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COMPREHENSIVE ANNUAL *Financial Report* 2014

For the Years Ended August 31, 2014 and 2013

Collin County Community College District

**Allen Frisco McKinney
Plano Rockwall
Texas**

**Comprehensive Annual
Financial Report**

**For Fiscal Years Ended
August 31, 2014 and 2013**

**Prepared by:
Administrative Services**

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report

Fiscal Years Ended August 31, 2014 and 2013

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Introductory Section



November 25, 2014

Honorable Chair, Board of Trustees, and Interim District President
Collin County Community College District
McKinney, TX

Dear Board Members and Interim District President:

The following comprehensive annual financial report of the Collin County Community College District (the District) for the fiscal year ended August 31, 2014, is hereby submitted. The purpose of this report is to provide detailed information about the financial condition and performance of the District. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

State statutes require an annual audit by independent certified public accountants. The District's Board of Trustees selected the accounting firm of Grant Thornton LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular*. Information related to the single audit is included in the single audit section of this report.

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

major federal and state financial award programs. It is also used to determine that the District has complied with significant applicable laws and regulations.

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

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

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

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

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

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

- setting and collecting tuition, rentals, rates, charges and fees
- establishing goals consistent with the District's role and mission
- appointing the tax assessor/collector
- ordering elections
- adopting a tax rate each fiscal year
- levying and collecting taxes and issuing bonds
- approving an itemized budget each year
- appointing the President
- hiring employees of the District

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

In order to maintain its status as an institution accredited by SACSCOC, the District must complete the reaffirmation of accreditation process every ten years. This process requires extensive self-study including the completion of a compliance certification document reflecting compliance with core requirements, comprehensive standards and federal regulations. Over the last two years, the District has been preparing for the reaffirmation of accreditation and has

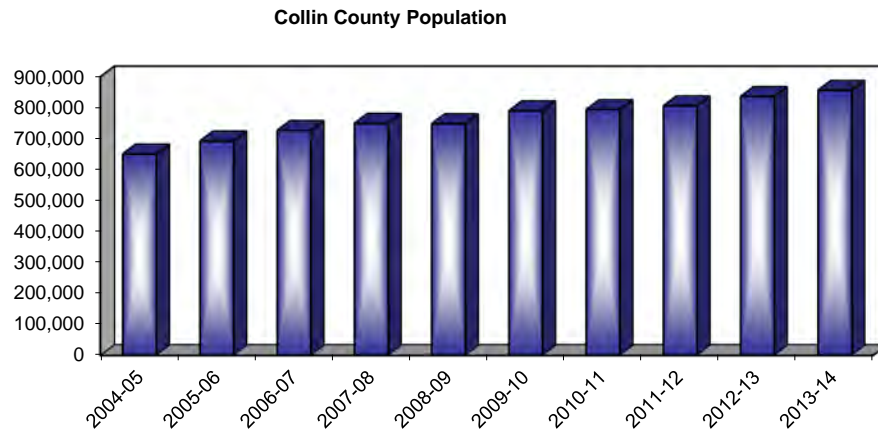
submitted the compliance certification documentation to the SACSCOC committee for the off-site review. The SACSCOC committee completed their on-site review in October 2014. A final disposition from the committee is expected in June 2015.

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

The District is located in Collin County which is in the Dallas metropolitan area of North Central Texas. The county consists of 889 square miles with a population density of approximately 962 residents per square mile in 2014. The population of Collin County is estimated to be about 854,778 according to the US Census Bureau.



Information provided by the US Census Bureau as of 2013 shows a 3.8% increase in the estimated populations in McKinney, Frisco, Plano, and Allen between 2012 and 2013. In the past ten years, Collin County has experienced an increase in population of 32% as illustrated in the graph that follows.



Component units

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

Inter-local agreements and partnerships

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

- The District has inter-local agreements with the Allen ISD and Rockwall ISD for satellite campuses to benefit students and staff.
- The District has reciprocal technical/occupational course agreements with the Dallas County Community College District, Tarrant County Community College District and Grayson County College, allowing students to enroll in programs not available in their home district at the in-county tuition rate.
- The road to medical school and other health care professions is shorter thanks to the unique partnership between Collin College and Plano Independent School District (PISD). The unique PISD Health Sciences Academy offers selected students a head start on health care careers while

they are still in high school, starting as early as ninth grade. Students can earn more than 50 hours of college credit and complete certifications in order to enter the health care workforce upon graduation from high school.

- The District has an agreement that allows Collin County to use up to sixteen strands of the District's Fiber Optic Wide Area Network (WAN), which is approximately 55 miles long, surrounds the county and connects our campuses with high speed communications.
- The District has an agreement with the Department of Homeland Security/Collin County Health Care Services to establish procedures to utilize the District's facilities and staff in case of a public health emergency.
- The District has agreements with four higher education institutions to dedicate classroom and lab facilities, office space and other student services at the Collin Higher Education Center in order to enable these institutions to provide upper-level undergraduate courses and graduate degree programs.
- On September 27, 2011, the District was selected by the U.S. Department of Labor in coordination with the U.S. Department of Education for a \$19,998,974 grant targeted for training and workforce development to help unemployed workers who are changing careers. The District is leading a consortium of six community colleges in the National Information, Security and Geospatial Technology Consortium and will focus training toward occupations that map to four IT disciplines: networking and data communication; applications development and analytics; geospatial technologies; and cyber security. The District received a no-cost extension for fiscal year 2014-15 to complete the objectives of the grant, originally scheduled to be completed in three years.
- The National Science Foundation awarded a \$4.4 million grant to the District's National Convergence Technology Center in August 2012. This grant allows the District to meet the growing workforce needs for convergence technology workers and further establishes the District as a leading voice in this industry.

Budget

Administrative Services, under the direction of the District Vice President of Administrative Services and CFO, maintains the District's budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the unrestricted current funds, auxiliary enterprise funds, restricted funds, unexpended plant funds, and retirement-of-indebtedness funds are included in the annual appropriated budget. The District

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

ECONOMIC CONDITION

Local economy

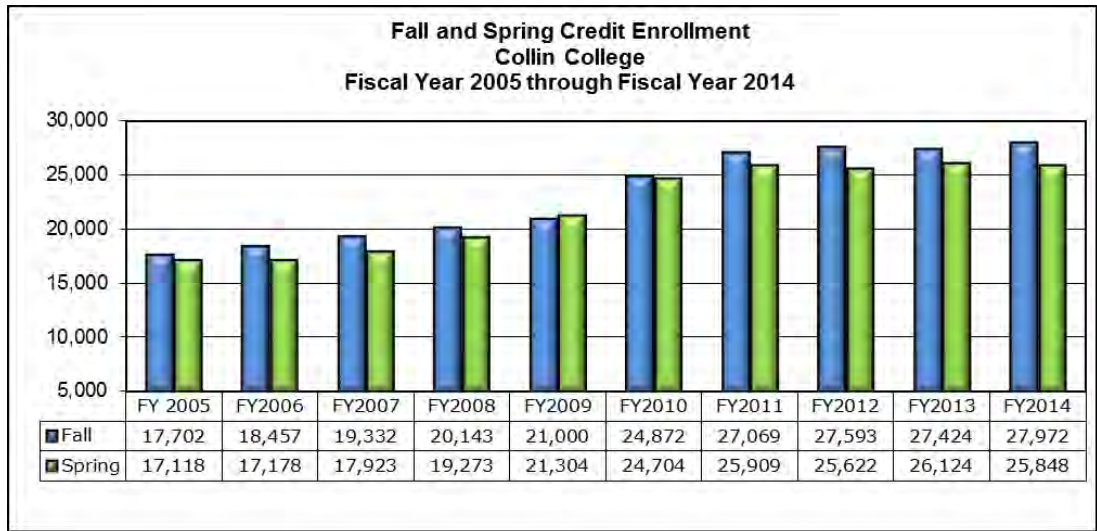
Major industries located within Collin County consist of finance, retail, computer technology, education, manufacturing, telecommunications, health care, and food industry. Possessing a well-educated workforce is a key factor in an area's ability to attract new businesses and maintain economic growth.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

Collin County had a civilian employed labor force from August 2013 to August 2014 of approximately 471,500 which was an increase of 2.4% over fiscal year 2013. The latest estimated unemployment rate for Collin County (August 2014) came in at 5.0%, compared to the state's rate of 5.5% and a national rate of 6.1%, according to the Bureau of Labor statistics and the Texas Workforce Commission.

Community colleges continue to play an important role in the State's workforce and economic development. Economic development depends on the strength of having a trained and educated workforce. As the economy changes due to automation, increased productivity, and advanced technology, the demand for physical jobs begins to decrease and workers are under greater pressure to learn new skills. Student enrollment at public two-year institutions in Texas has outnumbered enrollment in public four-year universities for more than ten years and state officials expect that trend to continue. According to the Texas Association of Community Colleges (TACC), more than 710,000 students enrolled in Texas public community colleges during the fall of 2013 compared to 587,000 at public Texas universities and 123,000 at independent college and universities.

The District headcount for credit enrollment for 2013-2014 held steady. (See the credit enrollment chart on the following page for the District's headcount statistics.) Comparing credit hours from Fall 2012 to Fall 2013, the District saw a slight increase of 1.1% totaling 2,628 credit hours. For Spring 2014, the District

saw a slight decrease in credit hours from 224,663 to 223,565 for a 0.5% decrease.



The 2013-2014 formula produced State appropriations were \$2,140 per full time student equivalent (FTSE). For years ending August 31, 2013, and 2012, the District received \$1,972, and \$1,970 per FTSE, respectively. The current year's funding rate, which includes appropriations for benefits, increased by 8.5% from last year's State funding rate.

The Board of Trustees approved a \$1, \$2, and \$7 per credit hour increase in tuition for in-county, out-of-county and out-of-state/country students, respectively, beginning Fall 2013. Tuition and fees for the District continue to rank in the lowest quartile among colleges and universities in the state of Texas. A quality education at the District remains a smart economical choice and a wise investment.

Appraised taxable values in Collin County have increased 6.2% from 2013 to 2014 with new construction increasing 44% from 2013 to 2014.

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

Long-term financial planning

The District's budget development begins with updating and reviewing a multiyear budget model to ensure adequate funding is available to implement current as well as long-term initiatives.

The District began construction of a 125,000 square foot Health Sciences Facility, 23,000 square foot Conference Center, and a surface parking lot at the Central Park Campus in June 2014. Total budgeted cost for the project is expected to be approximately \$50.3 million. Construction is expected to be completed within eighteen months, ready for occupancy for the Spring 2016 semester. In addition to the new construction, the project includes remodeling the existing facilities with the renovation scheduled for completion in the Summer 2016. The source of funding for the construction project are funds transferred from the current unrestricted fund.

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 August 2013. It is designed to minimize credit and market risks while maintaining a competitive yield on the portfolio. Accordingly, bank deposits were either insured by federal depository insurance or collateralized throughout the year.

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

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

Awards and Acknowledgements

Awards

The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for Fiscal Year ended August 31, 2013. This was the 17th 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

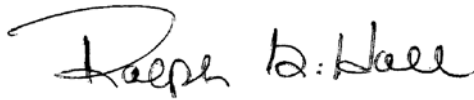
Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Texas Comptroller of Public Accounts awarded the District the Platinum Level Financial Transparency Award, the highest status in the program. To achieve this standard the District has made publically available online its budget, financial reports, tax information, check registers, investment data, and other information for the public in a clear, consistent and user-friendly format. The District is only one of two community colleges in the State receiving this distinction.

Acknowledgments

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

Respectfully submitted,



Ralph G. Hall
District Vice President of Administration and CFO



Julie Bradley
Associate Vice President, Controller/Student Financial Services



Barbara Jindra
Associate Vice President, Financial Services and Reporting



Government Finance Officers Association

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

Presented to

Collin County

Community College District

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2013

Executive Director/CEO

BOARD OF TRUSTEES



Mac Hendricks
Chair



Stacy Anne Arias
Vice-Chair



Dr. J.R. (Bob) Collins



Steve Cone



Larry Wainwright



Jenny McCall
Secretary



Nancy Wurzman
Treasurer



Andrew (Andy) Hardin



Adrian Rodriguez

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.



Officials and Staff

Elected Officials

<u>Board of Trustees</u>	<u>City</u>	<u>Term Expires</u>
Mac Hendricks Chair, Place 6	McKinney, Texas	May, 2019
Stacy Anne Arias Vice-Chair, Place 5	Celina, Texas	May, 2019
Jenny McCall Secretary, Place 2	Plano, Texas	May, 2017
Nancy Wurzman Treasurer, Place 1	Plano, Texas	May, 2017
Larry Wainwright Place 3	Allen, Texas	May, 2017
Adrian Rodriguez Place 4	Plano, Texas	May, 2019
Steve Cone (effective 11/24/14) Place 7	Frisco, Texas	May, 2015
Dr. J. Robert (Bob) Collins Place 8	Farmersville, Texas	May, 2015
Andrew (Andy) Hardin Place 9	Frisco, Texas	May, 2015

Principal Administrative Officers

<u>Name</u>	<u>Position</u>
Dr. Colleen Smith	Interim District President
Ralph G. Hall	District Vice President of Administrative Services/ CFO
Kim K. Davison	District Vice President of Organizational and Systems Effectiveness
Dr. Brenda Kihl	Vice President /Provost of Preston Ridge Campus
Dr. Mary S. McRae	Vice President/Provost of Spring Creek Campus
Dr. Barbara Money	Vice President of Student Development
Dr. Sherry Schumann	Vice President/Provost of Central Park Campus
Lisa R. Vasquez	Vice President of Public Relations and College Development
Dani Day	Vice President, Academic & Workforce Development
Norma Allen	Associate Vice President of Human Resources and Organizational Development

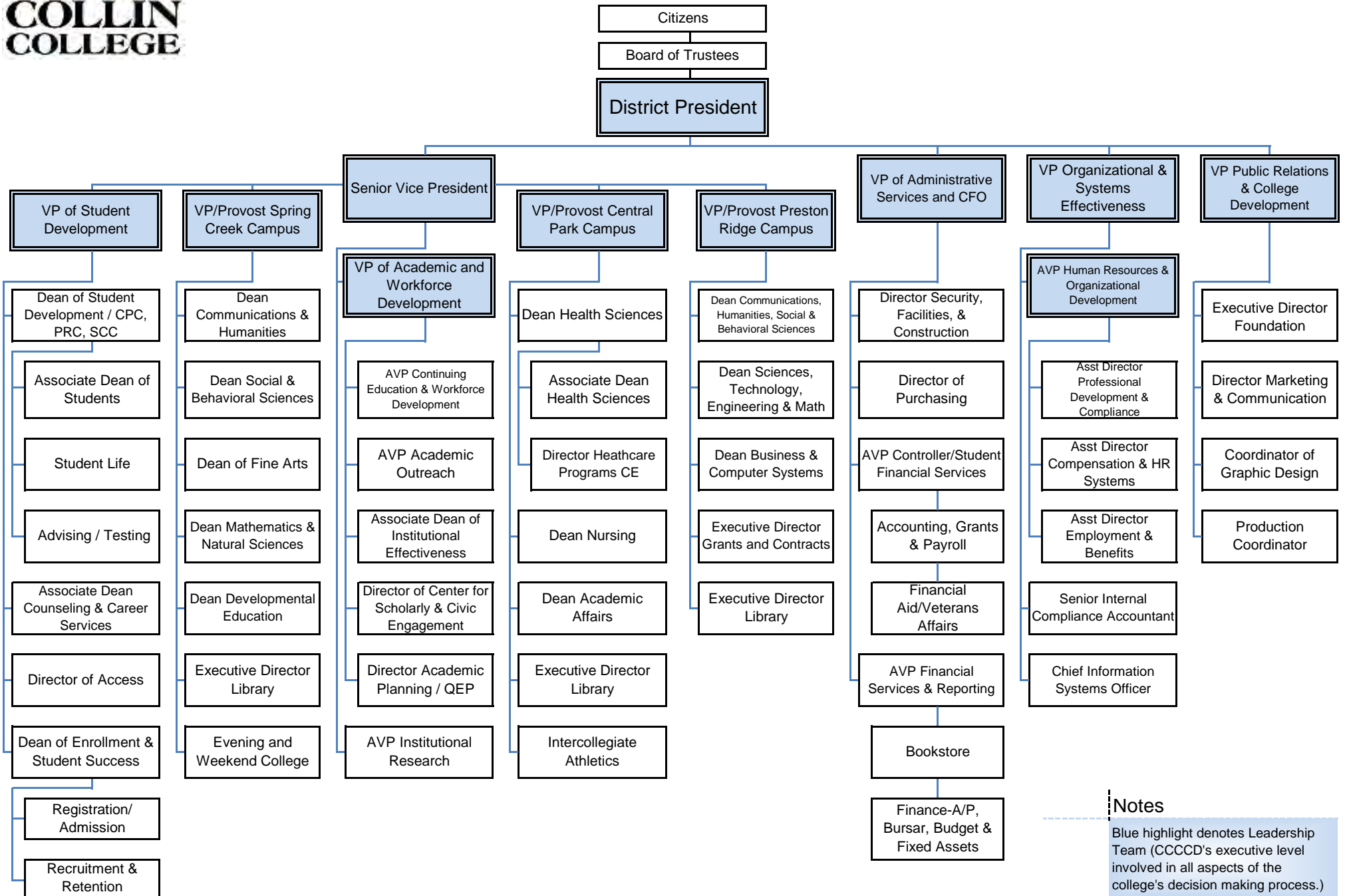
Financial Staff

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



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Organizational Chart



Notes

Blue highlight denotes Leadership Team (CCCCD's executive level involved in all aspects of the college's decision making process.)



Financial Section



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Collin County Community College District

Grant Thornton LLP
1717 Main Street, Suite 1500
Dallas, TX 75201-4667
T 214.561.2300
F 214.561.2370
GrantThornton.com
[linkd.in/GrantThorntonUS](https://www.linkedin.com/company/grantthorntonus)
twitter.com/GrantThorntonUS

Report on the financial statements

We have audited the accompanying financial statements of the Collin County Community College District (the "District") as of and for the years ended August 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We did not audit the financial statements of Collin County Community College Foundation, which represents the discretely presented component unit of the District. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based on the report of other auditors.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2014 and 2013, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 32 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2014, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas *Single Audit Circular*, respectively on pages 119 through 130, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 82 through 86, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

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

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 25, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

GRANT THORNTON LLP

Dallas, Texas
November 25, 2014

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Overview of the Financial Statements and Financial Analysis

Collin County Community College District (the District) is proud to present its financial statements for fiscal years ended August 31, 2014 and 2013 which are in conformance with Governmental Accounting Standards Board (GASB) standards. There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. These statements should be read in conjunction with the Letter of Transmittal and the Notes to the basic financial statements. The following Management's Discussion and Analysis (MD&A) reviews the District's financial activity during the fiscal years ended August 31, 2014, 2013, and 2012 and is intended to provide readers with an overview of the basic financial statements.

In accordance with GASB Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, the District is including financial statements for the District's discrete component unit, Collin County Community College Foundation ("the Foundation"). The Foundation financial statements are presented in a different format from the District with a December 31 year end, and are incompatible with the District's financial statements. Therefore, the Foundation's financial statements, for fiscal years ending December 31, 2013 and 2012 are presented on separate pages behind the District's basic financial statements. The Foundation Notes may be found in Note 20 under Component Units.

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

- Assets of the District exceeded liabilities at the close of the fiscal year on August 31, 2014, by \$460.6 million (net position). Of this amount, \$235.6 million (unrestricted net position) may be used to meet the District's ongoing obligations, compared to unrestricted net position in the prior fiscal year end totaling \$218.8 million.
- Operating revenues totaled \$46.3 million, an increase of \$2.6 million or 6% from fiscal year ending 2013 of \$43.7 million. Operating revenues increased due to tuition and fee increases of \$1.4 million or 5% and a \$1.1 million increase in federal grants and contracts revenues.
- An increase in non-operating revenues from state appropriations by 8% or a total of \$2.9 million was realized this fiscal year. This is the first year of the biennium, and also the first year the state appropriations formula included funding based on three categories: core operations - \$500,000, student success - \$3,383,781, and contact hour funding - \$29,252,294 for a total state appropriations of \$33,136,075. Benefits paid by the state on behalf of the District for health care and retirement benefits and included in the state appropriations revenue contributed to the overall increase in funds provided by the State from the prior year to the current year by approximately \$900,000.
- A 6% increase in non-operating revenues occurred from maintenance and operations ad valorem tax revenues from prior to current year. While the tax rate

of \$0.0800 remained the same for fiscal years 2013 and 2014, the adjusted assessed property values increased from \$75.8 billion to \$80.5 billion, resulting in the increased tax collections revenues. Total tax collections received for maintenance and operations has steadily increased over the last three years with the largest increase occurring in the most recent fiscal year. For fiscal years ending 2012, 2013, and 2014 the maintenance and operations tax collections were \$60.1 million, \$61.9 million, and \$65.4 million, respectively. See Note 15 for additional information on property taxes.

- Debt service revenues received from ad valorem taxes decreased 36% from the previous year by \$1.8 million due to the decrease in the tax rate assessed for debt service. The tax rate for debt service for fiscal year ending August, 31, 2013 was \$0.006299 and the rate for year ending August 31, 2014 was \$0.003643, a 42% reduction in the tax rate from the prior year to the current year. In addition to the taxes collected for debt service, the District used \$1.8 million from debt service fund balance to make general obligation bond principal and interest payments totaling \$4.4 million for fiscal year ending 2014. See Note 15 for additional information on property taxes.
- Operating expenses totaled \$151.9 million for fiscal year ending August 31, 2014 compared to \$147.0 million in the previous year, an increase of 3% or \$4.8 million. Instructional expenses account for 38% of total operating expenses. Of the \$4.8 million increase in operating expenses, \$2 million can be traced to increases in instructional expenses. Institutional support accounts for 10% of operating expenses which realized a 7% increase in expenses totaling \$1.0 million. Included in institutional support is bad debt expense and legal expenses as well as District administrative support services.
- The District's total bond debt decreased to \$39.0 million from \$42.8 million due to principal payments made during the year of \$2,865,000 and \$970,000 on General Obligation Bonds and Revenue Bonds, respectively. As required by GASB Statement 65, debt issuance costs are now required to be expensed in the year they are incurred. The remaining unamortized debt issuance cost balance related to the Series 2010 Limited Tax Refunding Bonds at August 31, 2013 totaling \$190,040 was expensed in the current fiscal year. The District continues to amortize the premium resulting from the Series 2010 Limited Tax Refunding Bonds. See Notes 6, 7, 8, and 9 for additional information on bonds payable.
- The State retirement contribution rate for fiscal year 2014 is 6.8% for TRS and 6.6% for ORP, up from 6.4% and 6.0%, respectively, in fiscal year 2013. The 83rd Texas Legislature passed Senate Bill 1812 which limits the State's contributions to the pension plan for community colleges to 50% of the State contribution rate. Therefore, the State paid 3.4% (of the 6.8%) and 3.3% (of the 6.6%) for TRS and ORP, respectively. The remaining 50% was paid by the District. The total retirement benefits paid by the state for fiscal years 2013 and 2014 were \$1.8 million and \$1.7 million respectively. See Note 10 for additional information on employees' retirement plan.

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Management's Discussion and Analysis Fiscal Years Ended August 31, 2014 and 2013

- The Board of Trustees approved the transfer of the Royden Lebrecht Quasi-Endowment Fund in the amount of \$1,581,057 plus accrued interest from the District to the Collin County Community College District Foundation.
- Six million dollars was expended in the current fiscal year on the Department of Labor Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant compared to \$4.8 million in the previous fiscal year, accounting for the increase in Federal grants and contracts revenue. The TAACCCT Grant is a \$19.9 million three-year grant. This was the third year of the three-year grant, however, since only 60% of the grant funds have been expended, or \$12.0 million, the District was granted a no-cost extension to complete the grant objectives in the next fiscal year.

Statement of Net Position

The 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, current and noncurrent liabilities, and net position (assets minus liabilities). Also shown is the sum of total liabilities and net position which equals total assets. See Table 1 below for condensed Statements of Net Position for the years ending August 31, 2012 through 2014.

From the information shown, 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 expenditures can be determined as well.

