unrestricted)² | 3-Year Average Student Success Points³ | Appropriation per Student Success Point |
|--------------------|---|--|--|
| 2020 | \$ 4,946,247 | 45,310 | \$ 109 |
| 2019* | 3,735,127 | 43,544 | 86 |
| 2018 | 3,735,128 | 43,544 | 86 |
| 2017 | 3,320,992 | 38,485 | 86 |
| 2016 | 3,320,993 | 38,485 | 86 |
| 2015 | 3,383,781 | 36,557 | 93 |
| 2014 | 3,383,781 | 36,557 | 93 |

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

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

³ Source: THECB - Ten Pay Schedule

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Student Success Points (SSP)
Last Four Fiscal Years¹
(unaudited)**

| Success Point Elements ² | Fiscal Year | | | | Total |
|-------------------------------------|---------------|---------------|---------------|---------------|----------------|
| | 2019 | 2018 | 2017 | 2016 | |
| Degrees or Certs in Critical Fields | 1,400 | 1,136 | 1,008 | 889 | 4,433 |
| Degrees, CCCs, or Certs (Undup) | 8,946 | 8,338 | 8,078 | 7,312 | 32,674 |
| Math Readiness | 961 | 1,040 | 1,064 | 837 | 3,902 |
| Read Readiness | 486 | 478 | 488 | 383 | 1,835 |
| Student Transfers to a 4-Yr Inst | 6,788 | 6,196 | 5,988 | 6,254 | 25,226 |
| Students Who Complete 15 SCH | 10,201 | 9,538 | 9,205 | 8,130 | 37,074 |
| Students Who Complete 30 SCH | 6,227 | 5,927 | 5,523 | 5,217 | 22,894 |
| Students Who Pass FCL Math Course | 6,729 | 6,054 | 5,728 | 5,529 | 24,040 |
| Students Who Pass FCL Read Course | 7,002 | 6,368 | 5,940 | 5,450 | 24,760 |
| Students Who Pass FCL Write Course | 6,877 | 6,215 | 5,765 | 5,309 | 24,166 |
| Write Readiness | 199 | 332 | 458 | 357 | 1,346 |
| Grand Total | 55,816 | 51,622 | 49,245 | 45,667 | 202,350 |

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

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

* Formula funding methodology changed in Fiscal Year 2014.

Source: THECB Ten-Pay Schedule

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Principal Taxpayers
Last Ten Tax Years
(unaudited)

| Taxpayer | Type of Business | Taxable Assessed Value (TAV) by Tax Year | | | | |
|---|-------------------|--|---------------------------|---------------------------|---------------------------|--------------------------|
| | | 2020 | 2019 | 2018 | 2017 | 2016 |
| 394 Pacific DCD LLC | Commercial | \$ - | \$ - | \$ 187,235,847 | \$ 168,000,000 | \$ - |
| Allen Premium Outlets LP | Commercial | 125,013,767 | - | - | - | - |
| Allen Station Apartments LLC | Commercial | 47,000,000 | - | - | - | - |
| ARG NSALNTX001 LLC | Commercial | 51,601,450 | - | - | - | - |
| AT&T Mobility LLC | Telephone Utility | 91,336,469 | - | 189,870,432 | 149,825,169 | 161,911,224 |
| AT&T Serv ices Inc | Telephone Utility | 64,451,682 | - | - | - | - |
| Atmos Energy/Mid Tex Division | Commercial | - | 253,817,943 | 174,619,058 | - | - |
| Bank of America | Commercial | - | 280,562,279 | 248,522,533 | 198,249,810 | 438,945,810 |
| BCS Office Investments One LP | Commercial | - | - | - | - | 362,453,234 |
| Benton Pointe LP | Commercial | 62,985,867 | - | - | - | - |
| Blue Star HQ Inc | Commercial | - | 210,342,421 | 201,017,500 | - | - |
| Briar Preston Ridge Shop. Ctr. | Commercial | - | - | - | - | 121,936,281 |
| C1-Allen LLC | Commercial | 64,602,702 | - | - | - | - |
| Capital One National Association | Commercial | - | 232,838,352 | 216,428,297 | 190,788,000 | 149,429,000 |
| Cisco Systems | Commercial | 105,988,935 | - | - | - | - |
| Cisco Systems Sales & Service Inc | Commercial | - | 194,800,000 | 181,600,000 | 155,000,000 | 135,112,776 |
| Corporate Properties Trust I SPE #1 LLC | Commercial | - | 711,682,592 | 720,068,550 | 685,493,462 | - |
| Coventry II DDR | Commercial | - | - | - | - | - |
| Creekside Acquisition LP | Commercial | 72,386,126 | - | - | - | - |
| CT Montgomery Partners LP | Commercial | 53,000,000 | - | - | - | - |
| DD Andrews Parkway 10.495 LLC | Commercial | 63,427,998 | - | - | - | - |
| Electronic Data Systems Corp | Computer Center | - | - | - | - | - |
| EMC Corp | Commercial | - | - | - | - | - |
| Health Care Service Corporation | Commercial | - | 335,422,191 | 292,703,563 | 257,500,000 | 234,520,075 |
| HP Enterprise Services LLC | Commercial | - | - | - | 178,540,755 | 151,351,731 |
| HSP of Texas Inc | Commercial | - | - | - | 149,281,614 | 143,641,649 |
| IBM Credit | Commercial | - | - | - | - | - |
| JC Penney Co. Inc. | Commercial | - | - | - | - | 166,000,000 |
| JP Morgan Chase Bank NA | Commercial | - | 362,487,692 | 312,538,085 | 140,967,122 | - |
| KBSIII Legacy Town Center LLC | Commercial | - | - | 163,915,077 | 154,458,567 | - |
| Legacy Campus LP | Commercial | - | - | - | 139,524,292 | 133,735,904 |
| Legacy West Investors LP | Commercial | - | 378,750,238 | 340,861,050 | 221,702,635 | - |
| Liberty Mutual Plano LLC | Commercial | - | 377,568,425 | 345,798,915 | - | - |
| Oncor Electric Delivery Company | Public Utility | 43,161,575 | - | - | - | - |
| Oncor/TXU/Lone Star Gas | Public Utility | - | 570,400,831 | 544,867,308 | 511,950,135 | 543,516,118 |
| Pure Lansbrook Apts LLC | Commercial | 40,364,780 | - | - | - | - |
| Qorvo Texas LLC | Manufacturer | - | 196,551,827 | - | - | 190,075,709 |
| Settler's Gateway Apartment LP | Commercial | 62,678,781 | - | - | - | - |
| SI DFW01 ABS LLC | Commercial | - | 224,700,000 | - | - | - |
| Silos Harvesting Partners LP | Commercial | - | 389,652,603 | 310,000,000 | 245,000,000 | - |
| Sovereign Twin Creeks Phase 1 LLC | Commercial | 57,500,000 | - | - | - | - |
| Stonebriar Mall Ltd. Partnership | Commercial | - | 330,831,345 | 321,459,957 | 294,907,713 | 287,982,811 |
| T-Mobile West LLC | Commercial | - | 167,217,724 | - | - | - |
| TC Village Inc | Commercial | 40,445,235 | - | - | - | - |
| Texas Heart Hospital of the Southwest LLP | Commercial | - | 177,346,413 | - | - | - |
| Texas Instruments, Inc | Manufacturer | - | 171,414,883 | 190,297,524 | 195,581,438 | - |
| T5@Dallas LLC | Commercial | - | - | - | - | 146,000,000 |
| Toyota Motor North America INC | Manufacturer | - | 613,365,733 | 592,679,891 | 358,473,658 | - |
| Twin Creeks Crossing LP | Commercial | 49,003,516 | - | - | - | - |
| Twin Creeks Crossing Phase 2 LP | Commercial | 48,265,329 | - | - | - | - |
| UDR Legacy Village LLC | Commercial | - | - | 155,600,000 | 142,527,900 | - |
| United Dominion Realty LP | Commercial | - | - | - | - | 122,947,560 |
| VAA Improvements LLC | Commercial | 160,680,000 | 162,926,685 | 160,963,346 | - | - |
| Village at Allen LP | Commercial | - | - | - | 154,189,216 | 147,302,454 |
| Wal-Mart Stores Texas LLC | Commercial | - | - | - | - | - |
| Watters Creek LLC | Commercial | 131,784,891 | - | - | - | 117,750,824 |
| Willow Bend Shopping Center | Commercial | - | - | - | - | 140,600,000 |
| Totals | | \$ 1,435,679,103 | \$ 6,342,680,177 | \$ 5,851,046,933 | \$ 4,691,961,486 | \$ 3,895,213,160 |
| Total Taxable Assessed Value | | \$ 148,379,524,714 | \$ 137,950,848,816 | \$ 125,262,578,238 | \$ 110,609,710,642 | \$ 97,729,259,604 |

