

Allen

Frisco

McKinney

Plano

Texas



Financial Report



COLLIN
COUNTY
COMMUNITY
COLLEGE
DISTRICT

Fiscal Year Ended August 31, 2003

Collin County Community College District

Comprehensive Annual Financial Report

**For the
Fiscal Year Ended August 31, 2003**

Prepared by:

Administrative Services

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report

Fiscal Year Ended August 31, 2003

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Exhibit No.</u>	<u>Page No.</u>
	<u>Schedule No.</u>	
	<u>Table No.</u>	
Letter of Transmittal		1
GFOA Certificate of Achievement		14
Board of Trustees		15
Officials and Staff		16
Organizational Chart		17

FINANCIAL SECTION

Independent Auditors' Report	19
Management's Discussion and Analysis	21

Basic Financial Statements:

Statement of Net Assets As of August 31, 2003	Exhibit 1	30
Statement of Revenues, Expenses and Changes in Net Assets Year ended August 31, 2003	Exhibit 2	31
Statement of Cash Flows Year ended August 31, 2003	Exhibit 3	32
Notes to Basic Financial Statements		34

SUPPLEMENTARY INFORMATION (Unaudited)

Texas Higher Education Coordinating Board (THECB) Supplemental Schedules:

Schedule of Detailed Operating Revenues Year ended August 31, 2003	Schedule A	56
Schedule of Operating Expenses and Capital Outlay by Functional and Natural Classifications Year ended August 31, 2003	Schedule B	58
Statement of Current Funds Revenues, Expenditures and Other Changes Year ended August 31, 2003	Schedule E	60
Detail of State Allocations and Tuition and Fees Year ended August 31, 2003	Schedule F	62
Statement of Current Funds Expenditures by Object Year ended August 31, 2003	Schedule G	63

Other Supplemental Schedules

Schedule of Fund Assets and Liabilities August 31, 2003.. Exhibit A.....	66
Schedule of Changes in Fund Balances Year ended August 31, 2003..... Exhibit B.....	68
Schedule of Changes in Fund Balance – Unrestricted Current Funds – Auxiliary Enterprises..... Schedule B-3	70
Schedule of Changes in Fund Balance – Restricted Current Funds..... Schedule B-4	72
Schedule of Transfers..... Schedule B-13	76
Schedule of Bonds Payable and Debt Service Requirements	Schedule D-1 78
Schedule of Pledged Revenues and Fund Balances For Revenue Bonds Outstanding	Schedule D-2 80

STATISTICAL SECTION (Unaudited)

District Expenditures by Elements of Institutional Costs	Table 1 84
District Revenues by Source.....	Table 2 86
Property Tax Levies and Collections.....	Table 3 88
Property Tax Rates – All Direct and Overlapping Governments	Table 4 90
Principal Taxpayers.....	Table 5 92
Computation of Legal Debt Margin	Table 6 93
Ratio of Bonded General Obligation Debt to Assessed Value and Bonded Debt per Capita	Table 7 94
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Expenditures	Table 8 95
Revenue Bond Coverage.....	Table 9 96
Property Tax Assessed Valuation by Category.....	Table 10 98
Demographic Statistics	Table 11 100
Student Enrollment	Table 12 101
Student Enrollment Demographic Statistics.....	Table 13 102
Tuition and Fee Schedule	Table 14 103
Faculty Statistics	Table 15 104
Miscellaneous Statistics.....	Table 16 105

SINGLE AUDIT SECTION

Report of Independent Auditors' on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	107
Report of Independent Auditors' on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OBM Circular A-133 and State Single Audit Circular	108
Schedule of Expenditures of Federal Awards Schedule C	110
Notes to Schedule of Expenditures of Federal Awards.....	111
Schedule of Expenditures of State Awards..... Schedule D	112
Notes to Schedule of Expenditures of State Awards	113
Schedule of Findings and Questioned Costs.....	114

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Introductory



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

December 16, 2003

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, 2003, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District is reporting as a special purpose government engaged solely in business type activity (BTA). Adhering to Governmental Accounting Standards Board (GASB) Statements 34 and 35, this presentation of financial reporting combines all fund groups into a single column and resembles the format of the corporate presentation, thus facilitating comparison. The Basic Financial Statements are presented in three statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. There are no materially significant component units of the District to report under GASB Statement 39.

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, and notes to the basic financial statements. The supplementary information section, which is unaudited, contains the THECB supplemental schedules, and the basic statements and supplemental schedules in the fund group presentation format. 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.

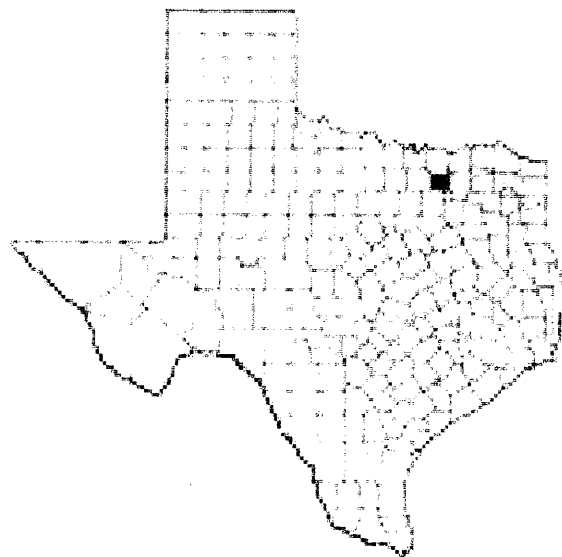
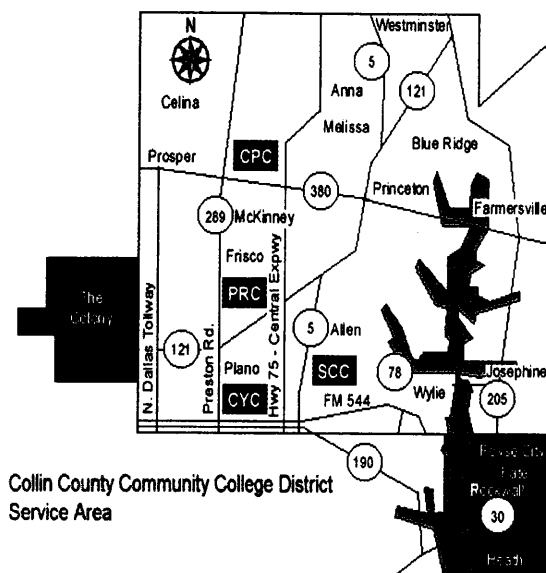
GOVERNMENTAL STRUCTURE

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. The notices comply 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.

