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# 2002 annual

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Fiscal Year End

# **Collin County Community College District**

## **Comprehensive Annual Financial Report**

**For the  
Fiscal Year Ended August 31, 2002**

**Prepared by:**

**Administrative Services**



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Comprehensive Annual Financial Report**

**Fiscal Year Ended August 31, 2002**

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*Courtyard Center for Professional and Economic Development*



introductory



# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

December 17, 2002

Honorable Chairman, Board of Trustees, and President  
Collin County Community College District  
Plano, TX

Dear Board Members and President:

The following comprehensive annual financial report of the Collin County Community College District ("CCCCD" or the "District") for the fiscal year ended August 31, 2002, 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.

Due to the implementation of Governmental Accounting Standards Board (GASB) Statements 34 and 35 in this fiscal year, the financial statements are presented in a different format. The District is reporting as a special purpose government engaged solely in business type activity (BTA). The new presentation of financial reporting combines all fund groups into a single column and more closely resembles the format of the corporate presentation, thus facilitating comparison. Notable changes include recognition of depreciation, tuition and fees being reported net of scholarships and discounts, the inclusion of Management's Discussion and Analysis (MD&A), and the presentation of the Basic Financial Statements in three new statements entitled Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets and Statement of Cash Flows. In this transition year, the District has also included the three basic statements and accompanying schedules in the prior year format in the supplementary information section of the report. The format, purpose and effects of the changes are addressed in the notes to the basic financial statements.

The comprehensive annual financial report is presented in five sections: introductory, financial, supplementary information, statistical, and single audit. The introductory section, which is unaudited, includes this transmittal letter, the District's organizational chart, and a list of the District's principal elected and appointed officials. The financial section includes the report of the independent public accountants on the basic financial statements and schedules, the management discussion and analysis, the basic financial statements, notes to financial statements, and THECB supplemental schedules. The supplementary information section, which is unaudited, contains schedules in the prior year presentation format from previous CAFR's that are no longer

required due to the implementation of GASB 34 and 35. These are for informational purposes only. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996, 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, including the schedule of expenditures of federal awards, schedule of expenditures of state awards and related footnotes, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, is included in the single audit section of this report.

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 financial data for Collin County Community College District is included in this report.

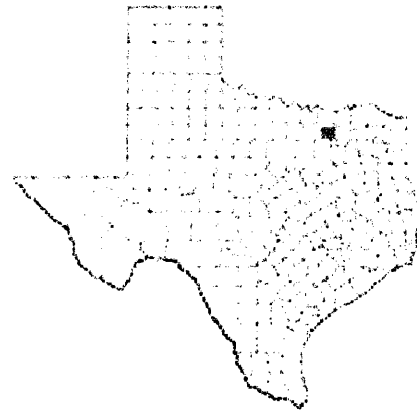
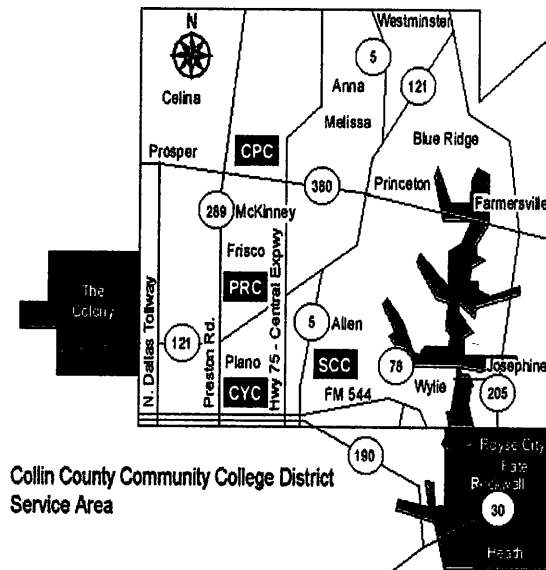
## GOVERNMENTAL STRUCTURE

CCCCD was established as a public community college in an election held in Collin County, Texas, on April 6, 1985. The District 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 even-numbered years) three Trustees are elected to serve in a six-year, at-large position. The Board holds regularly scheduled meetings on the fourth Tuesday of each month unless otherwise announced. Board meetings are held in the Board Room at the Courtyard Center campus located in Plano unless otherwise provided in the notice for a meeting, which is in compliance with public notice requirements.

The Board has the final authority to determine and interpret the policies that govern the District and 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 of Trustee 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.

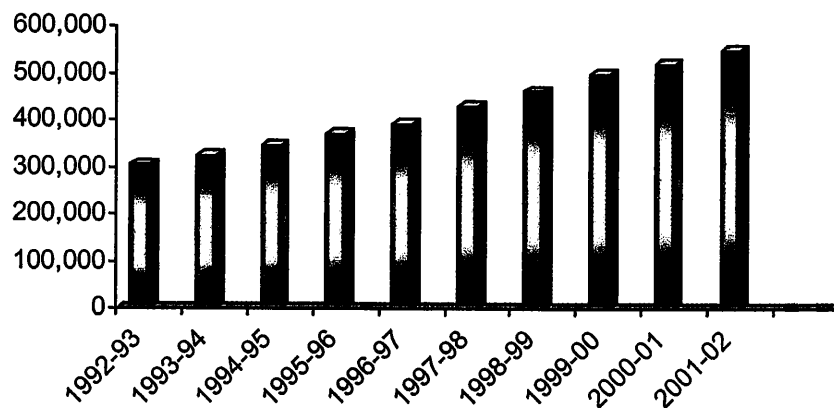
In general, the Board provides policy direction and sets goals for the District consistent with the District's role and mission. Besides general Board business, trustees are charged with numerous statutory regulations, including appointing the tax assessor/collector, ordering elections, and issuing bonds. 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.

## LOCAL ECONOMIC CONDITION AND OUTLOOK



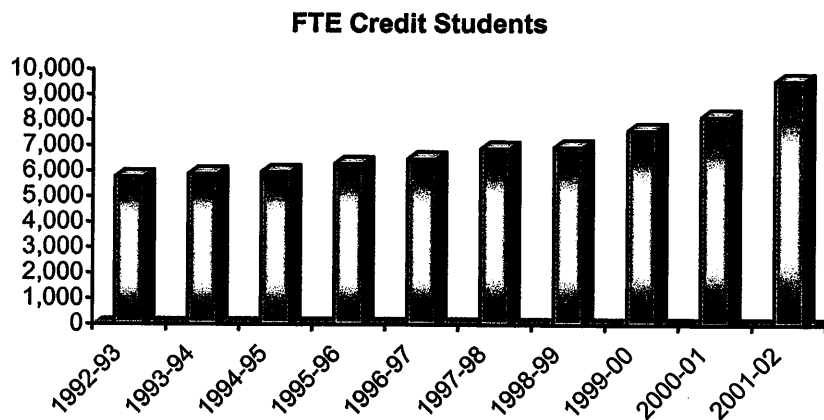
Located in the Dallas metropolitan area of North Central Texas, the county consists of 836 square miles with a 2002 population density of 657.7 residents per square mile. Collin County continues to be one of the fastest growing areas in the region. With an estimated 2002 population of 549,800, Collin County experienced an increase of 30,045 persons during the past year. This represents a growth rate of 5.78%. Plano, Frisco and McKinney were among the fastest growing cities in the area. According to the Texas Economic Development Board, Collin County is the eighth (8<sup>th</sup>) largest of the 254 counties in Texas. Throughout the decade, Collin County has yielded an approximate increase in population of more than eighty-two percent (82%) as illustrated by the graph below.

**Collin County Population**



Typically jobs requiring higher levels of education increase at higher rates than jobs requiring less education and training. According to the 2000 Census, 91.8% of the County's workforce had a high school diploma or higher and 47.3% held a bachelor's degree or higher county wide, notably higher than the statewide percentages of 75.7% and 23.2% respectively. The Dallas area has the second largest concentration of telecommunications and the fourth largest concentration of high-technology companies in the United States. The economic base consists of service industries, trade industries, manufacturing, computer technology, electronics, healthcare, oil and gas research, and agriculture. Major industries with headquarters or divisions located within the district include petroleum research, telecommunications, computer technology, electronics, retail, food industry, and insurance institutions. Due to the high tech nature of the local economy, Collin County has experienced an economic downturn and a rise in unemployment. The County has a civilian employed labor force of approximately 284,100, and an unemployment rate of 6.70%, which is higher than the state unemployment rate of 6.30% and the national unemployment rate of 5.70%. This increase in the unemployment rate can be attributed primarily to the high-tech and telecom industries. With the economic slowdown in those industries, many Collin County residents have been adversely affected. However, even with the recent economic uncertainty businesses have continued to migrate to this area, taking advantage of the prime location the county possesses. Given 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.

Fall 2002 semester credit enrollment at CCCCDC grew for the eighth consecutive year to 15,970 students on census date, an increase of 12 percent over fall 2001. CCCCDC has five locations serving more than 37,037 credit and continuing education students. The following chart reflects the District's full-time equivalent (FTE) student growth, an increase of 66 percent over the past ten years.





## MAJOR INITIATIVES

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

- In November 2001, the voters approved a \$57 million bond referendum which will be used to finance construction projects including a 36,000 square foot conference center at the Spring Creek Campus, a 100,000 square foot library at the Preston Ridge Campus, and several high tech classrooms and labs.
- Standard & Poors Corporation and Moody's Investors Service, Inc. upgraded CCCCD to AAA/Aaa rating respectively on \$20 million Limited Tax Improvement Bonds, Series 2002. This is the highest credit rating available and only 15 such rated political subdivisions exist among all of the counties, cities, school districts and community colleges in the state of Texas.
- The college hosted Nobel Peace Prize winner Dr. Norman Borlaug and Dr. Keith Devlin, senior researcher at Stanford University and executive director of Stanford's Center for the Study of Language and Information as visiting professors.
- Nationally-recognized economists Dr. Robert McTeer of the Federal Reserve Bank of Dallas and Dr. Ray Perryman of The Perryman Group spoke at the 2002 Economic Summit, hosted by CCCCD. The event brought together community leaders and businesses to hear McTeer and Perryman's commentary on the economy in Collin County.
- The CCCCD Continuing Education Division was named one of the first 18 campuses in the nation as a Microsoft IT Academy. This program provides delivery of world-class training in Microsoft networking and developer technologies.
- The college was designated as an international Certified Internet Webmaster (CIW) Faculty Institute site by Prosoft Training and the National Workforce Center for Emerging Technologies. The CIW Faculty Institute is part of a North American network of 15 locations that will train secondary and post-secondary educators to become CIW Certified Instructors.
- The Interpreter Preparation Program/Deaf (IPPD) program received the 2001 Georgiana Elliott Award from the Deaf Celebration for providing volunteer interpreters.
- CCCCD was chosen to participate in the MentorNet program, a nationwide e-mail mentoring project designed to support under-represented populations in pursuing degrees in science and engineering.
- CCCCD hosted a first-of-its kind conference for women in the workplace titled "Great Minds, Great Leaders: Blazing a Trail to the Top."
- The Learning Resources Centers at three campuses received a total of \$209,350 from the Telecommunications Infrastructure Fund Board (TIFB) to be used for equipment and bibliographic instruction. The TIFB also awarded the college \$259,640 for new equipment and faculty training in distance learning.

Student organizations, professors and students of CCCCD also received the following special recognition during the year:

- Student Gregory Cummings received the *Wall Street Journal's* Student Achievement Award in economics for the 2001-2002 academic year.
- Judge John Payton, a CCCCD student, was one of only 60 students nationwide to be selected for one of the three All-USA Academic Teams. Phi Theta Kappa Honor Society, American Association of Community Colleges and *USA Today* sponsored the competition.
- Psychology professors Bill Adler, Marti Weaver, and Sandi Wilson were recognized for creating the national web site for Psi Beta. The web site was one of only 10 chosen to be displayed nationally.
- Students from the science division were chosen to perform a follow-up experiment at the Reduced Gravity Flight Program at NASA's Johnson Space Center in Houston. This marks the second consecutive year that CCCCD physics students participated.
- The Quad C Theatre group garnered several honors at the Texas state competition of the American College Theatre Festival, a national competition that adjudicates more than 800 productions annually.
- James "Chip" Galloway, mathematics professor, received the first Texas Mathematical Association of Two-Year Colleges Award for Teaching Excellence.
- Fire Academy Class 21 raised more than \$43,000 for the families of FDNY Rescue 3 firefighters lost in the September 11<sup>th</sup> terrorist attack and the FDNY 9/11 Relief Fund.
- Brad Baker was named the Theatre Educator of the Year by the Texas Educational Theatre Association.

The District is proud of its nationally recognized theater program, internationally known music program and award winning forensic debate team. Students of the district have a nearly 100 percent pass rate in licensing exams in the fields of nursing, physical therapist assistant and phlebotomy. There is a ninety-five percent placement rate for students in the nursing, applied graphic design, semiconductor manufacturing and respiratory care programs.

Debuting in the fall of 2002, pre-professional programs will be offered in pre-business, pre-chiropractic, pre-dental, pre-medicine, pre-engineering, pre-pharmacy, pre-veterinary medicine, pre-law, elementary and secondary education. The pre-professional programs offer the student a head start on their chosen career by offering courses required to complete requirements at universities.

CCCCD fields athletic teams in men's tennis, baseball and basketball as well as in women's volleyball, tennis, softball, and basketball. The CCCCD "Express" athletic teams regularly finish competitively in conference, regional and national tournaments.

The Continuing Education and Workforce Development Division offers over 240 individual and customized courses from language skills to web server administration to individuals and businesses. Through CCCCD's Business Group, the District has provided customized training to over thirty companies and public entities.

Organizations benefiting from these professional services include FSI International, City of Plano, Baylor Hospital, Countrywide Home Loans, Target Stores and many others. Courses are offered at business settings or at CCCCD campuses.

CCCCD offers more than 100 associate degree and certificate programs. Since its inception in 1985, it has grown from offering small classes at local high schools to five instructional sites: the Central Park, Preston Ridge and Spring Creek campuses, the Courtyard Center for Professional and Economic Development, and CCCCD@Allen.

During 2002, CCCCD added new certificate programs for Database Programming, Software Development Using C++, Cisco Networking, and Project Management. Beginning in the spring of 2002, a new degree program was offered in Emergency Medical Services Professionals.

The District continues to meet the needs of the community in developing a professional workforce by expanding the educational opportunities available to its residents. For example, "Preparing Tomorrow's Teacher to use Technology" (PT3) is a program that integrates modern learning technologies into the Teacher Certification Program curriculum while faculty and mentors model desired technology-infused instructional strategies.

CCCCD offers small, personalized classes and award winning faculty in a safe and friendly environment, allowing students to fulfill their potential and achieve their goals. The District promotes life-long learning and strives to avail its residents the opportunity to further their education regardless of their schedule, time and distance constraints. CCCCD offers various alternatives to the traditional day, evening and weekend classroom. Examples include distance learning through televised courses, telecourses by video checkout, internet courses, live interactive cable courses, and a two-way audio and video conferencing system. "Fast-track" credit courses are also offered at the Courtyard Campus with five-week, eight-week, and full-semester classes. Also available are Maymester and Wintermester classes, which give the student the opportunity to complete a course in 11 days. Study abroad opportunities are also available.

The District meets the needs of the community in many other various and innovative ways. Senior citizens of the community are served through the Seniors Active in Learning (SAIL) program, an education and social program designed for senior citizens. Through the service learning program, many of our instructors have integrated community service into their class work, benefiting both the community and the student through external hands-on learning experiences, encouraging the application of knowledge to real-life situations. The District's fitness centers, a gymnasium, the libraries, and the tennis and racquetball courts are available to the public as well as students.

The District reviews its Strategic Goals and achievement indicators on a yearly basis. The 2001 through 2003 strategic goals and progress regarding those goals are:

1. Elevate CCCCD to the echelon of world-class education.

The bond referendum passed, providing funds to expand our facilities in order to meet the growing needs of our District. The concurrent admission agreement with Southern Methodist University was signed and discussions with other universities are continuing. A recruitment compact disc was developed and produced to promote the District's accomplishments and opportunities to both prospective students and employees. The community newsletter was expanded to keep the constituents of the District better informed. Advertising has been expanded to promote name recognition and awareness of the high quality education offered at CCCCD.

2. Develop a model teaching and learning environment.

Approval and evaluation processes were developed for Distance Education and twenty-two new online courses were added. New self-paced courses were offered. Services provided by the Teaching/Learning Center were expanded and participation by the faculty has increased. During the fall semester of 2002, in an effort to build more effective leaders, the inaugural Student Leadership Academy, the first at a community college in Texas was established. In order to promote student success, the Mathematics Passport Program was established. The program is an intense summer program tailored to individual students needs, designed to enable them to attain mathematical competency. The District has constructed convergence labs to provide laboratory settings to teach the latest technology relating to the merging of voice, video and data on a single network, integrating telecommunications and computer technology in a way that opens powerful new avenues of communication.

3. Expand, enhance, and promote mutually beneficial relationships with business, industry, government and education.

Professional and workforce development courses have expanded to additional campuses and course offerings have increased. Certificate programs in Basic Supervision, Project Management, Web Design, Medical Coding, Small Business, Human Resources, Telecommunications, Global Business, Integrated Office User Specialist and Quality Management Professional were added. Successful partnerships have been established between area businesses and CCCCD as well.

4. Improve student achievement.

The Institutional Research Office has developed a database containing information about students and their outcomes. Benchmarks such as retention

rates, graduation rates and the rate of transfers to universities all increased during the fiscal year.

5. Develop an exemplary information technology infrastructure that is responsive to the instructional and administrative needs of the District.

