



Collin County Community College District

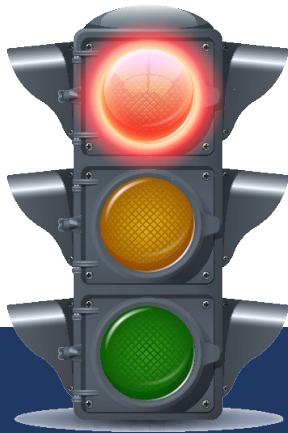
**Financial Statement Audit and Federal and State Single
Audits**

Fiscal Year 2021

The Audit Process



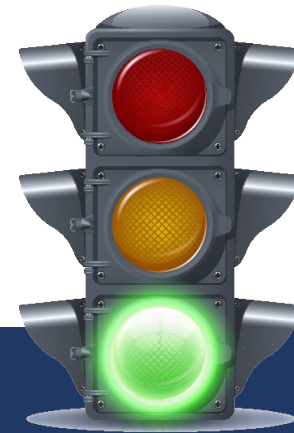
Purpose of the Audit – The Opinion on the Report



Disclaimer



Qualification
(modification due to scope
limitation or departure from
GAAP)



Unmodified
(Clean Opinion)

Auditor's Report on the Financial Statements

Clean Report



- **Unmodified or “clean” opinion**
- **Audit conducted in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards***

Auditor's Report on Internal Control and Compliance

Clean Report



- **Internal control over financial reporting**
 - **No material weakness identified**
 - **No significant deficiencies reported**
- **No instances of noncompliance direct and material to the financial statements were noted**

Federal and State Single Audits

**Clean
Report**



- **Federal Major Programs**
 - Student Financial Assistance Cluster
 - Higher Education Emergency Relief Fund (HEERF)
 - Governor’s Emergency Education Relief (GEER)
 - Research and Development – Education and Human Resources
- **State Major Programs**
 - Texas Education Opportunity Grant Program (TEOG)
 - Nursing Shortage Program
- **Unmodified Opinion over each major federal and state program**
- **No internal control findings to report**
- **Recommendations**

Statement of Net Position

August 31, 2021

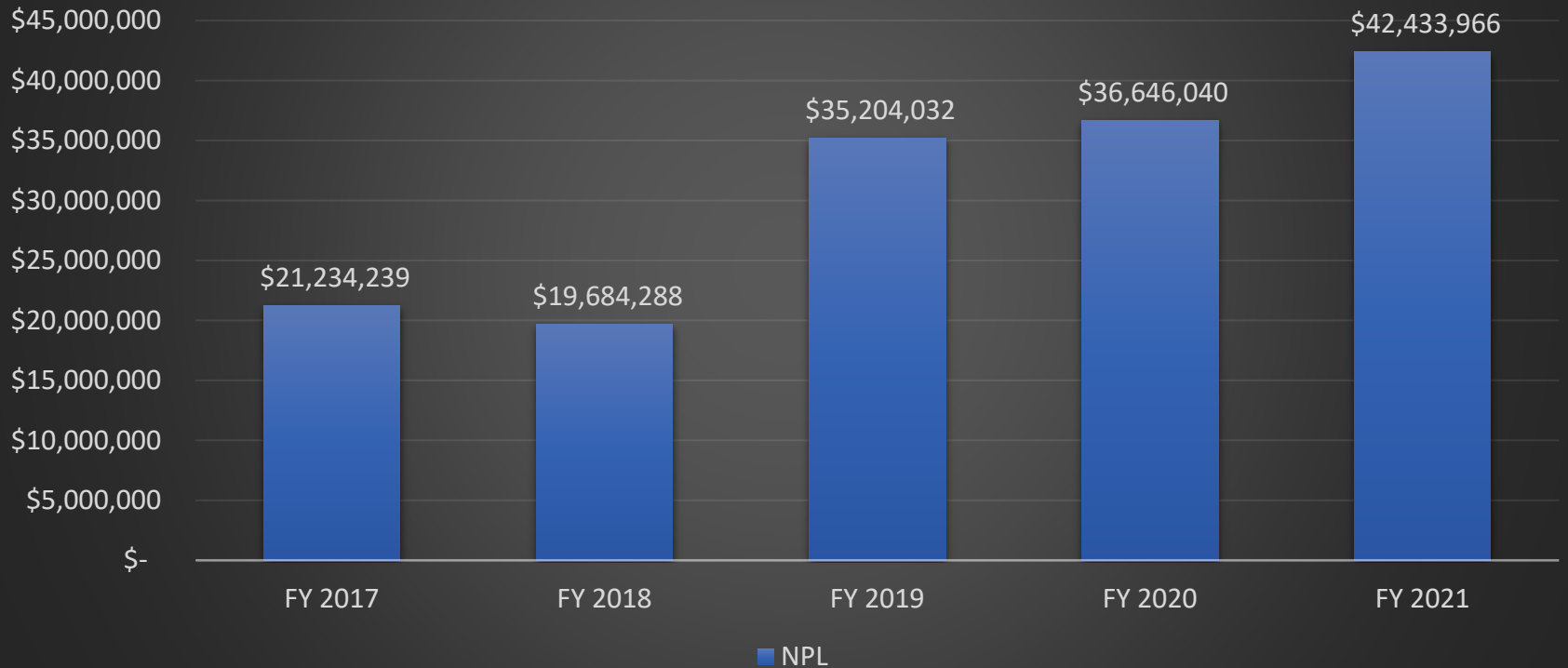
- **Total Assets and Deferred Outflows: \$1.345 billion**
 - Capital assets, net of depreciation: \$792.7 million
 - Cash and investments: \$465.5 million
- **Total Liabilities and Deferred Inflows: \$784.4 million**
 - Bonds payable: \$575.7 million
 - Net pension liability: \$42.4 million
 - Net other post-employment benefits (OPEB) liability: \$86.8 million
- **Net Position: \$561.5 million**