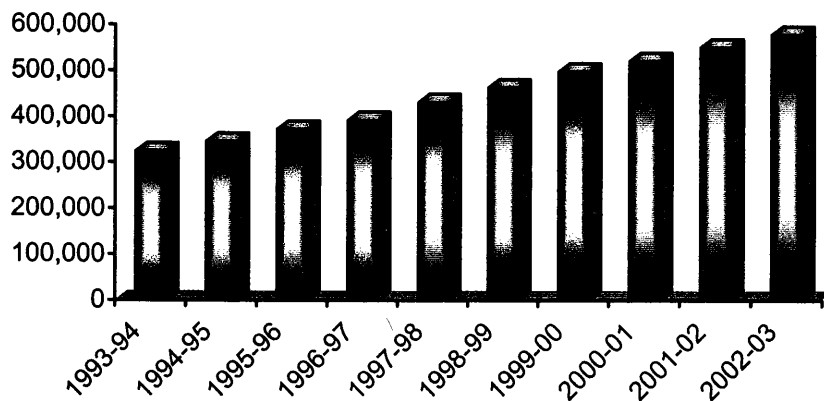
In general, the Board provides policy direction and sets goals for the District consistent with the District's role and mission. Besides general Board business, trustees are charged with numerous statutory regulations, including appointing the tax assessor/collector, ordering elections, and issuing bonds. 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 885 square miles with a population density of approximately 652 residents per square mile. Collin County continues to be one of the fastest growing areas in the region. With an estimated 2003 population of 577,100, Collin County experienced an increase of 27,300 persons during the past year. This represents a growth rate of almost 5%. According to the Texas Economic Development Board, Collin County is the eighth (8th) largest of the 254 counties in Texas. In this decade, Collin County has yielded an approximate increase in population of almost seventy nine percent (79%) as illustrated by the graph below.

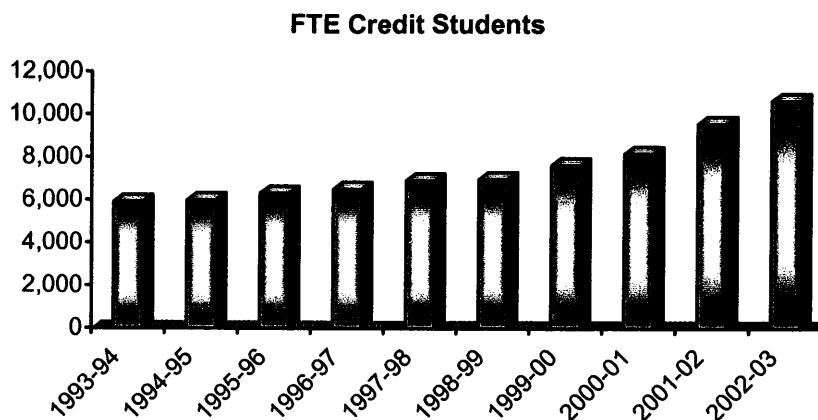
Collin County Population



The economic base in the county consists of service industries, trade industries, manufacturing, computer technology, electronics, healthcare, financial and insurance, construction, 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. The Dallas area has among the largest concentration of telecommunications and high-technology companies in the United States. Due to the high tech nature of the local economy, many residents have been adversely affected by the economic downturn in those industries. Collin County has experienced higher unemployment percentages in the past two years, although the total number of workers employed has increased. The County has a civilian employed labor force of approximately 303,393 and an unemployment rate of 6.2%, which is less than the state unemployment rate of 6.7% but slightly higher than the national unemployment rate of 6.0% in August, 2003. It compares favorably to the rate of 6.7% at this time one year ago. Residents of Collin County are typically well educated, with over 47% of the workforce possessing a bachelor's degree or higher according to the 2000 census. As the high tech industries rebound, there should once again prove to be a valuable resource of skilled professionals. 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.

As did most universities and colleges nationwide, the District experienced significant budget cuts due to rescissions in state allocations as a result of the lagging economy. However, because of wise financial planning and cash management, CCCCD remains fiscally sound and steadfastly committed to providing a high quality education. Appraisal figures for Collin County property values have increased during the past ten years. The District tallied an 11.5% increase in property values from tax year 2002 figures, putting CCCCD's total tax roll at \$46.7 billion. The Consumer Price Index (CPI) for the Dallas-Fort Worth area increased 2.1% from July, 2002 to July, 2003. Tuition and fee rates increased a modest \$2 per credit hour. Tuition and fees at Collin County Community College rank in the lowest quartile among colleges and universities in the state of Texas. An education at CCCCD remains an economical choice and a wise investment.

Fall 2003 semester credit enrollment at CCCCD grew for the ninth consecutive year to 16,574 students on census date, an increase of 3.8 percent over Fall 2002. CCCCD has six locations serving more than 38,220 credit and continuing education students. The following chart reflects the District's full-time equivalent (FTE) student growth, an increase of eighty percent over the past ten years.



MAJOR INITIATIVES

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

- The CCCCD Board of Trustees, with input and assistance from the Committee of 100, passed a new Strategic Plan to cover academic years 2003 - 2006.
- Construction of Module I at the Spring Creek Campus (SCC) was completed in April 2003. The new facility contains 19 general-purpose classrooms, 17 faculty offices, two science labs and two wireless high-tech classrooms. A new parking lot on the east side of the campus was also completed, providing 554 additional parking spaces.
- CCCCD welcomed Harriet Mayor Fulbright, ambassador of the Fulbright Scholars Program, to speak as part of the Honors Institute's Scholar-in-Residence program.
- The college was chosen as the first and only Regional Cisco Academy for Security and Wireless Technology in the state of Texas. The Academy will train instructors from Cisco academies statewide in this curriculum.
- The National Campus Compact announced that CCCCD would be honored in a monograph on "exemplary practices related to civic engagement." The group, a coalition of 860 college and university presidents committed to the civic purposes of higher education, cited only 20 of the nation's 1,200 community colleges in this publication. CCCCD is the only Texas college to be included.