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

	Fiscal Year			Change	
	2014	2013	2012	2013 to 2014	2012 to 2013
Assets:					
Current assets	\$ 265.4	\$ 247.1	\$ 228.0	7.4%	8.4%
Capital assets	\$ 261.4	\$ 259.4	\$ 256.5	0.8%	1.1%
Total assets	\$ 526.8	\$ 506.5	\$ 484.5	4.0%	4.5%
Liabilities:					
Current liabilities	\$ 30.4	\$ 27.5	\$ 22.9	10.5%	20.1%
Noncurrent liabilities	\$ 35.7	\$ 39.7	\$ 43.6	-10.1%	-8.9%
Total liabilities	\$ 66.1	\$ 67.2	\$ 66.5	-1.6%	1.1%
Net position:					
Invested in capital assets, net of related debt	\$ 222.3	\$ 216.5	\$ 209.9	2.7%	3.1%
Restricted -- expendable	\$ 2.7	\$ 3.9	\$ 3.4	-30.8%	14.7%
Unrestricted	\$ 235.7	\$ 218.9	\$ 204.7	7.7%	6.9%
Total net position	\$ 460.7	\$ 439.3	\$ 418.0	4.9%	5.1%
Total liabilities & net position	\$ 526.8	\$ 506.5	\$ 484.5	4.0%	4.5%

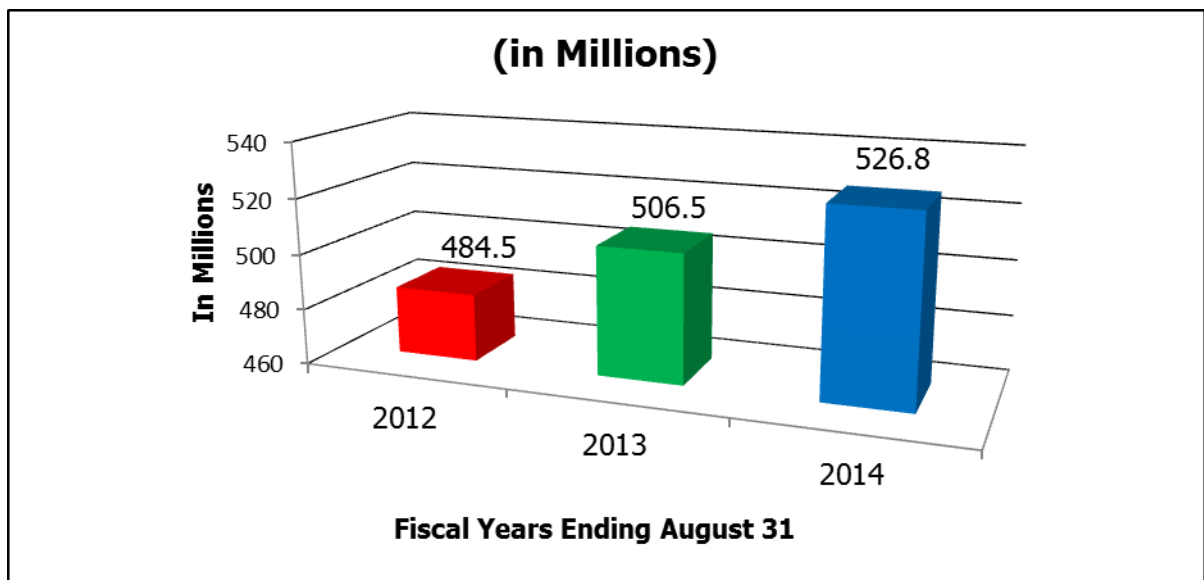
The net position is divided into three major categories.

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

Total assets of the District for fiscal year 2014 are \$526.8 million, an increase from \$506.5 million in fiscal year 2013 and \$484.5 million in fiscal year 2012. Total assets increased from fiscal year 2013 to fiscal year 2014 by \$20.3 million and by \$22.0 million from 2012 to 2013 with the increase occurring primarily in short term investments and capital assets not subject to depreciation.

Total assets continue to increase as indicated in the following graph below.

Graph 1: Total Assets



Current assets are comprised of several categories. Cash and cash equivalents include the District’s cash and investments in TexPool and TexSTAR, which are both statewide investment pools. Accounts receivables and short term investments account for 28% of total current assets. Other current assets include consumable inventory and inventories for resale related to the District’s bookstores, as well as prepaid assets. While all excess funds were held at TexPool and TexSTAR at year end for 2012 and 2013, the District invested in short term investments totaling \$64.9 million at August 31, 2014. These investments included certificate of deposits and U.S. Agency Notes and Bonds. Cash and cash equivalents decreased from 2013 to 2014 by \$45.6 million, from \$232.1 million to \$186.5 million. From fiscal year 2012 to 2013 cash and cash equivalents increased almost \$20 million, from \$213.5 million to \$232.1 million. See Notes 3 and 4 for additional information on investments.

Receivables totaling \$9.8 million include tuition and fees receivable, and accounts receivable, (net of allowance for doubtful accounts). Accounts receivable decreased overall by 4.2% from the prior fiscal year. The decrease in accounts receivable, net of allowance, is due to an increase in the allowance for doubtful accounts, an offset against accounts receivables. Based on the District's collection experience for student receivables it has been necessary to increase the receivables allowance account. For additional information on accounts receivables and collections for the current fiscal year, see Note 13.

Prepaid expenses are consistent with previous year's prepaid expenses. Inventories for resale decreased from 2013 to 2014 by about \$1.0 million or 26.7% due to write-offs of obsolete inventory totaling \$409 thousand, and inventory discrepancies occurring due to new bookstore software implementation. Notes 2(e-i), and 13 provide additional information on current assets.

Non-current assets consist of capital assets. Capital assets include land, land improvements, buildings, equipment, WAN/LAN network equipment, library books and construction in progress, and are shown net of accumulated depreciation. Further information regarding capital assets is shown in Notes 2(j) and 5, as well as in the MD&A paragraph under the heading *Capital Assets and Debt Administration*.

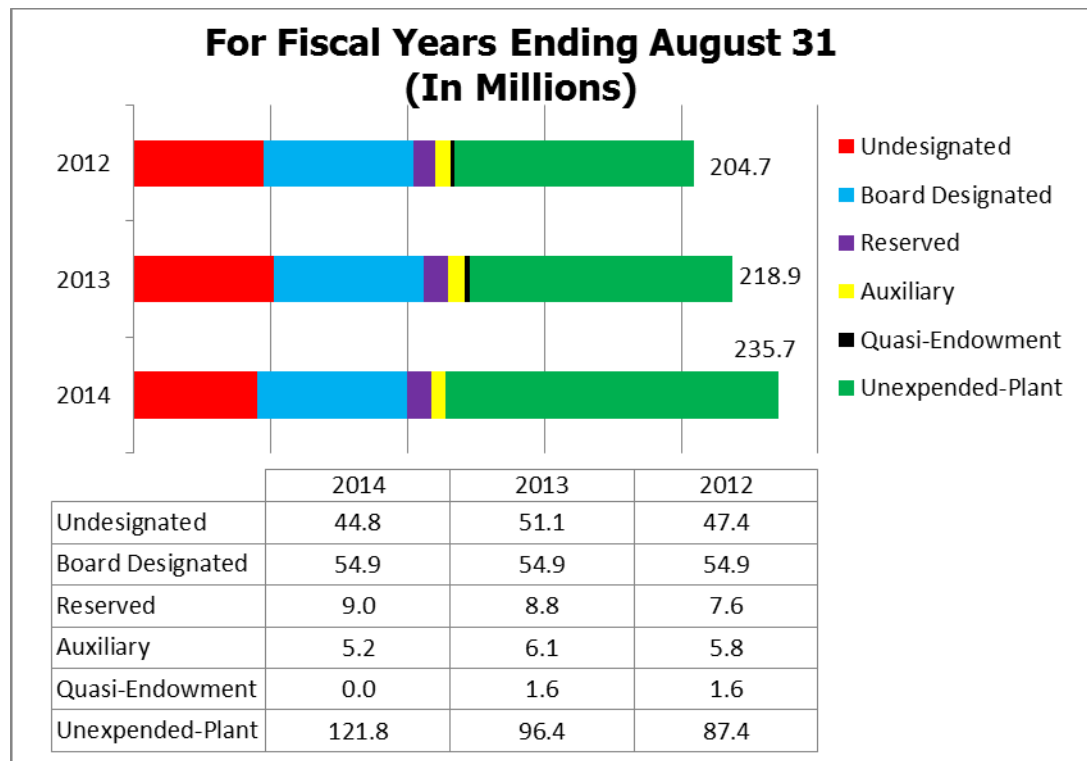
Total liabilities of the District are \$66.1 million, 67.2 million, and 66.5 million in fiscal years ending August 31, 2014, 2013, and 2012, respectively, less than a 2% change from any one year to the next. Current liabilities are made up of accounts payable, accrued liabilities, funds held for others, unearned revenues and the current portions for accrued compensable absences and bonds payable. A liability is considered to be current if it is due within one year. Accounts payable and unearned revenues account for the largest percentage of current liabilities with accounts payable representing 34% of \$30.4 million in current liabilities and unearned revenues making up 51% of current liabilities for the current fiscal year. This compares to 31% and 52%, respectively for accounts payable and unearned revenues as a percentage of total current liabilities for the prior fiscal year, 2013 which totaled \$27.5 million.

The current year payables include payroll payables totaling \$1.5 million, \$2.7 million payable related to construction of the new Health Science Facility and Conference Center at Central Park Campus and \$361 thousand payable for renewal and replacement projects. A \$1.0 million decrease in the short-term overdraft from prior to current fiscal year, and a \$1.2 million reduction in auxiliary payables from prior to current year accounts for the net overall increase in accounts payable from prior year to current year of \$1.5 million. The accounts payable increase of \$4.0 million from 2012 to 2013 as shown was due to a timing difference for payroll payables, an increase in bookstore payables, and an increase in short-term overdraft to \$2.7 million at August 31, 2013 compared to \$1.0 million the previous year. See Note 13 for additional information on payables.

The two non-current liabilities are accrued compensable absences payable and the remainder of the bonds payable representing the portion which is not due within one year. Further information regarding long-term liabilities is shown in Notes 2(n), 6, 7, and 8.

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 \$16.8 million, or 7.7% from prior year to the current year. Total unrestricted net positions at August 31, 2014, 2013, and 2012 totals \$235.7 million, \$218.9 million, and \$204.7 million, respectively. The Board of Trustees has designated \$24.75 million and \$30 million of the unrestricted, unreserved net position for stabilization of maintenance and operations and health insurance reserves, respectively. Designating a portion of the District's net position for these purposes protects the District in the event ad valorem property taxes decline and/or health insurance benefits provided by the State are decreased. See graph below for a graphical representation of the components of current unrestricted net position.

Graph 2: Current Unrestricted Net Position



Statement of Revenues, Expenses and Changes in Net Position

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

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Management's Discussion and Analysis Fiscal Years Ended August 31, 2014 and 2013

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

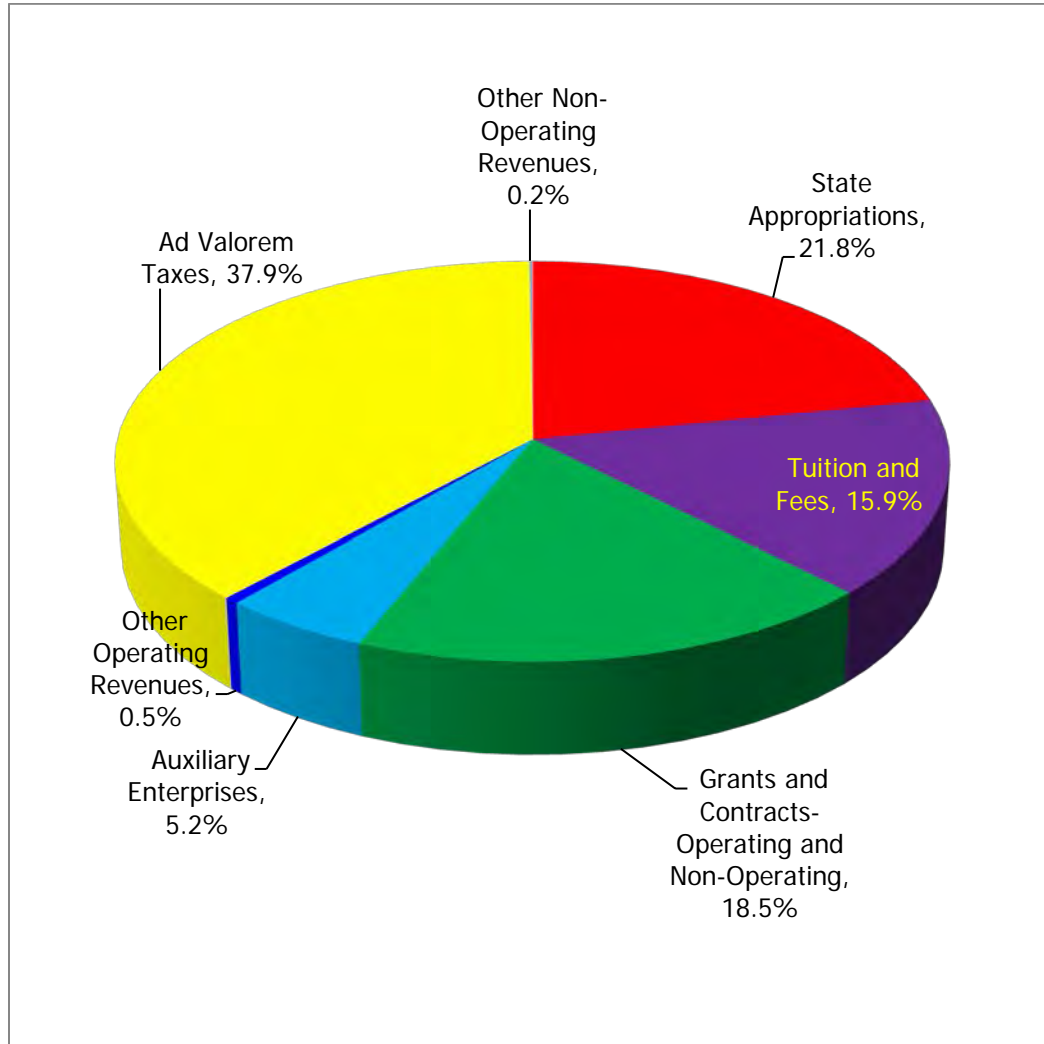
	Fiscal Year			Change	
	2014	2013	2012	2013 to 2014	2012 to 2013
Operating revenues:					
Tuition and Fees (Net)	\$ 28.0	\$ 26.6	\$ 23.7	5%	12%
Grants and Contracts	\$ 8.2	\$ 6.7	\$ 2.9	22%	131%
Auxiliary enterprises	\$ 9.2	\$ 9.6	\$ 10.0	-4%	-4%
Other operating revenues	\$ 0.9	\$ 0.8	\$ 0.7	13%	14%
Total operating revenues	\$ 46.3	\$ 43.7	\$ 37.3	6%	17%
Operating expenses:					
Instruction	\$ 58.7	\$ 56.7	\$ 52.3	4%	8%
Public service	\$ 0.6	\$ 0.6	\$ 0.6	0%	0%
Academic support	\$ 15.6	\$ 14.8	\$ 10.1	5%	47%
Student services	\$ 9.7	\$ 8.9	\$ 8.4	9%	6%
Institutional support	\$ 15.5	\$ 14.4	\$ 13.7	8%	5%
Operation and maintenance of plant	\$ 13.3	\$ 13.6	\$ 11.8	-2%	15%
Scholarships	\$ 20.1	\$ 20.7	\$ 22.2	-3%	-7%
Auxiliary enterprises	\$ 10.9	\$ 10.0	\$ 10.0	9%	0%
Depreciation	\$ 7.5	\$ 7.3	\$ 6.8	3%	7%
Total operating expenses	\$ 151.9	\$ 147.0	\$ 135.9	3%	8%
Operating loss	\$ (105.6)	\$ (103.3)	\$ (98.6)	2%	5%
Non-operating revenues (expenses):					
State appropriations	\$ 38.4	\$ 35.5	\$ 34.4	8%	3%
Ad-valorem taxes (Net)	\$ 67.0	\$ 65.1	\$ 63.3	3%	3%
Federal revenue, Non-operating	\$ 24.4	\$ 25.3	\$ 27.1	-4%	-7%
Interest on capital related debt	\$ (1.7)	\$ (1.8)	\$ (1.9)	-6%	-5%
Other non-operating revenues, net	\$ (1.2)	\$ 0.5	\$ 0.8	-340%	-38%
Net non-operating revenues	\$ 126.9	\$ 124.6	\$ 123.7	2%	1%
Increase in net position	\$ 21.3	\$ 21.3	\$ 25.1	0%	-15%
Net position - beginning of year	\$ 439.3	\$ 418.0	\$ 392.9	5%	6%
Net position - ending of year	\$ 460.6	\$ 439.3	\$ 418.0	5%	5%

61% percent of operating revenues consists of tuition and fees, net of discounts for both fiscal years ending 2014 and 2013. For fiscal years ending 2014, 2013, and 2012 tuition and fees, net of discounts was \$28.0 million, \$26.6 million, and \$23.7 million, respectively.

An increase in tuition and fees totaling 5% occurred from 2013 to 2014 due to an increase in tuition and fees beginning Fall 2013 of \$1, \$2, and \$7 per credit hours for in-county, out-of-county, and out-of-state/country residents, respectively. The increase in credit tuition was approximately \$1.8 million, although continuing education tuition showed a slight decline in revenues from fiscal year ending 2013 to 2014 totaling \$160 thousand. Total credit hours for fiscal year ending 2014 compared to 2013, was down slightly, by approximately .5% or 2,669 credit hours.

See the chart below for breakdown, by category, for total revenues, operating and non-operating for the District for fiscal year ending August 31, 2014.

Graph 3: 2014 Total Operating and Non-Operating Revenues



Tuition and fees increased from fiscal year ending 2012 to 2013 by \$2.9 million, an increase of 11.9% from the previous year. The District raised tuition for the first time since 2004 for in-county residents by \$3 per credit hour to a total of \$30 per credit hour beginning with the Spring 2013 semester. Tuition for all other students increased \$5 per credit hour. Total credit hours increased slightly from fiscal year ending 2012 to 2013, by 1.2%. For the fiscal years ending 2014, 2013, and 2012, scholarship allowances and discounts were \$6,962,093, \$6,652,045, and \$7,317,349 respectively. A 5% increase in scholarship allowances from 2013 to 2014 resulted from an increase in waivers, whereas decrease in scholarship allowances occurred from 2012 to 2013 due primarily to decreases in Pell and Texas Public Education Grants.

A 22% increase in federal grants and contracts from the prior year to the current year occurred as a result of increased expenditures for the Department of Labor Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant, and the National Science Foundation grant. Grants and contracts from fiscal year 2012 to 2013

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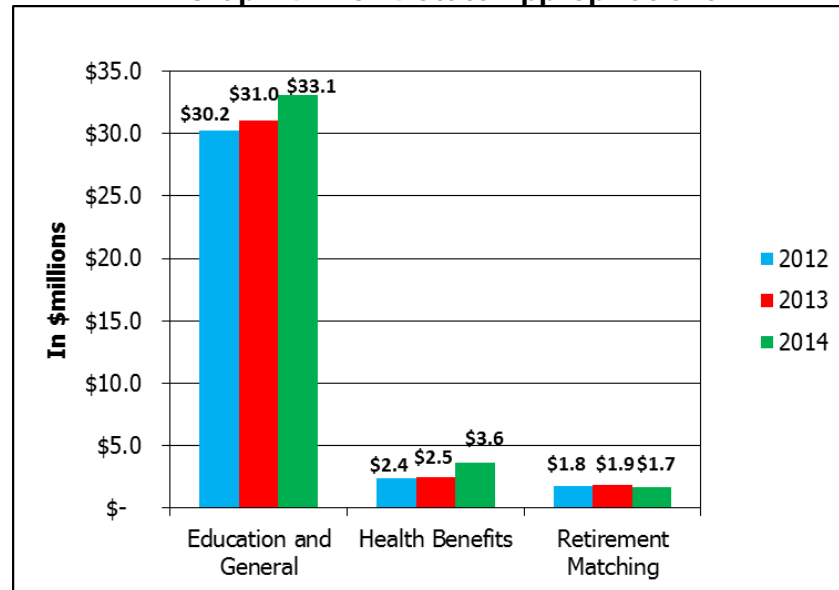
Management's Discussion and Analysis Fiscal Years Ended August 31, 2014 and 2013

increased \$3.8 million, an almost 130% increase from the prior year. The 2013 fiscal year was the second year of the three year Department of Labor TAACCCT grant. The first year of the TAACCCT grant, fiscal year 2012, the District received \$1.1 million in revenues for expenses incurred related to the TAACCCT grant and \$4.8 million in revenues for expenses incurred during 2013. Grant revenues are recognized to the extent grant expenses are incurred.

As noted above, non-operating revenues are funds received for which goods and services are not provided. The primary source of non-operating revenues comes from State appropriations, ad valorem taxes and federal revenues received for the Federal Pell Program, Federal Supplemental Educational Opportunity Grants and Federal Work-Study Program. Other non-operating revenues consist of net investment income, gifts, and other non-operating revenues.

State appropriation funding consists of education and general state support, state group insurance, and state retirement matching. As shown in Graph 4 below, funding from the State for education and general increased 2.7% from 2012 to 2013 and 6.6% from 2013 to 2014. Beginning in fiscal year 2014, State funding is divided between three categories: core operations, student success, and contact hour funding. Prior year's State funding was based solely on contact hours. The State continues to provide an allocation for health benefits and from 2013 to 2014 the allocation increased 41% from \$2.5 million to \$3.6 million. The increase from the State health benefits allocation helped offset the 7% increase in insurance premiums from 2013 to 2014.

Graph 4: 2014 State Appropriations



Instead of providing an allocation for retirement benefits as has been the practice in prior years, beginning with the current fiscal year ending August 31, 2014, the State legislature passed Senate Bill 1812 which provides for the State to pay fifty percent of the state matching for benefits eligible employees for Optional Retirement (ORP) and Texas Retirement System (TRS) contributions. The prior and current year's allocations for retirement benefits for both ORP and TRS was approximately \$1.8 million and \$1.7 million,

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respectively. This represents a decrease in the State's retirement contribution of 7.6% from the prior year to the current year.

Revenues from ad valorem taxes for maintenance and operation increased by \$3.5 million due to assessed taxable values increasing from \$75.791 billion to \$80.479 billion from fiscal year ending 2013 to 2014. Ad valorem taxes assessed and received for debt service declined due to a reduction in the assessed tax rate from .006299 to .003643. A reduction in federal grants and contracts occurred primarily as a result of a decrease in Pell grants from fiscal year 2013 to 2014 by almost \$1.0 million.

Operating Expenses by Functional Classification

Functional classifications are the traditional categories that have been used to show expenses. They represent the type of programs and services provided. In Table 3 below, a comparison of the District's functional operating expenses from 2012 through 2014 is presented.

Table 3: Operating Expenses by Functional Classification (in Millions)

	Fiscal Year			% Change	
	2014	2013	2012	2013 to 14	2012 to 13
Instruction	\$ 58.7	\$ 56.7	\$ 52.3	3.5%	8.4%
Public Service	0.6	0.6	0.6	0.0%	0.0%
Academic Support	15.6	14.8	10.1	5.4%	46.5%
Student Services	9.7	8.9	8.4	9.0%	6.0%
Institutional Support	15.5	14.4	13.7	7.6%	5.1%
Operation and Maintenance of Plant	13.3	13.6	11.8	-2.2%	15.3%
Scholarships	20.1	20.7	22.2	-2.9%	-6.8%
Auxiliary Enterprises	10.9	10.0	10.0	9.0%	0.0%
Depreciation	7.5	7.3	6.8	2.7%	7.4%
Total	\$ 151.9	\$ 147.0	\$ 135.9	3.33%	8.17%

Overall operating expenses increased 3% and 8% from fiscal years 2013 to 2014 and from 2012 to 2013, respectively. The Board of Trustees approved a 4% salary increase for faculty, staff, and administrators for the current fiscal year, a 3.5% increase for fiscal year ending 2013. No salary increase was approved for fiscal year ending 2012. A 4% increase in instruction expenses occurred from fiscal year 2013 to 2014 made up primarily of an increase in faculty salaries. The District strives to maintain a 50 to 50 ratio of full time to part time faculty. District administrators evaluate the full time to part time ratios each year and make recommendations to hire additional full time faculty to meet this objective for the next budget period. Based on this evaluation in the Fall of 2012, the District hired fourteen new faculty for the 2013-14 fiscal year. In addition, new TRS

regulations requiring the District to provide benefits for employees working in excess of twenty hours resulted in hiring additional nursing faculty. Instruction saw an increase in expenses of 8.4% from 2012 to 2013 due to the salary increase and the hiring of nine new faculty. An increase in the allocation of benefits from \$3.75 million in 2012 to \$5.41 million in 2013 also contributed to the overall increase in instruction.

As in the previous year, the increase in expenses in academic support functional area from 2013 to 2014 was due primarily to reimbursements made to the partner colleges for the Department of Labor TAACCCT Grant. From fiscal year ending August 31, 2012 to 2013, \$3.7 million of the \$4.6 million increase in academic support expenses was a result of expenses for the Department of Labor TAACCCT Grant.

Institutional support expenses consist of the District's executive management, fiscal operations, general administration, public relations and development, and information technology. From fiscal years 2012 to 2013 and from 2013 to 2014, institutional support saw a 5.1% and 7.6% increase, respectively. As discussed previously, much of the increase for this category is due to an increase in salaries of 3.5% and 4.0% for 2013 and 2014. In addition, the District has seen an increase in expenses for legal fees, software and software training, and bad debt related to student receivables for the current fiscal year.

Operations and maintenance of plant expenses totaling \$13.3 million was consistent with prior year's expenses totaling \$13.6 million, whereas plant operations experienced a 15% increase in expenses between fiscal year ending 2012 and 2013 totaling \$1.7 million. The increase was attributable in part to non-capital outlay for equipment and furniture for the new Spring Creek library and remodeling of the existing campus. In addition, expenses for contractual services, including custodial services, and maintenance agreements contributed to the overall increase in operations and maintenance from fiscal year 2012 to 2013.