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 | | | | |
|-------------------------------------|-------------------|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2015 | 2014 | 2013 | 2012 | 2011 |
| 394 Pacific DCD LLC | Commercial | \$ - | \$ - | \$ - | \$ - | \$ - |
| Allen Premium Outlet | Commercial | - | - | - | - | - |
| Allen Station Apartme | Commercial | - | - | - | - | - |
| ARG NSALNTX001 LL | Commercial | - | - | - | - | - |
| AT&T Mobility LLC | Telephone Utility | 180,969,477 | 175,236,979 | 137,198,694 | 150,721,071 | - |
| AT&T Serv ices Inc | Telephone Utility | - | - | - | - | - |
| Atmos Energy/Mid Te | Commercial | - | - | - | - | - |
| Bank of America | Commercial | 386,940,931 | 320,720,305 | 321,486,177 | 132,676,129 | 141,863,601 |
| BCS Office Investmen | Commercial | 329,153,747 | - | - | - | - |
| Benton Pointe LP | Commercial | - | - | - | - | - |
| Blue Star HQ Inc | Commercial | - | - | - | - | - |
| Briar Preston Ridge SI | Commercial | 121,815,390 | 121,741,860 | - | 118,250,000 | 116,000,000 |
| C1-Allen LLC | Commercial | - | - | - | - | - |
| Capital One National | Commercial | 147,883,770 | 142,606,357 | - | - | - |
| Cisco Systems | Commercial | 163,176,492 | 159,890,798 | 163,098,708 | 171,484,217 | - |
| Cisco Systems Sales & | Commercial | 122,829,796 | 115,958,112 | - | - | - |
| Corporate Properties | Commercial | - | - | - | - | - |
| Coventry II DDR | Commercial | - | - | - | - | 121,100,000 |
| Creekside Acquisition | Commercial | - | - | - | - | - |
| CT Montgomery Partr | Commercial | - | - | - | - | - |
| DD Andrews Parkway | Commercial | - | - | - | - | - |
| Electronic Data Syster | Computer Center | - | - | 135,149,181 | - | - |
| EMC Corp | Commercial | 122,159,054 | 137,003,309 | - | - | 126,362,835 |
| Health Care Service C | Commercial | 234,520,075 | 211,520,075 | 209,172,377 | 208,172,377 | 251,131,329 |
| HP Enterprise Service | Commercial | 146,470,263 | - | - | - | - |
| HSP of Texas Inc | Commercial | 144,545,391 | 114,469,428 | - | - | - |
| IBM Credit | Commercial | - | 116,205,684 | 135,149,181 | - | - |
| JC Penney Co. Inc. | Commercial | 165,336,836 | 161,355,729 | 164,974,971 | 163,195,767 | 159,971,610 |
| JP Morgan Chase Ban | Commercial | - | - | - | - | - |
| KBSIII Legacy Town | Commercial | - | 113,067,926 | - | - | - |
| Legacy Campus LP | Commercial | 139,950,145 | 126,045,001 | - | 152,500,000 | 148,990,000 |
| Legacy West Investor | Commercial | - | - | - | - | - |
| Liberty Mutual Plano | Commercial | - | - | - | - | - |
| Oncor Electric Deliver | Public Utility | - | - | - | - | - |
| Oncor/TXU/Lone Star | Public Utility | 541,253,800 | 519,537,661 | 495,218,356 | 461,211,196 | 451,374,380 |
| Pure Lansbrook Apts | Commercial | - | - | - | - | - |
| Qorvo Texas LLC | Manufacturer | - | - | - | - | - |
| Settler's Gateway Apa | Commercial | - | - | - | - | - |
| SI DFW01 ABS LLC | Commercial | - | - | - | - | - |
| Silos Harvesting Partr | Commercial | - | - | - | - | - |
| Sovereign Twin Creek | Commercial | - | - | - | - | - |
| Stonebriar Mall Ltd. P | Commercial | 276,304,342 | 260,753,175 | 239,971,384 | 232,137,734 | 226,514,276 |
| T-Mobile West LLC | Commercial | - | - | - | - | - |
| TC Village Inc | Commercial | - | - | - | - | - |
| Texas Heart Hospital | Commercial | - | - | - | - | - |
| Texas Instruments, Ir | Manufacturer | - | - | - | - | - |
| T5@Dallas LLC | Commercial | 125,500,000 | 112,001,268 | - | - | - |
| Toyota Motor North A | Manufacturer | - | - | - | - | - |
| Twin Creeks Crossing | Commercial | - | - | - | - | - |
| Twin Creeks Crossing | Commercial | - | - | - | - | - |
| UDR Legacy Village LI | Commercial | - | - | - | - | - |
| United Dominion Real | Commercial | - | - | - | - | - |
| VAA Improvements LI | Commercial | - | - | - | - | - |
| Village at Allen LP | Commercial | 144,273,092 | 144,127,995 | 142,468,550 | 136,534,873 | 139,937,198 |
| Wal-Mart Stores Texa | Commercial | 139,644,608 | 125,878,773 | - | - | - |
| Watters Creek LLC | Commercial | - | - | - | - | - |
| Willow Bend Shopping | Commercial | 200,800,000 | 142,581,631 | - | - | - |
| Totals | | \$ 3,833,527,209 | \$ 3,320,702,066 | \$ 2,143,887,579 | \$ 1,926,883,364 | \$ 1,883,245,229 |
| Total Taxable Assessed Value | | \$ 88,130,253,906 | \$ 80,470,937,890 | \$ 75,781,388,098 | \$ 73,592,994,694 | \$ 73,187,370,452 |

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 |
|--|---------------------|--|--------------------------------------|---|-------------------|---|--|--|--|
| 2020 | \$121,041 | \$2,933 | \$123,974 | \$120,008 | 96.80% | \$321 | \$666 | \$120,995 | 97.60% |
| 2019 | 112,145 | 2,631 | 114,776 | 111,448 | 97.10% | 830 | 619 | \$112,897 | 98.36% |
| 2018 | 100,783 | 2,267 | 103,050 | 99,383 | 96.44% | 844 | 544 | 100,771 | 97.79% |
| 2017 | 91,096 | 2,941 | 94,037 | 89,217 | 94.87% | 1,157 | 648 | 91,022 | 96.79% |
| 2016 | 82,019 | 2,092 | 84,111 | 80,484 | 95.69% | 1,239 | 597 | 82,320 | 97.87% |
| 2015 | 73,897 | 1,544 | 75,441 | 72,385 | 95.95% | 818 | 496 | 73,699 | 97.69% |
| 2014 | 68,790 | 1,208 | 69,998 | 67,645 | 96.64% | 499 | 437 | 68,581 | 97.98% |
| 2013 | 66,738 | 691 | 67,429 | 65,697 | 97.43% | 683 | 403 | 66,783 | 99.04% |
| 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% |

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

This page intentionally left blank.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)**

| | For the Year Ended August 31, | | | | |
|---|-------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| General Bonded Debt | | | | | |
| General Obligation Bonds | \$ 596,311,827 | \$ 256,487,832 | \$ 264,388,553 | \$ 14,843,861 | \$ 17,206,467 |
| Less: Funds restricted for debt service | (7,378,630) | (6,342,738) | (2,250,198) | (894,905) | (552,079) |
| Net General Bonded Debt | <u>588,933,197</u> | <u>250,145,094</u> | <u>262,138,355</u> | <u>13,948,956</u> | <u>16,654,388</u> |
| Other Debt | | | | | |
| Revenue Bonds | - | - | - | 1,095,000 | 2,160,000 |
| Net Revenue Bonds | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,095,000</u> | <u>2,160,000</u> |
| Total Net Outstanding Debt | <u>\$ 588,933,197</u> | <u>\$ 250,145,094</u> | <u>\$ 262,138,355</u> | <u>\$ 15,043,956</u> | <u>\$ 18,814,388</u> |
| Total Gross Amount of Outstanding Debt | <u>\$ 596,311,827</u> | <u>\$ 256,487,832</u> | <u>\$ 264,388,553</u> | <u>\$ 15,938,861</u> | <u>\$ 19,366,467</u> |
| General Bonded Debt Ratios | | | | | |
| Per Capita | 569.17 | 248.86 | 270.36 | 14.85 | 18.22 |
| Per FTSE | 22,613 | 9,564 | 10,464 | 574 | 702 |
| As a percentage of Taxable Assessed Value | 0.40% | 0.18% | 0.21% | 0.01% | 0.02% |
| Total Outstanding Debt Ratios | | | | | |
| Per Capita | 576.30 | 255.17 | 272.68 | 16.96 | 21.19 |
| Per FTSE | 22,613 | 9,564 | 10,464 | 619 | 794 |
| As a percentage of Taxable Assessed Value | 0.40% | 0.18% | 0.21% | 0.01% | 0.02% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)**

| | For the Year Ended August 31, | | | | |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| General Bonded Debt | | | | | |
| General Obligation Bonds | \$ 31,787,200 | \$ 34,805,723 | \$ 37,694,245 | \$ 40,467,768 | \$ 43,111,290 |
| Less: Funds restricted for debt service | (364,843) | - | (3,755,162) | (3,375,209) | (3,009,581) |
| Net General Bonded Debt | <u>31,422,357</u> | <u>34,805,723</u> | <u>33,939,083</u> | <u>37,092,559</u> | <u>40,101,709</u> |
| Other Debt | | | | | |
| Revenue Bonds | <u>3,195,000</u> | <u>4,195,000</u> | <u>5,165,000</u> | <u>6,111,000</u> | <u>7,025,000</u> |
| Net Revenue Bonds | <u>3,195,000</u> | <u>4,195,000</u> | <u>5,165,000</u> | <u>6,111,000</u> | <u>7,025,000</u> |
| Total Outstanding Debt | <u>\$ 34,617,357</u> | <u>\$ 39,000,723</u> | <u>\$ 39,104,083</u> | <u>\$ 43,203,559</u> | <u>\$ 47,126,709</u> |
| Total Gross Amount of Outstanding Debt | <u>\$ 34,982,200</u> | <u>\$ 39,000,723</u> | <u>\$ 42,859,245</u> | <u>\$ 46,578,768</u> | <u>\$ 50,136,290</u> |
| General Bonded Debt Ratios | | | | | |
| Per Capita | 35.50 | 40.72 | 40.66 | 46.11 | 50.62 |
| Per FTSE | 1,408 | 1,501 | 1,444 | 1,634 | 1,801 |
| As a percentage of Taxable Assessed Value | 0.04% | 0.04% | 0.04% | 0.05% | 0.05% |
| Total Outstanding Debt Ratios | | | | | |
| Per Capita | 39.52 | 45.63 | 51.35 | 57.91 | 63.29 |
| Per FTSE | 1,551 | 1,682 | 1,663 | 1,904 | 2,116 |
| As a percentage of Taxable Assessed Value | 0.04% | 0.05% | 0.05% | 0.06% | 0.06% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)**