- The Workforce Training Consortium/Skills Development Grant received national honors from *Business Facilities* magazine, winning third place in the Workforce Training Initiatives/Special Programs category of their annual Economic Development Achievement Awards. This program works in cooperation with the Allen, Frisco and Plano Economic Development Corporations and the 17-company consortium that participated in the Workforce Training Consortium Skills Development Fund Grant.
- CCCCD opened a Convergence Lab at the Preston Ridge Campus. The first of its kind at a Texas college or university, the convergence lab integrates voice, data and video technologies in one environment. It also converges equipment from multiple manufacturers allowing students to complete interoperability labs. The lab is open to train students and for use by small to mid-sized businesses for product beta testing.

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

- CCCCD-LULAC Young Adult Council president Robert Villareal received the President of the Year award at the League of United Latin American Citizens (LULAC) District III Convention. In addition, Council Officer Stefanie Rodriguez received the Woman of the Year award at the convention. The Council was named Texas LULAC Young Adult Council of the Year at the state convention. They went on to represent Texas at the national convention in Florida, winning three national awards including Man of the Year – Robert Villareal; Woman of the Year – Stefanie Rodriguez; and Advisor of the Year – Lisabeth Lassiter.
- Theatre student Chris Cantrell received the Excellence in Playwriting award for his original play “The Worth of Me” at the American College Theater Festival.
- Student Pete Knudsen’s photography submission to the 23rd annual College Photography Contest sponsored by *Photographer’s Forum* magazine won second place, beating out more than 20,000 other entries. The image is one taken from his book *Silent Glory* about firefighters and EMS workers.
- Interior design student Nour Alagha won first place in the Woven and Printed Fabric Design Competition sponsored by F. Schumacher & Co., one of the largest fabric vendors in the world and owners of Waverly and Gramercy. Alagha also took second place in the American Society of Interior Designers Competition.
- CCCCD’s chapter of Phi Theta Kappa (PTK) garnered several awards at their regional convention including the Five Star Award for a Level V Chapter, Top Texas Chapter Award, Horizon Advisor Award – Professor Daphne Hall Babcock, and Outstanding Chapter Member Award – Jennifer Flusche.

- Tom Rodgers, provost of the Spring Creek Campus, was chosen as one of the area's top leaders in the "21 for the 21st Century VII" by *Inside Collin County Business*. This honor recognizes outstanding accomplishments and exemplary community service.
- The North Texas Junior College Athletic Conference named Jim Sigona, men's basketball coach, Coach of the Year.
- The Quad C Theatre group garnered several honors for "A Clockwork Orange" at the Texas state competition of the American College Theater Festival, a national theatre competition that adjudicates more than 900 productions annually. Craig "Yo" Erickson, director of technical theatre, won the National Faculty Fellowship in Lighting Design, awarded by the Kennedy Center/American College Theater Festival. He was personally selected by Broadway lighting designer Beverly Emmons whose credits include such productions as "The Elephant Man," "Amadeus" and "Cat on a Hot Tin Roof."

The college is proud of its nationally recognized theatre program, internationally known music program and award winning dance repertory.

Students in the district have a nearly 100 percent pass rate in licensing exams in the field of nursing. There is a ninety-five percent placement rate for students in the nursing program and 100 percent placement rate for students in medical transcription and dental hygiene.

Pre-professional programs debuted in fall 2002 included 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 needed to complete requirements at universities.

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

The Continuing Education and Workforce Development Division offers more than 500 individual and customized courses from language skills to web server administration to individuals and businesses. Through CCCCCD's Business Solutions Group, the District has provided customized training to more than 42 companies and public entities. A few of the organizations benefiting from these professional services include Texas Instruments, Applied Concepts, ICI Paints, McLane Foodservice, KONE, Inc., Sanden International, Southwest Corporate and STMicroelectronics.

CCCCD offers more than 100 associate degree and certificate programs. Since its inception in 1985, the District has grown from offering small classes at local high schools to six instructional sites: Central Park, Preston Ridge and Spring

Creek Campuses, the Courtyard Center for Professional and Economic Development, CCCC@ Allen and the College Center at Rockwall.

During 2003, CCCC added new certificate programs for Software Development, Software Development – JAVA Specialization, Database Programming using C++ or Visual Basic and Dietary Management Specialization.

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

CCCC 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. CCCC offers various alternatives to the traditional day, evening and weekend classroom. Examples include distance learning through televised courses and a two-way audio and video conferencing system. "Express" credit courses are offered with four-to-eight-week terms as well as Maymester and Wintermester classes, which give the student the opportunity to complete a course in 11 days. There are also opportunities to study abroad.

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. In the past year, approximately 1,200 CCCC students contributed more than 18,000 hours of labor to local community organizations and nonprofit agencies.

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.

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

The District reviews its Strategic Goals and Achievement Indicators on a yearly basis. The 2001 through 2003 strategic goals and some highlights of progress made in achieving those goals are:

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

A review of governance and organizational structures was completed to increase efficiencies. The Board of Trustees approved the forming of a

safety and security force for the District. CCCCD also increased credit course sections and high-end technical course/program offerings as well as online courses.

2. Develop a model teaching and learning environment.

The District began Phase I of expansion and renovation projects, completing a district-wide master plan as well as selecting the Construction-Manager-At-Risk and architects. The District also developed pilot courses using evolving and emerging instructional delivery methods such as videoconferencing to sites throughout the service area, wireless data collection, self-paced courses and online mentoring.

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

The college provided options to help students complete baccalaureate and advanced degrees through partnerships with universities. For example, a fourth dual admission agreement was signed to add Texas Woman's University to the list of programs with the University of North Texas, the University of Texas at Dallas and Southern Methodist University. Successful partnerships have been established between area businesses and CCCCD. Also, administrators worked to improve the functioning of workforce education advisory committees.

4. Improve student achievement.

CCCD's overall course completion rate is rising slowly but steadily. Retention initiatives are underway. For example, CCCCD brought in nationally-recognized retention expert Vincent Tinto to explore the issue of retention with administrators, faculty and staff. The college also reviewed core curriculum and made recommendations. Attendance at new student orientation increased substantially, thus facilitating the successful transfer of students from high school to CCCCD.

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

A transition plan was developed and approved by the Board of Trustees to migrate the college to a client-based administrative software system. The college also implemented wireless access at the District's four main sites.

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 and schools.