The District provides for renewal and replacement of physical plant annually by budgeting \$2 million. Additional funds for renewal and replacement were budgeted at mid-year for the major expenses related to the replacement of the cooling towers and upgrading the HVAC system at the Preston Ridge Campus. For the current fiscal year, \$2.6 million was expended for renewal and replacement of plant. Expenses include:

- painting-all campuses
- remodeling rest rooms-Spring Creek Campus, Preston Ridge Campus
- parking lot and paving repairs-Central Park Campus, Spring Creek Campus, Preston Ridge Campus
- replacement of physical plant equipment including upgrading HVAC equipment and replacing cooling towers at the Preston Ridge Campus, replacing pumps, fire alarm panel, and ceiling tiles at the Spring Creek campus, and chillers at the Central Park Campus.

These expenses are included in operation and maintenance of plant. Prior year expenses incurred for renewal and replacement totaled \$1.8 million.

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Depreciation expense increased by 2.7% from \$7.3 million in fiscal year ending 2013 to \$7.5 million in 2014, due to an increase in depreciable capital equipment and library books totaling \$2.1 million. As noted in the Capital Assets section of the MD&A, the District has begun construction on a Conference Center and Health Science Facility at the Central Park Campus. At year ending August 31, 2014, however, all costs associated with the construction are recorded as Construction in Progress and will not be included as depreciable assets until construction is complete.

Scholarship expense decreased 2.9%, down from \$20.7 million in 2013 to \$20.1 million in 2014. The decrease in scholarship expense was down 6.8% from 2012 to 2013 or \$1.5 million. The reduction in scholarship expense from 2012 through 2014 is a result of reduction in Pell awards due to more stringent student financial aid eligibility requirements, the introduction by the Department of Education lifetime Pell limits, as well as District policies implemented for satisfactory academic progress.

Capital Assets and Debt Administration

The Board of Trustees approved the construction of a new Conference Center and Health Science Facility at the Central Park Campus. The guaranteed maximum price (GMP) approved by the Board for construction costs was \$43.8 million. Construction began in June 2014 and is expected to be ready for occupancy by January 2016. In addition to new construction, the existing facility is scheduled to be renovated with the renovation costs totaling \$2.8 million. The renovation costs are included in the GMP. The renovation is expected to be completed by the summer 2016. The entire project costs, including architectural fees, materials testing, and furniture and equipment is expected to total approximately \$50.3 million. The project is being funded with transfers from the current unrestricted fund.

At August 31, 2013, the District completed construction on the Spring Creek Library, an adjoining parking lot, and completed the renovation of the existing Spring Creek campus library, laboratories, and print shop. The District capitalized \$25.1 million for the construction and renovation at the Spring Creek Campus.

Table 4: Capital Assets

	2014	2013	2012
Land	\$ 25,654,319	\$ 25,654,319	\$ 25,654,319
Construction in progress	7,892,862	551,250	17,357,285
Buildings	206,937,657	211,754,209	193,347,100
Land improvements	10,837,665	11,544,912	10,148,878
Equipment	5,858,198	5,837,690	6,307,005
Library Books	4,146,266	4,013,007	3,685,132
WAN/LAN network equipment	31,820	33,372	34,924
Total	<u>\$ 261,358,787</u>	<u>\$259,388,759</u>	<u>\$256,534,643</u>

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At August 31, 2014, amounts committed under construction contracts were \$38.6 million. These commitments are for the construction projects at the Central Park Campus as noted above. The preceding table shows the capital assets for the fiscal years ending August 31, 2014, 2013, and 2012. Additional information regarding capital assets may be found in Note 5.

The District's outstanding general obligation bonds at year ending 2014 consists of Series 2006 and 2010 tax improvement bonds totaling \$34,805,723. The Series 2003 general obligation bonds were paid off in the current fiscal year. All general obligation bonds are funded through ad valorem taxes. Revenue bonds totaling \$4,195,000 are outstanding at year end and are collateralized by pledged revenues of the unrestricted current funds, excluding state allocations or those raised by local taxes.

Table 5: Bond Obligations

	2014	2013	2012
General obligation bonds	\$ 34,805,723	\$ 37,694,245	\$ 40,467,768
Revenue bonds	4,195,000	5,165,000	6,110,000
Total	<u>\$ 39,000,723</u>	<u>\$ 42,859,245</u>	<u>\$ 46,577,768</u>

Noted in the table above is the outstanding debt at the end of fiscal year 2014, compared to the debt at the end of the two previous fiscal years ending 2013 and 2012.

As of August 31, 2014, the district's bond ratings with both Moody's Investors Service and Standard and Poor's continues to remain at an Aaa/AAA rating since being elevated to this level at the issuance of the bonds in 2002. The most recent review by Standard and Poor's rating agency occurred in September 2013, with the agency reaffirming its AAA rating of the District.

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

Economic Factors That Will Affect the Future

The economic position of the District is closely tied to that of Collin County and the State of Texas. Tax revenues provide the largest source of revenue for the District at 37.9% of total revenues. Property values for fiscal year 2014 increased 6.2%, resulting in additional tax collections of \$3.5 million for maintenance and operations. Tax collections increased 3% or by \$1.8 million from 2012 to 2013. An expected increase in appraised values totaling 9.5% is expected to generate additional tax revenues of \$5.1 million for the 2014-15 fiscal year. For fiscal year 2014-15, the maintenance and operations tax rate was set at \$.078965, a reduction from \$0.0800 for the first time since fiscal year ending 2000. The tax revenues generated are expected to be sufficient to meet the District's needs due to the anticipated increase in appraised property values. Similarly, the District lowered the ad valorem tax rate for debt service for 2014-15 fiscal year to \$0.002995 from \$0.003643 in 2014, and \$0.006299 in 2013.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

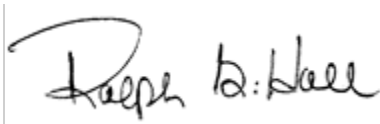
Management's Discussion and Analysis Fiscal Years Ended August 31, 2014 and 2013

State appropriations provide 21.8% of total revenue. State appropriations per full-time student equivalent (FTSE) increased 8.5% for the current year to \$2,140 from \$1,972 in 2013. The increase can be attributable primarily to the increase in the group insurance allocation. State funding per FTSE for the two previous years was \$1,970 in 2012 and \$1,972 in 2013. The District will continue to receive the majority (90%) of state funding based on contact hours, but a portion (10%) of the funding is tied to a success-points system in which colleges earn funding for students' academic milestones, such as earning an associate's degree, a certificate or transferring to a university. Also included in the District's State appropriations is \$500,000 for core operations for each year of the biennium.

The Board approved a tuition increase effective Fall 2014 increasing in-county tuition by \$1 per credit hour and by \$3 per credit hour for out-of-county, out-of-state, and out-of-country. No increase in enrollment is expected for the upcoming year.

The Board of Trustees approved a 4% increase in salaries for the upcoming fiscal year for which the District reserved \$3.8 million in the budget to accommodate the salary increase.

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



Ralph G. Hall
District Vice President of Administration and CFO



Julie Bradley
Associate Vice President, Controller/
Student Financial Services



Barbara Jindra
Associate Vice President of
Financial Services and Reporting

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Basic Financial Statements

These 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

**Statements of Net Position
As of August 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Assets		
Current assets		
Cash and cash equivalents (note 4)	\$ 186,496,371	\$ 232,058,662
Accounts receivable (net of allowance for doubtful accounts of \$1,758,366 and \$1,325,641 respectively - note 13)	9,752,773	10,175,215
Short Term Investments (note 4)	64,987,597	0
Tax receivable (net of allowance for doubtful accounts of \$824,816 and \$661,442 respectively - note 13)	446,086	401,970
Consumable inventory	45,759	28,684
Inventories for resale	2,834,246	3,868,148
Prepaid expenses	822,023	612,983
Total current assets	<u>265,384,855</u>	<u>247,145,662</u>
Noncurrent assets		
Capital assets, net (note 5)		
Not subject to depreciation	33,547,181	26,205,569
Subject to depreciation	227,811,606	233,183,190
Total noncurrent assets	<u>261,358,787</u>	<u>259,388,759</u>
Total assets	<u>526,743,642</u>	<u>506,534,421</u>
Liabilities		
Current liabilities		
Accounts payable (note 13)	10,243,835	8,708,250
Accrued liabilities	265,438	284,481
Funds held for others	381,036	381,903
Unearned revenue	15,321,811	14,179,534
Accrued compensable absences payable	145,441	107,943
Bonds payable - current portion (note 6)	3,995,000	3,835,000
Total current liabilities	<u>30,352,561</u>	<u>27,497,111</u>
Noncurrent liabilities		
Accrued compensable absences payable	717,423	689,861
Bonds payable (notes 6, 7, 8 and 9)	35,005,723	39,024,245
Total noncurrent liabilities	<u>35,723,146</u>	<u>39,714,106</u>
Total liabilities	<u>66,075,707</u>	<u>67,211,217</u>
Net Position		
Net investment in capital assets	222,287,496	216,482,469
Restricted for:		
Expendable		
Student aid	565,533	448,942
Instructional programs	53,237	39,917
Loans	21,708	21,481
Debt service	2,063,560	3,431,394
Unrestricted	235,676,401	218,899,001
Total Net Position	<u>460,667,935</u>	<u>439,323,204</u>
Total Liabilities and Net Position	<u>\$ 526,743,642</u>	<u>\$ 506,534,421</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC
Statements of Financial Position
December 31, 2013 and 2012

Assets	<u>2013</u>	<u>2012</u>
Cash & Cash Equivalents	\$ 569,326	\$ 680,901
Investments	6,819,915	5,724,497
Accounts Receivable	0	27,306
Pledges Receivable	2,281,184	139,686
Total Assets	<u>\$ 9,670,425</u>	<u>\$ 6,572,390</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ 314	\$ 612
Other Liabilities	<u>43,566</u>	<u>19,313</u>
Total Liabilities	<u>43,880</u>	<u>19,925</u>
Net Assets:		
Unrestricted	507,385	328,241
Temporarily Restricted	3,049,198	2,383,500
Permanently Restricted	<u>6,069,962</u>	<u>3,840,724</u>
Total Net Assets	<u>9,626,545</u>	<u>6,552,465</u>
Total Liabilities and Net Assets	<u>\$ 9,670,425</u>	<u>\$ 6,572,390</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended August 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$6,962,093 and \$6,652,045 respectively)	\$ 27,967,481	\$ 26,569,192
Federal grants and contracts	7,229,621	6,067,520
State grants and contracts	964,194	628,453
Non-governmental grants and contracts	13,320	0
Sales and services of educational activities	550,913	426,387
Auxiliary enterprises	9,240,358	9,617,775
Other operating revenues	350,264	406,538
Total operating revenues	<u>46,316,151</u>	<u>43,715,865</u>
Expenses		
Operating expenses:		
Instruction	\$ 58,718,787	56,679,653
Public service	556,778	560,542
Academic support	15,605,938	14,847,063
Student services	9,716,643	8,941,731
Institutional support	15,469,145	14,401,055
Operation and maintenance of plant	13,274,011	13,557,062
Scholarships	20,149,733	20,731,109
Auxiliary enterprises	10,899,311	10,048,826
Depreciation	7,544,508	7,315,549
Total operating expenses	<u>151,934,854</u>	<u>147,082,590</u>
Operating loss	<u>(105,618,703)</u>	<u>(103,366,725)</u>
Non-operating revenues (expenses):		
State appropriations	38,457,174	35,504,958
Maintenance ad-valorem taxes:		
Taxes for maintenance and operations	63,956,055	60,394,776
Taxes for general obligation bonds	3,022,421	4,754,504
Federal grants and contracts	24,431,878	25,332,176
Gifts - noncapital	31,200	49,005
Investment income (net of investment expenses)	113,223	238,855
Interest on capital related debt	(1,664,760)	(1,797,093)
Other non-operating revenues	200,000	200,000
Other non-operating expenses	(1,583,757)	(1,100)
Net non-operating revenues	<u>126,963,434</u>	<u>124,676,081</u>
Increase in net position	<u>21,344,731</u>	<u>21,309,356</u>
Net position - beginning of year	439,323,204	418,013,848
Net position - ending of year	<u>\$ 460,667,935</u>	<u>\$ 439,323,204</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.
Statement of Activities
December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Change in Net Assets:				
Revenues, Gains and Other Support:				
Donations and Grants	\$ 9	\$ 421,569	\$ 2,122,392	\$ 2,543,970
Indirect Public Support	0	2,196	0	2,196
Special Events and Fundraising	40,419	146,579	4,750	191,748
Less: Cost of Direct Benefit to Donors	(24,519)	0	0	(24,519)
Investment Income	39,727	94,188	15,902	149,817
Unrealized Gains/(Losses) on Investments	(51,459)	(165,002)	0	(216,461)
Realized Gains/(Losses) on Investments	216,970	503,686	86,194	806,850
Net Assets Released from Restrictions	337,518	(337,518)	0	0
Total Revenues, Gains, and Other Support	<u>558,665</u>	<u>665,698</u>	<u>2,229,238</u>	<u>3,453,601</u>
Expenses:				
Program Services:				
Scholarships	315,307			315,307
Scholarship Reception	27,881			27,881
Program Enhancements	11,890			11,890
Total Program Services	<u>355,078</u>			<u>355,078</u>
Management and Fundraising:				
Accounting Fees	6,600			6,600
Insurance	1,599			1,599
Investment Expense	12,724			12,724
Miscellaneous	3,333			3,333
Fundraising	187			187
Total Management and Fundraising	<u>24,443</u>			<u>24,443</u>
Total Expenses	<u>379,521</u>			<u>379,521</u>
Change in Net Assets	179,144	665,698	2,229,238	3,074,080
Net Assets at Beginning of Year	<u>328,241</u>	<u>2,383,500</u>	<u>3,840,724</u>	<u>6,552,465</u>
Net Assets at End of Year	<u>\$ 507,385</u>	<u>\$ 3,049,198</u>	<u>\$ 6,069,962</u>	<u>\$ 9,626,545</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.
Statement of Activities
December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Change in Net Assets:				
Revenues, Gains and Other Support:				
Donations and Grants	\$ 0	\$ 298,243	\$ 110,675	\$ 408,918
Indirect Public Support	0	983	0	983
Special Events and Fundraising	32,769	133,525	4,750	171,044
Less: Cost of Direct Benefit to Donors	(17,792)	0	0	(17,792)
Investment Income	27,204	113,043	10,796	151,043
Unrealized Gains/(Losses) on Investments	40,581	396,411	0	436,992
Realized Gains/(Losses) on Investments	23,574	97,776	9,342	130,692
Net Assets Released from Restrictions	<u>371,530</u>	<u>(371,530)</u>	<u>0</u>	<u>0</u>
Total Revenues, Gains, and Other Support	<u>477,866</u>	<u>668,451</u>	<u>135,563</u>	<u>1,281,880</u>
Expenses:				
Program Services:				
Scholarships	349,152			349,152
Scholarship Reception	35,043			35,043
Program Enhancements	<u>6,942</u>			<u>6,942</u>
Total Program Services	<u>391,137</u>			<u>391,137</u>
Management and Fundraising:				
Accounting Fees	6,600			6,600
Insurance	4,515			4,515
Investment Expense	17,372			17,372
Miscellaneous	4,788			4,788
Fundraising	<u>60</u>			<u>60</u>
Total Management and Fundraising	<u>33,335</u>			<u>33,335</u>
Total Expenses	<u>424,472</u>			<u>424,472</u>
Change in Net Assets	53,394	668,451	135,563	857,408
Net Assets at Beginning of Year	<u>274,847</u>	<u>1,715,049</u>	<u>3,705,161</u>	<u>5,695,057</u>
Net Assets at End of Year	<u>\$ 328,241</u>	<u>\$ 2,383,500</u>	<u>\$ 3,840,724</u>	<u>\$ 6,552,465</u>

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Collin County Community College District

**Statements of Cash Flows
For the Years Ended August 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 40,256,432	\$ 38,828,184
Receipt of grants and contracts	8,336,416	6,205,106
Collections/(Payments) of loans to students	5,788	44,927
Other receipts	350,264	406,538
Payments to or on behalf of employees:		
Payments to employees	(72,384,616)	(70,394,081)
Payments for benefits	(7,760,776)	(8,388,953)
Payments to suppliers for goods or services	(40,432,742)	(32,081,326)
Payments of scholarships	(20,149,733)	(20,731,109)
Net cash used in operating activities	<u>(91,778,967)</u>	<u>(86,110,714)</u>
Cash flows from noncapital financing activities		
Receipt from state appropriations	33,136,075	31,087,895
Ad valorem tax revenues (maintenance and operations)	63,901,857	60,449,581
Receipt of grants and contracts	24,431,878	25,332,176
Payments for student organizations and other agency transactions	(867)	(532,630)
Other Payments	(1,582,657)	0
Net cash provided by noncapital financing activities	<u>119,886,286</u>	<u>116,337,022</u>
Cash flows from capital and related financing activities		
Ad valorem tax revenues (general obligation bonds)	3,032,503	4,760,407
Purchases of capital assets	(6,529,275)	(11,411,581)
Payments on capital debt	(3,835,000)	(3,695,000)
Tax increment reinvestment payment	200,000	200,000
Interest payments on capital related debt	(1,672,810)	(1,804,849)
Net cash used in capital and related financing activities	<u>(8,804,582)</u>	<u>(11,951,023)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	40,006,536	0
Investment income (net of investment expenses)	97,869	238,855
Purchase of investments	(104,969,433)	0
Net cash used in investing activities	<u>(64,865,028)</u>	<u>238,855</u>
(Decrease)/Increase in cash and cash equivalents	(45,562,291)	18,514,140
Cash and cash equivalents - beginning of year	232,058,662	213,544,522
Cash and cash equivalents - end of year	<u>\$ 186,496,371</u>	<u>\$ 232,058,662</u>

See accompanying notes to basic financial statements.

Collin County Community College District

**Statements of Cash Flows (Continued)
For the Years Ended August 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (105,618,703)	\$ (103,366,725)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	7,544,508	7,315,549
Payments made directly by state for benefits	5,321,099	4,417,063
Changes in assets and liabilities		
Receivables, net	416,655	1,226
Inventories	1,016,827	(797,312)
Prepaid expenses	(209,040)	36,528
Accounts payable & other accrued liabilities	(1,449,676)	5,267,560
Unearned revenue	1,140,608	985,454
Accrued salary and benefits	52,967	(14,984)
Loans to students	5,788	44,927
Net cash used in operating activities	<u>\$ (91,778,967)</u>	<u>\$ (86,110,714)</u>

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

Payments made directly by state for benefits	5,321,099	4,417,063
Change in fair value of investments	(15,354)	0
Non-cash gifts	31,200	48,000
Net non-cash investing, capital, and financing activities	<u>\$ 5,336,945</u>	<u>\$ 4,465,063</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.
Statement of Cash Flows
For the Year Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 3,074,080	\$ 857,408
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided/(Used) by Operating Activities:		
(Increase)/Decrease in Accounts Receivable	27,306	(27,306)
(Increase)/Decrease in Pledges Receivable	(2,141,498)	57,528
(Decrease) in Accounts Payable	(298)	(1,470)
Increase in Other Liabilities	24,253	10,989
Net Cash Provided by Operating Activities	<u>983,843</u>	<u>897,149</u>
Cash Flows from Investing Activities:		
Net (Increase) in Investments	(1,311,879)	(227,960)
Unrealized (Gain)/Loss on Investments	216,461	(436,992)
Net Cash Used in Investing Activities	<u>(1,095,418)</u>	<u>(664,952)</u>
Net Increase/(Decrease) in Cash	(111,575)	232,197
Cash and Cash Equivalents at Beginning of Year	<u>680,901</u>	<u>448,704</u>
Cash and Cash Equivalents at End of Year	<u>\$ 569,326</u>	<u>\$ 680,901</u>

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 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 61, *The Financial Reporting Entity: Omnibus*—an amendment of GASB Statements 14 and 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 61 has been applied as required in the preparation of these financial statements, and as such, the District is including the Collin County Community College District Foundation (the "Foundation") as a component unit, as noted below.

The Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the District. The District does not appoint a voting majority, nor is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation made restricted payments to or on behalf of the District in amounts totaling approximately \$536,255 and \$371,327 during the years ending August 31, 2014 and 2013, 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, 2014 totaled \$275,082. 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.

2) Summary of Significant Accounting Policies**a) 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.

b) Tuition Discounting*Texas Public Education Grants*

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

Title IV Higher Education Authority (HEA) Program Funds

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

Other Tuition Discounts

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

c) 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.

d) 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 the modified accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the THECB, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1. Board policy requires that the District maintain a minimum fund balance equal to 25% of educational expenses adjusted for reserves and allocations. For the years ended August 31, 2014 and 2013, respectively, the minimum unrestricted fund balance to be maintained was \$26,229,000 and \$29,470,551. The District exceeded this minimum required fund balance for both years.

e) Cash and Cash Equivalents

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

f) Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value or money market and other short-term, highly liquid investments may be reported 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. Accordingly, the U.S. Government Agency issues are reported at amortized cost.

Short-term investments have an original maturity greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

g) Deferred Outflows

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are only permitted to report deferred

outflows in circumstances specifically authorized by GASB. A typical deferred outflow for community colleges is a deferred charge on refunding debt.

h) **Deferred Inflows**

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

i) **Inventories**

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

j) **Capital Assets**

Assets with a purchase cost of at least \$5,000 and a useful life greater than one year are capitalized. Interest costs incurred during construction of physical plant are capitalized as incurred. Depreciation on buildings and site improvements is calculated using the half-year convention, straight-line method with residual value of 10%. Depreciation for the fiscal years 2014 and 2013 totaled \$7,544,508 and \$7,315,549, respectively. Depreciation is not allocated to the functional expense categories. Expenditures for construction in progress are capitalized as incurred, but are not depreciable until assets are put into production.

Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. The District reports capital assets net of accumulated depreciation. Depreciation on assets other than buildings and site improvements is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention and no residual value. The following lives are used:

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

k) Unearned Revenues

Revenues of \$15,321,811 and \$14,179,534 are recorded on the Statements of Net Position as unearned revenue at August 31, 2014 and 2013, respectively, and primarily consist of tuition and fees related to academic terms in the next fiscal year. Unearned revenues related to grant funds were received, but not yet expended.

l) 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.

m) 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.

n) Vested Vacation Benefits and Other Compensated Absences

Vacation is earned in varying amounts up to a maximum of 21 days for employees with 11 years or more of service. Unused vacation leave carried forward from one year to the next is limited to 15 days for each employee. Upon termination, employees are paid for earned but unused vacation for the current year and up to the 10 day maximum allowed for unused vacation carried over from the prior year. Compensated absences activity for the years ended August 31, 2014 and 2013 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2013	\$ 782,060	\$ 1,793,538	\$ (1,777,794)	\$ 797,804	\$ 107,943
2014	\$ 797,804	\$ 2,062,522	\$ (1,997,462)	\$ 862,864	\$ 145,441

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.

o) 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, 2014 and 2013, and therefore, has not recorded a liability for income taxes.

p) 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.

3) Authorized Investments

Board policy allows the District to invest in investments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include only 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, Texas Government Code 2256.009.
- Collateralized deposits guaranteed or insured by the FDIC as permitted by Texas Government Code 2256.010.
- 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, as permitted by Government Code 2256.016.
- No-load money market mutual funds as permitted by Texas Government Code 2256.014.

4) **Deposits and Investments**

At August 31, 2014 and 2013, the net carrying amount of the District's deposits was an overdraft of \$1,776,869 and \$2,763,404, respectively. Bank balances up to \$250,000 are covered by the Federal Depository Insurance Corporation and the remainder was covered by collateral pledged in the District's name. The collateral was held in the District's name by the safekeeping department of the Federal Reserve Bank, which acts as the pledging bank's agent and had a fair value of \$767,151 as of August 31, 2014. The District is subject to custodial credit risk in the event of the bank's nonperformance under the collateral agreement.

Cash and cash equivalents, as reported on Exhibit 1, Statements of Net Position, consist of the following items:

Cash and Cash Equivalents	As of August 31,	
	2014	2013
Petty cash on hand	\$ 26,750	\$ 26,420
Checking account	438,000	492,321
TexPool	148,695,060	194,216,589
TexSTAR	37,336,561	37,323,332
Total cash and cash equivalents	<u>\$ 186,496,371</u>	<u>\$ 232,058,662</u>
	(Exhibit 1)	(Exhibit 1)

In accordance with GASB Statement No. 31, colleges may also report money market and other short-term, highly liquid investments at amortized cost, provided that the fair market value is not significantly different. This GASB Statement considers U.S. Treasury and agency obligations with maturities of less than one year to be money market investments. 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 market value of \$55,420,761 as of August 31, 2014.

Short Term Investments	Weighted Average Maturity (Years)	Market Value as of August 31,	
		2014	2013
Bank of America CD's	0.34	\$40,000,000	\$ 0
US Agency Notes and Bonds	0.24	24,987,597	0
Total Short Term Investments		<u>\$64,987,597</u>	<u>\$ 0</u>
		(Exhibit 1)	(Exhibit 1)

Interest Rate Risk – In accordance with state law and District policy, the District does not directly purchase any investments with maturities greater than 24 months beyond

the date of purchase unless specifically permitted by the Public Funds Investment Act as noted in Section 2256, Texas Government Code.

