

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Allen

Frisco

McKinney

Plano

Rockwall

Texas



COMPREHENSIVE ANNUAL
Financial Report 2012

Fiscal Year Ending August 31, 2012

Collin County Community College District

**Allen Frisco McKinney
Plano Rockwall
Texas**

**Comprehensive Annual
Financial Report**

**For the Fiscal Year Ended
August 31, 2012**

**Prepared by:
Administrative Services**

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report

Fiscal Year Ended August 31, 2012

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Introductory Section



November 28, 2012

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

Dear Board Members and President:

The following comprehensive annual financial report of the Collin County Community College District (the District) for the fiscal year ended August 31, 2012, is hereby submitted. 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 and belief, 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 audit of the District's financial statements resulted in an unqualified opinion.

The District is reporting as 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. There are no significant component units of the District to report under GASB Statement 39.

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 this single audit is included in the single audit section of this report.

As a recipient of federal, state, and local financial awards, the District is responsible for providing an adequate internal control structure to ensure compliance with applicable laws and regulations related to those 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 District's single audit for fiscal year ended August 31, 2012, resulted in a finding of a material weakness and a significant deficiency in the internal control structure and material noncompliance related to a major program. No significant violations of applicable laws and regulations were noted.

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 accounting principles generally accepted in the United States. 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.

This report includes all funds of the District. The Board of Trustees has no financial accountability over Collin County, related foundations, or any other governmental unit, and accordingly, only the financial data for the District is included in this report.

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. Refer to the Management's Discussion and Analysis for more information on the District's financial activity and position.

PROFILE OF THE DISTRICT

District Structure and Information

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

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

The District was established as a public community college in an election held in Collin County, Texas, on April 6, 1985, in accordance with the laws of the State of Texas. It operates as a community college district under the Constitution of

the state of Texas and the Texas Education Code. The District is governed by an elected, nine-member Board of Trustees (hereinafter called the "Board"). At each election (the first Saturday in May in odd-numbered years), three Trustees are elected to serve in a six-year, at-large position. New Trustee, Andrew Hardin, was appointed to the Board after the untimely death of Brenda Goodell, Chair of the Board. He will serve until May 2013 at which time an election will be held to elect a Trustee for Place 9. The Place 9 Trustee will serve until May 2015. The Place 9 Trustee elected during the May 2015 election will serve the full six-year term. 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.

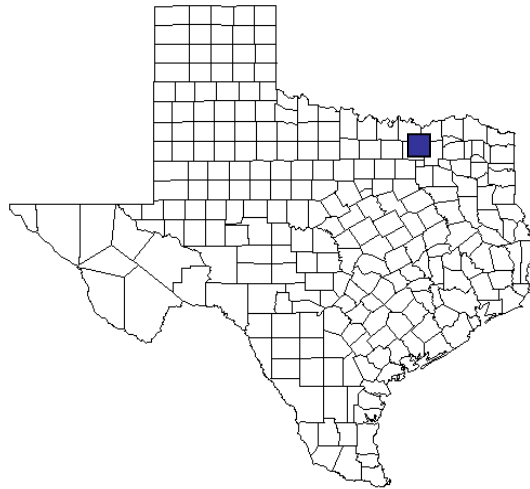
The Board has the final authority to determine and interpret the policies that govern the District. It has complete and full control of the District's activities limited only by the state legislature, the courts, and the will of the people as expressed in Board elections. Official Board action is taken 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 appointing the tax assessor/collector, ordering elections, and issuing bonds. The Board is also responsible for appointing the President, setting the tax rate, causing the preparation and adoption of a budget for the ensuing fiscal year, and employing faculty and other employees of the District.

The District is accredited by the Commission on Colleges of the Southern Association of College and Schools (SACS) 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 certificate programs.

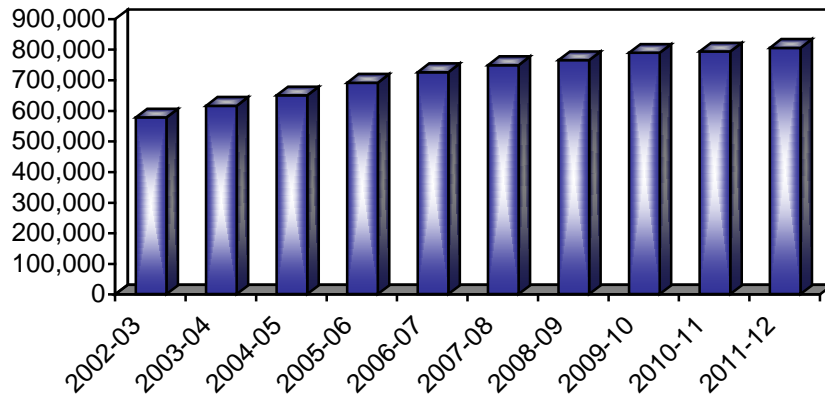
The District continues to also meet the needs of the community in developing a professional workforce by expanding the educational opportunities available to its residents. The District provides training for many of the county's essential service positions such as police officers, emergency medical technicians,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

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 905 residents per square mile. The population of Collin County grew by 1.15 percent or approximately 12,240 in 2012.



According to the North Central Texas Council of Governments, Collin County has an estimated 2012 population of 804,390. The latest information provided by the US Census Bureau as of 2011 shows a 3.8% increase in populations in McKinney, Frisco, Plano, and Allen. In the past ten years, Collin County has experienced an increase in population of thirty-nine percent (39%) as illustrated by the graph below.

Collin County Population



Component units

The Collin County Community College District Foundation (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 does it fund or is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. During the fiscal year, the District furnished certain services, such as

office space, utilities and staff assistance to the Foundation. The costs of these services were not significant to the District. The financial position of the Foundation as a whole is also not significant to the District and therefore it is not included as a component unit for financial reporting purposes.

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:

- In 1994 the District permanently dedicated and set aside approximately 15 acres of land located on the northeast corner of the Preston Ridge Campus to the City of Frisco for use as a park and recreational center for the students, faculty, and administrators of the District and the residents of Frisco.
- The District has an inter-local agreement with the City of McKinney whereby the City has a fire station located on the Central Park Campus. There is a District classroom in the fire station dedicated to the Fire Science Training program.
- 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 District has an agreement that allows Collin County to use up to sixteen strands of the District's Fiber Optic Wide Area Network (WAN), which is approximately 55 miles long, surrounds the county and connects our campuses with high speed communications.
- The District has an agreement with the Department of Homeland Security/Collin County Health Care Services to establish procedures to utilize the District's facilities and staff in case of a public health emergency
- The District has agreements with four higher education institutions to dedicate classroom and lab facilities, office space and other student services at the Collin Higher Education Center in order to enable these institutions to provide upper-level undergraduate courses and graduate degree programs
- On September 27, 2011, the District was selected by the U.S. Department of Labor in coordination with the U.S. Department of Education for a \$19,998,974 grant targeted for training and workforce development to help unemployed workers who are changing careers. The District is leading a consortium of six community colleges in the National Information, Security and Geospatial Technology Consortium.

The grant will be administered over three years, 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 National Science Foundation awarded a \$4.4 million grant to the National Convergence Technology Center at Collin County Community College in August 2012. This grant allows the District to meet the growing workforce needs for convergence technology workers and further establishes the District as a leading voice in this industry.

The District participates in several cooperative purchasing programs that offer volume discounts for items commonly purchased by a number of public entities. Purchases made through these contracts meet the competitive bid requirements as set forth by the State statutes and provides a method for the District to efficiently utilize its resources.

Budget

Administrative Services 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. Any encumbered amounts lapse at year-end and generally are re-appropriated as part of the next year's budget.

ECONOMIC CONDITION

Local economy

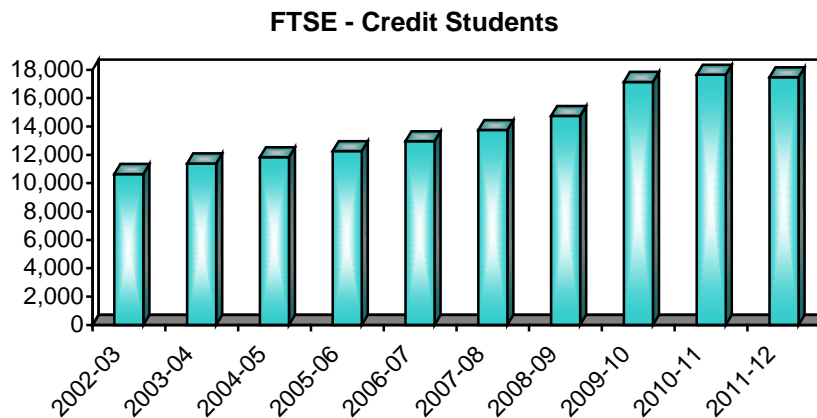
Major industries located within Collin County consist of finance, retail, computer technology, education, manufacturing, telecommunications, health care, and food industry. The local economy has been negatively affected by the national recession, but did have some growth. Possessing a well-educated workforce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

Collin County had a civilian employed labor force from August 2011 to August 2012 of approximately 442,314 which was an increase of 1.4 percent over fiscal

year 2011. The Collin County unemployment rate of 6.3 percent decreased from 7.3 in the same period 2011 and was lower than the state unemployment rate of 7.0 percent and the national unemployment rate of 8.2 percent in August 2012.

Community colleges are playing an increasingly important role in the state's workforce and economic development. Job and 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. In these difficult economic times, community colleges are important in helping grow the state economy.

Student enrollment at public two-year institutions in Texas has outnumbered enrollment in public four-year universities for more than the past ten years and state officials expect that trend to continue. Semester credit enrollment at the District for 2011-2012 declined 1.2% or 6,265 credit hours and a corresponding decrease in full time student equivalent (FTSE) occurred from 2011 to 2012. The following chart reflects the District's FTSE growth, an increase of 64.1 percent over the past ten years.



The challenge for the District and other community colleges in Texas is in trying to meet the educational needs of students with decreased funding. There is concern about the amount of future funding from the state. In 2012 the formula produced State appropriations was \$1,970 per FTSE. For 2009, 2010, 2011, the District received \$2,355, \$2,147 and \$2,069 per FTSE, respectively.

The Board approved a \$5 per credit hour increase in tuition for all students, excluding in-county residents, beginning Fall 2011. In-county residents continued to pay \$27 per credit hour for tuition throughout the 2012 fiscal year. The tuition and fees at the District continue to rank in the lowest quartile among colleges and universities in the state of Texas. A quality education at the District remains a smart economical choice and a wise investment.

The total taxable value for Collin County property has increased 57% during the past ten years. Property values for the period 2011-12 increased by less than one percent, with the District's total tax roll at \$73.59 billion. Taxes collected, including delinquent and penalties and interest increased approximately 2% from 2011.

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

Long-term financial planning

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

Future major construction projects include the following:

- A new 90,000 square foot library at the Spring Creek Campus was completed in November 2012 totaling approximately \$18,500,000;
- Remodel/renovation of the existing Spring Creek Campus library, laboratories and print shop at a guaranteed maximum price of almost \$6 million.

Completed construction projects:

- A new 93,375 square foot conference center and classroom at the Preston Ridge Campus.
- A new 5 story parking garage at the Preston Ridge Campus. The completed garage will add 350 new parking spaces.

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 November 2012. 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: The Board approved the designation of an additional \$5 million for medical insurance bringing the total reserve for health insurance to \$30 million at August 31, 2012. The reserve was set aside to mitigate the escalation of healthcare costs and the decreased State allocation for health insurance.

The District continues to maintain the Board Designated reserve for Stabilization of Maintenance and Operation totaling \$24.75 million in the event property tax values decline.

AWARDS AND ACKNOWLEDGEMENTS

Strategic Goals

To further promote excellence, the District also develops well-defined and ambitious goals it plans to achieve each biennium and identifies indicators to measure its success in meeting those goals. The District reviews these Strategic Goals and Achievement Indicators annually. The 2010 through 2012 Strategic Goals are as follows:

- Increase the percentage of students who complete the core curriculum, earn a certificate, or earn a degree within three years of entering the District.
- Increase the community's recognition of the District's educational opportunities, quality, and value.
- Create linkages and new opportunities to help students navigate 21st Century educational transitions.
- Improve higher education accessibility and advance educational quality through the development of alternative resource streams and improved efficiencies.

Major initiatives

The District has been recognized and honored for its dedication to excellence and innovative endeavors. National, state, and local awards and academic milestones during the past year have validated the District's place as a leader in higher education. A partial list of our accomplishments and major initiatives includes:

- The National League of Nursing named the District a **Center of Excellence in Nursing Education**, the first and only institution of higher education in the state of Texas to earn this designation.
- The District was selected as a "Top Military-Friendly College" by Military Advanced Education, the publishers of the *2012 Guide to America's Top Military-Friendly Colleges and Universities*.
- The Committee on Accreditation of Allied Health Education Programs awarded full accreditation status to the Emergency Medical Technician-Paramedic program.

- The Corporation for National and Community Service named Collin County Community College to the **President's Higher Education Community Service Honor Roll** for the second straight year.
- The District received the AAA bond rating from both **Standard & Poor's** and **Moody's Corporation**, which are benchmarks in fiscal stewardship.

Organizations, professors and students of the District also received the following special recognition during the year:

- **Psi Beta** chapter has earned the 2011-12 Chapter Excellence Award from the Psi Beta National Honor Society.
- The District was one of five community colleges represented at the NASA Community College Aerospace Scholars event at the Johnson Space Center in Houston.
- The **Mock Trial Team** advanced to the national championship series of the American Mock Trial Association, competing against teams from Harvard, Brown, Tufts, Cornell and other universities. No other community college has advanced to the national competition. It is the third straight year the District's team has achieved this.
- Campus Compact named a District communications studies student as a Newman Civic Fellow, which recognizes college student leaders.
- **Collin Serves**, a campus-based volunteer and service engagement program at the District that connects students, faculty and staff to their local communities outside of the classroom, contributed more than 3,000 hours in various volunteer projects across the district in 2011-12. More than 930 students, faculty and staff contributed their time and efforts to various projects.
- A District student chapter of **Active Minds** received the United Voices Award at the Active Minds National Conference held at the University of Maryland. The Uniting Voices Award recognizes a chapter that has succeeded in building coalitions of individuals, organizations, and other campus entities to advance the mission of Active Minds. There are 367 chapters across the nation and only seven received this award.
- A District graduate received the Pearson Prize for Higher Education, the highest honor the Pearson Foundation awards.
- The Alpha Mu Tau Chapter of Phi Theta Kappa won several awards at the Texas Regional Convention.

The District offers students and the public a wide variety of theatre, music and dance programs, art exhibits, athletic events and a guest lecture series bringing renowned scholars to the District campuses. The District also has athletic teams in men's and women's basketball and tennis.

The Continuing Education and Workforce Development Division offers many individual and customized courses from language skills to web server administration. Through the Business Solutions Group, the District provides customized training to several companies and public entities each year.

The District offers various alternatives to the traditional day and evening classroom such as online classes and Weekend College. The Weekend College provides the opportunity to complete the entire core curriculum of the Associate of Arts, Associate of Science or Associate of Arts in Teaching degree with a variety of schedule options of Friday evenings, Saturday mornings, Saturday afternoons, Sunday afternoons or any combination without interrupting the work week.

More than 100 faculty and staff from 15 states across the country attended the **Winter Working Connections Conference and Workshop** in the new conference center at the Preston Ridge Campus co-hosted by the District's Convergence Technology Center and the National ICT Center based in Springfield, Massachusetts.

Through the Service Learning program, instructors across the disciplines have integrated service-learning projects into their curriculum. This way of teaching benefits both the community and the student through external hands-on experiential learning and the application of knowledge to real-life situations. In the past year, students in the Service Learning program volunteered more than 21,500 hours in the District's community.

Collin County continues to see growth in its senior population. The District strives to meet the needs of the senior population through our Seniors Active in Learning (SAIL) program, an education and social program designed for seniors.

The District's fitness centers, gymnasium, libraries, tennis courts and racquetball courts are also available to the public as well as to students.

Certificates of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Distinguished Budget Presentation Award to the District for its 2011-2012 budget book. In order to receive the budget award, the District had to satisfy nationally recognized guidelines for effective budget presentation.

The GFOA also awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for Fiscal Year ended August 31, 2011.

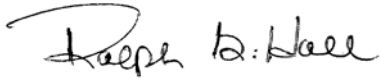
This was the 15th consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

Acknowledgments

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

Respectfully submitted,



Ralph G. Hall
Vice President of Administration & CFO



Julie Bradley
Associate Vice President/Controller



Barbara Jindra
Associate Vice President of
Financial Services and Reporting

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morille

President

Jeffrey R. Emer

Executive Director

BOARD OF TRUSTEES



Mac Hendricks
Chair



Stacy Anne Arias
Treasurer



Dr. J.R. (Bob) Collins



Larry Wainwright



Jenny McCall



Sam Roach
Vice Chair



Fortino (Tino) Trujillo
Secretary



Andrew Hardin



Nancy Wurzman

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Officials and Staff

Elected Officials

| <u>Board of Trustees</u> | <u>City</u> | <u>Term Expires</u> |
|--|---------------------|---------------------|
| Mac Hendricks Chair, Place 6 | McKinney, Texas | May 2013 |
| Samuel E. Roach Vice Chair, Place 4 | Frisco, Texas | May 2013 |
| Fortino P. (Tino) Trujillo Secretary, Place 7 | Plano, Texas | May 2015 |
| Stacy Anne Arias Treasurer, Place 5 | Plano, Texas | May 2013 |
| Dr. J. Robert (Bob) Collins Place 8 | Farmersville, Texas | May 2015 |
| Andrew Hardin Place 9 | Frisco, Texas | May 2013 |
| Jenny McCall Place 2 | Plano, Texas | May 2017 |
| Larry Wainwright Place 3 | Allen, Texas | May 2017 |
| Nancy Wurzman Place 1 | Plano, Texas | May 2017 |

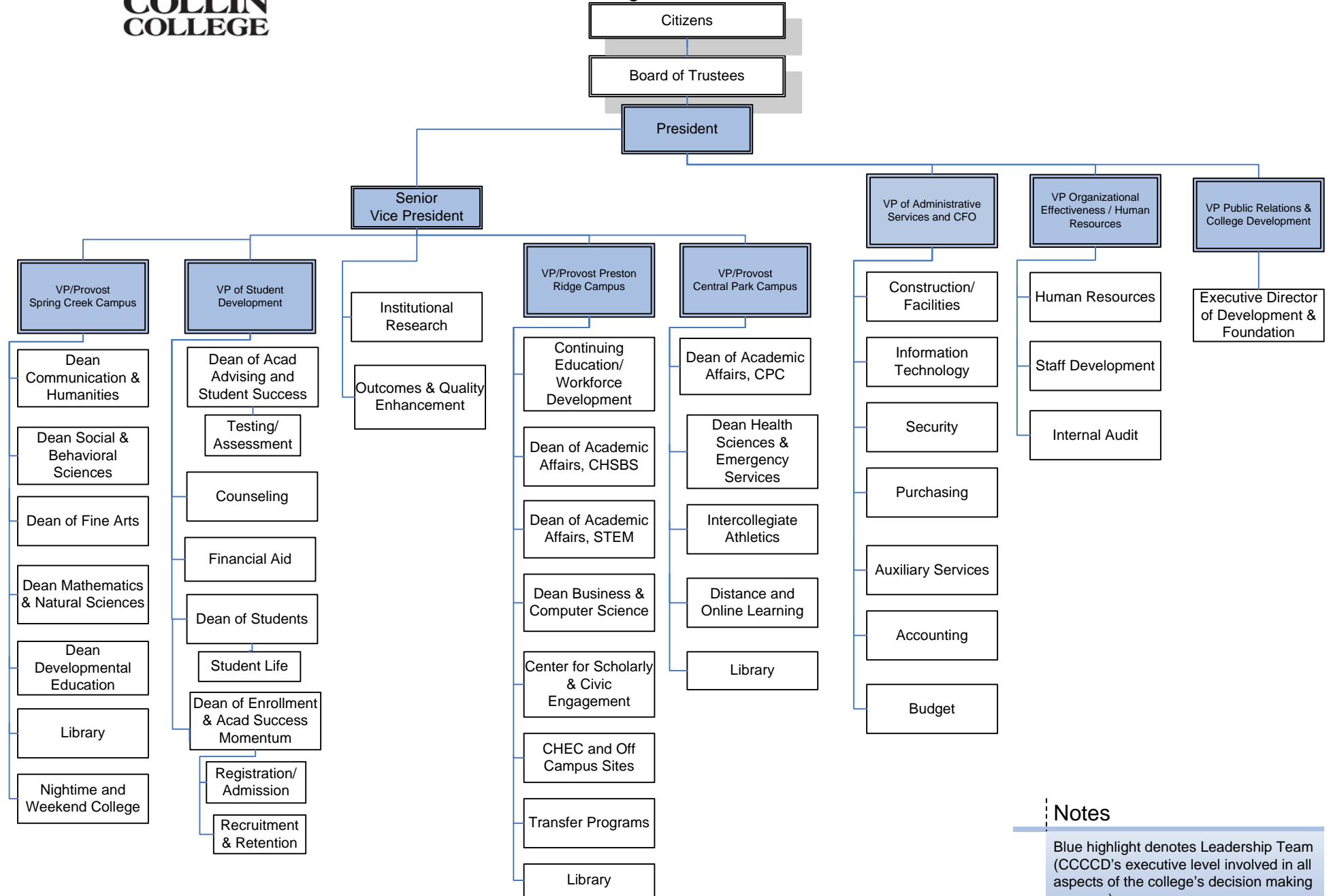
Principal Administrative Officers

| <u>Name</u> | <u>Position</u> |
|---------------------|---|
| Dr. Cary Israel | District President |
| Dr. Colleen Smith | Senior Vice President |
| Ralph G. Hall | Vice President of Administrative Services and CFO |
| Kimberly Davison | Vice President of Organizational Effectiveness / Human Resources |
| Dr. Brenda Kihl | Vice President / Provost - Preston Ridge |
| Dr. Mary McRae | Vice President / Provost – Spring Creek |
| Dr. Barbara Money | Vice President of Student Development |
| Dr. Sherry Schumann | Vice President / Provost – Central Park |
| Lisa Vasquez | Vice President Public Relations & College Development |



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Organizational Chart



16

Notes

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



Financial Section



Report of Independent Certified Public Accountants

Audit • Tax • Advisory

Grant Thornton LLP

1717 Main Street, Suite 1500
Dallas, TX 75201-4667

T 214.561.2300

F 214.561.2370

www.GrantThornton.com

Board of Trustees
Collin County Community College District

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, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the District’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2012 and 2011, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2012 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 the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 28 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 established by the American Institute of Certified Public Accountants. 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2012 required by 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 99 through 103, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 58 through 62, 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 audits 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 established by the American Institute of Certified Public Accountants. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

GRANT THORNTON LLP

Dallas, Texas
November 28, 2012

Overview of the Financial Statements and Financial Analysis

Collin County Community College District (the District) is proud to present its financial statements for Fiscal Year 2012 which are in conformance with Governmental Accounting Standards Board (GASB) standards. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. These statements should be read in conjunction with the notes to the basic financial statements. The following summary and management's discussion and analysis of the results is intended to provide readers with an overview of the basic financial statements.

Some of the financial highlights of the Fiscal Year are as follows:

- Assets of the District exceeded liabilities at the close of the Fiscal Year on August 31, 2012, by \$418.0 million (net assets). Of this amount, \$204.7 million (unrestricted net assets) may be used to meet the District's ongoing obligations.
- Total net assets increased \$25.1 million for Fiscal Year 2012. Operating and non-operating revenues totaled \$37.3 million and \$123.7 million, respectively, for a combined total revenues of \$161.0 million, while expenses totaled \$135.9 million. Operating revenues and expenses remained consistent with previous years while total non-operating revenues increased almost \$3 million. The increase in net assets for Fiscal Year 2011 was \$23.6 million.
- Increase in net assets related to the current unrestricted and auxiliary funds totaled \$20.2 million and \$669 thousand, respectively, for Fiscal Year 2012. For Fiscal Year 2011, increases in current unrestricted and auxiliary enterprise fund increased \$9.1 million and \$679 thousand, respectively.
- The District's total bond debt decreased to \$46.6 million primarily due to principal payments made during the year of \$2,620,000 and \$915,000 on General Obligation Bonds, and Revenue Bonds, respectively. The District continues to amortize the net premium of \$257,768, resulting from the Series 2010 Limited Tax Refunding Bonds.
- Revenues from State appropriations decreased from \$36.5 million to \$34.4 million, a 5.8% decrease totaling \$2.1 million. This decrease was primarily a result of a reduction in health insurance and retirement benefits provided by the State.
- Revenues from ad valorem taxes increased 2.4% or a total of almost \$1.5 million due to an increase in assessed values of almost \$395 million for Fiscal Year 2012.
- Pell grants increased almost \$3.2 million or 13.7%. An increase in federal grants and contracts totaling \$882 thousand occurred primarily as a result of a Department of Labor grant awarded to the District in September 2011.

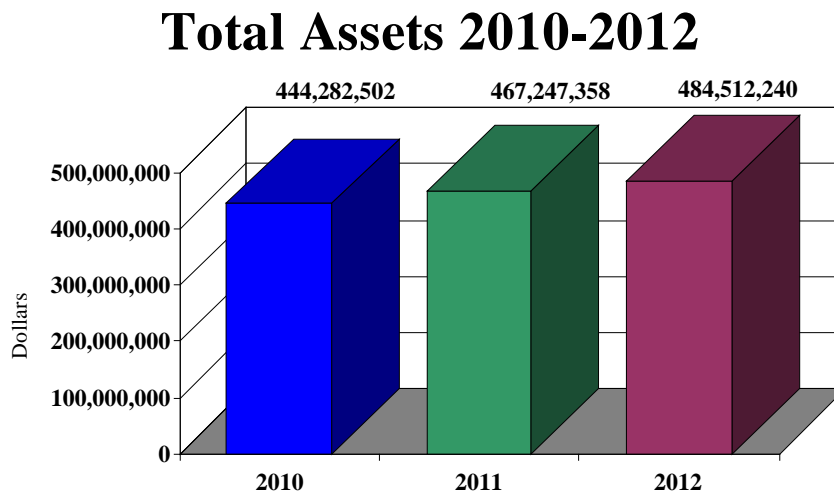
Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets 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 Assets is to give the financial statement readers a snapshot of the fiscal condition of the District. It presents end-of-year data for Current and Noncurrent Assets, Current and Noncurrent Liabilities, and Net Assets (Assets minus Liabilities). Also shown is the sum of Total Liabilities and Net Assets which equals Total Assets.

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 assets and their availability for expenditure can be determined as well.

Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the District’s equity in property, plant and equipment it owns. The next net asset category is restricted net assets. These assets have external limitations on the way in which they may be used. The last category is unrestricted net assets. They are available to use for any lawful purpose of the District.