Installation of the wide-area network (WAN), 54 miles of fiber optic cabling was completed and became operational. Web based forms have been implemented to streamline District functions.

## INTERLOCAL 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, schools and companies. Such agreements are efficient and cost-effective. With the City of Frisco, the District shares a park as well as a recreation center featuring a natatorium and fitness center. Through an agreement with the City of Plano, the District shares the use of Oak Point Recreation Center, which has indoor and outdoor pools. The Center is located adjacent to the Spring Creek Campus. The City of McKinney and CCCCD share the Fire Science Training Facility on the Central Park Campus. Interlocal agreements with the Allen school district made possible the creation of an instructional site at Allen High School. CCCCD has reciprocal technical/occupational course agreements with the Dallas County Community College District and with Grayson County College, allowing students to enroll in programs not available in their home district at the in-county tuition rate.

The District participates in a purchasing consortium with various entities within Collin County to purchase various goods and services commonly used by all the entities to achieve anticipated cost savings. Through an interlocal agreement with the North Texas Demandstar Users Group, the District is able to purchase goods and services at a cost savings as well as post notifications/publications on their website. In order to obtain additional savings through volume purchasing, the District also entered into an interlocal agreement with the Texas Cooperative Purchasing Network.

For the purpose of delivering CCCCD sign language classes to other areas of the State, the District entered into an interlocal agreement with Region 9 Education Service Center (ESC). This agreement provided for connecting CCCCD's distance learning classroom to the Region 9 ESC private wide-area network.

CCCCD and the University of North Texas, the University of Texas at Dallas and Southern Methodist University have concurrent admissions agreements allowing our students to enroll at both CCCCD and the universities concurrently. There is also a concurrent admissions agreement with Texas A&M-Commerce for Graduate credit for the Teacher Certification program.

## FINANCIAL INFORMATION

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 are 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.

As a recipient of federal, state, and local financial awards, the District is also 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 adequacy of the internal control structure, including that portion related to major federal and state financial award programs, as well as to determine that the District has complied with significant applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2002, provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

In addition, Administrative Services maintains 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 as a technique of accomplishing budgetary control. Encumbered amounts lapse at year-end; however, encumbrances are generally reappropriated as part of the next year's budget.

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.

#### Debt Administration

As of August 31, 2002, the District had \$57,330,991 of debt issues outstanding. These issues, net of unamortized discounts and premiums, included \$32,205,695 of general obligation bonds, and \$25,125,296 of revenue bonds. Voters approved \$57,000,000 in limited tax improvement bonds in November 2001 and the District issued \$20,000,000 of these bonds in June 2002. At the time of this bond issuance, the District's bond ratings by both Moody's Investors Service and Standard and Poor's was elevated to a Aaa/AAA rating respectively because of the strong financial position of the District due to conservative management practices and a diverse and expanding economy that remains generally strong. The District's general obligation bonded debt issuances are limited to the extent that the aggregate annual debt service tax rate in the District shall never exceed \$0.12 per \$100 valuation of taxable property. The 2001-02 aggregate bond tax rate for the District was \$0.012843 per \$100 valuation of taxable property.

### Cash Management

During the year, cash temporarily idle was invested in TexPool, a public funds investment pool. The average yield on investments was 2.19 percent. The District's investment performance is favorable when compared to the average yield rate of 1.86 percent for 90-day U.S. Treasury bills. The District earned interest revenue of \$1,193,704 on all investments for the year ended August 31, 2002.

Our investment policy, which is reviewed and updated annually, 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. The securities pledged to the District as collateral are held by the Federal Reserve Bank, which acts as the pledging bank's agent.

### Risk Management

Risk Management is the ongoing process by which financial loss and exposure to risk is assessed and action is taken to minimize risk, to transfer risk, and to finance risk through various devices, including insurance. All areas of the District are reviewed for possible risk management and loss-control activities. The Vice President of Administration is responsible for recommending to the President and the Board the amounts of insurance the District should carry and the amount of risk the District should assume through coinsurance and deductibles.

Programs covered include Property, Liability, Employee Educators Liability, Employee Dishonesty Coverage, Interscholastic Accident Insurance, Student Medical Professional Liability, Unemployment Compensation, and Workers' Compensation. Additionally, all eligible employees are provided with paid medical, dental, life, and accidental death and dismemberment insurance. Dependent coverage is also available at group rates.

For unemployment compensation, the District elects to participate in a program offered by the Texas Association of School Boards (TASB) rather than being a taxing employer with rates set by the Texas Employment Commission. Rates are factored according to the experience and size of the District. The program is a form of self-insurance with stop-loss coverage.

The District participates in a self-funded workers' compensation insurance program that is administered by Texas Political Subdivisions (TPS). The District budgets for the fixed cost and loss fund maximum. Fixed costs are primarily affected by payroll; however, the loss costs 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. Loss costs are only paid if the District experiences losses.

The District strives to develop risk management programs which help better manage its resources. Firm adherence to a code of values and sound principles helps provide exceptional, cost-saving risk management.

## OTHER INFORMATION

### Independent Audit

State statutes require an annual audit by independent certified public accountants. The District's Board of Trustees selected the accounting firm of KPMG LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act amendments of 1996 and related OMB Circular A-133 and the State of Texas Single Audit Circular. The auditors' reports related specifically to the single audit are included in the Single Audit Section.

### Certificate of Achievement

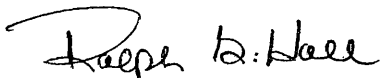
The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Collin County Community College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2001. This was the fifth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit 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.

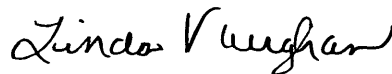
### Acknowledgments

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 KPMG LLP for their assistance and timely completion of the audit. Due credit also should be given to the governing Board and President for their interest in planning and conducting the operations of the government in a responsible manner.

Respectfully submitted,



Ralph G. Hall  
Vice President of Administration



Linda Vaughan  
Director of Accounting & Financial  
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, 2001

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.



*William Patrick Pate*  
President

*Jeffrey L. Esser*  
Executive Director

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Officials and Staff**

**For the year ended August 31, 2002**

### **Elected Officials**

<b><u>Board of Trustees</u></b>	<b><u>City</u></b>	<b><u>Term Expires</u></b>
Samuel E. Roach Chairman, Place 4	Frisco, Texas	May, 2006
J. R. (Bob) Collins Vice Chair, Place 8	Farmersville, Texas	May, 2008
Cynthia W. Bauge Secretary, Place 2	Plano, Texas	May, 2004
Fortino P. (Tino) Trujillo Treasurer, Place 7	Plano, Texas	May, 2008
Jim Biggerstaff Place 5	Plano, Texas	May, 2006
Brenda Willard Goodell Place 9	Celina, Texas	May, 2008
Glenn W. Justice Place 1	Parker, Texas	May, 2004
E. T. Boon Place 3	Allen, Texas	May, 2004
Vacant Place 6		May, 2006

### **Principal Administrative Officers**

<b><u>Name</u></b>	<b><u>Position</u></b>
Dr. Cary Israel	President
Ralph G. Hall	Vice President of Administration
Dr. Toni Jenkins	Executive Vice President
Dr. Sheryl Kappus	Vice President of Academic Affairs
Dr. Mary McRae	Vice President of Student Development
Linda Vaughan	Director of Accounting and Financial Reporting

# BOARD OF TRUSTEES



Sam Roach, Chairman



Cynthia W. Bauge,  
Secretary



Jim Biggerstaff



E. T. Boon

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 CCCC 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 CCCC 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.



J.R. (Bob) Collins,  
Vice Chair



Fortino (Tino)  
Trujillo, Treasurer

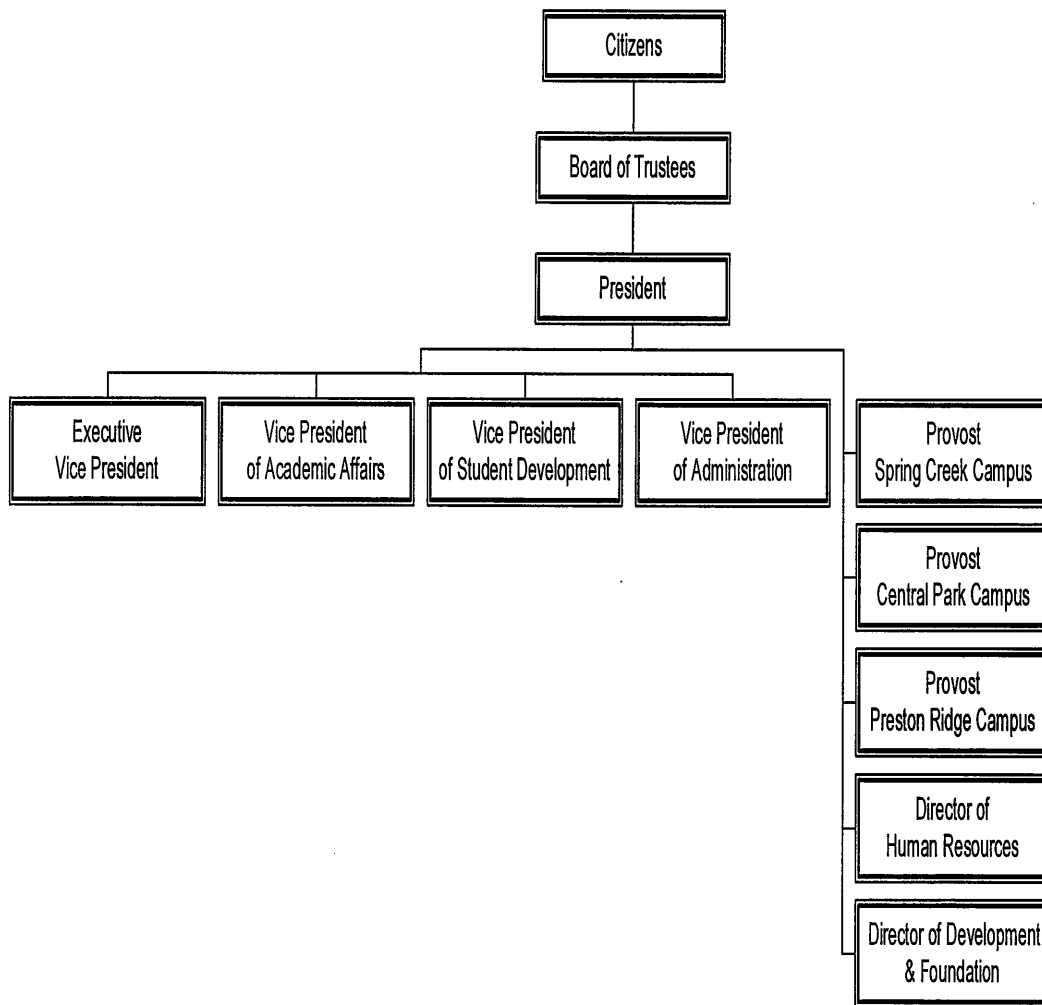


Brenda Willard Goodell



Glenn W. Justice

# Collin County Community College District Organizational Chart



*Spring Creek Campus*



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financial

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717 North Harwood Street  
Suite 3100  
Dallas, TX 75201-6585

## **Independent Auditors' Report**

To the Board of Trustees of  
Collin County Community College District:

We have audited the accompanying basic financial statements of the Collin County Community College District (the District), as of and for the year ended August 31, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Collin County Community College District, as of August 31, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 2(a), the District has implemented a new financial reporting model as required by the provisions of Government Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – Management's Discussion and Analysis for Public Colleges and Universities*, which extends the guidance of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, to Public Colleges and Universities effective September 1, 2001.

The management's discussion and analysis on pages 19 through 23 is not a required part of the basic financial statements taken as a whole but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The introductory section, THECB supplemental schedules (Exhibits 2-A, 2-B, and 2-C), supplementary information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements taken as a whole. The THECB supplemental schedules (Exhibits 2-A, 2-B, and 2-C) have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, supplementary information, and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and State of Texas Single Audit Circular and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 15, 2002, 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 grants. That report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America and should be read in conjunction with this report in considering the results of our audit.

KPMG LLP

November 15, 2002

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

### **Management's Discussion and Analysis Fiscal Year Ending August 31, 2002**

#### **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 2002 which are in conformance with Governmental Accounting Standards Board (GASB) 34, 35, 37 and 38. 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 discussion of the results is intended to provide readers with an overview of the basic financial statements. In future years, a comparative analysis of the basic financial statement data will be presented when more than one year of information is available.

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, 2002, by \$125.3 million (net assets). Of this amount, \$47.6 million (unrestricted net assets) may be used to meet the district's ongoing obligations.
- Total net assets increased by \$23.3 million. This increase can be attributed to increases in ad valorem tax revenue and tuition and fee revenue. Assessed property valuations increased 15% producing an increase in property tax revenues. Student enrollment increased 12% generating additional tuition and fee revenue.
- At the end of the current fiscal year, unreserved fund balance for the unrestricted fund was \$44.3 million. This is an increase of \$16 million from the previous year.
- The District's total debt increased to \$57.3 million during the current fiscal year. The primary reason for the increase in debt was due to the issuance of \$20 million in limited tax improvement bonds.

#### **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 of 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 Collin County Community College 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 find out



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 institution.

Total assets of the District are \$196,110,150. Current assets are comprised of several categories. Cash and cash equivalents include the District's cash and investments in TexPool, a statewide investment pool. Accounts receivable include tuition and fees receivable, accounts receivable, taxes receivable, and federal and state grants receivable. Prepaid expenses and inventories are also assets of the District. The noncurrent assets are the capital assets. These include land, buildings and other improvements, equipment, library books, and construction in progress. Capital assets are shown net of accumulated depreciation.

Total liabilities of the District are \$70,826,846 and also include a current and noncurrent portion. Current liabilities include accounts payable and other accrued liabilities, funds held for others, deferred revenue, and the current portion of bonds payable. A liability is considered to be current if it is due within one year. The only noncurrent liability is the remainder of the bonds payable representing the portion which is not due within one year.

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

	<u>2002</u>
<b>Assets:</b>	
Current Assets	\$ 83,963,341
Capital Assets, net	<u>112,146,809</u>
<b>Total Assets</b>	<u>196,110,150</u>
 <b>Liabilities:</b>	
Current Liabilities	19,285,855
Noncurrent Liabilities	<u>51,540,991</u>
<b>Total Liabilities</b>	<u>70,826,846</u>
 <b>Net Assets</b>	
Invested in capital assets, net of related debt	73,735,714
Restricted – Expendable	3,349,328
Unrestricted	<u>48,198,262</u>
<b>Total Net Assets</b>	<u>125,283,304</u>
 <b>Total Liab. And Net Assets</b>	<u>\$ 196,110,150</u>

## Statement of Revenues, Expenses and Changes in Net Assets

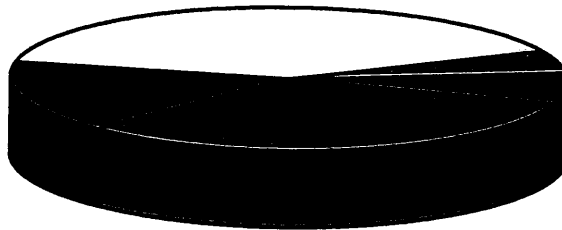
The purpose of the Statement of Revenues, Expenses and Changes in Net Assets is to present the revenues earned by the District, both operating and nonoperating, and the expenses incurred, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the District. Generally operating revenues are received for providing goods and services to the various customers of the District. Also included as operating revenues are state appropriations. This is in accordance with the Texas Higher Education Coordinating Board guidelines. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the District's mission. Nonoperating revenues are funds received for which goods and services are not provided.

	<u>2002</u>
Operating Revenues	\$ 48,850,896
Operating Expenses	<u>62,827,095</u>
Operating Loss	(13,976,199)
Net Nonoperating Revenues/ (Expenses)	<u>37,334,016</u>
Increase in Net Assets	23,357,817
Net Assets - Beginning of Year	<u>101,925,487</u>
Net Assets – Ending of Year	<u>\$ 125,283,304</u>

Revenues for the District consist of three main categories: taxes, state funds, and tuition/fees. The following table shows the breakdown of total revenue for the District:

■ State Funds	\$26,822,811
■ Tuition/Fees	\$13,755,825
□ Taxes	\$34,040,576
■ Grants	\$4,380,408
■ Interest	\$975,915
■ Ed. Activities	\$11,323
■ Auxiliary	\$4,845,787
■ Other	\$538,562

**2002 Revenues**



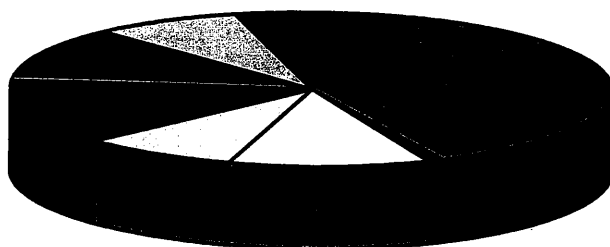
Tax revenue makes the largest contribution, 45%, to the total revenue of the District. State funds are the next largest with 30% of the total revenue. Tuition/fees accounts for 14%. Grants and auxiliary accounts for 5% each with interest at 1%, and educational activities contributing less than 1%.

Nonoperating revenues consist of the following: tax revenue, gifts, and investment income. Nonoperating expenses consist of interest on capital related debt and other expenses.

