

Allen • Frisco • McKinney • Plano • Rockwall • Texas



Comprehensive Annual *Financial Report* 2015

For the Years Ended August 31, 2015 and 2014

Collin County Community College District

**Allen Frisco McKinney
Plano Rockwall
Texas**

**Comprehensive Annual
Financial Report**

**For Fiscal Years Ended
August 31, 2015 and 2014**

**Prepared by:
Administrative Services**

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report

Fiscal Years Ended August 31, 2015 and 2014

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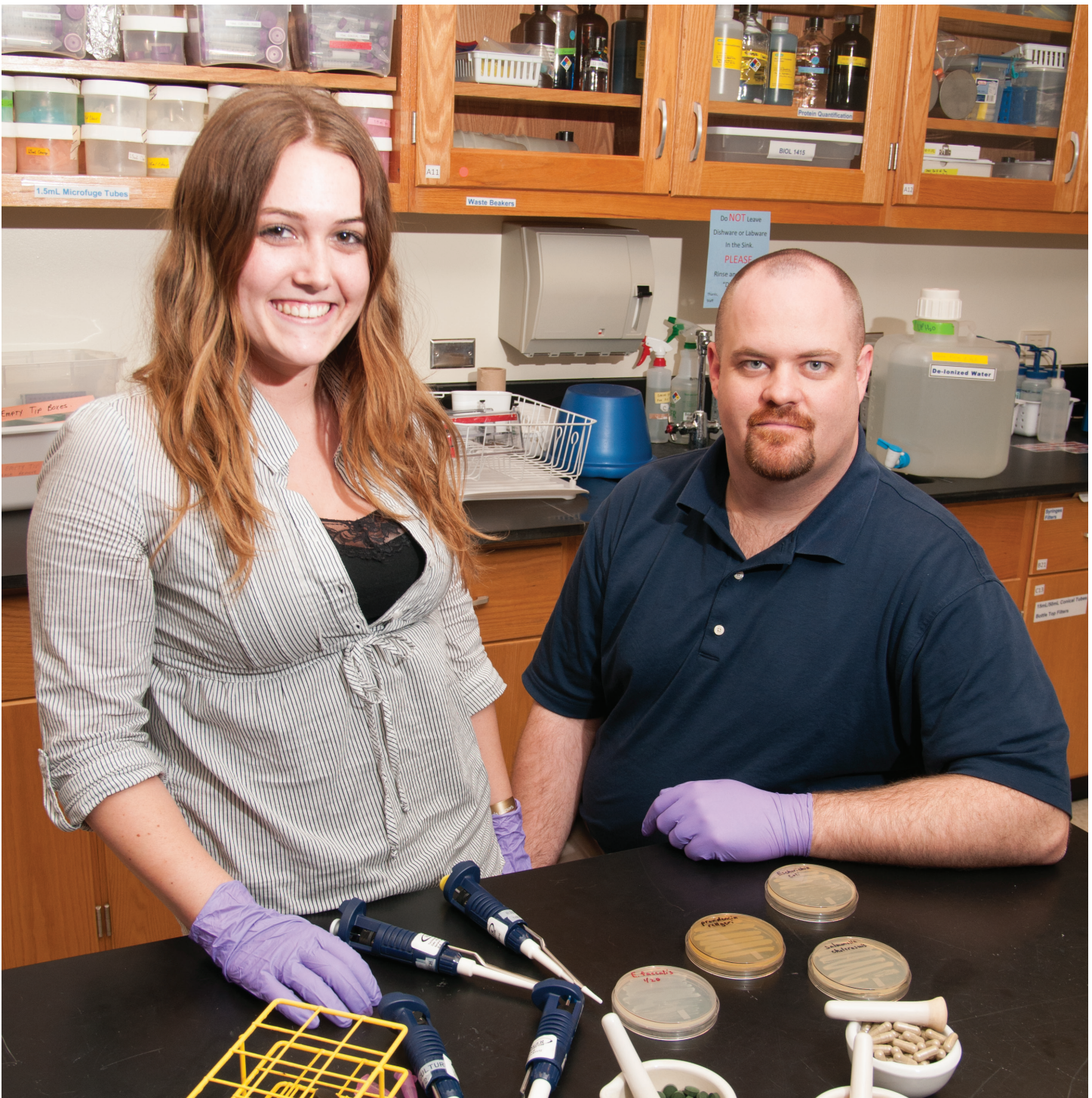
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Introductory Section



To the Board of Trustees:

It is my privilege to present the Comprehensive Annual Financial Report for Collin College's fiscal year 2015. In the following pages, we hope to give you and the community at large a clear understanding of our District's accomplishments and financial operations for the past year.

This year was Collin College's 30th anniversary. In that time, the college has grown from a single campus with about 1,500 students to seven campuses and satellite locations serving nearly 52,000 students annually. Collin College has also become a significant economic driver for our service area, contributing \$528.5 million annually to the local economy, while expanding our students' earnings by a cumulative \$1.2 billion over their working lives.

I had heard amazing things about Collin College before coming here in April of this year. I was not disappointed by the reality. We have amazing facilities and a world-class faculty, with programs that rival those of any community college and some universities. This year alone, our status as a Center of Excellence in Nursing Education was reconfirmed by The National League for Nursing, the college was once again named to the President's Higher Education Community Service Honor Roll, and Dr. Collin Thomas was named the Texas Professor of the Year by the Carnegie Foundation for the Advancement of Teaching and the Council for Advancement and Support of Education (CASE), making him the seventh Collin College professor to receive that honor.

We're also nearing completion on a three-story, 125,000-square-foot health sciences center at the Central Park Campus, scheduled to open for classes in the spring of 2016, adding to our already robust health sciences programs. A 23,500-square-foot conference

center adds significant space for conferences and workshops at Central Park Campus. The addition of these two new facilities allows the District to repurpose the space previously occupied by the health sciences programs to provide more labs, renovate and expand the campus fitness center, and create a student center.

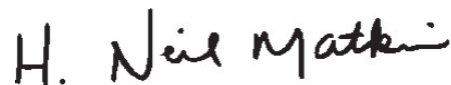
All of these accomplishments signal our commitment to providing a well-rounded educational environment for our students. Whether it is the expansion of our advanced technical education offerings or our renewed focus on student life programming, we have made it our mission to put students first. No matter their aim in life, every student in our service area should be able to look to Collin College as a place where they can get the education they need for their future.

With a new master plan on the horizon, we will make sure Collin College is offering the right programs for the future to give our students the best opportunities to succeed in life, and we will make certain those programs are positioned at locations which are readily accessible to students in every area of our constituency.

We share a unique sense of mutual commitment with local cities, businesses and university partners who want to join together for growth.

The 2015 fiscal year was a great one for Collin College. Thanks to the Board of Trustees' leadership and the hard work of the District's faculty and staff, we are in an excellent position to make the years ahead even better.

Sincerely,



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

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November 30, 2015

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

The following comprehensive annual financial report ("CAFR") of Collin County Community College District ("the District") for the fiscal years ended August 31, 2015 and 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
- Required Supplemental Information
- Texas Higher Education Coordinating Board (THECB) Supplemental Schedules
- Statistical Section (Unaudited)
- Single Audit Section
- Supplementary Financial Information (Unaudited)

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

PROFILE OF THE DISTRICT

District structure and information

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

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

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

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

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

In order to maintain its status as an institution accredited by SACSCOC, the District must complete the reaffirmation of accreditation process every ten years. This process requires extensive self-study including the completion of a compliance certification document reflecting compliance with core requirements, comprehensive standards and federal regulations. On June 11, 2015 SACSCOC reaffirmed Collin College's accreditation. The District's next decennial reaffirmation will take place in 2025. The SACSCOC requested a monitoring report, due April 2016, for two recommendations made on Principles of Accreditation CS 3.3.2 Quality Enhancement Plan.

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

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

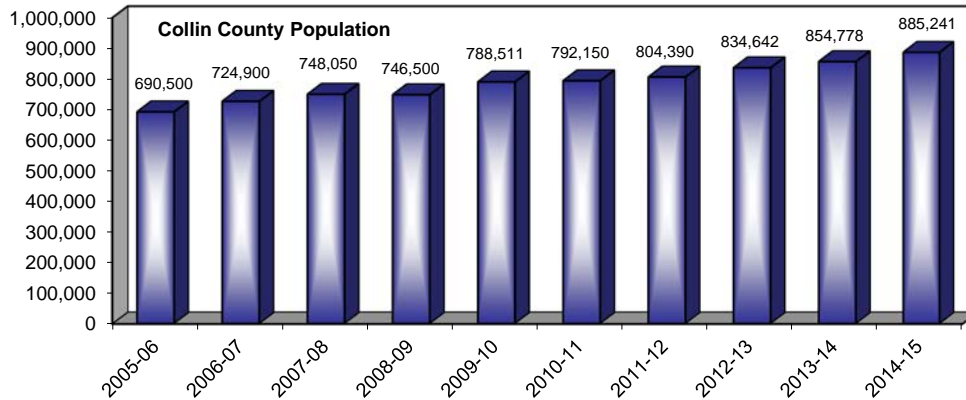
residents to further their education regardless of their schedule, time and distance constraints.

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

The District is located in Collin County which is in the Dallas metropolitan area of North Central Texas. The county consists of 889 square miles with a population density of approximately 996 residents per square mile in 2015. The population of Collin County is estimated to be about 885,241 according to the US Census Bureau.



Information provided by the US Census Bureau as of 2015 shows an estimated 12.2% growth since 2010. In the past ten years, Collin County has experienced an increase in population of 28.2% as illustrated in the graph that follows.



Component units

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

Inter-local agreements and partnerships

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

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

- The road to medical school and other health care professions is shorter thanks to the unique partnership between Collin College and Plano Independent School District (PISD). The unique PISD Health Sciences Academy offers selected students a head start on health care careers while they are still in high school, starting as early as ninth grade. Students can earn more than 50 hours of college credit and complete certifications in order to enter the health care workforce upon graduation from high school.
- The District has an agreement that allows Collin County to use up to sixteen strands of the District's Fiber Optic Wide Area Network (WAN), which is approximately 55 miles long, surrounds the county and connects our campuses with high speed communications.
- The District has an agreement with the Department of Homeland Security/Collin County Health Care Services to establish procedures to utilize the District's facilities and staff in case of a public health emergency.
- The District has agreements with five higher education institutions to dedicate classroom and lab facilities, office space and other student services at the Collin Higher Education Center in order to enable these institutions to provide upper-level undergraduate courses and graduate degree programs.
- 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. An additional \$900,000 was awarded to the District in September 2014 for a total of \$5.3 million as well as extending the grant until 2018. This grant allows the District to meet the growing workforce needs for convergence technology workers and further establishes the District as a leading voice in this industry.

Budget

Administrative Services, under the direction of the Acting Vice President of Administrative Services and CFO, maintains the District's budgetary controls. The objective of these

budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the unrestricted current funds, auxiliary enterprise funds, restricted funds, 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

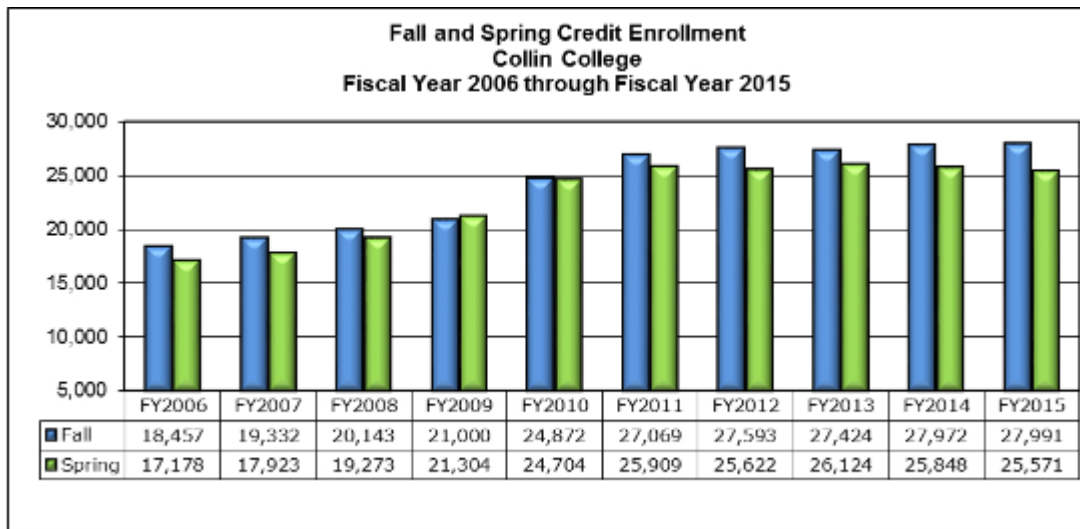
Local economy

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

Collin County had a civilian employed labor force from June 2014 to June 2015 of approximately 475,649 which was an increase of .68% over fiscal year 2014. The latest estimated unemployment rate for Collin County (June 2015) came in at 3.6%, compared to the state's rate of 4.2% and a national rate of 5.3%, 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 693,000 students enrolled in Texas public community colleges during the fall of 2014 compared to 603,000 at Texas public universities and 122,000 at independent college and universities.

The District headcount for credit enrollment for 2014-2015 held steady. Enrollment decreased less than .5% from 2013-14 to 2014-15.



The 2014-2015 formula produced State appropriations were \$2,257 per full time student equivalent (FTSE). For years ending August 31, 2014, and 2013, the District received \$2,140, and \$1,972 per FTSE, respectively. (See Statistical Supplement 6 for additional information.) The current year's state appropriations, including appropriations for benefits, increased by \$256,184 or less than 1% from last year's total state support.

The Board of Trustees approved a \$1, and \$3, per credit hour increase in tuition for in-county, and out-of-county/state/country students, respectively, beginning Fall 2014. In-county tuition and fees are the lowest among colleges and universities in the state of Texas. A quality education at the District remains a smart economical choice and a wise investment.

Appraised taxable values in Collin County have increased 9.4% from \$80.5 billion in 2014 to \$88.1 billion in 2015. New construction for 2015 increased 16% from \$2.4 billion to \$2.8 billion from 2014 to 2015.

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

Long-term financial planning

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

The District began construction of a 125,000 square foot Health Sciences Facility, a 23,500 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. The Conference Center was completed in October 2015. The Health Sciences Facility is on schedule to be completed and 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.

The District has entered into an agreement with the City of McKinney ("City") whereby the City will allow the District to construct and operate a Public Safety Training Center on an approximate twenty-five acre tract of real property for a period of fifty years for \$10 per year as base rent. The projected timeline for project completion is Fall 2017. The City will contribute \$2.2 million towards the cost of construction with the District committing a minimum of \$11,285,000. The Public Safety Training Center will consist of an indoor, virtual firearms facility, and two outdoor fire training structures, including one multi-story burn tower.

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 October 2014. 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, 2014. This was the 18th 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.

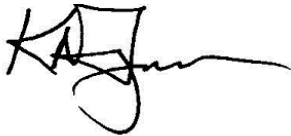
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 three community colleges in the State receiving this distinction.

Acknowledgements

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


Respectfully submitted,



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



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



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Collin County

Community College District

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2014

Executive Director/CEO

BOARD OF TRUSTEES



Dr. J. Robert Collins
Chair



Andrew Hardin
Secretary



Mac Hendricks



Jim Orr

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



Adrian Rodriguez



Stacy Anne Arias
Vice Chair



Nancy Wurzman
Treasurer



Jenny McCall



Larry Wainwright

Officials and Staff**Elected Officials**

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

Principal Administrative Officers

<u>Name</u>	<u>Position</u>
Neil Matkin, Ed.D.	District President
Brenda Kihl, Ph.D.	Executive Vice President
Kim K. Davison	Senior Vice President of Organizational Effectiveness
Sherry Schumann, Ph.D.	Senior Vice President for Academic, Workforce, & Enrollment Services
Norma Allen, J.D.	Vice President of Human Resources
Dani Day, Ed.D.	Vice President, Academic Services
Jon Hardesty, Ph.D.	Vice President/Provost of Central Park Campus
Kenneth D. Lynn, CPA	Acting Vice President of Administrative Services/CFO
Abe Johnson, Ed.D.	Vice President/Provost of Preston Ridge Campus
Mary S. McRae, Ph.D.	Vice President/Provost of Spring Creek Campus
Scott Parke, Ph.D.	Vice President of Policy and Planning
Lisa R. Vasquez	Vice President of Advancement

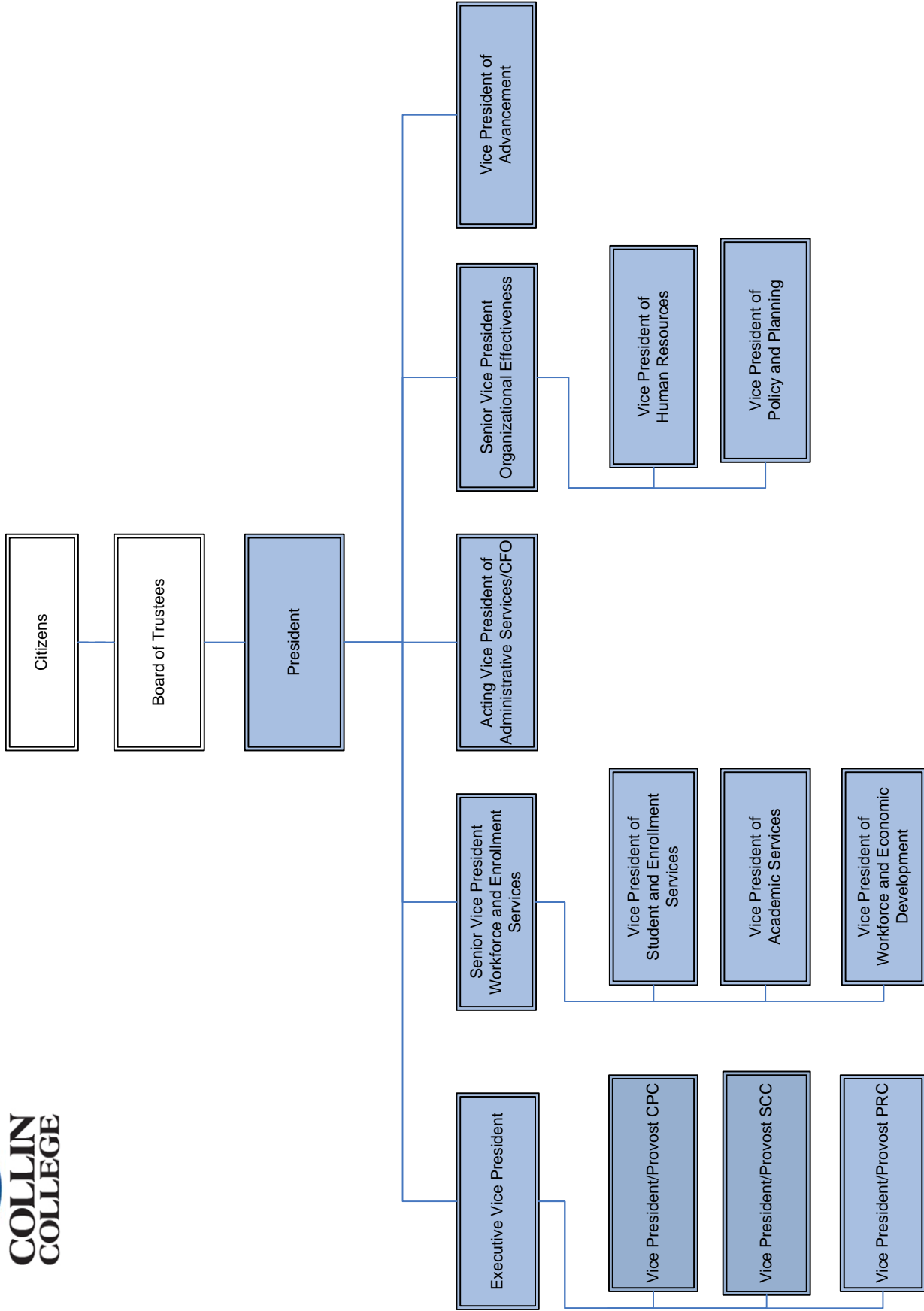
Financial Staff

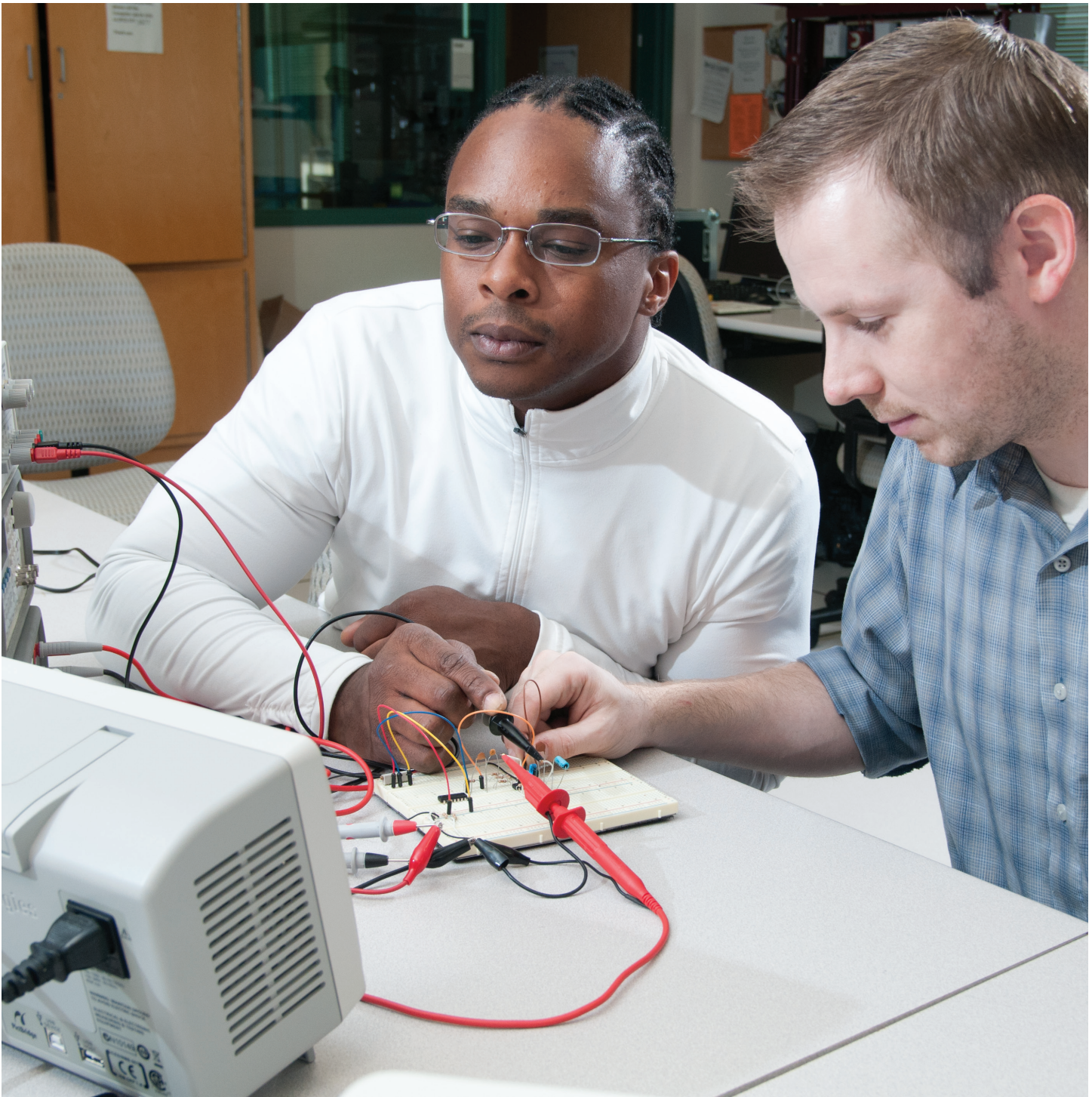
<u>Name</u>	<u>Position</u>
Julie Bradley, CPA	Associate Vice President – Controller, Student Financial Services
Barbara Jindra, CPA	Associate Vice President – Financial Services & Reporting

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT



Organizational Chart





Financial



Financial Section



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Collin County Community College District

Grant Thornton LLP
1717 Main Street, Suite 1800
Dallas, TX 75201-4667
T 214.561.2300
F 214.561.2370
GrantThornton.com
[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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2015 and 2014 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.