The TRS Net Pension Liability

- Teacher Retirement System of Texas is cost-sharing pension plan
- In fiscal year 2015, GASB Statement No. 68 required all governmental entities to report the net pension liability on their financial statements
- Net pension liability is determined by TRS' actuary and the percentage allocation is based on the contributions made by all plan members
- The discount rate and benefits provided each year affect the liability
- Net pension liability does not represent a cash liability
- The College will continue to pay into TRS at the statutorily determined rates

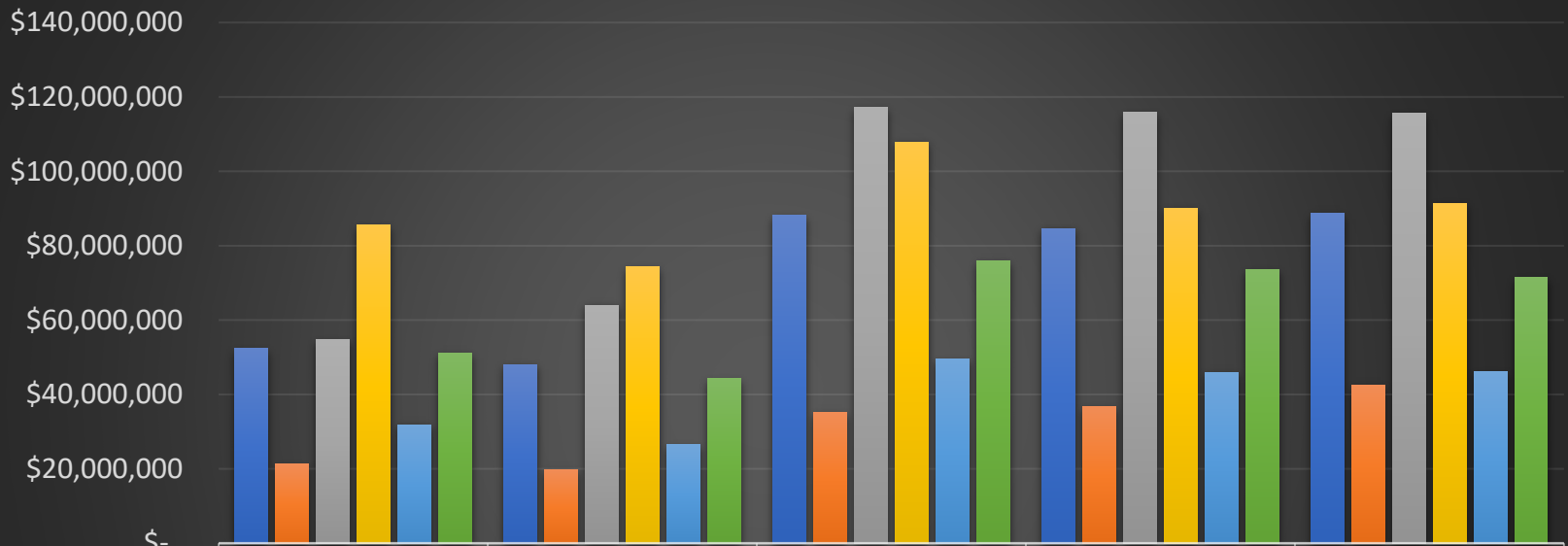
Teacher Retirement System of Texas

CCCCD's Proportionate Share of the Net Pension Liability (NPL)



Peer Comparison

Net Pension Liability



	2017	2018	2019	2020	2021
■ Austin	\$52,331,529	\$48,067,844	\$88,162,712	\$84,638,614	\$88,678,959
■ Collin	\$21,234,239	\$19,684,288	\$35,204,032	\$36,646,040	\$42,433,966
■ Dallas	\$54,672,053	\$64,010,885	\$117,105,618	\$115,825,304	\$115,524,858
