

Preston Ridge Campus



single audit



717 North Harwood Street
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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



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717 North Harwood Street
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**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>
<u>National Science Foundation:</u>			
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>
<u>U.S. Small Business Administration:</u>			
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>
<u>U.S. Department of Education:</u>			
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>
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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



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COMMUNITY COLLEGE DISTRICT

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and Economic Development**

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