Emphasis of a matter

As discussed in Note 2 to the financial statements, the District adopted new accounting guidance in 2015 related to the accounting for pensions. Our opinion is not modified with respect to this matter.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 through 39, and Required Supplemental Information on pages 91 through 93, 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, 2015, 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 137 through 142, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 96 through 100, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

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

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 25, 2015 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, 2015

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Introduction

Collin County Community College District ("the District") is proud to present its financial statements for fiscal years ended August 31, 2015 and 2014 which are in conformance with Governmental Accounting Standards Board (GASB) standards. The following Management's Discussion and Analysis (MD&A) reviews the District financial activity during the fiscal years ended August 31, 2015, 2014, and 2013. The MD&A is based on currently known facts, decisions, and conditions having an impact on financial activities of the District and other key financial data as required by GASB No. 34. It should be read in conjunction with the transmittal letter (pages 3-12), the District's basic financial statements (pages 42-49) and the notes to the financial statements (pages 50-90). Responsibility for the completeness and fairness of the information in this section rests with the District management.

In accordance with GASB Statement No. 61 *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, the District is including financial statements for the District's discrete component unit, Collin County Community College Foundation ("the Foundation"). The Foundation financial statements are presented in a different format from the District with a December 31 year end, and are incompatible with the District's financial statements. Therefore, the Foundation's financial statements, for fiscal years ending December 31, 2014 and 2013 are presented on separate pages behind the District's basic financial statements. The Foundation Notes may be found in Note 19 under Component Units.

Understanding the Financial Statements

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating

revenue and to carry out the District's mission. Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as ad valorem taxes, state appropriations, and federal grants.

Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating capital and non-capital financing, and investing activities. It provides relevant information when evaluating the financial viability of the District during the fiscal years ended August 31, 2015 and 2014. The Statement of Cash Flows can be used to assess the District's ability to meet current and future financial obligations.

Notes to the Financial Statements (Notes) provide additional information to clarify and expand on the financial statements.

Required Supplemental Information (RSI) is required by GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Fiscal Year 2015 Financial Highlights

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

- Assets and deferred outflows of the District exceeded liabilities and deferred inflows at the close of the fiscal year on August 31, 2015, by \$464 million (net position). Of this amount, \$210.8 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 \$235.7 million.
- Ad valorem taxes received for maintenance and operations increased 8.4% due to increased property values. The net assessed property values of the District totaled \$88.1 billion for fiscal year 2015 compared to \$80.5 billion in 2014. While the District reduced the tax rate from \$0.080000 to \$0.078965 from 2014 to 2015, the increase in appraised values resulted in a \$5.3 million increase in maintenance and operations ad valorem taxes. Total tax collections received for maintenance and operations has steadily increased over the last three years with the largest increase occurring in the most recent fiscal year. See Note 15 for additional information on property taxes.
- For the last two fiscal years, the debt service tax rate was reduced from \$0.006299 to \$0.003643 and from \$0.003643 to \$0.002995 in fiscal years ending 2014 and 2015, respectively. The District was able to reduce the debt rate by a planned expenditure of debt service net position totaling \$1.3 million and \$1.7 million in fiscal years 2014 and 2015, respectively. In 2015 the District expended \$4.4 million in general obligation bond principal and interest payments. See Note 15 for additional information on property taxes and Notes 6, 7, and 8 for information on debt service.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Years Ended August 31, 2015 and 2014

- Operating revenues totaled \$46.7 million, an increase of \$389 thousand from fiscal year ending 2014 of \$46.3 million. A combination of increases in tuition and fees revenues and in state grants combined with a decrease in federal grants and auxiliary services account for the slight increase in operating revenues. Total credit hours decreased from 537,118 in fiscal year 2014 to 515,216 in 2015. However a \$1 and \$3 increase in tuition per credit hour for in-county and all other residents, respectively, resulted in a net increase in tuition revenues totaling \$459 thousand.
- This is the second year of the biennium, and includes State Appropriations funding (excluding benefits paid by the State) based on three categories:
 - Core operations - \$ 500,000
 - Student success - 3,383,781
 - Contact hour funding - 29,252,294
 - Total \$33,136,075
- Operating expenses totaled \$157.3 million for fiscal year ending August 31, 2015 compared to \$151.9 million in the previous year, an increase of 3.5% or \$5.3 million. Instructional expenses account for 41% of total operating expenses with a \$5.9 million increase. Institutional Support and Scholarships each make up 12% of operating expenses. Included in institutional support is bad debt expense and legal expenses as well as District administrative support services. Auxiliary enterprises saw a 12.4% decrease in operating expenses as did Operation and Maintenance of Plant with a 21.8% decrease or \$2.9 million. Explanation for fluctuations may be found in the MD&A discussion for Statement of Revenue, Expenses and Changes in Net Position.
- GASB Statement No. 68, Accounting and Financial Reporting for Pensions, issued in June 2012, amends GASB Statement No. 27, and is effective for the fiscal year ended August 31, 2015. GASB Statement 68 requires the District to recognize its proportionate share of the net pension liability and operating activity related to changes in the collective pension liability. The impact on the District financial statements is a net decrease in the beginning net position for fiscal year 2015 totaling \$19,544,015. See Note 10, Employees' Retirement Plan for information on pension liability, pension expense and related pension disclosures.
- The District's total bond debt decreased to \$35.0 million from \$39.0 million due to principal payments made during the year of \$2,995,000 and \$1,000,000 on General Obligation Bonds and Revenue Bonds, respectively. 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.
- Staff benefits include health care and retirement benefits, Medicare matching funds, and vacation accrual. Total staff benefits paid by the District increased 9.1% or \$726 thousand. The State provides an allocation for group insurance. The allocation increased about 7.3% in fiscal year 2015 from \$3,582,043 to \$3,844,607. While the increase in the

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Years Ended August 31, 2015 and 2014

State's allocation helped partially offset the cost to the District for the 7% increase in premiums, the District absorbed an additional \$631 thousand in health care costs for a total of \$5.1 million in 2015, a 14% increase from 2014.

- The State retirement contribution rate for fiscal years 2014 and 2015 is 6.8% for TRS and 6.6% for ORP. In 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.

	<u>2015</u>	<u>2014</u>
○ State Contribution	\$2.0 million	\$1.7 million
○ District Contribution	\$2.5 million	\$2.3 million

See Note 10 for additional information on employees' retirement plan.

- Benefits paid by the state on behalf of the District for health care and retirement benefits are added to state appropriations for reporting purposes to arrive at Total State Appropriations revenue. For this first year of the GASB 68 implementation, the on-behalf benefits for TRS from 2013-14 are being recorded instead of the 2014-15. The 2014-15 fiscal year on-behalf benefits for ORP and health care benefits are recorded as part of state appropriations. The slight increase in on-behalf State benefits from fiscal year ending 2014 to 2015 totaling \$262 thousand is due to the increase in the ERS allocation.
- The District was granted a no-cost extension by the U.S. Department of Labor for fiscal year 2014-15 to complete the objectives of the Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant, originally scheduled to be completed in three years. In the current fiscal year \$5.3 million was expended compared to \$6.0 million in the prior fiscal year. Total amount expended for the entirety of the grant from October 1, 2011 through August 31, 2015 totals \$17,314,978. The grant ended September 30, 2015.

Statement of Net Position

See Table 1 on the following page for condensed Statements of Net Position for the years ending August 31, 2013 through 2015.

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. Deferred inflows and outflows are transactions occurring in the current or prior periods but are actually related to future periods, but are not assets or liabilities. For purposes of explanation the deferred inflows and outflows presented in the District financial statements pertain to pension contributions.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis
Fiscal Years Ended August 31, 2015 and 2014**

The net position is divided into three major categories.

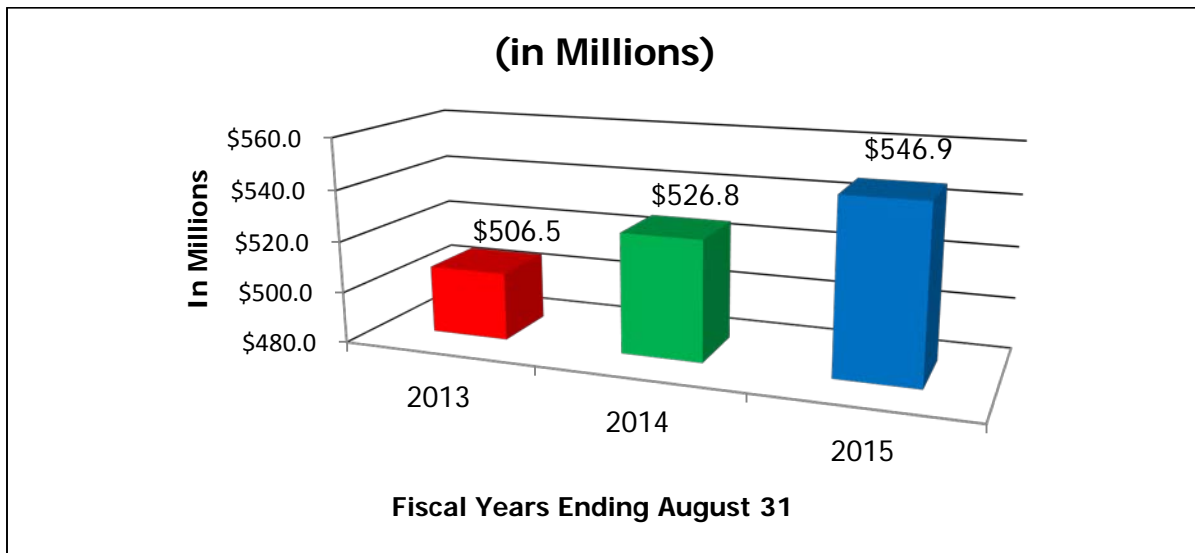
- Net investment in capital assets: provides the District’s equity in land, buildings and improvements, and equipment owned,
- Restricted Net Position: these assets have external limitations on the way in which they may be used, and are not accessible for general use,
- Unrestricted net position: assets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

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

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Assets:					
Current assets	\$ 259.5	\$ 265.4	\$ 247.1	-2.2%	7.4%
Capital assets	287.4	261.4	259.4	9.9%	0.8%
Total assets	<u>\$ 546.9</u>	<u>\$ 526.8</u>	<u>\$ 506.5</u>	<u>3.8%</u>	<u>4.0%</u>
Deferred Outflows:	<u>\$ 3.1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>100%</u>	<u>0%</u>
Liabilities:					
Current liabilities	\$ 31.7	\$ 30.4	\$ 27.5	4.3%	10.5%
Noncurrent liabilities	49.0	35.7	39.7	37.3%	-10.1%
Total liabilities	<u>\$ 80.7</u>	<u>\$ 66.1</u>	<u>\$ 67.2</u>	<u>22.1%</u>	<u>-1.6%</u>
Deferred Inflows:	<u>\$ 5.3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>100.0%</u>	<u>0.0%</u>
Net position:					
Invested in capital assets, net of related debt	\$ 252.3	\$ 222.3	\$ 216.5	13.5%	2.7%
Restricted -- expendable	1.0	2.7	3.9	-63.0%	-30.8%
Unrestricted	210.8	235.7	218.9	-10.6%	7.7%
Total net position	<u>\$ 464.1</u>	<u>\$ 460.7</u>	<u>\$ 439.3</u>	<u>0.7%</u>	<u>4.9%</u>

Total assets of the District for fiscal year 2015 are \$546.9 million, an increase from \$526.8 million in fiscal year 2014 and \$506.5 million in fiscal year 2013. Total assets increased from fiscal year 2014 to fiscal year 2015 by \$20.1 million and by \$20.2 million from 2013 to 2014. The District completed construction on a conference center and approximately 80% of the Health Science Center at the Central Park Campus. At August 31, 2015 \$38.2 million is recorded as capital assets - work in progress. The increase in total assets from 2013 to 2014 occurred primarily due an increase in short term investments and capital assets not subject to depreciation. Total assets continue to increase as indicated in the following graph.

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 receivable and short term investments account for 51% 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. Current assets decreased from 2014 to 2015 by 2.2% primarily from a decrease in cash and cash equivalents.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Years Ended August 31, 2015 and 2014

While all excess funds were held at TexPool and TexSTAR at year end for 2013, the District invested in short term investments totaling \$64.9 and \$124.9 million at August 31, 2014 and 2015, respectively. These investments included certificates of deposit and U.S. Agency Notes and Bonds. Cash and cash equivalents decreased from 2014 to 2015 by \$64.6 million, from \$186.5 million to \$121.9 million. From fiscal year 2013 to 2014 cash and cash equivalents decreased almost \$45.6 million, from \$232.1 million to \$186.5 million. See Notes 3 and 4 for additional information on investments.

Receivables totaling \$8.6 million include tuition and fees receivable, and accounts receivable, (net of allowance for doubtful accounts). Accounts receivable and the allowance for doubtful accounts decreased overall by 11% and 51%, respectively, from the prior fiscal year to the current fiscal year. The District utilizes first and second placement collection agencies after performing in-house collection procedures. Uncollectible receivables totaling \$988 thousand were returned to the District by the second collection agency with the District writing off the receivable. For additional information on accounts receivables and collections for the current fiscal year, see Note 13.

Prepaid expenses decreased from 2014 to 2015 by 7% primarily due to a timing difference when student scholarships were posted to students' accounts. Inventories for resale decreased slightly from 2014 to 2015 by about \$190 thousand or 6.7%. Improved inventory procedures have been implemented resulting in a reduction of inventory. Notes 2 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 and 5, as well as in the MD&A paragraph under the heading Capital Assets and Debt Administration.

Deferred outflows of resources totaling \$3.1 million is being recorded for fiscal year ending 2014-15 as required with the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. Deferred outflows in this context represent retirement contributions made by the District that will benefit employees in the future, but are not considered assets.

Total liabilities of the District are \$80.6 million, \$66.1 million, and \$67.2 million in fiscal years ending August 31, 2015, 2014, and 2013, respectively. The net \$14.6 million or 22% increase from 2014 to 2015 is due primarily to the impact of the GASB No. 68 implementation since a pension liability totaling \$17.2 million is being recorded for the first time. There was less than a 2% change from 2013 to 2014 in total liabilities.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Years Ended August 31, 2015 and 2014

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 36.9% of \$31.7 million in current liabilities and unearned revenues making up 47.5% of current liabilities for the current fiscal year. This compares to 34% and 50%, respectively for accounts payable and unearned revenues as a percentage of total current liabilities for the prior fiscal year in 2014, which totaled \$30.4 million.

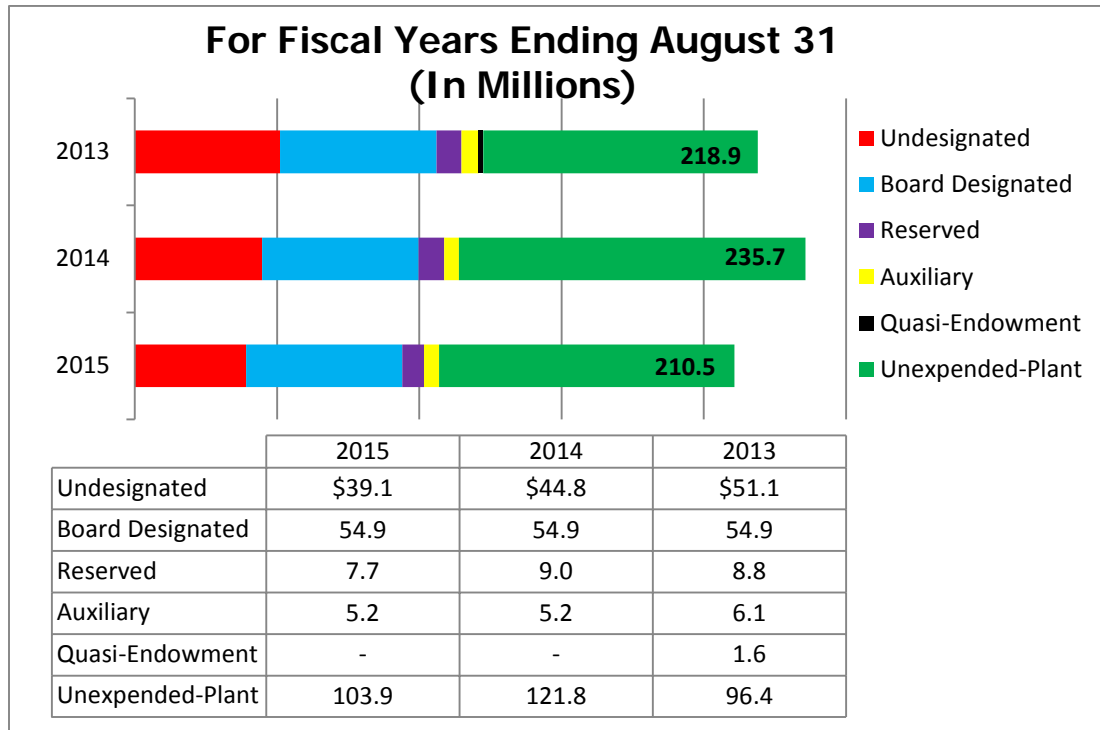
The current year payables include payroll payables totaling \$733 thousand, and a \$6.3 million payable related to construction of the new Health Science Center and Conference Center at Central Park Campus. A \$557 thousand decrease in the short-term overdraft from prior to current fiscal year, and a \$364 thousand reduction in grants payables from prior to current year accounts for the net overall increase in accounts payable from prior year to current year of \$1.4 million. The accounts payable increase of \$1.5 million from 2013 to 2014 as shown was due to an increase in accounts payable related to construction and renewal and replacement totaling \$3.3 million. This increase combined with the \$1.0 million reduction in the short-term overdraft, and a \$1.2 million reduction in auxiliary payables from 2013 to 2014 accounts for the overall increase in accounts payables from 2013 to 2014. See Note 13 for additional information on payables.

The three non-current liabilities are accrued compensable absences payable, pension liability 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, 6, 7, and 8. See Note 10 regarding pension liability.

Deferred inflows of resources totaling \$5.3 million is being recorded for fiscal year ending 2014-15 as required with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Deferred inflows in this context represent the District's proportionate share for the net difference between projected and actual investment earnings at the plan level the District may owe to the retirement fund in the future, but is not considered a liability.

Net position represents the District's equity, some of which is restricted for certain uses and some of which is unrestricted. Unrestricted net position decreased \$24.9 million, or 10.6% from prior year to the current year. Total unrestricted net position at August 31, 2015, 2014, and 2013 totaled \$210.8 million, \$235.7 million, and \$218.9 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 the following graph for a graphical representation of the components of current unrestricted net position.

Graph 2: Current Unrestricted Net Position



Statement of Revenues, Expenses and Changes in Net Position

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

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Years Ended August 31, 2015 and 2014

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

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
Operating revenues:					
Tuition and Fees (Net)	\$ 28.4	\$ 28.0	\$ 26.6	1%	5%
Grants and Contracts	8.5	8.2	6.7	4%	22%
Auxiliary enterprises	8.8	9.2	9.6	-4%	-4%
Other operating revenues	1.0	0.9	0.8	11%	13%
Total operating revenues	46.7	46.3	43.7	1%	6%
Operating expenses:					
Instruction	64.6	58.7	56.7	10%	4%
Public service	0.8	0.6	0.6	33%	0%
Academic support	15.5	15.6	14.8	-1%	5%
Student services	10.4	9.7	8.9	7%	9%
Institutional support	18.9	15.5	14.4	22%	8%
Operation and maintenance of plant	10.4	13.3	13.6	-22%	-2%
Scholarships	19.4	20.1	20.7	-3%	-3%
Auxiliary enterprises	9.5	10.9	10.0	-13%	9%
Depreciation	7.7	7.5	7.3	3%	3%
Total operating expenses	157.2	151.9	147.0	3%	3%
Operating loss	(110.5)	(105.6)	(103.3)	5%	2%
Non-operating revenues (expenses):					
State appropriations	38.7	38.4	35.5	1%	8%
Ad-valorem taxes (Net)	72.0	67.0	65.1	7%	3%
Federal revenue, Non-operating	23.8	24.4	25.3	-2%	-4%
Interest on capital related debt	(1.5)	(1.7)	(1.8)	-12%	-6%
Other non-operating revenues, net	0.5	(1.2)	0.5	-142%	-340%
Net non-operating revenues	133.5	126.9	124.6	5%	2%
Increase in net position	23.0	21.3	21.3	8%	0%
Net position - beginning of year	460.6	439.3	418.0	5%	5%
Cumulative Effect of Change in Accounting Principle	(19.5)	-	-	-100%	0%
Net position - ending of year	\$ 464.1	\$ 460.6	\$ 439.3	1%	5%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Years Ended August 31, 2015 and 2014

Sixty-one percent of operating revenues consists of tuition and fees, net of discounts for both fiscal years ending 2015 and 2014. For fiscal years ending 2015, 2014, and 2013 tuition and fees, net of discounts was \$28.4 million, \$28.0 million, and \$26.6 million, respectively.