Total assets of the District for Fiscal Year 2012 are \$484,512,240, an increase from \$467,247,358 in Fiscal Year 2011 and \$444,282,502 in Fiscal Year 2010. Total assets increased from Fiscal Year 2011 to Fiscal Year 2012 primarily due to an increase in cash and capital assets. Total assets continue to increase as indicated in the following chart:



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. In Fiscal Year 2012, cash and cash equivalents were \$213,544,522, a slight increase of almost \$600 thousand from the Fiscal Year 2011

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Year Ended August 31, 2012

amount of \$212,953,155. Receivables include tuition and fees receivable, accounts receivable, and taxes receivable. An allowance for doubtful accounts estimated at \$572,008 has been established for student receivables based on the uncertainty of collectability. A corresponding bad debt expense has been recorded to institutional support. The remaining balance on a five year contract receivable totaling \$1,813,066, related to the sale of land at the Central Park Campus to the City of McKinney, is due within one year and is included in current assets. Prepaid expenses and inventories are also classified as current assets of the District. Bookstore inventories increased from 2011 to 2012 by about \$460,000 due to timing differences of current and prior year's fall class start dates. Prior year's classes began August 22, 2011, while this year's fall classes began August 27, providing almost an additional week of sales and less inventory in the prior year.

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(h) and 5 in the Notes to Basic Financial Statements.

Total liabilities of the District are \$66,498,392 in Fiscal Year 2012 as compared with \$74,374,554 in Fiscal Year 2011 and \$75,068,056 in Fiscal Year 2010 and also include a current and non-current portion. Accounts payable decreased \$4.8 million from 2011 to 2012 as shown in Note 12, primarily due to a decrease in payables owed at year end for construction projects. Current liabilities include accounts payable and accrued liabilities, funds held for others, unearned revenue, accrued compensable absences payable, and the current portion of bonds payable. A liability is considered to be current if it is due within one year. The two non-current liabilities are accrued compensable absences payable and the remainder of the bonds payable representing the portion which is not due within one year. Further information regarding long-term liabilities is shown in Notes 6, 7, and 8 in the Notes to Basic Financial Statements.

The District has disclosed in Note 16 a contingency to the Texas Retirement System (TRS) totaling approximately \$1.0 million. For fiscal year ending August 31, 2012, the retirement contributions for both TRS and Optional Retirement Plan (ORP) made by the State legislature totaled \$1,801,371. The State constitution requires a state contribution rate of not less than 6% of the member's annual compensation. The total ORP contribution provided by the state totaled \$974,106, leaving a difference of \$827,265 to be applied to the TRS contribution. 6% of all TRS participating employees' annual compensation totals \$1,843,790, leaving a shortfall of approximately \$1.0 million. Prior to this fiscal year, the State legislature has fully funded the 6% TRS contribution on behalf of the District for all TRS participating employees.

Net assets represents the District's equity, some of which is restricted for certain uses and some of which is unrestricted.

The Board of Trustees has designated \$24.75 million of the unrestricted, unreserved net assets for stabilization of maintenance and operations. An additional \$30 million of the unrestricted net assets has been designated for health insurance reserves, in order

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Year Ended August 31, 2012

to offset the reduction in health insurance benefits the State has allocated to the District.

The chart below shows assets, liabilities and net assets for the last three years.

| | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|-----------------------|-----------------------|-----------------------|
| Assets: | | | |
| Current assets | \$ 227,977,597 | \$ 225,716,328 | \$ 216,214,059 |
| Capital assets | 256,534,643 | 238,843,715 | 224,525,995 |
| Other noncurrent assets | <u>0</u> | <u>2,687,315</u> | <u>3,542,448</u> |
| Total assets | <u>484,512,240</u> | <u>467,247,358</u> | <u>444,282,502</u> |
| Liabilities: | | | |
| Current liabilities | 22,918,574 | 27,078,845 | 23,889,664 |
| Noncurrent liabilities | <u>43,579,818</u> | <u>47,295,709</u> | <u>51,178,392</u> |
| Total liabilities | <u>66,498,392</u> | <u>74,374,554</u> | <u>75,068,056</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt | 209,933,352 | 188,707,425 | 170,630,995 |
| Restricted – expendable | 3,402,218 | 3,511,310 | 3,285,217 |
| Unrestricted | <u>204,678,278</u> | <u>200,654,069</u> | <u>195,298,234</u> |
| Total net assets | <u>418,013,848</u> | <u>392,872,804</u> | <u>369,214,446</u> |
| Total liabilities & net assets | <u>\$ 484,512,240</u> | <u>\$ 467,247,358</u> | <u>\$ 444,282,502</u> |

Statement of Revenues, Expenses and Changes in Net Assets

The purpose of the Statement of Revenues, Expenses and Changes in Net Assets 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. Generally, operating revenues are received for providing goods and services to the various customers of 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 are funds received for which goods and services are not provided.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Year Ended August 31, 2012

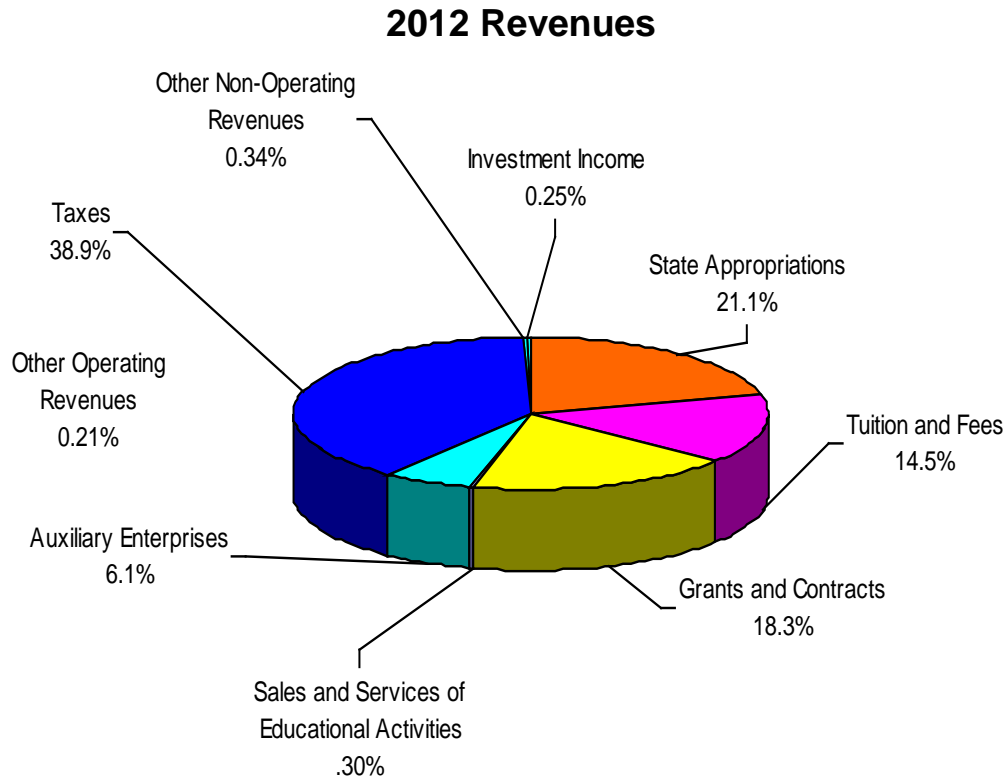
| | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|-----------------------|-----------------------|-----------------------|
| Operating revenues: | | | |
| Tuition and fees, net | \$ 23,740,042 | \$ 24,395,778 | \$ 24,934,426 |
| Federal grants and contracts | 2,087,054 | 1,204,670 | 1,676,112 |
| State grants and contracts | 807,249 | 1,670,769 | 1,434,709 |
| Non-governmental grants and contracts | 6,939 | 4,817 | 12,593 |
| Sales and services of educational activities | 364,115 | 379,229 | 352,891 |
| Auxiliary enterprises | 10,023,129 | 10,131,837 | 9,417,923 |
| Other operating revenues | <u>338,787</u> | <u>209,032</u> | <u>159,378</u> |
| Total operating revenues | <u>37,367,315</u> | <u>37,996,132</u> | <u>37,988,032</u> |
| Operating expenses: | | | |
| Instruction | 52,319,020 | 54,534,791 | 51,489,934 |
| Public service | 561,438 | 888,626 | 493,288 |
| Academic support | 10,193,826 | 9,542,089 | 9,398,653 |
| Student services | 8,374,056 | 8,640,882 | 8,754,737 |
| Institutional support | 13,664,780 | 13,455,591 | 12,738,632 |
| Operation and maintenance of plant | 11,802,975 | 11,415,758 | 12,844,813 |
| Scholarships | 22,207,900 | 19,943,709 | 15,152,414 |
| Auxiliary enterprises | 10,032,534 | 10,124,598 | 9,448,349 |
| Depreciation | <u>6,790,160</u> | <u>6,737,301</u> | <u>6,404,053</u> |
| Total operating expenses | <u>135,946,689</u> | <u>135,283,345</u> | <u>126,724,873</u> |
| Operating loss | <u>(98,579,374)</u> | <u>(97,287,213)</u> | <u>(88,736,841)</u> |
| Non-operating revenues (expenses): | | | |
| State appropriations | 34,416,713 | 36,545,683 | 36,806,088 |
| Maintenance ad-valorem taxes: | | | |
| Taxes for maintenance and operations | 58,695,932 | 57,333,833 | 57,990,243 |
| Taxes for general obligation bonds | 4,630,871 | 4,503,921 | 4,558,578 |
| Federal grants and contracts | 27,115,496 | 23,786,051 | 17,158,787 |
| Gifts | 6,798 | 0 | 2,300,000 |
| Investment income, net | 239,901 | 289,044 | 403,036 |
| Interest on capital related debt | (1,929,155) | (1,854,465) | (2,386,706) |
| Other non-operating revenues, net | 543,862 | 341,504 | 248,680 |
| Capital contributions | <u>0</u> | <u>0</u> | <u>375,000</u> |
| Net non-operating revenues | <u>123,720,418</u> | <u>120,945,571</u> | <u>117,453,706</u> |
| Increase in net assets | 25,141,044 | 23,658,358 | 28,716,865 |
| Net assets - beginning of year | <u>392,872,804</u> | <u>369,214,446</u> | <u>340,497,581</u> |
| Net assets - ending of year | <u>\$ 418,013,848</u> | <u>\$ 392,872,804</u> | <u>\$ 369,214,446</u> |

Total revenues for the District were \$163,016,888, \$160,796,168 and \$157,828,444 in 2012, 2011, and 2010, respectively. Total expenses were \$137,875,844, \$137,137,810 and \$129,111,579 in 2012, 2011, and 2010, respectively.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Year Ended August 31, 2012

Revenues for the District consist of four main categories: taxes, state appropriations, net tuition and fees, and grants and contracts. The following table shows the breakdown of total revenue for the District for 2012:



Total operating revenues from Fiscal Year 2011 to Fiscal Year 2012 decreased approximately \$629,000 or 1.7%, a relatively insignificant change. There was a slight decline in revenues from tuition and fees of about 3% from 2011 to 2012. Operating revenue from federal grants and contracts increased by almost 73%, from \$1.2 million in 2011 to \$2.1 million in 2012 due to a three year Department of Labor grant beginning in September 2011.

Total operating revenues from Fiscal Year 2010 to Fiscal Year 2011 remained relatively unchanged, although changes within operating categories changed. Specifically, federal and state grants saw fluctuations, as did auxiliary revenues, which increased 7.6% from 2010 to 2011.

Non-operating revenues consist of the following: state appropriations, tax revenue, gifts, a portion of federal grants and contracts, net investment income, and other revenues. State appropriations from 2011 to 2012 increased \$673,104 or about 2.3% primarily due to Article IX and a rider adding formula funding available to community colleges. The District saw allocations from the State legislature for the District for health insurance and retirement benefits decrease by \$2.8 million from \$7,008,746 in

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

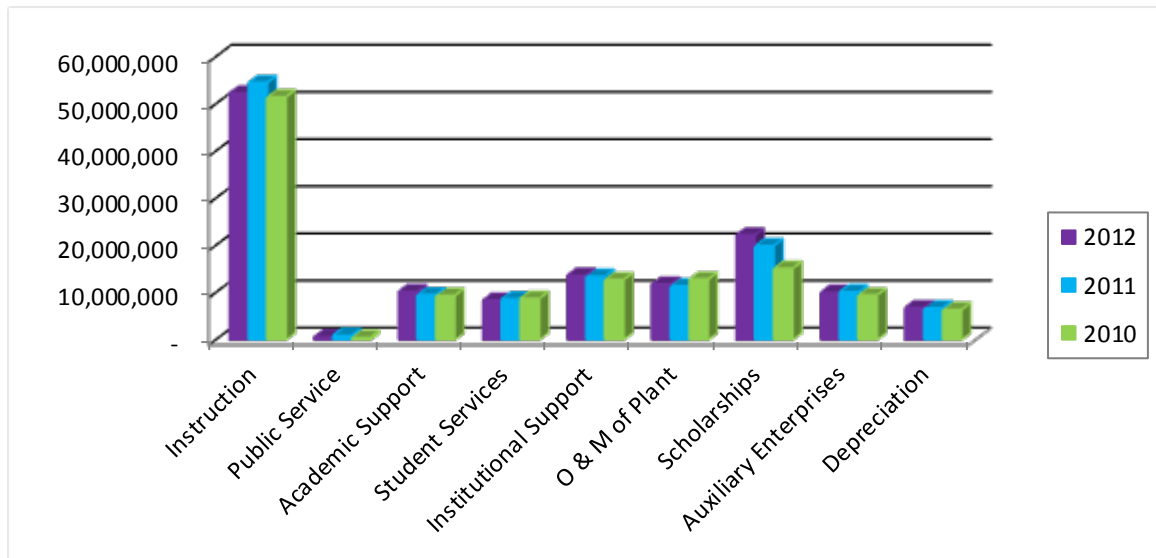
Management's Discussion and Analysis Fiscal Year Ended August 31, 2012

2011 to \$4,206,670 in 2012. Revenues from ad valorem taxes increased by \$1.5 million due to increased assessed taxable values from 2011 to 2012. Other non-operating income increased from 2011 to 2012 due to the dissolution of the Plano TIF 1 agreement and a refund the District received for excess funds contributed to the TIF totaling \$320,057, recorded to other non-operating income. Non-operating grants and contracts revenue increased 13.9%, from \$23.8 million in 2011 to 27.1 million in 2012 mainly due to an increase in federal Pell grants.

An even greater increase in revenues from Pell grants occurred between 2010-2011, increasing 38.7% or \$6.6 million. Other non-operating revenue categories did not fluctuate significantly.

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. The chart below shows the District's 2012 operating expenses in comparison to 2011 and 2010:



2010 / 2011 / 2012 Functional Expense Comparison

| FY | Instruction | Public Service | Academic Support | Student Services | Institutional Support | Operation & Maintenance of Plant | Scholarships | Auxiliary Enterprises | Depreciation |
|------|--------------|----------------|------------------|------------------|-----------------------|----------------------------------|--------------|-----------------------|--------------|
| 2012 | \$52,319,020 | \$561,438 | \$10,193,826 | \$8,374,056 | \$13,664,780 | \$11,802,975 | \$22,207,900 | \$10,032,534 | \$6,790,160 |
| 2011 | \$54,534,791 | \$888,626 | \$9,542,089 | \$8,640,882 | \$13,455,591 | \$11,415,758 | \$19,943,709 | \$10,124,598 | \$6,737,301 |
| 2010 | \$51,489,934 | \$493,288 | \$9,398,653 | \$8,754,737 | \$12,738,632 | \$12,844,813 | \$15,152,414 | \$9,448,349 | \$6,404,053 |

Overall operating expenses increased only slightly from Fiscal Year 2011 to Fiscal Year 2012, less than 1% or \$663 thousand. The District hired twelve new full time

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Year Ended August 31, 2012

faculty during Fiscal Year 2012 in order to maintain the proper ratio of full time and part time faculty. This explains the increase in full time salaries from 2011 to 2012 by approximately \$366,000. In an effort to optimize class space, improve efficiencies of human resources and reduce expenses, the District implemented increased minimum class size requirements and maximum class sizes, thus reducing number of sections and part time instructors. Cost savings between 2011 and 2012 from these changes resulted in a decrease in part time salaries of almost \$1 million. The net effect of the overall reduction in State benefit allocations is a decrease in recorded benefits totaling approximately \$1.2 million. There was a slight increase of 2.76% overall in other operating expenses from 2011 to 2012. Scholarship expense continues to increase. From 2011 to 2012 scholarship expense, consisting primarily of Pell grants, increased by \$2.26 million or 11.3%.

The District provides for renewal and replacement of physical plant annually by budgeting \$2 million. For the current fiscal year, \$1.5 million was expended for renewal and replacement of plant which consisted primarily of carpet replacement in classrooms and offices at the Spring Creek and Preston Ridge campuses and waterproofing exterior control joints at the Spring Creek campus. These expenses are included in operation and maintenance of plant. Prior year expenses incurred for renewal and replacement totaled \$984 thousand.

From Fiscal Year 2010 to Fiscal Year 2011 operating expenses increased \$8.6 million. This increase is due primarily to increases in Instruction and Scholarships. Instruction expenses increased due to an increase in full time and part time faculty and new instructional equipment purchases. Scholarship expenses increased due to an increased amount of Federal Pell grants. Operation and Maintenance of Plant decreased by \$1.4 million from 2010 primarily due to replacement of flooring and chillers in 2010 at Spring Creek Campus.

Capital Assets and Debt Administration

During fiscal year ending August 31, 2012, the District completed construction on a classroom building, conference center, and parking garage at the Preston Ridge Campus, increasing capital assets for these additions of \$23,420,244. Between year ending 2010 and 2011, the District had additions to its capital assets which included the completion of the Courtyard Campus Renovation and a new parking lot at Spring Creek Campus.

At August 31, 2012, amounts committed under construction contracts were \$8,469,167. These commitments were primarily for constructions costs related to the new library construction at the Spring Creek Campus which was completed in November 2012. Additional information regarding capital assets may be found in Note 5 Capital Assets.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Year Ended August 31, 2012

| | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|---------------------------|----------------------|----------------------|----------------------|
| Land | \$25,654,319 | \$25,654,319 | \$25,654,319 |
| Construction in progress | 17,357,285 | 17,698,892 | 2,142,620 |
| Buildings | 193,347,100 | 173,882,449 | 173,673,485 |
| Land improvements | 10,148,878 | 10,790,309 | 11,491,440 |
| Equipment | 6,307,005 | 7,218,572 | 7,967,173 |
| Library books | 3,685,132 | 3,419,541 | 3,129,459 |
| WAN/LAN network equipment | <u>34,924</u> | <u>179,633</u> | <u>467,499</u> |
| Total | <u>\$256,534,643</u> | <u>\$238,843,715</u> | <u>\$224,525,995</u> |

The District's outstanding general obligation bonds at year ending 2012 consists of Series 2003, 2006, and 2010 tax improvement bonds totaling \$40,467,768. These bonds are funded through ad valorem taxes. Revenue bonds totaling \$6,110,000 were outstanding at year end and are collateralized by pledged revenues of the unrestricted current funds, excluding state allocations or those raised by local taxes.

Shown in the table below is the outstanding debt at the end of Fiscal Year 2012, compared to the debt at the end of the two previous Fiscal Years.

| | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--------------------------|---------------------|---------------------|---------------------|
| General obligation bonds | \$40,467,768 | \$43,111,290 | \$45,980,000 |
| Revenue bonds | <u>6,110,000</u> | <u>7,025,000</u> | <u>7,915,000</u> |
| Total | <u>\$46,577,768</u> | <u>\$50,136,290</u> | <u>\$53,895,000</u> |

As of August 31, 2012, the District's bond ratings by both Moody's Investors Service and Standard and Poor's continues to remain at a Aaa/AAA rating since being elevated to this level at the issuance of the bonds in 2002.

For more detailed information on the District's capital assets and long-term debt, see Notes 5 – 8 in the Notes to Basic Financial Statements.

Economic Factors That Will Affect the Future

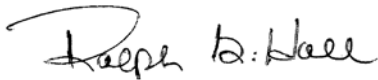
The economic position of the District is closely tied to that of Collin County and the State of Texas. Tax revenues make up the largest source of revenue for the District at 38.9% of total revenues. While property values for Fiscal Year 2012 increased less than 1%, tax collections increased 2.4% from 2011 to 2012. An expected increase in appraised values of 1.5% resulting in additional tax revenues of \$1 million is projected. State appropriations make up 21.1% of total revenue. State appropriations per full-time student equivalent (FTSE) have steadily decreased each of the last three years, \$2,147 in 2010, \$2,069 in 2011, and \$1,970 in 2012. Enrollment has remained steady,

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis Fiscal Year Ended August 31, 2012

and no increase in enrollment is anticipated for the upcoming year. The Board approved a tuition increase effective Spring 2013 increasing in-county tuition by \$3 per credit hour, and all other resident statuses by \$5 per credit hour, resulting in an expected 2.5% increase in tuition revenue. Decreased funding from the state for health and retirement benefits increases the burden paid by the District by approximately \$2.5 million from \$6.0 million in 2012 to about \$8.5 million for Fiscal Year 2013. The Board of Trustees has anticipated this expense by increasing the designation of unrestricted fund balance reserve for health care to \$30,000,000, and holding steady the reserve for stabilization of maintenance and operation.

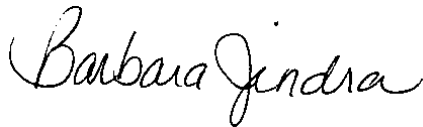
Financial information can be obtained from the Collin County Community College District Business Office via written request to 3452 Spur 399, McKinney, Texas 75069 or by visiting our website at www.Collin.edu under the Community and Alumni Resources tab.



Ralph G. Hall
Vice President of Administration & CFO



Julie Bradley
Associate Vice President &
Controller



Barbara Jindra
Associate Vice President of
Financial Services and Reporting

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Basic Financial Statements

These basic financial statements and related notes provide a summary overview of the financial position and results of operations of the District.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
**Statements of Net Assets
As of August 31, 2012 and 2011**

| | <u>2012</u> | <u>2011</u> |
|--|-----------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents (note 4) | \$ 213,544,522 | \$ 212,953,155 |
| Accounts receivable (net of allowance for doubtful accounts of \$572,008 and \$0 respectively - note 12) | 8,408,301 | 8,614,264 |
| Contract receivable (note 12) | 1,813,066 | 0 |
| Tax receivable (net of allowance for doubtful accounts of \$751,701 and \$773,595 respectively - note 12) | 462,678 | 544,284 |
| Consumable inventory | 37,206 | 49,371 |
| Inventories for resale | 3,062,314 | 2,597,665 |
| Prepaid expenses | 649,510 | 957,589 |
| Total current assets | <u>227,977,597</u> | <u>225,716,328</u> |
| Noncurrent assets | | |
| Capital assets, net (note 5) | | |
| Not subject to depreciation | 43,011,604 | 43,353,211 |
| Subject to depreciation | 213,523,039 | 195,490,504 |
| Contract receivable (note 12) | 0 | 2,687,315 |
| Total noncurrent assets | <u>256,534,643</u> | <u>241,531,030</u> |
| Total assets | <u>484,512,240</u> | <u>467,247,358</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable (note 12) | 4,682,602 | 9,562,824 |
| Accrued liabilities | 321,865 | 396,322 |
| Funds held for others | 914,533 | 920,907 |
| Unearned revenue | 13,219,564 | 12,576,911 |
| Accrued compensable absences payable | 85,010 | 86,881 |
| Bonds payable - current portion (note 6) | 3,695,000 | 3,535,000 |
| Total current liabilities | <u>22,918,574</u> | <u>27,078,845</u> |
| Noncurrent liabilities | | |
| Accrued compensable absences payable | 697,050 | 694,419 |
| Bonds payable (notes 6, 7 and 8) | 42,882,768 | 46,601,290 |
| Total noncurrent liabilities | <u>43,579,818</u> | <u>47,295,709</u> |
| Total liabilities | <u>66,498,392</u> | <u>74,374,554</u> |
| Net Assets | | |
| Invested in capital assets, net of related debt | 209,933,352 | 188,707,425 |
| Restricted for: | | |
| Expendable | | |
| Student aid | 288,940 | 705,933 |
| Instructional programs | 39,315 | 37,376 |
| Loans | 21,481 | 21,263 |
| Debt service | 3,052,482 | 2,746,738 |
| Unrestricted | 204,678,278 | 200,654,069 |
| Total net assets | <u>418,013,848</u> | <u>392,872,804</u> |
| Total liabilities and net assets | <u>\$ 484,512,240</u> | <u>\$ 467,247,358</u> |

See accompanying notes to basic financial statements.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended August 31, 2012 and 2011**

| | <u>2012</u> | <u>2011</u> |
|--|-----------------------|-----------------------|
| Revenues | | |
| Operating revenues: | | |
| Tuition and fees (net of discounts of \$7,317,349 and \$5,901,978 respectively) | \$ 23,740,042 | \$ 24,395,778 |
| Federal grants and contracts | 2,087,054 | 1,204,670 |
| State grants and contracts | 807,249 | 1,670,769 |
| Non-governmental grants and contracts | 6,939 | 4,817 |
| Sales and services of educational activities | 364,115 | 379,229 |
| Auxiliary enterprises | 10,023,129 | 10,131,837 |
| Other operating revenues | 338,787 | 209,032 |
| Total operating revenues | <u>37,367,315</u> | <u>37,996,132</u> |
| Expenses | | |
| Operating expenses: | | |
| Instruction | 52,319,020 | 54,534,791 |
| Public service | 561,438 | 888,626 |
| Academic support | 10,193,826 | 9,542,089 |
| Student services | 8,374,056 | 8,640,882 |
| Institutional support | 13,664,780 | 13,455,591 |
| Operation and maintenance of plant | 11,802,975 | 11,415,758 |
| Scholarships | 22,207,900 | 19,943,709 |
| Auxiliary enterprises | 10,032,534 | 10,124,598 |
| Depreciation | 6,790,160 | 6,737,301 |
| Total operating expenses | <u>135,946,689</u> | <u>135,283,345</u> |
| Operating loss | <u>(98,579,374)</u> | <u>(97,287,213)</u> |
| Non-operating revenues (expenses): | | |
| State appropriations | 34,416,713 | 36,545,683 |
| Maintenance ad-valorem taxes: | | |
| Taxes for maintenance and operations | 58,695,932 | 57,333,833 |
| Taxes for general obligation bonds | 4,630,871 | 4,503,921 |
| Federal grants and contracts | 27,115,496 | 23,786,051 |
| Gifts - noncapital | 6,798 | 0 |
| Investment income | 239,901 | 289,044 |
| Interest on capital related debt | (1,929,155) | (1,854,465) |
| Other non-operating revenues, net | 543,862 | 341,504 |
| Net non-operating revenues | <u>123,720,418</u> | <u>120,945,571</u> |
| Increase in net assets | <u>25,141,044</u> | <u>23,658,358</u> |
| Net assets - beginning of year | 392,872,804 | 369,214,446 |
| Net assets - ending of year | <u>\$ 418,013,848</u> | <u>\$ 392,872,804</u> |

See accompanying notes to basic financial statements.