| | For the Year Ended August 31 | | | | |
|--|-------------------------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Taxable Assessed Value | <u>\$ 148,379,524,714</u> | <u>\$ 137,950,848,816</u> | <u>\$ 125,262,578,238</u> | <u>\$ 110,609,710,642</u> | <u>\$ 97,729,259,604</u> |
| General Obligations | | | | | |
| Statutory/Tax Levy/Limit for Debt Service | \$17,805,542,966 | \$16,554,101,858 | \$15,031,509,389 | \$13,273,165,277 | \$11,727,511,152 |
| Less: Funds Restricted for Repayment of General Obligations | <u>7,378,630</u> | <u>6,342,738</u> | <u>2,250,198</u> | <u>894,905</u> | <u>552,079</u> |
| Total Net General Obligation Debt | <u>17,798,164,336</u> | <u>16,547,759,120</u> | <u>15,029,259,191</u> | <u>13,272,270,372</u> | <u>11,726,959,073</u> |
| Less: Current Year Debt Service Requirements | 22,263,613 | 20,561,942 | 3,107,481 | 3,095,281 | 4,567,230 |
| Excess Statutory Limit for Debt Service Over Current Requirements | <u>\$ 17,775,900,723</u> | <u>\$ 16,527,197,178</u> | <u>\$ 15,026,151,710</u> | <u>\$ 13,269,175,091</u> | <u>\$ 11,722,391,843</u> |
| Net Current Requirements as a % of Statutory Limit | 0.17% | 0.16% | 0.04% | 0.03% | 0.04% |

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 | | | | |
|--|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Taxable Assessed Value | <u>\$ 88,130,253,906</u> | <u>\$ 80,470,937,890</u> | <u>\$ 75,781,388,098</u> | <u>\$ 73,592,994,694</u> | <u>\$ 73,592,994,694</u> |
| General Obligations | | | | | |
| Statutory/Tax Levy/Limit for Debt Service | \$10,575,630,469 | \$9,656,512,547 | \$9,093,766,572 | \$8,831,159,363 | \$8,831,159,363 |
| Less: Funds Restricted for Repayment of General Obligations | <u>364,843</u> | <u>2,063,560</u> | <u>3,755,162</u> | <u>3,375,209</u> | <u>3,009,581</u> |
| Total Net General Obligation Debt | <u>10,575,265,626</u> | <u>9,654,448,987</u> | <u>9,090,011,410</u> | <u>8,827,784,154</u> | <u>8,828,149,782</u> |
| Less: Current Year Debt Service Requirements | 4,470,731 | 4,447,626 | 4,381,998 | 4,356,365 | 6,023,225 |
| Excess Statutory Limit for Debt Service Over Current Requirements | <u>\$ 10,570,794,895</u> | <u>\$ 9,650,001,361</u> | <u>\$ 9,085,629,412</u> | <u>\$ 8,823,427,789</u> | <u>\$ 8,822,126,557</u> |
| Net Current Requirements as a % of Statutory Limit | 0.05% | 0.07% | 0.09% | 0.09% | 0.10% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)****Revenue Bonds**

| Fiscal Year Ended August 31 | Pledged Revenues | | | |
|--|-------------------------|--------------------------|----------------------------|--------------------------|
| | Tuition | Building Fees | Interest Income | Food Services |
| 2020 | \$ - | \$ - | \$ - | \$ - |
| 2019 ¹ | - | - | - | - |
| 2018 | 1,050,668 | - | 4,058,101 | 638,312 |
| 2017 | 968,370 | - | 2,160,097 | 353,272 |
| 2016 | 921,998 | 3,326,064 | 795,600 | 93,547 |
| 2015 | 906,060 | 3,288,927 | 210,829 | 100,000 |
| 2014 | 1,312,365 | 3,265,810 | 109,513 | 100,840 |
| 2013 | 952,965 | 3,283,382 | 232,155 | 78,813 |
| 2012 | 947,430 | 3,238,390 | 233,034 | 85,387 |
| 2011 | 779,775 | 3,250,705 | 288,665 | 83,512 |

¹ Currently the District has no outstanding or pledged revenue bonds

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Pledged Revenues | | Debt Service Requirements | | | |
|---------------------------------|--------------|----------------------------------|-----------------|--------------|---------------------------|
| Bookstore Commission | Total | Principal | Interest | Total | Coverage Ratio |
| \$ - | \$ - | \$ - | \$ - | \$ - | - |
| - | - | - | - | - | - |
| 853,467 | 6,600,548 | 1,095,000 | 16,261 | 1,111,261 | 5.94 |
| 740,618 | 4,222,357 | 1,065,000 | 48,337 | 1,113,337 | 3.79 |
| 4,253,551 | 9,390,760 | 1,035,000 | 79,522 | 1,114,522 | 8.43 |
| 7,795,310 | 12,301,126 | 1,000,000 | 109,742 | 1,109,742 | 11.08 |
| 8,260,036 | 13,048,564 | 970,000 | 138,996 | 1,108,996 | 11.77 |
| 8,599,022 | 13,146,337 | 945,000 | 167,434 | 1,112,434 | 11.82 |
| 9,063,221 | 13,567,462 | 915,000 | 195,055 | 1,110,055 | 12.22 |
| 9,148,169 | 13,550,826 | 890,000 | 221,859 | 1,111,859 | 12.19 |

Statistical Supplement 12

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Fiscal Year | District Population¹ | District Personal Income (\$ in thousands)² | District Personal Income Per Capita | District Unemployment Rate³ |
|--------------------|--|---|--|---|
| 2020 | 1,034,730 | \$ 66,212,712 | \$ 65,874 | 5.4% |
| 2019 | 1,005,146 | 62,078,378 | 64,025 | 3.1% |
| 2018 | 969,603 | 57,482,679 | 61,179 | 3.4% |
| 2017 | 939,585 | 62,113,034 | 63,911 | 3.7% |
| 2016 | 914,127 | 58,385,800 | 61,866 | 3.8% |
| 2015 | 885,241 | 54,420,085 | 59,532 | 3.6% |
| 2014 | 854,778 | 52,358,740 | 59,146 | 5.0% |
| 2013 | 834,642 | 47,457,632 | 55,520 | 5.5% |
| 2012 | 804,390 | 46,837,453 | 56,117 | 6.3% |
| 2011 | 792,150 | 42,576,156 | 52,419 | 7.7% |

1 Source: Population for 2010 from US Census Bureau. 2011 and 2012 information from the North Central Texas Council of Governments. 2013 estimate from May 2013 Census Bureau estimate. 2014 estimate from September 2014 Census Bureau estimate. 2015 estimate from July 2014 Census Bureau estimate. 2016 estimate from July 2015 Census Bureau estimate. 2018 from July 2017 Census Bureau estimate. 2019 from July 2018 US Census Bureau estimate. 2020 from July 2019 US Census Bureau estimate.

2 Personal Income from U.S. Bureau of Economic Analysis - 2014 and prior. Data for 2011, 2018, 2019 and 2020 obtained from Texas Association of Counties. Bureau of Economic Analysis Personal Income Summary for 2016 and 2017

3 Unemployment rate from Texas Workforce Commission LCMI Tracer Data for 2018 obtained from Texas Association of Counties. Data for 2019 from Texas Workforce Commission, 2017 data. Data for 2020 from Texas Workforce Commission.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Principal Employers
Last Ten Fiscal Years
(unaudited)**

| Employer | 2020 | | 2011 | |
|--------------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| | Number of Employees | Percentage of Total Employment | Number of Employees | Percentage of Total Employment |
| Texas Instruments | 9,100 | 1.66% | - | 0.00% |
| Bank of America Home Loans | 8,000 | 1.46% | 5,400 | 1.36% |
| Plano Independent School District | 6,828 | 1.25% | 6,892 | 1.74% |
| Frisco Independent School District | 6,190 | 1.13% | 4,821 | 1.21% |
| JP Morgan Chase | 4,934 | 0.90% | - | 0.00% |
| Capital One Finance | 4,537 | 0.83% | 3,500 | 0.88% |
| HP Enterprise Services | 4,500 | 0.82% | 4,800 | 1.21% |
| LifeCare | 4,500 | 0.82% | - | 0.00% |
| AT&T | 4,300 | 0.79% | - | 0.00% |
| Nortel | 4,300 | 0.79% | - | 0.00% |
| Raytheon | 3,600 | 0.66% | 3,700 | 0.93% |
| University of Texas at Dallas | 3,500 | 0.64% | 2,830 | 0.71% |
| McKinney Independent School District | 2,550 | 0.47% | 2,631 | 0.66% |
| J.C. Penney | 2,420 | 0.44% | 5,000 | 1.26% |
| Perot Systems Corporated | - | 0.00% | 3,000 | 0.76% |
| | <u>69,259</u> | <u>14.47%</u> | <u>42,574</u> | <u>10.72%</u> |