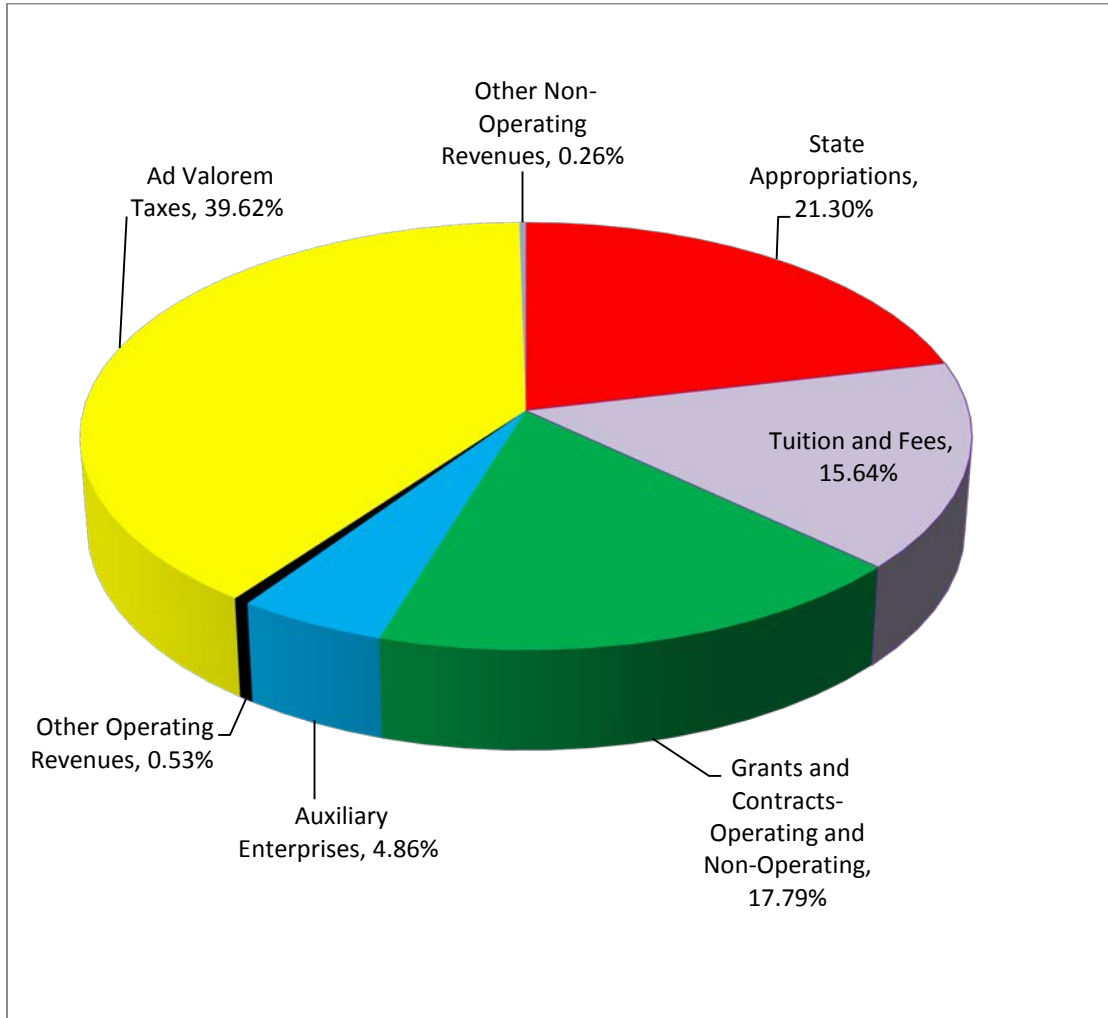
Tuition per credit hour increased \$1 for in-county and \$3 per credit hour for out-of-county, state and country residencies beginning with the fall 2014 semester. Even with a decrease in total credit hours from 2014 to 2015 totaling 21,902 credit hours, the District had an increase in tuition revenues totaling \$458 thousand. A 5% increase in tuition and fees 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.

For the fiscal years ending 2015, 2014, and 2013, scholarship allowances and discounts were \$7,607,744, \$6,962,093, and \$6,652,045, respectively. Texas Education Opportunity Grants increased 9.3% from 2014 to 2015 which caused the increase in scholarship allowances and discounts. A five percent increase in scholarship allowances from 2013 to 2014 resulted from an increase in waivers.

A seven percent decrease in federal grants and contracts from the prior year to the current year occurred as a result of decreased expenditures for the Department of Labor Trade Adjustment Assistance Community College and Career Training ("TAACCCT") Grant. In addition, Pell awards decreased during the current fiscal year compared to the prior year by approximately \$765 thousand. A 22% increase in federal grants and contracts from 2013 to 2014 occurred as a result of increased expenditures for the TAACCCT Grant, and the National Science Foundation grant. The 2013 fiscal year was the second year of the three year Department of Labor TAACCCT grant. The District received \$4.8 million in revenues for expenses incurred during 2013, which was the second year of the grant. Grant revenues are recognized to the extent grant expenses are incurred.

See the graph on the following page for a breakdown, by category, for total revenues, operating and non-operating for the District for fiscal year ending August 31, 2015.

Graph 3: 2015 Total Operating and Non-Operating Revenues

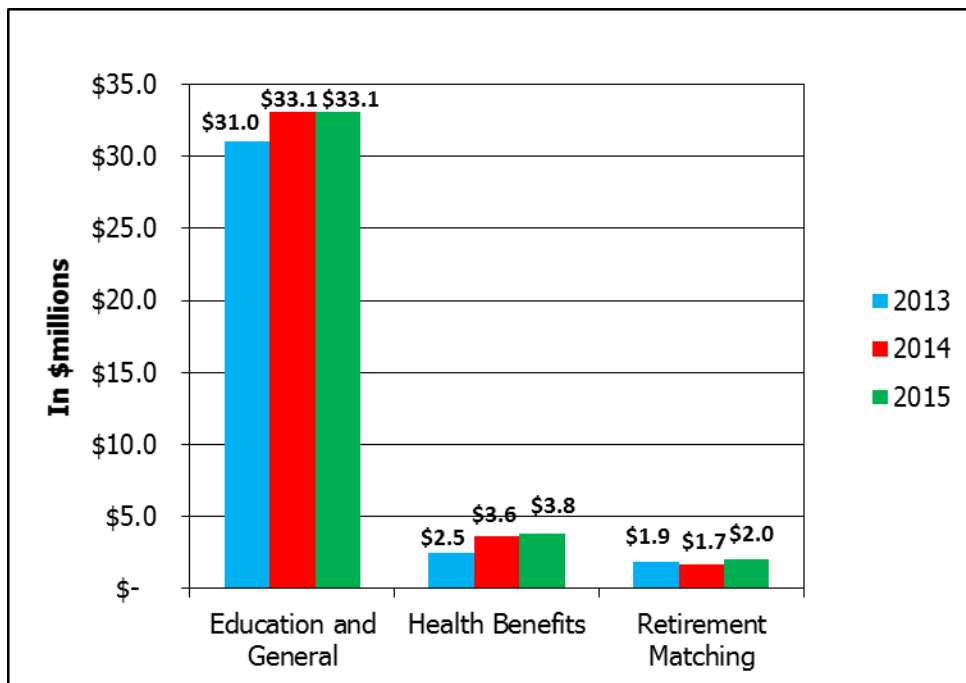


As noted above, non-operating revenues are funds received for which goods and services are not provided. The primary source of non-operating revenues comes from State appropriations, ad valorem taxes and federal revenues received for the Federal Pell Program, Federal Supplemental Educational Opportunity 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 on the following page, funding from the State for education and general was unchanged from 2014 to 2015 since 2015 was the second year of the biennium. The change from 2013 to 2014 was a 6.6% increase. Beginning in fiscal year 2014, State funding is divided between three categories: core operations, student success, and contact hour funding. For fiscal year prior to 2013-14 State funding was based

solely on contact hours. The State continues to provide an allocation for health benefits. This allocation increased 44% and 6% from 2012-13 to 2013-14 and 2013-14 to 2014-15, respectively. The increase from the State for health benefits helped offset the seven percent increase in insurance premiums from 2014 to 2015.

Graph 4: 2013-15 State Appropriations



Instead of providing an allocation for retirement benefits as had been the practice prior to fiscal year 2013-14, beginning with the 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 \$1.7 million and \$2.0 million, respectively. This represents an increase in the State’s retirement contribution of 12.2% from the prior year to the current year.

Revenues from ad valorem taxes for maintenance and operation increased by \$5.3 million due to assessed taxable values increasing from \$80.5 billion to \$88.1 billion from fiscal year ending 2014 to 2015. Ad valorem taxes assessed and received for debt service declined due to a reduction in the assessed tax rate from .003643 to .002995. A reduction in federal grants and contracts occurred primarily as a result of a decrease in Pell grants from fiscal year 2014 to 2015 by almost \$700 thousand.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis
Fiscal Years Ended August 31, 2015 and 2014**

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 a comparison of the District’s functional operating expenses from 2013 through 2015 is presented.

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

	Fiscal Year			% Change	
	2015	2014	2013	2014 to 15	2013 to 14
Instruction	\$ 64.6	\$ 58.7	\$ 56.7	10.1%	3.5%
Public Service	0.8	0.6	0.6	33.3%	0.0%
Academic Support	15.5	15.6	14.8	-0.6%	5.4%
Student Services	10.4	9.7	8.9	7.2%	9.0%
Institutional Support	18.9	15.5	14.4	21.9%	7.6%
Operation and Maintenance of Plant	10.4	13.3	13.6	-21.8%	-2.2%
Scholarships	19.4	20.1	20.7	-3.5%	-2.9%
Auxiliary Enterprises	9.5	10.9	10.0	-12.8%	9.0%
Depreciation	7.7	7.5	7.3	2.7%	2.7%
Total	\$ 157.2	\$ 151.9	\$ 147.0	3.49%	3.33%

Overall operating expenses increased 3.5% and 3.3% from fiscal years 2014 to 2015 and from 2013 to 2014, respectively. The Board of Trustees approved a 4% salary increase for faculty, staff, and administrators for the last two fiscal years, and a 3.5% increase for fiscal year ending 2013. In the current fiscal year, instructional operating expenses increased 10%. Faculty salaries account for the largest increase in this category and can be explained by the hiring of 24 new faculty as well as providing the 4% salary increase. In addition, part time faculty salaries increased in continuing education due to new programs being offered. Non-capital equipment purchases consisting primarily of computers for student labs accounts for part of the increase in expenses from 2014 to 2015.

A four percent increase in instructional 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 the 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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Years Ended August 31, 2015 and 2014

provide benefits for employees working in excess of twenty hours resulted in hiring additional nursing faculty.

Public service operating expenses increased from 2014 to 2015 by 33% due primarily to an increase in instructional service contracts for skills development training. From 2013 to 2014 there was no significant fluctuation in the public service category.

The academic support functional area includes expenses incurred to provide support services for the District's primary programs of instruction and public service. It includes academic administration (academic deans), library services, educational and media services and several grants. The overall change in this category was not significant during the current year since many increases were offset by similar decreases. The increase in expenses in 2015 totaling approximately \$230 thousand can be attributable to changes in the nursing program and the Health Sciences Academy. Specifically, the nursing program was separated from Health Sciences resulting in the hiring of a dean and support staff. In addition, salaries related to staff supporting the Health Sciences Academy are new for the current year. Reimbursement expenses totaling approximately \$380 thousand for assets incurred by partner colleges as part of the TAACCCT Grant decreased since this was the last year of the grant as well as a reduction in expenses for computer/media equipment totaling almost \$400 thousand. The National Science Foundation grant had a \$313 thousand decrease in sub-awards for the current year compared to 2014. The increase in expenses in the 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.

Institutional support expenses consist of the District's executive management, fiscal operations, general administration, public relations and development, and information technology. From fiscal years 2013 to 2014 and from 2014 to 2015, institutional support saw a 7.6% and 21.9% increase, respectively. Most of the increase from the prior to current fiscal year occurred in the salary expense accounts. As noted previously, the District provided a 4% salary increase for the current fiscal year. Beginning in fiscal year 2015, the District established a financial aid call center, which in turn reduced or eliminated contract services expenses. About \$1.5 million in salaries and operating expenses for the police force was recorded as institutional support in the current year, whereas in prior years, these expenses were reported in Operation and Maintenance of Plant. Because police services support the entire District, it is reasonable to include police expenses in institutional support. In addition, including police services in this category is consistent with other Texas community colleges categorization of these expenses. Fiscal year 2015 was also an election year resulting in the District spending about \$270 thousand which was not incurred in the previous fiscal year.

Much of the increase for institutional support for 2013 and 2014 is due to an increase in salaries of 3.5% and 4.0%, respectively. In addition, the District saw an increase in expenses for legal fees, software and software training, and bad debt related to student receivables for the previous fiscal years.

As noted above under the explanation for institutional support, a decrease in expenses for Operations and Maintenance of Plant totaling approximately \$1.5 million was due to shifting police

operating expenses from plant to institutional support in 2015. From 2013 to 2014, \$13.3 million was consistent with previous year's expenses totaling \$13.6 million.

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, \$1.7 million was expended for renewal and replacement of plant compared to \$2.6 million in the prior year. These expenses are included in operation and maintenance of plant. Expenses for the current year include:

- Remodeling restrooms at Spring Creek and Preston Ridge Campuses
- Replacement for central pump and heating water system upgrades at Spring Creek Campus
- Installation of new lockset devices for Spring Creek Campus
- Installation of upgraded exterior lighting at Preston Ridge Campus
- Classroom furniture at the Spring Creek Campus

Depreciation expense increased by 2.7% from \$7.5 million in fiscal year ending 2014 to \$7.7 million in 2015. For the year ending August 31, 2015, all costs associated with the construction are recorded as Construction in Progress and will not be included as depreciable assets until the construction project is complete.

Scholarship expense decreased 3.5%, down from \$20.1 million in 2014 to \$19.4 million in 2015. The decrease in scholarship expense was down 2.9% from 2013 to 2014 or \$600 thousand. The reduction in scholarship expense from 2014 through 2015 is due to the implementation of new satisfactory academic progress (SAP) policy resulting in a reduction in Pell awards. Based on the change in SAP, the District went from approving about 1800 appeals in 2013-14 compared to 410 in 2014-15. The change in the policy having the most impact was requiring proper documentation of extenuating circumstances. This has resulted in a 7% drop in the number of students receiving Pell in the current year compared to the prior year.

Capital Assets and Debt Administration

The Board of Trustees approved the construction of a new Conference Center and Health Science Center at the Central Park Campus. The guaranteed maximum price ("GMP") approved by the Board for construction costs was \$43.8 million. A change order was approved for the project in 2014-15 increasing the GMP by \$345,722 for a total GMP of \$44,164,225. At August 31, 2015, the conference center was approximately 92% complete and the Health Science Center was 82% complete. Construction on the Health Science Center will be completed and ready for occupancy for Spring 2016 classes. 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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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total approximately \$50.3 million. The project is being funded with transfers from the current unrestricted fund.

The District entered into an inter-local agreement with the City of McKinney ("City") in June 2015 for the construction and use of a public safety training center. Some major provisions of the agreement include:

- The District will lease 25 acres of land for \$10 per year for 50 years on which the facilities will be constructed
- The City will contribute \$2.2 million towards the construction of the facility
- The District will commit a minimum of \$11.285 million for design, and construction for the project
- Public Safety Training Facility will include facilities for firearms training, live fire training structures, classrooms and support structures
- Provisions for usage of the public safety training center by both the City and District are stipulated

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

	2015	2014	2013
Land	\$ 25,194,267	\$ 25,654,319	\$ 25,654,319
Construction in progress	38,189,713	7,892,862	551,250
Buildings	202,111,414	206,937,657	211,754,209
Land improvements	10,139,426	10,837,665	11,544,912
Equipment	7,379,097	5,858,198	5,837,690
Library Books	4,359,323	4,146,266	4,013,007
WAN/LAN network equipment	30,268	31,820	33,372
Total	<u>\$ 287,403,508</u>	<u>\$261,358,787</u>	<u>\$259,388,759</u>

At August 31, 2015, amounts committed under construction contracts were \$8.7 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, 2015, 2014, and 2013. Additional information regarding capital assets may be found in Note 5.

The District's outstanding general obligation bonds at year ending 2015 consists of Series 2006 and 2010 tax improvement bonds totaling \$31,787,200. The Series 2003 general obligation bonds were paid off in the previous fiscal year. All general obligation bonds are funded through ad valorem taxes. Revenue bonds totaling \$3,195,000 are outstanding at year end and are

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collateralized by pledged revenues of the unrestricted current funds, excluding state allocations or those raised by local taxes.

Table 5: Bond Obligations

	2015	2014	2013
General obligation bonds	\$ 31,787,200	\$ 34,805,723	\$ 37,694,245
Revenue bonds	3,195,000	4,195,000	5,165,000
Total	<u>\$ 34,982,200</u>	<u>\$ 39,000,723</u>	<u>\$ 42,859,245</u>

Noted in the table above is the outstanding debt at the end of fiscal year 2015, compared to the debt at the end of the two previous fiscal years ending 2014 and 2013.

As of August 31, 2015, 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 40.3% of total revenues. Property values for fiscal year 2015 increased 9.5%, resulting in additional tax collections of \$5.3 million for maintenance and operations. Tax collections increased 2.6% or by \$1.7 million from 2013 to 2014. An expected increase in appraised values totaling 10.9% is expected to generate additional tax revenues of \$7.4 million for the 2015-16 fiscal year. For fiscal year 2015-16, the debt service tax rate and maintenance and operations tax rate was set at \$0.078965 and \$.002995, respectively, the same rate as the previous year. For fiscal year 2014-15 a reduction from \$0.0800 to \$0.078965 was approved for the first time since fiscal year ending 2000. The tax revenues generated were sufficient to meet the District's needs due to the increase in appraised property values. Similar expectations as those experienced in 2014-15 regarding tax revenues collections for 2015-16 is anticipated.

State appropriations provide 21.3% of total revenue. State appropriations per full-time student equivalent ("FTSE") increased 5.5% for the current year to \$2,257 from \$2,140 in 2014. The increase can be attributable primarily to the increase in the group insurance allocation. State funding per FTSE for 2013 was \$1,972. 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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

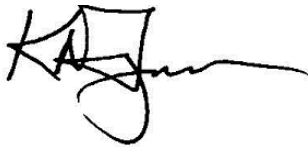
Management's Discussion and Analysis Fiscal Years Ended August 31, 2015 and 2014

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 2015-16 fiscal year. In addition, salary adjustments recommended by an HR and Benefits consulting firm following a compensation study during the 2014-15 was approved. The total salary increase budgeted for the upcoming fiscal year for the salary adjustment and 4% increase was \$6.5 million.

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.



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



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



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

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Basic Financial Statements

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

	Statement of Net Position	
	As of August 31, 2015 and 2014	
	<u>2015</u>	<u>2014</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 121,944,757	\$ 186,496,371
Accounts receivable (net of allowance for doubtful accounts of \$855,169 and \$1,758,366 respectively)	8,639,383	9,752,773
Short term investments	124,900,970	64,987,597
Tax receivable (net of allowance for doubtful accounts of \$934,536 and \$824,816 respectively)	532,553	446,086
Consumable inventory	40,200	45,759
Inventories for resale	2,644,008	2,834,246
Prepaid expenses	764,803	822,023
Total current assets	<u>259,466,674</u>	<u>265,384,855</u>
Noncurrent assets		
Capital assets, net		
Not subject to depreciation	63,383,980	33,547,181
Subject to depreciation	224,019,528	227,811,606
Total noncurrent assets	<u>287,403,508</u>	<u>261,358,787</u>
Total assets	<u>\$ 546,870,182</u>	<u>\$ 526,743,642</u>
Deferred outflows related to pensions	<u>\$ 3,133,182</u>	<u>\$ -</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 11,686,874	\$ 10,243,835
Accrued liabilities	253,205	265,438
Funds held for others	439,800	381,036
Unearned revenue	15,049,662	15,321,811
Accrued compensable absences payable	116,698	145,441
Bonds payable - current portion	4,170,000	3,995,000
Total current liabilities	<u>31,716,239</u>	<u>30,352,561</u>
Noncurrent liabilities		
Accrued compensable absences payable	867,105	717,423
Pension liability	17,249,730	-
Bonds payable	30,812,200	35,005,723
Total noncurrent liabilities	<u>48,929,035</u>	<u>35,723,146</u>
Total liabilities	<u>\$ 80,645,274</u>	<u>\$ 66,075,707</u>
Deferred inflows related to pensions	<u>\$ 5,276,744</u>	<u>\$ -</u>
Net position		
Invested in capital assets, net of related debt	252,327,218	222,287,496
Restricted for:		
Expendable		
Student aid	527,381	565,533
Instructional programs	51,416	53,237
Loans	21,707	21,708
Debt service	364,843	2,063,560
Unrestricted	<u>210,788,781</u>	<u>235,676,401</u>
Total net position	<u>\$ 464,081,346</u>	<u>\$ 460,667,935</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.