■ Houston	\$85,465,382	\$74,290,183	\$107,909,379	\$90,173,836	\$91,457,244
■ San Jacinto	\$31,890,143	\$26,598,961	\$49,494,145	\$45,813,261	\$46,145,705
■ Tarrant County	\$51,062,331	\$44,235,719	\$75,869,797	\$73,488,867	\$71,554,272

Net Other Post Employment Benefits (OPEB) Liability

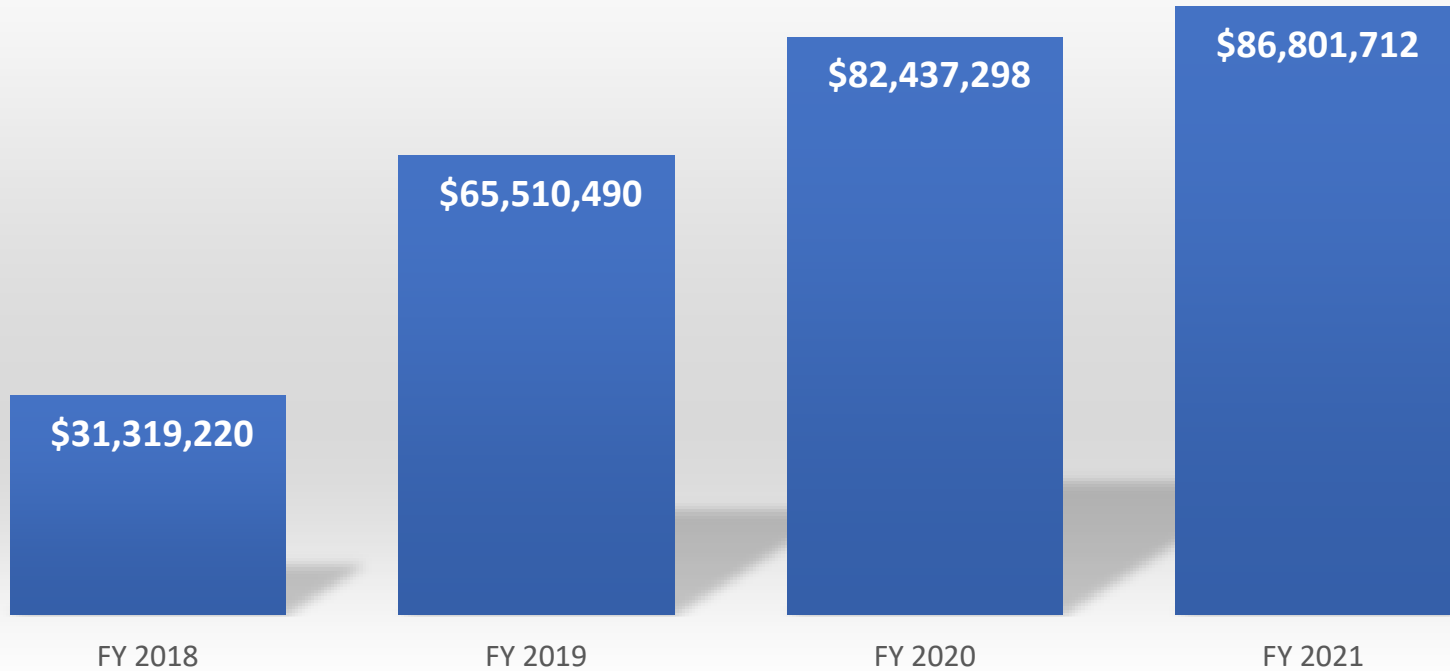
- Employees Retirement System of Texas administers a multi-employer, OPEB plan, which provides post-employment health care, life and dental insurance benefits to retired employees of universities, community colleges, and State agencies.
- In fiscal year 2018, GASB Statement No. 75 required all governmental entities to report the net OPEB liability on their financial statements
- Net OPEB liability is determined by ERS' actuary and the percentage allocation is based on the contributions made by all plan members
- Net OEPB liability does not represent a cash liability
- The College will continue to pay into ERS at the statutorily determined rates