2020 data from Collin County website and various Collin County City websites

2011 from Collin County CAFR FY11

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 | | | | |
|---------------------------------|--------------------|-------------|-------------|-------------|-------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Faculty | | | | | |
| Full-Time | 472 | 436 | 402 | 395 | 409 |
| Part-Time | 982 | 952 | 1,000 | 945 | 905 |
| Total | 1454 | 1388 | 1,402 | 1,340 | 1,314 |
| Percent | | | | | |
| Full-Time | 32.5% | 31.4% | 28.7% | 29.5% | 31.1% |
| Part-Time | 67.5% | 68.6% | 71.3% | 70.5% | 68.9% |
| Staff and Administrators | | | | | |
| Full-Time | 808 | 735 | 685 | 648 | 626 |
| Part-Time | 740 | 576 | 599 | 599 | 583 |
| Total | 1548 | 1311 | 1,284 | 1,247 | 1,209 |
| Percent | | | | | |
| Full-Time | 52.2% | 56.1% | 53.3% | 52.0% | 51.8% |
| Part-Time | 47.8% | 43.9% | 46.7% | 48.0% | 48.2% |
| FTSE per Full-Time Faculty | 55.18 | 59.99 | 62.32 | 61.55 | 57.97 |
| FTSE per Full-Time Staff Member | 32.23 | 35.59 | 36.57 | 37.52 | 37.87 |
| Average Annual Faculty Salary | \$ 68,070 | \$ 69,311 | \$ 66,728 | \$ 65,167 | \$ 62,315 |

Source: FTSE as reported on CBM001/CBM00A

Source: 2020 https://www.collin.edu/hr/personnel_head_count.html

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| | Fiscal Year | | | | |
|---------------------------------|-------------|-----------|-----------|-----------|-----------|
| | 2015 | 2014 | 2013 | 2012 | 2011 |
| Faculty | | | | | |
| Full-Time | 396 | 372 | 361 | 356 | 350 |
| Part-Time | 885 | 880 | 845 | 846 | 931 |
| Total | 1,281 | 1,252 | 1,206 | 1,202 | 1,281 |
| Percent | | | | | |
| Full-Time | 30.9% | 29.7% | 29.9% | 29.6% | 27.3% |
| Part-Time | 69.1% | 70.3% | 70.1% | 70.4% | 72.7% |
| Staff and Administrators | | | | | |
| Full-Time | 638 | 614 | 577 | 580 | 580 |
| Part-Time | 610 | 578 | 555 | 565 | 549 |
| Total | 1,248 | 1,192 | 1,132 | 1,145 | 1,129 |
| Percent | | | | | |
| Full-Time | 51.1% | 51.5% | 51.0% | 50.7% | 51.4% |
| Part-Time | 48.9% | 48.5% | 49.0% | 49.3% | 48.6% |
| FTSE per Full-Time Faculty | 56.36 | 62.33 | 65.12 | 63.75 | 63.62 |
| FTSE per Full-Time Staff Member | 34.98 | 37.76 | 40.75 | 39.13 | 38.39 |
| Average Annual Faculty Salary | \$ 60,412 | \$ 57,209 | \$ 56,614 | \$ 54,821 | \$ 55,392 |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Enrollment Details
Last Ten Fiscal Years
(unaudited)**

| Student Classification | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | |
|-------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 00-30 hours | 24,311 | 69% | 22,928 | 68% | 21,319 | 67% | 19,706 | 66% | 18,351 | 65% |
| 31-60 hours | 8,004 | 23% | 7,839 | 23% | 7,444 | 24% | 7,174 | 24% | 7,089 | 25% |
| > 60 hours | 2,829 | 8% | 2,910 | 9% | 2,856 | 9% | 2,823 | 10% | 2,747 | 10% |
| Total | 35,144 | 100% | 33,677 | 100% | 31,619 | 100% | 29,703 | 100% | 28,187 | 100% |

| Semester Hour Load | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | |
|---------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than 3 | 5,970 | 17% | 136 | 0% | 216 | 1% | 219 | 1% | 186 | 1% |
| 3-5 semester hours | 2,002 | 6% | 7,451 | 22% | 6,712 | 21% | 6,105 | 21% | 5,890 | 21% |
| 6-8 semester hours | 9,871 | 28% | 9,138 | 27% | 8,489 | 27% | 7,949 | 27% | 7,340 | 26% |
| 9-11 semester hours | 6,541 | 19% | 6,290 | 19% | 5,971 | 19% | 5,788 | 19% | 5,330 | 19% |
| 12-14 semester hours | 8,557 | 24% | 8,701 | 26% | 8,431 | 27% | 8,018 | 27% | 7,700 | 27% |
| 15-17 semester hours | 1,984 | 6% | 1,777 | 5% | 1,623 | 5% | 1,476 | 5% | 1,563 | 6% |
| 18 & Over | 219 | 1% | 184 | 1% | 177 | 1% | 148 | 0% | 178 | 1% |
| Total | 35,144 | 100% | 33,677 | 100% | 31,619 | 100% | 29,703 | 100% | 28,187 | 100% |

Average course load 8.3 8.4 8.4 8.5 8.5

| Tuition Status | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | |
|-------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| TX Resident (In-District) | 23,749 | 68% | 23,310 | 69% | 21,810 | 69% | 20,912 | 70% | 19,660 | 70% |
| TX Resident (Out-of-District) | 8,647 | 24% | 7,837 | 23% | 6,685 | 21% | 6,381 | 22% | 5,845 | 21% |
| Non-Resident Tuition | 2,748 | 8% | 2,530 | 8% | 3,124 | 10% | 2,410 | 8% | 2,682 | 10% |
| Total | 35,144 | 99% | 33,677 | 100% | 31,619 | 100% | 29,703 | 100% | 28,187 | 100% |

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Enrollment Details
Last Ten Fiscal Years
(unaudited)**

| Student Classification | Fall 2014 | | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | |
|-------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 00-30 hours | 18,005 | 64% | 18,363 | 66% | 17,845 | 65% | 17,379 | 64% | 17,679 | 65% |
| 31-60 hours | 7,244 | 26% | 6,839 | 24% | 7,175 | 26% | 7,611 | 28% | 6,742 | 25% |
| > 60 hours | 2,742 | 10% | 2,770 | 10% | 2,404 | 9% | 2,198 | 8% | 2,648 | 10% |
| Total | 27,991 | 100% | 27,972 | 100% | 27,424 | 100% | 27,188 | 100% | 27,069 | 100% |

| Semester Hour Load | Fall 2014 | | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | |
|---------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than 3 | 284 | 1% | 223 | 1% | 241 | 1% | 190 | 1% | 225 | 1% |
| 3-5 semester hours | 5,528 | 20% | 5,682 | 20% | 5,577 | 20% | 4,900 | 18% | 5,783 | 21% |
| 6-8 semester hours | 6,897 | 25% | 7,274 | 26% | 6,917 | 25% | 7,162 | 26% | 6,448 | 24% |
| 9-11 semester hours | 5,383 | 19% | 5,150 | 18% | 5,012 | 18% | 5,042 | 19% | 4,397 | 16% |
| 12-14 semester hours | 8,116 | 29% | 7,939 | 28% | 7,845 | 29% | 8,419 | 31% | 8,604 | 32% |
| 15-17 semester hours | 1,626 | 6% | 1,543 | 6% | 1,632 | 6% | 1,264 | 5% | 1,463 | 5% |
| 18 & Over | 157 | 1% | 161 | 1% | 200 | 1% | 211 | 1% | 149 | 1% |
| Total | 27,991 | 100% | 27,972 | 100% | 27,424 | 100% | 27,188 | 100% | 27,069 | 100% |

| | | | | | |
|---------------------|-----|-----|-----|-----|-----|
| Average course load | 8.7 | 8.6 | 8.8 | 8.8 | 8.6 |
|---------------------|-----|-----|-----|-----|-----|

| Tuition Status | Fall 2014 | | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | |
|-------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| TX Resident (In-District) | 19,405 | 69% | 19,309 | 69% | 18,597 | 68% | 19,298 | 71% | 18,661 | 69% |
| TX Resident (Out-of-District) | 5,951 | 21% | 6,057 | 22% | 5,909 | 22% | 5,770 | 21% | 5,518 | 20% |
| Non-Resident Tuition | 2,635 | 9% | 2,606 | 9% | 2,918 | 11% | 2,120 | 8% | 2,890 | 11% |
| Total | 27,991 | 100% | 27,972 | 100% | 27,424 | 100% | 27,188 | 100% | 27,069 | 100% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Student Profile
Fiscal Years 2011 to 2020
(unaudited)**

| Gender | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | |
|---------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Male | 15,489 | 44% | 14,899 | 44% | 14,214 | 45% | 13,315 | 45% | 12,697 | 45% |
| Female | 19,655 | 56% | 18,778 | 56% | 17,405 | 55% | 16,388 | 55% | 15,490 | 55% |
| Total | 35,144 | 100% | 33,677 | 100% | 31,619 | 100% | 29,703 | 100% | 28,187 | 100% |

| Ethnic Origin | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | |
|----------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| White | 16,751 | 48% | 16,309 | 48% | 15,508 | 49% | 14,961 | 51% | 14,676 | 52% |
| Hispanic | 7,386 | 21% | 6,867 | 20% | 6,249 | 20% | 5,699 | 19% | 5,360 | 19% |
| African American | 3,955 | 11% | 3,798 | 11% | 3,644 | 12% | 3,361 | 11% | 3,264 | 12% |
| Asian | 3,907 | 11% | 3,641 | 11% | 3,292 | 10% | 2,903 | 10% | 2,592 | 9% |
| Foreign | 725 | 2% | 794 | 2% | 1,008 | 3% | 1,173 | 4% | 908 | 3% |
| Native American | 123 | 0.3% | 135 | 0% | 134 | 0% | 136 | 0% | 137 | 0% |
| Other | 2,297 | 7% | 2,133 | 6% | 1,784 | 6% | 1,470 | 5% | 1,250 | 4% |
| Total | 35,144 | 100% | 33,677 | 100% | 31,619 | 100% | 29,703 | 100% | 28,187 | 100% |

| Age | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | |
|------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 18 | 8,339 | 24% | 7,224 | 21% | 5,530 | 17% | 4,533 | 15% | 3,765 | 13% |
| 18 - 21 | 15,634 | 44% | 15,180 | 45% | 14,678 | 46% | 13,681 | 46% | 13,052 | 46% |
| 22 - 24 | 4,076 | 12% | 3,932 | 12% | 4,019 | 13% | 3,813 | 13% | 3,670 | 13% |
| 25 - 35 | 4,536 | 13% | 4,607 | 14% | 4,636 | 15% | 4,730 | 16% | 4,619 | 16% |
| 36 - 50 | 2,024 | 6% | 2,191 | 7% | 2,263 | 7% | 2,386 | 8% | 2,466 | 9% |
| 51 & Over | 535 | 2% | 543 | 2% | 493 | 2% | 560 | 2% | 615 | 2% |
| Total | 35,144 | 100% | 33,677 | 100% | 31,619 | 100% | 29,703 | 100% | 28,187 | 100% |

| | | | | | |
|--------------------|------|------|------|------|------|
| Average Age (Fall) | 22.1 | 22.4 | 22.8 | 23.3 | 23.7 |
|--------------------|------|------|------|------|------|