**Statement of Financial Position
As of December 31, 2014 and 2013**

Assets:	2014	2013
Cash & Cash Equivalents	\$ 649,444	\$ 569,326
Investments	10,578,030	6,819,915
Pledges Receivable	244,706	2,281,184
Prepaid Expenses	1,350	-
Total Assets	\$ 11,473,530	\$ 9,670,425
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	4,021	314
Other Liabilities	42,725	43,566
Total Liabilities	46,746	43,880
Net Assets:		
Unrestricted	544,688	507,385
Temporarily Restricted	4,719,378	3,049,198
Permanently Restricted	6,162,718	6,069,962
Total Net Assets	11,426,784	9,626,545
Total Liabilities and Net Assets	\$ 11,473,530	\$ 9,670,425

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
**Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended August 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Revenues		
Operating revenues:		
Tuition and fees (net of discounts of \$7,607,744 and \$6,962,093 respectively)	\$ 28,426,123	\$ 27,967,481
Federal grants and contracts	6,687,572	7,229,621
State grants and contracts	1,797,840	964,194
Non-governmental grants and contracts	8,950	13,320
Sales and services of educational activities	644,103	550,913
Auxiliary enterprises	8,829,679	9,240,358
Other operating revenues	311,361	350,264
Total operating revenues	<u>46,705,628</u>	<u>46,316,151</u>
Expenses		
Operating expenses:		
Instruction	64,578,677	58,718,787
Public service	758,294	556,778
Academic support	15,485,516	15,605,938
Student services	10,430,474	9,716,643
Institutional support	18,940,401	15,469,145
Operation and maintenance of plant	10,388,845	13,274,011
Scholarships	19,417,452	20,149,733
Auxiliary enterprises	9,548,337	10,899,311
Depreciation	7,711,950	7,544,508
Total operating expenses	<u>157,259,946</u>	<u>151,934,854</u>
Operating loss	<u>(110,554,318)</u>	<u>(105,618,703)</u>
Non-operating revenues (expenses):		
State appropriations	38,713,358	38,457,174
Maintenance ad-valorem taxes:		
Taxes for maintenance and operations	69,305,745	63,956,055
Taxes for general obligation bonds	2,710,467	3,022,421
Federal grants and contracts	23,834,018	24,431,878
Gifts - noncapital	62,538	31,200
Investment income (net of investment expenses)	212,730	113,223
Interest on capital related debt	(1,525,612)	(1,664,760)
Other non-operating revenues	198,500	200,000
Other non-operating expenses	-	(1,583,757)
Net non-operating revenues	<u>133,511,744</u>	<u>126,963,434</u>
Increase in net position	<u>22,957,426</u>	<u>21,344,731</u>
Net position - beginning of year	460,667,935	439,323,204
Cumulative effect of change in accounting principle	(19,544,015)	-
Net position - beginning of year, as restated	<u>441,123,920</u>	<u>439,323,204</u>
Net position - ending of year	<u>\$ 464,081,346</u>	<u>\$ 460,667,935</u>

See accompanying notes to basic financial statements.

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COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.
**Statement of Activities
For the Year Ended December 31, 2014**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Change in Net Assets:				
Revenues, Gains and Other Support:				
Donations and Grants	\$ 2,510	\$ 1,898,089	\$ 65,483	\$ 1,966,082
Special Events and Fundraising	48,753	147,651	8,500	204,904
Less: Cost of Direct Benefit to Donors	(31,398)	-	-	(31,398)
Investment Income	58,339	248,356	12,689	319,384
Unrealized Gains/(Losses) on Investments	(21,455)	(183,996)	-	(205,451)
Realized Gains/(Losses) on Investments	27,641	74,793	6,084	108,518
Net Assets Released from Restrictions	514,713	(514,713)	-	-
Total Revenues, Gains, and Other Support	<u>599,103</u>	<u>1,670,180</u>	<u>92,756</u>	<u>2,362,039</u>
Expenses:				
Program Services:				
Scholarships	418,711	-	-	418,711
Scholarship Reception	31,209	-	-	31,209
Program Enhancements	76,689	-	-	76,689
Total Program Services	<u>526,609</u>	<u>-</u>	<u>-</u>	<u>526,609</u>
Management and Fundraising:				
Accounting Fees	8,200	-	-	8,200
Insurance	1,599	-	-	1,599
Investment Expense	21,932	-	-	21,932
Miscellaneous	3,344	-	-	3,344
Fundraising	116	-	-	116
Total Management and Fundraising	<u>35,191</u>	<u>-</u>	<u>-</u>	<u>35,191</u>
Total Expenses	<u>561,800</u>	<u>-</u>	<u>-</u>	<u>561,800</u>
Change in Net Assets	37,303	1,670,180	92,756	1,800,239
Net Assets at Beginning of Year	<u>507,385</u>	<u>3,049,198</u>	<u>6,069,962</u>	<u>9,626,545</u>
Net Assets at End of Year	<u>\$ 544,688</u>	<u>\$ 4,719,378</u>	<u>\$ 6,162,718</u>	<u>\$ 11,426,784</u>

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE FOUNDATION, INC.
**Statement of Activities
For the Year Ended 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	-	2,196	-	2,196
Special Events and Fundraising	40,419	146,579	4,750	191,748
Less: Cost of Direct Benefit to Donors	(24,519)	-	-	(24,519)
Investment Income	39,727	94,188	15,902	149,817
Unrealized Gains/(Losses) on Investments	(51,459)	(165,002)	-	(216,461)
Realized Gains/(Losses) on Investments	216,970	503,686	86,194	806,850
Net Assets Released from Restrictions	337,518	(337,518)	-	-
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>-</u>	<u>-</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>-</u>	<u>-</u>	<u>24,443</u>
Total Expenses	<u>379,521</u>	<u>-</u>	<u>-</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>

See accompanying notes to basic financial statements.

Collin County Community College District

**Statement of Cash Flows
For the Years Ended August 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 38,619,429	\$ 40,256,432
Receipt of grants and contracts	8,865,700	8,336,416
Collections/(payments) of loans to students	2,109	5,788
Other receipts	311,361	350,264
Payments to or on behalf of employees:		
Payments to employees	(78,726,247)	(72,384,616)
Payments for benefits	(9,953,357)	(7,760,776)
Payments to suppliers for goods or services	(37,504,922)	(40,432,742)
Payments of scholarships	(19,417,453)	(20,149,733)
Net cash used in operating activities	<u>(97,803,380)</u>	<u>(91,778,967)</u>
Cash flows from noncapital financing activities		
Receipt from state appropriations	33,136,075	33,136,075
Ad valorem tax revenues (maintenance and operations)	69,216,523	63,901,857
Receipt of grants and contracts	23,834,018	24,431,878
Payments for student organizations and other agency transactions	58,764	(867)
Other payments	-	(1,582,657)
Net cash provided by noncapital financing activities	<u>126,245,380</u>	<u>119,886,286</u>
Cash flows from capital and related financing activities		
Ad valorem tax revenues (general obligation bonds)	2,713,222	3,032,503
Purchases of capital assets	(30,749,701)	(6,529,275)
Payments on capital debt	(3,995,000)	(3,835,000)
Tax increment reinvestment payment	200,000	200,000
Interest payments on capital related debt	(1,534,757)	(1,672,810)
Net cash used in capital and related financing activities	<u>(33,366,236)</u>	<u>(8,804,582)</u>
Cash flows from investing activities		
Proceeds from sales and maturities of investments	105,026,592	40,006,536
Investment income (net of investment expenses)	141,290	97,869
Purchase of investments	(164,795,260)	(104,969,433)
Net cash used in investing activities	<u>(59,627,378)</u>	<u>(64,865,028)</u>
(Decrease)/increase in cash and cash equivalents	(64,551,614)	(45,562,291)
Cash and cash equivalents - beginning of year	186,496,371	232,058,662
Cash and cash equivalents - end of year	<u>\$ 121,944,757</u>	<u>\$ 186,496,371</u>

See accompanying notes to basic financial statements.

Collin County Community College District

**Statement of Cash Flows - continued
For the Years Ended August 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (110,554,318)	\$ (105,618,703)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	7,711,950	7,544,508
Pension expense	150,723	-
Payments made directly by state for benefits	5,577,283	5,321,099
Changes in assets and liabilities		
Receivables, net	1,097,359	416,655
Inventories	195,797	1,016,827
Prepaid expenses	57,220	(209,040)
Deferred outflows related to pensions	(1,495,945)	-
Accounts payable & other accrued liabilities	(1,734,982)	(1,449,676)
Unearned revenue	(272,149)	1,140,608
Accrued salary and benefits	116,351	52,967
Loans to students	2,109	5,788
Pension liability	(3,931,522)	-
Deferred inflows related to pensions	5,276,744	-
Net cash used in operating activities	<u>\$ (97,803,380)</u>	<u>\$ (91,778,967)</u>

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

Payments made directly by state for benefits	\$ 5,577,283	\$ 5,321,099
Change in fair value of investments	(85,362)	(15,354)
Non-cash gifts	-	31,200
Capital asset write off	460,052	-
Net non-cash investing, capital, and financing activities	<u>\$ 5,951,973</u>	<u>\$ 5,336,945</u>

NOTE 1. REPORTING ENTITY

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

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

The Foundation is a nonprofit organization with the sole purpose of supporting the educational and other activities of the District. The District does not appoint a voting majority, nor is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation made restricted payments to or on behalf of the District in amounts totaling approximately \$615,863 and \$536,255 during the years ending August 31, 2015 and 2014, 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, 2015 totaled \$279,867. The costs of these services were not significant to the District. The financial position and results of operations of the Foundation are included in these financial statements in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*, and Statement No. 61 *The Financial Reporting Entity: Omnibus—An Amendment of GASB Statements No. 14 and No. 34* as an affiliated entity because the Foundation’s sole function is to fund the District and its students.

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

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

Tuition DiscountingTexas Public Education Grants

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

Title IV Higher Education Authority (HEA) Program Funds

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

Other Tuition Discounts

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

Basis of Accounting

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

Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The District's Board of Trustees adopts the budget, which is prepared on 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, 2015 and 2014, respectively, the minimum unrestricted fund balance to

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

be maintained was \$32,686,314 and \$26,229,000. The District exceeded this minimum required fund balance for both years.

Cash and Cash Equivalents

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

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Money market and other short-term, highly liquid investments may be reported at amortized cost, provided that the fair value is not significantly different. This GASB Statement considers U.S. Treasury and agency obligations with maturities of less than one year to be money market investments. 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.

Deferred Outflows

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

Deferred Inflows

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

Inventories

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

convention, straight-line method with residual value of 10%. Depreciation for the fiscal years 2015 and 2014 totaled \$7,711,950 and \$7,544,508, respectively. Depreciation is not allocated to the functional expense categories. Expenditures for construction in progress are capitalized as incurred, but are not depreciable until assets are put into service.

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

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

Unearned Revenues

Revenues of \$15,049,662 and \$15,321,811 are recorded on the Statements of Net Position as unearned revenue at August 31, 2015 and 2014, respectively, and primarily consist of tuition and fees related to academic terms in the next fiscal year. Unearned revenues related to grant funds pertain to funds received, but not yet expended.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

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

Vested Vacation Benefits and Other Compensated Absences

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

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, 2015 and 2014 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2014	\$ 797,804	\$ 1,939,339	\$ (1,874,279)	\$ 862,864	\$ 145,441
2015	\$ 862,864	\$ 2,141,927	\$ (2,020,988)	\$ 983,803	\$ 116,698

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

Income Tax Status

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The District had no significant unrelated business income tax liability for the years ended August 31, 2015 and 2014, and therefore, has not recorded a liability for income taxes.

Board Designations

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

New Accounting Pronouncement-Implemented Pensions

For the year ended August 31, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The fiduciary net position of the Teacher Retirement System of Texas ("TRS") has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds or employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**Prior Year Restatement**

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

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

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

New Accounting Pronouncement-Future Implementation**GASB Statement No. 72****Fair Value Measurement and Application**

The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement also will enhance fair value application guidance and related disclosures to provide information to financial statement users about the impact of fair value measurements on a government's financial position. Implementation is planned for fiscal year 2016.

NOTE 3. AUTHORIZED INVESTMENTS

Board policy allows the District to invest in selected investments authorized by the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include 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 issued by a state or national bank domiciled in Texas or a savings and loan association domiciled in Texas that are guaranteed by the FDIC or secured in a manner prescribed 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.

NOTE 4. DEPOSITS AND INVESTMENTS

At August 31, 2015 and 2014, the net carrying amount of the District's deposits was an overdraft of \$1,219,273 and \$1,776,869, 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 \$945,716 as of August 31, 2015. 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,	
	2015	2014
Petty cash on hand	\$ 24,750	\$ 26,750
Checking account	341,392	438,000
TexPool	84,220,579	148,695,060
TexSTAR	37,358,036	37,336,561
Total cash and cash equivalents	<u>\$ 121,944,757</u>	<u>\$ 186,496,371</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. The District did not have any securities collateralized by pledged securities at August 31, 2015.

Short Term Investments	Weighted Average Maturity (Years)	Market Value as of August 31,	
		2015	2014
Bank of America CD's		\$ -	\$ 40,000,000
US Agency Notes and Bonds	0.39	124,900,970	24,987,597
Total Short Term Investments		<u>\$ 124,900,970</u>	<u>\$ 64,987,597</u>
		(Exhibit 1)	(Exhibit 1)

NOTE 4. DEPOSITS AND INVESTMENTS-continued

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 limited 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. 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 market 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 (34.17%), TexSTAR (15.16%), and FNMA (22.30%), FHLB (10.13%), and FHLMC (18.24%).

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.

NOTE 5. CAPITAL ASSETS

The following table summarized changes in capital assets balances for the year ended August 31, 2015:

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

At August 31, 2015, amounts committed under capital construction contracts were \$8,745,888. Of the amount committed, \$8,607,860 is for construction costs, and \$138,028 is for architectural services, related to completion of the Central Park Campus Conference Center and Health Science Center. In addition, retainage payable for construction at August 31, 2015 totaled \$1,777,817.

NOTE 5. CAPITAL ASSETS-continued

In May 2010, the City of Melissa conditionally donated twenty five acres to the District valued at \$375,000 for development and use as a public safety training center. At the time, total land costs capitalized by the District was \$460,052. In 2015 the land reverted back to the City of Melissa since a site in the City of McKinney was selected for the public safety training center to be built. Therefore, the capitalized land cost was removed from the District's assets.

For comparison purposes, the following table summarizes 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	\$ -	\$ -	\$ 25,654,319
Construction in Progress	551,250	7,341,612	-	7,892,862
Subtotal	<u>26,205,569</u>	<u>7,341,612</u>	<u>-</u>	<u>33,547,181</u>
Depreciable Assets				
Buildings	259,336,286	9,605	-	259,345,891
Land Improvements	20,180,710	-	-	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	-	-	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	-	52,408,234
Land Improvements	8,635,798	707,247	-	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	-	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>-</u>	<u>227,811,606</u>
Net Capital Assets	<u>\$259,388,759</u>	<u>\$ 1,970,028</u>	<u>\$ -</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.

NOTE 6. LONG-TERM LIABILITIES

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

	Balance 9/1/2014	Additions	Reductions	Amortization of Premium	Balance 8/31/2015	Current Portion
Bonds:						
General obligation bonds:						
Series 2006	\$ 13,300,000	\$ -	\$ (855,000)	\$ -	\$ 12,445,000	\$ 890,000
Series 2010	21,505,723	-	(2,140,000)	(23,523)	19,342,200	2,245,000
Revenue bonds, Series 2008	4,195,000	-	(1,000,000)	-	3,195,000	1,035,000
Subtotal	<u>39,000,723</u>	<u>-</u>	<u>(3,995,000)</u>	<u>(23,523)</u>	<u>34,982,200</u>	<u>4,170,000</u>
Accrued Compensable Absences	862,864	2,141,927	(2,020,988)	-	983,803	116,698
Net Pension Liability	-	17,249,730	-	-	17,249,730	-
Total Non-Current Liabilities	<u>\$ 39,863,587</u>	<u>\$ 19,391,657</u>	<u>\$ (6,015,988)</u>	<u>\$ (23,523)</u>	<u>\$ 53,215,733</u>	<u>\$ 4,286,698</u>

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

	Balance 9/1/2013	Additions	Reductions	Amortization of Premium	Balance 8/31/2014	Current Portion
Bonds payable:						
General obligation bonds:						
Series 2003	\$ 980,000	\$ -	\$ (980,000)	\$ -	\$ -	\$ -
Series 2006	14,115,000	-	(815,000)	-	13,300,000	855,000
Series 2010	22,599,245	-	(1,070,000)	(23,522)	21,505,723	2,140,000
Revenue bonds, Series 2008	5,165,000	-	(970,000)	-	4,195,000	1,000,000
Subtotal	<u>42,859,245</u>	<u>-</u>	<u>(3,835,000)</u>	<u>(23,522)</u>	<u>39,000,723</u>	<u>3,995,000</u>
Accrued Compensable Absences	797,804	1,939,339	(1,874,279)	-	862,864	145,441
Total Non-Current Liabilities	<u>\$ 43,657,049</u>	<u>\$ 1,939,339</u>	<u>\$ (5,709,279)</u>	<u>\$ (23,522)</u>	<u>\$ 39,863,587</u>	<u>\$ 4,140,441</u>

NOTE 7. DEBT OBLIGATIONS

Debt service requirements as of August 31, 2015, were as follows:

Year Ended August 31,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	-	-	-
2020	3,705,000	810,331	4,515,331	-	-	-
2021-2025	13,145,000	1,676,825	14,821,825	-	-	-
2026	1,405,000	61,469	1,466,469	-	-	-
Subtotal	<u>31,600,000</u>	<u>7,135,227</u>	<u>38,735,227</u>	<u>3,195,000</u>	<u>144,120</u>	<u>3,339,120</u>
Net Premium/ Discount	187,200	-	187,200	-	-	-
Total	<u>\$ 31,787,200</u>	<u>\$ 7,135,227</u>	<u>\$ 38,922,427</u>	<u>\$ 3,195,000</u>	<u>\$ 144,120</u>	<u>\$ 3,339,120</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
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	3,705,000	810,331	4,515,331
2021-2025	13,145,000	1,676,825	14,821,825
2026	1,405,000	61,469	1,466,469
Subtotal	<u>34,795,000</u>	<u>7,279,347</u>	<u>42,074,347</u>
Net Premium/ Discount	187,200	-	187,200
Total	<u>\$ 34,982,200</u>	<u>\$ 7,279,347</u>	<u>\$ 42,261,547</u>

NOTE 8. BONDS PAYABLE

Bonds payable as of August 31, 2015 and 2014 consisted of the following:

Bond issue	Purpose	Date issued	Amount issued	Revenue source	Outstanding balance August 31, 2015	Outstanding balance August 31, 2014
Series 2006 Limited Tax Improvement Bonds	Constructing, renovating, improving and equipping school buildings and purchasing necessary sites.	1/15/2006	\$18,415,000	Ad valorem taxes	\$12,445,000	\$13,300,000
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	\$ 3,195,000	\$ 4,195,000
Series 2010 Limited Tax Refunding Bonds	Refunded 2002 and 2003 Tax Bonds	11/2/2010	\$24,099,912	Ad valorem taxes	\$19,342,200	\$21,505,723
Total					\$34,982,200	\$39,000,723

Bonds payable are due in annual principal installments varying from \$890,000 to \$2,895,000 with interest rates from 3.0% 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 No. 65, debt issuance costs are now required to be expensed in the year they are incurred. The District expensed the remaining issuance costs totaling \$190,040 in the previous fiscal 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

NOTE 8. BONDS PAYABLE-continued

payments on the old and new debt adjusted for cash paid out) of \$901,391 was obtained by the refunding. The accounting loss that resulted from the bond refunding was \$80,571.

The Series 2008 revenue bonds are collateralized by pledged revenues of the Unrestricted Current Fund other than state allocations or those raised by local taxation. They require mandatory transfer of gross revenue to the Retirement of Indebtedness Fund as set forth in the bonds' covenants. This transfer provides for principal and interest payments as they become due. In addition, they impose certain restrictions on the District with respect to the maintenance of insurance and other financial covenants. At August 31, 2015, the District was in compliance with these restrictions and had made all applicable insurance premium payments. Insurance policies in force at August 31, 2015, 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 were used for constructing, renovating and equipping buildings, and paying issuance costs. Proceeds of the bonds were \$18,412,449. The District had related issuance costs of \$95,000 and accrued interest of \$92,449 at the closing of the bond sale.

During September 2003, the District closed on \$18,585,000 in Limited Tax Improvement Bonds with an average interest rate of 4.56 percent. Proceeds from the sale of the bonds were used for constructing, renovating and equipping buildings, and paying issuance costs. Proceeds of the bonds were \$18,585,000. 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 fiscal year 2014.

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 discussed in Note 15.

NOTE 9. DEFEASED BONDS OUTSTANDING

As of August 31, 2015 and 2014 the District had the following defeased bonds outstanding:

	Year Refunded	Par Value Outstanding 2015	Par Value Outstanding 2014
Series 2002 Limited Tax Improvement Bonds	2010	\$ 9,730,000	\$ 10,850,000
Series 2003 Limited Tax Improvement Bonds	2010	10,140,000	11,165,000
Series 1997 Revenue Bonds	2008	1,075,000	1,565,000
Series 1998 Revenue Bonds	2008	995,000	1,295,000
Total Defeased Bonds		<u>\$ 21,940,000</u>	<u>\$ 24,875,000</u>

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

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6595.

Benefits Provided

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

Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code 821.006 prohibits benefit

NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued

improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended the Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

	<u>Contribution Rates</u>	
	2015	2014
Member	6.70%	6.40%
Non-Employer Contributing Entity (State)	3.40%	3.40%
Employer (District)	3.40%	3.40%
FY2014 District Contributions	\$ 1,637,237	
FY2014 State of Texas On-Behalf Contributions	\$ 1,190,399	

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

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

Actuarial Assumptions

The total pension liability in the August 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted -Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

**Includes Inflation of 3%*

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010, and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate

The discount rate used to measure the total pension liability was 8.0 percent. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014, are summarized on the next page:

NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns*
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	90.0%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100.0%		8.7%

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

Source: Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Collin County Community College District proportionate share of the net pension liability	\$ 30,824,222	\$ 17,249,730	\$ 7,098,538

NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.**

At August 31, 2014, the District reported a liability of \$17,249,730 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Collin County Community College District's Proportionate Share of the collective net pension liability	\$ 17,249,730
State's proportionate share that is associated with the District	<u>12,568,650</u>
Total	<u>\$ 29,818,380</u>

The net pension liability was measured as of August 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013, through August 31, 2014.

There were no changes in assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance ("OASDI") on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2014, the District recognized pension expense of \$1,161,948 and revenue of \$1,161,948 for support provided by the State.

NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued

At August 31, 2014, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 266,773	\$ -
Changes in actuarial assumptions	1,121,252	-
Differences between projected and actual investment earnings	-	5,272,222
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	4,522
Contributions paid to TRS subsequent to the measurement date	1,745,157	-
Total	\$ 3,133,182	\$ 5,276,744

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

<u>Year ended August 31:</u>	<u>Pension Expense Amount</u>
2016	\$ (1,084,659)
2017	(1,084,659)
2018	(1,084,659)
2019	(1,084,659)
2020	233,396
Thereafter	216,521

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

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

Funding Policy

Contribution requirements are not actuarially determined, but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.60% and 6.65%, respectively. 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.

NOTE 10. EMPLOYEES' RETIREMENT PLAN-continued

The retirement expense to the state for the District for ORP was \$570,728 and \$546,551 for fiscal years ended August 31, 2015 and 2014, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the District. The on-behalf payments made by the State for benefits were recognized as revenues and expenses during the period.