Collin County Community College District

Statements of Cash Flows For the Years Ended August 31, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|-----------------------|-----------------------|
| Cash flows from operating activities | | |
| Receipts from students and other customers | \$ 35,052,475 | \$ 34,773,672 |
| Receipt of grants and contracts | 3,050,565 | 3,488,277 |
| Payment (receipts) of loans to students | (54,801) | 2,705 |
| Other receipts | 338,787 | 209,032 |
| Payments to or on behalf of employees: | | |
| Payments to employees | (66,084,831) | (66,641,678) |
| Payments for benefits | (6,580,768) | (4,570,956) |
| Payments to suppliers for goods or services | (31,083,263) | (30,611,413) |
| Payments of scholarships | (22,207,900) | (19,943,709) |
| Net cash used in operating activities | <u>(87,569,736)</u> | <u>(83,294,070)</u> |
| Cash flows from noncapital financing activities | | |
| Receipt of state appropriations | 30,210,040 | 29,536,936 |
| Ad valorem tax revenues (maintenance and operations) | 58,763,839 | 57,403,175 |
| Receipt of grants and contracts | 27,115,496 | 23,786,051 |
| Receipts from student organizations and other agency transactions | 0 | 361,352 |
| Payments for student organizations and other agency transactions | (6,374) | 0 |
| Other receipts | 0 | 142,405 |
| Net cash provided by noncapital financing activities | <u>116,083,001</u> | <u>111,229,919</u> |
| Cash flows from capital and related financing activities | | |
| Ad valorem tax revenues (general obligation bonds) | 4,644,569 | 4,520,570 |
| Purchases of capital assets | (27,879,460) | (18,575,243) |
| Payments on capital debt | (3,535,000) | (3,750,000) |
| Tax increment reinvestment payment | 545,262 | 200,000 |
| Interest payments on capital related debt | (1,937,170) | (1,869,532) |
| Net cash used in capital and related financing activities | <u>(28,161,799)</u> | <u>(19,474,205)</u> |
| Cash flows from investing activities | | |
| Investment income (net of investment expenses) | <u>239,901</u> | <u>289,044</u> |
| Net cash provided by investing activities | <u>239,901</u> | <u>289,044</u> |
| Increase in cash and cash equivalents | 591,367 | 8,750,688 |
| Cash and cash equivalents - beginning of year | 212,953,155 | 204,202,467 |
| Cash and cash equivalents - end of year | <u>\$ 213,544,522</u> | <u>\$ 212,953,155</u> |

Exhibit 3

Collin County Community College District

**Statements of Cash Flows (Continued)
For the Years Ended August 31, 2012 and 2011**

| | <u>2012</u> | <u>2011</u> |
|---|-----------------|-----------------|
| Reconciliation of operating loss to net cash used in operating activities: | | |
| Operating loss | \$ (98,579,374) | \$ (97,287,213) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation expense | 6,790,160 | 6,737,301 |
| Payments made directly by state for benefits | 4,206,673 | 7,008,747 |
| Changes in assets and liabilities | | |
| Receivables, net | 1,135,013 | (481,664) |
| Inventories | (452,484) | 748,855 |
| Prepaid expenses | 308,079 | (252,336) |
| Accounts payable & other accrued liabilities | (1,481,850) | (146,684) |
| Unearned revenue | 625,930 | 357,012 |
| Accrued salary and benefits | (67,082) | 19,207 |
| Loans to students | (54,801) | 2,705 |
| Net cash used in operating activities | \$ (87,569,736) | \$ (83,294,070) |

See accompanying notes to basic financial statements.

(1) Reporting Entity

The Collin County Community College District (the District) was established in 1985, in accordance with the laws of the State of Texas, to serve the educational needs of the District. The District's student body is comprised mainly of residents of Collin County and surrounding communities. The District is considered to be a special-purpose entity, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*. While the District receives funding from local, state, and federal sources and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

GASB Statement 39, *Determining Whether Certain Organizations are Component Units* – an amendment of GASB 14, 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 39 has been applied as required in the preparation of these financial statements and no component unit information is required to be included as further discussed below.

The Collin County Community College District Foundation (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, does not fund operations 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 \$360,300 and \$503,000 during the years ending August 31, 2012, and 2011, respectively. During the fiscal year, the District furnished certain services, such as office space, utilities and staff assistance to the Foundation. The costs of these services were not significant to the District. The financial position of the Foundation is not significant to the District, and therefore, the Foundation is not included in the District's basic financial statements as a component unit.

(2) Summary of Significant Accounting Policies

(a) Reporting Guidelines

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's (THECB) Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges. The District applies all applicable GASB pronouncements and all applicable Financial Accounting Standard Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict

or contradict GASB pronouncements. The District has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The District is reported as a special-purpose government engaged in business-type activities. The District complies with the financial statement presentation format required by the THECB.

(b) Tuition Discounting

Texas Public Education Grants

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

Title IV Higher Education Authority (HEA) Program Funds

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

Other Tuition Discounts

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

(c) Basis of Accounting

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

(d) Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The District's Board of Trustees adopts the budget, which is prepared on the 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, 2012 and 2011, respectively, the minimum unrestricted fund balance to be maintained was \$29,169,535 and \$23,445,367. The District exceeded this minimum required fund balance for both years.

(e) Cash and Cash Equivalents

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

(f) Investments

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

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

For the period ending August 31, 2012, no District funds were held in investments with maturities greater than three months. Therefore, all funds are classified as cash or cash equivalents.

(g) 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 average cost method and is recorded as an expense when sold.

(h) Capital Assets

Assets with a purchase cost of at least \$5,000 and a useful life greater than one year are capitalized. Interest costs incurred during construction of physical plant are capitalized as incurred. Depreciation on buildings and site improvements is calculated using the half-year convention, straight-line method with residual value of 10%. Depreciation for the fiscal years 2012 and 2011 totaled \$6,790,160 and \$6,737,301 respectively. Depreciation is not allocated to the functional expense categories. Expenditures for construction in progress are capitalized as incurred.

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 under a single-line item as a business-type unit. 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 |
| Facilities and other improvements | 20 years |
| Library books | 15 years |
| Furniture, machinery, vehicles and other equipment | 10 years |
| Telecommunications and peripheral equipment | 5 years |

(i) Unearned Revenues

Revenues of \$13,219,564 and \$12,576,911 are recorded on the Statement of Net Assets as unearned revenue at August 31, 2012 and 2011, respectively, and primarily consist of tuition and fees related to academic terms in the next fiscal year. Unearned revenues related to grant funds were received, but not yet expended.

(j) 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.

(k) 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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements August 31, 2012 and 2011

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.

(l) Vested Vacation Benefits and Other Compensated Absences

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

Compensated absences activity for the years ended August 31, 2012 and 2011 were as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Current Portion</u> |
|------|--------------------------|------------------|-------------------|-----------------------|------------------------|
| 2011 | \$767,782 | \$1,735,782 | \$(1,722,264) | \$781,300 | \$ 86,881 |
| 2012 | \$781,300 | \$1,721,780 | \$(1,721,020) | \$782,060 | \$ 85,010 |

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.

(m) 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, 2012 and 2011, and therefore, has not recorded a liability for income taxes.

(n) Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the provisions of GASB Statement No. 33. 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. Contract and grant awards that are not yet funded

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2012 and 2011**

and for which the District has not yet performed services are not included in the basic financial statements.

(o) Board Designations

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

(3) Authorized Investments

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

(4) Deposits and Investments

At August 31, 2012 and 2011, the net carrying amount of the District's deposits was an overdraft of \$1,024,792 and \$1,890,518, respectively. Bank balances for non-interest bearing accounts are covered by Federal Depository Insurance Corporation as stated in the Dodd Frank Act until December 2012.

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

| <u>Cash and Cash Equivalents</u> | <u>As of August 31, 2012</u> | <u>As of August 31, 2011</u> |
|----------------------------------|----------------------------------|----------------------------------|
| Petty cash on hand | \$ 25,120 | \$ 25,130 |
| Checking account | 260,159 | 108,776 |
| TexPool | 175,977,063 | 175,577,475 |
| TexSTAR | <u>37,282,180</u> | <u>37,241,774</u> |
| Total cash and cash equivalents | <u>\$ 213,544,522</u> | <u>\$ 212,953,155</u> |

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements August 31, 2012 and 2011

As of August 31, 2012, the District had the following investments and maturities:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|------------------------|-------------------|--|
| TexPool | \$ 175,977,063 | 0.22 |
| TexSTAR | 37,282,180 | 0.19 |

Interest Rate Risk – In accordance with state law and District policy, the District does not directly purchase any investments with maturities greater than 24 months beyond the date of purchase unless specifically permitted by the Public Funds Investment Act as noted in Section 2256, Texas Government Code.

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

Concentration of Credit Risk – The District does not place a limit on the amount the District may invest in any one issuer. Major investment types of greater than 5% of the District's total cash and investments are in TexPool (82.4%), and TexSTAR (17.5%).

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2012 and 2011**

provides investment management, fund accounting, transfer agency and custodial services for the pool and First Southwest Asset Management, Inc. provides administrative, marketing and participant services. The fair value of funds in TexSTAR is also the same as the value of TexSTAR shares.

(5) Capital Assets

The following table summarizes changes in capital assets balances for the year ended August 31, 2012:

| | Balance 08/31/11 | Increases | (Decreases) / Adjustments | Balance 08/31/12 |
|---------------------------------|---------------------|---------------|------------------------------|---------------------|
| <u>Not Depreciated</u> | | | | |
| Land | \$ 25,654,319 | \$ 0 | \$ 0 | \$ 25,654,319 |
| Construction in Progress | 17,698,892 | 23,078,637 | (23,420,244) | 17,357,285 |
| Subtotal | 43,353,211 | 23,078,637 | (23,420,244) | 43,011,604 |
| <u>Depreciable</u> | | | | |
| Buildings | 212,842,237 | 23,420,244 | 0 | 236,262,481 |
| Land Improvements | 18,121,443 | 0 | 0 | 18,121,443 |
| Equipment | 20,920,392 | 814,227 | (10) | 21,734,609 |
| Library Books | 7,956,547 | 588,224 | (154,874) | 8,389,897 |
| WAN/LAN Network Equipment | 2,940,746 | 0 | 0 | 2,940,746 |
| Subtotal | 262,781,365 | 24,822,695 | (154,884) | 287,449,176 |
| <u>Accumulated Depreciation</u> | | | | |
| Buildings | 38,959,788 | 3,955,593 | 0 | 42,915,381 |
| Land Improvements | 7,331,134 | 641,431 | 0 | 7,972,565 |
| Equipment | 13,701,820 | 1,725,794 | (10) | 15,427,604 |
| Library Books | 4,537,006 | 322,633 | (154,874) | 4,704,765 |
| WAN/LAN Network Equipment | 2,761,113 | 144,709 | 0 | 2,905,822 |
| Subtotal | 67,290,861 | 6,790,160 | (154,884) | 73,926,137 |
| Net Depreciable Assets | 195,490,504 | 18,032,535 | 0 | 213,523,039 |
| Net Capital Assets | \$ 238,843,715 | \$ 41,111,172 | \$ (23,420,244) | \$ 256,534,643 |

At August 31, 2012, amounts committed under capital construction contracts were \$8,469,167. Of the amount committed, \$8,349,167 is for construction costs and \$120,000 is for architectural services.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2012 and 2011**

For comparison purposes, the following table summarizes changes in capital assets balances for the year ended August 31, 2011:

| | Balance 08/31/10 | Increases | (Decreases) / Adjustments | Balance 08/31/11 |
|---------------------------------|-----------------------|----------------------|------------------------------|-----------------------|
| <u>Not Depreciated</u> | | | | |
| Land | \$ 25,654,319 | \$ 0 | \$ 0 | \$ 25,654,319 |
| Construction in Progress | <u>2,142,620</u> | <u>17,039,977</u> | <u>(1,483,705)</u> | <u>17,698,892</u> |
| Subtotal | <u>27,796,939</u> | <u>17,039,977</u> | <u>(1,483,705)</u> | <u>43,353,211</u> |
| <u>Depreciable</u> | | | | |
| Buildings | 208,946,935 | 3,895,302 | 0 | 212,842,237 |
| Land Improvements | 18,121,443 | 0 | 0 | 18,121,443 |
| Equipment | 19,946,581 | 1,043,641 | (69,830) | 20,920,392 |
| Library Books | 7,679,101 | 573,975 | (296,529) | 7,956,547 |
| WAN/LAN Network Equipment | <u>2,940,746</u> | <u>0</u> | <u>0</u> | <u>2,940,746</u> |
| Subtotal | <u>257,634,806</u> | <u>5,512,918</u> | <u>(366,359)</u> | <u>262,781,365</u> |
| <u>Accumulated Depreciation</u> | | | | |
| Buildings | 35,273,450 | 3,686,338 | 0 | 38,959,788 |
| Land Improvements | 6,630,003 | 686,962 | 14,169 | 7,331,134 |
| Equipment | 11,979,408 | 1,792,242 | (69,830) | 13,701,820 |
| Library Books | 4,549,642 | 283,893 | (296,529) | 4,537,006 |
| WAN/LAN Network Equipment | <u>2,473,247</u> | <u>287,866</u> | <u>0</u> | <u>2,761,113</u> |
| Subtotal | <u>60,905,750</u> | <u>6,737,301</u> | <u>(352,190)</u> | <u>67,290,861</u> |
| Net Depreciable Assets | <u>196,729,056</u> | <u>(1,224,383)</u> | <u>(14,169)</u> | <u>195,490,504</u> |
| Net Capital Assets | <u>\$ 224,525,995</u> | <u>\$ 15,815,594</u> | <u>\$ (1,497,874)</u> | <u>\$ 238,843,715</u> |

At August 31, 2011, amounts committed under capital construction contracts were \$26,638,778. Of the amount committed, \$26,024,371 is for construction costs and \$614,407 is for architectural services.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2012 and 2011**

(6) Long-Term Liabilities

The following table summarizes changes in long-term liabilities for the year ended August 31, 2012:

| <u>Bonds payable:</u> | Balance 09/01/2011 | Additions | Reductions | Amortization of Premium | Balance 08/31/2012 | Current Portion |
|--------------------------------------|-----------------------|-------------|----------------------|----------------------------|-----------------------|--------------------|
| General obligation bonds: | | | | | | |
| Ltd. tax imp. bonds, series 2002 | \$960,000 | \$ 0 | \$ (960,000) | \$ 0 | \$ 0 | \$ 0 |
| Ltd. tax imp. bonds, series 2003 | 2,815,000 | 0 | (895,000) | 0 | 1,920,000 | 940,000 |
| Ltd. tax imp. bonds, series 2006 | 15,640,000 | 0 | (745,000) | 0 | 14,895,000 | 780,000 |
| Ltd. tax ref. bonds, series 2010 | <u>23,696,290</u> | <u>0</u> | <u>(20,000)</u> | <u>(23,522)</u> | <u>23,652,768</u> | <u>1,030,000</u> |
| Total general obligations bonds | <u>43,111,290</u> | <u>0</u> | <u>(2,620,000)</u> | <u>(23,522)</u> | <u>40,467,768</u> | <u>2,750,000</u> |
| Refunding revenue bonds, series 2008 | <u>7,025,000</u> | <u>0</u> | <u>(915,000)</u> | <u>0</u> | <u>6,110,000</u> | <u>945,000</u> |
| Total bonds payable | <u>\$50,136,290</u> | <u>\$ 0</u> | <u>\$(3,535,000)</u> | <u>\$(23,522)</u> | <u>\$46,577,768</u> | <u>\$3,695,000</u> |

For comparison purposes, the following table summarizes changes in long-term liabilities for the year ended August 31, 2011:

| <u>Bonds payable:</u> | Balance 09/01/2010 | Additions | Reductions | Amortization of Premium | Balance 08/31/2011 | Current Portion |
|--------------------------------------|-----------------------|---------------------|-----------------------|----------------------------|-----------------------|--------------------|
| General obligation bonds: | | | | | | |
| Ltd. tax imp. bonds, series 2002 | \$14,795,000 | \$ 0 | \$ (13,835,000) | \$ 0 | \$960,000 | \$ 960,000 |
| Ltd. tax imp. bonds, series 2003 | 14,835,000 | 0 | (12,020,000) | 0 | 2,815,000 | 895,000 |
| Ltd. tax imp. bonds, series 2006 | 16,350,000 | 0 | (710,000) | 0 | 15,640,000 | 745,000 |
| Ltd. tax ref. bonds, series 2010 | <u>0</u> | <u>24,099,912</u> | <u>(385,000)</u> | <u>(18,622)</u> | <u>23,696,290</u> | <u>20,000</u> |
| Total general obligations bonds | <u>45,980,000</u> | <u>24,099,912</u> | <u>(26,950,000)</u> | <u>(18,622)</u> | <u>43,111,290</u> | <u>2,620,000</u> |
| Refunding revenue bonds, series 2008 | <u>7,915,000</u> | <u>0</u> | <u>(890,000)</u> | <u>0</u> | <u>7,025,000</u> | <u>915,000</u> |
| Total bonds payable | <u>\$53,895,000</u> | <u>\$24,099,912</u> | <u>\$(27,840,000)</u> | <u>\$(18,622)</u> | <u>\$50,136,290</u> | <u>\$3,535,000</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2012 and 2011**

(7) Debt Obligations

Debt service requirements as of August 31, 2012, were as follows:

| For the year ended August 31, | <u>General Obligation Bonds</u> | | <u>Revenue Bonds</u> | |
|----------------------------------|---------------------------------|----------------------|----------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2013 | \$ 2,750,000 | \$ 1,659,838 | \$ 945,000 | \$ 167,434 |
| 2014 | 2,865,000 | 1,556,238 | 970,000 | 138,996 |
| 2015 | 2,995,000 | 1,447,038 | 1,000,000 | 109,741 |
| 2016 | 3,135,000 | 1,322,963 | 1,035,000 | 79,522 |
| 2017 | 3,255,000 | 1,220,013 | 1,065,000 | 48,337 |
| 2018-2022 | 18,605,000 | 3,964,994 | 1,095,000 | 16,261 |
| 2023-2026 | <u>6,605,000</u> | <u>627,256</u> | <u>0</u> | <u>0</u> |
| Subtotal | 40,210,000 | 11,798,340 | 6,110,000 | 560,291 |
| Net premium/discount | <u>257,768</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | <u>\$ 40,467,768</u> | <u>\$ 11,798,340</u> | <u>\$ 6,110,000</u> | <u>\$ 560,291</u> |

For comparison purposes, debt service requirements as of August 31, 2011, were as follows:

| For the year ended August 31, | <u>General Obligation Bonds</u> | | <u>Revenue Bonds</u> | |
|----------------------------------|---------------------------------|----------------------|----------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2012 | \$ 2,620,000 | \$ 1,764,238 | \$ 915,000 | \$ 195,055 |
| 2013 | 2,750,000 | 1,659,838 | 945,000 | 167,434 |
| 2014 | 2,865,000 | 1,556,238 | 970,000 | 138,996 |
| 2015 | 2,995,000 | 1,447,038 | 1,000,000 | 109,741 |
| 2016 | 3,135,000 | 1,322,963 | 1,035,000 | 79,522 |
| 2017-2021 | 17,795,000 | 4,721,588 | 2,160,000 | 64,597 |
| 2022-2026 | <u>10,670,000</u> | <u>1,090,675</u> | <u>0</u> | <u>0</u> |
| Subtotal | 42,830,000 | 13,562,578 | 7,025,000 | 755,345 |
| Net premium/discount | <u>281,290</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | <u>\$ 43,111,290</u> | <u>\$ 13,562,578</u> | <u>\$ 7,025,000</u> | <u>\$ 755,345</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
August 31, 2012 and 2011**

(8) Bonds Payable

Bonds payable as of August 31, 2012 and 2011 consisted of the following:

| <u>Bond issue</u> | <u>Purpose</u> | <u>Date issued</u> | <u>Amount issued</u> | <u>Revenue source</u> | <u>Outstanding balance August 31, 2012</u> | <u>Outstanding balance August 31, 2011</u> |
|---|--|--------------------|----------------------|---|--|--|
| Series 2002 Limited Tax Improvement Bonds | Constructing, renovating, improving and equipping school buildings and purchasing necessary sites. | 6/15/02 | \$20,000,000 | Ad valorem taxes | \$0 | \$960,000 |
| Series 2003 Limited Tax Improvement Bonds | Constructing, renovating, improving and equipping school buildings and purchasing necessary sites. | 8/15/03 | \$18,585,000 | Ad valorem taxes | \$1,920,000 | \$2,815,000 |
| Series 2006 Limited Tax Improvement Bonds | Constructing, renovating, improving and equipping school buildings and purchasing necessary sites. | 1/15/06 | \$18,415,000 | Ad valorem taxes | \$14,895,000 | \$15,640,000 |
| Series 2008 Refunding Revenue Bonds | Refunded 1997 and 1998 Revenue Bonds | 02/20/08 | \$9,610,000 | Pledged revenues from general use fees, gross revenues from the bookstore, tuition pledge | \$6,110,000 | \$7,025,000 |
| Series 2010 Limited Tax Refunding Bonds | Refunded 2002 and 2003 Tax Bonds | 11/02/10 | \$24,099,912 | Ad valorem taxes | \$23,652,768 | \$ 23,696,290 |
| Total | | | | | <u>\$46,577,768</u> | <u>\$50,136,290</u> |

Bonds payable are due in annual principal installments varying from \$745,000 to \$2,895,000 with interest rates from 2.90% to 5.15% and the final installments are due in 2026.

On September 28, 2010, the Board approved the sale of \$23,800,000 Limited Tax Refunding Bonds. The sale closed and funds were received on November 2, 2010 with an average coupon rate of 4.2 percent. Proceeds from the sale totaling \$26,805,157, including \$543,227 in premium were used to refund \$24,090,000 of the District's outstanding Limited Tax Improvement Bonds, Series 2002 and Series 2003 to lower the overall debt service requirements for the District. Issuance costs related to the refunding totaled \$243,315. The net premium will be amortized over the life of the bonds using the straight line method. An economic gain (the difference between net present values of the debt service payments on the old and new debt adjusted for cash paid out) of \$1,472,957 was obtained by the refunding.

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

The Series 2008 revenue bonds are collateralized by pledged revenues of the Unrestricted Current Fund other than state allocations or those raised by local taxation. They require mandatory transfer of gross revenue to the Retirement of Indebtedness Fund as set forth in the bonds' covenants. This transfer provides for principal and interest payments as they become due. In addition, they impose certain restrictions on the District with respect to the maintenance of insurance and other financial covenants. At August 31, 2012, the District was in compliance with these restrictions and had made all applicable insurance premium payments. Insurance policies in force at August 31, 2012, include major equipment, fire and extended property, general liability and auto coverage.

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

During September 2003, the District closed 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 are being used for constructing, renovating and equipping buildings, and paying issuance costs. Proceeds of the bonds were \$18,585,000. The District had related issuance costs of \$68,756 and accrued interest of \$89,220 at the closing of the bond sale.

In July 2002, the District closed on \$20,000,000 in Limited Tax Improvement Bonds with an average interest rate of 4.40 percent. Proceeds from the sale of the bonds were used for constructing, renovating, improving and equipping school buildings, purchasing necessary sites and paying costs of issuance associated with the sale of the bonds. Proceeds of the bonds were \$20,000,000. The District had related issuance costs of \$76,100 and accrued interest of \$114,944 at the closing of the bond sale. The Series 2002 Bonds were retired in Fiscal Year ending 2012.

The Series 2002, 2003, 2006 and 2010 Tax Improvement Bonds are tax-supported general obligation bonds. The tax rates authorized and assessed to pay principal and interest on these bonds are set forth in Note 14.

(9) Employees' Retirement Plan

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

Teacher Retirement System of Texas

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

Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following State funding policy: (1) The State constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a State contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system during that fiscal year, and (2) a State statute prohibits benefit improvements or contribution reductions if, as

a result of the particular action, the time required to amortize the System's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period already exceeds 31 years, the period would be increased by such action. State law provided for a State contribution rate of 6% for fiscal year 2012, 6.644% for fiscal year 2011 and 6.4% for September through December 2009 and 6.644% for January through August 2010 in fiscal year 2010. The member contribution rate was 6.4% in fiscal years 2012, 2011, and 2010.

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

are statutorily mandated to pay the State contribution for TRS participation for the first 90 days of employment. The cost to the District for the new employees' first 90 days of participation in TRS for the year ended August 31, 2012 and 2011 was approximately \$42,600 and \$47,900 on payrolls of approximately \$710,300 and \$720,900, respectively.

Optional Retirement Plan

The State has also established an optional retirement program for institutions of higher education. The Optional Retirement Program (ORP) is a defined contribution plan. The THECB is responsible for amending pension provisions and contribution requirements. Participation in the optional retirement program is in lieu of participation in the TRS and at the option of full-time teaching faculty, reference librarians, the president, vice-presidents, deans, associate deans, and directors. Other professional staff may also be eligible for participation in the optional retirement program if those positions held are advertised in national publications and are at a salary rate equivalent to the rate for teaching faculty for the institution. The ORP provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Contribution requirements are not actuarially determined, but are established and amended by the State legislature. The percentages of ORP participant salaries currently contributed by the State and each participant are 6% and 6.65%, respectively. In addition, the District contributed 1.75% for ORP participants. 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.

Other

Effective September 1, 2011, part-time employees of the District must participate in the Program for Extra Retirement Compensation (the PERC plan) unless exempt. In prior years, part-time employees had the option of participating in the PERC plan or in the Social Security system. 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. For the year ended August 31, 2012, total payroll of participants in the PERC plan was approximately \$11,360,300. For the year ended August 31, 2011, total payroll of participants in the PERC plan was approximately \$6,291,900 and the total part time employee payroll was approximately \$13,710,100.

Cost of Retirement Plans

The obligation for State contribution to the TRS plan on behalf of the District's employees, as mandated in the State constitution, for the year ended August 31, 2012, was approximately \$1,843,800 on wages covered by TRS of approximately \$30,729,800; approximately \$827,300 has been funded leaving \$1,016,500 of the mandated amount unfunded at year end. State contributions to TRS made on behalf of the District's employees for the year ended August 31, 2011, were approximately \$2,026,700 on wages covered by TRS of approximately \$30,504,500. State contributions for employees of the District covered by ORP for the years ended August 31, 2012 and 2011 were approximately \$974,100 and \$1,053,200, respectively, on wages of approximately \$16,348,500 and \$16,512,200, respectively. The District's total payroll for the years ended August 31, 2012 and 2011, including full-time and part-time employees, was \$65,956,524 and \$66,667,791, respectively. The total retirement expense to the State for the District was \$2,817,900 and \$3,079,882 for the fiscal years ended August 31, 2012 and 2011, respectively; however, the fiscal year 2012 State appropriation for TRS and ORP combined was only \$1,801,371, a shortfall of approximately \$1,016,500, which has neither been recognized as revenue nor expense. \$1,801,371 represents the portion expended or appropriated by the State legislature on behalf of the District. Please refer to Note 16 Contingencies.