### **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 2002 expenses in this format.

#### **2002 Expenses**



■	Instruction	\$26,892,563
■	Public Service	\$576,403
□	Academic Support	\$6,656,733
□	Student Services	5,335,523
■	Institutional Support	\$8,579,448
■	Operation & Maintenance of Plant	\$5,312,378
■	Scholarships	\$1,721,706
□	Auxiliary Enterprises	\$5,106,457
■	Depreciation	\$2,645,884

### **Capital Asset and Debt Administration**

The District had one significant addition to its capital assets in fiscal year 2002. A Wide Area Network was constructed with forty-eight strand fiber optic cabling. It is fifty-four miles long and connects all the District's campuses. Construction began on a new building at the Spring Creek Campus along with additional parking facilities there. The Wide Area Network was paid for from operating funds while the new building construction and parking will be paid from bond funds which were issued during June 2002. This bond issuance was for a total of \$20,000,000 in limited tax improvement bonds and will finance this and other construction at the Spring Creek Campus along with construction at the Preston Ridge Campus. At the time of this bond issuance, the District's bond ratings by both Moody's Investors Service and Standard and Poor's was elevated to a Aaa/AAA rating. At August 31, 2002, amounts committed under construction contracts were approximately \$4,671,700. These commitments were for fees related to the expansion of the Spring Creek Campus and construction of an additional parking lot at that campus.

The table below shows changes in the District's capital assets, net of depreciation, since the previous fiscal year.

	<u>2001</u>	<u>2002</u>
Land	\$ 24,708,004	\$ 24,708,004
Library books	4,097,306	4,348,721
Construction in progress	0	1,207,830
Buildings	74,717,349	73,132,116
Land improvements	4,410,540	4,104,491
Equipment	2,280,652	1,925,668
WAN/LAN network equipment	<u>0</u>	<u>2,719,979</u>
Total	<u>\$110,213,851</u>	<u>\$112,146,809</u>

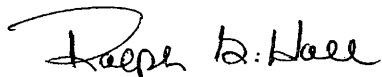
The District had \$57,000,000 in tax improvement bonds approved by the voters in November 2001. After the initial sale of \$20,000,000 in June 2002, which was discussed above, there remains \$37,000,000 in authorized but unissued bonds. Shown in the table below is the outstanding debt at the end of the fiscal year as compared to the end of the previous fiscal year.

	<u>2001</u>	<u>2002</u>
General obligation bonds	\$16,943,301	\$32,205,695
Revenue bonds	<u>26,825,983</u>	<u>25,125,296</u>
Total	<u>\$43,769,284</u>	<u>\$57,330,991</u>

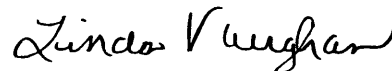
### **Economic Factors That Will Affect the Future**

The economic position of Collin County Community College District is closely tied to that of Collin County. Since tax revenues are the largest source of revenue for the District, the assessed property value for the county is extremely important. Our current assessed property value increased 15% over the assessed value last year.

Enrollment growth at the District continues despite the slowing economy. Historically, as unemployment rates increase, college enrollment also increases. This is because there are fewer jobs for laid-off workers, and, when these people are unable to find employment, they often return to college to upgrade their skills in order to compete more effectively in the job market. In Fall 2002, we experienced a 9% enrollment growth in contact hours over Fall 2001.



Ralph G. Hall  
Vice President of Administration



Linda Vaughan  
Director of Accounting & Financial  
Reporting

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# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Basic Financial Statements**

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

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# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Statement of Net Assets** **As of August 31, 2002**

### **Assets**

#### **Current assets**

Cash and cash equivalents (note 4)	\$ 78,148,311
Accounts receivable, net (note 13)	1,690,460
Inventories	2,834,323
Prepaid expenses	1,290,247
<b>Total current assets</b>	<b><u>83,963,341</u></b>

#### **Noncurrent assets**

Capital assets, net (note 5)	112,146,809
<b>Total noncurrent assets</b>	<b><u>112,146,809</u></b>

<b>Total assets</b>	<b><u>\$ 196,110,150</u></b>
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### **Liabilities**

#### **Current liabilities**

Accounts payable (note 13)	\$ 5,225,014
Accrued liabilities	1,011,030
Funds held for others	990,576
Deferred revenue	6,269,235
Bonds payable - current portion (note 6)	5,790,000
<b>Total current liabilities</b>	<b><u>19,285,855</u></b>

#### **Noncurrent liabilities**

Bonds payable (notes 6, 7, and 8)	51,540,991
<b>Total noncurrent liabilities</b>	<b><u>51,540,991</u></b>

<b>Total liabilities</b>	<b><u>\$ 70,826,846</u></b>
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### **Net Assets**

Invested in capital assets, net of related debt	\$ 73,735,714
Restricted for:	
Expendable	
Student aid	355,643
Instructional programs	25,449
Loans	26,961
Debt service	2,941,275
Unrestricted	48,198,262
<b>Total net assets</b>	<b><u>\$ 125,283,304</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 196,110,150</u></b>

See accompanying notes to basic financial statements.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Statement of Revenues, Expenses and Changes in Net Assets****For the Year Ended August 31, 2002****Revenues****Operating revenues:**

State appropriations	\$ 26,822,811
Tuition and fees (net of discounts of \$1,494,189)	12,261,636
Federal grants and contracts	3,297,372
State grants and contracts	1,065,070
Non-governmental grants and contracts	9,722
Sales and services of educational activities	247,903
Auxiliary enterprises	4,845,787
Other operating revenues	300,595
<b>Total operating revenues</b>	<b><u>48,850,896</u></b>

**Expenses****Operating expenses:**

Instruction	26,892,563
Public service	576,403
Academic support	6,656,733
Student services	5,335,523
Institutional support	8,579,448
Operation and maintenance of plant	5,312,378
Scholarships	1,721,706
Auxiliary enterprises	5,106,457
Depreciation	2,645,884
<b>Total operating expenses</b>	<b><u>62,827,095</u></b>

**Operating Loss** **\$ (13,976,199)**

**Non-operating revenues (expenses)****Maintenance ad-valorem taxes:**

Taxes for maintenance and operations	\$ 33,234,871
Taxes for general obligation bonds	5,332,153

**Gifts** 4,046

**Investment income (net of investment expenses)** 1,193,704

**Interest on capital related debt** (2,091,990)

**Other non-operating revenues (expenses)** (338,768)

**Net non-operating revenues** 37,334,016

**Increase in net assets** 23,357,817

**Net assets**

**Net assets - beginning of year (see note 2a)** 101,925,487

**Net assets - ending of the year** \$ 125,283,304

See accompanying notes to basic financial statements.



# **Collin County Community College District**

## **Statement of Cash Flows** **For the Year Ended August 31, 2002**

Cash flows from operating activities	
Receipts from students and other customers	\$ 17,911,297
Receipts of appropriations, grants and contracts:	
Receipt of grants and contracts	3,877,560
Receipt of state appropriations	22,490,493
Collection (payment) of loans to students	(1,553)
Other receipts	300,595
Payments to or on behalf of employees:	
Payments to employees	(34,352,195)
Payments for benefits	(1,384,944)
Payments to suppliers for goods or services	(17,596,624)
Payments of scholarships	(1,721,706)
Net cash used by operating activities	<u>(10,477,077)</u>
Cash flows from noncapital financing activities	
Ad valorem tax revenues (maintenance and operations)	33,237,233
Gifts and grants (other than capital purposes)	1,601
Receipts from student organizations and other agency transactions	227,888
Payments for student organizations and other agency transactions	(182,821)
Net cash provided by noncapital financing activities	<u>33,283,901</u>
Cash flows from capital and related financing activities	
Net proceeds from issuance of capital debt	19,923,900
Capital contracts, grants and gifts	2,445
Ad valorem tax revenues (general obligation bonds)	5,332,780
Purchases of capital assets	(4,893,111)
Payments on capital debt	(6,590,000)
Interest payments on capital related debt	(1,839,945)
Net cash provided by capital and related financing activities	<u>11,936,069</u>
Cash flows from investing activities	
Investment earnings (net of investment expenses)	<u>1,193,704</u>
Net cash provided by investing activities	<u>1,193,704</u>
Increase in cash and cash equivalents	35,936,597
Cash and cash equivalents - September 1, 2001	<u>42,211,714</u>
Cash and cash equivalents - August 31, 2002	<u>\$ 78,148,311</u>

**Collin County Community College District****Statement of Cash Flows (Continued)****For the Year Ended August 31, 2002**

Reconciliation of operating loss to net cash used by  
operating activities:

Operating loss \$ (13,976,199)

Adjustments to reconcile operating loss to net cash  
used by operating activities:

Depreciation expense 2,645,884

Changes in assets and liabilities

Receivables, net (427,355)

Inventories (654,393)

Other assets (164,741)

Accounts payable & other accrued liabilities 939,831

Deferred revenue 1,134,149

Compensated absences 27,299

Loans to students and employees (1,553)

Net cash used by operating activities \$ (10,477,077)

See accompanying notes to basic financial statements.

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Notes to Basic Financial Statements August 31, 2002**

### **(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.

### **(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 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 required by the Texas Higher Education Coordinating Board (THECB). It is their requirement that revenue from state appropriations be classified as operating revenue and the District has conformed with this requirement. This differs from GASB No. 35 which requires those revenues to be presented as nonoperating.

The basic financial statements are prepared in accordance with GASB Statement No 35, *Basic Financial Statements – Management's Discussion and Analysis for Public Colleges and Universities*, which extends the guidance of GASB 34 to public colleges and universities. The District implemented these changes for the year ended August 31, 2002 resulting in an entirely new financial statement format. The District is reported as a special-purpose government engaged in business-type activities. Beginning of the year net assets have been restated to include a prior year adjustment of \$21,454,280 for accumulated depreciation through August 31, 2001 which was not recognized under the former reporting model. Other significant changes included reducing tuition and fees by the amount of scholarships and discounts awarded, depreciating capital assets and combining all fund groups into a single column format for reporting purposes. A narrative section called Management's Discussion and Analysis has been included

along with a Statement of Cash Flows prepared using the direct method. The three major categories used for net assets are invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

**(b) Tuition Discounting**

**Texas Public Education Grants**

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is 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.

**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, the amounts are recorded as revenue and a corresponding amount is recorded as a tuition discount.

**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.

**(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 must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning. Board policy requires that the District maintain a minimum fund balance equal to 20% of educational expenses adjusted for reserves and allocations. For the year ended August 31, 2002, the minimum unrestricted fund balance to be maintained was \$12,119,496. The District exceeded this minimum required fund balance.

**(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 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. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

**(g) Inventories**

Consumable inventories consist of office supplies and postage, which are valued at cost and are charged to expense as consumed. Other inventories, consisting primarily of textbooks, are stated at the lower of cost or market as determined by the retail method and are recorded as an expense when sold.

**(h) Capital Assets**

Assets with a purchase cost of at least \$5,000 are capitalized. Interest costs incurred during construction of physical plant are expensed as incurred. Depreciation on buildings and site improvements is calculated using the half-year convention, straight-line method with residual value of 10%. Other capital assets are depreciated using the half-year convention straight-line method with no residual value. Depreciation for the current year totaled \$2,645,884. Depreciation is not allocated to the functional expenditure 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 is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention. The following lives are used:

Buildings	50 years
Facilities and other improvements	20 years
Furniture, machinery, vehicles and other equipment	10 years
Telecommunications and peripheral equipment	5 years

**(i) Library Books**

Library books are capitalized but not depreciated. Library books are written off as the books are removed from service.

**(j) Deferred Revenues**

Revenues, primarily consisting of tuition and fees, related to academic terms in the next fiscal year are recorded on the Statement of Net Assets as deferred revenues in the current fiscal year.

**(k) Estimates**

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

**(l) Operating and Non-Operating Revenue and Expense Policy**

The District distinguishes operating revenues and expenses from non-operating items. 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. The District also recognizes as operating revenue appropriations from the state. The major non-operating revenue is property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

**(m) Vested Vacation Benefits and Other Compensated Absences**

Vacation is earned in varying amounts up to a maximum of 20 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 up to the 10 day maximum allowed (the cumulative liability for earned but unused vacation and estimated Medicare calculated as of August 31, 2002, was \$446,327). 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 financial statements.

**(n) 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 year ended August 31, 2002, and, therefore, has not recorded a liability for income taxes.

**(o) Contract and Grant Awards**

Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received in advance, they are recorded as deferred revenue until earned.

**(p) Encumbrance Accounting**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding at year-end that were provided for in the subsequent year's budget total approximately \$245,900.

**(q) Board Designations**

Certain amounts are set aside by the Board but are not reflected on the accompanying Statement of Net Assets. The Board has designated \$5 million 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 designates \$100,000 to cover insurance deductibles in the event of a catastrophic loss.

**(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, 2002, the net carrying amount of the District's deposits was an overdraft of \$3,375,209 and total bank balances equaled \$389,729. Bank balances up to \$100,000 were covered by federal depository insurance, and the remainder was covered by collateral pledged in the District's name. The collateral was held in the District's name by the safekeeping department of the Federal Reserve Bank, which acts as the pledging bank's agent (Category 2) and had a fair value of approximately \$860,654 at August 31, 2002. The District is subject to custodial credit risk in the event of the bank's nonperformance under the collateral agreement.

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

**Cash and Cash Equivalents**

Petty cash on hand	26,985
TexPool	<u>78,121,326</u>
Total cash and cash equivalents	<u>\$ 78,148,311</u>

To comply with the reporting requirements of GASB Statement No. 3, *Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the District's investments are categorized under "Investment Categories" to give an indication of credit risk assumed by the District at year-end. Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the fair value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is not depicted in this note.

The following categories of custodial credit risk are included:

- Category 1: Investments that are insured or registered, or securities held by the District or its agent in the District's name.
- Category 2: Uninsured and unregistered investments, with securities held by the counter-party's trust department or agent in the District's name.
- Category 3: Uninsured and unregistered investments, with securities held by the counter-party, or by its trust department or agent but not in the District's name.

The District had no investments at August 31, 2002, which are required to be categorized. TexPool is not categorized as it is not evidenced by securities in physical form.

The District participates in the Texas Local Government Investment ("TexPool"), an external investment pool. The State Comptroller of Public Accounts maintains oversight responsibility for TexPool. This responsibility includes 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.



**(5) Capital Assets**

The following table summarizes changes in capital assets balances for the year ended August 31, 2002:

	Balance 09/01/01	Increases	Decreases	Balance 08/31/02
<u>Not Depreciated</u>				
Land	\$ 24,708,004	0	0	24,708,004
Library Books	4,097,306	504,842	(253,427)	4,348,721
Construction in Progress	0	1,207,830	0	1,207,830
Subtotal	<u>28,805,310</u>	<u>1,712,672</u>	<u>(253,427)</u>	<u>30,264,555</u>
<u>Other Capital Assets</u>				
Buildings	89,670,602	29,100	0	89,699,702
Land Improvements	7,085,120	13,075	0	7,098,195
Equipment	6,107,099	299,623	(85,337)	6,321,385
WAN/LAN Network Equipment	0	2,863,136	0	2,863,136
Subtotal	<u>102,862,821</u>	<u>3,204,934</u>	<u>(85,337)</u>	<u>105,982,418</u>
<u>Accumulated Depreciation</u>				
Buildings	14,953,253	1,614,333	0	16,567,586
Land Improvements	2,674,580	319,124	0	2,993,704
Equipment	3,826,447	569,270	0	4,395,717
WAN/LAN Network Equipment	0	143,157	0	143,157
Subtotal	<u>21,454,280</u>	<u>2,645,884</u>	<u>0</u>	<u>24,100,164</u>
Net Other Capital Assets	<u>81,408,541</u>	<u>559,050</u>	<u>(85,337)</u>	<u>81,882,254</u>
Net Capital Assets	<u>\$110,213,851</u>	<u>2,271,722</u>	<u>(338,764)</u>	<u>112,146,809</u>

At August 31, 2002, amounts committed under construction contracts were approximately \$4,671,700. Of these commitments, \$4,658,600 were for architectural, engineering and construction fees related to the expansion of the Spring Creek Campus. Construction of Module I, consisting of an addition of approximately 34,000 square feet for classrooms, labs, and faculty offices, began in May 2002 and is expected to be completed in the summer of 2003. Engineering fees of \$13,100 related to the additional parking lot at the Spring Creek Campus were also committed.