Such agreements are efficient and cost-effective. With the City of Frisco, the District shares a recreation center featuring a natatorium and fitness center. The District also leased approximately fifteen acres of land in the northeast corner of the Preston Ridge Campus to the City of Frisco for the purpose of a park. It is a 25 year lease with the option to extend it to insure that the area remains a permanent outdoor recreation facility. 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 finished construction of a Fiber Optic Wide Area Network (WAN) surrounding the county and connecting the campuses for high speed communications. The WAN is constructed with 48 strands of fiber. CCCCD entered into an interlocal agreement with Collin County, leasing 8 strands to the County with the option of leasing an additional 8 strands in five years.

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.

CCCD has dual admissions agreements with the University of North Texas, the University of Texas at Dallas, Southern Methodist University, and Texas Woman's University, allowing our students to enroll at both CCCCD and the universities concurrently. There is also a dual 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, 2003, 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.

Cash Management

During the year, cash temporarily idle was invested in TexPool and TexSTAR, both public funds investment pools. The average yield on investments was 1.38 percent in TexPool and 1.37 percent in TexSTAR. The District's investment performance is favorable when compared to the average yield rate of 1.18 percent for 90-day U.S. Treasury bills. The District earned interest revenue of \$1,230,364 net of investment expenses on all investments for the year ended August 31, 2003.

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.

The District received the Certificate of Distinction from the Government Treasurer's Organization of Texas for its Investment Policy.

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 now pays a premium to Texas Political Subdivisions 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

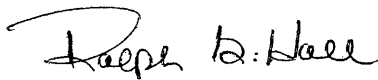
The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Collin County Community College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2002. This was the sixth 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.

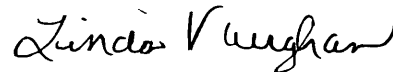
Acknowledgments

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 & CFO



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, 2002

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.



President

Executive Director

BOARD OF TRUSTEES



Sam Roach, Chairman



Cynthia W. Bauge,
Secretary



E. T. Boon



Mac Hendricks

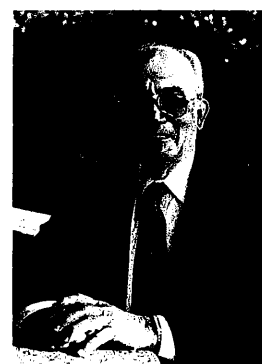
The Board of Trustees is a nine member governing board that serves without compensation and is elected at large for six-year terms of office by the voters of Collin County. The Board manages and governs the CCCC District, provides policy direction, establishes goals, and appoints the faculty and staff. 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.



Glenn W. Justice



J.R. (Bob) Collins,
Vice Chair



Fortino (Tino)
Trujillo, Treasurer



Brenda Willard Goodell



Douglas B. Cargo

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Officials and Staff For the year ended August 31, 2003

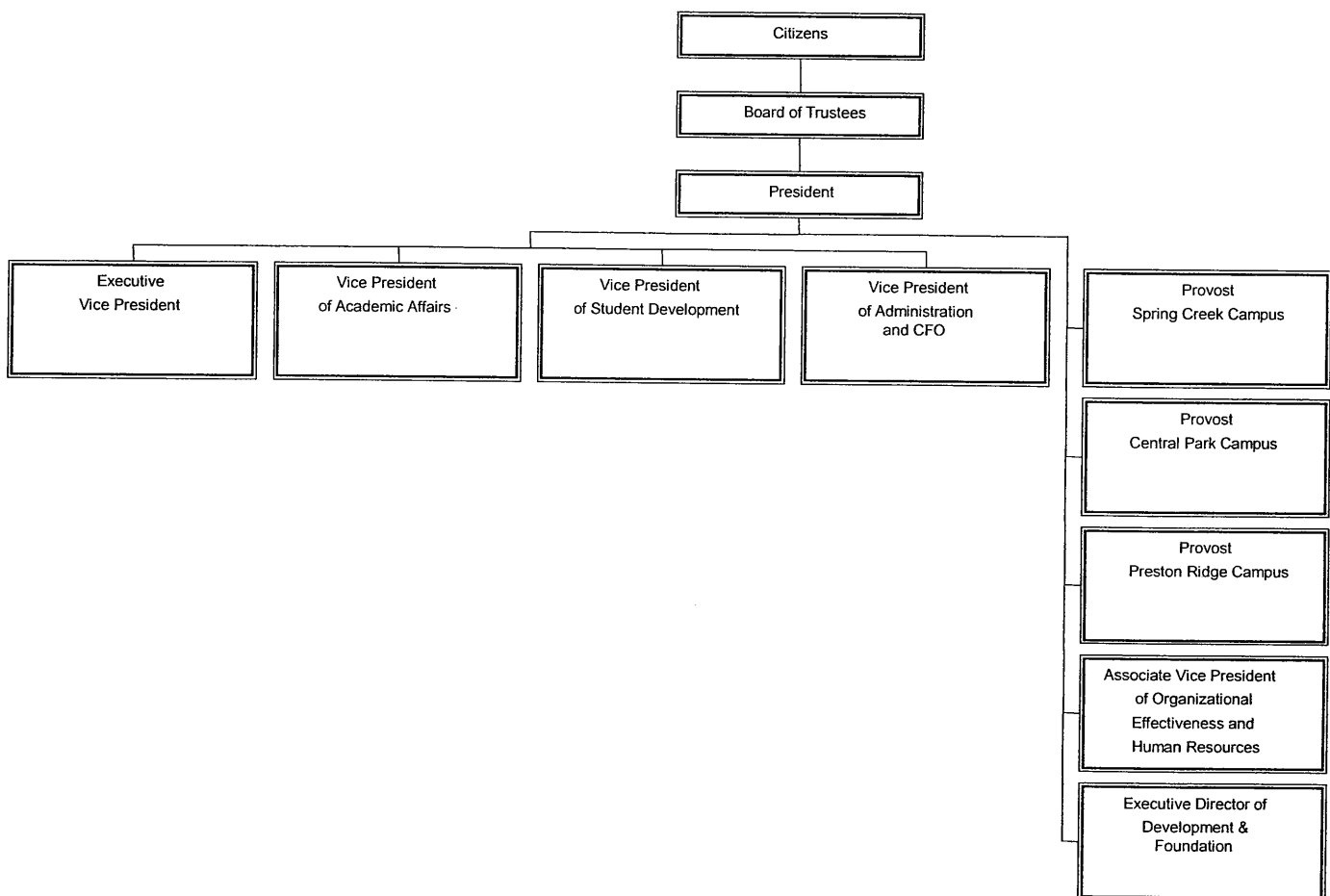
Elected Officials

<u>Board of Trustees</u>	<u>City</u>	<u>Term Expires</u>
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
Glenn W. Justice Place 1	Parker, Texas	May, 2004
E. T. Boon Place 3	Allen, Texas	May, 2004
Douglas B. Cargo Place 5	Plano, Texas	May, 2004
Mac Hendricks Place 6	McKinney, Texas	May, 2004
Brenda Willard Goodell Place 9	Celina, Texas	May, 2008