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Student Profile
Fiscal Years 2011 to 2020
(unaudited)**

| Gender | Fall 2014 | | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | |
|---------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Male | 12,371 | 44% | 12,393 | 44% | 11,931 | 44% | 11,719 | 43% | 11,734 | 43% |
| Female | 15,620 | 56% | 15,579 | 56% | 15,493 | 56% | 15,469 | 57% | 15,335 | 57% |
| Total | 27,991 | 100% | 27,972 | 100% | 27,424 | 100% | 27,188 | 100% | 27,069 | 100% |

| Ethnic Origin | Fall 2014 | | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | |
|----------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| White | 14,786 | 53% | 15,262 | 55% | 15,440 | 56% | 15,834 | 58% | 16,512 | 61% |
| Hispanic | 5,190 | 19% | 4,898 | 18% | 4,435 | 16% | 4,313 | 16% | 3,015 | 11% |
| African American | 3,384 | 12% | 3,376 | 12% | 3,228 | 12% | 3,168 | 12% | 2,990 | 11% |
| Asian | 2,396 | 9% | 2,297 | 8% | 2,268 | 8% | 2,317 | 9% | 2,256 | 8% |
| Foreign | 891 | 3% | 826 | 3% | 842 | 3% | 635 | 2% | 844 | 3% |
| Native American | 124 | 0% | 135 | 0% | 124 | 0% | 393 | 1% | 202 | 1% |
| Other | 1,220 | 4% | 1,178 | 4% | 1,087 | 4% | 528 | 2% | 1,250 | 5% |
| Total | 27,991 | 100% | 27,972 | 100% | 27,424 | 100% | 27,188 | 100% | 27,069 | 100% |

| Age | Fall 2014 | | Fall 2013 | | Fall 2012 | | Fall 2011 | | Fall 2010 | |
|------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 18 | 3,161 | 11% | 3,061 | 11% | 2,685 | 10% | 2,613 | 9% | 2,516 | 9% |
| 18 - 21 | 12,787 | 46% | 12,342 | 44% | 11,643 | 42% | 13,023 | 47% | 11,554 | 43% |
| 22 - 24 | 3,701 | 13% | 3,623 | 13% | 3,527 | 13% | 5,387 | 20% | 3,476 | 13% |
| 25 - 35 | 4,879 | 17% | 5,109 | 18% | 5,451 | 20% | 3,929 | 14% | 5,476 | 20% |
| 36 - 50 | 2,761 | 10% | 3,070 | 11% | 3,318 | 12% | 2,233 | 8% | 3,266 | 12% |
| 51 & Over | 702 | 3% | 767 | 3% | 800 | 3% | 408 | 1% | 781 | 3% |
| Total | 27,991 | 100% | 27,972 | 100% | 27,424 | 100% | 27,593 | 100% | 27,069 | 100% |

| | | | | | |
|--------------------|------|------|------|------|------|
| Average Age (Fall) | 24.3 | 24.7 | 25.3 | 24.7 | 25.3 |
|--------------------|------|------|------|------|------|

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Transfers to Senior Institutions
2018 Fall Students as of Fall 2019
(Includes community, technical and public senior colleges in Texas)
(unaudited)

| Transfer Destination | Transfer Student Count | | | Total | Percentage |
|---|------------------------|-----------|-----------|-------|------------|
| | Academic | Technical | Tech-Prep | | |
| Universities | | | | | |
| Angelo State University | 21 | 2 | - | 23 | 0.3041% |
| Lamar University | 4 | 6 | - | 10 | 0.1322% |
| Midwestern State University | 28 | 17 | - | 45 | 0.5949% |
| Prairie View A&M University | 13 | 8 | 1 | 22 | 0.2909% |
| Sam Houston State University | 77 | 17 | - | 94 | 1.2427% |
| Stephen F. Austin State University | 101 | 60 | 1 | 162 | 2.1417% |
| Sul Ross State University | 1 | - | - | 1 | 0.0132% |
| Tarleton State University | 54 | 22 | - | 76 | 1.0048% |
| Texas A&M International University | - | - | - | - | 0.0000% |
| Texas A&M University | 343 | 197 | - | 540 | 7.1391% |
| Texas A&M University - Central Texas | 2 | - | - | 2 | 0.0264% |
| Texas A&M University - Commerce | 291 | 53 | 1 | 345 | 4.5611% |
| Texas A&M University - Corpus Christi | 21 | 15 | 1 | 37 | 0.4892% |
| Texas A&M University - Galveston | 10 | 3 | - | 13 | 0.1719% |
| Texas A&M University - Kingsville | 4 | - | - | 4 | 0.0529% |
| Texas A&M University - San Antonio | 4 | 1 | - | 5 | 0.0661% |
| Texas A&M University - Texarkana | 3 | - | - | 3 | 0.0397% |
| Texas Southern University | 7 | 4 | - | 11 | 0.1454% |
| Texas State University - San Marcos | 181 | 87 | 2 | 270 | 3.5695% |
| Texas Tech University | 429 | 277 | - | 706 | 9.3337% |
| Texas Woman's University | 318 | 142 | 1 | 461 | 6.0947% |
| The University of Texas - Rio Grande Valley | 1 | 1 | - | 2 | 0.0264% |
| The University of Texas at Arlington | 197 | 113 | - | 310 | 4.0984% |
| The University of Texas at Austin | 267 | 158 | - | 425 | 5.6187% |
| The University of Texas at Dallas | 1,514 | 630 | 6 | 2,150 | 28.4241% |
| The University of Texas at El Paso | 4 | 1 | - | 5 | 0.0661% |
| The University of Texas at San Antonio | 28 | 14 | - | 42 | 0.5553% |
| The University of Texas at Tyler | 29 | 21 | - | 50 | 0.6610% |
| The University of Texas of the Permian Basin | 6 | 1 | - | 7 | 0.0925% |
| University of Houston | 40 | 30 | - | 70 | 0.9254% |
| University of North Texas | 1,193 | 308 | 2 | 1,503 | 19.8704% |
| University of North Texas at Dallas | 22 | 3 | - | 25 | 0.3305% |
| West Texas A&M University | 14 | 5 | - | 19 | 0.2512% |
| Total | 5,227 | 2,196 | 15 | 7,438 | 98.3342% |
| Health Science Institutions | | | | | |
| Texas A&M Univ Health Science Center | 7 | 9 | - | 16 | 0.2115% |
| Texas Tech Univ Health Sciences Center | 30 | 44 | - | 74 | 0.9783% |
| Texas Tech Univ Health Sciences Center - El Paso | 1 | - | - | 1 | 0.0132% |
| The Univ of Texas Health Science Ctr at Houston | 2 | 4 | - | 6 | 0.0793% |
| The Univ of Texas Health Science Ctr at San Antonio | 3 | 1 | - | 4 | 0.0529% |
| The Univ of Texas MD Anderson Cancer Center | 1 | - | - | 1 | 0.0132% |
| The Univ of Texas Medical Branch at Galveston | 2 | 2 | - | 4 | 0.0529% |
| The University of Texas Southwestern Medical Center | 2 | 1 | - | 3 | 0.0397% |
| The University of Texas - Rio Grande Valley - Medical Schoc | - | - | - | - | 0.0000% |
| University of N Texas Health Science Ctr | 9 | 8 | - | 17 | 0.2247% |
| Total | 57 | 69 | - | 126 | 1.6658% |
| Grand Total | 5,284 | 2,265 | 15 | 7,564 | 100.00% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Capital Asset Information
Last Ten Fiscal Years
(unaudited)

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Academic Building | 19 | 12 | 12 | 11 | 11 | 9 | 9 | 9 | 9 | 9 |
| Square Footage | 1,708,744 | 1,244,952 | 1,244,952 | 1,105,585 | 1,105,585 | 957,433 | 957,433 | 957,433 | 883,571 | 809,709 |
| Libraries | 5 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Square Footage | 334,842 | 295,429 | 295,429 | 295,429 | 295,429 | 295,429 | 295,429 | 295,429 | 206,539 | 206,539 |
| Number of Volumes** | 367,991 | 321,252 | 242,696 | 235,396 | 233,569 | 233,693 | 246,192 | 262,427 | 252,135 | 240,855 |
| Administrative and Support Buildings | | | | | | | | | | |
| Square Footage* | 580,429 | 456,649 | 456,649 | 449,314 | 449,314 | 449,314 | 449,314 | 449,314 | 429,227 | 409,140 |
| Dining Facilities | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square Footage | 29,117 | 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 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Square Footage | 97,647 | 89,647 | 89,647 | 89,647 | 89,647 | 89,647 | 89,647 | 89,647 | 89,647 | 89,647 |
| Gymnasiums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fitness Centers | 4 | 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 |
| Student Housing Facilities | 1 | 1 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Square Footage | 86,308 | 86,308 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Plant Facilities | 6 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Square Footage | 45,808 | 20,381 | 20,381 | 20,381 | 20,381 | 20,381 | 20,381 | 20,381 | 20,381 | 20,381 |
| Transportation | | | | | | | | | | |
| Cars | 29 | 7 | 7 | 11 | 11 | 13 | 12 | 10 | 9 | 9 |
| Light Trucks/Vans | 32 | 42 | 30 | 24 | 22 | 20 | 23 | 17 | 17 | 16 |

* Comprise parts of various buildings.