Optional Retirement Plan Contribution Rates	2015	2014
Member Contribution	6.65%	6.65%
State Contribution	3.30%	3.30%
District Contribution (State Mandate)	3.30%	3.30%
District Contribution	1.75%	1.75%

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 \$12,531,500 and \$11,705,000 for the years ended August 31, 2015 and 2014, 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	2015	2014
Total Payroll	\$ 78,628,581	\$72,465,133
TRS Payroll - Eligible Employees	40,603,616	35,073,700
ORP Payroll - Eligible Employees	17,294,774	16,562,150
Actual Cost of ORP and TRS Retirement Benefits	1,951,251	3,837,352
State Legislative Appropriations Expended for ORP and TRS	1,951,251	1,739,056
District Contributions for ORP and TRS Retirement Benefits:		
Optional Retirement Plan Contributions	570,738	546,551
TRS Contributions-Eligible Employees	1,380,523	1,192,505
90-day Employees	85,839	81,501
Auxiliary and Local Employees	196,585	277,739

**NOTE 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	2015		2014	
	Employee Contribution	State/Employer Contribution	Employee Contribution	State/Employer Contribution
Member Only	\$ -	\$ 537.66	\$ -	\$ 503.14
Member & Spouse	307.88	845.54	288.02	791.16
Member & Child(ren)	206.14	743.80	192.86	696.00
Member & Family	514.02	1,051.68	480.88	984.02

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	2015	2014
Number of Retirees	171	150
Cost of Health Benefits for Retirees	\$1,179,277	\$ 956,295
Number of Active Full Time Employees	1,028	975
Cost of Health Benefits for Active Full Time Employees	\$ 7,953,659	\$ 7,267,429
State Appropriation for Health Insurance	\$ 3,844,607	\$ 3,582,043
District's Expense	\$ 5,288,329	\$ 4,641,681

NOTE 12. DEFERRED COMPENSATION PROGRAM

Employees of the District may elect to defer a portion of their earnings for income tax and investment purposes pursuant to the authority granted under Government Code 609.001. The general maximum annual contribution limit in tax year 2015 was \$18,000 (\$21,000 for Section 403(b) participants who qualified for the 15-year rule) with a \$6,000 catch-up provision. The general maximum annual contribution limit in tax year 2014 was \$17,500 (\$20,500 for Section 403(b) participants who qualified for the 15-year rule) with a \$5,500 catch-up provision for individuals 50 years or older.

Deferred Compensation Programs	2015	2014
Number of Participants (TSA)	298	277
403(b) Tax Sheltered Annuity (TSA) Contributions	\$ 1,372,653	\$ 1,345,974
Number of Participants (DCP)	38	36
Section 457 Deferred Compensation Plan (DCP)	\$ 286,556	\$ 268,935

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

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

Receivables at August 31 were as follows:

	2015	2014
Student loans	\$ 2,728	\$ 4,837
Federal and state receivables	1,212,590	1,475,558
Trade receivables	6,527,231	7,733,262
Other receivables (auxiliary)	536,459	389,811
A/R collection agency	1,215,544	1,907,671
Total Accounts Receivable	<u>9,494,552</u>	<u>11,511,139</u>
Less: allowance for doubtful accounts	<u>(855,169)</u>	<u>(1,758,366)</u>
Accounts Receivable Net of Allowance	<u>\$ 8,639,383</u>	<u>\$ 9,752,773</u>
Taxes receivable	1,467,089	1,270,902
Less: allowance for doubtful accounts	<u>(934,536)</u>	<u>(824,816)</u>
Total Taxes Receivable	<u>\$ 532,553</u>	<u>\$ 446,086</u>

An allowance for doubtful accounts estimated at \$855,169 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 9/1/2014	Addition	Collections	Adjustments	Returned to Collin College	Balance 8/31/2015
First Placement Collection Agency	\$ 616,239	\$ 434,445	\$ (55,389)	\$ (14,719)	\$ (556,453)	\$ 424,123
Second Placement Collection Agency	1,291,432	556,912	(52,630)	(15,574)	(988,719)	791,421
Total Student Receivables Placed with Collections	<u>1,907,671</u>	<u>991,357</u>	<u>(108,019)</u>	<u>(30,293)</u>	<u>(1,545,172)</u>	<u>1,215,544</u>
Allowance for doubtful accounts	(1,758,366)	(80,071)	-	24,565	958,703	(855,169)
Net Receivables Placed with Collections	<u>\$ 149,305</u>	<u>\$ 911,286</u>	<u>\$(108,019)</u>	<u>\$ (5,728)</u>	<u>\$ (586,469)</u>	<u>\$ 360,375</u>

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

Payables at August 31 were as follows:

	<u>2015</u>	<u>2014</u>
Vendors payable	\$ 1,871,979	\$ 2,013,747
Salary and benefits payable	740,682	1,533,997
Federal and state grants payable	604,426	968,582
Auxiliary payables	306,257	388,833
Unexpended plant payables	6,308,602	2,940,569
Student payable	635,655	621,238
Short-term bank overdraft	<u>1,219,273</u>	<u>1,776,869</u>
Total Accounts Payable	<u>\$ 11,686,874</u>	<u>\$ 10,243,835</u>

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

NOTE 14. RISK MANAGEMENT

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

Previously, the District participated in a self-funded workers' compensation program in which the remaining outstanding claims are administered by Claims Administrative Services ("CAS") of Tyler, Texas. Total claims paid by the District to CAS during the years ended August 31, 2015 and 2014, were \$106 and \$486, respectively. Total estimated claims outstanding for the years ended August 31, 2015 and 2014 were \$4,656 and \$4,743, 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 2015 and 2014 were:

	Beginning of fiscal year liability	Claims & changes in estimate	Claim payments	End of fiscal year liability
2015	\$ 4,743	\$ 19	\$ (106)	\$ 4,656
2014	8,823	(3,594)	(486)	4,743

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

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

NOTE 15. PROPERTY TAX

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

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

At August 31,	2015	2014
Assessed Valuation of the District:	\$ 103,609,292,320	\$ 93,973,412,369
Less: Exemptions	(14,962,118,225)	(12,914,074,308)
Less: Abatements	(516,920,189)	(588,400,171)
Net Assessed Valuation of the District	88,130,253,906	80,470,937,890
Plus: Supplements through August 31	9,861,371	8,230,779
Adjusted Assessed Valuation	<u>\$ 88,140,115,277</u>	<u>\$ 80,479,168,669</u>

Tax rates for the years ended August 31, 2015 and 2014, are as follows:

Per \$100 valuation:	FY 2015			FY 2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized Tax Rate (Maximum per enabling legislation)	\$0.080000	\$0.120000	\$0.200000	\$0.080000	\$0.120000	\$0.200000
Assessed Tax Rate	\$0.078965	\$0.002995	\$0.081960	\$0.080000	\$0.003643	\$0.083643

NOTE 15. PROPERTY TAX-continued

Taxes levied for the years ended August 31, 2015 and 2014, were \$73,897,090 and \$68,789,565, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

	FY 2015			FY 2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 69,709,727	\$ 2,675,432	\$ 72,385,159	\$ 64,585,123	\$ 3,059,835	\$ 67,644,958
Delinquent Taxes Collected	787,399	31,087	818,486	475,672	23,457	499,129
Penalties & Interest collected	477,361	18,485	495,846	416,464	20,151	436,615
Total Gross Collections	<u>70,974,487</u>	<u>2,725,004</u>	<u>73,699,491</u>	<u>65,477,259</u>	<u>3,103,443</u>	<u>68,580,702</u>
Tax Appraisal and Collection Fee	(771,717)	(11,702)	(783,419)	(722,570)	(32,904)	(755,474)
Bad Debt Expense	86,009	(2,835)	83,174	72,763	(8,437)	64,326
Total Net Collections	<u>70,288,779</u>	<u>2,710,467</u>	<u>72,999,246</u>	<u>64,827,452</u>	<u>3,062,102</u>	<u>67,889,554</u>

Tax collections for the year ended August 31, 2015 and 2014, were 97.95% and 98.34% respectively, of the current tax levy. Allowances for uncollectible taxes are based on historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

The District participates in two tax incremental financing districts (TIFs). The following table summarizes the obligations of the District's involvement in the TIFs:

City of Frisco TIF 1	100%	\$ (908,907)	\$ (843,620)
City of Plano TIF 2	50%	(74,126)	(67,458)
Total Taxes Forgone		<u>\$ (983,033)</u>	<u>\$ (911,078)</u>

NOTE 16. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS

The District entered into a 62-month operating lease agreement during the 2014-15 fiscal year for all District copiers/multifunctional devices. The terms of the agreement include a monthly payment of \$9,593 plus an allowance for overage charges. Buyout of existing leases during the current year totaled \$56,700. Rental payments made during the years ending August 31, 2015 and 2014 were \$491,695 and \$415,491.

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

FY	August 31,	
	2015	2014
2016	\$ 201,412	\$ 76,487
2017	127,612	46,020
2018	119,240	17,957
2019	115,116	-
2020	115,116	-
Total	<u>\$ 678,496</u>	<u>\$ 140,464</u>

NOTE 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, 2015, 2014, and 2013 were \$561,515, \$956,295, and \$851,014, respectively. The on-behalf payments made by the State for benefits were recognized as revenues and expenses during the period.

NOTE 18. CONTRACT AND GRANT AWARDS

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

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

	2015	2014
Federal contracts and Grant Awards	\$ 5,920,605	\$ 12,166,889
State Contracts and Grant Awards	820,065	301,308
Total	<u>\$ 6,740,670</u>	<u>\$ 12,468,197</u>

NOTE 19. COMPONENT UNITS

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

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

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

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

Basis of Accounting

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

Basis of Presentation

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

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

Contributions

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

NOTE 19. COMPONENT UNIT- Summary of Significant Accounting Policies-continued**Donated Services and Facilities**

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

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

Cash and Cash Equivalents

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

Investments

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

Use of Estimates

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

Income Taxes

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

B. Deposits

As of December 31, 2014, the Foundation's carrying amount of deposits was \$649,444, which includes \$289,849 with JP Morgan Chase Bank, N.A., \$100 of petty cash and \$329,432 with Northern Trust, NA and \$30,063 with Concord Trust Company. The bank balance at JP Chase Morgan Bank, N.A. is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2014, \$6,302 was not insured.

C. Investments

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

NOTE 19. COMPONENT UNIT-C. INVESTMENTS-continued

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Marketable Debt and Equity Securities				
Northern Trust, NA	\$ 8,225,791	\$ 8,537,063	\$ 6,312,017	\$ 6,802,786
Concord Trust Company	2,047,190	2,022,923	-	-
	<u>10,272,981</u>	<u>10,559,986</u>	<u>6,312,017</u>	<u>6,802,786</u>
Cash Value of Life Insurance	18,111	18,044	17,087	17,129
Total Investments	<u>\$ 10,291,092</u>	<u>\$ 10,578,030</u>	<u>\$ 6,329,104</u>	<u>\$ 6,819,915</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.

	2014	2013
Reconciliation of Investment Income/(Loss)		
Interest and Dividends	\$ 319,384	\$ 149,817
Unrealized Gains/(Losses)	(205,341)	(216,497)
Realized Gains/(Losses)	108,518	806,850
Increase/Decrease in Cash Value of Life Insurance Policies- Net of Premiums	(110)	36
Investment Expenses	<u>(21,932)</u>	<u>(12,724)</u>
Gain/(Loss) on Investments	<u>\$ 200,519</u>	<u>\$ 727,482</u>

NOTE 19. COMPONENT UNIT-C. INVESTMENTS-continued

	<u>2014</u>	<u>2013</u>
Investment Gain/(Loss) reported in:		
Unrestricted Fund	\$ 42,593	\$ 192,514
Temporarily Restricted Fund	139,153	432,872
Permanently Restricted Fund	<u>18,773</u>	<u>102,096</u>
Gain/(Loss) on Investments	<u>\$ 200,519</u>	<u>\$ 727,482</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.

NOTE 19. COMPONENT UNIT-C. INVESTMENTS-continuedPerformance 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>2014</u>	<u>2013</u>
Scholarships	\$ 2,064,050	\$ 1,784,594
Excellence Funds	337,632	393,600
Trust/Quasi-Endowments	2,177,946	571,635
Other	<u>139,750</u>	<u>299,369</u>
	<u>\$ 4,719,378</u>	<u>\$ 3,049,198</u>

NOTE 19. COMPONENT UNIT-D. TEMPORARILY RESTRICTED NET ASSETS-continued

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

Purpose	<u>2014</u>	<u>2013</u>
Scholarships	\$ 418,711	\$ 315,307
Program Enhancements	76,689	11,890
Investment Expenses	<u>19,313</u>	<u>10,321</u>
	<u>\$ 514,713</u>	<u>\$ 337,518</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>2014</u>	<u>2013</u>
Scholarships	\$ 6,162,718	\$ 6,069,962

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

NOTE 19. COMPONENT UNIT - F. OTHER LIABILITIES-continued

Estimated Pledge Collection by Fiscal Year:

2015	\$	111,142
2016		35,243
2017		34,552
2018		33,874
2019		15,096
2020		14,799
	\$	<u>244,706</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 \$272,623. 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 July 20, 2015, the date which the financial statements were available to be issued, citing no material subsequent events have occurred since the year ended December 31, 2014.

NOTE 20. SUBSEQUENT EVENTS

No significant subsequent events have occurred since year ending August 31, 2015 through the issuance date of this report.



Required
Supplemental
Information



Required Supplemental Information Section

Required Supplemental Schedule 1

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of the District's Share of Net Pension Liability
For the Year Ended August 31, 2015**

Fiscal year ending August 31,*	2015**
TRS net position as percentage of total pension liability	83.25%
The District's proportionate share of collective net pension liability (%)	0.000645782
The District's proportionate share of collective net pension liability (\$)	\$ 17,249,730
Portion of NECE's total proportionate share of NPL associated with the District	\$ 12,568,650
	<u>\$ 29,818,380</u>
District's covered payroll amount	\$ 40,603,616
Ratio of: ER proportionate share of collective NPL / ER's covered payroll amount	42.5%

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

** Schedule is intended to show information for 10 years. 2015 is the first year this information is being reported. Additional years will be displayed as they become available.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of the District's Contributions
For the Year Ended August 31, 2015**

Fiscal year ending August 31,*	2015**	
Legally required contributions	\$	1,380,523
Actual contributions	\$	1,456,034
Contributions deficiency (excess)	\$	(75,511)
District covered employee payroll amount	\$	40,603,616
Ratio of: Actual contributions / ER covered payroll amount		3.6%

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

** Schedule is intended to show information for 10 years. 2015 is the first year this information is being reported. Additional years will be displayed as they become available.

NOTE 1. Changes of Assumptions

There were no changes of assumptions for the year ended August 31, 2015.

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THECB
Supplemental
Schedules



THECB Supplemental Schedules Section

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

THECB Supplemental Schedules

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2015
(with comparative totals at August 31, 2014)**

	<u>Unrestricted</u>	<u>Restricted</u>	Total Educational <u>Activities</u>	Auxiliary <u>Enterprises</u>	<u>Total</u>	
					<u>2015</u>	<u>2014</u>
Tuition						
State funded courses						
In-district resident tuition	\$ 11,476,714	\$ -	\$ 11,476,714	\$ -	\$ 11,476,714	\$ 11,021,258
Out-of-district resident tuition	8,251,562	-	8,251,562	-	8,251,562	8,037,549
TPEG Credit (set aside)*	1,044,349	-	1,044,349	-	1,044,349	1,006,284
Non-resident tuition	6,249,709	-	6,249,709	-	6,249,709	5,818,372
Continuing education	4,010,003	-	4,010,003	-	4,010,003	4,068,928
TPEG Non-Credit (set aside)*	253,934	-	253,934	-	253,934	255,476
Non-state funded continuing education	68,319	-	68,319	-	68,319	60,437
Total tuition	<u>31,354,590</u>	<u>-</u>	<u>31,354,590</u>	<u>-</u>	<u>31,354,590</u>	<u>30,268,304</u>
Fees						
Building fees	3,288,928	-	3,288,928	-	3,288,928	3,265,810
General fees	420,328	-	420,328	-	420,328	435,036
Student activity fee	-	-	-	548,153	548,153	544,282
Laboratory fee	421,868	-	421,868	-	421,868	416,142
Total fees	<u>4,131,124</u>	<u>-</u>	<u>4,131,124</u>	<u>548,153</u>	<u>4,679,277</u>	<u>4,661,270</u>
Scholarship allowances and discounts						
Remissions and exemptions	(1,020,070)	-	(1,020,070)	-	(1,020,070)	(1,082,782)
TPEG allowances	(299,607)	-	(299,607)	-	(299,607)	(228,195)
Federal grants to students	(5,930,608)	-	(5,930,608)	-	(5,930,608)	(5,378,283)
Other	(357,459)	-	(357,459)	-	(357,459)	(272,833)
Total scholarship allowances	<u>(7,607,744)</u>	<u>-</u>	<u>(7,607,744)</u>	<u>-</u>	<u>(7,607,744)</u>	<u>(6,962,093)</u>
Total net tuition and fees	<u>\$ 27,877,970</u>	<u>\$ -</u>	<u>\$ 27,877,970</u>	<u>\$ 548,153</u>	<u>\$ 28,426,123</u>	<u>\$ 27,967,481</u>

* In accordance with Education Code 56.033; \$1,298,283 was set aside for Texas Public Education Grants (TPEG).

See accompanying independent auditors' report.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Operating Revenues-continued
For the year ended August 31, 2015
(with comparative totals at August 31, 2014)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>Total</u>	
					<u>2015</u>	<u>2014</u>
Additional operating revenues						
Federal grants and contracts	\$ 252,218	\$ 6,435,354	\$ 6,687,572	\$ -	\$ 6,687,572	\$ 7,229,621
State grants and contracts	296	1,797,544	1,797,840	-	1,797,840	964,194
Nongovernmental grants and contracts	-	8,950	8,950	-	8,950	13,320
Sales and services of educational activities	644,103	-	644,103	-	644,103	550,913
Other operating revenues	311,361	-	311,361	-	311,361	350,264
Total additional operating revenues	<u>1,207,978</u>	<u>8,241,848</u>	<u>9,449,826</u>	<u>-</u>	<u>9,449,826</u>	<u>9,108,312</u>
Auxiliary enterprises						
Bookstore (net of discount of \$357,026 and \$436,575 respectively)	-	-	-	7,795,310	7,795,310	8,211,100
Other auxiliary enterprises	-	-	-	1,034,369	1,034,369	1,029,258
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,829,679</u>	<u>8,829,679</u>	<u>9,240,358</u>
Total Operating Revenues	<u>\$ 29,085,948</u>	<u>\$ 8,241,848</u>	<u>\$ 37,327,796</u>	<u>\$ 9,377,832</u>	<u>\$ 46,705,628</u> (Exhibit 2)	<u>\$ 46,316,151</u> (Exhibit 2)

Collin County Community College District

Schedule of Operating Expenses by Object
For the year ended August 31, 2015
(with comparative totals at August 31, 2014)

	Operating Expenses			Total		
	Salaries and Wages	Benefits		Other Expenses	2015	2014
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 49,059,252	\$ -	\$ 5,488,068	\$ 6,286,110	\$ 60,833,430	\$ 55,085,864
Public service	99,309	-	11,109	1,261	111,679	124,162
Academic support	6,979,498	-	780,769	960,601	8,720,868	8,818,430
Student services	7,787,974	-	871,210	910,931	9,570,115	8,846,456
Institutional support	10,057,109	-	1,125,050	7,000,080	18,182,239	14,833,777
Operation and maintenance of plant	2,044,736	-	450,337	7,893,772	10,388,845	13,274,011
Total unrestricted educational activities	76,027,878	-	8,726,543	23,052,755	107,807,176	100,982,700
Restricted - educational activities						
Instruction	19,761	3,698,374	6,440	20,672	3,745,247	3,632,924
Public service	245,077	7,487	58,228	335,823	646,615	432,616
Academic support	1,055,452	526,156	216,072	4,966,968	6,764,648	6,787,508
Student services	102,556	587,104	13,293	157,406	860,359	870,186
Institutional support	-	758,162	-	-	758,162	635,368
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships	-	-	-	19,417,452	19,417,452	20,149,733
Total restricted educational activities	1,422,846	5,577,283	294,033	24,898,321	32,192,483	32,508,335
Total educational activities	77,450,724	5,577,283	9,020,576	47,951,076	139,999,659	133,491,035
Auxiliary enterprises	1,177,857	-	246,631	8,123,849	9,548,337	10,899,311
Depreciation expense - buildings and other real estate improvements	-	-	-	5,524,482	5,524,482	5,533,404
Depreciation expense - equipment and furniture	-	-	-	2,187,468	2,187,468	2,011,104
Total operating expenses	<u>\$ 78,628,581</u>	<u>\$ 5,577,283</u>	<u>\$ 9,267,207</u>	<u>\$ 63,786,875</u>	<u>\$ 157,259,946</u> (Exhibit 2)	<u>\$ 151,934,854</u> (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, 2015
(with comparative totals at August 31, 2014)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary enterprises</u>	<u>2015</u>	<u>Totals 2014</u>
Non-operating revenues:					
State appropriations					
Education and general state support	\$ 33,136,075	\$ -	\$ -	\$ 33,136,075	\$ 33,136,075
State group insurance	-	3,844,607	-	3,844,607	3,582,043
State retirement matching	-	1,732,676	-	1,732,676	1,739,056
Total state appropriations	33,136,075	5,577,283	-	38,713,358	38,457,174
Ad valorem taxes	69,305,745	2,710,467	-	72,016,212	66,978,476
Federal contracts and grants	302,926	23,531,092	-	23,834,018	24,431,878
Gifts	62,538	-	-	62,538	31,200
Investment income (net of investment expenses)	212,730	-	-	212,730	113,223
Other non-operating revenues	198,500	-	-	198,500	200,000
Total non-operating revenues	103,218,514	31,818,842	-	135,037,356	130,211,951
Non-operating expenses:					
Interest on capital related debt	-	(1,525,612)	-	(1,525,612)	(1,664,760)
Other non-operating expenses	-	-	-	-	(1,583,757)
Total non-operating expenses	-	(1,525,612)	-	(1,525,612)	(3,248,517)
Net non-operating revenues	<u>\$ 103,218,514</u>	<u>\$ 30,293,230</u>	<u>\$ -</u>	<u>\$ 133,511,744</u> <small>(Exhibit 2)</small>	<u>\$ 126,963,434</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, 2015
(with comparative totals at August 31, 2014)