Credit Risk – In accordance with state law and the District's investment policy, investments in investment pools are rated at least AAA or an equivalent rating by at least one nationally recognized rating service. Both TexPool and TexSTAR investment pools are rated AAAM by Standard & Poors. The District is authorized to invest in direct obligations of agencies and instrumentalities of the United States when market conditions are favorable to do so. U.S. government agencies are only implicitly guaranteed by the government but, when rated, are considered AAA by Standard & Poors. It is the investment strategy of the District to hold these types of investments until maturity so as to eliminate credit risk.

Concentration of Credit Risk – The District does not place a limit on the amount the District may invest in any one issuer. Major investment types of greater than 5% of the District's total cash and investments are in TexPool (59.24%), TexSTAR (14.87%), Bank of America CD's (15.94%), and U.S. Agency Notes and Bonds (9.95%).

The local government investment pools such as TexPool and TexSTAR are not evidenced by securities in physical form. They are managed conservatively to provide safe, efficient and liquid investments to Texas governmental entities. The pools both seek to maintain a \$1 value per share as required by the Texas Public Funds Investment Act.

Federated Investors manages the assets, provides participant services, and arranges for all custody and other functions in support of TexPool operations under a contract with the State Comptroller of Public Accounts. The state comptroller maintains oversight responsibility for TexPool, including the ability to influence operations, designation of management and accountability for fiscal matters. Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB 31 allows 2a7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than market value to report net assets to compute share price. The fair value of the District's position in TexPool is the same as the value of TexPool shares.

TexSTAR is overseen by a Governing Board consisting of individuals from participating Government Entities in the pool. The business and affairs of TexSTAR are managed by the Board. JPMorgan Investment Management, Inc. provides investment management, fund accounting, transfer agency and custodial services for the pool and First Southwest Asset Management, Inc. provides administrative, marketing and participant services. The fair value of funds in TexSTAR is also the same as the value of TexSTAR shares.

5) **Capital Assets**

The following table summarized changes in capital assets balances for the year ended August 31, 2014

	Balance 8/31/2013	Increases	(Decreases) Adjustments	Balance 8/31/2014
Not Depreciated				
Land	\$ 25,654,319	\$ 0	\$ 0	\$ 25,654,319
Construction in Progress	551,250	7,341,612	0	7,892,862
Subtotal	<u>26,205,569</u>	<u>7,341,612</u>	<u>0</u>	<u>33,547,181</u>
Depreciable Assets				
Buildings	259,336,286	9,605	0	259,345,891
Land Improvements	20,180,710	0	0	20,180,710
Equipment	22,364,080	1,623,615	(3,260,434)	20,727,261
Library Books	9,048,849	539,704	(82,041)	9,506,512
WAN/LAN Network Equipment	2,940,746	0	0	2,940,746
Subtotal	<u>313,870,671</u>	<u>2,172,924</u>	<u>(3,342,475)</u>	<u>312,701,120</u>
Accumulated Depreciation				
Buildings	47,582,077	4,826,157	0	52,408,234
Land Improvements	8,635,798	707,247	0	9,343,045
Equipment	16,526,390	1,603,107	(3,260,434)	14,869,063
Library Books	5,035,842	406,445	(82,041)	5,360,246
WAN/LAN Network Equipment	2,907,374	1,552	0	2,908,926
Subtotal	<u>80,687,481</u>	<u>7,544,508</u>	<u>(3,342,475)</u>	<u>84,889,514</u>
Net Depreciable Assets	<u>233,183,190</u>	<u>(5,371,584)</u>	<u>0</u>	<u>227,811,606</u>
Net Capital Assets	<u>\$259,388,759</u>	<u>\$ 1,970,028</u>	<u>\$ 0</u>	<u>\$261,358,787</u>

At August 31, 2014, amounts committed under capital construction contracts were \$38,621,377. Of the amount committed, \$37,979,249 is for construction costs, \$402,314 is for architectural services, and \$239,814 is for other contracted services related to construction of the Central Park Campus Conference Center and Health Science Facility.

For comparison purposes, the following table summarizes changes in capital assets balances for the year ended August 31, 2013:

	Balance 8/31/2012	Increases	(Decreases) Adjustments	Balance 8/31/2013
Not Depreciated				
Land	\$ 25,654,319	\$ 0	\$ 0	\$ 25,654,319
Construction in Progress	17,357,285	8,327,037	(25,133,072)	551,250
Subtotal	<u>43,011,604</u>	<u>8,327,037</u>	<u>(25,133,072)</u>	<u>26,205,569</u>
Depreciable Assets				
Buildings	236,262,481	23,073,805	0	259,336,286
Land Improvements	18,121,443	2,059,267	0	20,180,710
Equipment	21,734,609	1,149,404	(519,933)	22,364,080
Library Books	8,389,897	693,224	(34,272)	9,048,849
WAN/LAN Network Equipment	2,940,746	0	0	2,940,746
Subtotal	<u>287,449,176</u>	<u>26,975,700</u>	<u>(554,205)</u>	<u>313,870,671</u>
Accumulated Depreciation				
Buildings	42,915,381	4,666,696	0	47,582,077
Land Improvements	7,972,565	663,233	0	8,635,798
Equipment	15,427,604	1,618,719	(519,933)	16,526,390
Library Books	4,704,765	365,349	(34,272)	5,035,842
WAN/LAN Network Equipment	2,905,822	1,552	0	2,907,374
Subtotal	<u>73,926,137</u>	<u>7,315,549</u>	<u>(554,205)</u>	<u>80,687,481</u>
Net Depreciable Assets	<u>213,523,039</u>	<u>19,660,151</u>	<u>0</u>	<u>233,183,190</u>
Net Capital Assets	<u>\$ 256,534,643</u>	<u>\$ 27,987,188</u>	<u>\$(25,133,072)</u>	<u>\$ 259,388,759</u>

At August 31, 2013, amounts committed under capital construction contracts were \$465,550. Of the amount committed, \$16,800 is for construction costs and \$448,750 is for architectural services.

6) **Long-Term Liabilities**

The following table summarizes changes in long-term liabilities for the year ended August 31, 2014:

Bonds payable:	Balance 9/1/2013	Additions	Reductions	Amortization of Premium	Balance 8/31/2014	Current Portion
General obligation bonds:						
Ltd. tax imp. bonds, series 2003	\$ 980,000	\$ 0	\$ (980,000)	\$ 0	\$ 0	\$ 0
Ltd. tax imp. bonds, series 2006	14,115,000	0	(815,000)	0	13,300,000	855,000
Ltd. tax ref. bonds, series 2010	22,599,245	0	(1,070,000)	(23,522)	21,505,723	2,140,000
Total general obligation bonds	<u>37,694,245</u>	<u>0</u>	<u>(2,865,000)</u>	<u>(23,522)</u>	<u>34,805,723</u>	<u>2,995,000</u>
Refunding revenue bonds, series 2008						
	<u>5,165,000</u>	<u>0</u>	<u>(970,000)</u>	<u>0</u>	<u>4,195,000</u>	<u>1,000,000</u>
Total bonds payable	<u>\$ 42,859,245</u>	<u>\$ 0</u>	<u>\$ (3,835,000)</u>	<u>\$ (23,522)</u>	<u>\$ 39,000,723</u>	<u>\$ 3,995,000</u>

For comparison purposes, the following table summarizes changes in long-term liabilities for the year ended August 31, 2013:

Bonds payable:	Balance 9/1/2012	Additions	Reductions	Amortization of Premium	Balance 8/31/2013	Current Portion
General obligation bonds:						
Ltd. tax imp. bonds, series 2003	\$ 1,920,000	\$ 0	\$ (940,000)	\$ 0	\$ 980,000	\$ 980,000
Ltd. tax imp. bonds, series 2006	14,895,000	0	(780,000)	0	14,115,000	815,000
Ltd. tax ref. bonds, series 2010	23,652,768	0	(1,030,000)	(23,523)	22,599,245	1,070,000
Total general obligation bonds	<u>40,467,768</u>	<u>0</u>	<u>(2,750,000)</u>	<u>(23,523)</u>	<u>37,694,245</u>	<u>2,865,000</u>
Refunding revenue bonds, series 2008						
	<u>6,110,000</u>	<u>0</u>	<u>(945,000)</u>	<u>0</u>	<u>5,165,000</u>	<u>970,000</u>
Total bonds payable	<u>\$ 46,577,768</u>	<u>\$ 0</u>	<u>\$ (3,695,000)</u>	<u>\$ (23,523)</u>	<u>\$ 42,859,245</u>	<u>\$ 3,835,000</u>

7) **Debt Obligations**

Debt service requirements as of August 31, 2014, were as follows:

Year Ended August 31,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 2,995,000	\$ 1,447,038	\$ 4,442,038	\$ 1,000,000	\$ 109,741	\$ 1,109,741
2016	3,135,000	1,322,963	4,457,963	1,035,000	79,522	1,114,522
2017	3,255,000	1,220,013	4,475,013	1,065,000	48,337	1,113,337
2018	3,400,000	1,089,813	4,489,813	1,095,000	16,261	1,111,261
2019	3,555,000	953,813	4,508,813	0	0	0
2020-2024	15,505,000	2,366,844	17,871,844	0	0	0
2025-2026	2,750,000	181,781	2,931,781	0	0	0
Subtotal	34,595,000	8,582,265	43,177,265	4,195,000	253,861	4,448,861
Net Premium/ Discount	210,723	0	210,723	0	0	0
Total	<u>\$ 34,805,723</u>	<u>\$ 8,582,265</u>	<u>\$ 43,387,988</u>	<u>\$ 4,195,000</u>	<u>\$ 253,861</u>	<u>\$ 4,448,861</u>

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

Year Ended August 31,	Total Bonds		
	Principal	Interest	Total
2015	\$ 3,995,000	\$ 1,556,779	\$ 5,551,779
2016	4,170,000	1,402,485	5,572,485
2017	4,320,000	1,268,350	5,588,350
2018	4,495,000	1,106,074	5,601,074
2019	3,555,000	953,813	4,508,813
2020-2024	15,505,000	2,366,844	17,871,844
2025-2026	2,750,000	181,781	2,931,781
Subtotal	38,790,000	8,836,126	47,626,126
Net Premium/ Discount	210,723	0	210,723
Total	<u>\$ 39,000,723</u>	<u>\$ 8,836,126</u>	<u>\$ 47,836,849</u>

8) **Bonds Payable**

Bonds payable as of August 31, 2014 and 2013 consisted of the following:

Bond issue	Purpose	Date issued	Amount issued	Revenue source	Outstanding balance August 31, 2014	Outstanding balance August 31, 2013
Series 2003 Limited Tax Improvement Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites.	8/15/2003	\$18,585,000	Ad valorem taxes	\$ 0	\$ 980,000
Series 2006 Limited Tax Improvement Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites.	1/15/2006	\$18,415,000	Ad valorem taxes	\$13,300,000	\$14,115,000
Series 2008 Refunding Revenue Bonds	Refunded 1997 and 1998 Revenue Bonds	2/20/2008	\$ 9,610,000	Pledged revenues from general use fees, gross revenues from the bookstore, tuition pledge	\$ 4,195,000	\$ 5,165,000
Series 2010 Limited Tax Refunding Bonds	Refunded 2002 and 2003 Tax Bonds	11/2/2010	\$24,099,912	Ad valorem taxes	\$21,505,723	\$22,599,245
Total					\$39,000,723	\$42,859,245

Bonds payable are due in annual principal installments varying from \$815,000 to \$2,895,000 with interest rates from 2.90% to 5.15% and the final installments are due in 2026.

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 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 the current year. The net premium

continues to be amortized over the life of the bonds using the straight line method. An economic gain (the difference between net present values of the debt service payments on the old and new debt adjusted for cash paid out) of \$1,472,957 was obtained by the refunding.

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

The Series 2008 revenue bonds are collateralized by pledged revenues of the Unrestricted Current Fund other than state allocations or those raised by local taxation. They require mandatory transfer of gross revenue to the Retirement of Indebtedness Fund as set forth in the bonds' covenants. This transfer provides for principal and interest payments as they become due. In addition, they impose certain restrictions on the District with respect to the maintenance of insurance and other financial covenants. At August 31, 2014, the District was in compliance with these restrictions and had made all applicable insurance premium payments. Insurance policies in force at August 31, 2014, include major equipment, fire and extended property, general liability and auto coverage.

In January 2006, the District closed on \$18,415,000 in Limited Tax Improvement Bonds with an average interest rate of 4.24 percent. Proceeds from the sale of the bonds are being used for constructing, renovating and equipping buildings, and paying issuance costs. Proceeds of the bonds were \$18,412,449. The District had related issuance costs of \$95,000 and accrued interest of \$92,449 at the closing of the bond sale.

During September 2003, the District closed of \$18,585,000 in Limited Tax Improvement Bonds with an average interest rate of 4.56 percent. Proceeds from the sale of the bonds are being used for constructing, renovating and equipping buildings, and paying issuance costs. Proceeds of the bonds were \$18,585,000. The District had related issuance costs of \$68,756 and accrued interest of \$89,220 at the closing of the bond sale. The District made the final payments on the Series 2003 Limited Tax Improvement Bonds during the current fiscal year.

The Series 2003, 2006 and 2010 Tax Improvement Bonds are tax-supported general obligation bonds. The tax rate authorized and assessed to pay principal and interest on these bonds is set forth in Note 15.

9) **Defeased Bonds Outstanding**

As of August 31, 2014 and 2013 the District had the following defeased bonds outstanding:

	<u>Year Refunded</u>	<u>Par Value Outstanding 2014</u>	<u>Par Value Outstanding 2013</u>
Series 2002 Limited Tax Improvement Bonds	2010	\$ 10,850,000	\$ 11,915,000
Series 2003 Limited Tax Improvement Bonds	2010	11,165,000	11,165,000
Series 1997 Revenue Bonds	2008	1,565,000	2,025,000
Series 1998 Revenue Bonds	2008	<u>1,295,000</u>	<u>1,580,000</u>
Total Defeased Bonds		<u>\$ 24,875,000</u>	<u>\$ 26,685,000</u>

10) Employees' Retirement Plan

The State of Texas (the State) has joint contributory retirement plans for almost all employees.

Teacher Retirement System of Texas-Defined Benefit Plan

Plan Description - One of the primary plans in which the District participates is administered under the provisions of the U.S. Internal Revenue Code Section 401(a) by the Teacher Retirement System of Texas (TRS or the "System"), a multi-employer defined benefit public employee retirement system (PERS). It is a cost-sharing PERS with one exception: all risks and costs are not shared by the District, but are the liability of the State. All District employees, except those employed less than one-half the standard workload and those exempted by law, are required to participate in the System as a condition of employment. The System administers retirement and disability annuities and death and survivor benefits to employees and to beneficiaries of employees covered under the plan. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The System also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805. The State legislature has the authority to establish and amend benefit provisions of the pension plan. TRS does not separately account for each of its component government agencies because it bears sole responsibility for retirement commitments beyond contributions fixed by the State legislature. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS internet website, www.trs.state.tx.us under the TRS Publications heading.

Funding Policy - Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following State funding policy: (1) The State constitution requires the 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 of all members of the system during that fiscal year, and (2) a State statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize the System's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period already exceeds 31 years, the period would be increased by such action. Senate Bill (S.B.) 1812, effective September 1, 2013 limits the amount of the State's contribution to 50% of the state matching requirement for TRS eligible employees in the District.

Teacher Retirement Contribution Rates	2014	2013
Member Contribution	6.40%	6.40%
State Contribution	3.40%	6.40%
District Contribution (State Mandate)	3.40%	0.00%

In certain instances, the reporting district is required to pay all or a portion of the State's legally established rate of contribution amount. Eligible new employees become members of TRS on their first day of employment and local employers are statutorily mandated to pay the State contribution for TRS participation for the first 90 days of employment.

Optional Retirement Plan-Defined Contribution Plan

Plan Description - The State has also established an optional retirement program for institutions of higher education. The Optional Retirement Program (ORP) is a defined contribution plan. Participation in the optional retirement program is in lieu of participation in the TRS and at the option of full-time teaching faculty, reference librarians, the president, vice-presidents, deans, associate deans, and directors. Other professional staff may also be eligible for participation in the optional retirement program if those positions held are advertised in national publications and are at a salary rate equivalent to the rate for teaching faculty for the institution. The ORP provides for the purchase of annuity contracts and operates under the provisions of the Texas 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 State legislature. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the State has no additional or unfunded liability for this program. Senate Bill (S.B.) 1812, effective September 1, 2013 limits the amount of the State's contribution to 50% of the state matching requirement for eligible employees in the District. In addition to the State and District mandated contributions totaling 6.6%, the Board approved an additional 1.75% District ORP contribution for benefit's eligible employees.

Optional Retirement Plan Contribution Rates	2014	2013
Member Contribution	6.65%	6.65%
State Contribution	3.30%	6.00%
District Contribution (State Mandate)	3.30%	0.00%
District Contribution	1.75%	1.75%

Other

Part-time employees of the District are required to participate in the Program for Extra Retirement Compensation (the PERC plan) unless exempt. The PERC plan, as established by the District under the provisions of the Omnibus Budget Reconciliation Act of 1990, requires participants to contribute 7.5% of their pay to a tax-sheltered annuity administered by Metropolitan Life Insurance Company. Contributions to the PERC plan are immediately 100% vested. The District makes no contributions to the PERC plan. Total payroll of participants in the PERC plan was approximately \$11,705,000 and \$11,320,800 for the years ended August 31, 2014 and 2013, respectively.

Total payroll for all employees and total payroll for employees covered by TRS and ORP follows in the table below. The District pays retirement benefits for employees whose salaries may not be paid from appropriated funds including employees charged to plant operations, auxiliary services, and public service. In addition, as noted above, the District is also paying 50% of the state mandated contribution amount for both TRS and ORP eligible employees, and pays retirement benefits for the first 90 days of employment.

Cost of Retirement Plans

ORP and TRS Retirement Expense	2014	2013
Total Payroll	\$ 72,465,133	\$70,206,931
TRS Payroll - Eligible Employees	\$ 35,073,700	\$32,435,600
ORP Payroll - Eligible Employees	\$ 16,562,150	\$16,512,600
Actual Cost of ORP and TRS Retirement Benefits	\$ 3,837,352	\$ 3,311,582
State Legislative Appropriations Expended for ORP and TRS	\$ 1,739,056	\$ 1,881,432
District Contribution for ORP and TRS Retirement Benefits	\$ 2,098,296	\$ 1,430,150

11) Post-Retirement Healthcare and Life Insurance Benefits

In addition to the pension benefits described in Note 10 above, the State provides certain healthcare and life insurance benefits for 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. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognized the cost of providing these benefits by expending the annual insurance premiums.

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

HealthSelect of Texas Plan	2014		2013	
	Employee Contribution	State/Employer Contribution	Employee Contribution	State/Employer Contribution
Member Only	\$ 0	\$ 503.14	\$ 0	\$ 470.38
Member & Spouse	\$ 288.02	\$ 791.16	\$ 269.20	\$ 739.58
Member & Child(ren)	\$ 192.86	\$ 696.00	\$ 180.24	\$ 650.62
Member & Family	\$ 480.88	\$ 984.02	\$ 449.44	\$ 919.82

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	2014	2013
Number of Retirees	150	138
Cost of Health Benefits for Retirees	\$ 956,295	\$ 851,014
Number of Active Full Time Employees	975	945
Cost of Health Benefits for Active Full Time Employees	\$ 7,267,429	\$ 6,368,498
State Appropriation for Health Insurance	\$ 3,582,043	\$ 2,535,631
District's Expense	\$ 4,641,681	\$ 4,683,881

12) **Deferred Compensation Program**

Employees of the District may elect to defer a portion of their earnings for income tax and investment purposes pursuant to the authority granted under Government Code 609.001. The general maximum annual contribution limit in tax year 2014 and 2013 was \$17,500 (\$20,500 for Section 403(b) participants who qualified for the 15-year rule) with a \$5,500 make-up provision for individuals 50 years or older in tax year 2014.

Deferred Compensation Programs	2014	2013
Number of Participants (TSA)	277	283
403(b) Tax Sheltered Annuity (TSA) Contributions	\$ 1,345,974	\$ 1,257,891
Number of Participants (DCP)	36	37
Section 457 Deferred Compensation Plan (DCP)	\$ 268,935	\$ 230,686

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

13) **Disaggregation of Receivables and Payables Balances**

Receivables at August 31 were as follows:

	<u>2014</u>	<u>2013</u>
Student loans	\$ 4,837	\$ 10,625
Federal and state receivables	1,475,558	1,474,305
Trade receivables	7,733,262	7,783,139
Other receivables (auxiliary)	389,811	793,479
A/R collection agency	<u>1,907,671</u>	<u>1,439,308</u>
Total Accounts Receivable	<u>11,511,139</u>	<u>11,500,856</u>
Less: allowance for doubtful accounts	<u>(1,758,366)</u>	<u>(1,325,641)</u>
Accounts Receivable Net of Allowance	<u>\$ 9,752,773</u>	<u>\$ 10,175,215</u>
Taxes receivable	1,270,902	1,063,412
Less: allowance for doubtful accounts	<u>(824,816)</u>	<u>(661,442)</u>
Total Taxes Receivable	<u>\$ 446,086</u>	<u>\$ 401,970</u>

An allowance for doubtful accounts estimated at \$1,758,366 has been established for student receivables based on the uncertainty of collectability. A corresponding bad debt expense has been recorded to institutional support. One hundred percent allowance was established for student receivables aged two or more years and a seventy five percent allowance was set up for student receivables more than one year, but less than two years old. In August 2012, the District contracted with two collection agencies to provide collection services for outstanding student receivables. See the Student Receivables Placed with Collection Agencies Table below for additional information on student receivables.

Student Receivables Placed with Collection Agencies	Balance at 9/1/2013	Addition	Collections	Adjustments	Returned to Collin College	Balance 8/31/2014
First Placement Collection Agency	\$ 1,439,308	\$ 632,483	\$ (84,461)	\$ (11,190)	\$ (1,359,901)	\$ 616,239
Second Placement Collection Agency	0	1,362,990	(55,647)	(15,911)	0	1,291,432
Total Student Receivables Placed with Collections	<u>1,439,308</u>	<u>1,995,473</u>	<u>(140,108)</u>	<u>(27,101)</u>	<u>(1,359,901)</u>	<u>1,907,671</u>
Allowance for doubtful accounts	(1,325,641)	(694,976)	0	262,251	0	(1,758,366)
Net Receivables Placed with Collections	<u>\$ 113,667</u>	<u>\$ 1,300,497</u>	<u>\$ (140,108)</u>	<u>\$ 235,150</u>	<u>\$ (1,359,901)</u>	<u>\$ 149,305</u>

Payables at August 31 were as follows:

	<u>2014</u>	<u>2013</u>
Vendors payable	\$ 2,013,747	\$ 1,634,950
Salary and benefits payable	1,533,997	899,205
Federal and state grants payable	968,582	841,366
Auxiliary payables	388,833	1,596,358
Unexpended plant payables	2,940,569	292,578
Student payable	621,238	680,389
Short-term bank overdraft	1,776,869	2,763,404
Total Accounts Payable	<u>\$ 10,243,835</u>	<u>\$ 8,708,250</u>

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

14) Risk Management

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

Previously, the District participated in a self-funded workers' compensation program in which the remaining outstanding claims are administered by Claims Administrative Services (CAS) of Tyler, Texas. Total claims paid by the District to CAS during the years ended August 31, 2014 and 2013, were \$486 and \$104, respectively. Total estimated claims outstanding for the years ended August 31, 2014 and 2013 were \$4,743 and \$8,823, respectively. The estimated liability includes the amount of money that will be needed for future payments, on both (a) claims that have been reported and (b) claims that have been incurred but not reported. Changes in the fund's claims liability amount in fiscal years 2014 and 2013 were:

	<u>Beginning of fiscal year liability</u>	<u>Claims & changes in estimate</u>	<u>Claim payments</u>	<u>End of fiscal year liability</u>
2014	8,823	(3,594)	(486)	4,743
2013	8,814	113	(104)	8,823

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

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

15) **Property Tax**

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

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

At August 31,	2014	2013
Assessed Valuation of the District:	\$ 93,973,412,369	\$ 88,709,272,519
Less: Exemptions	(12,914,074,308)	(12,236,699,146)
Less: Abatements	(588,400,171)	(691,185,275)
Net Assessed Valuation of the District	80,470,937,890	75,781,388,098
Plus: Supplements through August 31	8,230,779	9,815,828
Adjusted Assessed Valuation	<u>\$ 80,479,168,669</u>	<u>\$ 75,791,203,926</u>

Tax rates for the years ended August 31, 2014 and 2013, are as follows:

Per \$100 valuation:	FY 2014			FY 2013		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized Tax Rate (Maximum per enabling legislation)	\$0.080000	\$0.120000	\$0.200000	\$0.080000	\$0.120000	\$0.200000
Assessed Tax Rate	\$0.080000	\$0.003643	\$0.083643	\$0.080000	\$0.006299	\$0.086299

Taxes levied for the years ended August 31, 2014 and 2013, were \$68,789,565 and \$66,737,544, respectively, including any penalty and interest assessed.