Employees Retirement System of Texas

	FY 2021	FY 2020	FY 2019	FY 2018
Employer Contributions	921,585	\$815,700	\$400,846	\$967,914
Employer Contribution %	0.26268022%	0.2385%	0.2210%	0.0919%
Net OPEB Liability (Plan level)	\$33,044,631,697	\$34,562,674,615	\$29,637,742,324	\$34,073,010,968
CCCCD's Proportionate Share of the Net OPEB Liability	\$86,801,712	\$82,437,298	\$65,510,490	31,319,220

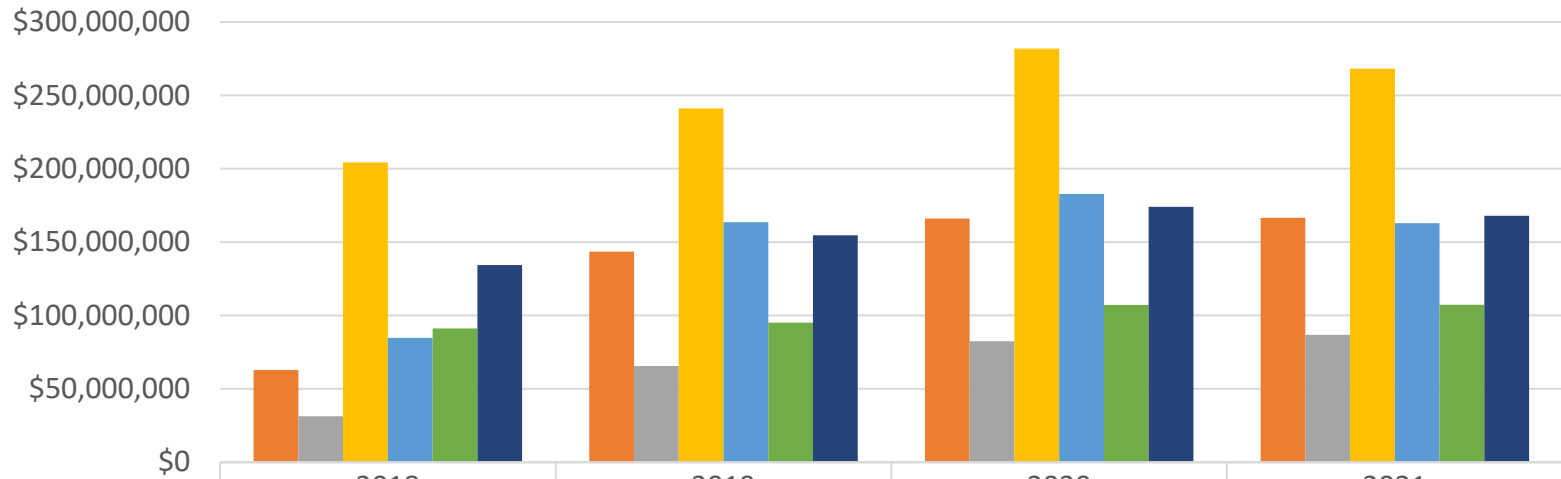
Employees Retirement System of Texas

CCCCD's Proportionate Share of the Net OPEB Liability (NOL)