	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	\$ 39,105,734	\$ -	\$ -	\$ -	\$ 39,105,734	\$ 39,105,734	\$ -
Board designated - Stabilization of maintenance and operations	24,750,000	-	-	-	24,750,000	-	24,750,000
Board designated - Insurance deductibles	100,000	-	-	-	100,000	-	100,000
Board designated - Health Reserve	30,000,000	-	-	-	30,000,000	-	30,000,000
Reserved							
Encumbrances	146,125	-	-	-	146,125	146,125	-
Accounts receivable	6,902,337	-	-	-	6,902,337	6,902,337	-
Prepaid expenses	658,238	-	-	-	658,238	658,238	-
Restricted:							
Student aid	-	527,381	-	-	527,381	-	527,381
Instructional programs	-	51,416	-	-	51,416	-	51,416
Auxiliary enterprises	5,197,040	-	-	-	5,197,040	5,197,040	-
Quasi-Endowment	-	-	-	-	-	-	-
Loans	-	21,707	-	-	21,707	-	21,707
Plant:							
Unexpended	103,929,307	-	-	-	103,929,307	-	103,929,307
Debt service	-	364,843	-	-	364,843	-	364,843
Investment in plant	-	-	-	252,327,218	252,327,218	-	252,327,218
Total net position - August 31, 2015	210,788,781	965,347	-	252,327,218	464,081,346	52,009,474	412,071,872
					(Exhibit 1)		
Total net position - August 31, 2014	235,676,401	2,704,038	-	222,287,496	460,667,935	59,006,400	401,661,535
Cumulative effect of change in accounting principle	(19,544,015)				(19,544,015)	(19,544,015)	
Total net position - August 31, 2014, as restated	216,132,386	2,704,038	-	222,287,496	441,123,920	39,462,385	401,661,535
					(Exhibit 2)		
Net increase/(decrease) in net position	\$ (5,343,605)	\$ (1,738,691)	\$ -	\$ 30,039,722	\$ 22,957,426	\$ 12,547,089	\$ 10,410,337
					(Exhibit 2)		

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, 2015 and August 31, 2014, the minimum required unrestricted fund balance was \$32,686,314 and \$26,229,000, 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 Section

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

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Statistical Section (unaudited)

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

Financial Trends- Statistical Supplements 1-3, pages 105-109

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 110-117

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

Debt Capacity- Statistical Supplements 9-11, pages 118-123

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 124-125

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 126-132

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 2006 to 2015
(unaudited)**

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

	For the Fiscal Year Ended August 31,				
	2010				
	2010	2009	2008	2007	2006
Invested in capital assets, net of related debt	\$ 170,630,995	\$ 154,294,591	\$ 108,769,751	\$ 85,151,890	\$ 88,104,269
Restricted - expendable	3,285,217	3,111,119	2,878,393	5,245,704	4,065,409
Unrestricted	195,298,234	183,091,871	197,414,131	182,087,163	137,683,182
Total Net Position	<u>\$ 369,214,446</u>	<u>\$ 340,497,581</u>	<u>\$ 309,062,275</u>	<u>\$ 272,484,757</u>	<u>\$ 229,852,860</u>
Total Change in Net Position	<u>\$ 28,716,865</u>	<u>\$ 31,435,306</u>	<u>\$ 36,577,518</u>	<u>\$ 42,631,897</u>	<u>\$ 31,045,255</u>

Notes:

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Revenues by Source
Fiscal Years 2006 to 2015
(unaudited)

For the Fiscal Year Ended August 31,

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

For the Fiscal Year Ended August 31,

	2015	2014	2013	2012	2011
Tuition and Fees (Net of Discounts)	15.65%	15.84%	15.61%	14.56%	15.17%
Governmental Grants and Contracts					
Federal Grants and Contracts	3.68%	4.10%	3.57%	1.28%	0.75%
State Grants and Contracts	0.99%	0.55%	0.37%	0.50%	1.04%
Non-Governmental Grants and Contracts	0.00%	0.01%	0.00%	0.00%	0.00%
Sales & Services of Educational Activities	0.35%	0.31%	0.25%	0.22%	0.24%
Auxiliary Enterprises	4.86%	5.23%	5.65%	6.15%	6.30%
Other Operating Revenues	0.17%	0.20%	0.24%	0.21%	0.13%
Total Operating Revenues	25.70%	26.24%	25.69%	22.92%	23.63%
State Appropriations	21.30%	21.79%	20.86%	21.11%	22.73%
Ad Valorem Taxes	39.63%	37.94%	38.28%	38.86%	38.46%
Federal Grants and Contracts	13.11%	13.84%	14.88%	16.63%	14.79%
Gifts	0.03%	0.02%	0.03%	0.00%	0.00%
Investment Income	0.12%	0.06%	0.14%	0.15%	0.18%
Other Non-Operating Revenues	0.11%	0.11%	0.12%	0.33%	0.21%
Total Non-Operating Revenues	74.30%	73.76%	74.31%	77.08%	76.37%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Revenues by Source
Fiscal Years 2006 to 2015
(unaudited)**

For the Fiscal Year Ended August 31,

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tuition and Fees (Net of Discounts)	\$24,934,426	\$22,498,442	\$19,489,224	\$18,277,273	\$17,035,800
Governmental Grants and Contracts					
Federal Grants and Contracts	1,676,112	1,066,775	873,556	1,072,664	1,152,523
State Grants and Contracts	1,434,709	943,864	687,929	389,576	557,477
Non-Governmental Grants and Contracts	12,593	9,240	23,991	11,862	20,925
Sales & Services of Educational Activities	352,891	313,790	302,878	274,927	258,971
Auxiliary Enterprises	9,417,923	8,403,605	7,683,019	8,355,599	6,974,235
Other Operating Revenues	159,378	93,012	214,742	235,532	207,392
Total Operating Revenues	<u>37,988,032</u>	<u>33,328,728</u>	<u>29,275,339</u>	<u>28,617,433</u>	<u>26,207,323</u>
State Appropriations	36,806,088	34,736,692	34,531,169	30,348,597	30,034,523
Ad Valorem Taxes	62,548,821	62,453,402	59,342,814	54,007,568	49,784,859
Federal Grants and Contracts	17,158,787	8,071,608	5,969,004	5,109,697	5,206,232
Gifts	2,675,000	2,904,466	75,503	324,320	250,430
Investment Income	403,036	2,412,354	7,255,898	10,034,876	6,946,868
Other Non-Operating Revenues	248,680	191,463	165,902	7,560,259	1,100,000
Total Non-Operating Revenues	<u>119,840,412</u>	<u>110,769,985</u>	<u>107,340,290</u>	<u>107,385,317</u>	<u>93,322,912</u>
Total Revenues	<u>\$157,828,444</u>	<u>\$144,098,713</u>	<u>\$136,615,629</u>	<u>\$136,002,750</u>	<u>\$119,530,235</u>

For the Fiscal Year Ended August 31,

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tuition and Fees (Net of Discounts)	15.80%	15.61%	14.27%	13.44%	14.25%
Governmental Grants and Contracts					
Federal Grants and Contracts	1.06%	0.74%	0.64%	0.79%	0.96%
State Grants and Contracts	0.91%	0.66%	0.50%	0.29%	0.47%
Non-Governmental Grants and Contracts	0.01%	0.01%	0.02%	0.01%	0.02%
Sales & Services of Educational Activities	0.22%	0.22%	0.22%	0.20%	0.22%
Auxiliary Enterprises	5.97%	5.83%	5.62%	6.14%	5.83%
Other Operating Revenues	0.10%	0.06%	0.16%	0.17%	0.17%
Total Operating Revenues	<u>24.07%</u>	<u>23.13%</u>	<u>21.43%</u>	<u>21.04%</u>	<u>21.92%</u>
State Appropriations	23.32%	24.11%	25.28%	22.31%	25.13%
Ad Valorem Taxes	39.63%	43.34%	43.43%	39.71%	41.65%
Federal Grants and Contracts	10.87%	5.60%	4.37%	3.76%	4.36%
Gifts	1.69%	2.02%	0.06%	0.24%	0.21%
Investment Income	0.26%	1.67%	5.31%	7.38%	5.81%
Other Non-Operating Revenues	0.16%	0.13%	0.12%	5.56%	0.92%
Total Non-Operating Revenues	<u>75.93%</u>	<u>76.87%</u>	<u>78.57%</u>	<u>78.96%</u>	<u>78.08%</u>
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Fiscal Years 2006 to 2015
(unaudited)

For the Fiscal Year Ended August 31,

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

For the Fiscal Year Ended August 31,

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Fiscal Years 2006 to 2015
(unaudited)

For the Fiscal Year Ended August 31,

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction	\$ 51,489,934	\$ 48,239,642	\$ 42,794,701	\$ 39,935,069	\$ 35,980,980
Public Service	493,288	502,870	454,130	621,999	753,826
Academic Support	9,398,653	10,968,150	8,453,432	7,664,703	7,395,302
Student Services	8,754,737	8,164,472	7,842,678	7,123,789	6,534,106
Institutional Support	12,738,632	11,402,452	11,146,898	10,753,717	11,043,141
Operation and Maintenance of Plant	12,844,813	9,799,019	9,526,095	8,531,481	8,801,289
Scholarships and Fellowships	15,152,414	6,839,746	4,226,017	3,298,728	3,508,836
Auxiliary Enterprises	9,448,349	8,687,861	8,008,239	8,343,012	7,068,053
Depreciation	6,404,053	5,614,898	5,066,598	4,292,962	4,454,986
Total Operating Expenses	<u>126,724,873</u>	<u>110,219,110</u>	<u>97,518,788</u>	<u>90,565,460</u>	<u>85,540,519</u>
Interest on Capital Related Debt	2,386,706	2,444,297	2,519,323	2,805,393	2,922,248
Other Non-operating Expenses	-	-	-	-	-
Loss on Disposal of Fixed Assets	1,125	8,537	-	-	22,213
Total Non-Operating Expenses	<u>2,387,831</u>	<u>2,452,834</u>	<u>2,519,323</u>	<u>2,805,393</u>	<u>2,944,461</u>
Total Expenses	<u>\$ 129,112,704</u>	<u>\$ 112,671,944</u>	<u>\$ 100,038,111</u>	<u>\$ 93,370,853</u>	<u>\$ 88,484,980</u>

For the Fiscal Year Ended August 31,

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction	39.87%	42.81%	42.79%	42.76%	40.66%
Public Service	0.38%	0.45%	0.45%	0.67%	0.85%
Academic Support	7.28%	9.73%	8.45%	8.21%	8.36%
Student Services	6.78%	7.25%	7.84%	7.63%	7.38%
Institutional Support	9.87%	10.12%	11.14%	11.52%	12.48%
Operation and Maintenance of Plant	9.95%	8.70%	9.52%	9.14%	9.95%
Scholarships and Fellowships	11.74%	6.07%	4.22%	3.53%	3.97%
Auxiliary Enterprises	7.32%	7.71%	8.01%	8.94%	7.99%
Depreciation	4.96%	4.98%	5.06%	4.60%	5.03%
Total Operating Expenses	<u>98.15%</u>	<u>97.82%</u>	<u>97.48%</u>	<u>97.00%</u>	<u>96.67%</u>
Interest on Capital Related Debt	1.85%	2.17%	2.52%	3.00%	3.30%
Quasi-Endowment Distribution	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on Disposal of Fixed Assets	0.00%	0.01%	0.00%	0.00%	0.03%
Total Non-Operating Expenses	<u>1.85%</u>	<u>2.18%</u>	<u>2.52%</u>	<u>3.00%</u>	<u>3.33%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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
2014	\$0	\$2	\$32	\$71	\$6	\$1	\$470	\$938	2.6%	4.0%
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%

**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
2014	\$0	\$2	\$131	\$131	\$6	\$1	\$1,658	\$1,658	2.2%	2.2%
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%

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	Assessed Valuation of Property	Less: Exemptions / Abatements	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2014-15	\$103,609,292,320	\$15,479,038,414	\$88,130,253,906	85.06%	0.078965	0.002995	0.081960
2013-14	93,973,412,369	13,502,474,479	80,470,937,890	85.63%	0.080000	0.003643	0.083643
2012-13	88,709,272,519	12,927,884,421	75,781,388,098	85.43%	0.080000	0.006299	0.086299
2011-12	85,669,094,108	12,076,099,414	73,592,994,694	85.90%	0.080000	0.006300	0.086300
2010-11	85,119,964,782	11,932,594,330	73,187,370,452	85.98%	0.080000	0.006300	0.086300
2009-10	85,047,894,779	12,243,373,030	72,804,521,749	85.60%	0.080000	0.006300	0.086300
2008-09	84,577,368,984	12,464,189,034	72,113,179,950	85.26%	0.080000	0.006493	0.086493
2007-08	80,761,165,342	12,045,524,959	68,715,640,383	85.09%	0.080000	0.006984	0.086984
2006-07	72,611,550,902	10,599,692,156	62,011,858,746	85.40%	0.080000	0.007683	0.087683
2005-06	65,033,720,014	8,771,690,622	56,262,029,392	86.51%	0.080000	0.009422	0.089422

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			State Appropriation per Contact Hour
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a,b)	Total Contact Hours	
2014-15	\$38,713,358	17,153	\$2,257	8,977,240	1,978,958	10,956,198	\$3.53
2013-14	38,457,174	17,973	2,140	9,332,840	2,017,851	11,350,691	3.39
2012-13	35,504,958	18,007	1,972	9,377,528	2,032,408	11,409,936	3.11
2011-12	34,416,713	17,471	1,970	9,300,792	1,902,860	11,203,652	3.07
2010-11	36,545,683	17,661	2,069	9,383,992	1,803,113	11,187,105	3.27
2009-10	36,806,088	17,143	2,147	8,979,768	1,832,395	10,812,163	3.40
2008-09	34,736,692	14,749	2,355	7,806,584	1,583,558	9,390,142	3.70
2007-08	34,531,169	13,741	2,513	7,347,024	1,507,665	8,854,689	3.90
2006-07	30,348,597	12,960	2,342	6,804,144	1,479,300	8,283,444	3.66
2005-06	30,034,523	12,253	2,451	6,503,995	1,455,764	7,959,759	3.77

(a) Source CBM001
(b) Source CBM00A

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2015	2014	2013	2012	2011
Alcatel USA	Commercial					
AT&T Mobility LLC	Telephone Utility	180,969,477	175,236,979	137,198,694	150,721,071	
Bank of America	Commercial	386,940,931	320,720,305	321,486,177	132,676,129	141,863,601
BCS Office Investments One LP	Commercial	329,153,747				
Briar Preston Ridge Shop. Ctr.	Commercial	121,815,390	121,741,860		118,250,000	116,000,000
Capital One National Association	Commercial	147,883,770	142,606,357			
Cisco Systems	Commercial	163,176,492	159,890,798	163,098,708	171,484,217	
Cisco Systems Sales & Service Inc	Commercial	122,829,796	115,958,112			
Countrywide Home Loans Inc	Commercial					
Coventry II DDR	Commercial					121,100,000
Electronic Data Systems Corp	Computer Center					
EMC Corp	Commercial	122,159,054	137,003,309	135,149,181		126,362,835
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	234,520,075	211,520,075	209,172,377	208,172,377	251,131,329
HP Enterprise Services LLC	Commercial	146,470,263				
HSP of Texas Inc	Commercial	144,545,391	114,469,428			
IBM Credit	Commercial		116,205,684	135,149,181		
JC Penney Co. Inc.	Commercial	165,336,836	161,355,729	164,974,971	163,195,767	159,971,610
KBSIII Legacy Town Center LLC	Commercial		113,067,926			
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial	139,950,145	126,045,001		152,500,000	148,990,000
Oncor/TXU/Lone Star Gas	Public Utility	541,253,800	519,537,661	495,218,356	461,211,196	451,374,380
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	276,304,342	260,753,175	239,971,384	232,137,734	226,514,276
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial	125,500,000	112,001,268			
United Dominion Realty LP	Commercial					
Village at Allen LP	Commercial	144,273,092	144,127,995	142,468,550	136,534,873	139,937,198
Wal-Mart Stores Texas LLC	Commercial	139,644,608	125,878,773			
Willow Bend Shopping Center	Commercial	200,800,000	142,581,631			
Totals		3,833,527,209	3,320,702,066	2,143,887,579	1,926,883,364	1,883,245,229
Total Taxable Assessed Value		\$ 88,130,253,906	\$ 80,470,937,890	\$ 75,781,388,098	\$ 73,592,994,694	\$ 73,187,370,452

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2015	2014	2013	2012	2011
Alcatel USA	Commercial					
AT&T Mobility LLC	Telephone Utility	0.21%	0.22%	0.18%	0.20%	
Bank of America	Commercial	0.44%	0.40%	0.42%	0.18%	0.19%
BCS Office Investments One LP	Commercial	0.37%				
Briar Preston Ridge Shop. Ctr.	Commercial	0.14%	0.15%		0.16%	0.16%
Capital One National Association	Commercial	0.17%	0.18%			
Cisco Systems	Commercial	0.19%	0.20%	0.22%	0.23%	
Cisco Systems Sales & Service Inc	Commercial	0.14%	0.14%			
Countrywide Home Loans Inc	Commercial					
Coventry II DDR	Commercial					0.17%
Electronic Data Systems Corp	Computer Center					
EMC Corp	Commercial	0.14%	0.17%	0.18%		0.17%
General Telephone of the SW	Telephone Utility					
Health Care Service Corporation	Commercial	0.27%	0.26%	0.28%	0.28%	0.34%
HP Enterprise Services LLC	Commercial	0.17%				
HSP of Texas Inc	Commercial	0.16%	0.14%			
IBM Credit	Commercial		0.14%	0.18%		
JC Penney Co. Inc.	Commercial	0.19%	0.20%	0.22%	0.22%	0.22%
KBSIII Legacy Town Center LLC	Commercial		0.14%			
KDC-Galatyn Investments LLP	Commercial					
Legacy Campus LP	Commercial	0.16%	0.16%		0.21%	0.20%
Oncor/TXU/Lone Star Gas	Public Utility	0.61%	0.65%	0.65%	0.63%	0.62%
Southwestern Bell/SBC	Telephone Utility					
Stonebriar Mall Ltd. Partnership	Commercial	0.31%	0.32%	0.32%	0.32%	0.31%
Tenet Frisco LTD	Commercial					
Texas Instruments, Inc	Manufacturer					
T5@Dallas LLC	Commercial	0.14%	0.14%			
United Dominion Realty LP	Commercial					
Village at Allen LP	Commercial	0.16%	0.18%	0.19%	0.19%	0.19%
Wal-Mart Stores Texas LLC	Commercial	0.16%	0.16%			
Willow Bend Shopping Center	Commercial	0.23%	0.18%			
Totals		4.35%	4.13%	2.83%	2.62%	2.57%

Source: Tax Assessor/Collector of Collin County

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2010	2009	2008	2007	2006
Alcatel USA	Commercial					116,857,023
AT&T Mobility LLC	Telephone Utility	132,990,356	107,715,878			
Bank of America	Commercial					
BCS Office Investments One LP	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial	125,000,000	126,955,751	124,500,000	121,547,370	109,005,094
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	111,700,000	133,138,544			
Electronic Data Systems Corp	Computer Center		134,919,916	140,996,529	138,310,883	134,115,136
EMC Corp	Commercial					
General Telephone of the SW	Telephone Utility			108,684,240		
Health Care Service Corporation	Commercial					
HP Enterprise Services LLC	Commercial					
HSP of Texas Inc	Commercial					
IBM Credit	Commercial	127,971,038	118,976,125			
JC Penney Co. Inc.	Commercial	161,877,423	166,407,858	171,255,476	169,035,192	163,853,668
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial	237,172,377				
Legacy Campus LP	Commercial				100,000,000	
Oncor/TXU/Lone Star Gas	Public Utility	439,174,980	449,097,946	465,330,568	444,233,857	448,001,719
Southwestern Bell/SBC	Telephone Utility		117,082,347	131,758,930	142,582,790	134,742,940
Stonebriar Mall Ltd. Partnership	Commercial	221,706,370	221,339,975	221,339,975	209,537,242	199,407,047
Tenet Frisco LTD	Commercial				98,758,617	108,855,385
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	113,881,870				
Wal-Mart Stores Texas LLC	Commercial					
Willow Bend Shopping Center	Commercial					
		110,000,000	116,500,000	127,374,433	127,000,000	120,000,004
Totals		1,781,474,414	1,692,134,340	1,715,823,747	1,650,138,051	1,839,015,838
Total Taxable Assessed Value		\$ 72,804,521,749	\$ 72,113,179,950	\$ 68,715,640,383	\$ 62,011,858,746	\$ 56,262,029,392

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2010	2009	2008	2007	2006
Alcatel USA	Commercial					0.21%
AT&T Mobility LLC	Telephone Utility	0.18%	0.15%			
Bank of America	Commercial					
BCS Office Investments One LP	Commercial					
Briar Preston Ridge Shop. Ctr.	Commercial	0.17%	0.18%	0.18%	0.20%	0.19%
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	0.15%	0.18%			
Electronic Data Systems Corp	Computer Center		0.19%	0.21%	0.22%	0.24%
EMC Corp	Commercial					
General Telephone of the SW	Telephone Utility			0.16%		
Health Care Service Corporation	Commercial					
HP Enterprise Services LLC	Commercial					
HSP of Texas Inc	Commercial					
IBM Credit	Commercial	0.18%	0.16%			
JC Penney Co. Inc.	Commercial	0.22%	0.23%	0.25%	0.27%	0.29%
KBSIII Legacy Town Center LLC	Commercial					
KDC-Galatyn Investments LLP	Commercial	0.33%				
Legacy Campus LP	Commercial				0.16%	
Oncor/TXU/Lone Star Gas	Public Utility	0.60%	0.62%	0.68%	0.72%	0.80%
Southwestern Bell/SBC	Telephone Utility		0.16%	0.19%	0.23%	0.24%
Stonebriar Mall Ltd. Partnership	Commercial	0.30%	0.31%	0.32%	0.34%	0.35%
Tenet Frisco LTD	Commercial				0.16%	0.19%
Texas Instruments, Inc	Manufacturer				0.16%	0.54%
T5@Dallas LLC	Commercial					
United Dominion Realty LP	Commercial			0.16%		
Village at Allen LP	Commercial	0.16%				
Wal-Mart Stores Texas LLC	Commercial					
Willow Bend Shopping Center	Commercial	0.15%	0.16%	0.19%	0.20%	0.21%
Totals		2.45%	2.36%	2.49%	2.66%	3.27%