	FY 2014			FY 2013		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 64,585,123	\$ 3,059,835	\$ 67,644,958	\$ 60,901,794	\$ 4,796,016	\$ 65,697,810
Delinquent Taxes Collected	496,435	24,402	520,837	633,149	49,861	683,010
Penalties & Interest collected	313,174	15,448	328,622	373,312	29,398	402,710
Total Collections	<u>\$ 65,394,732</u>	<u>\$ 3,099,685</u>	<u>\$ 68,494,417</u>	<u>\$ 61,908,255</u>	<u>\$ 4,875,275</u>	<u>\$ 66,783,530</u>

The use of tax proceeds is restricted to either maintenance and operations or debt service expenditures. Current taxes collected for the years ended August 31, 2014 and 2013, were 98.34% and 98.44% of the current tax levy, respectively. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes with the offset recorded against ad valorem tax revenue. For the years ended August 31, 2014 and 2013, this adjustment was an overall increase in 2014 and a decrease in 2013 in ad valorem taxes totaling \$81,200 and \$75,812, respectively. Total Tax Increment Finance District funding net of collection costs for the years ended August 31, 2014 and 2013 was \$1,434,741 and \$1,558,438, respectively.

16) Operating Lease Commitments and Rental Agreements

The District had the following commitments for operating leases and rental agreements having initial or remaining non-cancelable terms in excess of one year:

FY	August 31,	
	2014	2013
2014	\$ 0	\$ 178,685
2015	217,183	89,597
2016	76,487	37,616
2017	46,020	27,804
2018	17,957	17,957
Total	<u>\$ 357,647</u>	<u>\$ 351,659</u>

17) Postemployment Benefits Other than Pensions

The District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges, and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature.

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

Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

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

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

The employer contribution for the retiree medical insurance is funded by the State as an on-behalf contribution. The State's on-behalf contributions to SRHP for the years ended August 31, 2014, 2013, and 2012 were \$956,295, \$851,014, and \$734,958, respectively.

18) **Contract and Grant Awards**

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

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

	2014	2013
Federal contracts and Grant Awards	\$ 12,166,889	\$ 17,254,608
State Contracts and Grant Awards	301,308	241,465
Local/Private Contract and Grant Awards	25,000	0
Total	<u>\$ 12,493,197</u>	<u>\$ 17,496,073</u>

19) New Accounting Pronouncements

GASB has issued Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement specifies that certain items that were previously reported as assets and liabilities should now be reported as deferred outflows or resources, deferred inflows of resources, GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Inflows of Resources, and Net Position*, is effective for periods beginning after December 15, 2012 and the District adopted for the period ending August 31, 2013. It provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. GASB 63 also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. As part of GASB Statement No. 65, debt issuance costs are now required to be expensed in the year they are incurred. The District fully expensed the remaining unamortized costs of \$190,040 related to all outstanding bonds in the current fiscal year.

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. This Statement will be implemented for the fiscal year ending August 31, 2015, to meet GASB requirements. The District is evaluating the specific impact upon the financial position, results of operations and cash flows upon adoption of this Statement. The impact is expected to be significant.

20) Component Units

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

A. Background & Summary of Significant Accounting Policies**1. Background**

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

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

2. Basis of Accounting

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

3. Basis of Presentation

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

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

4. Contributions

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

5. Donated Services and Facilities

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

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

6. Cash and Cash Equivalents

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

7. Investments

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

8. Use of Estimates

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

9. Income Taxes

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

B. Deposits

As of December 31, 2013, the Foundation's carrying amount of deposits was \$569,326, which includes \$228,317 with JP Morgan Chase Bank, N.A., \$100 of petty cash and \$340,909 with Northern Trust, NA. The bank balance at JP Chase Morgan Bank, N.A. of \$161,090 was fully insured by the Federal Deposit Insurance Corporation.

C. Investments

Investments are stated at fair value and consist mainly of equity and fixed income securities. Investments are summarized as follows:

	2013		2014	
	Cost	Fair Value	Cost	Fair Value
Marketable Debt and Equity Securities, Northern Trust, NA	\$ 6,312,017	\$ 6,802,786	\$ 5,001,963	\$ 5,708,426
Cash Value of Life Insurance	17,087	17,129	16,065	16,071
Total Investments	<u>\$ 6,329,104</u>	<u>\$ 6,819,915</u>	<u>\$ 5,018,028</u>	<u>\$ 5,724,497</u>

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value.

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

The Foundation has only Level 1 investments.

	<u>2013</u>	<u>2012</u>
Reconciliation of Investment Income/(Loss)		
Interest and Dividends - Northern Trust	\$ 149,817	\$ 151,043
Unrealized Gains/(Losses) - Northern Trust	(216,497)	437,234
Realized Gains/(Losses) - Northern Trust	806,850	130,692
Increase/Decrease in Cash Value of Life Insurance Policies-Net of Premiums	36	(242)
Investment Expenses	<u>(12,724)</u>	<u>(17,372)</u>
Gain/(Loss) on Investments	<u>\$ 727,482</u>	<u>\$ 701,355</u>
	<u>2013</u>	<u>2012</u>
Investment Gain/(Loss) reported in:		
Unrestricted Fund	\$ 192,514	\$ 73,987
Temporarily Restricted Fund	432,872	607,230
Permanently Restricted Fund	<u>102,096</u>	<u>20,138</u>
Gain/(Loss) on Investments	<u>\$ 727,482</u>	<u>\$ 701,355</u>

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

1. Make a reasonable effort to preserve capital, understanding that losses may occur in individual securities. Further, reasonable efforts will be taken to control risk, understanding that risk is present in all types of securities and investment styles and recognizing that some risk is necessary to produce long-term investment results sufficient to meet the Foundation's objectives.

2. Portfolio will be managed in the following manner with monies being allocated into the following accounts:
 - a. Endowment accounts: Asset allocation will be determined by the Board of Directors to facilitate the achievement of the Foundation's long-term objectives. Assets will be diversified to minimize adverse or unexpected results, reducing the detrimental impact of the entire portfolio. The portfolio will be rebalanced by the investment manager to maintain appropriate asset class weights. Appropriations of investment earnings will be voted on by the Board of Directors based on current endowment value compared to historical dollar value of gifts and consistent with terms of the endowment agreements.

b. Reserve accounts: Funds will include Excellence Funds, annual scholarship, non- endowed funds and operating funds authorized but not expended. Funds will be primarily invested in interest bearing accounts, money market accounts, certificates of deposits, and government securities. When Reserve Account is held with a brokerage firm, certificate of deposits should not exceed the federal insurance limits unless approved by the Board. Investments will be limited in term, with the board approving terms longer than three years.

c. Operating accounts: Purpose of funds will be to provide cash for expenditures for operational needs of the Foundation. Funds will be held primarily by commercial banks, savings and loans, credit unions and brokerage firms in interest bearing accounts, money market accounts, certificates of deposit and government securities. Certificates of Deposits will not exceed federal insurance limits. Investments will be limited in term, with the board approving terms longer than one year.

Performance Measurement

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

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

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

D. Temporarily Restricted Net Assets

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

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

Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Temporarily restricted net assets are available for the following purposes:

Purpose	<u>2013</u>	<u>2012</u>
Scholarships	\$ 1,784,594	\$ 1,104,490
Excellence Funds	393,600	393,541
Trust/Quasi-Endowments	571,635	421,060
Other	<u>299,369</u>	<u>464,409</u>
	<u>\$ 3,049,198</u>	<u>\$ 2,383,500</u>

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

Purpose	<u>2013</u>	<u>2012</u>
Scholarships	\$ 315,307	\$ 349,152
Program Enhancements	11,890	6,942
Investment Expenses	<u>10,321</u>	<u>15,436</u>
	<u>\$ 337,518</u>	<u>\$ 371,530</u>

E. Permanently Restricted Net Assets

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

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

Purpose	<u>2013</u>	<u>2012</u>
Scholarships	\$ 6,069,962	\$ 3,840,724

F. Other Liabilities

Other liabilities represent revenues received in advance of being earned.

Pledges Receivable

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

Gross Pledges Receivable at December 31, 2013	\$ 2,297,296
Discount for Loss in Value of Money Over the Twenty Four Month Collection Period	<u>(16,112)</u>
Net Pledges Receivable at December 31, 2014	<u>\$ 2,281,184</u>

Estimated Pledge Collection by Fiscal Year:

2014	\$ 2,114,996
2015	35,243
2016	34,552
2017	33,874
2018	33,210
2019	14,800
2020	<u>14,509</u>
	<u>\$ 2,281,184</u>

It is estimated that all outstanding pledges will be collected.

G. In-Kind Services and Facilities

During the year, individuals at the college have devoted a substantial amount of time developing and cultivating business relationships and planning fundraisers for the Foundation. The value of contributed services and facilities meeting the requirements for recognition in the financial statements was \$255,184. However, the Foundation has elected not to record either the revenue or expense as the results would have no bearing on net assets.

H. Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through June 2, 2014, the date which the financial statements were available to be issued, citing no material subsequent events have occurred since the year ended December 31, 2013.

21) **Subsequent Events**

No significant subsequent events have occurred since year ending August 31, 2014 through the issuance date of this report.



THECB Supplemental Schedules



THECB Supplemental Schedules

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

THECB Supplemental Schedules

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2014
(with comparative totals at August 31, 2013)**

	<u>Unrestricted</u>	<u>Restricted</u>	Total		Total	
			<u>Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2014</u>	<u>2013</u>
Tuition						
State funded courses						
In-district resident tuition	\$ 11,021,258	\$ 0	\$ 11,021,258	\$ 0	\$ 11,021,258	\$ 10,209,309
Out-of-district resident tuition	8,037,549	0	8,037,549	0	8,037,549	7,659,397
TPEG Credit (set aside)*	1,006,284	0	1,006,284	0	1,006,284	930,237
Non-resident tuition	5,818,372	0	5,818,372	0	5,818,372	5,237,524
Continuing education	4,068,928	0	4,068,928	0	4,068,928	4,203,390
TPEG Non-Credit (set aside)*	255,476	0	255,476	0	255,476	269,321
Non-state funded continuing education	60,437	0	60,437	0	60,437	74,744
Total tuition	30,268,304	0	30,268,304	0	30,268,304	28,583,922
Fees						
Building fees	3,265,810	0	3,265,810	0	3,265,810	3,283,381
General fees	435,036	0	435,036	0	435,036	408,077
Student activity fee	0	0	0	544,282	544,282	547,228
Laboratory fee	416,142	0	416,142	0	416,142	398,629
Total fees	4,116,988	0	4,116,988	544,282	4,661,270	4,637,315
Scholarship allowances and discounts						
Remissions and exemptions	(1,082,782)	0	(1,082,782)	0	(1,082,782)	(847,057)
TPEG allowances	(228,195)	0	(228,195)	0	(228,195)	(200,614)
Federal grants to students	(5,378,283)	0	(5,378,283)	0	(5,378,283)	(5,444,378)
Other	(272,833)	0	(272,833)	0	(272,833)	(159,996)
Total scholarship allowances	(6,962,093)	0	(6,962,093)	0	(6,962,093)	(6,652,045)
Total net tuition and fees	\$ 27,423,199	\$ 0	\$ 27,423,199	\$ 544,282	\$ 27,967,481	\$ 26,569,192

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Operating Revenues
For the year ended August 31, 2014 (Continued)
(with comparative totals at August 31, 2013)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>Total</u>	
					<u>2014</u>	<u>2013</u>
Additional operating revenues						
Federal grants and contracts	\$ 70,627	\$ 7,158,994	\$ 7,229,621	\$ 0	\$ 7,229,621	\$ 6,067,520
State grants and contracts	98	964,096	964,194	0	964,194	628,453
Nongovernmental grants and contracts	0	13,320	13,320	0	13,320	0
Sales and services of educational activities	550,913	0	550,913	0	550,913	426,387
Other operating revenues	350,264	0	350,264	0	350,264	406,538
Total additional operating revenues	<u>971,902</u>	<u>8,136,410</u>	<u>9,108,312</u>	<u>0</u>	<u>9,108,312</u>	<u>7,528,898</u>
Auxiliary enterprises						
Bookstore (net of discount of \$436,575 and \$343,491 respectively)	0	0	0	8,211,100	8,211,100	8,569,499
Other auxiliary enterprises	0	0	0	1,029,258	1,029,258	1,048,276
Total net auxiliary enterprises	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,240,358</u>	<u>9,240,358</u>	<u>9,617,775</u>
 Total Operating Revenues	 <u>\$ 28,395,101</u>	 <u>\$ 8,136,410</u>	 <u>\$ 36,531,511</u>	 <u>\$ 9,784,640</u>	 <u>\$ 46,316,151</u> (Exhibit 2)	 <u>\$ 43,715,865</u> (Exhibit 2)

* In accordance with Education Code 56.033; \$1,261,760 was set aside for Texas Public Education Grants (TPEG).

See accompanying independent auditors' report.

Collin County Community College District

Schedule of Operating Expenses by Object
For the year ended August 31, 2014
(with comparative totals at August 31, 2013)

	Operating Expenses			Total		
	Salaries and Wages	Benefits		Other Expenses	2014	2013
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 44,939,102	\$ 0	\$ 4,940,470	\$ 5,206,291	\$ 55,085,863	\$ 53,679,349
Public service	110,715	0	12,172	1,275	124,162	121,676
Academic support	6,504,713	0	715,109	1,598,608	8,818,430	8,716,229
Student services	7,141,911	0	785,160	919,386	8,846,457	8,262,246
Institutional support	7,888,165	0	867,201	6,078,411	14,833,777	13,886,324
Operation and maintenance of plant	3,422,100	0	680,546	9,171,365	13,274,011	13,557,062
Total unrestricted educational activities	<u>70,006,706</u>	<u>0</u>	<u>8,000,658</u>	<u>22,975,336</u>	<u>100,982,700</u>	<u>98,222,886</u>
Restricted - educational activities						
Instruction	1,500	3,591,302	124	39,998	3,632,924	3,000,304
Public service	218,409	8,848	44,960	160,399	432,616	438,866
Academic support	915,791	519,823	172,263	5,179,631	6,787,508	6,130,834
Student services	163,263	570,744	14,066	122,113	870,186	679,485
Institutional support	0	630,382	0	4,986	635,368	514,731
Operation and maintenance of plant	0	0	0	0	0	0
Scholarships	0	0	0	20,149,733	20,149,733	20,731,109
Total restricted educational activities	<u>1,298,963</u>	<u>5,321,099</u>	<u>231,413</u>	<u>25,656,860</u>	<u>32,508,335</u>	<u>31,495,329</u>
Total educational activities	71,305,669	5,321,099	8,232,071	48,632,196	133,491,035	129,718,215
Auxiliary enterprises	1,159,465	0	0	9,739,846	10,899,311	10,048,826
Depreciation expense - buildings and other real estate improvements	0	0	0	5,533,404	5,533,404	5,329,929
Depreciation expense - equipment and furniture	0	0	0	2,011,104	2,011,104	1,985,620
Total operating expenses	<u>\$ 72,465,134</u>	<u>\$ 5,321,099</u>	<u>\$ 8,232,071</u>	<u>\$ 65,916,550</u>	<u>\$ 151,934,854</u>	<u>\$ 147,082,590</u>
				(Exhibit 2)	(Exhibit 2)	

See accompanying independent auditors' report.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Non-Operating Revenues and Expenses
For the year ended August 31, 2014
(with comparative totals at August 31, 2013)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary enterprises</u>	<u>2014</u>	<u>Totals</u> <u>2013</u>
Non-operating revenues:					
State appropriations					
Education and general state support	\$ 33,136,075	\$ 0	\$ 0	\$ 33,136,075	\$ 31,087,895
State group insurance	0	3,582,043	0	3,582,043	2,535,631
State retirement matching	0	1,739,056	0	1,739,056	1,881,432
Total state appropriations	33,136,075	5,321,099	0	38,457,174	35,504,958
Ad valorem taxes	63,956,055	3,022,421	0	66,978,476	65,149,280
Federal contracts and grants	251,885	24,179,993	0	24,431,878	25,332,176
Gifts	31,200	0	0	31,200	49,005
Investment income (net of investment expenses)	113,223	0	0	113,223	238,855
Other non-operating revenues	200,000	0	0	200,000	200,000
Total non-operating revenues	97,688,438	32,523,513	0	130,211,951	126,474,274
non-operating expenses:					
Interest on capital related debt	0	(1,664,760)	0	(1,664,760)	(1,797,093)
Other non-operating expenses	(1,583,757)	0	0	(1,583,757)	(1,100)
Total non-operating expenses	(1,583,757)	(1,664,760)	0	(3,248,517)	(1,798,193)
Net non-operating revenues	<u>\$ 96,104,681</u>	<u>\$ 30,858,753</u>	<u>\$ 0</u>	<u>\$ 126,963,434</u> <small>(Exhibit 2)</small>	<u>\$ 124,676,081</u> <small>(Exhibit 2)</small>

See accompanying independent auditors' report.

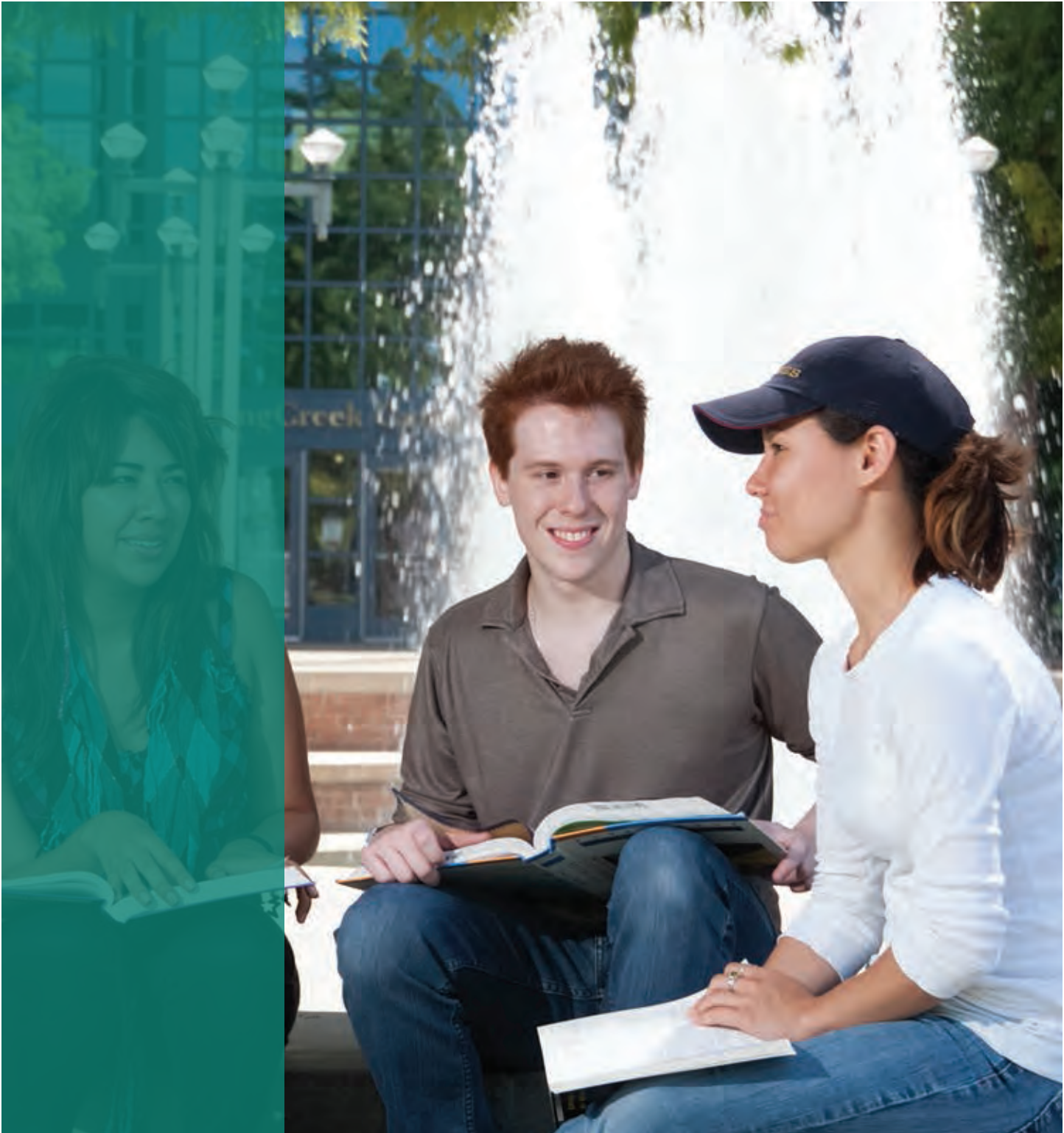
COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Source and Availability
As of August 31, 2014
(with comparative totals at August 31, 2013)**

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted:							
Unreserved							
Undesignated	\$ 44,784,689	\$ 0	\$ 0	\$ 0	\$ 44,784,689	\$ 44,784,689	\$ 0
Board designated - Stabilization of maintenance and operations	24,750,000	0	0	0	24,750,000	0	24,750,000
Board designated - Insurance deductibles	100,000	0	0	0	100,000	0	100,000
Board designated - Health Reserve	30,000,000	0	0	0	30,000,000	0	30,000,000
Reserved							
Encumbrances	519,910	0	0	0	519,910	519,910	0
Accounts receivable	7,882,567	0	0	0	7,882,567	7,882,567	0
Prepaid expenses	643,422	0	0	0	643,422	643,422	0
Restricted:							
Student aid	0	565,533	0	0	565,533	0	565,533
Instructional programs	0	53,237	0	0	53,237	0	53,237
Auxiliary enterprises	5,175,812	0	0	0	5,175,812	5,175,812	0
Quasi-Endowment	0	0	0	0	0	0	0
Loans	0	21,708	0	0	21,708	0	21,708
Plant:							
Unexpended	121,820,001	0	0	0	121,820,001	0	121,820,001
Debt service	0	2,063,560	0	0	2,063,560	0	2,063,560
Investment in plant	0	0	0	222,287,496	222,287,496	0	222,287,496
Total net position - August 31, 2014	235,676,401	2,704,038	0	222,287,496	460,667,935 (Exhibit 1)	59,006,400	401,661,535
Total net position - August 31, 2013	218,899,001	3,941,734	0	216,482,469	439,323,204 (Exhibit 1)	67,634,282	371,688,922
Net increase in net position	\$ 16,777,400	\$ (1,237,696)	\$ 0	\$ 5,805,027	\$ 21,344,731 (Exhibit 2)	\$ (8,627,882)	\$ 29,972,613

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, 2014 and August 31, 2013, the minimum required unrestricted fund balance was \$26,229,000 and \$29,470,551, respectively. This amount is included as part of the undesignated balance.

See accompanying independent auditors' report.