(10) Post-Retirement Healthcare and Life Insurance Benefits

In addition to the pension benefits described in Note 9 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. For the fiscal year ended August 31, 2012, the State's maximum contribution was \$438 per month for employee only and \$689, \$606 and \$857 per month, including coverage for spouse, child(ren) or both, respectively. For the fiscal years ended August 31, 2011, the State's maximum contribution was \$411 per month for employee only and \$647, \$569 and \$806 per month, including coverage for spouse, child(ren) or both, respectively. The allocation from the State to the District for fiscal year 2012 was \$1,670,341 for 905 active employees and \$734,958 for 127 retirees for a grand total of \$2,405,299. The cost to the District for healthcare benefits totaled approximately \$4,255,776, which includes

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a state-mandated District contribution equal to 1% of the total base wages and salaries for each benefits eligible employee or \$437,228. The cost to the State in fiscal year 2011 was \$3,341,630 for 916 active employees and \$587,234 for 116 retirees for a grand total of \$3,928,864.

The following table provides a breakdown of the total premiums paid by fiscal year:

| Fiscal Year Ended August 31 | State Paid | % | District Paid | % | Employee Paid | % | Total Annual Premiums |
|------------------------------------|--------------------|------------|----------------------|------------|----------------------|------------|------------------------------|
| 2012 | \$2,405,299 | 27% | \$4,255,776 | 49% | \$2,095,753 | 24% | \$8,756,828 |
| 2011 | \$3,928,864 | 48% | \$2,280,900 | 28% | \$2,052,259 | 24% | \$8,262,023 |
| 2010 | \$4,073,050 | 55% | \$1,474,539 | 20% | \$1,908,051 | 25% | \$7,455,640 |

(11) 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 2012 was \$17,000 (\$20,000 for Section 403(b) participants who qualify for the 15-year rule) with a \$5,500 make-up provision for individuals 50 years or older in tax year 2012. The general maximum annual contribution limit was \$16,500 (\$19,500 for Section 403(b) participants who qualify for the 15-year rule) with a \$5,500 make-up provision for individuals 50 years or older in tax year 2011.

264 District employees contributed a total of \$1,144,828 under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity (TSA) program and 35 participants contributed a total of \$200,711 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2012.

218 District employees contributed a total of \$1,012,963 under the Internal Revenue Code Section 403(b) TSA program and 37 participants contributed a total of \$227,686 to a Section 457 DCP in the fiscal year ended August 31, 2011.

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Basic Financial Statements
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(12) Disaggregation of Receivables and Payables Balances

Receivables at August 31 were as follows:

| | <u>2012</u> | <u>2011</u> |
|---------------------------------------|---------------------|---------------------|
| Student loans | \$ 55,552 | \$ 752 |
| Federal and state receivables | 982,843 | 1,080,595 |
| Trade receivables | 7,432,715 | 7,362,093 |
| Less: allowance for doubtful accounts | (572,008) | 0 |
| Other receivables (auxiliary) | <u>509,199</u> | <u>170,824</u> |
| | <u>8,408,301</u> | <u>8,614,264</u> |
| Contract receivable | <u>\$ 1,813,066</u> | <u>\$ 2,687,315</u> |
| Taxes receivable | 1,214,380 | 1,317,879 |
| Less: allowance for doubtful accounts | <u>(751,702)</u> | <u>(773,595)</u> |
| | <u>\$ 462,678</u> | <u>\$ 544,284</u> |

An allowance for doubtful accounts estimated at \$572,008 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 fifty 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 a collection agency to provide collection services for outstanding student receivables. The District will continue to evaluate the collectability of outstanding receivables based on the collection results by the collection agency.

Contract Receivable - The District sold a 35 acre tract of land at its Central Park Campus in McKinney, Texas in fiscal year 2007. The sales price consisted of \$7.5 million in cash and a \$5 million contract receivable, \$3,186,934 which has been collected. The contract receivable is in the form of an Economic Incentive Agreement with the City of McKinney, to be paid to the District from the future sales tax revenue received by the city from businesses located on the land. The remaining balance of the contract receivable is due on or before July 1, 2013 and is classified as a current receivable.

Payables at August 31 were as follows:

| | <u>2012</u> | <u>2011</u> |
|---------------------------|---------------------|---------------------|
| Vendors payable | \$ 3,657,809 | \$ 7,672,306 |
| Short-term bank overdraft | <u>1,024,792</u> | <u>1,890,518</u> |
| | <u>\$ 4,682,601</u> | <u>\$ 9,562,824</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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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 bank overdraft due to timing differences.

(13) 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, 2012 and 2011, were \$323 and \$1,277, respectively. Total estimated claims outstanding for the years ended August 31, 2012 and 2011 were \$8,814 and \$1,526, 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 2012 and 2011 were:

| | <u>Beginning of fiscal year liability</u> | <u>Claims & changes in estimates</u> | <u>Claim payments</u> | <u>End of fiscal year liability</u> |
|------|---|--|---------------------------|---|
| 2011 | 3,145 | (342) | (1,277) | 1,526 |
| 2012 | 1,526 | 7,611 | (323) | 8,814 |

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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August 31, 2012 and 2011**

(14) 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, | <u>2012</u> | <u>2011</u> |
|--|--------------------------|--------------------------|
| Assessed Valuation of the District: | \$ 85,669,094,108 | \$ 85,119,964,782 |
| Less: Exemptions | (11,227,531,735) | (11,119,573,153) |
| Less: Abatements | <u>(848,567,679)</u> | <u>(813,021,177)</u> |
| Net Assessed Valuation of the District | 73,592,994,694 | 73,187,370,452 |
| Plus: Supplements through August 31 | <u>4,020,811</u> | <u>14,786,709</u> |
| Adjusted Assessed Valuation | <u>\$ 73,597,015,505</u> | <u>\$ 73,202,157,161</u> |

Tax rates for the years ended August 31, 2012 and 2011, are as follows:

| Per \$100 valuation: | FY 2012 | | | FY 2011 | | |
|--|--------------------|--------------|------------|--------------------|--------------|------------|
| | Current Operations | Debt Service | Total | Current Operations | Debt Service | Total |
| Authorized Tax Rate (Maximum per enabling legislation) | \$0.080000 | \$0.120000 | \$0.200000 | \$0.080000 | \$0.120000 | \$0.200000 |
| Assessed Tax Rate | \$0.080000 | \$0.006300 | \$0.086300 | \$0.080000 | \$0.006300 | \$0.086300 |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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Taxes levied for the years ended August 31, 2012 and 2011, were \$64,922,814 and \$63,659,386, respectively, including any penalty and interest assessed.

| | 2012 | | | 2011 | | |
|--------------------------------|---------------------|--------------------|---------------------|---------------------|--------------------|---------------------|
| | Current Operations | Debt Service | Total | Current Operations | Debt Service | Total |
| Current Taxes Collected | \$59,174,881 | \$4,676,938 | \$63,851,819 | \$57,987,219 | \$4,566,494 | \$62,553,713 |
| Delinquent Taxes Collected | 534,795 | 42,115 | 576,910 | 622,702 | 49,038 | 671,740 |
| Penalties & Interest Collected | <u>387,012</u> | <u>30,477</u> | <u>417,489</u> | <u>345,676</u> | <u>27,222</u> | <u>372,898</u> |
| Total Collections | <u>\$60,096,688</u> | <u>\$4,749,530</u> | <u>\$64,846,218</u> | <u>\$58,955,597</u> | <u>\$4,642,754</u> | <u>\$63,598,351</u> |

The use of tax proceeds is restricted to either maintenance and operations or debt service expenditures. Current taxes collected for the years ended August 31, 2012 and 2011, were 98.35% and 99.22% of the current tax levy, respectively. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes with the offset recorded against ad valorem tax revenue. For the years ended August 31, 2012 and 2011, this adjustment was a decrease in ad valorem taxes totaling \$88,014 and \$75,265, respectively. Total Tax Increment Finance District funding net of collection costs for the years ended August 31, 2012 and 2011 was \$1,431,401 and \$1,685,332, respectively.

(15) Operating Lease Commitments and Rental Agreements

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

| FY | At August 31, 2012 | At August 31, 2011 |
|------|--------------------|--------------------|
| 2012 | \$ 0 | \$ 21,000 |
| 2013 | 309,484 | 17,500 |
| 2014 | 145,194 | 0 |
| 2015 | 50,462 | 0 |
| 2016 | <u>5,290</u> | <u>0</u> |
| | <u>\$ 510,430</u> | <u>\$ 38,500</u> |

Rent paid under operating leases totaled approximately \$442,700 and \$397,300 for the years ended August 31, 2012 and 2011, respectively. There are other

operating leases less than one year which are not included in the schedule above. No leases exceed the total number of years noted above.

(16) Contingencies

The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. These financial statements do not contain any liability for reimbursement which may arise as a result of these audits. In the opinion of District management, such reimbursement, if any, would not be significant to the District's financial statements.

The District participates in the Federal Direct Student Loan Program (the Student Loan Program). The District receives and disburses funds for the Student Loan program and is required to perform certain administrative functions under the Loan Program. Due to the short duration, receipts and disbursements for the Loan Program are not included in the District's Statement of Cash Flows. Total loans made through the Student Loan Program during fiscal years 2012 and 2011 were \$35,856,295 and \$28,093,736, respectively.

Texas Constitution article 16, section 67(b)(3) provides that the State of Texas must contribute "not less than six percent nor more than ten percent of the aggregate compensation paid to individuals participating in the system," referring to the State's Teacher Retirement System (TRS) including the related faculty Optional Retirement Program (ORP).

During the 2011 legislative session, the Texas Legislature appropriated retirement funds for various types of educational institutions other than community and junior colleges in satisfaction of this requirement, but the community college appropriations restricted the State's contribution to TRS/ORP on behalf of community colleges to only six percent of each district's unrestricted general revenue appropriation for each year of the biennium state budget.

There is no pending litigation concerning this issue to construe the constitutional funding requirements; or to hold that the State biennium appropriations satisfy those requirements; or to attempt to collect any shortfall contributions from any community college district.

The District has calculated that as of August 31, 2012 the contribution that has not been paid to TRS on behalf of the District employees is \$1,016,500.

(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.

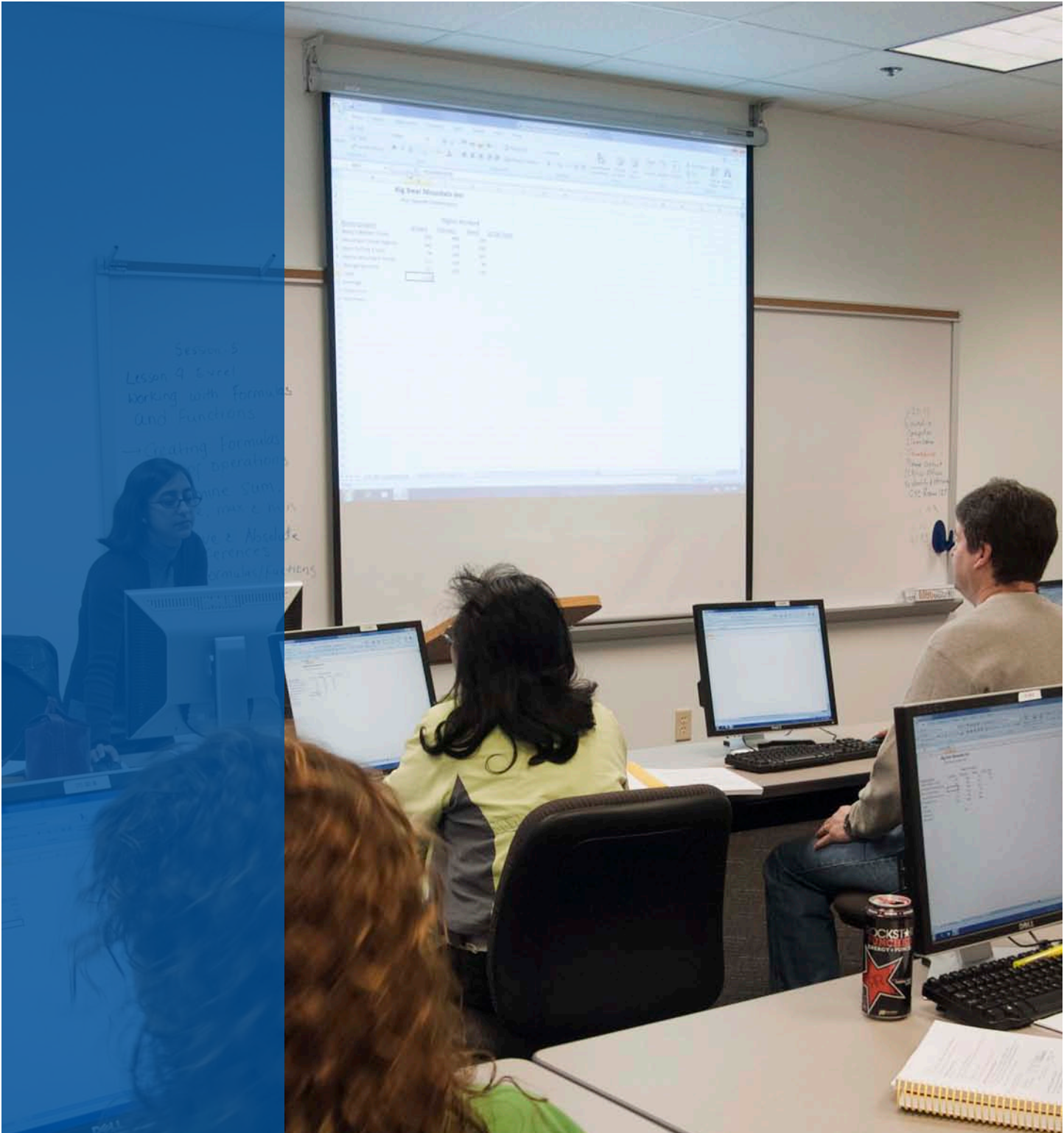
The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on 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, 2012, 2011, and 2010 were \$734,958, \$584,318, and \$551,274, respectively.

(18) Subsequent Events

No significant subsequent events have occurred since year ending August 31, 2012 through the issuance date of this report.



THECB Supplemental Schedules

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

THECB Supplemental Schedules

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Operating Revenues
For the year ended August 31, 2012
(with comparative totals at August 31, 2011)**

| | <u>Unrestricted</u> | <u>Restricted</u> | Total | | Total | | |
|---|----------------------|-------------------|-----------------------------------|----------------------------------|----------------------|----------------------|--|
| | | | <u>Educational Activities</u> | <u>Auxiliary Enterprises</u> | <u>2012</u> | <u>2011</u> | |
| Tuition | | | | | | | |
| State funded courses | | | | | | | |
| In-district resident tuition | \$ 9,582,487 | \$ 0 | \$ 9,582,487 | \$ 0 | \$ 9,582,487 | \$ 9,701,217 | |
| Out-of-district resident tuition | 6,944,936 | 0 | 6,944,936 | 0 | 6,944,936 | 6,077,298 | |
| TPEG Credit (set aside)* | 851,230 | 0 | 851,230 | 0 | 851,230 | 860,093 | |
| Non-resident tuition | 5,056,161 | 0 | 5,056,161 | 0 | 5,056,161 | 5,039,494 | |
| Continuing education | 3,662,904 | 0 | 3,662,904 | 0 | 3,662,904 | 3,445,351 | |
| TPEG Non-Credit (set aside)* | 237,840 | 0 | 237,840 | 0 | 237,840 | 241,690 | |
| Non-state funded continuing education | 147,122 | 0 | 147,122 | 0 | 147,122 | 341,126 | |
| Total tuition | <u>26,482,680</u> | <u>0</u> | <u>26,482,680</u> | <u>0</u> | <u>26,482,680</u> | <u>25,706,269</u> | |
| Fees | | | | | | | |
| Building fees | 3,238,391 | 0 | 3,238,391 | 0 | 3,238,391 | 3,250,705 | |
| General fees | 394,416 | 0 | 394,416 | 0 | 394,416 | 396,161 | |
| Student activity fee | 0 | 0 | 0 | 539,730 | 539,730 | 541,781 | |
| Laboratory fee | 402,174 | 0 | 402,174 | 0 | 402,174 | 402,840 | |
| Total fees | <u>4,034,981</u> | <u>0</u> | <u>4,034,981</u> | <u>539,730</u> | <u>4,574,711</u> | <u>4,591,487</u> | |
| Scholarship allowances and discounts | | | | | | | |
| Remissions and exemptions | (685,437) | 0 | (685,437) | 0 | (685,437) | (575,063) | |
| TPEG allowances | (319,819) | 0 | (319,819) | 0 | (319,819) | (171,210) | |
| Federal grants to students | (6,115,689) | 0 | (6,115,689) | 0 | (6,115,689) | (4,916,065) | |
| Other | (196,404) | 0 | (196,404) | 0 | (196,404) | (239,640) | |
| Total scholarship allowances | <u>(7,317,349)</u> | <u>0</u> | <u>(7,317,349)</u> | <u>0</u> | <u>(7,317,349)</u> | <u>(5,901,978)</u> | |
| Total net tuition and fees | <u>\$ 23,200,312</u> | <u>\$ 0</u> | <u>\$ 23,200,312</u> | <u>\$ 539,730</u> | <u>\$ 23,740,042</u> | <u>\$ 24,395,778</u> | |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Operating Revenues For the year ended August 31, 2012 (Continued) (with comparative totals at August 31, 2011)

| | Unrestricted | Restricted | Total Educational Activities | Auxiliary Enterprises | Total | |
|--|--------------------------|-------------------------|------------------------------------|--------------------------|---|---|
| | | | | | 2012 | 2011 |
| Additional operating revenues | | | | | | |
| Federal grants and contracts | \$ 43,159 | \$ 2,043,895 | \$ 2,087,054 | \$ 0 | \$ 2,087,054 | \$ 1,204,670 |
| State grants and contracts | 6,223 | 801,026 | 807,249 | 0 | 807,249 | 1,670,769 |
| Nongovernmental grants and contracts | 0 | 6,939 | 6,939 | 0 | 6,939 | 4,817 |
| Sales and services of educational activities | 364,115 | 0 | 364,115 | 0 | 364,115 | 379,229 |
| Other operating revenues | 338,787 | 0 | 338,787 | 0 | 338,787 | 209,032 |
| Total additional operating revenues | <u>752,284</u> | <u>2,851,860</u> | <u>3,604,144</u> | <u>0</u> | <u>3,604,144</u> | <u>3,468,517</u> |
| Auxiliary enterprises | | | | | | |
| Bookstore (net of discount of \$362,552 and \$353,847 respectively) | 0 | 0 | 0 | 9,013,902 | 9,013,902 | 9,117,176 |
| Other auxiliary enterprises | 0 | 0 | 0 | 1,009,227 | 1,009,227 | 1,014,661 |
| Total net auxiliary enterprises | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,023,129</u> | <u>10,023,129</u> | <u>10,131,837</u> |
| Total Operating Revenues | <u>\$ 23,952,596</u> | <u>\$ 2,851,860</u> | <u>\$ 26,804,456</u> | <u>\$ 10,562,859</u> | <u>\$ 37,367,315</u> (Exhibit 2) | <u>\$ 37,996,132</u> (Exhibit 2) |

* In accordance with Education Code 56.033; \$1,089,070 was set aside for Texas Public Education Grants (TPEG).

See accompanying independent auditors' report.

Collin County Community College District

Schedule of Operating Expenses by Object
For the year ended August 31, 2012
(with comparative totals at August 31, 2011)

| | Operating Expenses | | | | Total | |
|--|-----------------------|---------------------|---------------------|----------------------|-----------------------|-----------------------|
| | Salaries and Wages | Benefits | | Other Expenses | 2012 | 2011 |
| | | State | Local | | | |
| Unrestricted - educational activities | | | | | | |
| Instruction | \$ 40,896,371 | \$ 0 | \$ 3,753,293 | \$ 4,821,722 | \$ 49,471,386 | \$ 49,776,569 |
| Public service | 115,262 | 0 | 10,578 | 1,238 | \$ 127,078 | \$ 44,536 |
| Academic support | 6,235,365 | 0 | 572,255 | 1,707,541 | \$ 8,515,161 | \$ 8,236,611 |
| Student services | 6,411,467 | 0 | 588,417 | 700,933 | \$ 7,700,817 | \$ 7,400,844 |
| Institutional support | 7,290,381 | 0 | 669,080 | 5,202,139 | \$ 13,161,600 | \$ 12,627,779 |
| Operation and maintenance of plant | 3,040,543 | 0 | 393,339 | 8,369,093 | \$ 11,802,975 | \$ 11,415,758 |
| Total unrestricted educational activities | 63,989,389 | 0 | 5,986,962 | 20,802,666 | 90,779,017 | 89,502,097 |
| Restricted - educational activities | | | | | | |
| Instruction | 0 | 2,822,653 | 0 | 24,981 | 2,847,634 | 4,758,222 |
| Public service | 205,005 | 7,956 | 31,554 | 189,845 | 434,360 | 844,090 |
| Academic support | 573,659 | 430,363 | 85,526 | 589,117 | 1,678,665 | 1,305,478 |
| Student services | 172,780 | 442,518 | 17,463 | 40,478 | 673,239 | 1,240,038 |
| Institutional support | 0 | 503,180 | 0 | 0 | 503,180 | 827,812 |
| Operation and maintenance of plant | 0 | 0 | 0 | 0 | 0 | 0 |
| Scholarships | 0 | 0 | 0 | 22,207,900 | 22,207,900 | 19,943,709 |
| Total restricted educational activities | 951,444 | 4,206,670 | 134,543 | 23,052,321 | 28,344,978 | 28,919,349 |
| Total educational activities | 64,940,833 | 4,206,670 | 6,121,505 | 43,854,987 | 119,123,995 | 118,421,446 |
| Auxiliary enterprises | 1,015,691 | 0 | 108,221 | 8,908,621 | 10,032,533 | 10,124,598 |
| Depreciation expense - buildings and other real estate improvements | 0 | 0 | 0 | 4,597,024 | 4,597,024 | 4,373,310 |
| Depreciation expense - equipment and furniture | 0 | 0 | 0 | 2,193,136 | 2,193,136 | 2,363,991 |
| Total operating expenses | <u>\$ 65,956,524</u> | <u>\$ 4,206,670</u> | <u>\$ 6,229,726</u> | <u>\$ 59,553,768</u> | <u>\$ 135,946,688</u> | <u>\$ 135,283,345</u> |
| | | | | (Exhibit 2) | (Exhibit 2) | |

See accompanying independent auditors' report.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Non-Operating Revenues and Expenses**

For the year ended August 31, 2012
(with comparative totals at August 31, 2011)

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Auxiliary enterprises</u> | <u>Totals</u> <u>2012</u> | <u>2011</u> |
|--|----------------------|----------------------|----------------------------------|------------------------------|-----------------------|
| NON-OPERATING REVENUES: | | | | | |
| State appropriations | | | | | |
| Education and general state support | \$ 30,210,041 | \$ 0 | \$ 0 | \$ 30,210,041 | \$ 29,536,937 |
| State group insurance | 0 | 2,405,301 | 0 | 2,405,301 | 3,928,866 |
| State retirement matching | 0 | 1,801,371 | 0 | 1,801,371 | 3,079,880 |
| Total state appropriations | <u>30,210,041</u> | <u>4,206,672</u> | <u>0</u> | <u>34,416,713</u> | <u>36,545,683</u> |
| Maintenance ad valorem taxes | 58,695,932 | 4,630,871 | 0 | 63,326,803 | 61,837,754 |
| Federal contracts and grants | 242,468 | 26,873,028 | | 27,115,496 | 23,786,051 |
| Gifts | 6,798 | 0 | | 6,798 | 0 |
| Investment income (net of investment expenses) | 239,901 | 0 | 0 | 239,901 | 289,044 |
| Other non-operating revenues | <u>543,862</u> | <u>0</u> | <u>0</u> | <u>543,862</u> | <u>341,504</u> |
| Total non-operating revenues | <u>59,728,961</u> | <u>31,503,899</u> | <u>0</u> | <u>91,232,860</u> | <u>86,254,353</u> |
| NON-OPERATING EXPENSES: | | | | | |
| Interest on capital related debt | <u>0</u> | <u>(1,929,155)</u> | <u>0</u> | <u>(1,929,155)</u> | <u>(1,854,465)</u> |
| Total non-operating expenses | <u>0</u> | <u>(1,929,155)</u> | <u>0</u> | <u>(1,929,155)</u> | <u>(1,854,465)</u> |
| Net non-operating revenues | <u>\$ 89,939,002</u> | <u>\$ 33,781,416</u> | <u>\$ 0</u> | <u>\$ 123,720,418</u> | <u>\$ 120,945,571</u> |
| | | | | (Exhibit 2) | (Exhibit 2) |

See accompanying independent auditors' report.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Net Assets by Source and Availability
As of August 31, 2012
(with comparative totals at August 31, 2011)

| | 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 | \$ 47,393,984 | \$ 0 | \$ 0 | \$ 0 | \$ 47,393,984 | \$ 47,393,984 | \$ 0 |
| Board designated - Stabilization of maintenance and operations | 24,750,000 | 0 | 0 | 0 | 24,750,000 | 0 | 24,750,000 |
| Board designated - Insurance deductibles | 100,000 | 0 | 0 | 0 | 100,000 | 0 | 100,000 |
| Board designated - Health Reserve | 30,000,000 | 0 | 0 | 0 | 30,000,000 | 0 | 30,000,000 |
| Reserved | | | | | | | |
| Encumbrances | 189,080 | 0 | 0 | 0 | 189,080 | 189,080 | 0 |
| Accounts receivable | 6,836,022 | 0 | 0 | 0 | 6,836,022 | 6,836,022 | 0 |
| Prepaid expenses | 617,529 | 0 | 0 | 0 | 617,529 | 617,529 | 0 |
| Restricted: | | | | | | | |
| Student aid | 0 | 288,940 | 0 | 0 | 288,940 | 0 | 288,940 |
| Instructional programs | 0 | 39,315 | 0 | 0 | 39,315 | 0 | 39,315 |
| Auxiliary enterprises | 5,799,816 | 0 | 0 | 0 | 5,799,816 | 5,799,816 | 0 |
| Quasi-Endowment | 1,579,382 | 0 | 0 | 0 | 1,579,382 | 1,579,382 | 0 |
| Loans | 0 | 21,481 | 0 | 0 | 21,481 | 0 | 21,481 |
| Plant: | | | | | | | |
| Unexpended | 87,412,465 | 0 | 0 | 0 | 87,412,465 | 0 | 87,412,465 |
| Debt service | 0 | 3,052,482 | 0 | 0 | 3,052,482 | 0 | 3,052,482 |
| Investment in plant | 0 | 0 | 0 | 209,933,352 | 209,933,352 | 0 | 209,933,352 |
| Total net assets - August 31, 2012 | 204,678,278 | 3,402,218 | 0 | 209,933,352 | 418,013,848 | 62,415,813 | 355,598,035 |
| | | | | | (Exhibit 1) | | |
| Total net assets - August 31, 2011 | 200,654,069 | 3,511,310 | 0 | 188,707,425 | 392,872,804 | 46,533,217 | 346,339,587 |
| | | | | | (Exhibit 1) | | |
| Net increase in net assets | \$ 4,024,209 | \$ (109,092) | \$ 0 | \$ 21,225,927 | \$ 25,141,044 | \$ 15,882,596 | \$ 9,258,448 |
| | | | | | (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, 2012 and 2011, the minimum required unrestricted fund balance was \$29,169,535 and \$23,445,367, respectively. This amount is included as part of the undesignated balance.