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
2015	\$73,897	\$1,544	\$75,441	\$72,385	95.95%	\$818	\$496	\$73,699	97.69%
2014	68,790	1,208	69,998	67,645	96.64%	499	437	68,581	97.98%
2013	66,738	691	67,429	65,697	97.43%	683	403	66,783	99.04%
2012	64,923	585	65,508	63,852	97.47%	577	417	64,846	98.99%
2011	63,659	(733)	62,926	62,553	99.41%	672	373	63,598	101.07%
2010	64,509	(568)	63,941	63,378	99.12%	501	448	64,327	100.60%
2009	64,397	(953)	63,444	62,909	99.16%	820	417	64,146	101.11%
2008	60,873	(69)	60,804	59,223	97.40%	1,083	431	60,737	99.89%
2007	54,846	305	55,151	54,108	98.11%	953	400	55,461	100.56%
2006	50,866	150	51,016	50,066	98.14%	475	345	50,886	99.75%

Source:

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

Total Collections = C + D + E

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31,				
	2015	2014	2013	2012	2011
General Bonded Debt					
General Obligation Bonds	\$ 31,787,200	\$ 34,805,723	\$ 37,694,245	\$ 40,467,768	\$ 43,111,290
Less: Funds restricted for debt service	(364,843)	-	(3,755,162)	(3,375,209)	(3,009,581)
Net General Bonded Debt	<u>31,422,357</u>	<u>34,805,723</u>	<u>33,939,083</u>	<u>37,092,559</u>	<u>40,101,709</u>
Other Debt					
Revenue Bonds	3,195,000	4,195,000	5,165,000	6,110,000	7,025,000
Less: Funds restricted for debt service	-	-	-	-	-
Net Revenue Bonds	<u>3,195,000</u>	<u>4,195,000</u>	<u>5,165,000</u>	<u>6,110,000</u>	<u>7,025,000</u>
Total Outstanding Debt	<u>\$ 34,617,357</u>	<u>\$ 39,000,723</u>	<u>\$ 39,104,083</u>	<u>\$ 43,202,559</u>	<u>\$ 47,126,709</u>
General Bonded Debt Ratios					
Per Capita	35.50	40.72	40.66	46.11	50.62
Per FTSE	1,832	1,937	1,885	2,123	2,271
As a percentage of Taxable Assessed Value	0.04%	0.04%	0.04%	0.05%	0.05%
Total Outstanding Debt Ratios					
Per Capita	39.11	45.63	46.85	53.71	59.49
Per FTSE	2,018	2,170	2,172	2,473	2,668
As a percentage of Taxable Assessed Value	0.04%	0.05%	0.05%	0.06%	0.06%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31,				
	2010	2009	2008	2007	2006
General Bonded Debt					
General Obligation Bonds	\$ 45,980,000	\$ 48,345,000	\$ 50,595,000	\$ 52,745,000	\$54,315,000
Less: Funds restricted for debt service	(2,880,577)	(2,686,501)	(2,324,904)	(1,962,274)	1,481,080
Net General Bonded Debt	<u>43,099,423</u>	<u>45,658,499</u>	<u>48,270,096</u>	<u>50,782,726</u>	<u>55,796,080</u>
Other Debt					
Revenue Bonds	7,915,000	8,775,000	9,610,000	13,511,860	14,312,547
Less: Funds restricted for debt service	-	-	-	(2,826,857)	(2,684,573)
Net Revenue Bonds	<u>7,915,000</u>	<u>8,775,000</u>	<u>9,610,000</u>	<u>10,685,003</u>	<u>11,627,974</u>
Total Outstanding Debt	<u>\$ 51,014,423</u>	<u>\$ 54,433,499</u>	<u>\$ 57,880,096</u>	<u>\$ 61,467,729</u>	<u>\$ 67,424,054</u>
General Bonded Debt Ratios					
Per Capita	54.66	59.72	64.53	70.05	80.81
Per FTSE	2,514	3,096	3,513	3,918	4,554
As a percentage of Taxable Assessed Value	0.06%	0.06%	0.07%	0.08%	0.10%
Total Outstanding Debt Ratios					
Per Capita	64.70	71.20	77.37	84.79	97.65
Per FTSE	2,976	3,691	4,212	4,743	5,503
As a percentage of Taxable Assessed Value	0.07%	0.08%	0.08%	0.10%	0.12%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31				
	2015	2014	2013	2012	2011
Taxable Assessed Value	<u>\$ 88,130,253,906</u>	<u>\$ 80,470,937,890</u>	<u>\$ 75,781,388,098</u>	<u>\$ 73,592,994,694</u>	<u>\$ 73,187,370,452</u>
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$10,575,630,469	\$9,656,512,547	\$9,093,766,572	\$8,831,159,363	\$8,782,484,454
Less: Funds Restricted for Repayment of General Obligations	<u>364,843</u>	<u>2,063,560</u>	<u>3,755,162</u>	<u>3,375,209</u>	<u>3,009,581</u>
Total Net General Obligation Debt	<u>10,575,265,626</u>	<u>9,654,448,987</u>	<u>9,090,011,410</u>	<u>8,827,784,154</u>	<u>8,779,474,873</u>
Less: Current Year Debt Service Requirements Excess Statutory Limit for Debt Service Over Current Requirements	<u>4,470,731</u>	<u>4,447,626</u>	<u>4,381,998</u>	<u>4,356,365</u>	<u>6,023,225</u>
	<u>\$ 10,570,794,895</u>	<u>\$ 9,650,001,361</u>	<u>\$ 9,085,629,412</u>	<u>\$ 8,823,427,789</u>	<u>\$ 8,773,451,648</u>
Net Current Requirements as a % of Statutory Limit	0.05%	0.07%	0.09%	0.09%	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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	For the Year Ended August 31				
	2010	2009	2008	2007	2006
Taxable Assessed Value	\$ 72,804,521,749	\$ 72,113,179,950	\$ 68,715,640,383	\$ 62,011,858,746	\$ 56,262,029,392
General Obligations					
Statutory/Tax Levy/Limit for Debt Service	\$8,736,542,610	\$8,653,581,594	\$8,245,876,846	\$7,441,423,050	\$6,751,443,527
Less: Funds Restricted for Repayment of General Obligations	2,880,577	2,686,501	2,324,904	1,962,274	1,481,080
Total Net General Obligation Debt	8,733,662,033	8,650,895,093	8,243,551,942	7,439,460,776	6,749,962,447
Less: Current Year Debt Service Requirements Excess Statutory Limit for Debt Service Over Current Requirements	5,617,732	5,529,297	6,282,577	4,421,633	5,089,918
	\$ 8,728,044,301	\$ 8,645,365,796	\$ 8,237,269,365	\$ 7,435,039,143	\$ 6,744,872,529
Net Current Requirements as a % of Statutory Limit	0.10%	0.09%	0.10%	0.09%	0.10%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues			
	Tuition	Building Fees	Interest Income	Food Services
2015	\$ 906,060	\$ 3,288,927	\$ 210,829	\$ 100,000
2014	1,312,365	3,265,810	109,513	100,840
2013	952,965	3,283,382	232,155	78,813
2012	947,430	3,238,390	233,034	85,387
2011	779,775	3,250,705	288,665	83,512
2010	912,345	3,768,215	403,036	87,702
2009	786,968	4,019,965	2,412,354	67,102
2008	731,213	3,721,857	7,255,898	95,073
2007	683,775	3,472,763	10,034,876	109,013
2006	659,700	3,330,112	6,946,868	103,613

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

<u>Pledged Revenues</u>		<u>Debt Service Requirements</u>				<u>Coverage Ratio</u>
<u>Bookstore Commission</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
\$ 7,795,310	\$ 12,301,126	\$ 1,000,000	\$ 109,742	\$ 1,109,742	11.08	
8,260,036	13,048,564	970,000	138,996	1,108,996	11.77	
8,599,022	13,146,337	945,000	167,434	1,112,434	11.82	
9,063,221	13,567,462	915,000	195,055	1,110,055	12.22	
9,148,169	13,550,826	890,000	221,859	1,111,859	12.19	
8,436,630	13,607,928	860,000	250,847	1,110,847	12.25	
7,466,484	14,752,873	835,000	273,017	1,108,017	13.31	
6,692,096	18,496,137	1,160,000	643,748	1,803,748	10.25	
7,192,529	21,492,956	800,000	688,709	1,488,709	14.44	
5,918,794	16,959,087	770,000	724,701	1,494,701	11.35	

Statistical Supplement 12

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

<u>Fiscal Year</u>	<u>District Population¹</u>	<u>District Personal Income (\$ in thousands)²</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate³</u>
2015	885,241	N/A*	N/A*	3.6%
2014	854,778	N/A*	N/A*	5.0%
2013	834,642	47,457,632	55,520	5.5%
2012	804,390	46,837,453	56,117	6.3%
2011	792,150	42,576,156	52,419	7.7%
2010	788,511	38,029,236	48,229	7.7%
2009	764,500	36,447,393	47,675	8.2%
2008	748,050	37,746,642	50,460	4.8%
2007	724,900	35,116,000	48,443	3.6%
2006	690,500	31,805,000	46,061	4.0%

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

2 Personal Income from U.S. Bureau of Economic Analysis - Data is only available for years 2013 and prior at this time. Data for 2013 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.

Statistical Supplement 13

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Employer	2015		2006	
	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	6,783	1.55%	6,528	3.20%
Frisco ISD	6,556	1.50%	-	0.00%
EDSCorp/HP Enterprise Services	4,500	1.03%	6,700	3.28%
Capital One	4,500	1.03%	-	0.00%
Ericsson Headquarters	3,020	0.69%	1,600	0.78%
J.C. Penney, Inc.	3,000	0.69%	3,800	1.86%
City of Plano	2,857	0.65%	-	0.00%
McKinney ISD	2,733	0.63%	-	0.00%
University of Texas at Dallas	2,674	0.61%	2,000	0.98%
Collin County Community College District	2,560	0.59%	1,900	0.93%
Frito-Lay	2,500	0.57%	3,000	1.47%
Allen Independent School District	2,391	0.55%	-	0.00%
Perot Systems Corporation/Dell	2,250	0.51%	2,800	1.37%
Texas Health Presbyterian Hospital Plano	1,680	0.38%	1,300	0.64%
Collin County Medical Center of Plano (HCA Medical Ctr)	1,668	0.38%	1,400	0.69%
MedAssets	1,600	0.37%	-	0.00%
Encore Wire	1,500	0.34%	-	0.00%
Torchmark/United American Ins.	1,371	0.31%	-	0.00%
Pepsico	1,340	0.31%	-	0.00%
Dr Pepper Snapple Group Inc	1,250	0.29%	1,000	0.49%
Alcatel-Lucent	1,200	0.27%	5,000	2.45%
McAfee, Inc.	1,100	0.25%	-	0.00%
Cigna	1,065	0.24%	-	0.00%
	69,698	15.94%	41,228	20.20%

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

2006 data from Collin County, TX 2006 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				
	2015	2014	2013	2012	2011
Faculty					
Full-Time	396	372	361	356	350
Part-Time	885	880	845	846	931
Total	1281	1252	1,206	1,202	1,281
Percent					
Full-Time	30.9%	29.7%	29.9%	29.6%	27.3%
Part-Time	69.1%	70.3%	70.1%	70.4%	72.7%
Staff and Administrators					
Full-Time	638	614	577	580	580
Part-Time	610	578	555	565	549
Total	1248	1192	1,132	1,145	1,129
Percent					
Full-Time	51.1%	51.5%	51.0%	50.7%	51.4%
Part-Time	48.9%	48.5%	49.0%	49.3%	48.6%
FTSE per Full-Time Faculty	43.32	48.31	49.88	49.08	50.46
FTSE per Full-Time Staff Member	26.89	29.27	31.21	30.12	30.45
Average Annual Faculty Salary	\$ 60,412	\$ 57,209	\$ 56,614	\$ 54,821	\$ 55,392

FTSE as reported on CBM00A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Faculty, Staff, and Administrators Statistics

Last Ten Fiscal Years

(unaudited)

	Fiscal Year				
	2010	2009	2008	2007	2006
Faculty					
Full-Time	319	293	274	268	253
Part-Time	836	955	767	758	724
Total	<u>1,155</u>	<u>1,248</u>	<u>1,041</u>	<u>1,026</u>	<u>977</u>
Percent					
Full-Time	27.6%	23.5%	26.3%	26.1%	25.9%
Part-Time	72.4%	76.5%	73.7%	73.9%	74.1%
Staff and Administrators					
Full-Time	575	575	543	523	492
Part-Time	564	630	556	905	585
Total	<u>1,139</u>	<u>1,205</u>	<u>1,099</u>	<u>1,428</u>	<u>1,077</u>
Percent					
Full-Time	50.5%	47.7%	49.4%	36.6%	45.7%
Part-Time	49.5%	52.3%	50.6%	63.4%	54.3%
FTSE per Full-Time Faculty	53.74	50.34	50.15	48.36	48.43
FTSE per Full-Time Staff Member	29.81	25.65	25.31	24.78	24.90
Average Annual Faculty Salary	\$ 55,231	\$ 54,181	\$ 53,404	\$ 51,109	\$ 47,365

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Gender	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Male	12,371	44%	12,393	44%	11,931	44%	15,699	57%	11,734	43%
Female	15,620	56%	15,579	56%	15,493	56%	11,894	43%	15,335	57%
Total	27,991	100%	27,972	100%	27,424	100%	27,593	100%	27,069	100%

Ethnic Origin	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	14,786	53%	15,262	55%	15,440	56%	16,022	58%	16,512	60%
Hispanic	5,190	19%	4,898	18%	4,435	16%	4,020	15%	3,015	11%
African American	3,384	12%	3,376	12%	3,228	12%	3,081	11%	2,990	11%
Asian	2,396	9%	2,297	8%	2,268	8%	2,093	8%	2,256	8%
Foreign	891	3%	826	3%	842	3%	1,111	4%	844	3%
Native American	124	0%	135	0%	124	0%	128	0%	202	1%
Other	1,220	4%	1,178	4%	1,087	4%	1,138	4%	1,250	5%
Total	27,991	100%	27,972	100%	27,424	100%	27,593	100%	27,069	100%

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

Average Age (Fall)	24.3	24.7	25.3	25.8	25.8
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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfers to Senior Institutions
2013 Fall Students as of Fall 2014
(Includes community, technical and public senior colleges in Texas)
(unaudited)**

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
Community and Technical Colleges						
ACCD-Northeast Lakeview College	0	0	0	0	0	0.0000%
ACCD-Northwest Vista College	1	0	0	0	1	0.0125%
ACCD-Palo Alto College	0	0	0	0	0	0.0000%
ACCD-San Antonio College	1	3	0	0	4	0.0501%
ACCD-St Phillip's College	2	0	0	0	2	0.0251%
Alvin Community College	0	1	0	0	1	0.0125%
Amarillo College	1	2	0	0	3	0.0376%
Angelina College	2	1	0	0	3	0.0376%
Austin Community College	43	21	1	0	65	0.8142%
Blinn College	91	30	0	0	121	1.5157%
Central Texas College	4	1	0	0	5	0.0626%
Cisco Junior College	1	1	0	0	2	0.0251%
Clarendon College	1	0	0	0	1	0.0125%
College of the Mainland Community College District	1	0	0	0	1	0.0125%
Collin County Community College District	656	112	3	1	772	9.6705%
Dallas County Community College District	327	121	2	1	451	5.6495%
Del Mar College	0	1	0	0	1	0.0125%
El Paso Community College District	3	1	0	0	4	0.0501%
Frank Phillips College	0	0	0	0	0	0.0000%
Galveston College	2	0	0	0	2	0.0251%
Grayson County College	51	27	0	0	78	0.9771%
HCJCD-Howard College	1	0	0	0	1	0.0125%
Hill College	3	1	0	0	4	0.0501%
Houston Community College System	10	2	0	0	12	0.1503%
Kilgore College	3	0	0	0	3	0.0376%
Lamar Institute of Technology	1	0	0	0	1	0.0125%
Lamar State College	1	0	0	0	1	0.0125%
Laredo Community College	1	0	0	0	1	0.0125%
Lee College	0	1	0	0	1	0.0125%
Lone Star College	10	5	0	0	15	0.1879%
McLennan Community College	10	1	0	0	11	0.1378%
Midland College	0	0	0	0	0	0.0000%
Navarro College	10	5	0	0	15	0.1879%
North Central Texas College	55	18	2	0	75	0.9395%
Northeast Texas Community College	1	2	0	0	3	0.0376%
Odessa College	1	1	0	0	2	0.0251%
Panola College	0	0	0	0	0	0.0000%
Paris Junior College	14	8	0	0	22	0.2756%
Ranger College	1	1	0	0	2	0.0251%
San Jacinto College	2	1	0	0	3	0.0376%
South Plains College	8	8	0	0	16	0.2004%
South Texas College	1	0	0	0	1	0.0125%
Southwest Texas Junior College	1	0	0	0	1	0.0125%
Tarrant County College District	36	13	0	0	49	0.6138%
Temple College	2	0	0	0	2	0.0251%
Texarkana College	1	1	0	0	2	0.0251%
Texas Southmost College	0	0	0	0	0	0.0000%
Texas State Technical College-Marshall	1	0	0	0	1	0.0125%
Texas State Technical College-Waco	7	3	0	0	10	0.1253%
Texas State Technical College-West Texas	0	0	0	0	0	0.0000%
Trinity Valley Community College	12	3	0	0	15	0.1879%
Tyler Junior College	8	9	0	0	17	0.2130%
Vernon College	0	1	0	0	1	0.0125%
Victoria College	0	1	0	0	1	0.0125%
Weatherford College	4	1	0	1	6	0.0752%
Western Texas College	2	1	0	0	3	0.0376%
Wharton County Junior College	0	1	0	0	1	0.0125%
Total	1394	410	8	3	1815	22.7358%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfers to Senior Institutions
2013 Fall Students as of Fall 2014
(Includes community, technical and public senior colleges in Texas)
(unaudited)**

Transfer Destination	Transfer Student Count			CEU	Total	Percentage
	Academic	Technical	Tech-Prep			
Universities						
Angelo State University	10	2	0	0	12	0.1503%
Lamar University	5	3	0	0	8	0.1002%
Midwestern State University	38	15	0	0	53	0.6639%
Prairie View A&M University	11	6	1	0	18	0.2255%
Sam Houston State University	43	10	0	0	53	0.6639%
Stephen F. Austin State University	154	39	1	0	194	2.4302%
Sul Ross State University	2	0	0	0	2	0.0251%
Tarleton State University	37	14	0	0	51	0.6389%
Texas A&M - San Antonio	1	1	0	0	2	0.0251%
Texas A&M International University	0	0	0	0	0	0.0000%
Texas A&M University	359	114	3	0	476	5.9627%
Texas A&M University - Central Texas	1	0	0	0	1	0.0125%
Texas A&M University - Commerce	248	39	1	0	288	3.6077%
Texas A&M University - Corpus Christi	16	8	0	1	25	0.3132%
Texas A&M University - Kingsville	3	0	0	0	3	0.0376%
Texas A&M University - Texarkana	2	1	0	0	3	0.0376%
Texas A&M University at Galveston	18	3	0	0	21	0.2631%
Texas Southern University	5	4	0	0	9	0.1127%
Texas State University - San Marcos	146	49	3	0	198	2.4803%
Texas Tech University	431	201	5	0	637	7.9795%
Texas Woman's University	418	67	9	0	494	6.1881%
The University of Texas at Arlington	202	68	1	0	271	3.3947%
The University of Texas at Austin	300	116	7	0	423	5.2988%
The University of Texas at Brownsville	1	0	0	0	1	0.0125%
The University of Texas at Dallas	1184	322	18	0	1524	19.0906%
The University of Texas at El Paso	2	0	0	0	2	0.0251%
The University of Texas at Tyler	20	10	0	0	30	0.3758%
The University of Texas of the Permian Basin	5	2	0	0	7	0.0877%
The University of Texas Pan American	3	1	0	0	4	0.0501%
The University of Texas San Antonio	18	5	0	0	23	0.2881%
University of Houston	42	9	0	0	51	0.6389%
University of North Texas	929	205	9	0	1143	14.3179%
University of North Texas at Dallas	7	4	0	0	11	0.1378%
West Texas A&M University	13	4	0	0	17	0.2130%
Total	4674	1322	58	1	6055	75.8487%
Health Science Institutions						
Baylor College of Medicine	0	0	0	0	0	0.0000%
Texas A&M Univ Health Science Center	8	3	1	0	12	0.1503%
Texas Tech Univ Health Sciences Center	25	38	0	0	63	0.7892%
Texas Tech Univ Health Sciences Center - El Paso	0	0	0	0	0	0.0000%
The Univ of Texas Health Science Ctr at Houston	1	0	0	0	1	0.0125%
The Univ of Texas Health Science Ctr at San Antonio	2	3	0	0	5	0.0626%
The Univ of Texas Medical Branch at Galveston	6	2	0	0	8	0.1002%
The University of Texas Southwestern Medical Center	7	0	0	0	7	0.0877%
University of N Texas Health Science Ctr	9	5	0	0	14	0.1754%
University of Texas M.D. Anderson Cancer Center	3	0	0	0	3	0.0376%
UT Southwestern Medical Center at Dallas	0	0	0	0	0	0.0000%
Total	61	51	1	0	113	1.4155%
Grand Total	6,129	1,783	67	4	7,983	100.00%

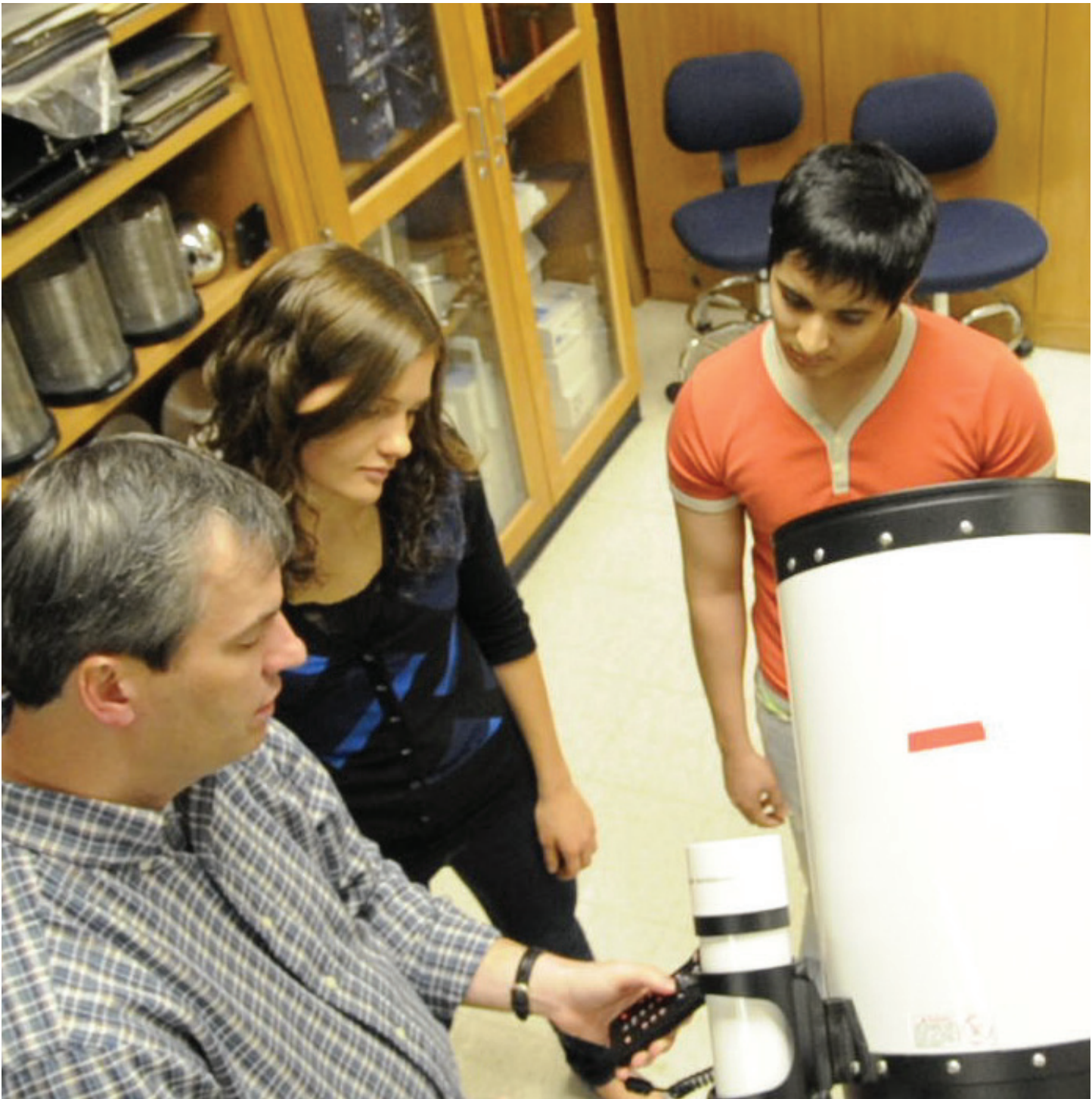
COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Academic Building	9	9	9	9	9	9	8	8	8	8
Square Footage	957,433	957,433	957,433	883,571	809,709	806,634	744,634	723,368	651,361	649,249
Libraries	3	3	3	3	3	3	3	3	3	3
Square Footage	295,429	295,429	295,429	206,539	206,539	206,539	206,539	135,172	135,172	135,172
Number of Volumes**	233,693	246,192	262,427	252,135	240,855	221,417	204,403	193,266	189,003	185,327
Administrative and Support Buildings										
Square Footage*	449,314	449,314	449,314	429,227	409,140	412,215	350,215	241,691	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	89,647	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	20,381	18,269
Transportation										
Cars	13	12	10	9	9	9	7	7	7	6
Light Trucks/Vans	20	23	17	17	16	16	16	15	15	15

* Comprise parts of various buildings.