Statistical



Statistical Section

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Statistical Tables

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

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Statistical Section (unaudited)

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

Financial Trends- Statistical Supplements 1-3, pages 91-95

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

Revenue Capacity- Statistical Supplements 4-8, pages 96-103

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

Debt Capacity- Statistical Supplements 9-11, pages 104-109

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

Demographic and Economic Information- Statistical Supplements 12-13, pages 110-111

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

Operating Information- Statistical Supplements 14-18, pages 112-118

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

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Net Position by Component
Fiscal Years 2005 to 2014
(unaudited)**

	For the Fiscal Year Ended August 31,				
	2014	2013	2012	2011	2010
Invested in capital assets, net of related debt	\$ 222,287,496	\$ 216,482,469	\$ 209,933,352	\$ 188,707,425	\$ 170,630,995
Restricted - expendable	2,704,038	3,941,734	3,402,218	3,511,310	3,285,217
Unrestricted	235,676,401	218,899,001	204,678,278	200,654,069	195,298,234
Total Net Position	<u>\$ 460,667,935</u>	<u>\$ 439,323,204</u>	<u>\$ 418,013,848</u>	<u>\$ 392,872,804</u>	<u>\$ 369,214,446</u>
Total Change in Net Position	<u>\$ 21,344,731</u>	<u>\$ 21,309,356</u>	<u>\$ 25,141,044</u>	<u>\$ 23,658,358</u>	<u>\$ 28,716,865</u>

	For the Fiscal Year Ended August 31,				
	2009	2008	2007	2006	2005
Invested in capital assets, net of related debt	\$ 154,294,591	\$ 108,769,751	\$ 85,151,890	\$ 88,104,269	\$ 83,734,597
Restricted - expendable	3,111,119	2,878,393	5,245,704	4,065,409	4,094,095
Unrestricted	183,091,871	197,414,131	182,087,163	137,683,182	110,978,913
Total Net Position	<u>\$ 340,497,581</u>	<u>\$ 309,062,275</u>	<u>\$ 272,484,757</u>	<u>\$ 229,852,860</u>	<u>\$ 198,807,605</u>
Total Change in Net Position	<u>\$ 31,435,306</u>	<u>\$ 36,577,518</u>	<u>\$ 42,631,897</u>	<u>\$ 31,045,255</u>	<u>\$ 27,342,146</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Revenues by Source
Fiscal Years 2005 to 2014
(unaudited)**

	For the Fiscal Year Ended August 31,				
	2014	2013	2012	2011	2010
Tuition and Fees (Net of Discounts)	\$27,967,481	\$26,569,192	\$23,740,042	\$24,395,778	\$24,934,426
Governmental Grants and Contracts					
Federal Grants and Contracts	7,229,621	6,067,520	2,087,054	1,204,670	1,676,112
State Grants and Contracts	964,194	628,453	807,249	1,670,769	1,434,709
Non-Governmental Grants and Contracts	13,320	0	6,939	4,817	12,593
Sales & Services of Educational Activities	550,913	426,387	364,115	379,229	352,891
Auxiliary Enterprises	9,240,358	9,617,775	10,023,129	10,131,837	9,417,923
Other Operating Revenues	350,264	406,538	338,787	209,032	159,378
Total Operating Revenues	<u>46,316,151</u>	<u>43,715,865</u>	<u>37,367,315</u>	<u>37,996,132</u>	<u>37,988,032</u>
State Appropriations	38,457,174	35,504,958	34,416,713	36,545,683	36,806,088
Ad Valorem Taxes	66,978,476	65,149,280	63,326,803	61,837,754	62,548,821
Federal Grants and Contracts	24,431,878	25,332,176	27,115,496	23,786,051	17,158,787
Gifts	31,200	49,005	6,798	0	2,675,000
Investment Income	113,223	238,855	239,901	289,044	403,036
Other Non-Operating Revenues	200,000	200,000	543,862	341,504	248,680
Total Non-Operating Revenues	<u>130,211,951</u>	<u>126,474,274</u>	<u>125,649,573</u>	<u>122,800,036</u>	<u>119,840,412</u>
Total Revenues	<u><u>\$176,528,102</u></u>	<u><u>\$170,190,139</u></u>	<u><u>\$163,016,888</u></u>	<u><u>\$160,796,168</u></u>	<u><u>\$157,828,444</u></u>

	For the Fiscal Year Ended August 31,				
	2014	2013	2012	2011	2010
Tuition and Fees (Net of Discounts)	15.84%	15.61%	14.56%	15.17%	15.80%
Governmental Grants and Contracts					
Federal Grants and Contracts	4.10%	3.57%	1.28%	0.75%	1.06%
State Grants and Contracts	0.55%	0.37%	0.50%	1.04%	0.91%
Non-Governmental Grants and Contracts	0.01%	0.00%	0.00%	0.00%	0.01%
Sales & Services of Educational Activities	0.31%	0.25%	0.22%	0.24%	0.22%
Auxiliary Enterprises	5.23%	5.65%	6.15%	6.30%	5.97%
Other Operating Revenues	0.20%	0.24%	0.21%	0.13%	0.10%
Total Operating Revenues	<u>26.24%</u>	<u>25.69%</u>	<u>22.92%</u>	<u>23.63%</u>	<u>24.07%</u>
State Appropriations	21.79%	20.86%	21.11%	22.73%	23.32%
Ad Valorem Taxes	37.94%	38.28%	38.86%	38.46%	39.63%
Federal Grants and Contracts	13.84%	14.88%	16.63%	14.79%	10.87%
Gifts	0.02%	0.03%	0.00%	0.00%	1.69%
Investment Income	0.06%	0.14%	0.15%	0.18%	0.26%
Other Non-Operating Revenues	0.11%	0.12%	0.33%	0.21%	0.16%
Total Non-Operating Revenues	<u>73.76%</u>	<u>74.31%</u>	<u>77.08%</u>	<u>76.37%</u>	<u>75.93%</u>
Total Revenues	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>

Statistical Supplement 2

Revenues by Source
Fiscal Years 2005 to 2014
(unaudited)

For the Fiscal Year Ended August 31,

	2009	2008	2007	2006	2005
Tuition and Fees (Net of Discounts)	\$22,498,442	\$19,489,224	\$18,277,273	\$17,035,800	\$16,296,743
Governmental Grants and Contracts					
Federal Grants and Contracts	1,066,775	873,556	1,072,664	1,152,523	1,452,012
State Grants and Contracts	943,864	687,929	389,576	557,477	529,951
Non-Governmental Grants and Contracts	9,240	23,991	11,862	20,925	16,849
Sales & Services of Educational Activities	313,790	302,878	274,927	258,971	297,877
Auxiliary Enterprises	8,403,605	7,683,019	8,355,599	6,974,235	6,597,576
Other Operating Revenues	93,012	214,742	235,532	207,392	143,571
Total Operating Revenues	33,328,728	29,275,339	28,617,433	26,207,323	25,334,579
State Appropriations	34,736,692	34,531,169	30,348,597	30,034,523	26,323,004
Ad Valorem Taxes	62,453,402	59,342,814	54,007,568	49,784,859	47,034,008
Federal Grants and Contracts	8,071,608	5,969,004	5,109,697	5,206,232	4,517,215
Gifts	2,904,466	75,503	324,320	250,430	1,006,634
Investment Income	2,412,354	7,255,898	10,034,876	6,946,868	3,040,550
Other Non-Operating Revenues	191,463	165,902	7,560,259	1,100,000	0
Total Non-Operating Revenues	110,769,985	107,340,290	107,385,317	93,322,912	81,921,411
Total Revenues	\$144,098,713	\$136,615,629	\$136,002,750	\$119,530,235	\$107,255,990

For the Fiscal Year Ended August 31,

	2009	2008	2007	2006	2005
Tuition and Fees (Net of Discounts)	15.61%	14.27%	13.44%	14.25%	15.19%
Governmental Grants and Contracts					
Federal Grants and Contracts	0.74%	0.64%	0.79%	0.96%	1.35%
State Grants and Contracts	0.66%	0.50%	0.29%	0.47%	0.49%
Non-Governmental Grants and Contracts	0.01%	0.02%	0.01%	0.02%	0.02%
Sales & Services of Educational Activities	0.22%	0.22%	0.20%	0.22%	0.28%
Auxiliary Enterprises	5.83%	5.62%	6.14%	5.83%	6.15%
Other Operating Revenues	0.06%	0.16%	0.17%	0.17%	0.13%
Total Operating Revenues	23.13%	21.43%	21.04%	21.92%	23.61%
State Appropriations	24.11%	25.28%	22.31%	25.13%	24.54%
Ad Valorem Taxes	43.34%	43.43%	39.71%	41.65%	43.87%
Federal Grants and Contracts	5.60%	4.37%	3.76%	4.36%	4.21%
Gifts	2.02%	0.06%	0.24%	0.21%	0.94%
Investment Income	1.67%	5.31%	7.38%	5.81%	2.83%
Other Non-Operating Revenues	0.13%	0.12%	5.56%	0.92%	0.00%
Total Non-Operating Revenues	76.87%	78.57%	78.96%	78.08%	76.39%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Program Expenses by Function
Fiscal Years 2005 to 2014
(unaudited)**

For the Fiscal Year Ended August 31,

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction	\$ 58,718,787	\$ 56,679,653	\$ 52,319,020	\$ 54,534,791	\$ 51,489,934
Public Service	556,778	560,542	561,438	888,626	493,288
Academic Support	15,605,938	14,847,063	10,193,826	9,542,089	9,398,653
Student Services	9,716,643	8,941,731	8,374,056	8,640,882	8,754,737
Institutional Support	15,469,145	14,401,055	13,664,780	13,455,591	12,738,632
Operation and Maintenance of Plant	13,274,011	13,557,062	11,802,975	11,415,758	12,844,813
Scholarships and Fellowships	20,149,733	20,731,109	22,207,900	19,943,709	15,152,414
Auxiliary Enterprises	10,899,311	10,048,826	10,032,534	10,124,598	9,448,349
Depreciation	7,544,508	7,315,549	6,790,160	6,737,301	6,404,053
Total Operating Expenses	<u>151,934,854</u>	<u>147,082,590</u>	<u>135,946,689</u>	<u>135,283,345</u>	<u>126,724,873</u>
Interest on Capital Related Debt	1,664,760	1,797,093	1,929,155	1,854,465	2,386,706
Other Non-operating Expenses	1,583,757	1,100	0	0	0
Loss on Disposal of Fixed Assets	0	0	0	0	1,125
Total Non-Operating Expenses	<u>3,248,517</u>	<u>1,798,193</u>	<u>1,929,155</u>	<u>1,854,465</u>	<u>2,387,831</u>
Total Expenses	<u>\$ 155,183,371</u>	<u>\$ 148,880,783</u>	<u>\$ 137,875,844</u>	<u>\$ 137,137,810</u>	<u>\$ 129,112,704</u>

For the Fiscal Year Ended August 31,

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction	37.85%	38.07%	37.95%	39.78%	39.87%
Public Service	0.36%	0.38%	0.41%	0.65%	0.38%
Academic Support	10.06%	9.97%	7.39%	6.96%	7.28%
Student Services	6.26%	6.01%	6.07%	6.30%	6.78%
Institutional Support	9.97%	9.67%	9.91%	9.81%	9.87%
Operation and Maintenance of Plant	8.55%	9.11%	8.56%	8.32%	9.95%
Scholarships and Fellowships	12.98%	13.92%	16.11%	14.54%	11.74%
Auxiliary Enterprises	7.02%	6.75%	7.28%	7.38%	7.32%
Depreciation	4.86%	4.91%	4.92%	4.91%	4.96%
Total Operating Expenses	<u>97.91%</u>	<u>98.79%</u>	<u>98.60%</u>	<u>98.65%</u>	<u>98.15%</u>
Interest on Capital Related Debt	1.07%	1.21%	1.40%	1.35%	1.85%
Quasi-Endowment Distribution	1.02%	0.00%	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	<u>2.09%</u>	<u>1.21%</u>	<u>1.40%</u>	<u>1.35%</u>	<u>1.85%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Statistical Supplement 3

Program Expenses by Function
Fiscal Years 2005 to 2014
(unaudited)

For the Fiscal Year Ended August 31,

	2009	2008	2007	2006	2005
Instruction	\$ 48,239,642	\$ 42,794,701	\$39,935,069	\$35,980,980	\$32,131,290
Public Service	502,870	454,130	621,999	753,826	899,261
Academic Support	10,968,150	8,453,432	7,664,703	7,395,302	8,272,392
Student Services	8,164,472	7,842,678	7,123,789	6,534,106	6,313,181
Institutional Support	11,402,452	11,146,898	10,753,717	11,043,141	10,183,764
Operation and Maintenance of Plant	9,799,019	9,526,095	8,531,481	8,801,289	6,004,515
Scholarships and Fellowships	6,839,746	4,226,017	3,298,728	3,508,836	3,101,749
Auxiliary Enterprises	8,687,861	8,008,239	8,343,012	7,068,053	6,744,883
Depreciation	5,614,898	5,066,598	4,292,962	4,454,986	3,775,806
Total Operating Expenses	110,219,110	97,518,788	90,565,460	85,540,519	77,426,841
Interest on Capital Related Debt	2,444,297	2,519,323	2,805,393	2,922,248	2,332,489
Other Non-operating Expenses	0	0	0	0	0
Loss on Disposal of Fixed Assets	8,537	0	0	22,213	154,514
Total Non-Operating Expenses	2,452,834	2,519,323	2,805,393	2,944,461	2,487,003
Total Expenses	\$ 112,671,944	\$ 100,038,111	\$93,370,853	\$88,484,980	\$ 79,913,844

For the Fiscal Year Ended August 31,

	2009	2008	2007	2006	2005
Instruction	42.81%	42.79%	42.76%	40.66%	40.22%
Public Service	0.45%	0.45%	0.67%	0.85%	1.13%
Academic Support	9.73%	8.45%	8.21%	8.36%	10.35%
Student Services	7.25%	7.84%	7.63%	7.38%	7.90%
Institutional Support	10.12%	11.14%	11.52%	12.48%	12.74%
Operation and Maintenance of Plant	8.70%	9.52%	9.14%	9.95%	7.51%
Scholarships and Fellowships	6.07%	4.22%	3.53%	3.97%	3.88%
Auxiliary Enterprises	7.71%	8.01%	8.94%	7.99%	8.44%
Depreciation	4.98%	5.06%	4.60%	5.03%	4.72%
Total Operating Expenses	97.82%	97.48%	97.00%	96.67%	96.89%
Interest on Capital Related Debt	2.17%	2.52%	3.00%	3.30%	2.92%
Quasi-Endowment Distribution	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on Disposal of Fixed Assets	0.01%	0.00%	0.00%	0.03%	0.19%
Total Non-Operating Expenses	2.18%	2.52%	3.00%	3.33%	3.11%
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		Increase from Prior Year	
			In-District	Out-of-District			In-District	Out-of-District	In-District	Out-of-District
2013	\$0	\$2	\$31	\$68	\$6	\$1	\$458	\$902	11.7%	10.3%
2012	0	2	27	61	6	1	410	818	0.0%	0.0%
2011	0	2	27	61	6	1	410	818	0.0%	11.4%
2010	0	2	27	54	6	1	410	734	-8.1%	0.0%
2009	0	2	27	51	9	1	446	734	-0.4%	19.2%
2008	2	2	27	41	9	1	448	616	0.0%	8.5%
2007	2	2	27	37	9	1	448	568	0.0%	4.4%
2006	2	2	27	35	9	1	448	544	0.0%	4.6%
2005	2	2	27	33	9	1	448	520	5.7%	4.8%
2004	2	2	25	31	9	1	424	496	6.0%	5.1%

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

Academic Year (Fall)	Student ID Fee (per student)	Records Fee (per student)	Tuition		Building Use Fee (per hour)	Student Activity Fee (per hour)	Cost for 12 SCH		Increase from Prior Year	
			Out of State	International			In-District	Out-of-District	In-District	Out-of-District
2013	\$0	\$2	\$128	\$128	\$6	\$1	\$1,622	\$1,622	14.4%	14.4%
2012	0	2	111	111	6	1	1,418	1,418	-4.1%	-4.1%
2011	0	2	116	116	6	1	1,478	1,478	6.0%	6.0%
2010	0	2	109	109	6	1	1,394	1,394	0.0%	0.0%
2009	0	2	106	106	9	1	1,394	1,394	9.2%	9.2%
2008	2	2	96	96	9	1	1,276	1,276	6.0%	6.0%
2007	2	2	90	90	9	1	1,204	1,204	4.2%	4.2%
2006	2	2	86	86	9	1	1,156	1,156	6.6%	6.6%
2005	2	2	80	80	9	1	1,084	1,084	2.3%	2.3%
2004	2	2	78	78	9	1	1,060	1,060	2.3%	2.3%

Note: Includes basic enrollment tuition and fees, but excludes course based fees such as laboratory, testing, and certification fees. The Board of Trustees approved a \$3 per credit hour increase for in-county tuition beginning in the Spring of 2013 and a \$5 per credit hour increase for out-of-state and out-of-country students.

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)
2013-14	\$93,973,412,369	\$13,502,474,479	\$80,470,937,890	85.63%	0.080000	0.003643	0.083643
2012-13	88,709,272,519	12,927,884,421	75,781,388,098	85.43%	0.080000	0.006299	0.086299
2011-12	85,669,094,108	12,076,099,414	73,592,994,694	85.90%	0.080000	0.006300	0.086300
2010-11	85,119,964,782	11,932,594,330	73,187,370,452	85.98%	0.080000	0.006300	0.086300
2009-10	85,047,894,779	12,243,373,030	72,804,521,749	85.60%	0.080000	0.006300	0.086300
2008-09	84,577,368,984	12,464,189,034	72,113,179,950	85.26%	0.080000	0.006493	0.086493
2007-08	80,761,165,342	12,045,524,959	68,715,640,383	85.09%	0.080000	0.006984	0.086984
2006-07	72,611,550,902	10,599,692,156	62,011,858,746	85.40%	0.080000	0.007683	0.087683
2005-06	65,033,720,014	8,771,690,622	56,262,029,392	86.51%	0.080000	0.009422	0.089422
2004-05	60,503,212,557	8,231,934,419	52,271,278,138	86.39%	0.080000	0.010646	0.090646

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

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			State Appropriation per Contact Hour
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a,b)	Total Contact Hours	
2013-14	\$38,457,174	17,973	\$2,140	9,332,840	2,017,851	11,350,691	\$3.39
2012-13	35,504,958	18,007	1,972	9,377,528	2,032,408	11,409,936	3.11
2011-12	34,416,713	17,471	1,970	9,300,792	1,902,860	11,203,652	3.07
2010-11	36,545,683	17,661	2,069	9,383,992	1,803,113	11,187,105	3.27
2009-10	36,806,088	17,143	2,147	8,979,768	1,832,395	10,812,163	3.40
2008-09	34,736,692	14,749	2,355	7,806,584	1,583,558	9,390,142	3.70
2007-08	34,531,169	13,741	2,513	7,347,024	1,507,665	8,854,689	3.90
2006-07	30,348,597	12,960	2,342	6,804,144	1,479,300	8,283,444	3.66
2005-06	30,034,523	12,253	2,451	6,503,995	1,455,764	7,959,759	3.77
2004-05	26,323,004	11,829	2,225	6,247,036	1,473,108	7,720,144	3.41

(a) Source CBM001
(b) Source CBM00A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2014	2013	2012	2011	2010
Alcatel USA	Commercial					
AT&T Mobility LLC	Telephone Utility	175,236,979	137,198,694	150,721,071		132,990,356
Bank of America	Commercial	320,720,305	321,486,177	132,676,129	141,863,601	
Briar Preston Ridge Shop. Ctr.	Commercial	121,741,860		118,250,000	116,000,000	125,000,000
Capital One National Association	Commercial	142,606,357				
Cisco Systems	Commercial	159,890,798	163,098,708	171,484,217		
Cisco Systems Sales & Service Inc	Commercial	115,958,112				
Countrywide Home Loans Inc	Commercial					
Coventry II DDR	Commercial				121,100,000	111,700,000
EDS Information Services LLC	Commercial					
Electronic Data Systems Corp	Computer Center					
EMC Corp	Commercial	137,003,309	135,149,181		126,362,835	
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	211,520,075	209,172,377	208,172,377	251,131,329	
HSP of Texas Inc	Commercial	114,469,428				
IBM Credit	Commercial	116,205,684	135,149,181			127,971,038
JC Penney Co. Inc.	Commercial	161,355,729	164,974,971	163,195,767	159,971,610	161,877,423
KBSIII Legacy Town Center LLC	Commercial	113,067,926				
KDC-Galatyn Investments LLP	Commercial					237,172,377
Legacy Campus LP	Commercial	126,045,001		152,500,000	148,990,000	
Oncor/TXU/Lone Star Gas	Public Utility	519,537,661	495,218,356	461,211,196	451,374,380	439,174,980
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	260,753,175	239,971,384	232,137,734	226,514,276	221,706,370
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial	112,001,268				
United Dominion Realty LP	Commercial					
Village at Allen LP	Commercial	144,127,995	142,468,550	136,534,873	139,937,198	113,881,870
Wal-Mart Stores Texas LLC	Commercial	125,878,773				
Willow Bend Shopping Center	Commercial	142,581,631				110,000,000
Totals		3,320,702,066	2,143,887,579	1,926,883,364	1,883,245,229	1,781,474,414
Total Taxable Assessed Value		\$ 80,470,937,890	\$ 75,781,388,098	\$ 73,592,994,694	\$ 73,187,370,452	\$ 72,804,521,749

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2014	2013	2012	2011	2010
Alcatel USA	Commercial					
AT&T Mobility LLC	Telephone Utility	0.22%	0.18%	0.20%		0.18%
Bank of America	Commercial	0.40%	0.42%	0.18%	0.19%	
Briar Preston Ridge Shop. Ctr.	Commercial	0.15%		0.16%	0.16%	0.17%
Capital One National Association	Commercial	0.18%				
Cisco Systems	Commercial	0.20%	0.22%	0.23%		
Cisco Systems Sales & Service Inc	Commercial	0.14%				
Countrywide Home Loans Inc	Commercial					
Coventry II DDR	Commercial				0.17%	0.15%
EDS Information Services LLC	Commercial					
Electronic Data Systems Corp	Computer Center					
EMC Corp	Commercial	0.17%	0.18%		0.17%	
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	0.26%	0.28%	0.28%	0.34%	
HSP of Texas Inc	Commercial	0.14%				
IBM Credit	Commercial	0.14%	0.18%			0.18%
JC Penney Co. Inc.	Commercial	0.20%	0.22%	0.22%	0.22%	0.22%
KBSIII Legacy Town Center LLC	Commercial	0.14%				
KDC-Galatyn Investments LLP	Commercial					0.33%
Legacy Campus LP	Commercial	0.16%		0.21%	0.20%	
Oncor/TXU/Lone Star Gas	Public Utility	0.65%	0.65%	0.63%	0.62%	0.60%
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	0.32%	0.32%	0.32%	0.31%	0.30%
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial	0.14%				
United Dominion Realty LP	Commercial					
Village at Allen LP	Commercial	0.18%	0.19%	0.19%	0.19%	0.16%
Wal-Mart Stores Texas LLC	Commercial	0.16%				
Willow Bend Shopping Center	Commercial	0.18%				0.15%
Totals		4.13%	2.83%	2.62%	2.57%	2.45%

Source: Tax Assessor/Collector of Collin County

Statistical Supplement 7

Principal Taxpayers
Last Ten Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV)				
		2009	2008	2007	2006	2005
Alcatel USA	Commercial				116,857,023	141,425,066
AT&T Mobility LLC	Telephone Utility	107,715,878				
Bank of America	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial	126,955,751	124,500,000	121,547,370	109,005,094	106,000,000
Capital One National Association	Commercial					
Cisco Systems	Commercial					
Cisco Systems Sales & Service Inc	Commercial					
Countrywide Home Loans Inc	Commercial		111,297,882			
Coventry II DDR	Commercial	133,138,544				
EDS Information Services LLC	Commercial					112,747,868
Electronic Data Systems Corp	Computer Center	134,919,916	140,996,529	138,310,883	134,115,136	134,832,418
EMC Corp	Commercial					
General Telephone of the SW	Telephone Utility		108,684,240			
Health Care Service Corporation	Commercial					
HSP of Texas Inc	Commercial					
IBM Credit	Commercial	118,976,125				
JC Penney Co. Inc.	Commercial	166,407,858	171,255,476	169,035,192	163,853,668	162,976,760
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial			100,000,000		
Oncor/TXU/Lone Star Gas	Public Utility	449,097,946	465,330,568	444,233,857	448,001,719	430,799,408
Southwestern Bell/SBC	Telephone Utility	117,082,347	131,758,930	142,582,790	134,742,940	131,985,690
Stonebriar Mall Ltd. Partnership	Commercial	221,339,975	221,339,975	209,537,242	199,407,047	204,696,624
Tenet Frisco LTD	Commercial			98,758,617	108,855,385	92,529,664
Texas Instruments, Inc	Manufacturer			99,132,100	304,177,822	
T5@Dallas LLC	Commercial					
United Dominion Realty LP	Commercial		113,285,714			
Village at Allen LP	Commercial					
Wal-Mart Stores Texas LLC	Commercial					
Willow Bend Shopping Center	Commercial					
Totals		116,500,000	127,374,433	127,000,000	120,000,004	115,539,989
		1,692,134,340	1,715,823,747	1,650,138,051	1,839,015,838	1,633,533,487
Total Taxable Assessed Value		\$ 72,113,179,950	\$ 68,715,640,383	\$ 62,011,858,746	\$ 56,262,029,392	\$ 52,271,278,138

Taxpayer	Business	Taxable Assessed Value (TAV) by Tax Year				
		2009	2008	2007	2006	2005
Alcatel USA	Commercial				0.21%	0.27%
AT&T Mobility LLC	Telephone Utility	0.15%				
Bank of America	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial	0.18%	0.18%	0.20%	0.19%	0.20%
Capital One National Association	Commercial					
Cisco Systems	Commercial					
Cisco Systems Sales & Service Inc	Commercial					
Countrywide Home Loans Inc	Commercial		0.16%			
Coventry II DDR	Commercial	0.18%				
EDS Information Services LLC	Commercial					0.22%
Electronic Data Systems Corp	Computer Center	0.19%	0.21%	0.22%	0.24%	0.26%
EMC Corp	Commercial					
General Telephone of the SW	Telephone Utility		0.16%			
Health Care Service Corporation	Commercial					
HSP of Texas Inc	Commercial					
IBM Credit	Commercial	0.16%				
JC Penney Co. Inc.	Commercial	0.23%	0.25%	0.27%	0.29%	0.31%
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial			0.16%		
Oncor/TXU/Lone Star Gas	Public Utility	0.62%	0.68%	0.72%	0.80%	0.82%
Southwestern Bell/SBC	Telephone Utility	0.16%	0.19%	0.23%	0.24%	0.25%
Stonebriar Mall Ltd. Partnership	Commercial	0.31%	0.32%	0.34%	0.35%	0.39%
Tenet Frisco LTD	Commercial			0.16%	0.19%	0.18%
Texas Instruments, Inc	Manufacturer			0.16%	0.54%	
T5@Dallas LLC	Commercial					
United Dominion Realty LP	Commercial		0.16%			
Village at Allen LP	Commercial					
Wal-Mart Stores Texas LLC	Commercial					
Willow Bend Shopping Center	Commercial	0.16%	0.19%	0.20%	0.21%	0.22%
Totals		2.36%	2.49%	2.66%	3.27%	3.13%