Principal Administrative Officers

<u>Name</u>	<u>Position</u>
Dr. Cary Israel	President
Ralph G. Hall	Vice President of Administration and CFO
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
Joseph E. Madden	Controller

Collin County Community College District Organizational Chart



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Financial



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT



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 years ended August 31, 2003 and 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, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 21 through 27 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 A, B, E, F, and G, 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 A, B, E, F, and G 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 14, 2003, 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 14, 2003

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 2003 which are in conformance with Governmental Accounting Standards Board (GASB). 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.

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, 2003, by \$148.5 million (net assets). Of this amount, \$63.9 million (unrestricted net assets) may be used to meet the district's ongoing obligations.
- Total net assets increased by \$23.2 million. This increase can be attributed to increases in ad valorem tax revenue and tuition and fee revenue. Fiscal year 2003 assessed property valuations increased 11% producing an increase in property tax revenues. Student FTE (Full Time Equivalent) enrollment for this same time increased 8.1% generating additional tuition and fee revenue.
- At the end of the current fiscal year, unreserved fund balance for the unrestricted fund was \$58.6 million. This is an increase of \$14 million from the previous year.
- The District's total debt decreased to \$51.5 million because there were no additional bonds issued during the current fiscal year and \$5.8 million in debt payments were made.

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Management's Discussion and Analysis
Fiscal Year Ending August 31, 2003**

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 \$213,618,881, an increase from \$196,110,150 in Fiscal Year 2002. Current assets are comprised of several categories. Cash and cash equivalents include the District's cash and investments in TexPool and TexSTAR, which are both statewide investment pools. \$12.3 million of the increase in total District assets is cash or cash equivalents. Receivables 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. Further information regarding capital assets is shown in Notes 1(h) and 5 in the Notes to Basic Financial Statements.

Total liabilities of the District are \$65,102,847 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. Further information regarding long-term debt is shown in Notes 6, 7, and 8 in the Notes to Basic Financial Statements.

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

	<u>2003</u>	<u>2002</u>
Assets:		
Current Assets	\$ 96,755,851	\$ 83,963,341
Capital Assets, net	<u>116,863,030</u>	<u>112,146,809</u>
Total Assets	<u><u>213,618,881</u></u>	<u><u>196,110,150</u></u>
Liabilities:		
Current Liabilities	19,491,108	19,285,855
Noncurrent Liabilities	<u>45,611,739</u>	<u>51,540,991</u>
Total Liabilities	<u><u>65,102,847</u></u>	<u><u>70,826,846</u></u>
Net Assets		
Invested in capital assets, net of related debt	81,417,468	73,735,714
Restricted – Expendable	3,198,151	3,349,328
Unrestricted	<u>63,900,415</u>	<u>48,198,262</u>
Total Net Assets	<u><u>148,516,034</u></u>	<u><u>125,283,304</u></u>
Total Liab. And Net Assets	<u><u>\$ 213,618,881</u></u>	<u><u>\$ 196,110,150</u></u>

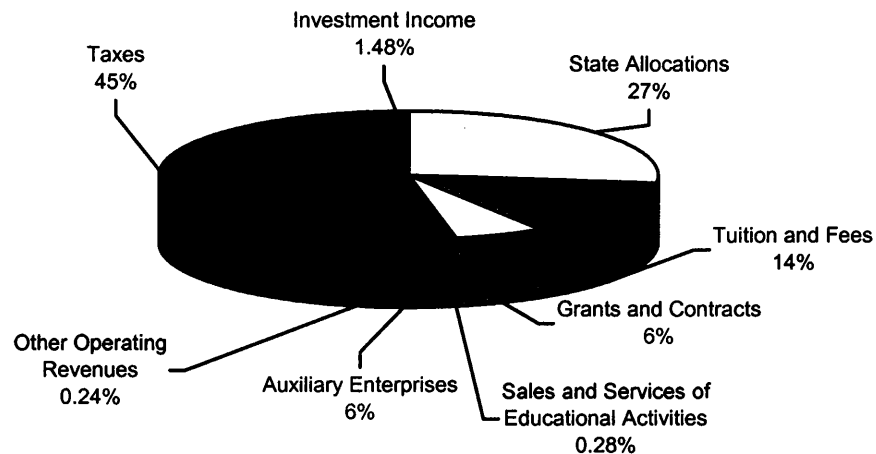
COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Management's Discussion and Analysis
Fiscal Year Ending August 31, 2003****Statement of Revenues, Expenses and Changes in Net Assets**

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>2003</u>	<u>2002</u>
Operating Revenues		
State allocations	\$25,544,291	\$26,822,811
Tuition and fees	13,232,742	12,261,636
Grants and contracts	5,672,392	4,372,164
Sales and services of educational activities	265,498	247,903
Auxiliary enterprises	5,651,203	4,845,787
Other operating revenues	<u>218,575</u>	<u>300,595</u>
Total Operating Revenues	<u>50,584,701</u>	<u>48,850,896</u>
Operating Expenses		
Instruction	28,632,554	26,892,563
Public service	539,406	576,403
Academic support	7,065,977	6,656,733
Student services	5,817,607	5,335,523
Institutional support	9,042,096	8,579,448
Operation and maintenance of plant	6,109,031	5,312,378
Scholarships	1,887,696	1,721,706
Auxiliary enterprises	5,861,177	5,106,457
Depreciation	<u>2,858,754</u>	<u>2,645,884</u>
Total Operating Expenses	<u>67,814,298</u>	<u>62,827,095</u>
Operating Loss	<u>(17,229,597)</u>	<u>(13,976,199)</u>
Non-Operating Revenue/(Expenses)		
Taxes	42,295,633	38,567,024
Gifts	6,977	4,046
Investment Income	1,230,364	1,193,704
Interest on Capital Related Debt	(2,628,436)	(2,091,990)
Other Nonoperating Revenues/(Expenses)	<u>(442,211)</u>	<u>(338,768)</u>
Net Nonoperating Revenues	<u>40,462,327</u>	<u>37,334,016</u>
Increase in Net Assets	23,232,730	23,357,817
Net Assets - Beginning of Year	<u>125,283,304</u>	<u>101,925,487</u>
Net Assets - Ending of Year	<u>\$ 148,516,034</u>	<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:

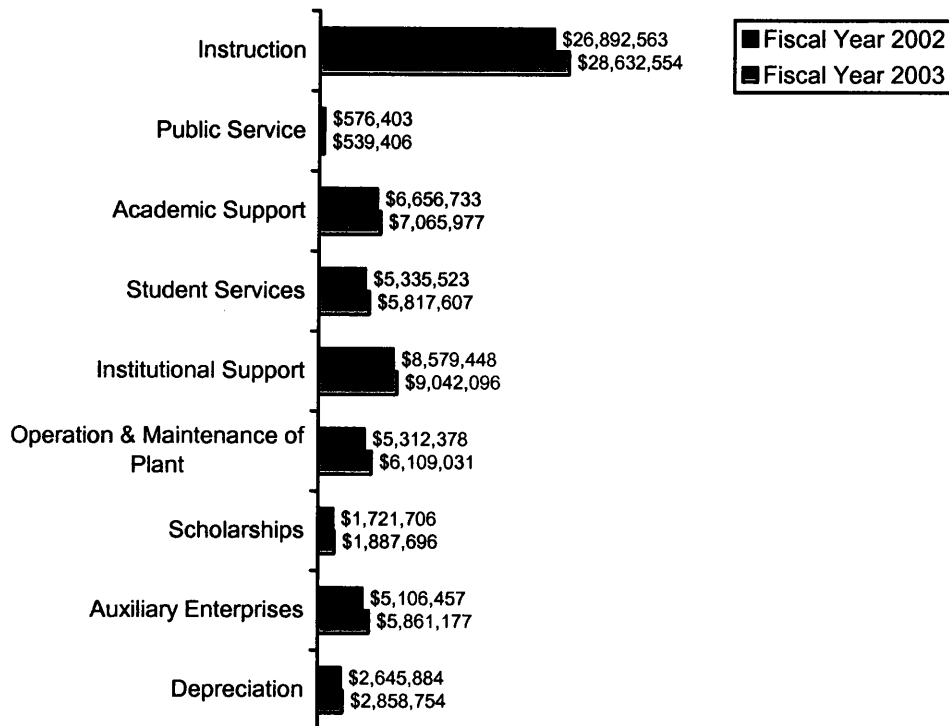
2003 Revenues



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 following chart shows the District's 2003 expenses in comparison to the 2002 expenses in this format.

2002 / 2003 Expense Comparison**Capital Assets and Debt Administration**

The District had some significant additions to its capital assets in fiscal year 2003. The new classroom building at the Spring Creek Campus along with additional parking facilities were both completed. Module I at Spring Creek Campus adds 33,500 square feet to the campus and consists of 19 regular classrooms, 2 high-tech classrooms, 2 labs, and 17 faculty offices. The new parking lot provides 554 additional parking spaces. These projects were funded by bonds, 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 other construction at the Spring Creek Campus along with construction at the Preston Ridge Campus.

The other construction to be funded by the 2002 bond issuance includes the Phase I Expansion at Spring Creek Campus and a new library at the Preston Ridge Campus. The 53,000 square foot expansion at Spring Creek Campus will include a new conference center, 25 classrooms, and 20 faculty offices. In addition, there will be 21,000 square feet remodeled to more than double the size of the student service area

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Management's Discussion and Analysis
Fiscal Year Ending August 31, 2003**

and the bookstore. The new library at Preston Ridge Campus will be approximately 50,000 square feet and the remainder of the 104,000 square foot addition will be devoted to a small conference center, a music department, classrooms, and faculty offices.

As of August 31, 2003, the District's bond ratings by both Moody's Investors Service and Standard and Poor's remain at a Aaa/AAA rating since being elevated to this level at the issuance of the bonds in 2002. At August 31, 2003, amounts committed under construction contracts were approximately \$411,400. These commitments were for fees related to the conference center addition at the Spring Creek Campus and the construction of the library at the Preston Ridge Campus. The table below shows changes in the District's capital assets, net of depreciation, since the previous fiscal year.

	<u>2003</u>	<u>2002</u>
Land	\$ 24,708,004	\$ 24,708,004
Library books	4,283,051	4,348,721
Construction in progress	866,508	1,207,830
Buildings	77,253,444	73,132,116
Land improvements	5,355,812	4,104,491
Equipment	1,888,816	1,925,668
WAN/LAN network equipment	<u>2,507,395</u>	<u>2,719,979</u>
Total	<u>\$116,863,030</u>	<u>\$112,146,809</u>

The District had \$57,000,000 in tax improvement bonds approved by the voters in November 2001. \$20,000,000 was issued in June 2002 as discussed above and in August 2003 the Board of Trustees approved the issuance of \$18,585,000 in tax improvement bonds. This sale was completed subsequent to year-end leaving \$18,415,000 currently remaining in authorized but unissued bonds. The new debt will be shown on our financial statements for 2003-2004. 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.

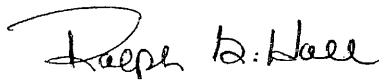
	<u>2003</u>	<u>2002</u>
General obligation bonds	\$28,172,129	\$32,205,695
Revenue bonds	<u>23,334,610</u>	<u>25,125,296</u>
Total	<u>\$51,506,739</u>	<u>\$57,330,991</u>

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

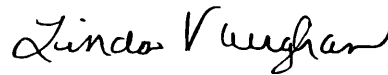
Economic Factors That Will Affect the Future

The economic position of 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 fiscal year 2004 assessed property value increased 5% over the assessed value last year. Enrollment growth at the District continues despite the slow 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 2003, we experienced a 4.8% enrollment growth in contact hours over Fall 2002.

Financial information can be obtained from the Collin County Community College District Business Office via written request to 4800 Preston Park Boulevard, Plano, TX, 75093.