## (6) Long Term Liabilities

	Balance 09/01/2001	Additions	Reductions	Amortization/ (Accretion)	Balance 08/31/2002	Current Portion
<b>Bonds payable</b>						
General obligation bonds:						
Refunding bonds, series 1996	\$ 7,998,807	0	(130,000)	189,768	8,058,575	2,140,000
Refunding bonds, series 2001	8,944,494	0	(4,760,000)	(37,374)	4,147,120	1,860,000
Ltd. tax imp. bonds, series 2002	0	20,000,000	0	0	20,000,000	0
Total general obligations bonds	16,943,301	20,000,000	(4,890,000)	152,394	32,205,695	4,000,000
Revenue bonds:						
Revenue bonds, series 1993	2,900,000	0	(225,000)	0	2,675,000	250,000
Revenue bonds, series 1994	4,375,000	0	(425,000)	0	3,950,000	450,000
Revenue bonds, series 1997	5,860,000	0	(225,000)	0	5,635,000	240,000
Refunding bonds, series 1998	13,690,983	0	(825,000)	(687)	12,865,296	850,000
Total revenue bonds	26,825,983	0	(1,700,000)	(687)	25,125,296	1,790,000
Total bonds payable	\$ 43,769,284	20,000,000	(6,590,000)	151,707	57,330,991	5,790,000

## (7) Debt Obligations

Debt service requirements as of August 31, 2002, were as follows:

For the year ended August 31	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2003	\$ 4,000,000	1,497,835	1,790,000	1,188,473
2004	4,025,001	1,264,209	1,870,000	1,096,727
2005	3,552,120	1,090,496	1,955,000	1,004,122
2006	2,628,574	941,349	1,595,000	919,425
2007	740,000	826,559	1,650,000	841,059
2008-2012	4,335,000	3,583,711	9,860,000	2,868,405
2013-2017	5,625,000	2,581,195	6,045,000	708,564
2018-2022	7,300,000	1,121,205	360,296	8,750
Total	\$ 32,205,695	12,906,559	25,125,296	8,635,525

**(8) Bonds Payable**

Bonds payable as of August 31, 2002, 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</u>
Series 1993 Revenue Bonds	Acquire, renovate and equip Courtyard Center for Professional and Economic Development	3/1/93	\$5,000,000	Pledged revenues from general use fees, gross revenues from the bookstore, tuition pledge	\$2,675,000
Series 1994 Revenue Bonds	Construction of Phase I of Preston Ridge Campus	3/1/94	10,000,000	Same as 1993 revenue series	3,950,000
Series 1996 Refunding Bonds	Refund 1986 General Obligation Bonds	1/15/96	8,233,827	Ad valorem taxes	8,058,575
Series 1997 Revenue Bonds	Expand Spring Creek Campus; construction of fire training and shooting range facility at Central Park Campus	6/15/97	6,620,000	Same as 1993 revenue series	5,635,000
Series 1998 Revenue Refunding Bonds	Partially refunded 1990, 1992, 1993, and 1994 Revenue Bonds and expand Preston Ridge Campus buildings and equipment	6/15/98	15,275,000	Same as 1993 revenue series	12,865,296
Series 2001 Refunding Bonds	Refund 1992 refunding bonds and lower the annual overall debt requirements of the District	6/15/01	8,795,000	Ad valorem taxes	4,147,120
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	<u>20,000,000</u>
					<u>\$57,330,991</u>

As of 08/31/02, an additional \$37,000,000 in bonds have been authorized but not yet issued. The bonds are for constructing, renovating and equipping buildings.

Bonds payable are due in annual installments varying from \$240,000 to \$1,860,000 in fiscal year 2003 with interest rates from 3.65% to 7.75% and the final installment is due in 2022. The principal and interest requirements for the next five years and beyond are summarized in note (7).

In June 2002, the District issued \$20,000,000 in Limited Tax Improvement Bonds with an average interest rate of 4.40 percent. Proceeds from the sale of the bonds will be 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.

The Series 1996 and 2001 Refunding bonds and the Series 2002 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 (17).

The Series 1993, 1994, 1997, and 1998 revenue bonds are collateralized by pledged revenues of the Unrestricted Current Fund other than state appropriations or those raised by local taxation. They require a mandatory transfer of gross revenue to the Retirement of Indebtedness Fund as set forth in the bonds' covenants. This transfer is to provide 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, 2002, the District was in compliance with these restrictions and had made all applicable insurance premium payments. Insurance policies in force at August 31, 2002, include boiler explosion, fire and extended coverage, public liability, and vehicle property damage.

The 1996 Refunding bonds are comprised of current interest bonds and capital appreciation bonds. The issuance discount of \$38,090 on the current interest bonds is being amortized over the life of the bonds using the straight-line method. The difference between the issuance price of the capital appreciation bonds and its stated maturity value of \$2,140,000 is being amortized over the life of the bonds using the effective interest method.

The 1998 Refunding bonds are comprised of Consolidated Fund Revenue Refunding and Improvement Bonds. An issuance discount of \$26,188 and a premium of \$39,232 are being amortized over the life of the bonds using the straight-line method.

The Series 2001 Refunding bonds are comprised of current interest bonds. An issuance discount of \$38,528 and a premium of \$188,022 will be amortized over the life of the bonds using the straight-line method.

The following table presents the balance of Defeased Bonds Outstanding as of August 31, 2002, which are not included in the District's financial statements:

<u>Bond Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
Revenue Bond Series 1993	1998	1,050,000
Revenue Bond Series 1994	1998	<u>3,550,000</u>
Total		<u>\$4,600,000</u>

**(9) Employees' Retirement Plan**

The State of Texas (the "State") has joint contributory retirement plans for almost all its employees. One of the primary plans in which the District participates is administered 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 system with one exception: all risks and costs are not shared by the District, but are the liability of the State. 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, respectively. 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 writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas, 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

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. Employees who retire at or after 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals or exceeds 80 years are paid benefits calculated according to the formula then in effect, currently the average of the highest three annual salaries multiplied by 2.3% of the total years of service credit. For employees who opt for reduced retirement benefits, they may retire at age 55 with at least 5 years of credited service or at any age below 50 with 30 or more years of credited service. A member is fully vested after 5 years of creditable service and entitled to any benefit for which eligibility requirements have been met, payable monthly for life. The System also provides death and disability benefits as discussed in Note (10). Benefits are established by state statute.

State law provides for fiscal years 2000, 2001 and 2002, a state contribution rate of 6.0% and a member contribution rate of 6.4%. 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 contributions to the System made on behalf of the District's employees for the years ended August 31, 2000, 2001, and 2002, were approximately \$683,400, \$744,600, and \$835,800 respectively, on wages covered by the System of approximately \$11,389,600, \$12,409,300, and \$13,930,000 respectively. The District's total payroll, including full-time and part-time employees, was approximately \$29,268,500, \$31,713,600, and \$34,612,800 respectively.

The 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 Legislature.

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 Texas Higher Education Coordinating Board (THECB) is responsible for amending pension provisions and contribution requirements. Participation in the optional retirement program is in lieu of participation in the PERS 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.

The percentages of participant salaries currently contributed by the State and each participant are 6.00% and 6.65%, respectively. Total contributions by participants for the year ended August 31, 2002, were \$753,400. The District contributes 1.19% for ORP participants employed at the District at August 31, 1995, or employed as an ORP participant at another college at August 31, 1995. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program. The payroll for District employees covered by ORP for the year ended August 31, 2002, was approximately \$11,329,300.

The THECB allocated funds to the District based on 6.0% of salaries of employees not considered part of the eight elements of cost. These employees were in the areas of auxiliary units, physical plant, and ad vocational. The Coordinating Board also made an annual payment of 1.31% differential for ORP participants employed at the District at August 31, 1995, or employed as an ORP participant at another college at August 31, 1995.

Part-time and limited-service employees of the District are provided the option of participating in the social security system of the U.S. Government or the Program for Extra Retirement Compensation (the "PERC plan"). The PERC plan, as established by the District under the provisions of the Omnibus Budget Reconciliation Act of 1990, requires participants to contribute a minimum of 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, 2002, total payroll of participants in the PERC plan was approximately \$3,982,000; the District's total part-time employee payroll was approximately \$6,757,400.

**(10) Post-Retirement Health Care and Life Insurance Benefits**

In addition to the pension benefits described in Note (9) above, the State provides post-retirement health care and life insurance benefits to all employees who retire from the District on or after attaining age 55 with at least ten years of service at the District or other institutions of higher education with the same plan as 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. For fiscal year 2002, 36 District retirees met the eligibility requirements. The State also pays 100% of the premiums for term life policies up to \$5,000 and certain other health care plans.

The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$276 per month for the year ended August 31, 2002, and totaled approximately \$2,814,800, for the year. The State will also pay an additional amount for a spouse, child(ren) or both for a maximum amount of \$433, \$381 and \$539, respectively. The cost of providing those benefits for the year was \$144,367 for 36 retirees and approximately \$2,670,400 for 740 active employees. The District supplemented such benefits at a cost of approximately \$276,400 for the year ended August 31, 2002.

The State also provided a contribution for the State Kids Insurance Program (SKIP). The SKIP program ensures that all children of state and higher education employees have access to more affordable health care. The State contribution for SKIP for the year ended August 31, 2002 was approximately \$2,000.

**(11) Deferred Compensation Program**

Under Section 403(b) of the Internal Revenue Code, all employees of the District are eligible to defer from taxable income amounts they choose to contribute to a Tax Sheltered Annuity (TSA). The general maximum contribution limit in tax year 2002 is \$11,000. The District does not contribute to this plan. 173 employees of the District contributed a total of approximately \$567,900 under this plan for the year. These are not included in the basic financial statements because they are the assets of the plan participants and not the District.

**(12) Risk Management**

For several previous years, the District participated in a self-funded workers' compensation program in which the remaining outstanding claims are administered by Claims Administrative Services of Tyler, Texas. Total claims paid by the District to Claims Administrative Services during the year ended August 31, 2002 were \$12,183. Total estimated claims outstanding for the year ended August 31, 2002 were \$20,709. The District now pays a premium to Texas Political Subdivisions for the fixed cost and loss fund maximum. 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. Health benefits are provided to benefit eligible employees through the Employees Retirement System of Texas. The District has other insurance coverage such as property, general liability, and automobile insurance.

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.

Changes in the fund's claims liability amount in fiscal years 2000, 2001, and 2002 were:

	Beginning of fiscal year <u>liability</u>	Claims & changes in <u>estimates</u>	Claim <u>payments</u>	End of fiscal year <u>liability</u>
2000	\$120,995	(62,209)	10,373	48,413
2001	48,413	8,261	22,779	33,895
2002	33,895	(1,003)	12,183	20,709

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

Receivables at August 31, 2002 were as follows:

Student receivables	\$ 224,102
Taxes receivable	1,125,094
Less allowance for doubtful accounts	(1,108,791)
Federal and state receivables	695,902
Accounts receivable	570,720
Other receivables (auxiliary)	<u>183,433</u>
Total	<u>\$ 1,690,460</u>

Payables at August 31, 2002 were as follows:

Vendors payable	\$ 1,588,461
Salaries and benefits payable	261,344
Short-term bank overdraft	<u>3,375,209</u>
Total	<u>\$ 5,225,014</u>



**(14) Operating Lease Commitments and Rental Agreements**

At August 31, 2002, the District had the following commitments for operating leases and rental agreements having initial or remaining noncancellable terms in excess of one year:

2003	\$ 62,935
2004	10,188
2005	4,245
	<u>\$ 77,368</u>

Rent paid under operating leases totaled approximately \$336,100 for the year ended August 31, 2002.

**(15) Related Parties**

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. The Foundation paid to or on behalf of the District an amount totaling approximately \$244,200 during the year ended August 31, 2002. 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.

**(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 would not be significant to the District's financial statements.

The District participates in the Federal Family Education Loan Program (the "Loan Program"), which includes the Federal Stafford Loan Program and Federal Parents Loans for Undergraduate Students. The Loan Program does not require the District to disburse cash as the loans are made by various lenders and not the District; however, the District is required to perform certain administrative functions under the Loan Program. Total loans made by the lenders during fiscal year 2002 were approximately \$2,686,449.

**(17) 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.

At August 31, 2002

Assessed Valuation of the District:	\$ 48,847,572,140
Less: Exemptions	(6,372,612,084)
Less: Abatements	<u>(548,611,237)</u>
Net Assessed Valuation of the District:	41,926,348,819
Plus: Supplements through August 31, 2002	<u>2,963,767</u>
Adjusted Assessed Valuation	<u>\$ 41,929,312,586</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation authorized	\$.08000	\$.120000	\$.200000
Tax rate per \$100 valuation assessed	\$.08000	\$.012843	\$.092843

Taxes levied for the year ended August 31, 2002, were \$39,205,528.

<u>Taxes Collected</u>	<u>Total</u>
Current taxes collected	\$38,544,479
Delinquent taxes collected	600,013
Penalties and interest collected	<u>360,873</u>
Total collections	<u>\$39,505,365</u>

The use of tax proceeds is restricted to either maintenance and operations or debt service expenditures. Current taxes collected for the year ended August 31, 2002, were 98.31% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. Total related collection costs, which included TIF funding, was \$938,341.

#### **(18) New Accounting Pronouncements**

GASB Statement No. 38, *Certain Financial Statement Note Disclosures* modifies, establishes, and rescinds certain financial statement disclosure requirements. Paragraphs 6-11 of this statement were adopted in fiscal year 2002 and paragraphs 12-15 will become effective in fiscal year 2003.

GASB Statement No. 39 *Determining Whether Certain Organizations are component units-an amendment of GASB Statement No. 14* will become effective in fiscal year 2004. GASB Statement No. 39 amends Statement No. 14 *The Financial Reporting Entity*, to provide additional guidance to determine 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. Generally, it requires reporting as a component unit if the organization raises and holds economic resources for the direct benefit of the governmental unit.

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# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **THECB Supplemental Schedules**

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Detailed Operating Revenues  
For the year ended August 31, 2002**

	<u>Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>Total</u>
<b>State appropriations</b>			
Education and general state support	\$ 22,389,918	0	22,389,918
State group insurance	2,816,769	0	2,816,769
State retirement matching	1,515,549	0	1,515,549
Other	100,575	0	100,575
<b>Total state appropriations</b>	<u>26,822,811</u>	<u>0</u>	<u>26,822,811</u>
<b>Tuition</b>			
State funded courses			
In-district resident tuition	3,879,206	0	3,879,206
Out-of-district resident tuition	1,543,746	0	1,543,746
TPEG (set aside)*	533,198	0	533,198
Non-resident tuition	1,646,418	0	1,646,418
Continuing education	2,542,503		2,542,503
Non-state funded continuing education	223,926	0	223,926
<b>Total Tuition</b>	<u>10,368,997</u>	<u>0</u>	<u>10,368,997</u>
<b>Fees</b>			
Building fees	2,603,430	0	2,603,430
General fees	227,985	0	227,985
Student service fee	0	289,266	289,266
Laboratory fee	266,147	0	266,147
<b>Total Fees</b>	<u>3,097,562</u>	<u>289,266</u>	<u>3,386,828</u>
<b>Scholarship allowances and discounts</b>			
Remissions and exemptions	(248,356)	0	(248,356)
TPEG allowances	(378,772)	0	(378,772)
Federal grants to students	(779,725)	0	(779,725)
Other	(87,336)	0	(87,336)
<b>Total Scholarship allowances</b>	<u>(1,494,189)</u>	<u>0</u>	<u>(1,494,189)</u>
<b>Total net tuition and fees</b>	<u>11,972,370</u>	<u>289,266</u>	<u>12,261,636</u>
<b>Other operating revenues</b>			
Federal grants and contracts	3,297,372	0	3,297,372
State grants and contracts	1,065,070	0	1,065,070
Nongovernmental grants and contracts	9,722	0	9,722
Sales and services of educational activities	247,903	0	247,903
Other operating revenues	217,287	83,308	300,595
<b>Total other operating revenues</b>	<u>4,837,354</u>	<u>83,308</u>	<u>4,920,662</u>
<b>Auxiliary enterprises</b>			
Bookstore	0	4,228,255	4,228,255
Other auxiliary enterprises	0	617,532	617,532
<b>Total net auxiliary enterprises</b>	<u>0</u>	<u>4,845,787</u>	<u>4,845,787</u>
<b>Total Operating Revenues (Exh. 2)</b>	<u>\$ 43,632,535</u>	<u>5,218,361</u>	<u>48,850,896</u>

\*In accordance with Education Code 56.033, \$533,198 was set aside for Texas Public Education Grants (TPEG).

# Collin County Community College District

## Schedule of Operating Expenses and Capital Outlay By Functional & Natural Classifications

For the Year Ended August 31, 2002

	Operating Expenses			
	Faculty Salaries	Staff Salaries/Wages	Benefits State Benefits	Local Benefits
Educational Activities				
Instruction	18,556,540	1,233,418	2,617,955	759,981
Public Service	11,765	168,253	34,746	462
Academic Support	0	4,248,815	564,638	160,065
Student Services	0	3,891,452	526,212	137,324
Institutional Support	0	4,470,088	594,355	172,528
Operation and Maintenance of Plant	0	1,100,208	93,977	42,475
Scholarship and Fellowships	0	0	0	0
Educational Activities	18,568,305	15,112,234	4,431,883	1,272,835
Auxiliary Enterprises	0	932,239	0	52,773
Depreciation Expense	0	0	0	0
Total	18,568,305	16,044,473	4,431,883	1,325,608

(a) Memorandum only total excludes depreciation expense of \$2,645,884.

(b) Capital outlay excludes construction in progress of \$1,207,830.