See accompanying independent auditors' report.



Statistical



Statistical Section

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Statistical Tables

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

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Statistical Section (unaudited)

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

Financial Trends- Statistical Supplements 1-3, pages 67-71

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 72-79

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

Debt Capacity- Statistical Supplements 9-11, pages 80-85

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 86-87

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 88-94

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 Assets by Component
Fiscal Years 2003 to 2012
(unaudited)**

| | For the Fiscal Year Ended August 31, | | | | |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 |
| Invested in capital assets, net of related debt | \$ 209,933,352 | \$ 188,707,425 | \$ 170,630,995 | \$ 154,294,591 | \$ 108,769,751 |
| Restricted - expendable | 3,384,831 | 3,511,310 | 3,285,217 | 3,111,119 | 2,878,393 |
| Unrestricted | 204,695,665 | 200,654,069 | 195,298,234 | 183,091,871 | 197,414,131 |
| Total Net Assets | <u>\$ 418,013,848</u> | <u>\$ 392,872,804</u> | <u>\$ 369,214,446</u> | <u>\$ 340,497,581</u> | <u>\$ 309,062,275</u> |
| Total Change in Net Assets | <u>\$ 25,141,044</u> | <u>\$ 23,658,358</u> | <u>\$ 28,716,865</u> | <u>\$ 31,435,306</u> | <u>\$ 36,577,518</u> |

| | For the Fiscal Year Ended August 31, | | | | |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2007 | 2006 | 2005 | 2004 | 2003 |
| Invested in capital assets, net of related debt | \$ 85,151,890 | \$ 88,104,269 | \$ 83,734,597 | \$ 80,846,543 | \$ 78,215,559 |
| Restricted - expendable | 5,245,704 | 4,065,409 | 4,094,095 | 3,767,062 | 3,198,151 |
| Unrestricted | 182,087,163 | 137,683,182 | 110,978,913 | 86,851,854 | 63,900,415 |
| Total Net Assets | <u>\$ 272,484,757</u> | <u>\$ 229,852,860</u> | <u>\$ 198,807,605</u> | <u>\$ 171,465,459</u> | <u>\$ 145,314,125</u> |
| Total Change in Net assets | <u>\$ 42,631,897</u> | <u>\$ 31,045,255</u> | <u>\$ 27,342,146</u> | <u>\$ 26,151,334</u> | <u>\$ 22,945,004</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Revenues by Source
Fiscal Years 2003 to 2012
(unaudited)**

For the Fiscal Year Ended August 31,

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Tuition and Fees (Net of Discounts) | \$23,740,042 | \$24,395,778 | \$24,934,426 | \$22,498,442 | \$19,489,224 |
| Governmental Grants and Contracts | | | | | |
| Federal Grants and Contracts | 2,087,054 | 1,204,670 | 1,676,112 | 1,066,775 | 873,556 |
| State Grants and Contracts | 807,249 | 1,670,769 | 1,434,709 | 943,864 | 687,929 |
| Non-Governmental Grants and Contracts | 6,939 | 4,817 | 12,593 | 9,240 | 23,991 |
| Sales & Services of Educational Activities | 364,115 | 379,229 | 352,891 | 313,790 | 302,878 |
| Auxiliary Enterprises | 10,023,129 | 10,131,837 | 9,417,923 | 8,403,605 | 7,683,019 |
| Other Operating Revenues | 338,787 | 209,032 | 159,378 | 93,012 | 214,742 |
| Total Operating Revenues | <u>37,367,315</u> | <u>37,996,132</u> | <u>37,988,032</u> | <u>33,328,728</u> | <u>29,275,339</u> |
| State Appropriations | 34,416,713 | 36,545,683 | 36,806,088 | 34,736,692 | 34,531,169 |
| Ad Valorem Taxes | 63,326,803 | 61,837,754 | 62,548,821 | 62,453,402 | 59,342,814 |
| Federal Grants and Contracts | 27,115,496 | 23,786,051 | 17,158,787 | 8,071,608 | 5,969,004 |
| Gifts | 6,798 | 0 | 2,675,000 | 2,904,466 | 75,503 |
| Investment Income | 239,901 | 289,044 | 403,036 | 2,412,354 | 7,255,898 |
| Other Non-Operating Revenues | 543,862 | 341,504 | 248,680 | 191,463 | 165,902 |
| Total Non-Operating Revenues | <u>125,649,573</u> | <u>122,800,036</u> | <u>119,840,412</u> | <u>110,769,985</u> | <u>107,340,290</u> |
| Total Revenues | <u>\$163,016,888</u> | <u>\$160,796,168</u> | <u>\$157,828,444</u> | <u>\$144,098,713</u> | <u>\$136,615,629</u> |

For the Fiscal Year Ended August 31,

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|--|----------------|----------------|----------------|----------------|----------------|
| Tuition and Fees (Net of Discounts) | 14.56% | 15.17% | 15.80% | 15.61% | 14.27% |
| Governmental Grants and Contracts | | | | | |
| Federal Grants and Contracts | 1.28% | 0.75% | 1.06% | 0.74% | 0.64% |
| State Grants and Contracts | 0.50% | 1.04% | 0.91% | 0.66% | 0.50% |
| Non-Governmental Grants and Contracts | 0.00% | 0.00% | 0.01% | 0.01% | 0.02% |
| Sales & Services of Educational Activities | 0.22% | 0.24% | 0.22% | 0.22% | 0.22% |
| Auxiliary Enterprises | 6.15% | 6.30% | 5.97% | 5.83% | 5.62% |
| Other Operating Revenues | 0.21% | 0.13% | 0.10% | 0.06% | 0.16% |
| Total Operating Revenues | <u>22.92%</u> | <u>23.63%</u> | <u>24.07%</u> | <u>23.13%</u> | <u>21.43%</u> |
| State Appropriations | 21.11% | 22.73% | 23.32% | 24.11% | 25.28% |
| Ad Valorem Taxes | 38.86% | 38.46% | 39.63% | 43.34% | 43.43% |
| Federal Grants and Contracts | 16.63% | 14.79% | 10.87% | 5.60% | 4.37% |
| Gifts | 0.00% | 0.00% | 1.69% | 2.02% | 0.06% |
| Investment Income | 0.15% | 0.18% | 0.26% | 1.67% | 5.31% |
| Other Non-Operating Revenues | 0.33% | 0.21% | 0.16% | 0.13% | 0.12% |
| Total Non-Operating Revenues | <u>77.08%</u> | <u>76.37%</u> | <u>75.93%</u> | <u>76.87%</u> | <u>78.57%</u> |
| Total Revenues | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

Statistical Supplement 2

Revenues by Source
Fiscal Years 2003 to 2012
(unaudited)

For the Fiscal Year Ended August 31,

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|
| Tuition and Fees (Net of Discounts) | \$18,277,273 | \$17,035,800 | \$16,296,743 | \$15,168,539 | \$13,232,742 |
| Governmental Grants and Contracts | | | | | |
| Federal Grants and Contracts | 1,072,664 | 1,152,523 | 1,452,012 | 1,128,790 | 842,259 |
| State Grants and Contracts | 389,576 | 557,477 | 529,951 | 606,988 | 1,104,497 |
| Non-Governmental Grants and Contracts | 11,862 | 20,925 | 16,849 | 41,456 | 21,705 |
| Sales & Services of Educational Activities | 274,927 | 258,971 | 297,877 | 294,077 | 265,498 |
| Auxiliary Enterprises | 8,355,599 | 6,974,235 | 6,597,576 | 6,199,364 | 5,651,203 |
| Other Operating Revenues | 235,532 | 207,392 | 143,571 | 261,396 | 218,575 |
| Total Operating Revenues | 28,617,433 | 26,207,323 | 25,334,579 | 23,700,610 | 21,336,479 |
| State Appropriations | 30,348,597 | 30,034,523 | 26,323,004 | 26,304,599 | 25,544,291 |
| Ad Valorem Taxes | 54,007,568 | 49,784,859 | 47,034,008 | 45,778,327 | 42,295,633 |
| Federal Grants and Contracts | 5,109,697 | 5,206,232 | 4,517,215 | 4,408,555 | 3,703,931 |
| Gifts | 324,320 | 250,430 | 1,006,634 | 56,525 | 6,977 |
| Investment Income | 10,034,876 | 6,946,868 | 3,040,550 | 1,279,558 | 1,230,364 |
| Other Non-Operating Revenues | 7,560,259 | 1,100,000 | 0 | 0 | 0 |
| Total Non-Operating Revenues | 107,385,317 | 93,322,912 | 81,921,411 | 77,827,564 | 72,781,196 |
| Total Revenues | \$136,002,750 | \$119,530,235 | \$107,255,990 | \$101,528,174 | \$94,117,675 |

For the Fiscal Year Ended August 31,

| | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|----------------|----------------|----------------|----------------|----------------|
| Tuition and Fees (Net of Discounts) | 13.44% | 14.25% | 15.19% | 14.94% | 14.06% |
| Governmental Grants and Contracts | | | | | |
| Federal Grants and Contracts | 0.79% | 0.96% | 1.35% | 1.11% | 0.89% |
| State Grants and Contracts | 0.29% | 0.47% | 0.49% | 0.60% | 1.17% |
| Non-Governmental Grants and Contracts | 0.01% | 0.02% | 0.02% | 0.04% | 0.02% |
| Sales & Services of Educational Activities | 0.20% | 0.22% | 0.28% | 0.29% | 0.28% |
| Auxiliary Enterprises | 6.14% | 5.83% | 6.15% | 6.11% | 6.00% |
| Other Operating Revenues | 0.17% | 0.17% | 0.13% | 0.26% | 0.23% |
| Total Operating Revenues | 21.04% | 21.92% | 23.61% | 23.35% | 22.65% |
| State Appropriations | 22.31% | 25.13% | 24.54% | 25.91% | 27.14% |
| Ad Valorem Taxes | 39.71% | 41.65% | 43.87% | 45.08% | 44.95% |
| Federal Grants and Contracts | 3.76% | 4.36% | 4.21% | 4.34% | 3.94% |
| Gifts | 0.24% | 0.21% | 0.94% | 0.06% | 0.01% |
| Investment Income | 7.38% | 5.81% | 2.83% | 1.26% | 1.31% |
| Other Non-Operating Revenues | 5.56% | 0.92% | 0.00% | 0.00% | 0.00% |
| Total Non-Operating Revenues | 78.96% | 78.08% | 76.39% | 76.65% | 77.35% |
| Total Revenues | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Program Expenses by Function
Fiscal Years 2003 to 2012
(unaudited)**

For the Fiscal Year Ended August 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Instruction | \$ 52,319,020 | \$ 54,534,791 | \$ 51,489,934 | \$ 48,239,642 | \$ 42,794,701 |
| Public Service | 561,438 | 888,626 | 493,288 | 502,870 | 454,130 |
| Academic Support | 10,193,826 | 9,542,089 | 9,398,653 | 10,968,150 | 8,453,432 |
| Student Services | 8,374,056 | 8,640,882 | 8,754,737 | 8,164,472 | 7,842,678 |
| Institutional Support | 13,664,780 | 13,455,591 | 12,738,632 | 11,402,452 | 11,146,898 |
| Operation and Maintenance of Plant | 11,802,975 | 11,415,758 | 12,844,813 | 9,799,019 | 9,526,095 |
| Scholarships and Fellowships | 22,207,900 | 19,943,709 | 15,152,414 | 6,839,746 | 4,226,017 |
| Auxiliary Enterprises | 10,032,534 | 10,124,598 | 9,448,349 | 8,687,861 | 8,008,239 |
| Depreciation | 6,790,160 | 6,737,301 | 6,404,053 | 5,614,898 | 5,066,598 |
| Total Operating Expenses | 135,946,689 | 135,283,345 | 126,724,873 | 110,219,110 | 97,518,788 |
| Interest on Capital Related Debt | 1,929,155 | 1,854,465 | 2,386,706 | 2,444,297 | 2,519,323 |
| Loss on Disposal of Fixed Assets | 0 | 0 | 1,125 | 8,537 | 0 |
| Total Non-Operating Expenses | 1,929,155 | 1,854,465 | 2,387,831 | 2,452,834 | 2,519,323 |
| Total Expenses | \$137,875,844 | \$137,137,810 | \$129,112,704 | \$112,671,944 | \$100,038,111 |

For the Fiscal Year Ended August 31,

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Instruction | 37.95% | 39.78% | 39.87% | 42.81% | 42.79% |
| Public Service | 0.41% | 0.65% | 0.38% | 0.45% | 0.45% |
| Academic Support | 7.39% | 6.96% | 7.28% | 9.73% | 8.45% |
| Student Services | 6.07% | 6.30% | 6.78% | 7.25% | 7.84% |
| Institutional Support | 9.91% | 9.81% | 9.87% | 10.12% | 11.14% |
| Operation and Maintenance of Plant | 8.56% | 8.32% | 9.95% | 8.70% | 9.52% |
| Scholarships and Fellowships | 16.11% | 14.54% | 11.74% | 6.07% | 4.22% |
| Auxiliary Enterprises | 7.28% | 7.38% | 7.32% | 7.71% | 8.01% |
| Depreciation | 4.92% | 4.91% | 4.96% | 4.98% | 5.06% |
| Total Operating Expenses | 98.60% | 98.65% | 98.15% | 97.82% | 97.48% |
| Interest on Capital Related Debt | 1.40% | 1.35% | 1.85% | 2.17% | 2.52% |
| Loss on Disposal of Fixed Assets | 0.00% | 0.00% | 0.00% | 0.01% | 0.00% |
| Total Non-Operating Expenses | 1.40% | 1.35% | 1.85% | 2.18% | 2.52% |
| Total Expenses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Statistical Supplement 3

**Program Expenses by Function
Fiscal Years 2003 to 2012
(unaudited)**

For the Fiscal Year Ended August 31,

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Instruction | \$ 39,935,069 | \$ 35,980,980 | \$ 32,131,290 | \$ 30,472,608 | \$ 28,632,554 |
| Public Service | 621,999 | 753,826 | 899,261 | 904,225 | 539,406 |
| Academic Support | 7,664,703 | 7,395,302 | 8,272,392 | 6,771,931 | 7,065,977 |
| Student Services | 7,123,789 | 6,534,106 | 6,313,181 | 5,976,613 | 5,817,607 |
| Institutional Support | 10,753,717 | 11,043,141 | 10,183,764 | 9,247,880 | 9,042,096 |
| Operation and Maintenance of Plant | 8,531,481 | 8,801,289 | 6,004,515 | 6,711,496 | 6,109,031 |
| Scholarships and Fellowships | 3,298,728 | 3,508,836 | 3,101,749 | 2,783,769 | 1,887,696 |
| Auxiliary Enterprises | 8,343,012 | 7,068,053 | 6,744,883 | 6,349,890 | 5,861,177 |
| Depreciation | 4,292,962 | 4,454,986 | 3,775,806 | 3,169,504 | 3,146,480 |
| Total Operating Expenses | <u>90,565,460</u> | <u>85,540,519</u> | <u>77,426,841</u> | <u>72,387,916</u> | <u>68,102,024</u> |
| Interest on Capital Related Debt | 2,805,393 | 2,922,248 | 2,332,489 | 2,636,385 | 2,628,436 |
| Loss on Disposal of Fixed Assets | 0 | 22,213 | 154,514 | 352,539 | 442,211 |
| Total Non-Operating Expenses | <u>2,805,393</u> | <u>2,944,461</u> | <u>2,487,003</u> | <u>2,988,924</u> | <u>3,070,647</u> |
| Total Expenses | <u>\$ 93,370,853</u> | <u>\$ 88,484,980</u> | <u>\$ 79,913,844</u> | <u>\$ 75,376,840</u> | <u>\$ 71,172,671</u> |

For the Fiscal Year Ended August 31,

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Instruction | 42.76% | 40.66% | 40.22% | 40.44% | 40.24% |
| Public Service | 0.67% | 0.85% | 1.13% | 1.20% | 0.76% |
| Academic Support | 8.21% | 8.36% | 10.35% | 8.98% | 9.93% |
| Student Services | 7.63% | 7.38% | 7.90% | 7.93% | 8.17% |
| Institutional Support | 11.52% | 12.48% | 12.74% | 12.27% | 12.70% |
| Operation and Maintenance of Plant | 9.14% | 9.95% | 7.51% | 8.90% | 8.58% |
| Scholarships and Fellowships | 3.53% | 3.97% | 3.88% | 3.69% | 2.65% |
| Auxiliary Enterprises | 8.94% | 7.99% | 8.44% | 8.42% | 8.24% |
| Depreciation | 4.60% | 5.03% | 4.72% | 4.20% | 4.42% |
| Total Operating Expenses | <u>97.00%</u> | <u>96.67%</u> | <u>96.89%</u> | <u>96.03%</u> | <u>95.69%</u> |
| Interest on Capital Related Debt | 3.00% | 3.30% | 2.92% | 3.50% | 3.69% |
| Loss on Disposal of Fixed Assets | 0.00% | 0.03% | 0.19% | 0.47% | 0.62% |
| Total Non-Operating Expenses | <u>3.00%</u> | <u>3.33%</u> | <u>3.11%</u> | <u>3.97%</u> | <u>4.31%</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 |
| 2011 | \$0 | \$2 | \$27 | \$61 | \$6 | \$1 | \$410 | \$818 | 0.0% | 11.4% |
| 2010 | 0 | 2 | 27 | 54 | 6 | 1 | 410 | 734 | -8.1% | 0.0% |
| 2009 | 0 | 2 | 27 | 51 | 9 | 1 | 446 | 734 | -0.4% | 19.2% |
| 2008 | 2 | 2 | 27 | 41 | 9 | 1 | 448 | 616 | 0.0% | 8.5% |
| 2007 | 2 | 2 | 27 | 37 | 9 | 1 | 448 | 568 | 0.0% | 4.4% |
| 2006 | 2 | 2 | 27 | 35 | 9 | 1 | 448 | 544 | 0.0% | 4.6% |
| 2005 | 2 | 2 | 27 | 33 | 9 | 1 | 448 | 520 | 5.7% | 4.8% |
| 2004 | 2 | 2 | 25 | 31 | 9 | 1 | 424 | 496 | 6.0% | 5.1% |
| 2003 | 2 | 2 | 23 | 29 | 9 | 1 | 400 | 472 | 6.4% | 0.0% |
| 2002 | 2 | 2 | 21 | 29 | 9 | 1 | 376 | 472 | 6.8% | 5.4% |

**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 |
| 2011 | \$0 | \$2 | \$116 | \$116 | \$6 | \$1 | \$1,478 | \$1,478 | 6.0% | 6.0% |
| 2010 | 0 | 2 | 109 | 109 | 6 | 1 | 1,394 | 1,394 | 0.0% | 0.0% |
| 2009 | 0 | 2 | 106 | 106 | 9 | 1 | 1,394 | 1,394 | 9.2% | 9.2% |
| 2008 | 2 | 2 | 96 | 96 | 9 | 1 | 1,276 | 1,276 | 6.0% | 6.0% |
| 2007 | 2 | 2 | 90 | 90 | 9 | 1 | 1,204 | 1,204 | 4.2% | 4.2% |
| 2006 | 2 | 2 | 86 | 86 | 9 | 1 | 1,156 | 1,156 | 6.6% | 6.6% |
| 2005 | 2 | 2 | 80 | 80 | 9 | 1 | 1,084 | 1,084 | 2.3% | 2.3% |
| 2004 | 2 | 2 | 78 | 78 | 9 | 1 | 1,060 | 1,060 | 2.3% | 2.3% |
| 2003 | 2 | 2 | 76 | 76 | 9 | 1 | 1,036 | 1,036 | 16.1% | 16.1% |
| 2002 | 2 | 2 | 64 | 64 | 9 | 1 | 892 | 892 | 2.8% | 2.8% |

Note: Includes basic enrollment tuition and fees, but excludes course based fees such as laboratory, testing, and certification fees. The Board of Trustees approved a \$2 per credit hour increase in tuition effective for Spring 2011 for out-of-county, out-of-state and out-of-country students. The Board of Trustees approved a \$5 per credit hour increase in tuition effective Fall 2011 for all students except in-county residents.

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) |
| 2011-12 | \$85,669,094,108 | \$12,076,099,414 | \$73,592,994,694 | 85.90% | 0.080000 | 0.006300 | 0.086300 |
| 2010-11 | 85,119,964,782 | 11,932,594,330 | 73,187,370,452 | 85.98% | 0.080000 | 0.006300 | 0.086300 |
| 2009-10 | 85,047,894,779 | 12,243,373,030 | 72,804,521,749 | 85.60% | 0.080000 | 0.006300 | 0.086300 |
| 2008-09 | 84,577,368,984 | 12,464,189,034 | 72,113,179,950 | 85.26% | 0.080000 | 0.006493 | 0.086493 |
| 2007-08 | 80,761,165,342 | 12,045,524,959 | 68,715,640,383 | 85.09% | 0.080000 | 0.006984 | 0.086984 |
| 2006-07 | 72,611,550,902 | 10,599,692,156 | 62,011,858,746 | 85.40% | 0.080000 | 0.007683 | 0.087683 |
| 2005-06 | 65,033,720,014 | 8,771,690,622 | 56,262,029,392 | 86.51% | 0.080000 | 0.009422 | 0.089422 |
| 2004-05 | 60,503,212,557 | 8,231,934,419 | 52,271,278,138 | 86.39% | 0.080000 | 0.010646 | 0.090646 |
| 2003-04 | 56,801,677,128 | 7,615,545,714 | 49,186,131,414 | 86.59% | 0.080000 | 0.011932 | 0.091932 |
| 2002-03 | 54,381,799,691 | 7,648,622,399 | 46,733,177,292 | 85.94% | 0.080000 | 0.011946 | 0.091946 |

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

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Fiscal Year | State Appropriation | Appropriation per FTSE | | Appropriation per Contact Hour | | | State Appropriation per Contact Hour |
|-------------|---------------------|------------------------|------------------------------|--------------------------------|------------------------------|---------------------|--------------------------------------|
| | | FTSE (a) | State Appropriation per FTSE | Academic Contact Hours (a) | Voc/Tech Contact Hours (a,b) | Total Contact Hours | |
| 2011-12 | \$34,416,713 | 17,471 | \$1,970 | 9,300,792 | 1,902,860 | 11,203,652 | \$3.07 |
| 2010-11 | 36,545,683 | 17,661 | 2,069 | 9,383,992 | 1,803,113 | 11,187,105 | \$3.27 |
| 2009-10 | 36,806,088 | 17,143 | 2,147 | 8,979,768 | 1,832,395 | 10,812,163 | 3.40 |
| 2008-09 | 34,736,692 | 14,749 | 2,355 | 7,806,584 | 1,583,558 | 9,390,142 | 3.70 |
| 2007-08 | 34,531,169 | 13,741 | 2,513 | 7,347,024 | 1,507,665 | 8,854,689 | 3.90 |
| 2006-07 | 30,348,597 | 12,960 | 2,342 | 6,804,144 | 1,479,300 | 8,283,444 | 3.66 |
| 2005-06 | 30,034,523 | 12,253 | 2,451 | 6,503,995 | 1,455,764 | 7,959,759 | 3.77 |
| 2004-05 | 26,323,004 | 11,829 | 2,225 | 6,247,036 | 1,473,108 | 7,720,144 | 3.41 |
| 2003-04 | 26,304,599 | 11,392 | 2,309 | 5,931,820 | 1,550,337 | 7,482,157 | 3.52 |
| 2002-03 | 25,544,291 | 10,646 | 2,399 | 5,456,992 | 1,587,029 | 7,044,021 | 3.63 |