Ralph G. Hall
Vice President of Administration & CFO



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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Statement of Net Assets****As of August 31, 2003****(with comparative totals at August 31, 2002)**

	<u>2003</u>	<u>2002</u>
Assets		
Current assets		
Cash and cash equivalents (note 4)	\$90,438,080	\$78,148,311
Accounts receivable (note 12)	1,434,241	1,462,830
Tuition and fees receivable	218,188	211,327
Tax receivable (net of allowance for doubtful accounts of \$1,268,278 and \$1,108,791, respectively)	15,380	16,303
Consumable inventory	105,640	123,941
Inventories for resale	2,917,097	2,710,382
Prepaid expenses	1,627,225	1,290,247
Total current assets	<u>96,755,851</u>	<u>83,963,341</u>
Noncurrent assets		
Capital assets, net (note 5)	<u>116,863,030</u>	<u>112,146,809</u>
Total noncurrent assets	<u>116,863,030</u>	<u>112,146,809</u>
Total assets	<u>213,618,881</u>	<u>196,110,150</u>
Liabilities		
Current liabilities		
Accounts payable (note 12)	5,479,200	5,225,014
Accrued liabilities	527,319	564,703
Funds held for others	213,434	990,576
Deferred revenue	6,881,983	6,269,235
Accrued compensable absences payable	494,172	446,327
Bonds payable - current portion (note 6)	5,895,000	5,790,000
Total current liabilities	<u>19,491,108</u>	<u>19,285,855</u>
Noncurrent liabilities		
Bonds payable (notes 6, 7 and 8)	<u>45,611,739</u>	<u>51,540,991</u>
Total noncurrent liabilities	<u>45,611,739</u>	<u>51,540,991</u>
Total liabilities	<u>65,102,847</u>	<u>70,826,846</u>
Net Assets		
Invested in capital assets, net of related debt	81,417,468	73,735,714
Restricted for:		
Expendable		
Student aid	316,378	355,643
Instructional programs	45,769	25,449
Loans	70,510	26,961
Debt service	2,765,494	2,941,275
Unrestricted	<u>63,900,415</u>	<u>48,198,262</u>
Total net assets	<u>148,516,034</u>	<u>125,283,304</u>
Total liabilities and net assets	<u>\$213,618,881</u>	<u>\$196,110,150</u>

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, 2003****(with comparative totals at August 31, 2002)**

	<u>2003</u>	<u>2002</u>
Revenues		
Operating revenues:		
State allocations	\$25,544,291	\$26,822,811
Tuition and fees (net of discounts of \$2,651,823 and \$1,494,189 respectively)	13,232,742	12,261,636
Federal grants and contracts	4,546,190	3,297,372
State grants and contracts	1,104,497	1,065,070
Non-governmental grants and contracts	21,705	9,722
Sales and services of educational activities	265,498	247,903
Auxiliary enterprises	5,651,203	4,845,787
Other operating revenues	218,575	300,595
Total operating revenues	<u>50,584,701</u>	<u>48,850,896</u>
Expenses		
Operating expenses:		
Instruction	28,632,554	26,892,563
Public service	539,406	576,403
Academic support	7,065,977	6,656,733
Student services	5,817,607	5,335,523
Institutional support	9,042,096	8,579,448
Operation and maintenance of plant	6,109,031	5,312,378
Scholarships	1,887,696	1,721,706
Auxiliary enterprises	5,861,177	5,106,457
Depreciation	2,858,754	2,645,884
Total operating expenses	<u>67,814,298</u>	<u>62,827,095</u>
Operating loss	<u>(17,229,597)</u>	<u>(13,976,199)</u>
Non-operating revenue (expenses)		
Maintenance ad-valorem taxes:		
Taxes for maintenance and operations	36,801,609	33,234,871
Taxes for general obligation bonds	5,494,024	5,332,153
Gifts	6,977	4,046
Investment income (net of investment expenses)	1,230,364	1,193,704
Interest on capital related debt	(2,628,436)	(2,091,990)
Other non-operating revenues (expenses)	(442,211)	(338,768)
Net non-operating revenues	<u>40,462,327</u>	<u>37,334,016</u>
Increase in net assets	23,232,730	23,357,817
Net assets - beginning of year	<u>125,283,304</u>	<u>101,925,487</u>
Net assets - ending of the year	<u>\$148,516,034</u>	<u>\$125,283,304</u>

See accompanying notes to basic financial statements.

Collin County Community College District

Statement of Cash Flows For the Year Ended August 31, 2003 (with comparative totals at August 31, 2002)

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities		
Receipts from students and other customers	\$ 19,176,921	\$ 17,911,297
Receipts of appropriations, grants and contracts:		
Receipt of grants and contracts	6,032,976	3,877,560
Receipt of state appropriations	20,798,370	22,490,493
Collection (payment) of loans to students	3,076	(1,553)
Other receipts	218,575	300,595
Payments to or on behalf of employees:		
Payments to employees	(37,381,947)	(34,352,195)
Payments for benefits	(1,441,108)	(1,384,944)
Payments to suppliers for goods or services	(20,141,387)	(17,596,624)
Payments of scholarships	(1,887,696)	(1,721,706)
Net cash used in operating activities	<u>(14,622,220)</u>	<u>(10,477,077)</u>
Cash flows from noncapital financing activities		
Ad valorem tax revenues (maintenance and operations)	36,802,405	33,237,233
Gifts and grants (other than capital purposes)	6,977	1,601
Receipts from student organizations and other agency transactions	298,251	227,888
Payments for student organizations and other agency transactions	(1,075,393)	(182,821)
Net cash provided by noncapital financing activities	<u>36,032,240</u>	<u>33,283,901</u>
Cash flows from capital and related financing activities		
Net proceeds from issuance of capital debt	0	19,923,900
Capital contracts, grants and gifts	0	2,445
Ad valorem tax revenues (general obligation bonds)	5,494,152	5,332,780
Proceeds from sales of capital assets	441	0
Purchases of capital assets	(7,368,900)	(4,893,111)
Payments on capital debt	(5,790,000)	(6,590,000)
Interest payments on capital related debt	(2,686,308)	(1,839,945)
Net cash (used in)/provided by capital and related financing activities	<u>(10,350,615)</u>	<u>11,936,069</u>
Cash flows from investing activities		
Investment earnings (net of investment expenses)	<u>1,230,364</u>	<u>1,193,704</u>
Net cash provided by investing activities	<u>1,230,364</u>	<u>1,193,704</u>
Increase in cash and cash equivalents	12,289,769	35,936,597
Cash and cash equivalents - September 1, 2002	78,148,311	42,211,714
Cash and cash equivalents - August 31, 2003	<u>\$ 90,438,080</u>	<u>\$ 78,148,311</u>