## Schedule 2-B

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Operating Expenses and Capital Outlay By Functional & Natural Classifications****For the Year Ended August 31, 2002**

Memorandum Only				
Other Expenses	Total (Exh. 2)	Capital Outlay (b)		Total Operating Expenses and Capital Outlay
		Equipment	Facilities	
3,724,669	26,892,563	20,455	0	26,913,018
361,177	576,403	0	0	576,403
1,683,215	6,656,733	515,630	21,105	7,193,468
780,535	5,335,523	0	0	5,335,523
3,342,477	8,579,448	199,564	0	8,779,012
4,075,718	5,312,378	27,915	2,892,957	8,233,250
1,721,706	1,721,706	0	0	1,721,706
15,689,497	55,074,754	763,564	2,914,062	58,752,380
4,121,445	5,106,457	32,152	0	5,138,609
2,645,884	2,645,884	0	0	0
22,456,826	62,827,095	795,716	2,914,062	63,890,989 (a)



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Discounted Tuition, Fees and Other Student Charges**  
**For the year ended August 31, 2002**

	<u>Educational Activities</u>
Scholarship allowances and discounts	
Remissions and exemptions	
Active Military	\$ (2,411)
Ad valorem	(69,026)
Competitive	(20,901)
Concurrent High School	(129)
Contract Training	(6,070)
Deaf, blind	(28,081)
Disabled firemen	(35)
Early high school graduate	3,507
Economic Development	(1,544)
Education Aide	(5,507)
Fire Science	(35,419)
Foster Care	(1,115)
Hazelwood	(36,535)
Honor graduates	(1,049)
Out of county	(1,608)
Senior citizens 55	(34,923)
Senior citizens 65	(6,704)
State employee	(333)
Teacher/Research Assistant	(473)
TPEG allowances	(378,772)
Federal grants to students	(779,725)
Texas Grant	<u>(87,336)</u>
Total Scholarship allowances and discounts	\$ <u><u>(1,494,189)</u></u>

*CCCCD@Allen*



supplementary  
information

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## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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

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

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**
**Schedule of Fund Assets and Liabilities - Unaudited**
**August 31, 2002**
**(with comparative totals at August 31, 2001)**

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
<b>Assets</b>				
Cash & cash equivalents	\$ 8,165	18,820	0	26,985
Short-term investments	54,944,172	0	0	54,944,172
Accounts receivable (with no allowance)	570,720	183,433	0	754,153
Tuition and fees receivable (with no allowance)	211,327	0	0	211,327
Tax receivable (net of allowance for doubtful accounts of \$1,108,791)	14,048	0	0	14,048
Due from other funds	1,177,836	0	0	1,177,836
Prepaid expenditures/expenses	1,236,941	21,303	27,549	1,285,793
Federal receivables	0	0	192,749	192,749
State receivables	0	0	503,153	503,153
Consumable inventory	0	123,941	0	123,941
Inventories for resale	0	2,710,382	0	2,710,382
Land	0	0	0	0
Buildings	0	0	0	0
Improvements other than buildings	0	0	0	0
Equipment	0	0	0	0
Library books	0	0	0	0
Construction in Progress	0	0	0	0
<b>Total assets</b>	<b>58,163,209</b>	<b>3,057,879</b>	<b>723,451</b>	<b>61,944,539</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Bank overdrafts	3,375,209	0	0	3,375,209
Accounts payable	1,390,882	604,142	110,844	2,105,868
Accrued interest on bonds	0	0	0	0
Deposits payable	0	0	0	0
Due to other funds	1,006,034	554,080	231,515	1,791,629
Deferred revenues	5,528,650	740,585	0	6,269,235
Accrued compensated absences payable	446,327	0	0	446,327
Bonds payable	0	0	0	0
Amount held for others	0	0	0	0
<b>Total liabilities</b>	<b>11,747,102</b>	<b>1,898,807</b>	<b>342,359</b>	<b>13,988,268</b>
<b>Fund Balances:</b>				
<b>Unrestricted:</b>				
<b>Reserved:</b>				
Encumbrances	245,376	540	0	245,916
Accounts receivable	570,720	183,433	0	754,153
Consumable inventories	0	123,941	0	123,941
Prepaid expenditures/expenses	1,236,941	21,303	0	1,258,244
<b>Unreserved:</b>				
Designated - insurance deductibles	100,000	0	0	100,000
Designated - stabilization of maintenance & operations	5,000,000	0	0	5,000,000
Undesignated	39,263,070	829,855	0	40,092,925
<b>Restricted:</b>				
Other	0	0	25,449	25,449
Texas Public Education Grant	0	0	355,643	355,643
Unexpended plant	0	0	0	0
Retirement of indebtedness	0	0	0	0
Net investment in plant	0	0	0	0
Student loans	0	0	0	0
<b>Total fund balances</b>	<b>46,416,107</b>	<b>1,159,072</b>	<b>381,092</b>	<b>47,956,271</b>
<b>Commitments and contingencies</b>				
<b>Total liabilities and fund balances</b>	<b>\$ 58,163,209</b>	<b>3,057,879</b>	<b>723,451</b>	<b>61,944,539</b>

Fiscal Year 2001 does not include accumulated depreciation of capitalized assets.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Fund Assets and Liabilities - Unaudited (Continued)**

August 31, 2002

(with comparative totals at August 31, 2001)

					Totals (memorandum only)	
Plant funds		Investment in plant	Student loans	Agency funds	2002	2001
Unexpended	Retirement of indebtedness					
0	0	0	0	0	26,985	26,585
19,373,141	3,804,013	0	0	0	78,121,326	42,185,129
0	0	0	12,775	0	766,928	834,858
0	0	0	0	0	211,327	158,662
0	2,255	0	0	0	16,303	19,292
76,100	1,272	0	14,186	990,576	2,259,970	1,549,998
0	4,454	0	0	0	1,290,247	1,123,544
0	0	0	0	0	192,749	196,544
0	0	0	0	0	503,153	55,185
0	0	0	0	0	123,941	109,770
0	0	0	0	0	2,710,382	2,070,160
0	0	24,708,004	0	0	24,708,004	24,708,004
0	0	73,132,116	0	0	73,132,116	89,670,603
0	0	6,824,470	0	0	6,824,470	7,085,121
0	0	1,925,669	0	0	1,925,669	6,107,099
0	0	4,348,721	0	0	4,348,721	4,097,307
0	0	1,207,830	0	0	1,207,830	0
<u>19,449,241</u>	<u>3,811,994</u>	<u>112,146,809</u>	<u>26,961</u>	<u>990,576</u>	<u>198,370,120</u>	<u>179,997,861</u>
0	0	0	0	0	3,375,209	2,941,091
137,105	0	0	0	0	2,242,973	1,712,663
0	171,535	0	0	0	171,535	145,336
0	0	0	0	0	0	100
392,241	76,100	0	0	0	2,259,970	1,549,998
0	0	0	0	0	6,269,235	5,135,086
0	0	0	0	0	446,327	419,028
0	623,084	56,707,907	0	0	57,330,991	43,769,284
0	0	0	0	990,576	990,576	945,508
<u>529,346</u>	<u>870,719</u>	<u>56,707,907</u>	<u>0</u>	<u>990,576</u>	<u>73,086,816</u>	<u>56,618,094</u>
0	0	0	0	0	245,916	440,118
0	0	0	0	0	754,153	823,636
0	0	0	0	0	123,941	109,770
0	0	0	0	0	1,258,244	1,098,175
0	0	0	0	0	100,000	100,000
0	0	0	0	0	5,000,000	0
0	0	0	0	0	40,092,925	28,786,540
0	0	0	0	0	25,449	32,097
0	0	0	0	0	355,643	195,099
18,919,895	0	0	0	0	18,919,895	33,450
0	2,941,275	0	0	0	2,941,275	3,393,386
0	0	55,438,903	0	0	55,438,903	88,335,975
0	0	0	26,961	0	26,961	31,521
<u>18,919,895</u>	<u>2,941,275</u>	<u>55,438,903</u>	<u>26,961</u>	<u>0</u>	<u>125,283,304</u>	<u>123,379,767</u>
<u>19,449,241</u>	<u>3,811,994</u>	<u>112,146,809</u>	<u>26,961</u>	<u>990,576</u>	<u>198,370,120</u>	<u>179,997,861</u>

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Schedule of Changes in Fund Balances - Unaudited For the year ended August 31, 2002 (with comparative totals for the year ended August 31, 2001)

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
Fund balances, September 1, 2001	\$ 30,388,750	969,489	227,196	31,585,435
Revenues and other additions:				
Unrestricted current funds revenue	71,414,151	5,218,361	0	76,632,512
State appropriations - restricted	0	0	4,432,893	4,432,893
Tax revenues for debt service	0	0	0	0
Federal grants and contracts	0	0	3,224,892	3,224,892
State grants and contracts	0	0	1,065,070	1,065,070
Local grants and contracts	0	0	0	0
Private gifts, grants and contracts	0	0	9,722	9,722
Investment income	0	0	6,118	6,118
Miscellaneous income	0	0	0	0
Net decrease in bonds payable	0	0	0	0
Bond proceeds on sale of bonds	0	0	0	0
Expended for plant facilities (includes \$3,709,778 charged to current funds expenditures)	0	0	0	0
Total revenues and other additions	71,414,151	5,218,361	8,738,695	85,371,207
Expenditures and other deductions:				
Expenditures	51,826,531	5,138,609	9,229,932	66,195,072
Expended for plant	0	0	0	0
Indirect costs	0	0	17,966	17,966
Administrative and collection costs	0	0	0	0
Net increase in bonds payable	0	0	0	0
Retirement of indebtedness	0	0	0	0
Interest on indebtedness	0	0	0	0
Depreciation	0	0	0	0
Disposal of plant facilities	0	0	0	0
Total expenditures and other deductions	51,826,531	5,138,609	9,247,898	66,213,038
Transfers - additions (deductions):				
Mandatory transfers:	2,787,333			
Retirement of indebtedness:				
Building use fee	(2,603,430)	0	0	(2,603,430)
Tuition	342,520	0	0	342,520
Ad valorem	(526,423)	0	0	(526,423)
Texas Public Education Grant	(473,015)	0	473,015	0
FSEOG match paid by TPEG	(60,183)	0	60,183	0
Grant matching	(129,901)	0	129,901	0
Non-mandatory transfers - auxiliary	(109,831)	109,831	0	0
Total transfers - additions (deductions)	(3,560,263)	109,831	663,099	(2,787,333)
Net increase (decrease) for the fiscal year	16,027,357	189,583	153,896	16,370,836
P/Y Depreciation	0	0	0	0
Fund balances, August 31, 2002	\$ 46,416,107	1,159,072	381,092	47,956,271

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Changes in Fund Balance - Unaudited (Continued)**

For the Year Ended August 31, 2002

(with comparative totals for the year ended August 31, 2001)

Plant funds				Totals	
<u>Unexpended</u>	<u>Retirement of indebtedness</u>	<u>Investment in plant</u>	<u>Student loans</u>	<u>(memorandum only)</u>	
<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2001</u>
33,450	3,393,386	88,335,975	31,521	123,379,767	116,171,823
0	0	0	0	76,632,512	67,320,389
0	0	0	0	4,432,893	3,400,154
0	5,464,789	0	0	5,464,789	5,196,442
0	0	0	0	3,224,892	2,405,721
0	0	0	0	1,065,070	539,661
0	0	0	0	0	0
2,445	0	0	0	12,167	55,834
83,080	134,709	0	0	223,907	423,747
0	9,936	0	0	9,936	3,631
0	0	0	0	0	5,502,384
20,000,000	0	0	0	20,000,000	8,944,494
0	0	4,917,608	0	4,917,608	1,875,407
20,085,525	5,609,434	4,917,608	0	115,983,774	95,667,864
0	0	0	4,560	66,199,632	58,458,399
1,199,080	0	0	0	1,199,080	698,039
0	0	0	0	17,966	45,653
0	132,636	0	0	132,636	96,416
0	185,959	13,375,748	0	13,561,707	86,826
0	6,590,000	0	0	6,590,000	14,450,000
0	1,940,283	0	0	1,940,283	2,501,419
0	0	2,645,884	0	2,645,884	0
0	0	338,769	0	338,769	12,123,168
1,199,080	8,848,878	16,360,401	4,560	92,625,957	88,459,920
0	2,603,430	0	0	0	0
0	(342,520)	0	0	0	0
0	526,423	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	2,787,333	0	0	0	0
18,886,445	(452,111)	(11,442,793)	(4,560)	23,357,817	7,207,944
0	0	(21,454,280)	0	0	0
18,919,895	2,941,275	55,438,903	26,961	125,283,304	123,379,767

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## COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Schedule of Current Funds Revenues, Expenditures and Other Changes - Unaudited

For the year ended August 31, 2002

(with comparative totals for the year ended August 31, 2001)

	Unrestricted	Auxiliary enterprises	Restricted	Totals (memorandum only)	
				2002	2001
<b>Revenues:</b>					
State appropriations - general revenue	\$ 22,389,918	0	4,432,893	26,822,811	22,504,566
Tuition and fees	13,466,559	289,266	0	13,755,825	11,941,290
Taxes for current operations	34,040,576	0	0	34,040,576	29,590,389
Federal grants and contracts	88,894	0	3,208,478	3,297,372	2,501,430
State grants and contracts	1,552	0	1,063,518	1,065,070	541,008
Private gifts, grants, and contracts	1,601	0	16,370	17,971	41,789
Interest income	969,797	0	0	969,797	1,669,237
Sales and services of educational activities	247,903	0	0	247,903	229,579
Sales and services of auxiliary enterprises	0	4,845,787	0	4,845,787	4,429,892
Other miscellaneous	207,351	83,308	0	290,659	190,428
<b>Total current funds revenues</b>	<b>71,414,151</b>	<b>5,218,361</b>	<b>8,721,259</b>	<b>85,353,771</b>	<b>73,639,608</b>
	(Exh. B)	(Exh. B)			
<b>Expenditures and transfers:</b>					
<b>Educational and general:</b>					
Instruction	24,194,488	0	2,718,530	26,913,018	24,599,562
Research	0	0	0	0	0
Public service	21,965	0	554,438	576,403	627,273
Academic support	5,784,638	0	1,408,830	7,193,468	6,189,074
Student services	4,443,260	0	892,263	5,335,523	5,273,957
Institutional support	8,985,802	0	594,355	9,580,157	8,660,773
Operation and maintenance of plant	8,148,770	0	93,977	8,242,747	6,080,397
Scholarships and fellowships	247,608	0	2,967,539	3,215,147	2,246,933
<b>Total educational and general expenditures</b>	<b>51,826,531</b>	<b>0</b>	<b>9,229,932</b>	<b>61,056,463</b>	<b>53,677,969</b>
	(Exh. B)				
Auxiliary enterprises - expenditures	0	5,138,609	0	5,138,609	4,760,889
		(Exh. B)			
<b>Mandatory transfers for (deductions):</b>					
Principal and interest	(2,787,333)	0	0	(2,787,333)	(2,879,448)
Texas Public Education Grant	(473,015)	0	318,589	(154,426)	31,105
FSEOG match paid by TPEG	(60,183)	0	60,183	0	0
Other matching grants	(129,901)	0	129,901	0	0
<b>Total expenditures and mandatory transfers</b>	<b>55,276,963</b>	<b>5,138,609</b>	<b>8,721,259</b>	<b>69,136,831</b>	<b>61,287,201</b>
<b>Other transfers and additions/(deductions):</b>					
Non-mandatory transfers	(109,831)	109,831	0	0	0
Excess/(deficit) of restricted receipts over/(under)					
transfer to revenues	0	0	17,436	17,436	60,765
Excess/(deficit) TPEG transfer over grants awarded	0	0	154,426	154,426	(31,104)
Indirect cost recovered	0	0	(17,966)	(17,966)	(45,653)
<b>Net increase (decrease) in fund balances</b>	<b>\$ 16,027,357</b>	<b>189,583</b>	<b>153,896</b>	<b>16,370,836</b>	<b>12,336,415</b>

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Schedule of Changes in Fund Balance - Unrestricted Current Funds - Auxiliary Enterprises

Unaudited

For the year ended August 31, 2002

	<u>Student activities</u>	<u>Intercollegiate athletics</u>	<u>Food services</u>	<u>Bookstore</u>
Revenues				
Sales and services	\$ 0	128,467	96,437	4,228,255
Student fees	289,266	0	0	0
Miscellaneous income	0	2,414	0	13,484
Total revenue (Exhibit C)	<u>289,266</u>	<u>130,881</u>	<u>96,437</u>	<u>4,241,739</u>
Expenditures				
Salaries and wages	0	116,899	0	342,893
Staff benefits	0	0	0	52,773
Other operating expenses	115,445	400,863	25,886	3,525,960
Capital outlay	0	0	0	0
Total expenditures (Exhibit C)	<u>115,445</u>	<u>517,762</u>	<u>25,886</u>	<u>3,921,626</u>
Excess (deficit) of revenue over (under) expenditures	<u>173,821</u>	<u>(386,881)</u>	<u>70,551</u>	<u>320,113</u>
Summary of fund balances as of September 1, 2001	<u>0</u>	<u>49,853</u>	<u>0</u>	<u>919,636</u>
Additions (deductions):				
Transfer from operating fund	0	0	0	0
Excess (deficit) of revenue over (under) expenditures	173,821	(386,881)	70,551	320,113
Intrafund transfers				
Student activities	(47,441)	47,441	0	0
Bookstore	0	222,043	0	(244,011)
Food service	0	70,551	(70,551)	0
Facilities rental	0	25,317	0	0
Fitness center	0	21,465	0	0
Fine arts	(12,835)	0	0	0
Print shop	0	0	0	0
Total intrafund transfers	<u>(60,276)</u>	<u>386,817</u>	<u>(70,551)</u>	<u>(244,011)</u>
Total additions (deductions)	<u>113,545</u>	<u>(64)</u>	<u>0</u>	<u>76,102</u>
Fund balance August 31, 2002 (Exhibit B)	<u>\$ 113,545</u>	<u>49,789</u>	<u>0</u>	<u>995,738</u>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Changes in Fund Balance - Unrestricted Current Funds - Auxiliary Enterprises  
Unaudited (Continued)**

For the year ended August 31, 2002

<u>Child Care center</u>	<u>Fitness center</u>	<u>Movie video rental</u>	<u>Facilities rental</u>	<u>Fine arts</u>	<u>Print shop</u>	<u>Total</u>
236,634	74,860	10,302	40,811	0	30,021	4,845,787
0	0	0	0	0	0	289,266
0	31,394	0	0	36,016	0	83,308
<u>236,634</u>	<u>106,254</u>	<u>10,302</u>	<u>40,811</u>	<u>36,016</u>	<u>30,021</u>	<u>5,218,361</u>
289,218	80,636	0	15,037	994	86,562	932,239
0	0	0	0	0	0	52,773
57,247	4,153	0	457	69,825	(78,391)	4,121,445
0	0	10,302	0	0	21,850	32,152
<u>346,465</u>	<u>84,789</u>	<u>10,302</u>	<u>15,494</u>	<u>70,819</u>	<u>30,021</u>	<u>5,138,609</u>
<u>(109,831)</u>	<u>21,465</u>	<u>0</u>	<u>25,317</u>	<u>(34,803)</u>	<u>0</u>	<u>79,752</u>
0	0	0	0	0	0	969,489
109,831	0	0	0	0	0	109,831
(109,831)	21,465	0	25,317	(34,803)	0	79,752
0	0	0	0	0	0	0
0	0	0	0	21,968	0	0
0	0	0	0	0	0	0
0	0	0	(25,317)	0	0	0
0	(21,465)	0	0	0	0	0
0	0	0	0	12,835	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>(21,465)</u>	<u>0</u>	<u>(25,317)</u>	<u>34,803</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	189,583
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,159,072</u>