(a) Source CBM001
(b) Source CBM00A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Taxpayer | Type of Business | Taxable Assessed Value (TAV) by Tax Year | | | | |
|-------------------------------------|-------------------|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2012 | 2011 | 2010 | 2009 | 2008 |
| Oncor/TXU/Lone Star Gas | Public Utility | \$ 461,211,196 | \$ 451,374,380 | \$ 439,174,980 | \$ 449,097,946 | \$ 465,330,568 |
| Stonebriar Mall Ltd. Partnership | Commercial | 232,137,734 | 226,514,276 | 221,706,370 | 221,339,975 | 221,339,975 |
| JC Penney Co. Inc. | Commercial | 163,195,767 | 159,971,610 | 161,877,423 | 166,407,858 | 171,255,476 |
| Electronic Data Systems Corp | Computer Center | | | | 134,919,916 | 140,996,529 |
| Coventry II DDR | Commercial | | 121,100,000 | 111,700,000 | 133,138,544 | |
| Briar Preston Ridge Shop. Ctr. | Commercial | 118,250,000 | 116,000,000 | 125,000,000 | 126,955,751 | 124,500,000 |
| IBM Credit | Commercial | | | 127,971,038 | 118,976,125 | |
| Southwestern Bell/SBC | Telephone Utility | | | | 117,082,347 | 131,758,930 |
| Willow Bend Shopping Center | Commercial | | | 110,000,000 | 116,500,000 | 127,374,433 |
| AT&T Mobility LLC | Telephone Utility | 150,721,071 | | 132,990,356 | 107,715,878 | |
| Legacy Campus LP | Commercial | 152,500,000 | 148,990,000 | | | |
| United Dominion Realty LP | Commercial | | | | | 113,285,714 |
| General Telephone of the SW | Telephone Utility | | | | | 108,684,240 |
| Alcatel USA | Commercial | | | | | |
| EDS Information Services LLC | Commercial | | | | | |
| Tenet Frisco LTD | Commercial | | | | | |
| Digital Switch Corp | Manufacturer | | | | | |
| Countrywide Home Loans Inc | Commercial | | | | | 111,297,882 |
| Dallas Morning News | Publishing | | | | | |
| Bank of America | Commercial | 132,676,129 | 141,863,601 | | | |
| EMC Corp | Commercial | | 126,362,835 | | | |
| Health Care Service Corporation | Commercial | 208,172,377 | 251,131,329 | | | |
| Texas Instruments, Inc | Manufacturer | | | | | |
| Cisco Systems | Commercial | 171,484,217 | | | | |
| KDC-Galatyn Investments LLP | Commercial | | | 237,172,377 | | |
| Village at Allen LP | Commercial | 136,534,873 | 139,937,198 | 113,881,870 | | |
| Totals | | 1,926,883,364 | 1,883,245,229 | 1,781,474,414 | 1,692,134,340 | 1,715,823,747 |
| Total Taxable Assessed Value | | \$ 73,592,994,694 | \$ 73,187,370,452 | \$ 72,804,521,749 | \$ 72,113,179,950 | \$ 68,715,640,383 |

| Taxpayer | Type of Business | Taxable Assessed Value (TAV) by Tax Year | | | | |
|----------------------------------|--------------------|--|--------------|--------------|--------------|--------------|
| | | 2012 | 2011 | 2010 | 2009 | 2008 |
| Oncor/TXU/Lone Star Gas | Public Utility | 0.63% | 0.62% | 0.60% | 0.62% | 0.68% |
| Stonebriar Mall Ltd. Partnership | Commercial | 0.32% | 0.31% | 0.30% | 0.31% | 0.32% |
| JC Penney Co. Inc. | Commercial | 0.22% | 0.22% | 0.22% | 0.23% | 0.25% |
| Alcatel USA | Commercial | | | | | |
| Electronic Data Systems Corp | Computer Center | | | | 0.19% | 0.21% |
| Coventry II DDR | Commercial | | 0.17% | 0.15% | 0.18% | |
| Southwestern Bell/SBC | Telephone Utility | | | | 0.16% | 0.19% |
| Willow Bend Shopping Center | Commercial | | | 0.15% | 0.16% | 0.19% |
| EDS Information Services LLC | Commercial | | | | | |
| Briar Preston Ridge Shop. Ctr. | Commercial | 0.16% | 0.16% | 0.17% | 0.18% | 0.18% |
| IBM Credit | Commercial | | | 0.18% | 0.16% | |
| AT&T Mobility | Telephone Utility | 0.20% | | 0.18% | 0.15% | |
| Tenet Frisco LTD | Commercial | | | | | 0.16% |
| Digital Switch Corp | Manufacturer | | | | | |
| Texas Instruments, Inc | Manufacturer | | | | | |
| United Dominion Realty LP | Commercial | | | | | 0.16% |
| Fujitsu Network Transmission | Manufacturer | | | | | |
| Dallas Morning News | Publishing | | | | | |
| Bank of America | Commercial | 0.18% | 0.19% | | | |
| EMC Corp | Commercial | | 0.17% | | | |
| Health Care Service Corporation | Commercial | 0.28% | 0.34% | | | |
| General Telephone of the SW | Telephone Utility | | | | | 0.16% |
| Albertson's | Commercial | | | | | |
| O.T.R. | Investment Company | | | | | |
| Cisco Systems, Inc | Commercial | 0.23% | | | | |
| Village at Allen LP | Commercial | 0.19% | 0.19% | 0.16% | | |
| KDC-Galatyn Investments LLP | Commercial | | | 0.33% | | |
| Legacy Campus LP | Commercial | 0.21% | 0.20% | | | |
| Totals | | 2.62% | 2.57% | 2.45% | 2.35% | 2.49% |

Source: Tax Assessor/Collector of Collin County

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Taxpayer | Type of Business | Taxable Assessed Value (TAV) | | | | |
|-------------------------------------|-------------------|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Oncor/TXU/Lone Star Gas | Public Utility | \$ 444,233,857 | \$ 448,001,719 | \$ 430,799,408 | \$ 440,740,734 | \$ 385,345,180 |
| Stonebriar Mall Ltd. Partnership | Commercial | 209,537,242 | 199,407,047 | 204,696,624 | 189,907,788 | 188,740,343 |
| JC Penney Co. Inc. | Commercial | 169,035,192 | 163,853,668 | 162,976,760 | 222,671,857 | 159,975,177 |
| Electronic Data Systems Corp | Computer Center | 138,310,883 | 134,115,136 | 134,832,418 | 306,513,439 | 124,527,452 |
| Coventry II DDR | Commercial | | | | | |
| Briar Preston Ridge Shop. Ctr. | Commercial | 121,547,370 | 109,005,094 | 106,000,000 | 124,377,167 | 110,000,000 |
| IBM Credit | Commercial | | | | | |
| Southwestern Bell/SBC | Telephone Utility | 142,582,790 | 134,742,940 | 131,985,690 | 182,099,531 | 146,847,870 |
| Willow Bend Shopping Center | Commercial | 127,000,000 | 120,000,004 | 115,539,989 | 107,652,858 | 105,140,788 |
| AT&T Mobility LLC | Telephone Utility | | | | | |
| Legacy Campus LP | Commercial | 100,000,000 | | | | |
| United Dominion Realty LP | Commercial | | | | | |
| General Telephone of the SW | Telephone Utility | | | | | |
| Alcatel USA | Commercial | | 116,857,023 | 141,425,066 | 99,641,880 | |
| EDS Information Services LLC | Commercial | | | 112,747,868 | | 117,707,972 |
| Tenet Frisco LTD | Commercial | 98,758,617 | 108,855,385 | 92,529,664 | | |
| Digital Switch Corp | Manufacturer | | | | 109,082,760 | 108,281,094 |
| Countrywide Home Loans Inc | Commercial | | | | | |
| Dallas Morning News | Publishing | | | | | 96,695,103 |
| Bank of America | Commercial | | | | | |
| EMC Corp | Commercial | | | | | |
| Health Care Service Corporation | Commercial | | | | | |
| Texas Instruments, Inc | Manufacturer | 99,132,100 | 304,177,822 | | | |
| Cisco Systems | Commercial | | | | 104,199,403 | |
| KDC-Galatyn Investments LLP | Commercial | | | | | |
| Village at Allen LP | Commercial | | | | | |
| Totals | | 1,650,138,051 | 1,839,015,838 | 1,633,533,487 | 1,886,887,417 | 1,543,260,979 |
| Total Taxable Assessed Value | | \$ 62,011,858,746 | \$ 56,262,029,392 | \$ 52,271,278,138 | \$ 49,186,131,414 | \$ 46,733,177,292 |

| Taxpayer | Business | Taxable Assessed Value (TAV) by Tax Year | | | | |
|----------------------------------|--------------------|--|--------------|--------------|--------------|--------------|
| | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Oncor/TXU/Lone Star Gas | Public Utility | 0.72% | 0.80% | 0.82% | 0.90% | 0.82% |
| Stonebriar Mall Ltd. Partnership | Commercial | 0.34% | 0.35% | 0.39% | 0.39% | 0.40% |
| JC Penney Co. Inc. | Commercial | 0.27% | 0.29% | 0.31% | 0.45% | 0.34% |
| Alcatel USA | Commercial | | 0.21% | 0.27% | 0.20% | |
| Electronic Data Systems Corp | Computer Center | 0.22% | 0.24% | 0.26% | 0.62% | 0.27% |
| Coventry II DDR | Commercial | | | | | |
| Southwestern Bell/SBC | Telephone Utility | 0.23% | 0.24% | 0.25% | 0.37% | 0.31% |
| Willow Bend Shopping Center | Commercial | 0.20% | 0.21% | 0.22% | 0.22% | 0.22% |
| EDS Information Services LLC | Commercial | | | 0.22% | | 0.25% |
| Briar Preston Ridge Shop. Ctr. | Commercial | 0.20% | 0.19% | 0.20% | 0.25% | 0.24% |
| IBM Credit | Commercial | | | | | |
| AT&T Mobility | Telephone Utility | | | | | |
| Tenet Frisco LTD | Commercial | 0.16% | 0.19% | | | |
| Digital Switch Corp | Manufacturer | | | 0.18% | 0.22% | 0.23% |
| Texas Instruments, Inc | Manufacturer | 0.16% | 0.54% | | | |
| United Dominion Realty LP | Commercial | | | | | |
| Fujitsu Network Transmission | Manufacturer | | | | | |
| Dallas Morning News | Publishing | | | | | 0.21% |
| Bank of America | Commercial | | | | | |
| EMC Corp | Commercial | | | | | |
| Health Care Service Corporation | Commercial | | | | | |
| General Telephone of the SW | Telephone Utility | | | | | |
| Albertson's | Commercial | | | | | |
| O.T.R. | Investment Company | | | | | |
| Cisco Systems, Inc | Commercial | | | | 0.21% | |
| Village at Allen LP | Commercial | | | | | |
| KDC-Galatyn Investments LLP | Commercial | | | | | |
| Legacy Campus LP | Commercial | 0.16% | | | | |
| Totals | | 2.66% | 3.26% | 3.12% | 3.84% | 3.28% |

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)
(amounts expressed in thousands)**

| Fiscal Year Ended August 31 | Levy (a) | Cumulative Levy Adjustments | Adjusted Tax Levy (b) | Collections Year of Levy (c) | Percentage | Prior Collections Prior Levies (d) | Current Collections Prior Levies (e) | Total Collections (C+D+E) | Cumulative Collections of Adjusted Levy |
|-----------------------------|----------|-----------------------------|-----------------------|------------------------------|------------|------------------------------------|--------------------------------------|---------------------------|---|
| 2012 | \$64,923 | \$0 | \$64,923 | \$63,852 | 98.35% | \$0 | \$0 | \$63,852 | 98.35% |
| 2011 | 63,659 | (617) | 63,042 | 62,553 | 99.22% | 0 | 489 | 63,042 | 100.00% |
| 2010 | 64,509 | (568) | 63,941 | 63,378 | 99.12% | 0 | 563 | 63,941 | 100.00% |
| 2009 | 64,397 | (953) | 63,444 | 62,909 | 99.16% | 530 | 8 | 63,447 | 100.00% |
| 2008 | 60,873 | (69) | 60,804 | 60,265 | 99.11% | 541 | 1 | 60,807 | 100.00% |
| 2007 | 54,846 | 305 | 55,151 | 54,058 | 98.02% | 1,094 | 1 | 55,153 | 100.00% |
| 2006 | 50,866 | 150 | 51,016 | 50,057 | 98.12% | 957 | 4 | 51,018 | 100.00% |
| 2005 | 47,802 | (37) | 47,765 | 47,260 | 98.94% | n/a | 3 | n/a | n/a |
| 2004 | 45,713 | n/a | 45,713 | 45,079 | 98.61% | n/a | 2 | n/a | n/a |
| 2003 | 43,187 | n/a | 43,187 | 42,482 | 98.37% | n/a | 1 | n/a | n/a |

Source:

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

Total Collections = C + D + E

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| | For the Year Ended August 31, | | | |
|---|-------------------------------|----------------------|----------------------|----------------------|
| | 2012 | 2011 | 2010 | 2009 |
| General Bonded Debt | | | | |
| General Obligation Bonds | \$ 40,467,768 | \$ 43,111,290 | \$ 45,980,000 | \$ 48,345,000 |
| Less: Funds restricted for debt service | (3,375,209) | (3,009,581) | (2,880,577) | (2,686,501) |
| Net General Bonded Debt | <u>37,092,559</u> | <u>40,101,709</u> | <u>43,099,423</u> | <u>45,658,499</u> |
| Other Debt | | | | |
| Revenue Bonds | 6,110,000 | 7,025,000 | 7,915,000 | 8,775,000 |
| Less: Funds restricted for debt service | 0 | 0 | 0 | 0 |
| Net Revenue Bonds | <u>6,110,000</u> | <u>7,025,000</u> | <u>7,915,000</u> | <u>8,775,000</u> |
| Total Outstanding Debt | <u>\$ 43,202,559</u> | <u>\$ 47,126,709</u> | <u>\$ 51,014,423</u> | <u>\$ 54,433,499</u> |
| General Bonded Debt Ratios | | | | |
| Per Capita | 46.11 | 50.62 | 54.66 | 59.72 |
| Per FTSE | 2,123 | 2,271 | 2,514 | 3,096 |
| As a percentage of Taxable Assessed Value | 0.05% | 0.05% | 0.06% | 0.06% |
| Total Outstanding Debt Ratios | | | | |
| Per Capita | 53.71 | 59.49 | 64.70 | 71.20 |
| Per FTSE | 2,473 | 2,668 | 2,976 | 3,691 |
| As a percentage of Taxable Assessed Value | 0.06% | 0.06% | 0.07% | 0.08% |

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

| For the Year Ended August 31, | | | | | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| \$ 50,595,000 | \$ 52,745,000 | \$54,315,000 | \$39,225,000 | \$42,698,564 | \$28,172,129 |
| (2,324,904) | (1,962,274) | 1,481,080 | 857,256 | 857,256 | (1,054,749) |
| <u>48,270,096</u> | <u>50,782,726</u> | <u>55,796,080</u> | <u>40,082,256</u> | <u>43,555,820</u> | <u>27,117,380</u> |
| 9,610,000 | 13,511,860 | 14,312,547 | 15,083,235 | 16,263,923 | 23,334,610 |
| 0 | (2,826,857) | (2,684,573) | (2,566,666) | (2,586,351) | (2,558,882) |
| <u>9,610,000</u> | <u>10,685,003</u> | <u>11,627,974</u> | <u>12,516,569</u> | <u>13,677,572</u> | <u>20,775,728</u> |
| <u>\$ 57,880,096</u> | <u>\$ 61,467,729</u> | <u>\$ 67,424,054</u> | <u>\$ 52,598,825</u> | <u>\$ 57,233,392</u> | <u>\$ 47,893,108</u> |
| 64.53 | 70.05 | 80.81 | 61.78 | 70.80 | 46.99 |
| 3,513 | 3,918 | 4,554 | 3,388 | 3,823 | 2,547 |
| 0.07% | 0.08% | 0.10% | 0.08% | 0.09% | 0.06% |
| 77.37 | 84.79 | 97.65 | 81.07 | 93.03 | 82.99 |
| 4,212 | 4,743 | 5,503 | 4,447 | 5,024 | 4,499 |
| 0.08% | 0.10% | 0.12% | 0.10% | 0.12% | 0.10% |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| | For the Year Ended August 31 | | | |
|--|------------------------------|-------------------------|-------------------------|-------------------------|
| | 2012 | 2011 | 2010 | 2009 |
| Taxable Assessed Value | <u>\$73,592,994,694</u> | <u>\$73,187,370,452</u> | <u>\$72,804,521,749</u> | <u>\$72,113,179,950</u> |
| General Obligations | | | | |
| Statutory/Tax Levy/Limit for Debt Service | \$8,831,159,363 | \$8,782,484,454 | \$8,736,542,610 | \$8,653,581,594 |
| Less: Funds Restricted for Repayment of General Obligations | <u>3,375,209</u> | <u>3,009,581</u> | <u>2,880,577</u> | <u>2,686,501</u> |
| Total Net General Obligation Debt | <u>8,827,784,154</u> | <u>8,779,474,873</u> | <u>8,733,662,033</u> | <u>8,650,895,093</u> |
| Less: Current Year Debt Service Requirements | 4,356,365 | 6,023,225 | 5,617,732 | 5,529,297 |
| Excess Statutory Limit for Debt Service Over Current Requirements | <u>\$8,823,427,789</u> | <u>\$8,773,451,648</u> | <u>\$8,728,044,301</u> | <u>\$8,645,365,796</u> |
| Net Current Requirements as a % of Statutory Limit | 0.09% | 0.10% | 0.10% | 0.09% |

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

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

| For the Year Ended August 31, | | | | | |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| <u>\$68,715,640,383</u> | <u>\$62,011,858,746</u> | <u>\$56,262,029,392</u> | <u>\$52,271,278,138</u> | <u>\$49,186,131,414</u> | <u>\$46,733,177,292</u> |
| \$8,245,876,846 | \$7,441,423,050 | \$6,751,443,527 | \$6,272,553,377 | \$5,902,335,770 | \$5,607,981,275 |
| 2,324,904 | 1,962,274 | 1,481,080 | 1,124,002 | 857,256 | 1,054,749 |
| <u>8,243,551,942</u> | <u>7,439,460,776</u> | <u>6,749,962,447</u> | <u>6,271,429,375</u> | <u>5,901,478,514</u> | <u>5,606,926,526</u> |
| 6,282,577 | 4,421,633 | 5,089,918 | 5,274,509 | 6,106,289 | 6,343,262 |
| <u>\$8,237,269,365</u> | <u>\$7,435,039,143</u> | <u>\$6,744,872,529</u> | <u>\$6,266,154,866</u> | <u>\$5,895,372,225</u> | <u>\$5,600,583,264</u> |
| 0.10% | 0.09% | 0.10% | 0.10% | 0.12% | 0.13% |

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 |
| 2012 | \$947,430 | \$3,238,390 | \$233,034 | \$85,387 |
| 2011 | 779,775 | 3,250,705 | 288,665 | 83,512 |
| 2010 | 912,345 | 3,768,215 | 403,036 | 87,702 |
| 2009 | 786,968 | 4,019,965 | 2,412,354 | 67,102 |
| 2008 | 731,213 | 3,721,857 | 7,255,898 | 95,073 |
| 2007 | 683,775 | 3,472,763 | 10,034,876 | 109,013 |
| 2006 | 659,700 | 3,330,112 | 6,946,868 | 103,613 |
| 2005 | 623,887 | 3,247,071 | 3,040,550 | 98,645 |
| 2004 | 616,680 | 3,152,155 | 1,279,558 | 98,391 |
| 2003 | 568,943 | 2,893,713 | 1,230,364 | 101,008 |

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

| <u>Pledged Revenues</u> | | <u>Debt Service Requirements</u> | | | |
|---------------------------------|--------------|----------------------------------|-----------------|--------------|---------------------------|
| <u>Bookstore Commission</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Coverage Ratio</u> |
| \$9,063,221 | \$13,567,462 | \$915,000 | \$195,055 | \$1,110,055 | 12.22 |
| 9,148,169 | 13,550,826 | 890,000 | 221,859 | 1,111,859 | 12.19 |
| 8,436,630 | 13,607,928 | 860,000 | 250,847 | 1,110,847 | 12.25 |
| 7,466,484 | 14,752,873 | 835,000 | 273,017 | 1,108,017 | 13.31 |
| 6,692,096 | 18,496,137 | 1,160,000 | 643,748 | 1,803,748 | 10.25 |
| 7,192,529 | 21,492,956 | 800,000 | 688,709 | 1,488,709 | 14.44 |
| 5,918,794 | 16,959,087 | 770,000 | 724,701 | 1,494,701 | 11.35 |
| 5,638,060 | 12,648,213 | 1,180,000 | 769,535 | 1,949,535 | 6.49 |
| 5,332,434 | 10,479,218 | 1,870,000 | 932,777 | 2,802,777 | 3.74 |
| 5,052,267 | 9,846,295 | 1,790,000 | 1,180,185 | 2,970,185 | 3.32 |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Fiscal Year | District Population¹ | District Personal Income (\$ in thousands)² | District Personal Income Per Capita | District Unemployment Rate³ |
|--------------------|--|---|--|---|
| 2012 | 804,390 | N/A* | N/A* | 6.3% |
| 2011 | 792,150 | N/A* | N/A* | 7.7% |
| 2010 | 788,511 | 38,029,236 | 48,229 | 7.7% |
| 2009 | 764,500 | 36,447,393 | 47,675 | 8.2% |
| 2008 | 748,050 | 37,746,642 | 50,460 | 4.8% |
| 2007 | 724,900 | 35,116,000 | 48,443 | 3.6% |
| 2006 | 690,500 | 31,805,000 | 46,061 | 4.0% |
| 2005 | 648,800 | 30,217,445 | 46,574 | 4.2% |
| 2004 | 615,200 | 25,885,770 | 42,077 | 4.8% |
| 2003 | 577,100 | 23,329,268 | 40,425 | 6.2% |

1 Source: Population for 2010 from US Census Bureau. 2011 and 2012 information from the North Central Texas Council of Governments.

2 Personal Income from U.S. Bureau of Economic Analysis - Data is only available for years prior to 2011 at this time

3 Unemployment rate from Texas Workforce Commission

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| <u>Employer</u> | <u>2012</u> | | <u>2003</u> | |
|---|--------------------------------|---|--------------------------------|---|
| | <u>Number of Employees</u> | <u>Percentage of Total Employment</u> | <u>Number of Employees</u> | <u>Percentage of Total Employment</u> |
| Bank of America Home Loans (formerly Countrywide Home Loans) | 12,311 | 3.30% | 3,000 | 1.26% |
| Plano Independent School District | 6,443 | 1.73% | 6,761 | 2.85% |
| J.C. Penney, Inc. | 3,800 | 1.02% | 4,700 | 1.98% |
| Electronic Data Systems Corp/HP | 10,000 | 2.68% | 6,700 | 2.82% |
| Perot Systems Corporation | - | - | 1,500 | 0.63% |
| University of Texas at Dallas | 3,000 | 0.80% | - | - |
| Walmart | 3,261 | 0.87% | 1,792 | 0.75% |
| Raytheon | 1,500 | 0.40% | 3,200 | 1.35% |
| Collin County Community College District | 1,894 | 0.51% | 1,410 | 0.59% |
| Allen Independent School District | 2,229 | 0.60% | - | - |
| Alcatel | 2,000 | 0.54% | 2,800 | 1.18% |
| Ericsson Headquarters | - | - | 1,664 | 0.70% |
| Texas Health Presbyterian Hospital Plano | 1,488 | 0.40% | - | - |
| Capital One | 4,915 | 1.32% | - | - |
| AT&T | 1,350 | 0.36% | - | - |
| Medical Center of Plano (HCA Medical Ctr) | 3,000 | 0.80% | - | - |
| City of Plano | - | - | 2,616 | 1.10% |
| Frito Lay | 2,500 | 0.67% | 3,000 | 1.26% |
| | - | - | - | - |
| | <u>59,691</u> | <u>16.01%</u> | <u>39,143</u> | <u>16.48%</u> |

Source: North Central Texas Council of Governments and Local University and School District web sites

2003 data from Collin County, TX 2002 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 | | | |
|---------------------------------|--------------|--------------|------------|------------|
| | 2012 | 2011 | 2010 | 2009 |
| Faculty | | | | |
| Full-Time | 328 | 341 | 351 | 328 |
| Part-Time | 388 | 380 | 368 | 368 |
| Total | <u>716</u> | <u>721</u> | <u>719</u> | <u>696</u> |
| Percent | | | | |
| Full-Time | 45.8% | 47.3% | 48.8% | 47.1% |
| Part-Time | 54.2% | 52.7% | 51.2% | 52.9% |
| Staff and Administrators | | | | |
| Full-Time | 577 | 575 | 582 | 564 |
| Part-Time | 435 | 438 | 405 | 405 |
| Total | <u>1,012</u> | <u>1,013</u> | <u>987</u> | <u>969</u> |
| Percent | | | | |
| Full-Time | 57.0% | 56.8% | 59.0% | 58.2% |
| Part-Time | 43.0% | 43.2% | 41.0% | 41.8% |
| FTSE per Full-Time Faculty | 53.27 | 51.79 | 48.84 | 44.97 |
| FTSE per Full-Time Staff Member | 30.28 | 30.71 | 29.46 | 26.15 |
| Average Annual Faculty Salary | \$ 54,821 | \$ 55,392 | \$ 55,231 | \$ 54,181 |

FTSE as reported on CBM00A

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

| Fiscal Year | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| 293 | 268 | 238 | 214 | 228 | 186 |
| 361 | 338 | 345 | 327 | 310 | 385 |
| <u>654</u> | <u>606</u> | <u>583</u> | <u>541</u> | <u>538</u> | <u>571</u> |
| 44.8% | 44.2% | 40.8% | 39.6% | 42.4% | 32.6% |
| 55.2% | 55.8% | 59.2% | 60.4% | 57.6% | 67.4% |
| 546 | 525 | 495 | 493 | 470 | 516 |
| 888 | 738 | 894 | 743 | 1,007 | 1,219 |
| <u>1,434</u> | <u>1,263</u> | <u>1,389</u> | <u>1,236</u> | <u>1,477</u> | <u>1,735</u> |
| 38.1% | 41.6% | 35.6% | 39.9% | 31.8% | 29.7% |
| 61.9% | 58.4% | 64.4% | 60.1% | 68.2% | 70.3% |
| 46.90 | 48.36 | 51.48 | 55.28 | 49.96 | 57.24 |
| 25.17 | 24.69 | 24.75 | 23.99 | 24.24 | 20.63 |
| \$ 53,404 | \$ 51,109 | \$ 47,365 | \$ 45,836 | \$ 45,355 | \$ 44,971 |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Student Classification | Fall 2011 | | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | |
|-------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 00-30 hours | 17,379 | 64% | 17,679 | 65% | 15,927 | 64% | 13,387 | 65% | 13,455 | 67% |
| 31-60 hours | 7,611 | 28% | 6,742 | 25% | 5,790 | 23% | 5,034 | 24% | 4,866 | 24% |
| > 60 hours | 2,198 | 8% | 2,648 | 10% | 3,155 | 13% | 2,579 | 12% | 1,623 | 8% |
| Total | 27,188 | 100% | 27,069 | 100% | 24,872 | 100% | 21,000 | 100% | 19,944 | 100% |

| Semester Hour Load | Fall 2011 | | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | |
|---------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than 3 | 190 | 1% | 225 | 1% | 165 | 1% | 245 | 1% | 140 | 1% |
| 3-5 semester hours | 4,900 | 18% | 5,783 | 21% | 5,651 | 23% | 4,371 | 21% | 4,611 | 23% |
| 6-8 semester hours | 7,162 | 26% | 6,448 | 24% | 5,579 | 22% | 4,706 | 22% | 4,409 | 22% |
| 9-11 semester hours | 5,042 | 19% | 4,397 | 16% | 3,820 | 15% | 3,224 | 15% | 3,204 | 16% |
| 12-14 semester hours | 8,419 | 31% | 8,604 | 32% | 8,058 | 32% | 6,850 | 33% | 6,296 | 31% |
| 15-17 semester hours | 1,264 | 5% | 1,463 | 5% | 1,454 | 6% | 1,423 | 7% | 1,208 | 6% |
| 18 & Over | 211 | 1% | 149 | 1% | 145 | 1% | 181 | 1% | 76 | 0% |
| Total | 27,188 | 100% | 27,069 | 100% | 24,872 | 100% | 21,000 | 100% | 19,944 | 100% |

Average course load 8.8 8.6 8.6 8.6 8.6

| Tuition Status | Fall 2011 | | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | |
|-------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| TX Resident (In-District) | 19,298 | 71% | 18,661 | 69% | 17,521 | 70% | 14,585 | 69% | 13,667 | 70% |
| TX Resident (Out-of-District) | 5,770 | 21% | 5,518 | 20% | 5,358 | 22% | 4,878 | 23% | 4,877 | 24% |
| Non-Resident Tuition | 2,120 | 8% | 2,890 | 11% | 1,993 | 8% | 1,537 | 7% | 1,400 | 7% |
| Total | 27,188 | 100% | 27,069 | 100% | 24,872 | 100% | 21,000 | 100% | 19,944 | 100% |