**Includes accessible e-books

This page intentionally left blank.



Single Audit Section

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

To the Board of Trustees
Collin County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Collin County Community College District (the "District"), which comprise the statement of financial position as of and for the year ended August 31, 2020, and the related statement of activities and cash flows for the year then ended, and notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2020. Our report includes a reference to other auditors who audited the financial statements of Collin County Community College Foundation (the "Foundation"), as described in our report on the District's financial statements. The financial statements of the Foundation, audited by other auditors, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial or instances of reportable noncompliance associated with the Foundation.

Internal Control over Financial Reporting

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

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

To the Board of Trustees
Collin County Community College District

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dallas, Texas
December 8, 2020

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS *UNIFORM GRANT MANAGEMENT STANDARDS*

To the Board of Trustees
Collin County Community College District

Report on Compliance for Each Major Federal and State Program

We have audited Collin County Community College District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of the District's major federal and state programs for the year ended August 31, 2020. 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 its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas *Uniform Grant Management Standards*. Those standards, the Uniform Guidance and the State of Texas *Uniform Grant Management Standards* 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.

To the Board of Trustees
Collin County Community College District

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2020.

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 requirements that could have a direct and material effect on each major federal and state program to determine the auditing 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 *Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



Dallas, Texas
December 8, 2020

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2020**

| Federal Grantor/Cluster/Program Title/Pass-Through Grantor Pass-Through Grantor's Award Number | Federal CFDA Number | Direct Awards | Expenditures Pass-Through Awards | Total | Subrecipients Expenditures |
|---|---------------------------|------------------|--|---------------|-------------------------------|
| U.S. Department of Education | | | | | |
| Direct Programs: | | | | | |
| Student Financial Assistance Cluster | | | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | \$ 415,230 | \$ - | \$ 415,230 | \$ - |
| Federal Work-Study Program | 84.033 | 287,972 | - | 287,972 | - |
| Federal Pell Grant Program | 84.063 | 24,550,443 | - | 24,550,443 | - |
| Federal Direct Student Loans | 84.268 | 13,784,593 | - | 13,784,593 | - |
| Total Student Financial Assistance Cluster | | 39,038,238 | - | 39,038,238 | - |
| COVID-19 - Education Stabilization Fund | 84.425E | 5,395,400 | - | 5,395,400 | - |
| COVID-19 - Education Stabilization Fund | 84.425F | 2,703,211 | - | 2,703,211 | - |
| Total Education Stabilization Fund | 84.425 | 8,098,611 | - | 8,098,611 | - |
| Pass-Through from: | | | | | |
| Texas Higher Education Coordinating Board | | | | | |
| Career and Technical Education - Basic Grants to States 194226 | 84.048 | - | 583,887 | 583,887 | - |
| Career and Technical Education -Leadership Grants 191104 | 84.048A | - | 48,907 | 48,907 | - |
| Total Career and Technical Education | 84.048 | - | 632,794 | 632,794 | - |
| Total U.S. Department of Education | | \$ 47,136,849 | \$ 632,794 | \$ 47,769,643 | \$ - |
| U.S. Department of Commerce | | | | | |
| Cluster Grant | | | | | |
| Direct Program: | | | | | |
| Economic Development Administration | 11.020 | 168,808 | - | 168,808 | - |
| U.S. Department of Justice | | | | | |
| Direct Program: | | | | | |
| Bulletproof Vest Partnership Program | 16.607 | 5,701 | - | 5,701 | - |
| U.S. Department of Labor | | | | | |
| Pass-Through from: | | | | | |
| Texas Workforce Commission | | | | | |
| Employment Service/Wagner-Peyser Funded Activities ES-33416-19-55-A-48 | 17.207 | - | 25,371 | 25,371 | - |
| Columbus State Community College H-1B Job Training Grants HG-33028-19-60-A-39 | 17.268 | - | 145,844 | 145,844 | - |
| Total Department of Labor | | \$ - | \$ 171,215 | \$ 171,215 | \$ - |
| National Science Foundation | | | | | |
| Research and Development Cluster | | | | | |
| Direct Program: | | | | | |
| Education and Human Resources | 47.076 | 531,833 | - | 531,833 | 96,726 |
| Education and Human Resources | 47.076 | 370,773 | - | 370,773 | 55,235 |
| Pass-Through from: | | | | | |
| Austin Community College District Education and Human Resources DUE-1501207 | 47.076 | - | 5,434 | 5,434 | - |
| Florida State College at Jacksonville Education and Human Resources DUE-1501359 | 47.076 | - | 3,585 | 3,585 | - |
| Columbus State Community College Education and Human Resources DUE-1700455 | 47.076 | - | 7,969 | 7,969 | - |
| Total National Science Foundation | 47.076 | \$ 902,606 | \$ 16,988 | \$ 919,594 | \$ 151,961 |
| U.S. Small Business Administration | | | | | |
| Pass-Through from: | | | | | |
| Dallas County Community College District: | | | | | |
| Small Business Development Centers SBAHQ-19-B-0021 | 59.037 | - | 30,420 | 30,420 | - |
| Small Business Development Centers SBAHQ-20-B-0014 | 59.037 | - | 352,126 | 352,126 | - |
| Total U.S. Small Business Administration | 59.037 | \$ - | \$ 382,546 | \$ 382,546 | \$ - |
| Total Federal Financial Assistance | | \$ 48,213,964 | \$ 1,203,543 | \$ 49,417,507 | \$ 151,961 |

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, 2020****Note 1: Federal assistance reconciliation**

| | FY 20 |
|---|----------------------|
| Additional Operating Revenues - Federal grants and contracts - per Schedule A | \$ 4,615,524 |
| Add: Indirect/Administrative Costs Recoveries - per Schedule A | 216,384 |
| Add: Non Operating Revenues - Federal contracts and grants - per Schedule C | 30,649,045 |
| Total Federal Revenues per Schedule A and C | <u>\$ 35,480,953</u> |
| Reconciling items: | |
| Add: Funds passed through to others | \$ 151,961 |
| Add: Direct Student Loans | 13,784,593 |
| Total Federal Revenues per Schedule of Expenditures of Federal Awards | <u>\$ 49,417,507</u> |

Note 2: Significant accounting policies used in preparing the schedule

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

Note 3: Amounts passed-through by the District

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

| | |
|---|-------------------|
| NSF DUE-1700530: | |
| Dallas County Community College | |
| Florida State College at Jacksonville | 14,170 |
| Georgia Southern University | 14,980 |
| Lansing Community College | 8,390 |
| Lone Star College | 27,848 |
| Sinclair Community College | 16,117 |
| University of North Texas | 15,221 |
| Subtotal NSF DUE-1700530 | <u>96,726</u> |
| NSF DUE-1838535 | |
| Lake Washington Institute of Technology | \$ 19,155 |
| Lone Star College | 10,227 |
| Suffolk County Community College | 25,853 |
| Subtotal NSF DUE-1700530 | <u>55,235</u> |
| Total amount passed-through | <u>\$ 151,961</u> |

Schedule F

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of State Awards
For the year ended August 31, 2020**

| <u>Grantor/Pass-through Grantor/ Program Title</u> | <u>Grantor's Number</u> | <u>Disbursements and Expenses</u> |
|---|-------------------------|---|
| Texas Workforce Commission | | |
| FY 19 Skills for Small Business Program | 0419SSD002 | \$ 7,679 |
| Skills Development in Partnership with a Manufacturing Consortium | 0419SDF002 | 132,302 |
| Skills Development in Partnership with a Business Consortium | 0419SDF005 | 117,604 |
| Skills Development in Partnership with a Manufacturing Consortium | 0420SDF001 | 43,944 |
| Total Texas Workforce Commission | | <u>301,529</u> |
| Texas Higher Education Coordinating Board | | |
| 2018 College Readiness and Success Models for 60x30TX | 20515 | 126,105 |
| Professional Nursing Shortage Program | | 12,498 |
| Professional Nursing Shortage Reduction Over 70 Program | | 208,240 |
| Texas Education Opportunity Grant-Renewal Year | | 461,730 |
| Texas Education Opportunity Grant-Initial Year | | 686,614 |
| College Access Loans | | 24,148 |
| Texas College Work-Study | | 69,155 |
| Total Texas Higher Education Coordinating Board | | <u>1,588,490</u> |
| Pass-through from: | | |
| Dallas County Community College District | | |
| Small Business Development Center 18/19 | SBAHQ-19-B-0021 | 31,426 |
| Small Business Development Center 19/20 | SBAHQ-20-B-0014 | 71,038 |
| Total Small Business Development Center | | <u>102,464</u> |
| Total State Financial Assistance | | <u><u>\$ 1,992,483</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, 2020

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A
State Financial Assistance

| | |
|--|---------------------|
| Per Schedule of Expenditures of State Awards | \$ 1,992,483 |
| Total State Revenues per Schedule A | <u>\$ 1,992,483</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, 2020

I. Summary of Auditors' Results

Financial Statements

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

Federal and State Awards

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

Identification of major programs:

| Name of Federal Programs or Cluster | CFDA Numbers |
|---|--------------|
| Student Financial Aid Cluster | |
| Federal Supplemental Educational Opportunity Grants | 84.007 |
| Federal Work-Study Program | 84.033 |
| Federal Pell Grant Program | 84.063 |
| Federal Direct Student Loans | 84.268 |
| Research and Development Cluster | |
| Education and Human Resources | 47.076 |
| COVID-19 – Education Stabilization Fund | 84.425E |
| COVID-19 – Education Stabilization Fund | 84.425F |

Collin County Community College District
Schedule of Findings and Questioned Costs
Year ended August 31, 2020

Summary of Auditors' Results (continued)

Name of State Programs

| | |
|---|-----|
| Texas Educational Opportunity Grant Program | N/A |
| Texas Workforce Commission Skills Development | N/A |
| 2018 College Readiness and Success Models for 60x30TX | N/A |

Dollar Threshold used to Distinguish between
Type A and B Programs

| | |
|---------|--------------|
| Federal | \$ 1,482,525 |
| State | \$ 300,000 |

Auditee qualified as a low-risk auditee

| | |
|---------|-----|
| Federal | Yes |
| State | Yes |

II. Financial Statement Findings

There are no current year findings.