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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
2014	\$68,790	1,208	\$69,998	\$67,645	96.64%	\$521	\$328	\$68,494	97.85%
2013	66,738	691	67,429	65,697	97.43%	683	403	66,783	99.04%
2012	64,923	585	65,508	63,852	97.47%	577	417	64,846	98.99%
2011	63,659	(733)	62,926	62,553	99.41%	672	373	63,598	101.07%
2010	64,509	(568)	63,941	63,378	99.12%	501	448	64,327	100.60%
2009	64,397	(953)	63,444	62,909	99.16%	820	417	64,146	101.11%
2008	60,873	(69)	60,804	59,223	97.40%	1,083	431	60,737	99.89%
2007	54,846	305	55,151	54,108	98.11%	953	400	55,461	100.56%
2006	50,866	150	51,016	50,066	98.14%	475	345	50,886	99.75%
2005	47,802	(37)	47,765	47,236	98.89%	462	322	48,020	100.53%

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31,				
	2014	2013	2012	2011	2010
General Bonded Debt					
General Obligation Bonds	\$ 34,805,723	\$ 37,694,245	\$ 40,467,768	\$ 43,111,290	\$ 45,980,000
Less: Funds restricted for debt service	(2,350,867)	(3,755,162)	(3,375,209)	(3,009,581)	(2,880,577)
Net General Bonded Debt	<u>32,454,856</u>	<u>33,939,083</u>	<u>37,092,559</u>	<u>40,101,709</u>	<u>43,099,423</u>
Other Debt					
Revenue Bonds	4,195,000	5,165,000	6,110,000	7,025,000	7,915,000
Less: Funds restricted for debt service	0	0	0	0	0
Net Revenue Bonds	<u>4,195,000</u>	<u>5,165,000</u>	<u>6,110,000</u>	<u>7,025,000</u>	<u>7,915,000</u>
Total Outstanding Debt	<u>\$ 36,649,856</u>	<u>\$ 39,104,083</u>	<u>\$ 43,202,559</u>	<u>\$ 47,126,709</u>	<u>\$ 51,014,423</u>
General Bonded Debt Ratios					
Per Capita	37.97	40.66	46.11	50.62	54.66
Per FTSE	1,806	1,885	2,123	2,271	2,514
As a percentage of Taxable Assessed Value	0.04%	0.04%	0.05%	0.05%	0.06%
Total Outstanding Debt Ratios					
Per Capita	42.88	46.85	53.71	59.49	64.70
Per FTSE	2,039	2,172	2,473	2,668	2,976
As a percentage of Taxable Assessed Value	0.05%	0.05%	0.06%	0.06%	0.07%

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Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31,				
	2009	2008	2007	2006	2005
General Bonded Debt					
General Obligation Bonds	\$ 48,345,000	\$ 50,595,000	\$ 52,745,000	\$54,315,000	\$39,225,000
Less: Funds restricted for debt service	(2,686,501)	(2,324,904)	(1,962,274)	1,481,080	1,124,002
Net General Bonded Debt	<u>45,658,499</u>	<u>48,270,096</u>	<u>50,782,726</u>	<u>55,796,080</u>	<u>40,349,002</u>
Other Debt					
Revenue Bonds	8,775,000	9,610,000	13,511,860	14,312,547	15,083,235
Less: Funds restricted for debt service	0	0	(2,826,857)	(2,684,573)	(2,566,666)
Net Revenue Bonds	<u>8,775,000</u>	<u>9,610,000</u>	<u>10,685,003</u>	<u>11,627,974</u>	<u>12,516,569</u>
Total Outstanding Debt	<u>\$ 54,433,499</u>	<u>\$ 57,880,096</u>	<u>\$ 61,467,729</u>	<u>\$ 67,424,054</u>	<u>\$ 52,865,571</u>
General Bonded Debt Ratios					
Per Capita	59.72	64.53	70.05	80.81	62.19
Per FTSE	3,096	3,513	3,918	4,554	3,411
As a percentage of Taxable Assessed Value	0.06%	0.07%	0.08%	0.10%	0.08%
Total Outstanding Debt Ratios					
Per Capita	71.20	77.37	84.79	97.65	81.48
Per FTSE	3,691	4,212	4,743	5,503	4,469
As a percentage of Taxable Assessed Value	0.08%	0.08%	0.10%	0.12%	0.10%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31				
	2014	2013	2012	2011	2010
Taxable Assessed Value	<u>\$ 80,470,937,890</u>	<u>\$ 75,781,388,098</u>	<u>\$ 73,592,994,694</u>	<u>\$ 73,187,370,452</u>	<u>\$ 72,804,521,749</u>
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$9,656,512,547	\$9,093,766,572	\$8,831,159,363	\$8,782,484,454	\$8,736,542,610
Less: Funds Restricted for Repayment of General Obligations	<u>2,350,867</u>	<u>3,755,162</u>	<u>3,375,209</u>	<u>3,009,581</u>	<u>2,880,577</u>
Total Net General Obligation Debt	<u>9,654,161,680</u>	<u>9,090,011,410</u>	<u>8,827,784,154</u>	<u>8,779,474,873</u>	<u>8,733,662,033</u>
Less: Current Year Debt Service Requirements	4,447,626	4,381,998	4,356,365	6,023,225	5,617,732
Excess Statutory Limit for Debt Service Over Current Requirements	<u>\$ 9,649,714,054</u>	<u>\$ 9,085,629,412</u>	<u>\$ 8,823,427,789</u>	<u>\$ 8,773,451,648</u>	<u>\$ 8,728,044,301</u>
Net Current Requirements as a % of Statutory Limit	0.07%	0.09%	0.09%	0.10%	0.10%

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

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

	For the Year Ended August 31				
	2009	2008	2007	2006	2005
Taxable Assessed Value	<u>\$ 72,113,179,950</u>	<u>\$ 68,715,640,383</u>	<u>\$ 62,011,858,746</u>	<u>\$ 56,262,029,392</u>	<u>\$ 52,271,278,138</u>
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$8,653,581,594	\$8,245,876,846	\$7,441,423,050	\$6,751,443,527	\$6,272,553,377
Less: Funds Restricted for Repayment of General Obligations	<u>2,686,501</u>	<u>2,324,904</u>	<u>1,962,274</u>	<u>1,481,080</u>	<u>1,124,002</u>
Total Net General Obligation Debt	8,650,895,093	8,243,551,942	7,439,460,776	6,749,962,447	6,271,429,375
Less: Current Year Debt Service Requirements	5,529,297	6,282,577	4,421,633	5,089,918	5,274,509
Excess Statutory Limit for Debt Service Over Current Requirements	<u>\$ 8,645,365,796</u>	<u>\$ 8,237,269,365</u>	<u>\$ 7,435,039,143</u>	<u>\$ 6,744,872,529</u>	<u>\$ 6,266,154,866</u>
Net Current Requirements as a % of Statutory Limit	0.09%	0.10%	0.09%	0.10%	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
2014	\$ 1,312,365	\$ 3,265,810	\$ 109,513	\$ 100,840
2013	952,965	3,283,382	232,155	78,813
2012	947,430	3,238,390	233,034	85,387
2011	779,775	3,250,705	288,665	83,512
2010	912,345	3,768,215	403,036	87,702
2009	786,968	4,019,965	2,412,354	67,102
2008	731,213	3,721,857	7,255,898	95,073
2007	683,775	3,472,763	10,034,876	109,013
2006	659,700	3,330,112	6,946,868	103,613
2005	623,887	3,247,071	3,040,550	98,645

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

<u>Pledged Revenues</u>			<u>Debt Service Requirements</u>			
<u>Bookstore Commission</u>	<u>Total</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage Ratio</u>
\$ 8,260,036	\$ 13,048,564	\$	970,000	\$ 138,996	\$ 1,108,996	11.77
8,599,022	13,146,337		945,000	167,434	1,112,434	11.82
9,063,221	13,567,462		915,000	195,055	1,110,055	12.22
9,148,169	13,550,826		890,000	221,859	1,111,859	12.19
8,436,630	13,607,928		860,000	250,847	1,110,847	12.25
7,466,484	14,752,873		835,000	273,017	1,108,017	13.31
6,692,096	18,496,137		1,160,000	643,748	1,803,748	10.25
7,192,529	21,492,956		800,000	688,709	1,488,709	14.44
5,918,794	16,959,087		770,000	724,701	1,494,701	11.35
5,638,060	12,648,213		1,180,000	769,535	1,949,535	6.49

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	District Population¹	District Personal Income (\$ in thousands)²	District Personal Income Per Capita	District Unemployment Rate³
2014	854,778	N/A*	N/A*	5.0%
2013	834,642	N/A*	N/A*	5.5%
2012	804,390	46,837,453	56,117	6.3%
2011	792,150	42,576,156	52,419	7.7%
2010	788,511	38,029,236	48,229	7.7%
2009	764,500	36,447,393	47,675	8.2%
2008	748,050	37,746,642	50,460	4.8%
2007	724,900	35,116,000	48,443	3.6%
2006	690,500	31,805,000	46,061	4.0%
2005	648,800	30,217,445	46,574	4.2%

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

2 Personal Income from U.S. Bureau of Economic Analysis - Data is only available for years prior to 2012 at this time. Data for 2012 obtained from Texas Association of Counties

3 Unemployment rate from Texas Workforce Commission LCMI Tracer

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

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Principal Employers
Current Fiscal Year and Nine Years Ago
(unaudited)**

Employer	2014		2005	
	Number of Employees	Percentage of Total Employment	Number of Employees	Percentage of Total Employment
Bank of America Home Loans (formerly Countrywide Home Loans)	8,000	1.83%	3,000	1.47%
Plano Independent School District	6,538	1.50%	6,528	3.20%
J.C. Penney, Inc.	3,100	0.71%	3,800	1.86%
EDSCorp/HP Enterprise Services	4,500	1.03%	6,700	3.28%
Perot Systems Corporation/Dell	2,500	0.57%	2,811	1.38%
University of Texas at Dallas	3,500	0.80%	0	0.00%
Raytheon	3,300	0.75%	3,200	1.57%
Collin County Community College District	2,560	0.59%	1,580	0.77%
Collin County	1,673	0.38%	1,458	0.71%
Allen Independent School District	2,229	0.51%	0	0.00%
McKinney ISD	3,056	0.70%	0	0.00%
Frisco ISD	6,000	1.37%	0	0.00%
Alcatel-Lucent	2,500	0.57%	5,080	2.49%
Ericsson Headquarters	2,650	0.61%	0	0.00%
Texas Health Presbyterian Hospital Plano	1,680	0.38%	0	0.00%
Capital One	4,500	1.03%	0	0.00%
Medical Center of Plano (HCA Medical Ctr)	1,600	0.37%	0	0.00%
City of Plano	2,257	0.52%	0	0.00%
Frito-Lay	2,500	0.57%	3,000	1.47%
Dr Pepper Snapple Group Inc	1,250	0.29%	0	0.00%
Pepsico	1,340	0.31%	0	0.00%
McAfee, Inc.	1,100	0.25%	0	0.00%
Cigna	1,065	0.24%	0	0.00%
Encore Wire	1,150	0.26%	0	0.00%
Torchmark/United American Ins.	1,250	0.29%	0	0.00%
	71,798	16.42%	37,157	18.21%

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

2005 data from Collin County, TX 2005 Comprehensive Annual Financial Report

Note: Percentages are calculated using the lowest points of the range.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Faculty, Staff, and Administrators Statistics

Last Ten Fiscal Years

(unaudited)

	Fiscal Year				
	2014	2013	2012	2011	2010
Faculty					
Full-Time	356	358	328	341	351
Part-Time	373	370	388	380	368
Total	<u>729</u>	<u>728</u>	<u>716</u>	<u>721</u>	<u>719</u>
Percent					
Full-Time	48.8%	49.2%	45.8%	47.3%	48.8%
Part-Time	51.2%	50.8%	54.2%	52.7%	51.2%
Staff and Administrators					
Full-Time	619	587	577	575	582
Part-Time	445	450	435	438	405
Total	<u>1064</u>	<u>1,037</u>	<u>1,012</u>	<u>1,013</u>	<u>987</u>
Percent					
Full-Time	58.2%	56.6%	57.0%	56.8%	59.0%
Part-Time	41.8%	43.4%	43.0%	43.2%	41.0%
FTSE per Full-Time Faculty	50.49	50.30	53.27	51.79	48.84
FTSE per Full-Time Staff Member	29.04	30.68	30.28	30.71	29.46
Average Annual Faculty Salary	\$ 57,209	\$ 56,614	\$ 54,821	\$ 55,392	\$ 55,231

FTSE as reported on CBM00A

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

	Fiscal Year				
	2009	2008	2007	2006	2005
Faculty					
Full-Time	328	293	268	238	214
Part-Time	368	361	338	345	327
Total	<u>696</u>	<u>654</u>	<u>606</u>	<u>583</u>	<u>541</u>
Percent					
Full-Time	47.1%	44.8%	44.2%	40.8%	39.6%
Part-Time	52.9%	55.2%	55.8%	59.2%	60.4%
Staff and Administrators					
Full-Time	564	546	525	495	493
Part-Time	405	888	738	894	743
Total	<u>969</u>	<u>1,434</u>	<u>1,263</u>	<u>1,389</u>	<u>1,236</u>
Percent					
Full-Time	58.2%	38.1%	41.6%	35.6%	39.9%
Part-Time	41.8%	61.9%	58.4%	64.4%	60.1%
FTSE per Full-Time Faculty	44.97	46.90	48.36	51.48	55.28
FTSE per Full-Time Staff Member	26.15	25.17	24.69	24.75	23.99
Average Annual Faculty Salary	\$ 54,181	\$ 53,404	\$ 51,109	\$ 47,365	\$ 45,836

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Student Classification	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	18,363	66%	17,845	65%	17,379	64%	17,679	65%	15,927	64%
31-60 hours	6,839	24%	7,175	26%	7,611	28%	6,742	25%	5,790	23%
> 60 hours	2,770	10%	2,404	9%	2,198	8%	2,648	10%	3,155	13%
Total	27,972	100%	27,424	100%	27,188	100%	27,069	100%	24,872	100%

Semester Hour Load	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	223	1%	241	1%	190	1%	225	1%	165	1%
3-5 semester hours	5,682	20%	5,577	20%	4,900	18%	5,783	21%	5,651	23%
6-8 semester hours	7,274	26%	6,917	25%	7,162	26%	6,448	24%	5,579	22%
9-11 semester hours	5,150	18%	5,012	18%	5,042	19%	4,397	16%	3,820	15%
12-14 semester hours	7,939	28%	7,845	29%	8,419	31%	8,604	32%	8,058	32%
15-17 semester hours	1,543	6%	1,632	6%	1,264	5%	1,463	5%	1,454	6%
18 & Over	161	1%	200	1%	211	1%	149	1%	145	1%
Total	27,972	100%	27,424	100%	27,188	100%	27,069	100%	24,872	100%

Average course load 8.6 8.8 8.8 8.6 8.6

Tuition Status	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
TX Resident (In-District)	19,309	69%	18,597	68%	19,298	71%	18,661	69%	17,521	70%
TX Resident (Out-of-District)	6,057	22%	5,909	22%	5,770	21%	5,518	20%	5,358	22%
Non-Resident Tuition	2,606	9%	2,918	11%	2,120	8%	2,890	11%	1,993	8%
Total	27,972	100%	27,424	100%	27,188	100%	27,069	100%	24,872	100%

Source: Fall Census Headcounts

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Gender	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	12,393	44%	11,931	44%	11,719	43%	11,734	43%	10,744	43%
Female	15,579	56%	15,493	56%	15,469	57%	15,335	57%	14,128	57%
Total	27,972	100%	27,424	100%	27,188	100%	27,069	100%	24,872	100%

Ethnic Origin	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	15,262	55%	15,440	56%	15,834	58%	16,512	60%	15,310	61%
Hispanic	4,898	18%	4,435	16%	4,313	16%	3,015	11%	3,243	13%
African American	3,376	12%	3,228	12%	3,168	12%	2,990	11%	2,597	10%
Asian	2,297	8%	2,268	8%	2,317	9%	2,256	8%	2,667	11%
Foreign	826	3%	842	3%	635	2%	844	3%	0	0%
Native American	135	0%	124	0%	393	1%	202	1%	174	1%
Other	1,178	4%	1,087	4%	528	2%	1,250	5%	881	4%
Total	27,972	100%	27,424	100%	27,188	100%	27,069	100%	24,872	100%

Age	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	3,061	11%	2,685	10%	2,613	9%	2,516	9%	2,272	9%
18 - 21	12,342	44%	11,643	42%	13,023	47%	11,554	44%	12,387	51%
22 - 24	3,623	13%	3,527	13%	5,387	20%	3,476	13%	4,665	19%
25 - 35	5,109	18%	5,451	20%	3,929	14%	5,476	20%	2,098	8%
36 - 50	3,070	11%	3,318	12%	2,233	8%	3,266	12%	1,343	5%
51 & Over	767	3%	800	3%	408	1%	781	3%	2,107	8%
Total	27,972	100%	27,424	100%	27,593	100%	27,069	100%	24,872	100%

Average Age (Fall)	24.7	25.3	25.8	25.8	25.4
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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfers to Senior Institutions
2012 Fall Students as of Fall 2013
(Includes community, technical and public senior colleges in Texas)
(unaudited)**

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
ACCD-San Antonio College	2	1	0	0	3	0.0384%
ACCD- St Phillip's College	1	0	0	0	1	0.0128%
ACCD-Northeast Lakeview College	0	0	0	0	0	0.0000%
ACCD-Northwest Vista College	0	0	0	0	0	0.0000%
ACCD-Palo Alto College	1	0	0	0	1	0.0128%
Alvin Community College	2	0	0	0	2	0.0256%
Amarillo College	3	0	1	0	4	0.0512%
Angelina College	0	0	0	0	0	0.0000%
Austin Community College	58	7	1	0	66	0.8441%
Blinn College	102	17	0	0	119	1.5219%
Central Texas College	5	2	0	0	7	0.0895%
Cisco Junior College	3	0	0	0	3	0.0384%
Clarendon College	1	0	0	0	1	0.0128%
College of the Mainland Community College District	0	0	0	0	0	0.0000%
Collin County Community College District	702	112	5	2	821	10.5001%
Dallas County Community College District	368	80	3	0	451	5.7680%
Del Mar College	0	1	0	0	1	0.0128%
El Paso Community College District	0	0	0	0	0	0.0000%
Frank Phillips College	1	0	0	0	1	0.0128%
Galveston College	2	0	0	0	2	0.0256%
Grayson County College	70	19	0	0	89	1.1383%
HCJCD-Howard College	3	0	0	0	3	0.0384%
Hill College	1	0	0	0	1	0.0128%
Houston Community College System	4	1	0	0	5	0.0639%
Kilgore College	7	1	0	0	8	0.1023%
Laredo Community College	0	0	0	0	0	0.0000%
Lamar Institute of Technology	0	1	0	0	1	0.0128%
Lamar State College	0	1	0	0	1	0.0128%
Lone Star College	3	3	0	0	6	0.0767%
McLennan Community College	11	0	0	0	11	0.1407%
Midland College	1	0	0	0	1	0.0128%
Navarro College	7	4	1	0	12	0.1535%
North Central Texas College	54	23	0	0	77	0.9848%
Northeast Texas Community College	8	1	0	0	9	0.1151%
Odessa College	3	1	0	0	4	0.0512%
Panola College	2	0	0	0	2	0.0256%
Paris Junior College	12	6	0	0	18	0.2302%
Ranger College	3	0	0	0	3	0.0384%
San Jacinto College	4	0	0	0	4	0.0512%
South Plains College	14	3	0	0	17	0.2174%
South Texas College	0	0	0	0	0	0.0000%
Southwest Texas Junior College	0	0	0	0	0	0.0000%
Tarrant County College District	46	17	1	0	64	0.8185%
Temple College	1	1	0	0	2	0.0256%
Texarkana College	1	0	0	0	1	0.0128%
Texas Southmost College	0	0	0	0	0	0.0000%
Texas State Technical College-Harlingen	0	0	0	0	0	0.0000%
Texas State Technical College-Waco	6	2	0	0	8	0.1023%
Texas State Technical College-West Texas	3	0	0	0	3	0.0384%
Trinity Valley Community College	15	3	0	0	18	0.2302%
Tyler Junior College	19	1	0	0	20	0.2558%
Vernon College	1	1	0	0	2	0.0256%
Victoria College	0	1	0	0	1	0.0128%
Weatherford College	5	1	0	0	6	0.0767%
Western Texas College	0	1	0	0	1	0.0128%
Wharton County Junior College	0	2	0	0	2	0.0256%
Angelo State University	7	1	0	0	8	0.1023%
Lamar University	11	1	0	0	12	0.1535%
The University of Texas at Dallas	1212	206	16	0	1434	18.3399%

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Transfers to Senior Institutions
2012 Fall Students as of Fall 2013
(Includes community, technical and public senior colleges in Texas)
(unaudited)

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
University of North Texas	1032	149	6	0	1187	15.1810%
University of North Texas at Dallas	5	2	0	0	7	0.0895%
The University of Texas at Austin	341	84	3	0	428	5.4738%
Texas A&M University	351	80	2	0	433	5.5378%
Texas Tech University	454	115	2	0	571	7.3027%
Texas Woman's University	412	57	9	0	478	6.1133%
Texas A&M International University	0	0	0	0	0	0.0000%
Texas A&M University at Galveston	16	2	0	0	18	0.2302%
Texas A&M University - Central Texas	4	0	0	0	4	0.0512%
Texas A&M University - Commerce	228	22	2	0	252	3.2229%
Texas A&M University - Corpus Christi	19	1	0	0	20	0.2558%
Texas A&M University - Texarkana	2	0	0	0	2	0.0256%
Texas A&M University - Kingsville	2	1	0	0	3	0.0384%
The University of Texas at Arlington	239	43	1	0	283	3.6194%
Texas State University - San Marcos	142	36	2	0	180	2.3021%
Midwestern State University	49	9	0	0	58	0.7418%
Sam Houston State University	59	3	0	0	62	0.7929%
Sul Ross State University	1	0	0	0	1	0.0128%
West Texas A&M University	17	5	0	0	22	0.2814%
The University of Texas at El Paso	3	1	0	0	4	0.0512%
The University of Texas San Antonio	19	3	0	0	22	0.2814%
The University of Texas at Brownsville	2	0	0	0	2	0.0256%
Prairie View A&M University	7	1	0	0	8	0.1023%
Texas Southern University	6	1	0	0	7	0.0895%
Tarleton State University	53	8	1	0	62	0.7929%
Stephen F. Austin State University	141	24	2	0	167	2.1358%
University of Houston	38	12	0	0	50	0.6395%
The University of Texas of the Permian Basin	7	1	0	0	8	0.1023%
The University of Texas Pan American	1	0	0	0	1	0.0128%
The University of Texas at Tyler	28	6	0	0	34	0.4348%
Health Science Institutions						
UT Southwestern Medical Center at Dallas	4	0	0	0	4	0.0512%
Baylor College of Medicine	2	0	0	0	2	0.0256%
The Univ of Texas Health Science Ctr at Houston	5	0	0	0	5	0.0639%
The Univ of Texas Health Science Ctr at San Antonio	5	0	0	0	5	0.0639%
The Univ of Texas Medical Branch at Galveston	7	0	0	0	7	0.0895%
University of N Texas Health Science Ctr	12	3	0	0	15	0.1918%
University of Texas M.D. Anderson Cancer Center	1	0	0	0	1	0.0128%
Texas A&M Univ Health Science Center	11	2	0	0	13	0.1663%
Texas Tech Univ Health Sciences Center - El Paso	2	0	0	0	2	0.0256%
Texas Tech Univ Health Sciences Center	32	22	0	0	54	0.6906%
Total	6,544	1,215	58	2	7,819	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Capital Asset Information
Fiscal Years 2005 to 2014
(unaudited)**

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Academic Building	9	9	9	9	9	8	8	8	8	8
Square Footage	957,433	957,433	883,571	809,709	806,634	744,634	723,368	651,361	649,249	546,249
Libraries	3	3	3	3	3	3	3	3	3	3
Square Footage	295,429	295,429	206,539	206,539	206,539	206,539	135,172	135,172	135,172	135,172
Number of Volumes**	246,192	262,427	252,135	240,855	221,417	204,403	193,266	189,003	185,327	180,032
Administrative and Support Buildings										
Square Footage*	449,314	449,314	429,227	409,140	412,215	350,215	241,691	239,991	239,991	239,991
Dining Facilities	2	2	2	2	2	2	2	2	2	2
Square Footage	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926	11,926
Average Daily Customers	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Athletic Facilities	3	3	3	3	3	3	3	3	3	3
Square Footage	89,647	89,647	89,647	89,647	89,647	89,647	99,167	99,167	99,167	99,167
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness Centers	3	3	3	3	3	3	3	3	3	3
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Racquet Ball Courts	9	9	9	9	9	9	9	9	9	9
Plant Facilities	4	4	4	4	4	4	4	4	4	4
Square Footage	20,381	20,381	20,381	20,381	20,381	20,381	20,381	20,381	18,269	18,269
Transportation										
Cars	12	10	9	9	9	7	7	7	6	6
Light Trucks/Vans	23	17	17	16	16	16	15	15	15	15

* Comprise parts of various buildings.

**Includes accessible e-books



Single Audit



Single Audit Section



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

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Board of Trustees
Collin County Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Collin County Community College District (the "District") as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2014.

Our report includes a reference to other auditors who audited the financial statements of Collin County Community College Foundation ("the Foundation"), as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal control over financial reporting

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

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

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

Compliance and other matters

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

Intended purpose

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

GRANT THORNTON LLP

Dallas, Texas
November 25, 2014



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Trustees
Collin County Community College District

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Report on compliance for each major federal and state program

We have audited the compliance of Collin County Community College District (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Circular A-133 Compliance Supplement* and the State of Texas *Single Audit Circular* that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to the District’s federal and state programs.