Source: Fall Census Headcounts

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

| Gender | Fall 2011 | | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | |
|---------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Male | 11,719 | 43% | 11,734 | 43% | 10,744 | 43% | 9,116 | 43% | 8,733 | 44% |
| Female | 15,469 | 57% | 15,335 | 57% | 14,128 | 57% | 11,884 | 57% | 11,211 | 56% |
| Total | 27,188 | 100% | 27,069 | 100% | 24,872 | 100% | 21,000 | 100% | 19,944 | 100% |

| Ethnic Origin | Fall 2011 | | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | |
|----------------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| White | 15,834 | 58% | 16,512 | 60% | 15,310 | 61% | 13,183 | 62% | 12,950 | 64% |
| Hispanic | 4,313 | 16% | 3,015 | 11% | 3,243 | 13% | 2,582 | 12% | 2,296 | 12% |
| African American | 3,168 | 12% | 2,990 | 11% | 2,597 | 10% | 1,906 | 9% | 1,718 | 9% |
| Asian | 2,317 | 9% | 2,256 | 8% | 2,667 | 11% | 1,810 | 9% | 1,626 | 8% |
| Foreign | 635 | 2% | 844 | 3% | 0 | 0% | 827 | 4% | 838 | 4% |
| Native American | 393 | 1% | 202 | 1% | 174 | 1% | 170 | 1% | 147 | 1% |
| Other | 528 | 2% | 1,250 | 5% | 881 | 4% | 522 | 2% | 369 | 2% |
| Total | 27,188 | 100% | 27,069 | 100% | 24,872 | 100% | 21,000 | 100% | 19,944 | 100% |

| Age | Fall 2011 | | Fall 2010 | | Fall 2009 | | Fall 2008 | | Fall 2007 | |
|--------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 18 | 2,391 | 9% | 2,516 | 9% | 2,272 | 9% | 1,711 | 8% | 1,606 | 8% |
| 18 - 21 | 11,513 | 42% | 11,554 | 44% | 12,387 | 51% | 9,794 | 48% | 9,251 | 46% |
| 22 - 24 | 3,644 | 13% | 3,476 | 13% | 4,665 | 19% | 2,697 | 13% | 2,569 | 13% |
| 25 - 35 | 5,626 | 21% | 5,476 | 20% | 2,098 | 8% | 4,017 | 19% | 3,854 | 19% |
| 36 - 50 | 3,268 | 12% | 3,266 | 12% | 1,343 | 5% | 2,280 | 11% | 2,174 | 11% |
| 51 & Over | 746 | 3% | 781 | 3% | 2,107 | 8% | 501 | 2% | 490 | 2% |
| Total | 27,188 | 100% | 27,069 | 100% | 24,872 | 100% | 21,000 | 100% | 19,944 | 100% |

| | | | | | |
|--------------------|------|------|------|------|------|
| Average Age (Fall) | 26.5 | 25.4 | 25.4 | 25.2 | 24.9 |
|--------------------|------|------|------|------|------|

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Transfer to Senior Institutions
2010 Fall Students as of Fall 2011
(Includes community, technical and public senior colleges in Texas)
(unaudited)**

| Transfer Destination | Transfer Student Count | | | CEU | Total | Percentage |
|--|------------------------|-----------|-----------|-----|-------|------------|
| | Academic | Technical | Tech-Prep | | | |
| ACCD-San Antonio College | 3 | 0 | 0 | 0 | 3 | 0.0364% |
| ACCD- St Phillip's College | 2 | 0 | 0 | 0 | 2 | 0.0243% |
| ACCD-Northeast Lakeview College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| ACCD-Northwest Vista College | 4 | 1 | 0 | 0 | 5 | 0.0607% |
| ACCD-Palo Alto College | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Alvin Community College | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Amarillo College | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Angelina College | 5 | 0 | 0 | 0 | 5 | 0.0607% |
| Austin Community College | 72 | 10 | 1 | 0 | 83 | 1.0081% |
| Blinn College | 117 | 7 | 0 | 0 | 124 | 1.5061% |
| Central Texas College | 2 | 0 | 0 | 0 | 2 | 0.0243% |
| Cisco Junior College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Clarendon College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Coastal Bend College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Collin County Community College | 612 | 130 | 16 | 4 | 762 | 9.2554% |
| Dallas County Community College District | 684 | 119 | 4 | 0 | 807 | 9.8020% |
| Del Mar College | 2 | 0 | 0 | 0 | 2 | 0.0243% |
| El Paso Community College District | 2 | 1 | 0 | 0 | 3 | 0.0364% |
| Frant Phillips College | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Galveston College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Grayson County College | 82 | 23 | 1 | 0 | 106 | 1.2875% |
| HCJCD-Howard College | 2 | 1 | 0 | 0 | 3 | 0.0364% |
| Hill College | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Houston Community College System | 13 | 0 | 0 | 0 | 13 | 0.1579% |
| Kilgore College | 8 | 0 | 0 | 0 | 8 | 0.0972% |
| Laredo Community College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Lamar Institute of Technology | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Lone Star College | 10 | 2 | 0 | 0 | 12 | 0.1458% |
| McLennan Community College | 3 | 1 | 0 | 0 | 4 | 0.0486% |
| Midland College | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Navarro College | 6 | 0 | 1 | 0 | 7 | 0.0850% |
| North Central Texas College | 67 | 24 | 1 | 0 | 92 | 1.1175% |
| Northeast Texas Community College | 3 | 1 | 0 | 0 | 4 | 0.0486% |
| Odessa College | 1 | 1 | 0 | 0 | 2 | 0.0243% |
| Panola College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Paris Junior College | 12 | 8 | 0 | 1 | 21 | 0.2551% |
| Ranger College | 4 | 1 | 0 | 0 | 5 | 0.0607% |
| San Jacinto College | 2 | 0 | 0 | 0 | 2 | 0.0243% |
| South Plains College | 30 | 1 | 0 | 0 | 31 | 0.3765% |
| South Texas College | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Southwest Texas Junior College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Tarrant County College District | 45 | 9 | 0 | 0 | 54 | 0.6559% |
| Temple College | 2 | 1 | 1 | 0 | 4 | 0.0486% |
| Texarkana College | 2 | 0 | 0 | 0 | 2 | 0.0243% |
| Texas Southmost College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Texas State Technical College-Harlingen | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Texas State Technical College-Waco | 2 | 0 | 0 | 0 | 2 | 0.0243% |
| Texas State Technical College-West Texas | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Trinity Valley Community College | 16 | 3 | 0 | 0 | 19 | 0.2308% |
| Tyler Junior College | 12 | 7 | 0 | 0 | 19 | 0.2308% |
| Vernon College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Weatherford College | 8 | 2 | 0 | 0 | 10 | 0.1215% |
| Western Texas College | 4 | 0 | 0 | 0 | 4 | 0.0486% |
| Wharton County Junior College | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Angelo State University | 24 | 0 | 0 | 0 | 24 | 0.2915% |
| The University of Texas at Dallas | 1439 | 95 | 7 | 0 | 1541 | 18.7174% |

Statistical Supplement 17

Transfer to Senior Institutions
2010 Fall Students as of Fall 2011
(Includes community, technical and public senior colleges in Texas)
(unaudited)

| | | | | | | |
|--|------|----|---|---|------|----------|
| University of North Texas | 1034 | 65 | 3 | 0 | 1102 | 13.3852% |
| University of North Texas at Dallas | 7 | 0 | 1 | 0 | 8 | 0.0972% |
| The University of Texas Austin | 434 | 23 | 0 | 0 | 457 | 5.5508% |
| Texas A&M University | 430 | 22 | 1 | 0 | 453 | 5.5022% |
| Texas Tech University | 552 | 34 | 0 | 0 | 586 | 7.1177% |
| Texas Woman's University | 451 | 52 | 3 | 0 | 506 | 6.1460% |
| Texas A&M International University | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| Texas A&M University at Texarkana | 0 | 1 | 0 | 0 | 1 | 0.0121% |
| Texas A&M University - Central Texas | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Texas A&M University at Commerce | 270 | 23 | 1 | 0 | 294 | 3.5710% |
| Texas A&M University at Corpus Christi | 22 | 2 | 1 | 0 | 25 | 0.3037% |
| Texas A&M University at Galveston | 13 | 0 | 0 | 0 | 13 | 0.1579% |
| Texas A&M University at Kingsville | 3 | 0 | 0 | 0 | 3 | 0.0364% |
| The University of Texas Arlington | 218 | 32 | 0 | 0 | 250 | 3.0366% |
| Texas State University - San Marcos | 191 | 13 | 1 | 0 | 205 | 2.4900% |
| Midwestern State University | 44 | 8 | 0 | 0 | 52 | 0.6316% |
| Sam Houston State University | 43 | 3 | 1 | 0 | 47 | 0.5709% |
| Sul Ross State University | 0 | 0 | 0 | 0 | 0 | 0.0000% |
| West Texas A&M University | 14 | 5 | 0 | 0 | 19 | 0.2308% |
| The University of Texas at El Paso | 3 | 1 | 0 | 0 | 4 | 0.0486% |
| The University of Texas San Antonio | 30 | 3 | 0 | 0 | 33 | 0.4008% |
| The University of Texas at Brownsville | 1 | 0 | 0 | 0 | 1 | 0.0121% |
| Prairie View A&M University | 12 | 2 | 0 | 0 | 14 | 0.1700% |
| Texas Southern University | 9 | 0 | 0 | 0 | 9 | 0.1093% |
| Tarleton State University | 38 | 1 | 0 | 0 | 39 | 0.4737% |
| Stephen F. Austin State University | 137 | 11 | 1 | 0 | 149 | 1.8098% |
| University of Houston | 50 | 4 | 0 | 0 | 54 | 0.6559% |
| Lamar University | 10 | 2 | 0 | 0 | 12 | 0.1458% |
| The University of Texas of the Permian Basin | 0 | 0 | 1 | 0 | 1 | 0.0121% |
| The University of Texas Pan American | 4 | 0 | 0 | 0 | 4 | 0.0486% |
| The University of Texas Tyler | 36 | 2 | 1 | 0 | 39 | 0.4737% |

Health Science Institutions

| | | | | | | |
|--|----|---|---|---|----|---------|
| UT Southwestern Medical Center at Dallas | 7 | 0 | 0 | 0 | 7 | 0.0850% |
| Baylor College of Medicine | 2 | 0 | 0 | 0 | 2 | 0.0243% |
| The Univ of Texas Health Science Ctr at Houston | 5 | 0 | 0 | 0 | 5 | 0.0607% |
| The Univ of Texas Health Science Ctr at San Antonio | 2 | 0 | 0 | 0 | 2 | 0.0243% |
| The Univ of Texas Medical Branch at Galveston | 6 | 0 | 0 | 0 | 6 | 0.0729% |
| University of N Texas Health Science Ctr at Ft Worth | 5 | 0 | 0 | 0 | 5 | 0.0607% |
| University of Texas M.D. Anderson Cancer Center | 3 | 0 | 0 | 0 | 3 | 0.0364% |
| Texas A&M Univ Health Science Center | 6 | 0 | 0 | 0 | 6 | 0.0729% |
| Texas Tech Univ Health Sciences Center | 17 | 3 | 0 | 0 | 20 | 0.2429% |

| | | | | | | |
|-------|-------|-----|----|---|-------|---------|
| Total | 7,421 | 760 | 47 | 5 | 8,233 | 100.00% |
|-------|-------|-----|----|---|-------|---------|

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Capital Asset Information
Fiscal Years 2003 to 2012
(unaudited)**

| | Fiscal Year | | | | | | | | | |
|--------------------------------------|-------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Academic Building | 9 | 9 | 9 | 8 | 8 | 8 | 8 | 8 | 7 | 7 |
| Square Footage | 883,571 | 809,709 | 806,634 | 744,634 | 723,368 | 651,361 | 651,361 | 649,249 | 594,434 | 541,247 |
| Libraries | | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Square Footage | 206,539 | 206,539 | 206,539 | 206,539 | 135,172 | 135,172 | 135,172 | 135,172 | 88,987 | 88,987 |
| Number of Volumes | 252,135 | 240,855 ** | 221,417 | 204,403 | 193,266 | 189,003 | 185,327 | 180,032 | 160,816 | 154,854 |
| Administrative and Support Buildings | | * | * | * | * | * | * | * | * | * |
| Square Footage | 429,227 | 409,140 | 412,215 | 350,215 | 241,691 | 239,991 | 239,991 | 239,991 | 239,991 | 239,991 |
| Dining Facilities | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square Footage | 11,926 | 11,926 | 11,926 | 11,926 | 11,926 | 11,926 | 11,926 | 11,926 | 11,926 | 11,926 |
| Average Daily Customers | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Athletic Facilities | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Square Footage | 89,647 | 89,647 | 89,647 | 89,647 | 99,167 | 99,167 | 99,167 | 99,167 | 99,167 | 99,167 |
| Gymnasiums | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fitness Centers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Tennis Courts | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Racquet Ball Courts | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Plant Facilities | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Square Footage | 20,381 | 20,381 | 20,381 | 20,381 | 20,381 | 20,381 | 18,269 | 18,269 | 16,269 | 16,269 |
| Transportation | | | | | | | | | | |
| Cars | 9 | 9 | 9 | 7 | 7 | 7 | 6 | 6 | 5 | 5 |
| Light Trucks/Vans | 17 | 16 | 16 | 16 | 15 | 15 | 15 | 15 | 13 | 11 |

* 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

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Board of Trustees
Collin County Community College District

We have audited the financial statements of Collin County Community College District (the “District”) as of and for the year ended August 31, 2012, and have issued our report thereon dated November 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we express no such opinion.

A deficiency in internal control over financial reporting 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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in the District’s internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of 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*.

Texas Public Funds Investment Act

We also performed tests of the District's compliance with the requirements of the Texas Public Funds Investment Act (the "Act"). The results of our tests disclosed no instances of noncompliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit, and accordingly, we do not express such an opinion.

We noted certain matters that we have reported to management of the District in a separate letter dated November 28, 2012.

This report is intended solely for the information and use of the board of trustees, budget and finance committee, management and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

GRANT THORNTON LLP

Dallas, Texas
November 28, 2012



**Report of Independent Certified Public Accountants on Compliance Related to
Major Programs (OMB Circular A-133 and State of Texas Single Audit Circular)
and on Internal Control Over Compliance**

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Board of Trustees
Collin County Community College District

Compliance

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 (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, 2012. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas *Single Audit Circular*. Those standards, 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 or state program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District’s compliance with those requirements.

Our audit disclosed the following material noncompliance with Special Tests and Provisions: Verification applicable to Student Financial Assistance Cluster during the year ended August 31, 2012. As described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1, the Expected Family Contribution (EFC) was not updated as a result of information obtained during the verification process. Therefore, the District incorrectly calculated the EFC, which is used in computing Pell award amounts.

In our opinion, except for the material noncompliance described in the previous paragraph, the District complied, in all material respects, with the 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, 2012. The results of our audit procedures disclosed instances of noncompliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2012-2 and 2012-3 that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program as a basis for designing audit procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control over compliance. Accordingly, we express no such opinion.

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 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.

Our consideration of internal control would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1, that we consider to be a material weakness in the District's internal control over compliance.

Our audit was also not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies. A significant deficiency 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, yet important enough to merit attention by those charged with governance. We identified a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2, that we consider to be a significant deficiency in the District's internal control over compliance.

We did not audit the District's written response to the matters described in the accompanying Schedule of Findings and Questioned Costs and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of trustees, budget and finance committee, management and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

GRANT THORNTON LLP

Dallas, Texas
November 28, 2012

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2012**

| <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 | | \$ 219,619 |
| Federal Work-Study Program | 84.033 | | 303,190 |
| Federal Pell Grant Program | 84.063 | | 26,592,687 |
| Federal Direct Student Loans | 84.268 | | <u>35,856,295</u> |
| Total Student Financial Assistance Cluster | | | 62,971,791 |
| Pass-through from: | | | |
| Texas Higher Education Coordinating Board | | | |
| Career and Technical Education - Basic Grants to States | 84.048 | 124238 | 210,958 |
| Total U.S. Department of Education | | | <u>63,182,749</u> |
| Department of Labor | | | |
| Direct programs: | | | |
| Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants | 17.282 | | 1,151,483 |
| Pass-Through from: | | | |
| North Central Texas Council of Governments Workforce Solutions for North Central Texas | | | |
| Career Pathways Innovation Fund | 17.269 | CB-20564-10-60-A-48 | 99,890 |
| Total Department of Labor | | | <u>1,251,373</u> |
| National Science Foundation | | | |
| Direct Programs: | | | |
| Education and Human Resources | 47.076 | | 527,221 |
| Pass-through from: | | | |
| The University of Texas at Dallas | | | |
| Education and Human Resources | 47.076 | DUE-0856549 | 21,832 |
| Carnegie-Mellon University | | | |
| Education and Human Resources | 47.076 | DUE-0903271 | 20,307 |
| Total National Science Foundation | | | <u>569,360</u> |
| U.S. Small Business Administration | | | |
| Pass-through from: | | | |
| Dallas County Community College District: | | | |
| Small Business Development Centers | 59.037 | 1-603001-Z0046-24 | 12,114 |
| Small Business Development Centers | 59.037 | 2-603001-Z-0046 | 110,460 |
| Total U.S. Small Business Administration | | | <u>122,574</u> |
| Department of Health and Human Services | | | |
| Pass-through from: | | | |
| Texas Woman's University | | | |
| Biomedical Research and Research Training | 93.859 | R25GM58397-09 | 11,460 |
| Corporation for National and Community Service | | | |
| Pass-through from: | | | |
| Missouri Campus Compact | | | |
| Program Development and Innovation Grants | 94.007 | MKNWI001 | 2,837 |
| Total Federal Financial Assistance | | | <u>\$ 65,140,353</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, 2012**

Note 1: Federal Assistance Reconciliation

| | |
|---|----------------------|
| Federal Grants and Contracts revenue - per Schedule A | \$ 2,043,895 |
| Add: Indirect/Administrative Costs Recoveries - per Schedule A | 43,159 |
| Add: Non Operating Federal Revenue - per Schedule C | 27,115,496 |
| | <hr/> |
| Total Federal Revenues per Basic Financial Statements (Exhibit 2) | 29,202,550 |
| | |
| Reconciling item: | |
| Add: | |
| Funds passed through to others | 81,508 |
| Direct Student Loans | 35,856,295 |
| | <hr/> |
| Total Federal Revenues per Schedule of Expenditures of Federal Awards | <u>\$ 65,140,353</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: Student Loans Processed and Administrative Costs Recovered - if not included in schedule

| Federal grantor CFDA Number/Program Name | Reductions/ New Loans Processed | Administrative Cost Recovered | Total Loans Processed and Admin. Cost Recovered |
|---|---------------------------------------|-------------------------------------|--|
| | <hr/> | <hr/> | <hr/> |
| U.S. Department of Education 84.032 Federal Family Education Loans | \$ (113) | N/A | \$ (113) |
| | <hr/> | <hr/> | <hr/> |
| | <u>\$ (113)</u> | <u>\$ 0</u> | <u>\$ (113)</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Notes to Schedule of Expenditures of Federal Awards
For the year ended August 31, 2012
(Continued)**

Note 4: 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 | 212,771 |
| Bunker Hill Community College | 187,835 |
| Del Mar College | 4,667 |
| Moraine Valley Community College | 109,239 |
| Maricopa County Community College/Rio Salado | 276,904 |
| Salt Lake Community College | 7,530 |
| Total amount expended by consortium members | <u>\$ 798,946</u> |

Note 5: 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:

| | |
|---|------------------|
| Dallas County Community College | 42,468 |
| Springfield Technical Community College | 10,000 |
| University of North Texas | 29,040 |
| Total amount passed-through | <u>\$ 81,508</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of State Awards
For the year ended August 31, 2012**

| <u>Grantor/Pass-through Grantor/ Program Title</u> | <u>Grantor's Number</u> | <u>Disbursements and Expenses</u> |
|---|-------------------------|---|
| Texas Workforce Commission | | |
| Skills Development | 0410SDF002 | \$ 47,958 |
| Skills Small Business | 0411SSD001 | 4,676 |
| Skills Development | 0412SDF000 | 33,874 |
| Total Texas Workforce Commission | | <u>86,508</u> |
| Texas Higher Education Coordinating Board | | |
| Professional Nursing Shortage Reduction Program | | 24,929 |
| Professional Nursing Shortage Reduction Over 70 Program | | 4,981 |
| Texas Education Opportunity Grant-Renewal Year | | 38,094 |
| Texas Education Opportunity Grant-Initial Year | | 32,523 |
| Toward EXcellence, Access & Success Grant-Renewal Year | | 144,585 |
| Toward EXcellence, Access & Success Grant-Initial Year | | 269,325 |
| College Access Loans | | 4,997 |
| College Students Taking STARR Study | 06392 | 12,000 |
| Total Texas Higher Education Coordinating Board | | <u>531,434</u> |
| Texas Comptroller of Public Accounts | | |
| State Energy Conservation Office | CM1148 | 108,112 |
| Pass-through from: | | |
| Dallas County Community College District | | |
| Small Business Development Center 10/11 | 1-603001-Z0046-24 | 8,815 |
| Small Business Development Center 11/12 | 2-603001-Z-0046 | 72,380 |
| Total Small Business Development Center | | <u>81,195</u> |
| Total State Financial Assistance | | <u><u>\$ 807,249</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, 2012**

Note 1: State Assistance Reconciliation

| | |
|--|----------------|
| State Revenues - per Schedule A | |
| State Financial Assistance | |
| State Grants and Contracts revenue - per Schedule A | \$801,026 |
| Add: Indirect/Administrative Costs Recoveries - per Schedule A | 6,223 |
| Total State Revenues per Schedule A | <u>807,249</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, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

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? Yes
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

Type of auditor's report issued on compliance for major programs: Unqualified, except for: Student Financial Assistance Cluster, which is qualified for Special Tests and Provisions: Verification

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes

Identification of major programs:

| <u>CFDA/Grant Numbers/State Identifying Number</u> | <u>Name of Federal and State Programs or Cluster</u> |
|--|--|
| Major Federal Program: 84.007, 84.033, 84.063, 84.268 | Student Financial Assistance Cluster |
| 17.282 | Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants |
| 84.048 | Career and Technical Education – Basic Grants to State |
| Major State Program: | Toward EXcellence, Access & Success Grant (tested as part of the Student Financial Assistance Cluster) |

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

Auditee qualified as low-risk auditee? Yes

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2012.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2012-1

| | |
|--|---|
| <u>Federal Program:</u> | Federal Pell Grant (tested as part of the Student Financial Assistance Cluster) |
| <u>CFDA Number:</u> 84.063 | <u>Federal Award Number:</u> Not Applicable <u>Award Year:</u> 2011/2012 |
| <u>Type of Finding:</u> | Material Weakness and Material Noncompliance |
| <u>Compliance Requirement:</u> | Special Tests and Provisions: Verification |
| <u>Criteria or Specific Requirement:</u> | An institution is required to establish policies and procedures to verify information in student aid applications. The institution shall require applicants to verify any information used to calculate an applicant's Expected Family Contribution (EFC) that the institution has reason to believe is inaccurate. For students determined to be eligible to receive a Pell grant, the EFC, along with additional components, is used to calculate the Pell award. |
| <u>Condition:</u> | For eight students out of twenty-five judgmentally selected for testing, it was noted that the EFC was not updated as a result of information obtained during the verification process. Therefore, the District incorrectly calculated the EFC, which is used in computing Pell grant amounts. |
| <u>Questioned Costs:</u> | \$4,050 |
| <u>Context:</u> | Verification procedures were not accurately completed for eight of twenty-five students selected for testing. The District performed verification procedures for approximately 4,800 students during the 2011-2012 academic year. |
| <u>Cause:</u> | District financial aid staff did not complete the verification process by recalculating EFC and adjusting the amounts based on information obtained. |
| <u>Effect:</u> | The District did not fully complete the verification process and therefore did not accurately calculate and submit the necessary changes in EFC to the central processor which resulted in incorrect Pell grant amounts. |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2012

Recommendation: We recommend that the District ensure adequate controls are in place to determine that the verification process is complete and all necessary changes are made within the student financial aid system and submitted to the Central processor.

Views of Responsible Officials and Planned Corrective Action:

Due to the increased volume of financial aid applicants, financial aid staff did not have uninterrupted time to focus on the verification process, resulting in incorrect EFC calculations. Some exceptions noted were due to the failure of the District to update student files with the most current information after corrected records were returned by the central processor. The District has developed reports to identify student files with corrections to ensure the corrected files are uploaded into Banner. This will result in EFC being calculated on the most current information.

Two exceptions noted and justified by using professional judgment, were not documented in the students' files. The District will document professional judgment decisions on the students' records. The District's employment of a third party financial aid services vendor to assist in the verification process, whose sole focus is verification, should eliminate errors made due to carelessness and interruptions.

Finding 2012-2

Federal Program: Federal Pell Grant/ Federal Direct Loan
(tested as part of the Student Financial Assistance Cluster)

CFDA Number: 84.063/84.268 **Federal Award Number:** Not Applicable **Award Year:** 2011/2012

Type of Finding: Significant Deficiency and Noncompliance

Compliance Requirement: Special Tests: Return of Title IV Funds

Criteria or Specific Requirement:

When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2012

The amount of earned Title IV grant or loan assistance is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student and applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student's withdrawal date.

Condition: For three out of forty-four students judgmentally selected for testing, it was noted that there were errors in the calculation of Return of Title IV funds. The District should have returned the Pell grant in the amount of \$359. Additionally, the District incorrectly disbursed \$1,742 in a Direct Loan.

Questioned Costs: \$2,101

Context: The Return of Title IV calculation was performed for approximately 1,600 students. Three out of forty-four students judgmentally selected for testing had errors in the calculation of Return of Title IV funds.

Cause: For student one, the Financial Aid staff used the incorrect award amounts in the calculation. For student two, Banner calculated the Return of Title IV amount based on a full semester; however the student was enrolled in only flex courses. Therefore, the District should have returned \$359 in Pell grant. For student three, the student was incorrectly disbursed \$1,742 in a Direct Loan after the Return of Title IV calculation was complete.

Effect: The District did not accurately calculate Return of Title IV amounts which resulted in incorrect amounts being returned to the Department of Education (ED) or awarded to the student.