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Schedule of Changes in Fund Balance - Restricted Current Funds - Unaudited For the year ended August 31, 2002

	Additions			
	Balances 09/01/2001	Gifts, grants and appropriations	Investment income	Other additions
Instruction				
State appropriations (summarized)	\$ 0	4,432,893	0	0
Total instruction	0	4,432,893	0	0
Public service				
State appropriations (summarized)	0	0	0	0
Federal grants and contracts (summarized)	0	75,615	0	0
State grants and contracts (summarized)	0	423,163	0	0
Local sources:				
SBDC - match	0	0	0	0
Private sources:				
Kaufman Foundation - Project NEW	5,381	0	0	0
Program income - SBDC	14,566	0	0	11,780
Total public service	19,947	498,778	0	11,780
Academic support				
State appropriations (summarized)	0	0	0	0
Federal grants and contracts (summarized)	0	246,611	0	0
State grants and contracts (summarized)	0	554,570	0	0
Local sources:				
TIFB -Match	0	0	0	0
Private sources:				
Cisco Learning Institute	7,150	0	0	0
Total academic support	7,150	801,181	0	0
Student services				
State appropriations (summarized)	0	0	0	0
Federal grants and contracts (summarized)	0	401,236	0	0
Local sources:				
JLD - match	0	0	0	0
Private sources:				
G & C allocation	0	0	0	(2,058)
AAUW	5,000	0	0	0
Total student services	5,000	401,236	0	(2,058)
Institutional support				
State appropriations (summarized)	0	0	0	0
Total institutional support	0	0	0	0
Operation and maintenance of plant				
State appropriations (summarized)	0	0	0	0
Total operation and maintenance of plant	\$ 0	0	0	0

(continued)

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Changes in Fund Balance - Restricted Current Funds - Unaudited  
For the year ended August 31, 2002**

Adjustments and transfers in	Deductions					Balances 08/31/02
	Salaries and wages	Fringe benefits	Awards and expenses	Capital outlay	Other deductions	
0	100,575	4,332,318	0	0	0	0
0	100,575	4,332,318	0	0	0	0
0	0	0	0	0	0	0
0	58,473	10,469	6,673	0	0	0
0	72,523	16,503	332,585	0	1,552	0
41,671	35,474	6,114	83	0	0	0
0	0	0	0	0	0	5,381
0	1,783	96	12,098	0	0	12,369
41,671	168,253	33,182	351,439	0	1,552	17,750
0	0	0	0	0	0	0
0	101,733	13,230	127,298	0	4,350	0
0	0	0	554,570	0	0	0
56,140	0	0	56,140	0	0	0
0	0	0	4,451	0	0	2,699
56,140	101,733	13,230	742,459	0	4,350	2,699
0	0	0	0	0	0	0
0	307,919	48,825	32,428	0	12,064	0
32,090	25,704	6,386	0	0	0	0
0	0	(2,058)	0	0	0	0
32,090	333,623	53,153	32,428	0	12,064	5,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Schedule of Changes in Fund Balance - Restricted Current Funds - Unaudited For the year ended August 31, 2002

		Additions		
	Balances 09/01/2001	Gifts, grants and appropriations	Investment income	Other additions
(continued from previous pages)				
Scholarships and fellowships				
Federal grants and contracts (summarized) \$	0	2,501,431	0	0
State grants and contracts (summarized)	0	87,336	0	0
Local sources:				
TPEG	195,099	0	6,118	0
FSEOG match	0	0	0	0
Texas Grant Program	0	0	0	0
Total scholarships and fellowships	<u>195,099</u>	<u>2,588,767</u>	<u>6,118</u>	<u>0</u>
Total restricted current funds	<u>\$ 227,196</u>	<u>8,722,855</u>	<u>6,118</u>	<u>9,722</u>
		(a)	(Exh. B)	(b)
		(Exh. B)		(Exh. B)
(a) Analysis of gifts, grants and appropriations:				
State appropriations \$	4,432,893			
Federal grants and contracts	3,224,892			
State grants and contracts	1,065,070			
Private gifts, grants and contracts	0			
Total gifts, grants and appropriations \$	<u>8,722,855</u>			
(b) Analysis of other additions:				
Other additions \$	<u>6,118</u>			
Total other additions \$	<u>6,118</u>			
(c) Analysis of adjustments & transfers in (out):				
Transfers -				
TPEG from unrestricted funds \$	473,015			
FSEOG match from TPEG	60,183			
Matching grants	129,901			
Total adjustments and transfers \$	<u>663,099</u>			
(d) Analysis of other deductions:				
Indirect cost recovered \$	<u>17,966</u>			
Total other deductions \$	<u>17,966</u>			

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Changes in Fund Balance - Restricted Current Funds - Unaudited  
For the year ended August 31, 2002**

<u>Adjustments and transfers in</u>	<u>Deductions</u>					<u>Balances 08/31/02</u>
	<u>Salaries and wages</u>	<u>Fringe benefits</u>	<u>Awards and expenses</u>	<u>Capital outlay</u>	<u>Other deductions</u>	
0	0	0	2,501,431	0	0	0
0	0	0	87,336	0		0
473,015	0	0	318,589	0	0	355,643
60,183	0	0	60,183	0	0	0
0	0	0	0	0	0	0
<u>533,198</u>	<u>0</u>	<u>0</u>	<u>2,967,539</u>	<u>0</u>	<u>0</u>	<u>355,643</u>
<u>663,099</u>	<u>704,184</u>	<u>4,431,883</u>	<u>4,093,865</u>	<u>0</u>	<u>17,966</u>	<u>381,092</u>
(c)					(d)	(Exh. B)

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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Transfers - Unaudited  
For the year ended August 31, 2002**

Funds transferred from:		Funds transferred to:			
<u>Fund</u>	<u>Amount</u>	<u>Auxiliary enterprises</u>	<u>Restricted</u>	<u>Unexpended</u>	<u>Retirement of indebtedness</u>
Mandatory					
Unrestricted funds					
Retirement of indebtedness:					
Building use fee	\$ 2,603,430	0	0	0	2,603,430
Tuition	(342,520)	0	0	0	(342,520)
Ad valorem	526,423	0	0	0	526,423
Texas Public Education Grant (TPEG)	473,015	0	473,015	0	0
FSEOG match paid by TPEG	60,183	0	60,183	0	0
Grant matching	129,901	0	129,901	0	0
Total unrestricted funds	<u>3,450,432</u>	<u>0</u>	<u>663,099</u>	<u>0</u>	<u>2,787,333</u>
Total mandatory transfers	<u>3,450,432</u>	<u>0</u>	<u>663,099</u>	<u>0</u>	<u>2,787,333</u>
Non-mandatory					
Unrestricted funds					
Auxiliary	109,831	109,831	0	0	0
Total unrestricted funds	<u>109,831</u>	<u>109,831</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total non-mandatory transfers	<u>109,831</u>	<u>109,831</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total transfers among funds	<u>\$ 3,560,263</u>	<u>109,831</u>	<u>663,099</u>	<u>0</u>	<u>2,787,333</u>

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Schedule of Bonds Payable and Debt Service Requirements - Unaudited For the year ended August 31, 2002

Description	Bonds issued to date	Range of interest rates	Bonds outstanding 9/1/2001	Bonds issued after 9/1/2001	Discount amortization/ (accretion)	Bonds matured or retired	Bonds outstanding 8/31/2001
1996 Refunding bonds	8,233,827	4.15 - 4.60%	7,998,807	0	189,768	130,000	8,058,575
2001 Refunding bonds	8,795,000	4.50%	8,944,494	0	(37,374)	4,760,000	4,147,120
2002 Ltd. Tax imp. bonds	20,000,000	3.65-5.15%	0	20,000,000	0	0	20,000,000
Subtotal	<u>37,028,827</u>		<u>16,943,301</u>	<u>20,000,000</u>	<u>152,394</u>	<u>4,890,000</u>	<u>32,205,695</u>
1993 Revenue bonds	5,000,000	4.75 - 7.75%	2,900,000	0	0	225,000	2,675,000
1994 Revenue bonds	10,000,000	4.50 - 7.50%	4,375,000	0	0	425,000	3,950,000
1997 Revenue bonds	6,620,000	4.70 - 6.70%	5,860,000	0	0	225,000	5,635,000
1998 Revenue refunding bonds	15,275,000	4.50 - 5.00%	13,690,983	0	(687)	825,000	12,865,296
Subtotal	<u>36,895,000</u>		<u>26,825,983</u>	<u>0</u>	<u>(687)</u>	<u>1,700,000</u>	<u>25,125,296</u>
Grand Total	\$ <u>73,923,827</u>		<u>43,769,284</u>	<u>20,000,000</u>	<u>151,707</u>	<u>6,590,000</u>	<u>57,330,991</u> (Exh. A)

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Bonds Payable and Debt Service Requirements - Unaudited  
For the year ended August 31, 2002**

			Summary of debt service requirements to maturity						
Maturities			Year ending August 31,						
First year	Last year	First call date	2003	2004	2005	2006	2007	All other years	Total requirements
1996	2006	8/15/2006	2,402,966	2,277,966	2,149,306	2,029,240	0	0	8,859,478
2001	2005	none	2,078,949	1,510,248	873,373	0	0	0	4,350,450
2002	2022	8/15/2012	1,049,485	1,534,559	1,541,381	1,552,109	1,566,559	24,546,111	31,790,204
			<u>5,531,400</u>	<u>5,322,773</u>	<u>4,564,060</u>	<u>3,581,349</u>	<u>1,566,559</u>	<u>24,546,111</u>	<u>45,112,252</u>
1996	2013	2/1/2003	373,613	361,613	373,938	384,700	369,475	1,581,438	3,444,777
1996	2014	2/1/2004	633,800	634,788	635,650	635,025	632,875	1,713,925	4,886,063
1998	2017	2/1/2008	525,845	524,263	523,970	525,523	531,581	5,502,421	8,133,603
1999	2018	2/1/2008	1,445,902	1,446,752	1,426,252	969,865	957,815	11,049,794	17,296,380
			<u>2,979,160</u>	<u>2,967,416</u>	<u>2,959,810</u>	<u>2,515,113</u>	<u>2,491,746</u>	<u>19,847,578</u>	<u>33,760,823</u>
			<u>8,510,560</u>	<u>8,290,189</u>	<u>7,523,870</u>	<u>6,096,462</u>	<u>4,058,305</u>	<u>44,393,689</u>	<u>78,873,075</u>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Pledged Revenues and Fund Balances - Unaudited  
For Revenue Bonds Outstanding  
For the year ended August 31, 2002**

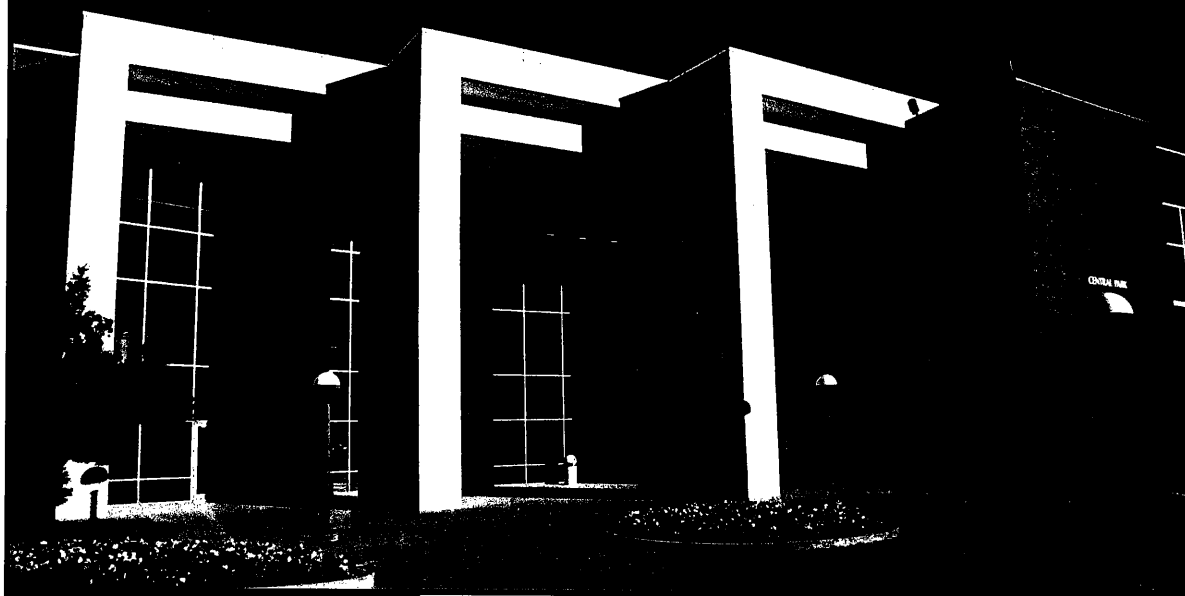
<u>Description</u>	<u>Pledged revenues and related expenditures</u>						(a+b-c)
	<u>Pledged</u>	<u>Interest</u>	<u>Interest</u>	<u>(a)</u>	<u>(b)</u>	<u>(c)</u>	<u>Net</u>
	<u>revenues</u>	<u>earned on</u>	<u>earned on</u>	<u>Total</u>	<u>Other</u>	<u>Operating</u>	<u>available</u>
		<u>investments</u>	<u>investments</u>	<u>pledged</u>	<u>revenue</u>	<u>expense</u>	<u>for debt</u>
		<u>(debt service)</u>	<u>(operating)</u>	<u>revenues</u>	<u>sources</u>		<u>service</u>
Tuition and fee revenue for the Series 1992, 1993, 1994, 1997 and 1998 bond issues	\$ <u>2,776,917</u>	<u>200,000</u>	<u>0</u>	<u>2,976,917</u>	<u>0</u>	<u>1,230</u>	<u>2,975,687</u>

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Pledged Revenues and Fund Balances - Unaudited****For Revenue Bonds Outstanding****For the year ended August 31, 2002**

		<u>Restricted account balances</u>			
Debt service principal <u>paid</u>	Debt service interest <u>expense</u>	<u>Interest and sinking fund</u>		<u>Bond reserve fund</u>	
		<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
<u>1,700,000</u>	<u>1,275,687</u>	<u>0</u>	<u>0</u>	<u>2,511,500</u>	<u>2,720,792</u>

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*Central Park Campus*



statistical

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# **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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## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

### **District Expenditures by Elements of Institutional Costs Last Ten Fiscal Years (Unaudited)**

<b>Fiscal year</b>	<b>Instruction</b>	<b>Research</b>	<b>Public service</b>	<b>Academic support</b>	<b>Student services</b>	<b>Institutional support</b>
1992-93	9,571,331	0	2,241,715	4,147,569	3,325,668	3,265,612
1993-94	10,396,368	0	2,246,144	4,617,451	3,481,115	3,676,941
1994-95	12,984,369	0	2,274,485	3,883,133	3,879,120	4,359,490
1995-96	14,776,507	0	1,224,369	4,009,224	4,432,973	4,483,662
1996-97	15,939,186	0	525,639	4,281,573	4,203,369	5,040,732
1997-98	18,617,804	154	782,517	4,656,938	4,576,397	5,608,341
1998-99	20,514,108	360	690,201	5,557,250	4,957,294	6,307,376
1999-00	22,220,613	486	718,128	5,681,486	5,018,877	7,935,450
2000-01	24,599,562	0	627,273	6,189,074	5,273,957	8,660,773
2001-02	26,913,018	0	576,403	7,193,468	5,335,523	9,580,157

(1) Excludes refunded bonds in fiscal year 91-92 of \$29,500,000, fiscal year 95-96 of \$8,000,000, and fiscal year 00-01 of \$8,860,000.

Source: Information derived from schedules attached as Supplementary Information.

Table 1

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****District Expenditures by Elements of Institutional Costs (Continued)**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Operation &amp; maintenance of plant</b>	<b>Scholarships and fellowships</b>	<b>Auxiliary enterprises</b>	<b>General obligation debt service (1)</b>	<b>Totals</b>
2,284,711	915,789	2,303,076	8,023,326	36,078,797
2,682,612	1,157,087	2,567,898	7,778,306	38,603,922
2,818,983	1,253,351	2,800,479	7,090,674	41,344,084
3,377,842	1,228,951	3,125,149	7,129,997	43,788,674
3,757,267	1,254,659	2,859,933	7,553,440	45,415,798
4,458,397	1,525,954	3,836,049	5,886,242	49,948,793
5,202,532	1,581,500	4,059,977	5,277,719	54,148,317
5,689,644	1,692,566	4,612,497	6,209,184	59,778,931
6,080,397	2,246,933	4,760,889	4,873,469	63,312,327
8,242,747	3,215,147	5,138,609	5,745,127	71,940,199

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **District Revenues by Source (1) Last Ten Fiscal Years (Unaudited)**

<b>Fiscal year</b>	<b>State appropriations</b>	<b>Local funds</b>		<b>Grants and contracts</b>
		<b>Tuition</b>	<b>Taxes for current operations</b>	
1992-93	12,499,626	4,170,978	7,182,445	3,790,343
1993-94	14,253,887	5,072,724	8,697,225	3,630,775
1994-95	14,349,799	5,936,624	11,020,414	3,904,815
1995-96	17,337,527	6,517,237	13,100,916	2,850,250
1996-97	16,285,311	7,161,460	15,360,063	1,941,406
1997-98	17,836,415	8,602,466	17,991,632	2,407,330
1998-99	18,584,272	8,936,224	21,733,127	2,409,749
1999-00	21,317,463	10,211,121	25,644,644	2,720,095
2000-01	22,504,566	11,941,290	29,590,389	3,084,227
2001-02	26,822,811	13,755,825	34,040,576	4,380,413

(1) Includes current funds: unrestricted, auxiliary, and restricted; excludes interfund transfers.