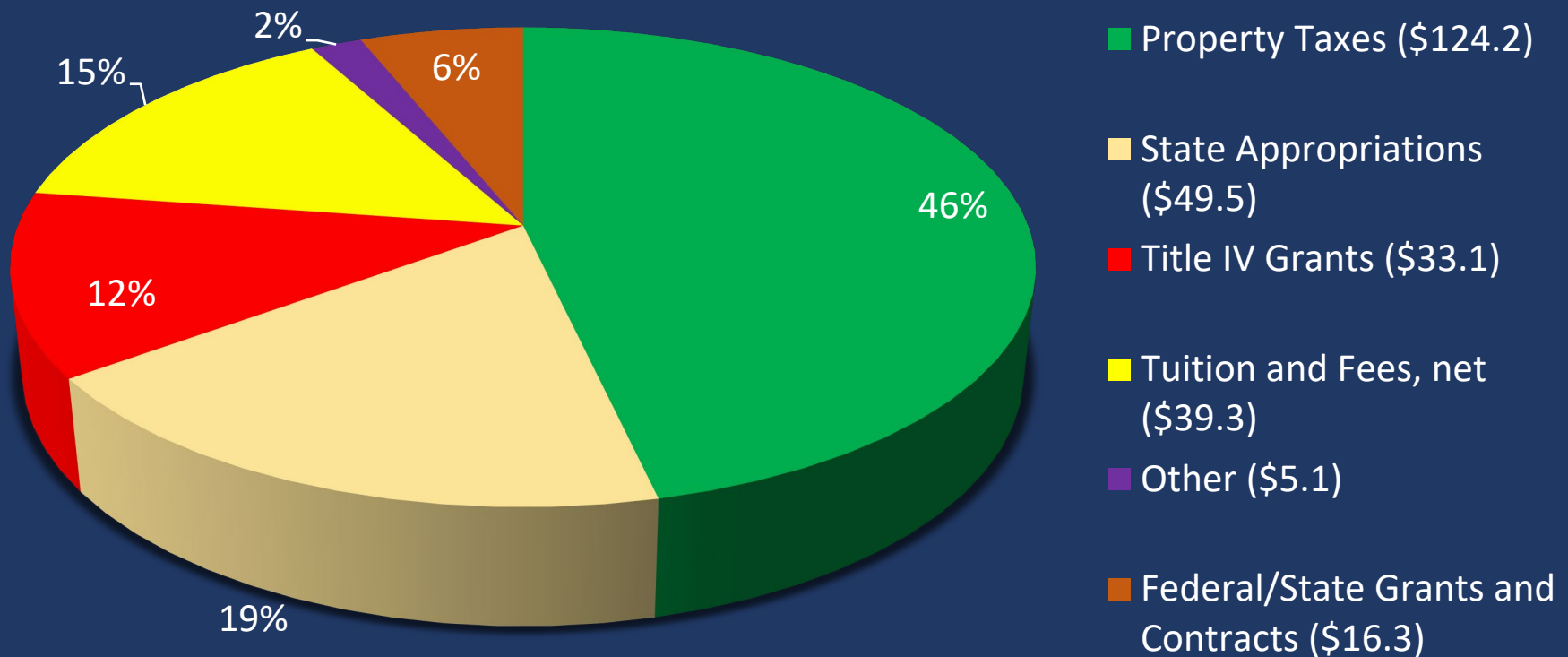
Peer Comparison

Net OPEB Liability



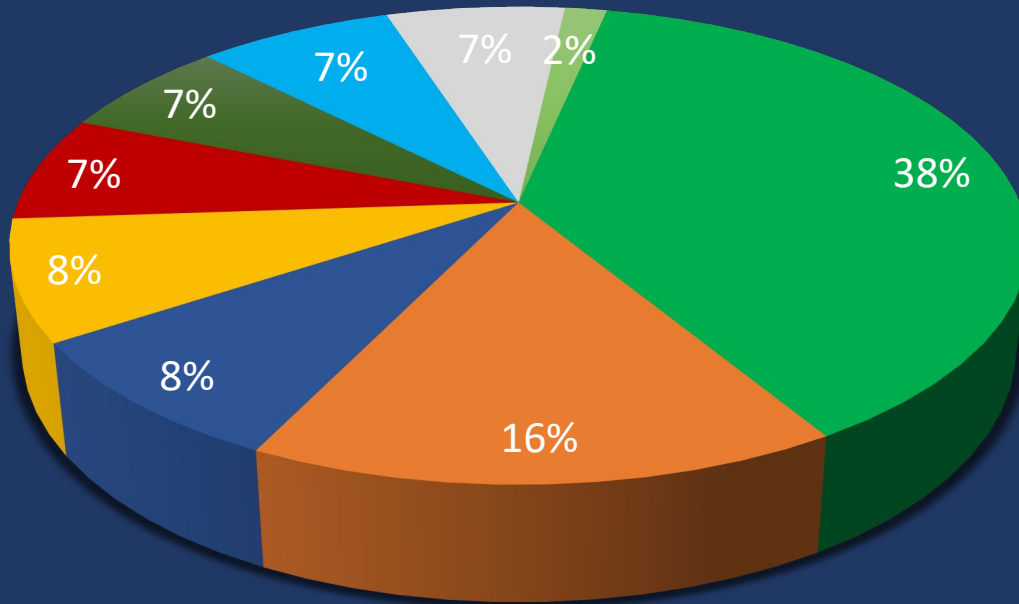
	2018	2019	2020	2021
■ Austin	\$62,781,442	\$143,507,879	\$166,095,190	\$166,490,420
■ Collin	31,319,220	65,510,490	82,437,298	\$86,801,711
■ Dallas	204,344,710	241,120,346	281,879,554	\$268,254,113
■ Houston	84,755,846	163,539,661	182,780,301	\$162,922,142
■ San Jacinto	91,125,036	95,083,178	107,182,217	\$107,343,289
■ Tarrant County	134,380,479	154,625,846	174,080,184	\$167,907,764

Revenues (in \$M) Year Ended August 31, 2021



FY 2021 Total Revenues: \$267.5
FY 2020 Total Revenues: \$260.7

Expenses (in \$M) Year Ended August 31, 2021



- Instruction (\$107.5)
- Institutional Support (\$45.1)
- Scholarships and Fellowships (\$24.1)
- Academic Support (\$23.1)
- Student Services (\$20.1)
- Depreciation (\$18.7)
- Operations and Maintenance (\$20.9)
- Interest on Capital Related Debt (\$19.1)
- Other (\$4.5)

FY 2021 Total Expenses: \$279.1
FY 2020 Total Expenses: \$244.7

Required Communications

Significant Accounting Policies

- The College's accounting policies and methods are appropriate and in accordance with industry standards.

Accounting Estimates

- The preparation of the financial statements requires that certain estimates and judgments be made by management. These judgments and estimates include:
 - Allowances for uncollectable taxes receivable and student receivables
 - Net pension and OPEB liabilities, deferred inflows and outflows of resources, and pension and OPEB expense
- We concluded that management has a reasonable basis for significant judgments and estimates that impact the financial statements.

Required Communications

Difficulties Encountered in Performing the Audit

- We encountered no difficulties in dealing with management in performing and completing our audit

Corrected or Uncorrected Misstatements

- There were no material misstatements that were identified by us that required management's correction

Disagreements with Management

- We had no disagreements with management over the application of accounting principles or management's judgments about accounting estimates.

Required Communications

Management Representations

- We have requested certain representations from management

Consultation with Other Accountants

- We are not aware of any situations in which management consulted with other accountants on accounting or financial reporting matters.

Major Issues Discussed with Management Prior to Retention

- We discussed the application of accounting principles and auditing standards, however, our responses were not a condition to our retention.