Auditor’s responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas *Single Audit Circular*.

The above-mentioned standards and OMB Circular A-133 and the State of Texas *Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on each major federal and state program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2014.

Report on internal control over compliance

Management of the District is responsible for designing, implementing, and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal and state program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of Texas *Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The 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 OMB Circular A-133 and State of Texas *Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

GRANT THORNTON LLP

Dallas, Texas
November 25, 2014

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2014**

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenses</u>
U.S. Department of Education			
Direct programs:			
Student Financial Assistance Cluster			
Federal Supplemental Educational Opportunity Grants	84.007		\$ 282,128
Federal Work-Study Program	84.033		327,706
Federal Pell Grant Program	84.063		23,822,044
Federal Direct Student Loans	84.268		<u>33,815,662</u>
Total Student Financial Assistance Cluster			58,247,540
Pass-Through from:			
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	142033	322,070
Statewide Data Systems Cluster			
Statewide Longitudinal Data Systems	84.372	12399	4,986
Total U.S. Department of Education			<u>\$ 58,574,596</u>
Department of Labor			
Direct programs:			
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282		6,009,734
Pass-Through from:			
North Central Texas Council of Governments Workforce Solutions for North Central Texas			
Career Pathways Innovation Fund	17.269	CB-20564-10-60-A-48	871
Total Department of Labor			<u>\$ 6,010,605</u>
National Science Foundation			
Direct Programs:			
Education and Human Resources	47.076		1,054,147
Pass-Through from:			
The University of Texas at Dallas			
Education and Human Resources	47.076	DUE-0856549	53,569
Florida State College at Jacksonville			
Education and Human Resources	47.076	DUE-1104234	33,265
Total National Science Foundation			<u>\$ 1,140,981</u>
U.S. Small Business Administration			
Pass-Through from:			
Dallas County Community College District:			
Small Business Development Centers	59.037	SBAHQ-13-B-0007	29,285
Small Business Development Centers	59.037	SBAHQ-14-B-0018	192,709
Total U.S. Small Business Administration			<u>\$ 221,994</u>
Department of Health and Human Services			
Pass-Through from:			
Texas Woman's University			
Biomedical Research and Research Training	93.859	R25GM58397-10	9,365
Total Federal Financial Assistance			<u>\$ 65,957,541</u>

Notes to schedule on following page.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of Federal Awards
For the year ended August 31, 2014**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	\$ 7,158,994
Add: Indirect/Administrative Costs Recoveries - per Schedule A	70,627
Add: Non Operating Federal Revenue - per Schedule C	24,431,878
Total Federal Revenues per Basic Financial Statements (Exhibit 2)	<u>\$31,661,499</u>
Reconciling item:	
Add:	
Funds passed through to others	\$ 480,380
Direct Student Loans	33,815,662
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$65,957,541</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.

Note 3: Amounts processed through the District

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

Bellevue College	\$ 649,784
Bunker Hill Community College	558,438
Del Mar College	512,300
Moraine Valley Community College	1,246,781
Maricopa County Community College/Rio Salado	968,179
Salt Lake Community College	273,258
Total amount expended by consortium members	<u>\$ 4,208,740</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of Federal Awards
For the year ended August 31, 2014
(Continued)**

Note 4: Amounts passed-through by the District

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

Coast Community College	\$ 56,643
Dallas County Community College	55,263
Florida State College at Jacksonville	52,151
Fox Valley Technical College	127,380
Georgia Southern University	75,946
Lansing Community College	35,452
University of North Texas	77,545
Total amount passed-through	<u>\$ 480,380</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of State Awards
For the year ended August 31, 2014**

<u>Grantor/Pass-through Grantor/ Program Title</u>	<u>Grantor's Number</u>	<u>Disbursements and Expenses</u>
Texas Workforce Commission		
Skills Development in Partnership with a Manufacturing Consortium	0412SDF000	\$ (767)
Skills for Small Business Program	0413SSD001	2,050
Skills Development in Partnership with Comm Group Inc	0413SDF005	42,662
Skills Development in Partnership with a Manufacturing Consortium	0413SDF001	95,410
Pass-through from:		
Alamo Community College District Fast Start Program in Nursing	2014GRF000	25,441
Total Texas Workforce Commission		<u>\$ 164,796</u>
Texas Higher Education Coordinating Board		
Nursing Innovation Grant Program	13041	470
Professional Nursing Shortage Reduction Program		39,812
Professional Nursing Shortage Reduction Over 70 Program		11,280
Texas Education Opportunity Grant-Renewal Year		7,920
Texas Education Opportunity Grant-Initial Year		77,880
Toward EXcellence, Access & Success Grant-Renewal Yr		100,320
Toward EXcellence, Access & Success Grant-Initial Year		535,920
College Access Loans		12,196
Total Texas Higher Education Coordinating Board		<u>\$ 785,798</u>
Pass-through from:		
Dallas County Community College District		
Small Business Development Center 12/13	SBAHQ-13-B-0007	597
Small Business Development Center 13/14	SBAHQ-14-B-0018	13,003
Total Small Business Development Center		<u>\$ 13,600</u>
Total State Financial Assistance		<u><u>\$ 964,194</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, 2014**

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A	
State Financial Assistance	
State Grants and Contracts revenue - per Schedule A	\$ 964,096
Add: Indirect/Administrative Costs Recoveries - per Schedule A	98
Total State Revenues per Schedule A	<u>\$ 964,194</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, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weakness identified? No

• Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal and State Awards

Internal control over major programs:

• Material weakness identified? No

• Significant deficiencies identified that are not considered to be material weaknesses? No

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? No

Identification of major programs:

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

Major Federal Program: 84.007, 84.033, 84.063, 84.268 47.076	Student Financial Assistance Cluster National Science Foundation
--	---

Major State Program:	Toward EXcellence, Access & Success Grant (tested as part of the Student Financial Assistance Cluster)
----------------------	---

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

Auditee qualified as low-risk auditee for federal programs? No

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

Auditee qualified as low-risk auditee for state programs: Yes

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2014.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2014.

SECTION IV - SUMMARY OF PRIOR YEAR AUDIT FINDINGS

The results of our procedures disclosed no findings reported for the year ended August 31, 2013.

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Supplementary Financial Information Section

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

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

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

**Schedule of Net Position by Fund - Unaudited
As of August 31, 2014
(with comparative totals at August 31, 2013)**

	Current funds				Total
	Unrestricted	Auxiliary enterprises	Restricted	Quasi - Endowment	
Assets					
Cash and cash equivalents	\$ 84,142,913	\$ 234,475	\$ 0	\$ 0	\$ 84,377,388
Investments	39,992,328	0	0	0	39,992,328
Accounts receivable (net of allowance for doubtful accounts of \$1,758,366 and \$1,325,641)	7,882,567	389,811	0	0	8,272,378
Tax receivable (net of allowance for doubtful accounts of \$824,816 and \$661,442)	347,784	0	0	0	347,784
Prepaid expenses	643,422	178,601	0	0	822,023
Contracts and grants receivables	0	0	1,475,558	0	1,475,558
Consumable inventory	0	45,759	0	0	45,759
Inventories for resale	0	2,834,246	0	0	2,834,246
Capital assets	0	0	0	0	0
Total assets	<u>133,009,014</u>	<u>3,682,892</u>	<u>1,475,558</u>	<u>0</u>	<u>138,167,464</u>
Liabilities:					
Accounts payable / accrued liabilities	3,958,154	388,833	968,582	0	5,315,569
Claim on cash	4,734,292	(2,236,549)	(305,693)	0	2,192,050
Unearned revenues	14,773,116	354,796	193,899	0	15,321,811
Accrued compensable absences payable	862,864	0	0	0	862,864
Bonds payable	0	0	0	0	0
Amounts held for others	0	0	0	0	0
Total liabilities	<u>24,328,426</u>	<u>(1,492,920)</u>	<u>856,788</u>	<u>0</u>	<u>23,692,294</u>
Unrestricted:					
Reserved:					
Encumbrances	519,910	6,681	0	0	526,591
Accounts receivable	7,882,567	389,811	0	0	8,272,378
Consumable inventories	0	45,759	0	0	45,759
Prepaid expenses	643,422	178,601	0	0	822,023
Unreserved:					
Designated - insurance deductibles	100,000	0	0	0	100,000
Designated - stabilization of maintenance & operations	24,750,000	0	0	0	24,750,000
Designated - health insurance reserve	30,000,000	0	0	0	30,000,000
Undesignated	44,784,689	4,554,960	0	0	49,339,649
Restricted:					
Other	0	0	53,237	0	53,237
Texas Public Education Grant	0	0	565,533	0	565,533
Unexpended plant	0	0	0	0	0
Retirement of indebtedness	0	0	0	0	0
Net investment in plant	0	0	0	0	0
Student loans	0	0	0	0	0
Total net position, commitments & contingencies	<u>108,680,588</u>	<u>5,175,812</u>	<u>618,770</u>	<u>0</u>	<u>114,475,170</u>
Total liabilities and net position	<u>\$ 133,009,014</u>	<u>\$ 3,682,892</u>	<u>\$ 1,475,558</u>	<u>\$ 0</u>	<u>\$ 138,167,464</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Net Position by Fund - Unaudited (Continued)
As of August 31, 2014
(with comparative totals at August 31, 2013)

Unexpended	Plant funds			Student loans	Agency funds	Totals (memorandum only)	
	Retirement of indebtedness	Investment in plant				2014	2013
\$ 99,768,116	\$ 2,350,867	\$ 0	\$ 0	\$ 0	186,496,371	\$ 232,058,662	
\$ 24,995,269					64,987,597	0	
0	0	0	4,837	0	8,277,215	8,700,910	
0	98,302	0	0	0	446,086	401,970	
0	0	0	0	0	822,023	612,983	
0	0	0	0	0	1,475,558	1,474,305	
0	0	0	0	0	45,759	28,684	
0	0	0	0	0	2,834,246	3,868,148	
0	0	261,358,787	0	0	261,358,787	259,388,759	
<u>124,763,385</u>	<u>2,449,169</u>	<u>261,358,787</u>	<u>4,837</u>	<u>0</u>	<u>526,743,642</u>	<u>506,534,421</u>	
3,344,238	70,676	0	0	1,921	8,732,404	6,229,327	
(400,854)	314,933	70,568	(16,871)	(382,957)	1,776,869	2,763,404	
0	0	0	0	0	15,321,811	14,179,534	
0	0	0	0	0	862,864	797,804	
0	0	39,000,723	0	0	39,000,723	42,859,245	
0	0	0	0	381,036	381,036	381,903	
<u>2,943,384</u>	<u>385,609</u>	<u>39,071,291</u>	<u>(16,871)</u>	<u>0</u>	<u>66,075,707</u>	<u>67,211,217</u>	
0	0	0	0	0	526,591	426,340	
0	0	0	0	0	8,272,378	8,690,285	
0	0	0	0	0	45,759	28,684	
0	0	0	0	0	822,023	612,423	
0	0	0	0	0	100,000	100,000	
0	0	0	0	0	24,750,000	24,750,000	
0	0	0	0	0	30,000,000	30,000,000	
0	0	0	0	0	49,339,649	57,876,550	
0	0	0	0	0	53,237	39,917	
0	0	0	0	0	565,533	448,942	
121,820,001	0	0	0	0	121,820,001	96,414,719	
0	2,063,560	0	0	0	2,063,560	3,431,394	
0	0	222,287,496	0	0	222,287,496	216,482,469	
0	0	0	21,708	0	21,708	21,481	
<u>121,820,001</u>	<u>2,063,560</u>	<u>222,287,496</u>	<u>21,708</u>	<u>0</u>	<u>460,667,935</u>	<u>439,323,204</u>	
<u>\$ 124,763,385</u>	<u>\$ 2,449,169</u>	<u>\$ 261,358,787</u>	<u>\$ 4,837</u>	<u>\$ 0</u>	<u>\$ 526,743,642</u>	<u>\$ 506,534,421</u>	

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - Unaudited
For the year ended August 31, 2014
(with comparative totals for the year ended August 31, 2013)**

	Current funds				Total
	<u>Unrestricted</u>	<u>Auxiliary enterprises</u>	<u>Restricted</u>	<u>Quasi - Endowment</u>	
Net Position - beginning of year	\$114,795,412	\$6,108,097	\$488,859	\$1,580,773	\$122,973,141
Revenues and other additions:					
Unrestricted current funds revenue	134,396,060	9,784,640	0	1,884	144,182,584
State appropriations - restricted	0	0	5,321,099	0	5,321,099
Tax revenues for debt service	0	0	0	0	0
Federal grants and contracts	0	0	31,409,614	0	31,409,614
State grants and contracts	0	0	964,194	0	964,194
Private gifts, grants and contracts	0	0	13,320	0	13,320
Investment income	0	0	215	0	215
Miscellaneous income	0	0	0	0	0
Net decrease in bonds payable	0	0	0	0	0
Expended for plant facilities	0	0	0	0	0
Total revenues and other additions	<u>134,396,060</u>	<u>9,784,640</u>	<u>37,708,442</u>	<u>1,884</u>	<u>181,891,026</u>
Expenses and other deductions:					
Expenses	102,697,986	10,927,237	38,844,617	1,582,657	154,052,497
Indirect costs	0	0	70,726	0	70,726
Administrative and collection costs	0	0	0	0	0
Retirement of indebtedness	0	0	0	0	0
Interest on indebtedness	0	0	0	0	0
Depreciation	0	0	0	0	0
Total expenditures and other deductions	<u>102,697,986</u>	<u>10,927,237</u>	<u>38,915,343</u>	<u>1,582,657</u>	<u>154,123,223</u>
Transfers - additions (deductions):					
Mandatory transfers:					
Retirement of indebtedness:					
Building use fee	(1,108,996)	0	0	0	(1,108,996)
Texas Public Education Grant	(1,142,479)	0	1,142,479	0	0
FSEOG match paid by TPEG	(119,281)	0	119,281	0	0
Grant matching	(75,052)	0	75,052	0	0
Non-mandatory transfers	<u>(35,367,090)</u>	<u>210,312</u>	<u>0</u>	<u>0</u>	<u>(35,156,778)</u>
Total transfers - additions (deductions)	<u>(37,812,898)</u>	<u>210,312</u>	<u>1,336,812</u>	<u>0</u>	<u>(36,265,774)</u>
Net increase (decrease) for the fiscal year	<u>(6,114,824)</u>	<u>(932,285)</u>	<u>129,911</u>	<u>(1,580,773)</u>	<u>(8,497,971)</u>
Net Position - end of year	<u>\$108,680,588</u>	<u>\$5,175,812</u>	<u>\$618,770</u>	<u>\$0</u>	<u>\$114,475,170</u>

Note: On June 24, 2014, the Board of Trustees approved the transfer of \$18,000,000 from the Current Unrestricted Fund to the Building Fund. This transfer resulted in a decrease in Net Position in the Current Unrestricted Fund for the fiscal year ending August 31, 2014.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - Unaudited (Continued)
For the year ended August 31, 2014
(with comparative totals for the year ended August 31, 2013)**

	Plant funds			Student loans	Totals (memorandum only)	
	Unexpended	Retirement of indebtedness	Investment in plant		2014	2013
	\$96,414,719	\$3,431,394	\$216,482,469	\$21,481	\$439,323,204	\$418,013,848
	0	0	0	0	144,182,584	137,177,404
	0	0	0	0	5,321,099	4,417,063
	0	3,095,004	0	0	3,095,004	4,875,834
	0	0	0	0	31,409,614	31,172,165
	0	0	0	0	964,194	328,453
	0	0	0	0	13,320	0
	39,827	1,611	0	0	41,653	95,865
	200,000	0	0	227	200,227	200,000
	0	0	3,835,000	0	3,835,000	3,695,000
	0	0	9,514,535	0	9,514,535	10,169,666
	<u>239,827</u>	<u>3,096,615</u>	<u>13,349,535</u>	<u>227</u>	<u>198,577,230</u>	<u>192,131,450</u>
	9,991,323	0	0	0	164,043,820	158,133,067
	0	0	0	0	70,726	58,958
	0	73,685	0	0	73,685	122,427
	0	3,835,000	0	0	3,835,000	3,695,000
	0	1,664,760	0	0	1,664,760	1,797,093
	0	0	7,544,508	0	7,544,508	7,315,549
	<u>9,991,323</u>	<u>5,573,445</u>	<u>7,544,508</u>	<u>0</u>	<u>177,232,499</u>	<u>171,122,094</u>
	0	1,108,996	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	35,156,778	0	0	0	0	0
	<u>35,156,778</u>	<u>1,108,996</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	25,405,282	(1,367,834)	5,805,027	227	21,344,731	21,009,356
	<u>\$121,820,001</u>	<u>\$2,063,560</u>	<u>\$222,287,496</u>	<u>\$21,708</u>	<u>\$460,667,935</u>	<u>\$439,023,204</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - Unaudited
Current Unrestricted Funds - Auxiliary Enterprises**

For the year ended August 31, 2014

	Rental Income <u>Scholarships</u>	Student <u>Activities</u>	<u>Camps</u>	<u>Scholarships</u>	Intercollegiate <u>Athletics</u>
Net Position - beginning of year	\$ 54,761	\$ 297,957	\$ 42,876	\$ 0	\$ 0
Revenues and other additions:					
Gifts	0	0	7,363	0	0
Sales and services	92,819	0	0	0	0
Student fees	0	544,282	0	0	0
Miscellaneous income	0	0	75,342	0	2,215
Total revenue	<u>92,819</u>	<u>544,282</u>	<u>82,705</u>	<u>0</u>	<u>2,215</u>
Expenses and other deductions:					
Salaries and wages	0	0	11,122	0	141,931
Staff benefits	0	0	0	0	0
Financial Aid	0	0	0	269,934	220,101
Other operating expenses	0	444,227	48,349	0	180,927
Total expenditures	<u>0</u>	<u>444,227</u>	<u>59,471</u>	<u>269,934</u>	<u>542,959</u>
Excess (deficit) of revenue over (under) expenditure	<u>92,819</u>	<u>100,055</u>	<u>23,234</u>	<u>(269,934)</u>	<u>(540,744)</u>
Transfers - additions (deductions):					
Transfer from operating fund	0	0	0	0	0
Other fund transfers:					
Student activities	0	(161,668)	0	0	161,668
Bookstore	0	0	0	56,102	326,060
Rental Income	(147,580)	0	0	213,832	
Fitness Center	0	0	0	0	3,761
Food service	0	0	0	0	49,255
Total transfers - additions(deductions)	<u>(147,580)</u>	<u>(161,668)</u>	<u>0</u>	<u>269,934</u>	<u>540,744</u>
Net increase (decrease) for the fiscal year	<u>(54,761)</u>	<u>(61,613)</u>	<u>23,234</u>	<u>0</u>	<u>0</u>
Net Position - end of year	<u>\$ 0</u>	<u>\$ 236,344</u>	<u>\$ 66,110</u>	<u>\$ 0</u>	<u>\$ 0</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - Unaudited
Current Unrestricted Funds - Auxiliary Enterprises
(Continued)
For the year ended August 31, 2014**

<u>Food Services</u>	<u>Bookstore</u>	<u>Facilities Rental</u>	<u>Child Care Center</u>	<u>Fitness Center</u>	<u>Print Shop</u>	<u>Total</u>
\$ 0	\$ 5,712,503	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,108,097
0	0	0	0	0	0	7,363
100,000	8,211,100	189,899	181,077	3,761	326,018	9,104,674
0	0	0	0	0	0	544,282
840	48,935	0	0	0	989	128,321
<u>100,840</u>	<u>8,260,035</u>	<u>189,899</u>	<u>181,077</u>	<u>3,761</u>	<u>327,007</u>	<u>9,784,640</u>
0	544,290	92,662	275,926	0	93,534	1,159,465
0	126,359	23,456	60,865	0	18,029	228,709
0	0	0	0	0	0	490,035
51,585	8,046,369	7,529	54,598	0	215,444	9,049,028
<u>51,585</u>	<u>8,717,018</u>	<u>123,647</u>	<u>391,389</u>	<u>0</u>	<u>327,007</u>	<u>10,927,237</u>
<u>49,255</u>	<u>(456,983)</u>	<u>66,252</u>	<u>(210,312)</u>	<u>3,761</u>	<u>0</u>	<u>(1,142,597)</u>
0	0	0	210,312	0	0	210,312
0	0	0	0	0	0	0
0	(382,162)	0	0	0	0	0
0	0	(66,252)	0	0	0	0
0	0	0	0	(3,761)	0	0
(49,255)	0	0	0	0	0	0
<u>(49,255)</u>	<u>(382,162)</u>	<u>(66,252)</u>	<u>210,312</u>	<u>(3,761)</u>	<u>-</u>	<u>210,312</u>
0	(839,145)	0	0	0	0	(932,285)
<u>\$ 0</u>	<u>\$ 4,873,358</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,175,812</u>

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Allen Center

Allen High School
300 Rivercrest Boulevard
Allen, Texas 75002

Central Park Campus

2200 West University Drive
McKinney, Texas 75071

**Collin Higher
Education Center**

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

Courtyard Center

4800 Preston Park Boulevard
Plano, Texas 75086

Preston Ridge Campus

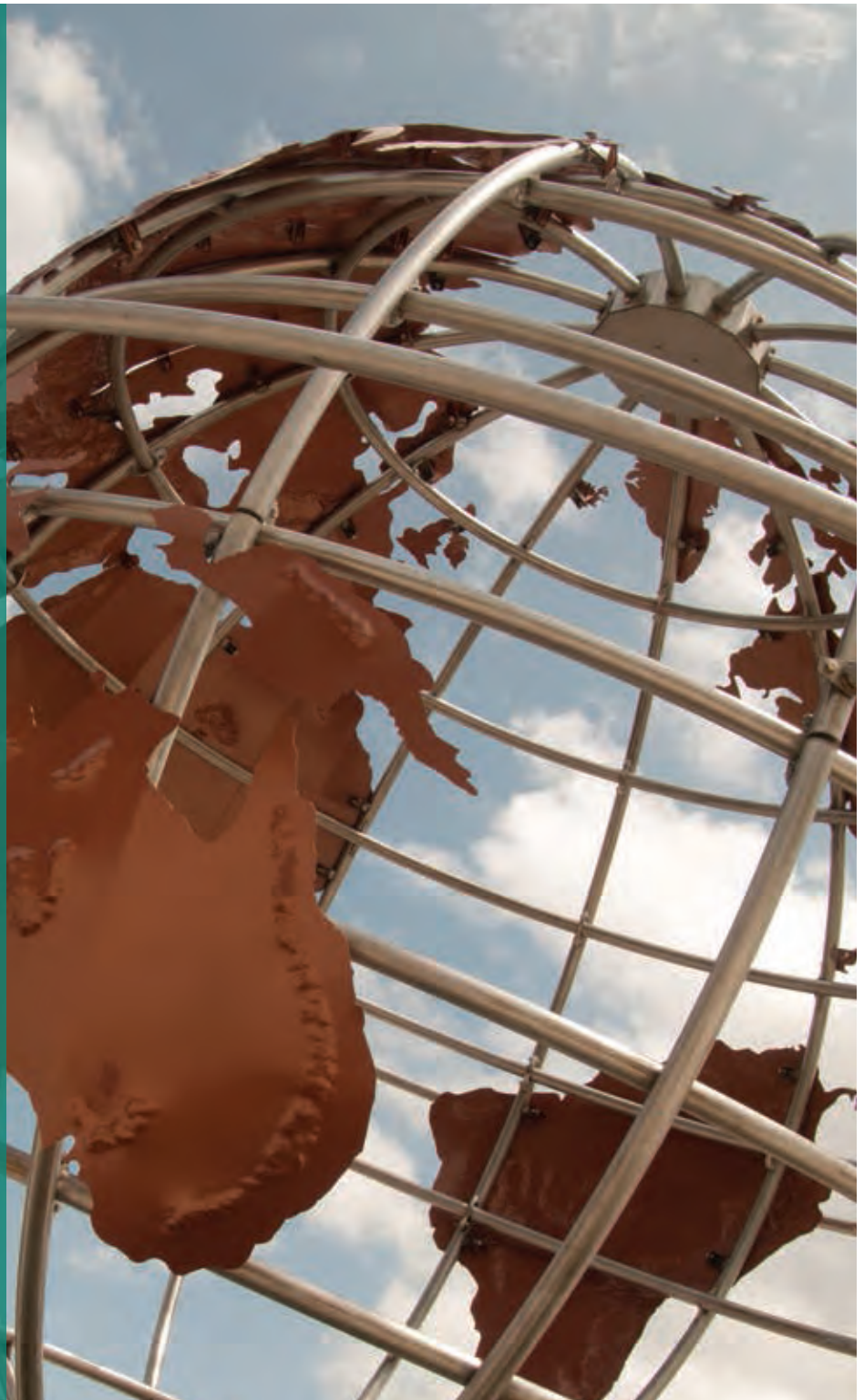
9700 Wade Boulevard
Frisco, Texas 75035

Spring Creek Campus

2800 East Spring Creek Parkway
Plano, Texas 75074

Rockwall Center

2610 Observation Trail
Rockwall, Texas 75032



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