Source: Information derived from schedules attached as Supplementary Information.

Table 2

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**District Revenues by Source (1) ( Continued)**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>Investment income</u>	<u>Miscellaneous</u>	<u>Sales from auxiliary enterprises</u>	<u>Totals</u>
290,839	192,343	2,120,736	30,247,310
316,098	162,544	2,402,347	34,535,600
648,430	155,794	2,636,638	38,652,514
742,847	163,423	2,853,278	43,565,478
854,755	208,735	2,557,594	44,369,324
956,231	330,124	3,694,913	51,819,111
953,435	295,544	3,777,036	56,689,387
1,345,740	414,384	4,356,658	66,010,105
1,669,237	420,007	4,429,892	73,639,608
969,797	538,562	4,845,787	85,353,771

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

### **Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)**

<b>Fiscal year</b>	<b>Total tax levy</b>	<b>Current tax collections</b>	<b>Percent of current tax levy collected</b>	<b>Delinquent tax collections</b>	<b>Total tax collections</b>
1992-93	14,677,891	14,423,963	98.27%	581,245	15,005,208
1993-94	15,552,521	15,253,913	98.08%	895,825	16,149,738
1994-95	17,092,801	16,848,374	98.57%	263,229	17,111,603
1995-96	18,922,156	18,671,329	98.67%	280,624	18,951,953
1996-97	21,061,813	20,755,641	98.55%	268,282	21,023,923
1997-98	23,615,924	23,316,268	98.73%	299,573	23,615,841
1998-99	27,134,516	26,681,647	98.33%	259,911	26,941,558
1999-00	30,624,529	30,270,985	98.85%	471,761	30,742,746
2000-01	34,709,032	34,121,654	98.31%	369,465	34,491,119
2001-02	39,205,528	38,544,479	98.31%	600,013	39,144,492

Source: Information derived from schedules attached as Supplementary Information.

Table 3

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Property Tax Levies and Collections (Continued)****Last Ten Fiscal Years****(Unaudited)**

<b>Percent of total tax collections to tax levy</b>	<b>Outstanding delinquent taxes</b>	<b>Percent of delinquent taxes to tax levy</b>
102.23%	381,161	2.60%
103.84%	625,848	4.02%
100.11%	637,965	3.73%
100.16%	594,683	3.14%
99.82%	644,894	3.06%
99.99%	646,998	2.74%
99.29%	832,218	3.07%
100.39%	708,050	2.31%
99.37%	931,348	2.68%
99.84%	1,108,791	2.83%

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Property Tax Rates - All Direct and Overlapping Governments**

(Per \$100 of Assessed Value)

**Last Ten Years**

**(Unaudited)**

<b>Governmental subdivision</b>	<b>Percent applicable to CCCC</b>	<b>Tax year 1993</b>	<b>Tax year 1994</b>	<b>Tax year 1995</b>	<b>Tax year 1996</b>
CCCCD	100.00%	\$0.098550	\$0.098550	\$0.098550	\$0.098550
<b>Cities:</b>					
Allen	100.00%	0.766000	0.740000	0.715600	0.665000
Anna	100.00%	0.570770	0.570000	0.570770	0.570770
Blue Ridge	100.00%	0.441900	0.499200	0.668600	0.601530
Celina	100.00%	0.632530	0.669450	0.709630	0.725960
Fairview	100.00%	0.162500	0.163500	0.163100	0.157510
Farmersville	100.00%	0.651920	0.706500	0.682500	0.746950
Frisco	99.00%	0.450000	0.437000	0.398000	0.443400
Josephine	95.00%	0.395900	0.413700	0.415460	0.427890
Lavon	100.00%	0.211000	0.223970	0.240000	0.400000
Lucas	100.00%	0.330390	0.330390	0.330390	0.328270
McKinney	100.00%	0.651250	0.651250	0.626250	0.634900
Melissa	100.00%	0.320000	0.320000	0.320000	0.326000
Murphy	100.00%	0.749000	0.758800	0.717500	0.718800
New Hope	100.00%	0.220000	0.220000	0.220000	0.210000
Parker	100.00%	0.315700	0.316400	0.326600	0.322000
Plano	100.00%	0.510200	0.510200	0.510200	0.498500
Princeton	100.00%	0.853000	0.853000	0.853000	0.853000
Prosper	100.00%	0.330000	0.338450	0.321400	0.325900
Richardson	3.31%	0.409990	0.453850	0.453850	0.443850
Sachse	0.22%	0.601000	0.650000	0.649500	0.649500
St. Paul	100.00%	0.220000	0.220000	0.220000	0.220000
Westminister	100.00%	0.163600	0.172210	0.192690	0.196590
Wylie	100.00%	0.615000	0.635000	0.635000	0.655000
<b>School Districts:</b>					
Allen ISD	100.00%	0.650400	1.668600	1.668600	1.605000
Anna ISD	100.00%	0.427800	1.330000	1.350000	1.356000
Blue Ridge ISD	93.33%	0.359400	1.259000	1.320000	1.350000
Celina ISD	89.38%	0.405200	1.343280	1.380000	1.380000
Community ISD	98.76%	0.550000	1.440000	1.440000	1.440000
Farmersville ISD	100.00%	0.389300	1.495600	1.495600	1.495600
Frisco ISD	73.87%	0.670400	1.367700	1.367700	1.399900
Lovejoy ISD	100.00%	0.530000	1.460000	1.580000	1.540000
McKinney ISD	100.00%	0.690000	1.400000	1.460000	1.460000
Melissa ISD	100.00%	0.623250	1.522850	1.522850	1.522850
Plano ISD	100.00%	0.561600	1.471600	1.477800	1.489400
Princeton ISD	100.00%	0.500400	1.410000	1.470000	1.470000
Prosper ISD	81.54%	0.470000	1.370000	1.392410	1.405720
Wylie ISD	100.00%	0.593900	1.550000	1.550000	1.550000
County Education District	100.00%	0.899600	0.000000	0.000000	0.000000
<b>Special Districts:</b>					
Seis Lagos U.D.	100.00%	0.550000	0.695160	1.100000	1.090000
Collin County	100.00%	0.260000	0.260000	0.260000	0.260000
Frisco M.U.D. #1	100.00%	0.360000	0.359570	0.341700	0.290140

Source: Central Appraisal District of Collin County

Table 4

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Property Tax Rates - All Direct and Overlapping Governments (Continued)**  
**(Per \$100 of Assessed Value)**  
**Last Ten Years**  
**(Unaudited)**

<b>Tax year 1997</b>	<b>Tax year 1998</b>	<b>Tax year 1999</b>	<b>Tax year 2000</b>	<b>Tax year 2001</b>	<b>Tax year 2002</b>
\$0.098550	\$0.098550	\$0.096723	\$0.094049	\$0.092843	\$0.091946
0.580580	0.575000	0.574000	0.564000	0.563000	0.562000
0.581180	0.542240	0.532782	0.529900	0.580000	0.580000
0.604850	0.544620	0.517836	0.535900	0.545101	0.584244
0.752293	0.806593	0.806593	0.806593	0.806593	0.806593
0.154470	0.151430	0.149999	0.139900	0.139900	0.290000
0.736960	0.728390	0.659986	0.631943	0.597755	0.583660
0.412000	0.372700	0.372700	0.370000	0.367000	0.337049
0.044795	0.451932	0.431888	0.433513	0.433513	0.436002
0.407190	0.399500	0.414500	0.414500	0.414500	0.414500
0.322507	0.322507	0.322507	0.372507	0.372507	0.372507
0.598000	0.598000	0.598000	0.598000	0.598000	0.598000
0.324400	0.324400	0.324400	0.420000	0.420000	0.430000
0.659600	0.687100	0.544400	0.414000	0.376400	0.420000
0.200000	0.199700	0.210000	0.210000	0.210000	0.210000
0.384150	0.350000	0.350000	0.316955	0.294210	0.280775
0.498500	0.468500	0.468500	0.458500	0.453500	0.453500
0.839000	0.830000	0.782626	0.782626	0.701300	0.701300
0.355000	0.369512	0.360000	0.360000	0.360000	0.360000
0.443850	0.443850	0.443850	0.443850	0.443850	0.477850
0.674700	0.674700	0.646700	0.626640	0.588821	0.575397
0.210000	0.220000	0.220000	0.250000	0.263550	0.490043
0.170105	0.172939	0.148706	0.240000	0.240000	0.240000
0.675000	0.675000	0.700000	0.725000	0.720000	0.715000
1.661100	1.736900	1.892900	1.762040	1.831416	1.808203
1.418800	1.500000	1.480000	1.560247	1.560247	1.569990
1.400000	1.470000	1.380000	1.725000	1.650000	1.870000
1.530000	1.630000	1.630000	1.590000	1.590000	1.700000
1.460000	1.500000	1.292820	1.500000	1.430178	1.537544
1.495600	1.560000	0.659986	1.489000	1.489000	1.540000
1.528600	1.513600	1.440000	1.420000	1.440000	1.497500
1.540000	1.630000	1.650000	1.620000	1.620000	1.600000
1.540000	1.560000	1.590000	1.640000	1.785000	1.945000
1.519310	1.674647	1.598000	1.592445	1.711273	1.695624
1.519300	1.539500	1.579200	1.531000	1.628500	1.703400
1.500000	1.500000	1.378200	1.308803	1.500000	1.720000
1.492187	1.523708	1.539522	1.522197	1.720249	1.760960
1.550000	1.600000	1.570000	1.570000	1.560900	1.610000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
1.019760	0.918667	0.788286	0.626900	0.529910	0.471608
0.260000	0.250000	0.250000	0.250000	0.250000	0.250000
0.160000	0.120000	0.120000	0.090000	0.070000	0.070000



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Table 5****Principal Taxpayers  
August 31, 2002  
(Unaudited)**

<b>Taxpayer</b>	<b>Type of business</b>	<b>2002 Taxable assessed value</b>	<b>Percentage of total assessed value</b>
Texas Utilities Electric Co.	Public utility	\$429,809,290	1.03%
Alcatel	Electronics manufacturer	331,196,673	0.79%
Electronic Data Systems	Computer center	319,927,071	0.76%
Southwestern Bell Telephone	Telephone utility	202,845,105	0.48%
J C Penney/Eckerd Drug	Commercial	199,593,202	0.48%
Stonebriar Mall Ltd.	Commercial	139,493,234	0.33%
Albertson's	Commercial	112,401,435	0.27%
Briar Preston Ridge Partners	Commercial	99,548,293	0.24%
O.T.R.	Investment company	98,118,249	0.23%
Dallas Morning News	Publishing facility	87,985,827	0.21%
Totals		<u>\$2,020,918,379</u>	
Total assessed value		<u>\$41,929,312,586</u>	

Source: Tax Assessor/Collector of Collin County

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Computation of Legal Debt Margin  
August 31, 2002  
(Unaudited)**

Collin County Community College District is limited to a maximum tax rate limit of  
\$.12 per \$100 valuation of taxable property for bonded debt.

Total debt limit	\$ 0.120000
Current debt tax rate	<u>0.012843</u>
Available debt tax rate	<u>\$ 0.107157</u>

Table 7

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Ratio of Bonded General Obligation Debt to Assessed Value and  
Bonded Debt per Capita (Per \$100 of Assessed Value)  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal year</b>	<b>Population (1)</b>	<b>Assessed value after exemptions (2)</b>	<b>Bonded tax debt</b>	<b>Ratio of bonded debt to assessed value</b>	<b>Bonded debt per capita</b>
1992-93	304,100	14,896,651,699	48,841,853	0.33%	161
1993-94	322,800	15,068,967,000	44,764,306	0.30%	139
1994-95	344,450	17,283,107,871	43,665,487	0.25%	127
1995-96	370,950	19,134,305,654	39,727,851	0.21%	107
1996-97	390,500	21,336,036,503	34,933,931	0.16%	89
1997-98	429,650	23,604,560,147	30,175,103	0.13%	70
1998-99	462,042	27,531,603,441	25,437,762	0.09%	55
1999-00	496,806	31,666,653,852	20,718,172	0.07%	42
2000-01	519,755	36,381,498,587	16,943,301	0.05%	33
2001-02	549,800	41,929,312,586	32,205,695	0.08%	59

(1) Source: North Central Texas Council of Governments.

92) Source: Central Appraisal District of Collin County

Table 8

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Ratio of Annual Debt Service Expenditures for General Obligation  
Bonded Debt to Total General Expenditures  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total general obligation debt service (1)</b>	<b>Total general expenditures</b>	<b>Ratio of debt service to total general expenditures</b>
1992-93	4,460,000	3,563,326	8,023,326	36,078,797	22.24%
1993-94	4,480,000	3,298,306	7,778,306	38,603,922	20.15%
1994-95	4,510,000	2,580,674	7,090,674	41,344,084	17.15%
1995-96	4,600,000	2,529,997	7,129,997	43,788,674	16.28%
1996-97	5,330,000	2,223,440	7,553,440	45,415,798	16.63%
1997-98	3,937,404	1,948,838	5,886,242	49,948,793	11.78%
1998-99	3,595,965	1,681,754	5,277,719	54,148,317	9.75%
1999-00	4,815,000	1,394,184	6,209,184	59,778,931	10.39%
2000-01	3,950,000	923,469	4,873,469	63,312,327	7.70%
2001-02	4,890,000	855,127	5,745,127	71,940,199	7.99%

(1) Excludes refunded bonds in fiscal year 95-96 and fiscal year 00-01.

Source: Information derived from schedules attached as Supplementary Information.

## **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

### **Revenue Bond Coverage Last Ten Fiscal Years (Unaudited)**

<b>Fiscal year</b>	<b>Tuition pledge revenue (1)</b>	<b>Building fee revenue(2)</b>	<b>College cafeteria revenue (3)</b>	<b>College bookstore revenue (3)</b>	<b>Total gross revenue available for debt service</b>
1992-93	341,168	570,991	42,618	1,931,519	2,886,296
1993-94	343,170	1,135,242	61,000	2,029,626	3,569,038
1994-95	349,125	1,624,328	60,294	2,243,803	4,277,550
1995-96	362,033	1,668,632	68,610	2,512,409	4,611,684
1996-97	376,418	1,692,453	70,179	2,165,759	4,304,809
1997-98	394,343	1,861,528	89,108	3,177,995	5,522,974
1998-99	412,230	1,933,911	90,812	3,145,009	5,581,962
1999-00	434,175	2,074,410	90,793	3,320,387	5,919,765
2000-01	477,173	2,319,488	92,064	3,796,077	6,684,802
2001-02	528,510	2,603,430	96,437	4,241,739	7,470,116

(1) \$15.00 per semester headcount, \$7.50 per summer semester

(2) \$9.00 per credit hour

(3) Gross revenues of the cafeterias and bookstores

Source: Information derived from schedules attached as Supplementary Information.