III. Federal and State Award Findings and Questioned Costs

There are no current year findings and questioned costs.



Supplementary Financial Information Section

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Supplementary Financial Information (Schedules for Comparative Review)

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Net Position by Fund
As of August 31, 2020
(with comparative totals at August 31, 2019)
(unaudited)

| | Unrestricted Funds | | | |
|---|-----------------------|-------------------------|-----------------------|-----------------------|
| | Unrestricted | Startup & Stabilization | Auxiliary Enterprises | Total |
| Assets | | | | |
| Cash and cash equivalents | \$ 107,099,416 | \$ 74,832,848 | \$ 1,900 | \$ 181,934,164 |
| Restricted cash and cash equivalents | - | - | - | - |
| Investments | 96,451,788 | - | - | 96,451,788 |
| Restricted investments | - | - | - | - |
| Accounts receivable (net of allowance for doubtful accounts of \$287,497 and \$464,078) | 9,999,959 | - | 97,321 | 10,097,280 |
| Tax receivable (net of allowance for doubtful accounts of \$650,115 and \$630,965) | 530,763 | - | - | 530,763 |
| Prepaid expenses | 1,050,141 | - | - | 1,050,141 |
| Consumable inventory | - | - | - | - |
| Capital assets | - | - | - | - |
| Total assets | \$ 215,132,067 | \$ 74,832,848 | \$ 99,221 | \$ 290,064,136 |
| Deferred outflows related to pensions | \$ 18,873,473 | \$ - | \$ - | \$ 18,873,473 |
| Deferred outflows related to OPEB | 46,788,225 | - | - | 46,788,225 |
| Total deferred outflows of outflows | \$ 65,661,698 | \$ - | \$ - | \$ 65,661,698 |
| Liabilities: | | | | |
| Accounts payable / accrued liabilities | \$ 29,472,354 | \$ 462,476 | \$ 166,939 | \$ 30,101,769 |
| Interfund payable/(receivable) | (18,200,038) | 8,572,276 | (4,168,747) | (13,796,509) |
| Unearned revenues | 22,028,208 | - | 996,081 | 23,024,289 |
| Accrued compensable absences payable | 1,760,786 | - | - | 1,760,786 |
| Amounts held for others | 381,342 | - | - | 381,342 |
| Net pension liability | 36,646,040 | - | - | 36,646,040 |
| Net OPEB liability | 82,437,297 | - | - | 82,437,297 |
| Bonds payable | - | - | - | - |
| Total liabilities | \$ 154,525,989 | \$ 9,034,752 | \$ (3,005,727) | \$ 160,555,014 |
| Deferred inflows related to pensions | \$ 6,977,084 | \$ - | \$ - | \$ 6,977,084 |
| Deferred inflows related to OPEB | 20,566,705 | - | - | 20,566,705 |
| Total deferred inflows of resources | \$ 27,543,789 | \$ - | \$ - | \$ 27,543,789 |
| Unrestricted: | | | | |
| Designated: | | | | |
| Insurance deductibles | \$ 100,000 | \$ - | \$ - | \$ 100,000 |
| Stabilization of maintenance and operations | 24,750,000 | - | - | 24,750,000 |
| Health insurance reserve | 30,000,000 | - | - | 30,000,000 |
| Undesignated | 43,873,987 | 65,798,096 | 3,104,948 | 112,777,031 |
| Restricted: | | | | |
| Student aid/non-governmental grants and contracts | - | - | - | - |
| Reserve for debt service | - | - | - | - |
| Reserve for bond capital projects | - | - | - | - |
| Net investment in plant | - | - | - | - |
| Total net position | \$ 98,723,987 | \$ 65,798,096 | \$ 3,104,948 | \$ 167,627,031 |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Net Position by Fund - continued
As of August 31, 2020
(with comparative totals at August 31, 2019)
(unaudited)

| Building Fund | Plant Funds | | Debt Service | Restricted | Totals (memorandum only) | |
|-----------------------|-----------------------|------------------------|---------------------|---------------------|-----------------------------|-----------------------|
| | 2020 Bond Fund | Investment in Plant | | | 2020 | 2019 |
| \$ 118,847,037 | \$ - | \$ - | \$ 7,378,651 | \$ - | \$ 308,159,852 | \$ 246,369,444 |
| - | 193,364,692 | - | - | - | 193,364,692 | 39,125,045 |
| - | - | - | - | - | 96,451,788 | 111,111,970 |
| - | - | - | - | - | - | 14,684,975 |
| - | 6,530,361 | - | - | 3,395,434 | 20,023,075 | 37,579,132 |
| - | - | - | 96,936 | - | 627,699 | 627,467 |
| - | 94,765 | - | - | - | 1,144,906 | 664,879 |
| - | - | - | - | - | - | 5,545 |
| - | - | 719,131,910 | - | - | 719,131,910 | 502,537,209 |
| <u>\$ 118,847,037</u> | <u>\$ 199,989,818</u> | <u>\$ 719,131,910</u> | <u>\$ 7,475,587</u> | <u>\$ 3,395,434</u> | <u>\$ 1,338,903,922</u> | <u>\$ 952,705,666</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,873,473 | \$ 17,383,822 |
| - | - | - | - | - | 46,788,225 | 44,757,743 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 65,661,698</u> | <u>\$ 62,141,565</u> |
| \$ 70,766 | \$ 27,265,119 | \$ - | \$ 4,830,009 | \$ 148,549 | \$ 62,416,212 | \$ 46,487,410 |
| 4,788,550 | 6,043,601 | 5,197,676 | (2,958,731) | 725,413 | - | - |
| - | - | - | - | 1,098,261 | 24,122,550 | 23,923,975 |
| - | - | - | - | - | 1,760,786 | 1,284,527 |
| - | - | - | - | - | 381,342 | 365,227 |
| - | - | - | - | - | 36,646,040 | 35,204,032 |
| - | - | - | - | - | 82,437,297 | 65,510,490 |
| - | 160,581,098 | 435,730,729 | - | - | 596,311,827 | 256,487,832 |
| <u>\$ 4,859,316</u> | <u>\$ 193,889,818</u> | <u>\$ 440,928,405</u> | <u>\$ 1,871,278</u> | <u>\$ 1,972,223</u> | <u>\$ 804,076,054</u> | <u>\$ 429,263,493</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,977,084 | \$ 3,335,757 |
| - | - | - | - | - | 20,566,705 | 25,356,761 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 27,543,789</u> | <u>\$ 28,692,518</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100,000 | \$ 100,000 |
| - | - | - | - | - | 24,750,000 | 24,750,000 |
| - | - | - | - | - | 30,000,000 | 30,000,000 |
| 113,987,721 | - | - | - | - | 226,764,752 | 222,300,841 |
| - | - | - | - | 1,423,211 | 1,423,211 | 1,653,402 |
| - | - | - | 5,604,309 | - | 5,604,309 | 7,801,049 |
| - | 6,100,000 | - | - | - | 6,100,000 | 6,000,000 |
| - | - | 278,203,505 | - | - | 278,203,505 | 264,285,928 |
| <u>\$ 113,987,721</u> | <u>\$ 6,100,000</u> | <u>\$ 278,203,505</u> | <u>\$ 5,604,309</u> | <u>\$ 1,423,211</u> | <u>\$ 572,945,777</u> | <u>\$ 556,891,220</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position by Fund
For the year ended August 31, 2020
(with comparative totals for the year ended August 31, 2019)
(unaudited)