**Includes accessible e-books



Single Audit Section



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

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Board of Trustees
Collin County Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Collin County Community College District (the "District") as of and for the year ended August 31, 2015, 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, 2015.

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, 2015



**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**

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Board of Trustees
Collin County Community College District

Report on compliance for each major federal and state program

We have audited the compliance of Collin County Community College District (the "District") with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB 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, 2015. 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, 2015.

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, 2015

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2015**

<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		\$ 345,815
Federal Work-Study Program	84.033		391,490
Federal Pell Grant Program	84.063		23,096,712
Federal Direct Student Loans	84.268		<u>26,903,997</u>
Total Student Financial Assistance Cluster			50,738,014
Pass-Through from:			
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	154230	454,733
Total U.S. Department of Education			<u>51,192,747</u>
Department of Labor			
Direct programs:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		<u>5,285,581</u>
National Science Foundation			
Direct Programs:			
Research and Development Cluster			
Education and Human Resources	47.076		716,706
Pass-Through from:			
The University of Texas at Dallas			
Education and Human Resources	47.076	DUE-0856549	154,800
Florida State College at Jacksonville			
Education and Human Resources	47.076	DUE-1104234	25,322
Total National Science Foundation			<u>896,828</u>
U.S. Small Business Administration			
Pass-Through from:			
Dallas County Community College District:			
Small Business Development Centers	59.037	SBAHQ-14-B-0018	17,487
Small Business Development Centers	59.037	SBAHQ-15-B-0018	199,800
Total U.S. Small Business Administration			<u>217,287</u>
Total Federal Financial Assistance			<u>\$ 57,592,443</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, 2015**

Note 1: Federal Assistance Reconciliation

	FY 15
Federal Grants and Contracts revenue - per Schedule A	\$ 6,435,354
Add: Indirect/Administrative Costs Recoveries - per Schedule A	252,218
Add: Non Operating Federal Revenue - per Schedule C	23,834,018
 Total Federal Revenues per Basic Financial Statements (Exhibit 2)	 <u>\$30,521,590</u>
 Reconciling item:	
Add:	
Funds passed through to others	\$ 166,856
Direct Student Loans	26,903,997
 Total Federal Revenues per Schedule of Expenditures of Federal Awards	 <u><u>\$57,592,443</u></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	\$ 549,937
Bunker Hill Community College	638,439
Del Mar College	590,684
Moraine Valley Community College	895,288
Maricopa County Community College/Rio Salado	668,637
Salt Lake Community College	224,201
 Total amount expended by consortium members	 <u><u>\$ 3,567,186</u></u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of Federal Awards-continued
For the year ended August 31, 2015**

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	\$	371
Dallas County Community College		16,222
Florence-Darlington Technical College		18,918
Florida State College at Jacksonville		32,061
Fox Valley Technical College		32,995
Georgia Southern University		17,099
Hillsborough Community College		1,666
Lansing Community College		10,057
Maricopa County Community College District		4,923
University of North Texas		32,544
Total amount passed-through	\$	<u>166,856</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of State Awards
For the year ended August 31, 2015**

<u>Grantor/Pass-through Grantor/ Program Title</u>	<u>Grantor's Number</u>	<u>Disbursements and Expenses</u>
Texas Workforce Commission		
Skills for Small Business Program	0413SSD001	\$ 3,325
Skills Development in Partnership with Comm Group Inc	0413SDF005	48,103
Skills Development in Partnership with a Manufacturing Consortium	0413SDF001	73,718
Skills Development in Partnership with Moneygram	0415SDF000-1	\$ 100,017
Skills Development with Veterans	0414SDF004-2	\$ 62,827
Skills for Small Business Program	0415SSD000	\$ 2,893
Pass-through from:		
Alamo Community College District		
Fast Start Program in Nursing	2014GRF000	56,083
Total Texas Workforce Commission		<u>\$ 346,966</u>
Texas Higher Education Coordinating Board		
Professional Nursing Shortage Reduction Program		24,176
Professional Nursing Shortage Reduction Over 70 Program		185,933
Texas Education Opportunity Grant-Renewal Year		27,576
Texas Education Opportunity Grant-Initial Year		1,055,862
Toward EXcellence, Access & Success Grant-Renewal Yr		77,562
College Access Loans		4,721
Total Texas Higher Education Coordinating Board		<u>\$ 1,375,830</u>
Pass-through from:		
Dallas County Community College District		
Small Business Development Center 13/14	SBAHQ-14-B-0018	12,823
Small Business Development Center 14/15	SBAHQ-15-B-0018	62,221
Total Small Business Development Center		<u>\$ 75,044</u>
Total State Financial Assistance		<u><u>\$ 1,797,840</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, 2015

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A	
State Financial Assistance	
State Grants and Contracts revenue - per Schedule A	\$ 1,797,544
Add: Indirect/Administrative Costs Recoveries - per Schedule A	296
Total State Revenues per Schedule A	<u>\$ 1,797,840</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, 2015

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2015

Identification of major programs:

<u>CFDA/Grant Numbers/State Identifying Number</u>	<u>Name of Federal and State Programs or Cluster</u>
Major Federal Programs:	
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
84.048	Career and Technical Education
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants

Major State Program:

None available	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 programs: \$300,000

Auditee qualified as low-risk auditee? Yes

SECTION II - FINANCIAL STATEMENT FINDINGS

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

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, 2015.

SECTION IV - SUMMARY OF PRIOR YEAR AUDIT FINDINGS

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

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Supplementary Financial Information Section

**COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT**

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

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Net Position by Fund
As of August 31, 2015
(with comparative totals at August 31, 2014)
(unaudited)

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
Assets				
Cash and cash equivalents	\$ 65,609,698	\$ 120,104	\$ -	\$ 65,729,802
Investments	69,946,494	-	-	69,946,494
Accounts receivable (net of allowance for doubtful accounts of \$855,169 and \$1,758,366)	6,902,337	536,459	-	7,438,796
Tax receivable (net of allowance for doubtful accounts of \$934,536 and \$824,816)	437,006	-	-	437,006
Prepaid expenses	658,238	107,038	(473)	764,803
Contracts and grants receivables	-	-	1,197,859	1,197,859
Consumable inventory	-	40,200	-	40,200
Inventories for resale	-	2,644,008	-	2,644,008
Capital assets	-	-	-	-
Total assets	\$ 143,553,773	\$ 3,447,809	\$ 1,197,386	\$ 148,198,968
Deferred outflows related to pensions	\$ 3,133,182	\$ -	\$ -	\$ 3,133,182
Liabilities:				
Accounts payable / accrued liabilities	\$ 3,221,757	\$ 306,257	\$ 604,426	\$ 4,132,440
Claim on cash	3,777,938	(2,306,049)	(270,389)	1,201,500
Unearned revenues	14,514,549	250,561	284,552	15,049,662
Accrued compensable absences payable	983,803	-	-	983,803
Bonds payable	-	-	-	-
Pension Liability	17,249,730	-	-	17,249,730
Amounts held for others	-	-	-	-
Total liabilities	\$ 39,747,777	\$ (1,749,231)	\$ 618,589	\$ 38,617,135
Deferred Inflows related to pensions	\$ 5,276,744	\$ -	\$ -	\$ 5,276,744
Unrestricted:				
Reserved:				
Encumbrances	\$ 146,125	\$ 1,435	\$ -	\$ 147,560
Accounts receivable	6,902,337	536,459	-	7,438,796
Consumable inventories	-	40,200	-	40,200
Prepaid expenses	658,238	107,038	-	765,276
Unreserved:				
Designated - insurance deductibles	100,000	-	-	100,000
Designated - stabilization of maintenance and operations	24,750,000	-	-	24,750,000
Designated - health insurance reserve	30,000,000	-	-	30,000,000
Undesignated	39,105,734	4,511,908	-	43,617,642
Restricted:				
Other: SBDC	-	-	51,416	51,416
Texas Public Education Grant	-	-	527,381	527,381
Unexpended plant	-	-	-	-
Retirement of indebtedness	-	-	-	-
Net investment in plant	-	-	-	-
Student loans	-	-	-	-
Total net position	\$ 101,662,434	\$ 5,197,040	\$ 578,797	\$ 107,438,271

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Net Position by Fund - continued
As of August 31, 2015
(with comparative totals at August 31, 2014)
(unaudited)**

Unexpended	Plant funds			Student loans	Agency funds	Totals (memorandum only)	
	Retirement of indebtedness	Investment in plant				2015	2014
\$ 55,497,100	\$ 717,855	\$ -	\$ -	\$ -	\$ 121,944,757	\$ 186,496,371	
54,954,476	-	-	-	-	124,900,970	64,987,597	
-	-	-	2,728	-	7,441,524	8,277,215	
-	95,547	-	-	-	532,553	446,086	
-	-	-	-	-	764,803	822,023	
-	-	-	-	-	1,197,859	1,475,558	
-	-	-	-	-	40,200	45,759	
-	-	-	-	-	2,644,008	2,834,246	
-	-	287,403,508	-	-	287,403,508	261,358,787	
<u>\$ 110,451,576</u>	<u>\$ 813,402</u>	<u>\$ 287,403,508</u>	<u>\$ 2,728</u>	<u>\$ -</u>	<u>\$ 546,870,182</u>	<u>\$ 526,743,642</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,133,182</u>	<u>\$ -</u>	
\$ 6,522,269	\$ 63,031	\$ -	\$ -	\$ 3,071	\$ 10,720,811	\$ 8,732,404	
-	385,528	94,090	(18,979)	(442,871)	1,219,268	1,776,869	
-	-	-	-	-	15,049,662	15,321,811	
-	-	-	-	-	983,803	862,864	
-	-	34,982,200	-	-	34,982,200	39,000,723	
-	-	-	-	-	17,249,730	-	
-	-	-	-	439,800	439,800	381,036	
<u>\$ 6,522,269</u>	<u>\$ 448,559</u>	<u>\$ 35,076,290</u>	<u>\$ (18,979)</u>	<u>\$ -</u>	<u>\$ 80,645,274</u>	<u>\$ 66,075,707</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,276,744</u>	<u>\$ -</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,560	\$ 526,591	
-	-	-	-	-	7,438,796	8,272,378	
-	-	-	-	-	40,200	45,759	
-	-	-	-	-	765,276	822,023	
-	-	-	-	-	100,000	100,000	
-	-	-	-	-	24,750,000	24,750,000	
-	-	-	-	-	30,000,000	30,000,000	
-	-	-	-	-	43,617,642	49,339,649	
-	-	-	-	-	51,416	53,237	
-	-	-	-	-	527,381	565,533	
103,929,307	-	-	-	-	103,929,307	121,820,001	
-	364,843	-	-	-	364,843	2,063,560	
-	-	252,327,218	-	-	252,327,218	222,287,496	
-	-	-	21,707	-	21,707	21,708	
<u>\$ 103,929,307</u>	<u>\$ 364,843</u>	<u>\$ 252,327,218</u>	<u>\$ 21,707</u>	<u>\$ -</u>	<u>\$ 464,081,346</u>	<u>\$ 460,667,935</u>	

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position by Fund
For the year ended August 31, 2015
(with comparative totals for the year ended August 31, 2014)
(unaudited)

	Current funds			
	<u>Unrestricted</u>	<u>Auxiliary enterprises</u>	<u>Restricted</u>	<u>Total</u>
Net Position - beginning of year	\$ 89,136,573	\$ 5,175,813	\$ 618,770	\$ 94,931,156
Revenues and other additions:				
Unrestricted current funds revenue	141,375,566	9,377,833	-	150,753,399
State appropriations - restricted	-	-	5,577,283	5,577,283
Tax revenues for debt service	-	-	-	-
Federal grants and contracts	-	-	30,218,664	30,218,664
State grants and contracts	-	-	1,797,840	1,797,840
Private gifts, grants and contracts	-	-	8,950	8,950
Investment income	-	-	214	214
Miscellaneous income	-	-	-	-
Net decrease in bonds payable	-	-	-	-
Expended for plant facilities	-	-	-	-
Total revenues and other additions	<u>141,375,566</u>	<u>9,377,833</u>	<u>37,602,951</u>	<u>188,356,350</u>
Expenses and other deductions:				
Expenses	111,850,463	9,570,063	38,767,586	160,188,112
Indirect costs	-	-	252,514	252,514
Administrative and collection costs	-	-	-	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness	-	-	-	-
Depreciation	-	-	-	-
Total expenditures and other deductions	<u>111,850,463</u>	<u>9,570,063</u>	<u>39,020,100</u>	<u>160,440,626</u>
Transfers - additions (deductions):				
Mandatory transfers:				
Retirement of indebtedness:				
Building use fee	(1,109,742)	-	-	(1,109,742)
Texas Public Education Grant	(1,153,248)	-	1,153,248	-
FSEOG match paid by TPEG	(145,036)	-	145,036	-
Grant matching	(78,892)	-	78,892	-
Non-mandatory transfers	(14,512,324)	213,457	-	(14,298,867)
Total transfers - additions (deductions)	<u>(16,999,242)</u>	<u>213,457</u>	<u>1,377,176</u>	<u>(15,408,609)</u>
Net increase (decrease) for the fiscal year	<u>12,525,861</u>	<u>21,227</u>	<u>(39,973)</u>	<u>12,507,115</u>
Net Position - end of year	<u>\$ 101,662,434</u>	<u>\$ 5,197,040</u>	<u>\$ 578,797</u>	<u>\$ 107,438,271</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position by Fund - continued
 For the year ended August 31, 2015
 (with comparative totals for the year ended August 31, 2014)
 (unaudited)

Unexpended	Plant funds			Totals (memorandum only)	
	Retirement of indebtedness	Investment in plant	Student loans	2015**	2014
\$ 121,820,001	\$ 2,063,560	\$ 222,287,496	\$ 21,707	\$ 441,123,920	\$ 439,323,204
-	-	-	-	150,753,399	144,182,584
-	-	-	-	5,577,283	5,321,099
-	2,722,169	-	-	2,722,169	3,095,004
-	-	-	-	30,218,664	31,409,614
-	-	-	-	1,797,840	964,194
-	-	-	-	8,950	13,320
90,996	1,687	-	-	92,897	41,653
200,000	-	-	-	200,000	200,227
-	-	3,995,000	-	3,995,000	3,835,000
-	-	34,216,723	-	34,216,723	9,514,535
<u>290,996</u>	<u>2,723,856</u>	<u>38,211,723</u>	<u>-</u>	<u>229,582,925</u>	<u>198,577,230</u>
32,480,557	-	460,052	-	193,128,721	164,043,820
-	-	-	-	252,514	70,726
-	11,703	-	-	11,703	73,685
-	3,995,000	-	-	3,995,000	3,835,000
-	1,525,612	-	-	1,525,612	1,664,760
-	-	7,711,949	-	7,711,949	7,544,508
<u>32,480,557</u>	<u>5,532,315</u>	<u>8,172,001</u>	<u>-</u>	<u>206,625,499</u>	<u>177,232,499</u>
-	1,109,742	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,298,867	-	-	-	-	-
<u>14,298,867</u>	<u>1,109,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(17,890,694)	(1,698,717)	30,039,722	-	22,957,426	21,344,731
<u>\$ 103,929,307</u>	<u>\$ 364,843</u>	<u>\$ 252,327,218</u>	<u>\$ 21,707</u>	<u>\$ 464,081,346</u>	<u>\$ 460,667,935</u>

**Note:

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Net Position
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2015
(unaudited)

	Rental Income <u>Scholarships</u>	Student <u>Activities</u>	<u>Camps</u>	<u>Scholarships</u>	Intercollegiate <u>Athletics</u>
Net Position - beginning of year	\$ -	\$ 236,344	\$ 66,110	\$ -	\$ -
Revenues and other additions:					
Gifts	-	-	-	-	-
Sales and services	102,212	-	-	-	-
Student fees	-	548,153	-	-	-
Miscellaneous income	-	-	76,595	-	3,228
Total revenue	<u>102,212</u>	<u>548,153</u>	<u>76,595</u>	<u>-</u>	<u>3,228</u>
Expenses and other deductions:					
Salaries and wages	-	-	5,128	-	152,486
Staff benefits	-	-	-	-	9,078
Financial Aid	-	-	-	149,952	219,013
Other operating expenses	-	411,933	59,156	-	178,223
Total expenditures	<u>-</u>	<u>411,933</u>	<u>64,284</u>	<u>149,952</u>	<u>558,800</u>
Excess (deficit) of revenue over (under) expenditure	<u>102,212</u>	<u>136,220</u>	<u>12,311</u>	<u>(149,952)</u>	<u>(555,572)</u>
Transfers - additions (deductions):					
Transfer from operating fund	-	-	-	-	-
Other fund transfers:					
Student activities	-	(145,923)	-	-	145,923
Bookstore	-	-	-	-	381,203
Rental Income	(94,612)	-	-	149,952	-
Fitness Center	-	-	-	-	-
Food service	-	-	-	-	28,446
Total transfers - additions(deductions)	<u>(94,612)</u>	<u>(145,923)</u>	<u>-</u>	<u>149,952</u>	<u>555,572</u>
Net increase (decrease) for the fiscal year	<u>7,600</u>	<u>(9,703)</u>	<u>12,311</u>	<u>-</u>	<u>-</u>
Net Position - end of year	<u>\$ 7,600</u>	<u>\$ 226,641</u>	<u>\$ 78,421</u>	<u>\$ -</u>	<u>\$ -</u>

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Net Position - continued
Current Unrestricted Funds - Auxiliary Enterprises
For the year ended August 31, 2015
(unaudited)**

<u>Food Services</u>	<u>Bookstore</u>	<u>Facilities Rental</u>	<u>Child Care Center</u>	<u>Auxiliary Other*</u>	<u>Print Shop</u>	<u>Total</u>
\$ -	\$ 4,873,359	\$ -	\$ -	\$ -	\$ -	\$ 5,175,813
-	-	-	-	-	-	-
100,000	7,773,297	180,078	184,961	-	386,750	8,727,298
-	-	-	-	-	-	548,153
-	22,015	-	-	-	544	102,382
<u>100,000</u>	<u>7,795,312</u>	<u>180,078</u>	<u>184,961</u>	<u>-</u>	<u>387,294</u>	<u>9,377,833</u>
-	534,940	98,273	282,594	-	104,437	1,177,858
-	128,715	24,895	64,004	-	19,939	246,631
-	-	-	-	-	-	368,965
71,554	6,622,349	1,570	51,820	117,086	262,918	7,776,609
<u>71,554</u>	<u>7,286,004</u>	<u>124,738</u>	<u>398,418</u>	<u>117,086</u>	<u>387,294</u>	<u>9,570,063</u>
<u>28,446</u>	<u>509,308</u>	<u>55,340</u>	<u>(213,457)</u>	<u>(117,086)</u>	<u>-</u>	<u>(192,230)</u>
-	-	-	213,457	-	-	213,457
-	-	-	-	-	-	-
-	(498,289)	-	-	117,086	-	-
-	-	(55,340)	-	-	-	-
-	-	-	-	-	-	-
(28,446)	-	-	-	-	-	-
<u>(28,446)</u>	<u>(498,289)</u>	<u>(55,340)</u>	<u>213,457</u>	<u>117,086</u>	<u>-</u>	<u>213,457</u>
-	11,019	-	-	-	-	21,227
<u>\$ -</u>	<u>\$ 4,884,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,197,040</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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