Recommendation: We recommend that the District ensure adequate controls are in place to determine that the correct amounts are used in calculating Return of Title IV funds and that staff performing the calculation understand all aspects and components of the calculation. In addition, we recommend that Banner processes be strengthened to address flex semesters and changes in student records after the end of the semester that would affect the Return to Title IV calculations.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2012

**Views of Responsible
Officials and Planned
Corrective Action**

Return of Title IV calculations for the summer awards has to be manually processed since there are multiple terms within the period. When calculating the Return of Title IV for summer awards, the net tuition and fee charges were considered instead of gross tuition and fees. Financial Aid staff has determined the proper screen to access the correct tuition and fees amount when calculating Return of Title IV, which will eliminate calculation errors. For student two, the Return of Title IV calculation was based on a long semester, whereas the student was only enrolled in flex entry classes. The calculation should have been made on the longest term enrolled, or in this case a flex entry schedule. Financial aid staff will develop procedures to identify students subject to the Return of Title IV calculation who are enrolled only in flex entry classes and will calculate the Return of Title IV based on the longest term enrolled for the period. An error occurred for student three when the direct loan paid out to the student in error when the Return of Title IV calculation for Pell was performed. The student was not eligible to receive the direct loan. This error was an isolated incident, however, additional training for financial aid staff will be provided to assist them in understanding how one process impacts others.

Finding 2012-3

Federal Program: Federal Pell Grant/ Federal Supplemental Educational Opportunity Grants (tested as part of the Student Financial Assistance Cluster)

CFDA Number: 84.063/84.007 **Federal Award Number:** Not Applicable **Award Year:** 2011/2012

Type of Finding: Control Deficiency and Noncompliance

Compliance Requirement: Eligibility

**Criteria or Specific
Requirement:**

Each year, based on the maximum Pell grant established by Congress, the ED provides to institutions Payment and Disbursement Schedules (the Schedules) for determining Pell awards. The Schedules provide the maximum annual amount a student would receive for a full academic year for a given enrollment status, EFC and cost of attendance (COA). The Schedules are used to determine the annual award for a full-time student. There are separate Schedules for three-quarter time, half-time, and less-than-half-time students.

Awards must be coordinated among the various programs and with other Federal and non-Federal aid (need and non-need based aid) to ensure that total aid is not awarded in excess of the student's financial need.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2012

| | |
|--|--|
| Condition: | For one student out of sixty judgmentally selected for testing, who was deemed eligible to receive financial aid, we noted that the student was awarded aid based on three-quarter time enrollment status although the student was half-time enrollment status. This resulted in an over award of Pell in the amount of \$694 and an over award of Federal Supplemental Educational Opportunity Grants (FSEOG) in the amount of \$150. |
| Questioned Costs: | \$844 |
| Context: | The student was considered eligible to receive financial aid; however, prior to the disbursement, the student withdrew from a course resulting in a change in enrollment status from three-quarter time to half-time. |
| Cause: | Financial Aid staff did not update the student's file to decrease the award based on a decrease in hours. |
| Effect: | The District over-awarded Federal Pell grant funds in the amount of \$694 and FSEOG in the amount of \$150. |
| Recommendation: | We recommend that the Financial Aid staff continue to enhance controls to ensure student records are up to date prior to disbursing aid. |
| Views of Responsible Officials and Planned Corrective Action: | Banner software only recognizes one census date when determining hours eligible for student financial aid. Financial Aid staff manually monitors student activity (drops) for flex classes beginning after the initial term begins in order to adjust financial aid awards. Financial aid staff overlooked a student drop for a flex entry class beginning after initial census, resulting in an over payment. For future terms, a process will be implemented which adjusts hours for accurate enrollment at the time of disbursement for flex entry classes. |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2012

SECTION IV - SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Finding 2011-1

Federal Program: Federal Pell Grant/ Federal Direct Student Loans
(tested as part of the Student Financial Assistance Cluster)

CFDA Number: 84.063/84.268 Federal Award Number: Not Applicable Award Year: 2010/2011

Type of Finding: Control Deficiency and Noncompliance

Compliance Requirement: Eligibility

Criteria or Specific Requirement:

The Higher Education Opportunity Act modified the Higher Education Act to provide that, beginning with the 2009-2010 Award Year, a student meeting certain requirements shall receive up to two Pell Grant Scheduled Awards during a single award year. To receive second Scheduled Award funds, the student must be enrolled at least as a half-time student in an eligible program leading to a bachelor's or associates degree or other recognized educational credential.

Awards must be coordinated among the various programs and with other Federal and non-Federal aid (need and non-need based aid) to ensure that total aid is not awarded in excess of the student's financial need.

Condition:

For one student out of sixty selected for testing, who was deemed eligible to receive financial aid, we noted that the student's eligibility for a second Pell award based on the summer enrollment status was not accurately determined. This resulted in an under award to one student in the amount of \$694.

For one student out of sixty selected for testing, who was deemed eligible to receive financial aid, we noted that the student received an award in excess of the student's financial need. This resulted in an over award of Subsidized Loan in the amount of \$1,822.

Questioned Costs: \$1,822

Context:

One student was considered eligible to receive Pell awards; however they did not receive the correct amount of the second Pell award.

One student was considered eligible to receive federal aid; however they received Subsidized Loans in excess of their financial need.

Cause:

Financial Aid staff did not update the student's file to increase award based on increase in hours.

Financial Aid staff updated the Cost of Attendance (COA) but did not update the Expected Family Contribution (EFC) based on an increase in hours which resulted in an incorrect calculation of unmet need.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2012

Effect: The District under disbursed Federal Pell grant funds to one student in the amount of \$694, and over disbursed Federal Direct loan funds to one student in the amount of \$1,822.

Recommendation: We recommend that the Financial Aid staff continue to enhance its review controls to ensure that the information used to determine award eligibility is accurate.

Prior year Views of Responsible Officials and Planned Corrective Action:

The District awards the second 100% of Pell based on hours attended and disburses awards based on earned hours. When summer Pell was awarded, spring hours had not been posted. Each second summer Pell was reviewed to make sure earned hours was correct. A miscalculation of completed fall/spring earned hours was made, resulting in an under award of \$694. Because the Department of Education has discontinued the awarding of the second 100% of Pell, a recalculation of earned hours will be done by the system automatically when summer awards are disbursed, reducing the possibility of human error.

The District disbursed \$1,822 in subsidized loan during the summer. The student's loan award was manually packaged using the EFC calculation of five months for spring, instead of the eight months for spring and summer. When considering the eight months EFC, the student should not have received a subsidized loan, but an unsubsidized loan. This was due to human error when the EFC calculation was performed manually. For future awards, financial aid staff will identify all manually awarded loans, and review a sample number of award loans each month for accuracy. This process will help minimize manual errors and identify recurring problems.

Status of Prior Year Corrective Action:

The second Pell award has been discontinued by the Department of Education, thus this error should not recur.

Finding 2011-2

Federal Program:

Federal Work-Study Program (FWS)
(tested as part of the Student Financial Assistance Cluster)

CFDA Number: 84.033

Federal Award Number: Not Applicable

Award Year: 2010/2011

Type of Finding:

Control Deficiency and Noncompliance

Compliance Requirement:

Special Tests: Federal Work-Study Agreements

Criteria or Specific Requirement:

FWS students may be employed by the institution, a Federal, State or local agency, a private not-for-profit organization or a private for-profit organization. The institution must enter into a written agreement with any agency or organization providing employment under the FWS program.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2012

| | |
|---|--|
| Condition: | Three out of thirty-five students that received FWS were employed at non-institutional employers. The District did not have written agreements with the non-institutional employers. |
| Questioned Costs: | None |
| Context: | The District had thirty-five students that received FWS. Three of these students were employed at a non-institutional employer. |
| Cause: | Financial Aid staff was not aware of the requirement to obtain a written agreement with any agency or organization providing off-campus employment under the FWS program. |
| Effect: | The District did not have written agreements with the non-institutional employer. |
| Recommendation: | We recommend that the District ensure that financial aid staff responsible for federal work-study are aware of the requirements related to off-campus employment and the requirement of obtain a written agreement with any non-institutional employers. |
| Prior year Views of Responsible Officials and Planned Corrective Action: | Not having a written agreement in place with the non-institutional employer employing three federal work study students was an oversight by the District. The District will obtain written agreements with all non-institutions for which federal work study students will be working. |
| Status of Prior Year Corrective Action: | In April 2012, contracts were created and signed with all off-campus sites that employ District students. The contracts are housed in the Financial Aid Director's office. |



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 Fund Assets and Liabilities - Unaudited
As of August 31, 2012
(with comparative totals at August 31, 2011)**

| | Current funds | | | | Total |
|--|-----------------------|-----------------------|-------------------|--------------------|-----------------------|
| | Unrestricted | Auxiliary enterprises | Restricted | Quasi - Endowment | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 122,549,957 | \$ 277,159 | \$ 0 | \$ 0 | \$ 122,827,116 |
| Accounts receivable (net of allowance for doubtful accounts of \$572,008 and \$0) | 6,836,022 | 509,199 | 0 | 0 | 7,345,221 |
| Tax receivable (net of allowance for doubtful accounts of \$751,701 and \$773,595) | 348,391 | 0 | 0 | 0 | 348,391 |
| Prepaid expenses | 617,529 | 31,634 | 347 | 0 | 649,510 |
| Contracts and grants receivables | 0 | 0 | 982,843 | 0 | 982,843 |
| Consumable inventory | 0 | 37,206 | 0 | 0 | 37,206 |
| Inventories for resale | 0 | 3,062,314 | 0 | 0 | 3,062,314 |
| Capital assets | 0 | 0 | 0 | 0 | 0 |
| Total assets | 130,351,899 | 3,917,512 | 983,190 | 0 | 135,252,601 |
| Liabilities: | | | | | |
| Accounts payable / accrued liabilities | 1,094,331 | 652,065 | 536,810 | 0 | 2,283,206 |
| Claim on cash | 5,739,215 | (2,826,694) | 40,564 | (1,579,382) | 1,373,703 |
| Unearned revenues | 12,849,678 | 292,325 | 77,561 | 0 | 13,219,564 |
| Accrued compensable absences payable | 782,060 | 0 | 0 | 0 | 782,060 |
| Bonds payable | - | 0 | 0 | 0 | 0 |
| Amounts held for others | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 20,465,284 | (1,882,304) | 654,935 | (1,579,382) | 17,658,533 |
| Unrestricted: | | | | | |
| Reserved: | | | | | |
| Encumbrances | 189,080 | 0 | 0 | 0 | 189,080 |
| Accounts receivable | 6,836,022 | 509,199 | 0 | 0 | 7,345,221 |
| Consumable inventories | - | 37,206 | 0 | 0 | 37,206 |
| Prepaid expenses | 617,529 | 31,634 | 0 | 0 | 649,163 |
| Unreserved: | | | | | |
| Designated - insurance deductibles | 100,000 | 0 | 0 | 0 | 100,000 |
| Designated - stabilization of maintenance & operations | 24,750,000 | 0 | 0 | 0 | 24,750,000 |
| Designated - health insurance reserve | 30,000,000 | 0 | 0 | 0 | 30,000,000 |
| Undesignated | 47,393,984 | 5,221,777 | 0 | 1,579,382 | 54,195,143 |
| Restricted: | | | | | |
| Other | 0 | 0 | 39,315 | 0 | 39,315 |
| Texas Public Education Grant | 0 | 0 | 288,940 | 0 | 288,940 |
| Unexpended plant | 0 | 0 | 0 | 0 | 0 |
| Retirement of indebtedness | 0 | 0 | 0 | 0 | 0 |
| Net investment in plant | 0 | 0 | 0 | 0 | 0 |
| Student loans | 0 | 0 | 0 | 0 | 0 |
| Total fund balances, commitments & contingencies | 109,886,615 | 5,799,816 | 328,255 | 1,579,382 | 117,594,068 |
| Total liabilities and fund balances | \$ 130,351,899 | \$ 3,917,512 | \$ 983,190 | \$ 0 | \$ 135,252,601 |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Fund Assets and Liabilities - Unaudited (Continued)

As of August 31, 2012

(with comparative totals at August 31, 2011)

| <u>Unexpended</u> | Plant funds | | Student <u>loans</u> | Agency <u>funds</u> | Totals (memorandum only) | |
|----------------------|--------------------------------------|-------------------------------|-------------------------|------------------------|-----------------------------|-----------------------|
| | Retirement of <u>indebtedness</u> | Investment <u>in plant</u> | | | <u>2012</u> | <u>2011</u> |
| \$ 87,342,197 | \$ 3,375,209 | \$ 0 | \$ 0 | \$ 0 | \$ 213,544,522 | \$ 212,953,155 |
| 1,837,751 | 0 | 0 | 55,552 | 0 | 9,238,524 | 10,220,984 |
| 0 | 114,287 | 0 | 0 | 0 | 462,678 | 544,284 |
| 0 | 0 | 0 | 0 | 0 | 649,510 | 957,589 |
| 0 | 0 | 0 | 0 | 0 | 982,843 | 1,080,595 |
| 0 | 0 | 0 | 0 | 0 | 37,206 | 49,371 |
| 0 | 0 | 0 | 0 | 0 | 3,062,314 | 2,597,665 |
| 0 | 0 | 256,534,643 | 0 | 0 | 256,534,643 | 238,843,715 |
| <u>89,179,948</u> | <u>3,489,496</u> | <u>256,534,643</u> | <u>55,552</u> | <u>0</u> | <u>484,512,240</u> | <u>467,247,358</u> |
| 1,600,893 | 84,282 | 0 | 0 | 11,294 | 3,979,675 | 8,068,629 |
| 166,590 | 352,732 | 23,523 | 34,071 | (925,827) | 1,024,792 | 1,890,517 |
| 0 | 0 | 0 | 0 | 0 | 13,219,564 | 12,576,911 |
| 0 | 0 | 0 | 0 | 0 | 782,060 | 781,300 |
| 0 | 0 | 46,577,768 | 0 | 0 | 46,577,768 | 50,136,290 |
| 0 | 0 | 0 | 0 | 914,533 | 914,533 | 920,907 |
| <u>1,767,483</u> | <u>437,014</u> | <u>46,601,291</u> | <u>34,071</u> | <u>0</u> | <u>66,498,392</u> | <u>74,374,554</u> |
| 0 | 0 | 0 | 0 | 0 | 189,080 | 82,978 |
| 0 | 0 | 0 | 0 | 0 | 7,345,221 | 7,532,917 |
| 0 | 0 | 0 | 0 | 0 | 37,206 | 49,371 |
| 0 | 0 | 0 | 0 | 0 | 649,163 | 956,646 |
| 0 | 0 | 0 | 0 | 0 | 100,000 | 100,000 |
| 0 | 0 | 0 | 0 | 0 | 24,750,000 | 24,750,000 |
| 0 | 0 | 0 | 0 | 0 | 30,000,000 | 25,000,000 |
| 0 | 0 | 0 | 0 | 0 | 54,195,143 | 37,911,305 |
| 0 | 0 | 0 | 0 | 0 | 39,315 | 37,376 |
| 0 | 0 | 0 | 0 | 0 | 288,940 | 705,933 |
| 87,412,465 | 0 | 0 | 0 | 0 | 87,412,465 | 104,270,852 |
| 0 | 3,052,482 | 0 | 0 | 0 | 3,052,482 | 2,746,738 |
| 0 | 0 | 209,933,352 | 0 | 0 | 209,933,352 | 188,707,425 |
| 0 | 0 | 0 | 21,481 | 0 | 21,481 | 21,263 |
| <u>87,412,465</u> | <u>3,052,482</u> | <u>209,933,352</u> | <u>21,481</u> | <u>0</u> | <u>418,013,848</u> | <u>392,872,804</u> |
| <u>\$ 89,179,948</u> | <u>\$ 3,489,496</u> | <u>\$ 256,534,643</u> | <u>\$ 55,552</u> | <u>\$ 0</u> | <u>\$ 484,512,240</u> | <u>\$ 467,247,358</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in Fund Balances - Unaudited
For the year ended August 31, 2012
(with comparative totals for the year ended August 31, 2011)**

| | Current funds | | | | Total |
|---|---------------|-----------------------|------------|-------------------|---------------|
| | Unrestricted | Auxiliary enterprises | Restricted | Quasi - Endowment | |
| Fund balances - beginning of year | \$89,672,211 | \$5,130,352 | \$743,308 | \$1,580,655 | \$97,126,526 |
| Revenues and other additions: | | | | | |
| Unrestricted current funds revenue | 122,341,887 | 10,562,859 | 0 | 1,441 | 132,906,187 |
| State appropriations - restricted | 0 | 0 | 4,206,672 | 0 | 4,206,672 |
| Tax revenues for debt service | 0 | 0 | 0 | 0 | 0 |
| Federal grants and contracts | 0 | 0 | 28,960,082 | 0 | 28,960,082 |
| State grants and contracts | 0 | 0 | 802,250 | 0 | 802,250 |
| Private gifts, grants and contracts | 0 | 0 | 6,939 | 0 | 6,939 |
| Investment income | 0 | 0 | 257 | 0 | 257 |
| Miscellaneous income | 0 | 0 | 0 | 0 | 0 |
| Net decrease in bonds payable | 0 | 0 | 0 | 0 | 0 |
| Expended for plant facilities | 0 | 0 | 0 | 0 | 0 |
| Total revenues and other additions | 122,341,887 | 10,562,859 | 33,976,200 | 1,441 | 166,882,387 |
| Expenses and other deductions: | | | | | |
| Expenses | 91,160,301 | 10,032,534 | 35,509,849 | 0 | 136,702,684 |
| Indirect costs | 0 | 0 | 49,382 | 0 | 49,382 |
| Administrative and collection costs | 0 | 0 | 0 | 0 | 0 |
| Retirement of indebtedness | 0 | 0 | 0 | 0 | 0 |
| Interest on indebtedness | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 0 | 0 | 0 | 0 | 0 |
| Total expenditures and other deductions | 91,160,301 | 10,032,534 | 35,559,231 | 0 | 136,752,066 |
| Transfers - additions (deductions): | | | | | |
| Mandatory transfers: | | | | | |
| Retirement of indebtedness: | | | | | |
| Building use fee | (1,110,055) | 0 | 0 | 0 | (1,110,055) |
| Texas Public Education Grant | (991,648) | 0 | 991,648 | 0 | 0 |
| FSEOG match paid by TPEG | (97,422) | 0 | 97,422 | 0 | 0 |
| Grant matching | (78,908) | 0 | 78,908 | 0 | 0 |
| Non-mandatory transfers | (8,689,149) | 139,139 | 0 | (2,714) | (8,552,724) |
| Total transfers - additions (deductions) | (10,967,182) | 139,139 | 1,167,978 | (2,714) | (9,662,779) |
| Net increase (decrease) for the fiscal year | 20,214,404 | 669,464 | (415,053) | (1,273) | 20,467,542 |
| Fund balances - end of year | \$109,886,615 | \$5,799,816 | \$328,255 | \$1,579,382 | \$117,594,068 |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Fund Balance - Unaudited (Continued)

For the year ended August 31, 2012

(with comparative totals for the year ended August 31, 2011)

| <u>Unexpended</u> | Plant funds | | Student <u>loans</u> | Totals (memorandum only) | |
|---------------------|--------------------------------------|-------------------------------|-------------------------|-----------------------------|----------------------|
| | Retirement of <u>indebtedness</u> | Investment <u>in plant</u> | | <u>2012</u> | <u>2011</u> |
| | | | | | |
| \$104,270,853 | \$2,746,737 | \$188,707,425 | \$21,263 | \$392,872,804 | \$369,214,446 |
| 0 | 0 | 0 | 0 | 132,906,187 | 129,997,488 |
| 0 | 0 | 0 | 0 | 4,206,672 | 7,008,746 |
| 0 | 4,746,235 | 0 | 0 | 4,746,235 | 4,636,179 |
| 0 | 0 | 0 | 0 | 28,960,082 | 24,860,604 |
| 0 | 0 | 0 | 0 | 802,250 | 1,675,769 |
| 0 | 0 | 0 | 0 | 6,939 | 4,817 |
| 101,331 | 5,169 | 0 | 0 | 106,757 | 150,362 |
| 200,000 | 25,205 | 0 | 0 | 225,205 | 200,000 |
| 0 | 0 | 3,535,000 | 0 | 3,535,000 | 3,750,000 |
| 0 | 0 | 24,481,087 | 0 | 24,481,087 | 21,055,021 |
| <u>301,331</u> | <u>4,776,609</u> | <u>28,016,087</u> | <u>0</u> | <u>199,976,414</u> | <u>193,338,986</u> |
| 25,712,443 | 0 | 0 | (218) | 162,414,909 | 157,188,381 |
| 0 | 0 | 0 | 0 | 49,382 | 17,323 |
| 0 | 116,764 | 0 | 0 | 116,764 | 133,158 |
| 0 | 3,535,000 | 0 | 0 | 3,535,000 | 3,750,000 |
| 0 | 1,929,155 | 0 | 0 | 1,929,155 | 1,854,465 |
| 0 | 0 | 6,790,160 | 0 | 6,790,160 | 6,737,301 |
| <u>25,712,443</u> | <u>5,580,919</u> | <u>6,790,160</u> | <u>(218)</u> | <u>174,835,370</u> | <u>169,680,628</u> |
| 0 | 1,110,055 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 8,552,724 | 0 | 0 | 0 | 0 | 0 |
| <u>8,552,724</u> | <u>1,110,055</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| (16,858,388) | 305,745 | 21,225,927 | 218 | 25,141,044 | 23,658,358 |
| <u>\$87,412,465</u> | <u>\$3,052,482</u> | <u>\$209,933,352</u> | <u>\$21,481</u> | <u>\$418,013,848</u> | <u>\$392,872,804</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in New Assets - Unrestricted
Current Funds - Auxiliary Enterprises
Unaudited
For the year ended August 31, 2012**

| | <u>Rental Income</u> <u>Scholarships</u> | <u>Student</u> <u>Activities</u> | <u>Camps</u> | <u>Scholarships</u> | <u>Intercollegiate</u> <u>Athletics</u> |
|--|---|-------------------------------------|------------------|---------------------|--|
| Revenues | | | | | |
| Gifts | \$ 0 | \$ 0 | \$ 2,386 | \$ 0 | \$ 0 |
| Sales and services | 76,304 | 0 | 0 | 0 | 0 |
| Student fees | 0 | 539,730 | 0 | 0 | 0 |
| Miscellaneous income | 0 | 0 | 72,470 | 0 | 20,180 |
| Total revenue | <u>76,304</u> | <u>539,730</u> | <u>74,856</u> | <u>0</u> | <u>20,180</u> |
| Expenditures | | | | | |
| Salaries and wages | 0 | 0 | 12,497 | 0 | 101,717 |
| Staff benefits | 0 | 0 | 0 | 0 | 0 |
| Financial Aid | 59,101 | 0 | 0 | 103,534 | 206,521 |
| Other operating expenses | 0 | 359,094 | 56,077 | 0 | 154,341 |
| Total expenditures | <u>59,101</u> | <u>359,094</u> | <u>68,574</u> | <u>103,534</u> | <u>462,579</u> |
| Excess (deficit) of revenue over (under) expenditures | <u>17,203</u> | <u>180,636</u> | <u>6,282</u> | <u>(103,534)</u> | <u>(442,399)</u> |
| Summary of fund balances as of September 1, 2011 | | | | | |
| | 151,483 | 206,703 | 13,015 | 0 | 0 |
| Additions (deductions): | | | | | |
| Transfer from operating fund | 0 | 0 | 0 | 0 | 0 |
| Transfer from Lebrecht fund | 0 | 0 | 0 | 2,714 | 0 |
| Excess (deficit) of revenue over (under) expenditures | 17,203 | 180,636 | 6,282 | (100,820) | (442,399) |
| Other fund transfers | | | | | |
| Student activities | 0 | (154,341) | 0 | 0 | 154,341 |
| Bookstore | 0 | 0 | 0 | 0 | 236,002 |
| Rental Income | (100,820) | 0 | 0 | 100,820 | 0 |
| Food service | 0 | 0 | 0 | 0 | 52,056 |
| Total other transfers | <u>(100,820)</u> | <u>(154,341)</u> | <u>0</u> | <u>100,820</u> | <u>442,399</u> |
| Total additions (deductions) | <u>(83,617)</u> | <u>26,295</u> | <u>6,282</u> | <u>0</u> | <u>0</u> |
| Net Assets - end of year | <u>\$ 67,866</u> | <u>\$ 232,998</u> | <u>\$ 19,297</u> | <u>\$ 0</u> | <u>\$ 0</u> |

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Changes in New Assets - Unrestricted
Current Funds - Auxiliary Enterprises
Unaudited (Continued)
For the year ended August 31, 2012**

| <u>Food Services</u> | <u>Bookstore</u> | <u>Facilities Rental</u> | <u>Child Care Center</u> | <u>Fitness Center</u> | <u>Print Shop</u> | <u>Total</u> |
|----------------------|---------------------|--------------------------|--------------------------|-----------------------|-------------------|---------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,386 |
| 75,387 | 9,013,902 | 96,602 | 167,994 | 9,840 | 428,139 | 9,868,168 |
| 0 | 0 | 0 | 0 | 0 | 0 | 539,730 |
| 10,000 | 49,319 | 0 | 0 | 0 | 606 | 152,575 |
| <u>85,387</u> | <u>9,063,221</u> | <u>96,602</u> | <u>167,994</u> | <u>9,840</u> | <u>428,745</u> | <u>10,562,859</u> |
| 0 | 448,730 | 77,804 | 261,700 | 15,846 | 97,400 | 1,015,694 |
| 0 | 93,840 | 0 | 0 | 0 | 14,381 | 108,221 |
| 0 | 0 | 0 | 0 | 0 | 0 | 369,156 |
| 33,331 | 7,573,659 | 3,276 | 42,719 | 2 | 316,964 | 8,539,463 |
| <u>33,331</u> | <u>8,116,229</u> | <u>81,080</u> | <u>304,419</u> | <u>15,848</u> | <u>428,745</u> | <u>10,032,534</u> |
| <u>52,056</u> | <u>946,992</u> | <u>15,522</u> | <u>(136,425)</u> | <u>(6,008)</u> | <u>0</u> | <u>530,325</u> |
| 0 | 4,801,709 | (22,159) | 0 | (20,399) | 0 | 5,130,352 |
| 0 | 0 | 0 | 136,425 | 0 | 0 | 136,425 |
| 0 | 0 | 0 | 0 | 0 | 0 | 2,714 |
| 52,056 | 946,992 | 15,522 | 0 | (6,008) | 0 | 669,464 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | (269,046) | 6,637 | 0 | 26,407 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (52,056) | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>(52,056)</u> | <u>(269,046)</u> | <u>6,637</u> | <u>0</u> | <u>26,407</u> | <u>0</u> | <u>0</u> |
| 0 | 677,946 | 22,159 | 0 | 20,399 | 0 | 669,464 |
| <u>\$ 0</u> | <u>\$ 5,479,655</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 5,799,816</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

Rockwall ISD Administration/
Education Center
1050 Williams Street
Rockwall, Texas 75087



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