| | Unrestricted Funds | | | Total |
|---|----------------------|-------------------------|-----------------------|-----------------------|
| | Unrestricted | Startup & Stabilization | Auxiliary Enterprises | |
| Net Position - beginning of year | \$ 110,494,865 | \$ 44,699,493 | \$ 3,958,521 | \$ 159,152,879 |
| Revenues and other additions: | | | | |
| Unrestricted current funds revenue | 199,544,954 | 600,631 | 2,039,804 | 202,185,389 |
| State on behalf benefits | - | - | - | - |
| Tax revenues for debt service | - | - | - | - |
| Federal grants and contracts | - | - | - | - |
| State grants and contracts | - | - | - | - |
| Non-governmental grants and contracts | - | - | - | - |
| TPEG set aside | - | - | - | - |
| Investment income | - | - | - | - |
| Miscellaneous income | - | - | - | - |
| Bond proceeds | - | - | - | - |
| Net decrease in bonds payable | - | - | - | - |
| Expended for plant facilities | - | - | - | - |
| Total revenues and other additions | <u>199,544,954</u> | <u>600,631</u> | <u>2,039,804</u> | <u>202,185,389</u> |
| Expenses and other deductions: | | | | |
| Expenses | 164,684,609 | 8,198,584 | 3,952,167 | 176,835,360 |
| Increase in bonds payable | - | - | - | - |
| Retirement of indebtedness | - | - | - | - |
| Interest on indebtedness | - | - | - | - |
| Depreciation and loss on sale | - | - | - | - |
| Total expenditures and other additions | <u>164,684,609</u> | <u>8,198,584</u> | <u>3,952,167</u> | <u>176,835,360</u> |
| Transfers - additions (deductions): | | | | |
| Mandatory transfers: | | | | |
| Grant matching | (142,109) | - | - | (142,109) |
| Non-mandatory transfers | (46,489,114) | 28,696,556 | 1,058,790 | (16,733,768) |
| Total transfers - additions (deductions) | <u>(46,631,223)</u> | <u>28,696,556</u> | <u>1,058,790</u> | <u>(16,875,877)</u> |
| Net increase (decrease) for the fiscal year | <u>(11,770,878)</u> | <u>21,098,603</u> | <u>(853,573)</u> | <u>8,474,152</u> |
| Net Position - end of year | <u>\$ 98,723,987</u> | <u>\$ 65,798,096</u> | <u>\$ 3,104,948</u> | <u>\$ 167,627,031</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position by Fund - continued
For the year ended August 31, 2020
(with comparative totals for the year ended August 31, 2019)
(unaudited)

| Building Fund | Plant funds | | | Debt service | Restricted | Totals (memorandum only) | |
|-----------------------|-------------------|---------------------|------------------------|---------------------|---------------------|-----------------------------|-----------------------|
| | 2018 Bond Fund | 2020 Bond Fund | Investment in Plant | | | 2020 | 2019 |
| | | | | | | | |
| \$ 117,997,962 | \$ 6,000,000 | \$ - | \$ 264,285,928 | \$ 7,801,049 | \$ 1,653,402 | \$ 556,891,220 | \$ 518,782,361 |
| - | - | - | - | - | - | 202,185,389 | 193,316,859 |
| - | - | - | - | - | 10,937,402 | 10,937,402 | 8,515,576 |
| - | - | - | - | 3,157,002 | - | 3,157,002 | 4,213,427 |
| - | - | - | - | - | 35,081,233 | 35,081,233 | 25,572,343 |
| - | - | - | - | - | 1,922,962 | 1,922,962 | 1,609,129 |
| - | - | - | - | - | 191,604 | 191,604 | 149,580 |
| - | - | - | - | - | 2,118,693 | 2,118,693 | 2,062,335 |
| 1,173,832 | - | - | - | 464,745 | 14,406 | 1,652,983 | 6,169,871 |
| - | - | 6,100,000 | - | - | - | 6,100,000 | 6,250,041 |
| - | - | 352,084,877 | - | - | - | 352,084,877 | - |
| - | 21,693,345 | 191,503,779 | 10,520,000 | - | - | 223,717,124 | 168,519,291 |
| - | - | - | 229,146,850 | - | - | 229,146,850 | 168,516,941 |
| <u>1,173,832</u> | <u>21,693,345</u> | <u>549,688,656</u> | <u>239,666,850</u> | <u>3,621,747</u> | <u>50,266,300</u> | <u>1,068,296,119</u> | <u>584,895,393</u> |
| 4,541,251 | 27,693,345 | 191,503,779 | - | - | 50,638,600 | 451,212,335 | 359,502,750 |
| - | - | 352,084,877 | 213,197,124 | - | - | 565,282,001 | 161,549,291 |
| - | - | - | - | 10,520,000 | - | 10,520,000 | 6,970,000 |
| - | - | - | - | 12,675,077 | - | 12,675,077 | 9,341,075 |
| - | - | - | 12,552,149 | - | - | 12,552,149 | 9,423,418 |
| <u>4,541,251</u> | <u>27,693,345</u> | <u>543,588,656</u> | <u>225,749,273</u> | <u>23,195,077</u> | <u>50,638,600</u> | <u>1,052,241,562</u> | <u>546,786,534</u> |
| - | - | - | - | - | 142,109 | - | - |
| (642,822) | - | - | - | 17,376,590 | - | - | - |
| <u>(642,822)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,376,590</u> | <u>142,109</u> | <u>-</u> | <u>-</u> |
| (4,010,241) | (6,000,000) | 6,100,000 | 13,917,577 | (2,196,740) | (230,191) | 16,054,557 | 38,108,859 |
| <u>\$ 113,987,721</u> | <u>\$ -</u> | <u>\$ 6,100,000</u> | <u>\$ 278,203,505</u> | <u>\$ 5,604,309</u> | <u>\$ 1,423,211</u> | <u>\$ 572,945,777</u> | <u>\$ 556,891,220</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2020
(unaudited)

| | <u>Cell Tower Rental</u> | <u>Student Housing</u> | <u>Scholarships</u> | <u>Intercollegiate Athletics</u> |
|---|------------------------------|--------------------------------|-----------------------------|--------------------------------------|
| Net Position - beginning of year | \$ 59,281 | \$ (34,798) | \$ - | \$ - |
| Revenues and other additions: | | | | |
| Sales and services | 113,107 | 286,016 | - | - |
| Commission | - | - | - | - |
| Miscellaneous income | - | - | - | 2,693 |
| Total revenue | <u>113,107</u> | <u>286,016</u> | <u>-</u> | <u>2,693</u> |
| Expenses and other deductions: | | | | |
| Salaries and wages | - | 311,587 | - | 214,176 |
| Staff benefits | - | 74,170 | - | 41,244 |
| Financial Aid | - | - | 89,747 | 233,490 |
| Other operating expenses | - | 980,957 | - | 198,328 |
| Total expenditures | <u>-</u> | <u>1,366,714</u> | <u>89,747</u> | <u>687,238</u> |
| Excess (deficit) of revenue over (under) expenditure | <u>-</u> <u>113,107</u> | <u>-</u> <u>(1,080,698)</u> | <u>-</u> <u>(89,747)</u> | <u>-</u> <u>(684,545)</u> |
| Transfers - additions (deductions): | | | | |
| Food services - departmental catering | - | - | - | - |
| Student housing - building fund | - | 642,822 | - | - |
| Student activities-SAFAC | - | - | - | 198,328 |
| Outsourced bookstore | - | - | - | 486,217 |
| Rental income scholarships | (89,747) | - | 89,747 | - |
| Total transfers - additions(deductions) | <u>(89,747)</u> | <u>642,822</u> | <u>89,747</u> | <u>684,545</u> |
| Net increase (decrease) for the fiscal year | <u>23,360</u> | <u>(437,876)</u> | <u>-</u> | <u>-</u> |
| Net Position - end of year | <u>\$ 82,641</u> | <u>\$ (472,674)</u> | <u>\$ -</u> | <u>\$ -</u> |

Financial Supplement 3

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position - continued
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2020
(unaudited)

| <u>Food Services</u> | <u>Bookstore</u> | <u>Facilities Rental</u> | <u>Auxiliary Administration</u> | <u>Print Shop</u> | <u>Total</u> |
|--------------------------|---------------------|------------------------------|-------------------------------------|-----------------------|---------------------|
| \$ (867,374) | \$ 4,798,104 | \$ 169,999 | \$ (175,361) | \$ 8,670 | \$ 3,958,521 |
| 652,095 | - | 80,301 | - | 20,845 | 1,152,364 |
| 86,229 | 788,549 | - | - | - | 874,778 |
| - | - | - | 9,966 | - | 12,659 |
| <u>738,324</u> | <u>788,549</u> | <u>80,301</u> | <u>9,966</u> | <u>20,845</u> | <u>2,039,801</u> |
| 358,253 | - | 109,977 | 159,590 | 45,067 | 1,198,650 |
| 90,212 | - | 32,141 | 33,944 | 14,120 | 285,831 |
| - | - | - | - | - | 323,237 |
| 901,720 | 26,002 * | 1,489 | 7,183 | 28,767 | 2,144,446 |
| <u>1,350,185</u> | <u>26,002</u> | <u>143,607</u> | <u>200,717</u> | <u>87,954</u> | <u>3,952,164</u> |
| <u>(611,861)</u> | <u>762,547</u> | <u>(63,306)</u> | <u>(190,751)</u> | <u>(67,109)</u> | <u>(1,912,363)</u> |
| 143,391 | - | - | - | 74,249 | 217,640 |
| - | - | - | - | - | 642,822 |
| - | - | - | - | - | 198,328 |
| - | (486,217) | - | - | - | - |
| - | - | - | - | - | - |
| <u>143,391</u> | <u>(486,217)</u> | <u>-</u> | <u>-</u> | <u>74,249</u> | <u>1,058,790</u> |
| <u>(468,470)</u> | <u>276,330</u> | <u>(63,306)</u> | <u>(190,751)</u> | <u>7,140</u> | <u>(853,573)</u> |
| <u>\$ (1,335,844)</u> | <u>\$ 5,074,434</u> | <u>\$ 106,693</u> | <u>\$ (366,112)</u> | <u>\$ 15,810</u> | <u>\$ 3,104,948</u> |

This page intentionally left blank.



Collin Higher Education Center
3452 Spur 399
McKinney, Texas 75069

Courtyard Center
4800 Preston Park Boulevard
Plano, Texas 75093

Frisco Campus
9700 Wade Boulevard
Frisco, Texas 75035


COLLIN COLLEGE
collin.edu

McKinney Campus
2200 West University Drive
McKinney, Texas 75071

Plano Campus
2800 East Spring Creek Parkway
Plano, Texas 75074

Public Safety Training Center
3600 Redbud Boulevard
McKinney, Texas 75071

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

Technical Campus
2550 Bending Branch Way
Allen, TX 75013

Wylie Campus
391 Country Club Road
Wylie, TX 75098