Table 9

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**
**Revenue Bond Coverage (Continued)**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage</b>
250,000	753,613	1,003,613	2.88
325,000	996,686	1,321,686	2.70
425,000	1,650,433	2,075,433	2.06
875,000	1,358,494	2,233,494	2.06
925,000	1,289,350	2,214,350	1.94
1,110,000	1,668,060	2,778,060	1.99
1,325,000	1,673,325	2,998,325	1.86
1,480,000	1,480,398	2,960,398	2.00
1,640,000	1,378,826	3,018,826	2.21
1,700,000	1,275,687	2,975,687	2.51

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Property Tax Assessed Valuation by Category Last Five Years (Unaudited)

Category	Taxable appraised value for fiscal year ended August 31,			
	2002		2001	
	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$25,184,575,922	52.73%	\$22,334,722,188	54.10%
Real, residential, multi-family	2,803,794,252	5.87%	2,596,086,781	6.29%
Real, vacant lots/tracts	1,010,642,988	2.12%	1,011,868,071	2.56%
Real, acreage (land only)	4,572,634,713	9.58%	4,216,422,528	10.21%
Real, farm and ranch improvements	434,062,607	0.91%	376,649,693	0.91%
Real, commercial and industrial	7,900,892,566	16.54%	6,570,743,309	15.92%
Real, oil, gas, and other mineral reserves	300	0.00%	300	0.00%
Real and intangible personal, utilities	827,368,796	1.73%	714,921,703	1.73%
Tangible personal, business	4,164,598,212	8.72%	3,289,441,704	7.97%
Tangible personal, other	80,907,793	0.17%	72,317,156	0.18%
Special Inventory	780,183,260	1.63%	100,529,678	0.24%
Total appraised value before exemptions	47,759,661,409	100.00%	41,283,703,111	100.00%
Less: Total Exemption/Reductions	(5,830,348,823)		(4,902,204,524)	
Taxable Assessed Value	<u>\$41,929,312,586</u>		<u>\$36,381,498,587</u>	

Table 10

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Property Tax Assessed Valuation by Category (Continued)****Last Five Years****(Unaudited)**

2000		1999		1998	
Amount	% of Total	Amount	% of Total	Amount	% of Total
\$19,244,544,759	53.74%	\$17,261,210,533	54.73%	\$15,248,824,836	56.00%
2,237,515,109	5.73%	1,805,054,248	5.72%	1,511,869,613	5.55%
918,507,099	2.57%	744,144,110	2.36%	657,867,003	2.42%
3,980,195,572	11.12%	3,283,492,529	10.41%	2,729,395,655	10.02%
328,470,266	0.92%	290,512,753	0.97%	262,752,116	0.96%
5,181,429,202	14.47%	4,347,091,022	13.78%	3,412,971,773	12.53%
300	0.00%	300	0.00%	300	0.00%
621,370,121	1.74%	566,958,983	1.80%	513,509,781	1.89%
3,233,056,301	9.03%	3,181,833,480	10.09%	2,850,293,742	10.47%
62,286,343	0.17%	56,234,341	0.18%	40,785,710	0.15%
0	0.00%	0	0.00%	0	0.00%
35,807,375,072	100.00%	31,536,532,299	100.00%	27,228,270,529	100.00%
(4,140,721,220)		(4,004,928,858)		(3,623,710,382)	
<u>\$31,666,653,852</u>		<u>\$27,531,603,441</u>		<u>\$23,604,560,147</u>	



Table 11

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Demographic Statistics (1)  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal year</b>	<b>Population (1)</b>	<b>Median household effective buying income</b>	<b>Collin County unemployment rate (2)</b>	<b>State unemployment rate (2)</b>	<b>National unemployment rate (3)</b>
1991-92	285,600	\$53,256	5.40%	7.50%	7.50%
1992-93	304,100	57,187	4.20%	7.00%	6.90%
1993-94	322,800	60,180	4.10%	6.40%	6.10%
1994-95	344,450	48,846	3.20%	6.00%	5.60%
1995-96	370,950	51,171	2.70%	5.60%	5.40%
1996-97	390,500	52,714	2.40%	5.50%	4.70%
1997-98	429,650	55,289	2.30%	5.00%	4.50%
1998-99	462,042	58,002	2.20%	4.40%	4.20%
1999-00	496,806	N/A	2.20%	4.30%	4.10%
2000-01	519,755	N/A	4.70%	5.10%	4.90%
2001-02	549,800	62,803	6.70%	6.30%	5.70%

(1) Source: North Central Texas Council of Governments

(2) Source: Texas Workforce Commission

(3) Source: U.S. Department of Labor

N/A = Not available

Table 12

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Student Enrollment (Unduplicated)  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal year</b>	<b>Full-time equivalents (FTE)</b>	<b>State appropriations per FTE (1)</b>	<b>Total fiscal year credit hours</b>	<b>Total fiscal year contact hours</b>
1992-93	5,717	2,186	171,502	3,693,168
1993-94	5,832	2,444	174,945	3,750,144
1994-95	5,866	2,446	175,987	3,810,120
1995-96	6,129	2,829	183,867	3,939,142
1996-97	6,294	2,587	188,833	4,032,027
1997-98	6,709	2,659	207,271	4,349,794
1998-99	6,971	2,666	209,139	4,425,696
1999-00	7,629	2,794	228,258	4,831,741
2000-01	8,482	2,653	254,465	5,395,136
2001-02	9,579	2,800	287,368	5,952,496

(1) State appropriations include only the formula produced amounts for academic and vocational technical programs.

Table 13

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Student Enrollment Demographic Statistics (Unduplicated)  
(Unaudited)**

<b>Fiscal year</b>	<b>Attendance</b>	<b>Gender</b>		<b>Residency</b>		
	<b>Headcount</b>	<b>Male</b>	<b>Female</b>	<b>In-District</b>	<b>Out of county</b>	<b>Out of state</b>
1992-93	16,173	7,025	9,148	13,171	2,163	839
1993-94	16,203	7,046	9,157	12,880	2,384	939
1994-95	16,587	7,136	9,451	12,820	2,742	1,025
1995-96	17,183	7,447	9,736	13,041	3,296	846
1996-97	17,530	7,484	10,046	13,268	3,393	869
1997-98	18,694	8,091	10,603	13,707	3,779	1,208
1998-99	18,461	8,073	10,388	13,557	3,586	1,318
1999-00	20,002	8,846	11,156	14,490	3,972	1,540
2000-01	21,697	9,686	12,011	15,435	4,408	1,854
2001-02	23,700	10,357	13,343	17,050	4,945	1,705

<b>Fiscal year</b>	<b>Average age of student</b>	<b>Ethnic background</b>				
		<b>Black</b>	<b>Caucasian</b>	<b>Hispanic</b>	<b>Asian</b>	<b>Other</b>
1992-93	28.3	582	14,130	738	611	112
1993-94	28.2	645	13,934	785	693	146
1994-95	28.3	668	14,063	884	811	161
1995-96	28.1	720	14,298	1,028	983	154
1996-97	27.6	786	14,242	1,029	1,012	461
1997-98	27.6	946	14,863	1,142	1,469	274
1998-99	27.1	964	14,459	1,168	1,668	202
1999-00	26.8	1,152	15,469	1,334	1,851	196
2000-01	26.3	1,222	16,102	1,423	1,645	1,305
2001-02	25.2	1,597	17,546	1,849	2,551	157

**Table 14**

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Tuition and Fee Schedule**  
**Last Ten Fiscal Years**  
**(Unaudited)**

**Cost for Collin County resident student per semester credit hour :**

<b>Fiscal year</b>	<b>Tuition (per credit hour)</b>	<b>Student activities fee (per credit hour)</b>	<b>Building fee (per credit hour)</b>	<b>Total cost (per credit hour)</b>	<b>Percentage increase (per credit hour)</b>
1992-93	15.00	0.00	3.00	18.00	0.00%
1993-94	15.00	0.00	6.00	21.00	16.67%
1994-95	13.00	0.00	9.00	22.00	4.76%
1995-96	13.50	0.50	9.00	23.00	4.55%
1996-97	14.50	0.50	9.00	24.00	4.35%
1997-98	16.00	1.00	9.00	26.00	8.33%
1998-99	16.00	1.00	9.00	26.00	0.00%
1999-00	16.00	1.00	9.00	26.00	0.00%
2000-01	19.00	1.00	9.00	29.00	11.54%
2001-02	21.00	1.00	9.00	31.00	6.90%

In addition to the above, some classes also include a lab fee and all students pay a one-time \$2.00 student ID fee, as well as a nonrefundable \$2.00 per semester student records fee.

The out-of-county tuition is \$39 per credit hour and the out-of-state tuition is \$74 per credit hour.

Table 15

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

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**Faculty Statistics**  
**August 31, 2002**  
**(Unaudited)**

<u>Years of experience</u>	<u>Number of full time faculty</u>	<u>Percentage of total</u>
00 - 04	24	12.4%
05 - 09	41	21.1%
10 - 14	39	20.1%
15 - 19	47	24.2%
20 - 24	28	14.4%
More than 25	15	7.7%

<u>Type of degree</u>	<u>Number of full time faculty</u>	<u>Percentage of total</u>
No degree	2	1.0%
Associate's	6	3.1%
Bachelor's	9	4.6%
Master's	121	62.4%
Doctorate	56	28.9%

Note: This includes instructors in technical-vocational programs where the major emphasis for hiring is on skills and experience in the instructor's field of study.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Miscellaneous Statistics****August 31, 2002****(Unaudited)**

Date of formation:	April 6, 1985
Form of government:	State of Texas political subdivision governed by a nine-member Board of Trustees
Area of District:	Collin County, Texas (approx. 836 square miles)
Most recent general obligation bond ratings:	
Moody's Investors Service	Aaa
Standard and Poor's Corporation	AAA
Authorized but unissued bonds as of 8/31/02:	\$37,000,000
Accredited by:	Commission on Colleges of the Southern Association of Colleges and Schools
Number of full-time employees:	653
Number of part-time employees:	1,024
Number of student assistants:	185

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*Preston Ridge Campus*



single audit





717 North Harwood Street  
Suite 3100  
Dallas, TX 75201-6585

**Report on Compliance and on Internal Control Over  
Financial Reporting Based on an Audit of Basic Financial Statements  
Performed in Accordance With *Government Auditing Standards***

To the Board of Trustees  
Collin County Community College District:

We have audited the basic financial statements of Collin County Community College District (the District) as of and for the year ended August 31, 2002, and have issued our report thereon dated November 15, 2002, which included an explanatory paragraph referring to the adoption of Governmental Accounting Standards Board Statement Nos. 34 and 35. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated November 15, 2002.

This report is intended solely for the information and use of the board of trustees, 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.

**KPMG LLP**



KPMG, LLP. KPMG, LLP a U.S. limited liability partnership, is  
a member of KPMG International, a Swiss association.



717 North Harwood Street  
Suite 3100  
Dallas, TX 75201-6585

**Report on Compliance With Requirements Applicable to Each Major  
Program and on Internal Control Over Compliance in Accordance With  
OMB Circular A-133 and the State of Texas Single Audit Circular**

The 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 are applicable to each of its major federal and state programs for the year ended August 31, 2002. The District's major federal and state programs are identified in the summary of auditors' 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; 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, the OMB Circular A-133, and the State 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 consider 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.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended August 31, 2002.



### **Internal Control Over Compliance**

The 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 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular.

Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal and state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated November 15, 2002.

This report is intended solely for the information and use of the board of trustees, management, 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.

**KPMG LLP**

November 15, 2002

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Expenditures of Federal Awards****For the year ended August 31, 2002**

<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>
<b><u>National Science Foundation:</u></b>			
Direct Program:			
NSF - Advancing Careers in Technology and Science	47.076	DUE-9950025	\$ 246,611
Passed through the University of Texas at El Paso:			
Alliance for Minority Participation 96/01	47.071	HRD-9701775	8,635
Total National Science Foundation			<u>255,246</u>
<b><u>U.S. Small Business Administration:</u></b>			
Passed through Dallas County Community College District:			
Small Business Development Center 00/01	59.037	1-7620-0046-15	6,278
Small Business Development Center 01/02	59.037	2-7620-0046-16	69,337
Total U.S. Small Business Administration			<u>75,615</u>
<b><u>U.S. Department of Education:</u></b>			
Direct programs:			
Federal SEOG 01/02	84.007		167,395
Federal work study 00/01	84.033		18,184
Federal work study 01/02	84.033		80,604
Federal Pell grant 99/00	84.063		(1,070)
Federal Pell grant 00/01	84.063		(11)
Federal Pell grant 01/02	84.063		2,321,962
Teacher's Technology 01/02	84.342A		134,667
Subtotal direct programs			<u>2,721,731</u>
Passed through the Texas Higher Education Coordinating Board:			
Carl Perkins voc. tech. ed. - annual application 00/01	84.048	24213	79,808
Carl Perkins voc. tech. ed. - Tech-Prep 01/02	84.243	21706	281,812
Passed through University of Arkansas-Little Rock			
RSA Region VI Interpreter Education Project	84.160A	H160A000003	1,000
Total U.S. Department of Education			<u>3,084,351</u>
Total Federal financial awards			<u>\$ 3,415,212</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

# COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

## Notes to Schedule of Expenditures of Federal Awards For the year ended August 31, 2002

### (1) Federal awards reconciliation

#### Federal revenues:

Federal grants and contracts	\$ 3,208,478
Federal work study - unrestricted	72,480
Indirect/administrative costs recoveries	16,414
Total federal revenues per statement of revenues, expenses and changes in net assets	<u>3,297,372</u>

#### Reconciling item:

##### Add:

Funds passed through to others	<u>117,840</u>
Total pass-through and expenditures per federal schedule	<u>\$ 3,415,212</u>

### (2) Significant accounting policies used in preparing the schedule

The accompanying schedule is presented using the accrual basis of accounting. The expenses included in the schedule are reported for the District's fiscal year. Expense reports to funding agencies are prepared on the award period basis. The expenses reported above represent funds which have been expensed by the District for the purposes of the award. The expenses 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 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.

### (3) Student loans processed and administrative costs recovered - not included in schedule

Federal grantor CFDA number/program name	New loans processed	Administrative cost recovered	Total loans processed and admin. cost recovered
U.S. Department of Education			
84.032 Federal Stafford loan program	\$ 2,602,234	0	2,602,234
84.032 Federal PLUS loan program	84,215	0	84,215
Total U.S. Department of Education	<u>\$ 2,686,449</u>	<u>0</u>	<u>2,686,449</u>

### (4) Amounts passed-through by the District

The following amounts were passed-through to the listed subrecipients by the District. These amounts were from the Tech Prep program CFDA 84.243 passed-through the Texas Higher Education Coordinating Board:

Bland Independent School District	\$ 2,580
Royse City Independent School District	4,887
Tom Bean Independent School District	4,266
Total	<u>\$ 11,733</u>

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

North Central Texas College	\$ 8,514
University of North Texas	28,693
Grayson County College	65,237
Total	<u>\$ 102,444</u>

The following amount was passed-through to the listed subrecipient by the District. This amount was from the U.S. Department of Education CFDA 84-342A:

Plano Independent School District	<u>\$ 3,663</u>
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**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT****Schedule of Expenditures of State Awards  
For the year ended August 31, 2002**

<u>Grantor/pass-through grantor/ program title</u>	<u>Grantor's number</u>	<u>Disbursements and expenses</u>
<u>Telecommunications Infrastructure Fund Board</u>		
Discovery Grant	QE-2001-D14C-5080	\$ 560,966
Library Grant	QE-2001-LTA6C-5339	150,198
Distance Learning Grant	QE-2001-HTA2S-5413	137,101
		<u>848,265</u>
<u>Texas Workforce Commission</u>		
WTC Skills Development grant	POT-041SDF0389	<u>392,615</u>
<u>Texas Higher Education Coordinating Board</u>		
Texas Grant II 01/02	13099	22,099
Texas Grant Program 00/01 Renewal	13099	11,640
Texas Grant Program 00/01 New Awards	13099	53,597
Total Texas Higher Education Coordinating Board		<u>87,336</u>
<u>Passed through Dallas County Community College District</u>		
Small Business Development Center 00/01	1-7620-0046-15	1,460
Small Business Development Center 01/02	2-7620-0046-16	29,089
Total Small Business Development Center		<u>30,549</u>
Total state financial awards		<u>\$ 1,358,765</u>

See accompanying notes to Schedule of Expenditures of State Awards.

# **COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

## **Notes to Schedule of Expenditures of State Awards For the year ended August 31, 2002**

### **(1) State awards reconciliation**

#### State revenues:

State financial awards	\$ 1,063,518
Indirect/administrative cost recoveries	1,552
Total state revenues per statement of revenues, expenses and changes in net assets	<u>1,065,070</u>

#### Reconciling item:

##### Add:

Funds passed through to others	<u>293,695</u>
--------------------------------	----------------

Total state revenues per state schedule	<u><u>\$ 1,358,765</u></u>
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### **(2) Significant accounting policies used in preparing the schedule**

The accompanying schedule is presented using the accrual basis of accounting. See Note (2) to the basic financial statements for the District's significant accounting policies. These expenses are reported in the District's fiscal year. Expense reports to funding agencies are prepared on the award period basis.

**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Findings and Questioned Costs**

**Year ended August 31, 2002**

**I. Summary of Auditor's Results:**

**Financial Statements**

1. Type of auditor's report issued on the financial statements: Unqualified
2. Internal control over financial reporting:
  - Material weakness(es) identified? ☐ yes ☒ no
  - Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported
3. Noncompliance which is material to the financial statements noted? ☐ yes ☒ no

**Federal Awards**

4. Internal controls over major program:
  - Material weakness(es) identified? ☐ yes ☒ no
  - Reportable condition(s) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported
5. Type of auditor's report on compliance for major program: Unqualified
6. Did the audit disclose findings, which are required to be reported under Sec. \_\_510(a) of OMB Circular A-133: No
7. Major federal programs include:

	<u>CFDA #</u>
Student Financial Assistance Cluster:	
Federal Supplemental Educational Opportunity Grants	14.128
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Teachers Technology (HPSL)	84.342

8. Dollar threshold used to distinguish between federal Type A and Type B programs: \$300,000
9. Low-risk auditee: Yes



**COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**

**Schedule of Findings and Questioned Costs**

**Year ended August 31, 2002**

**State Awards**

10. Internal controls over major program:

- Material weakness(es) identified? ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

11. Type of auditor's report on compliance for major program: Unqualified

12. Did the audit disclose findings which are required to be reported in accordance with the State of Texas Single Audit Singular: No

13. Major state program:

	<u>Program</u>
Discover Grant	QE-2001-D14C-5080

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

15. Low-risk auditee: Yes

**II. Findings Related to the Basic Financial Statements**

None

**III. Findings and Questioned Costs relating to Federal and State Awards**

None





COLLIN COUNTY  
COMMUNITY COLLEGE DISTRICT

**Central Park Campus**

2200 West University Drive  
P.O. Box 8001  
McKinney, Texas 75070-8001

**Courtyard Center for Professional  
and Economic Development**

4800 Preston Park Boulevard  
P.O. Box 869055  
Plano, Texas 75086-9055

**Preston Ridge Campus**

9700 Wade Boulevard  
Frisco, Texas 75035

**Spring Creek Campus**

2800 East Spring Creek Parkway  
Plano, Texas 75074

**CCCCD@ALLEN**

Allen High School  
3000 Rivercrest Boulevard  
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