Collin County Community College District**Statement of Cash Flows (Continued)****For the Year Ended August 31, 2003****(with comparative totals at August 31, 2002)**

	<u>2003</u>	<u>2002</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$(17,229,597)	\$(13,976,199)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	2,858,754	2,645,884
Changes in assets and liabilities		
Receivables, net	18,651	(427,355)
Inventories	(188,414)	(654,393)
Prepaid expenses	(336,978)	(164,741)
Accounts payable & other accrued liabilities	(394,540)	939,831
Deferred revenue	612,748	1,134,149
Accrued salary and benefits	34,080	27,299
Loans to students and employees	3,076	(1,553)
Net cash used in operating activities	<u>\$(14,622,220)</u>	<u>\$(10,477,077)</u>

See accompanying notes to basic financial statements.

(1) Reporting Entity

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

GASB 39, *Determining Whether Certain Organizations are Component Units* – an amendment of GASB 14, gives guidance in determining whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. It requires reporting as a component unit if the organization raises and holds economic resources for the direct benefit of the governmental unit and the component unit is significant compared to the primary government. GASB 39 has been applied as required in the preparation of these financial statements and no component unit information is required to be included.

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 \$241,200 and \$244,200 during the years ending August 31, 2003, and August 31, 2002, respectively. During the fiscal year, the District furnished certain services, such as office space, utilities and staff assistance to the Foundation. The costs of these services were not significant to the District. The financial position of the Foundation is not significant to the District and therefore should not be included.

(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 allocations 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 non-operating. Management does not believe that the classification of state allocations as operating revenue significantly impacts the presentation of the financial statements. It is also THECB's requirement that library books be capitalized but not depreciated. This is not in conformity with Generally Accepted Accounting Principles (GAAP). Management has determined that this is not material to the financial statements.

(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 and subsequent amendments 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, 2003 and August 31, 2002, respectively, the minimum unrestricted fund balance to be maintained was \$12,650,026 and \$12,119,496. The District exceeded this minimum required fund balance for both years.

(e) Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. The District also considers funds on deposit with TexPool and TexSTAR 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, excluding library books, with a purchase cost of at least \$5,000 and a useful life greater than one year are capitalized. Interest costs incurred during construction of physical plant are 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 fiscal years 2003 and 2002 totaled \$2,858,754 and \$2,645,884, respectively. Depreciation is not allocated to the functional expense categories. Expenditures for construction in progress are capitalized as incurred.

Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. The District reports capital assets net of accumulated depreciation under a single-line item as a business-type unit. Depreciation 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

As required by THECB guidelines, library books are capitalized but not depreciated because they do not individually meet the \$5,000 threshold for being capitalized and depreciated. However, they are included as assets so they will be distinguishable to financial statement readers. Library books are written off as the books are removed from service.

(i) 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.

(j) Estimates

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

(k) 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 allocations from the state as required by the THECB Annual Financial Reporting Requirements. Non-operating revenue consists of property tax collections, investment income and gifts. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Non-operating expenses consist of interest on capital related debt and other miscellaneous expenses.

The THECB requires state allocations to be classified as operating revenues because the college is a separate primary government and is not included as part of the Texas state-wide CAFR. In addition, Texas state allocations are program specific for instructional services provided on behalf of the State and are affected by performance through a formula funding process based on contact hours of instruction provided.

(l) 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, 2003, and August 31, 2002, was \$494,172 and \$446,327, respectively). 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.

(m) Income Tax Status

The District is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations. The District had no significant unrelated business income tax liability for the year ended August 31, 2003, and, therefore, has not recorded a liability for income taxes.

(n) Contract and Grant Awards

Grant funds are considered to be earned when all eligibility requirements have been met and to the extent of expenses made under the provisions

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements

August 31, 2003

of the grant. Accordingly, when such funds are received in advance, they are recorded as deferred revenue until earned.

(o) Board Designations

Included in Unrestricted Net Assets are certain amounts that have been set aside by the Board. The Board has designated \$10 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, 2003 and August 31, 2002, the net carrying amount of the District's deposits was an overdraft of \$1,064,848 and \$3,375,209, respectively and total bank balances equaled \$364,111 and \$389,729, respectively. 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 \$360,521 and \$860,654, at August 31, 2003, and August 31, 2002, respectively. 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 following items:

Cash and Cash Equivalents

	As of August 31, 2003	As of August 31, 2002
Petty cash on hand	\$26,985	\$26,985
Checking account	1,984	0
TexPool	62,664,651	78,121,326
TexSTAR	27,744,460	0
Total cash and cash equivalents	<u>\$90,438,080</u>	<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, 2003, which are required to be categorized. The local government investment pools such as TexPool and TexSTAR are not categorized as they are not evidenced by securities in physical form. They are managed conservatively to provide safe, efficient and liquid investments to Texas governmental entities. The pools both seek to maintain a \$1 value per share as required by the Texas Public Funds Investment Act.

The daily operations of TexPool are managed by Lehman Brothers and Federated Investors under a contract with the State Comptroller of Public Accounts. The state comptroller maintains oversight responsibility for TexPool including the ability to influence operations, designation of management and accountability for fiscal matters. Although TexPool is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB 31 allows 2a7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than market value to report net assets to compute share price. The fair value of the District's position in TexPool is the same as the value of TexPool shares.

TexSTAR is co-administered by JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. The fair value of funds in TexSTAR is also the same as the value of TexSTAR shares.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Notes to Basic Financial Statements
August 31, 2003****(5) Capital Assets**

The following table summarizes changes in capital assets balances for the year ended August 31, 2003:

	Balance 09/01/02	Increases	Decreases	Balance 08/31/03
<u>Not Depreciated</u>				
Land	\$ 24,708,004	0	(0)	24,708,004
Library Books	4,348,721	368,720	(434,390)	4,283,051
Construction in Progress	1,207,830	866,508	(1,207,830)	866,508
Subtotal	30,264,555	1,235,228	(1,642,220)	29,857,563
<u>Other Capital Assets</u>				
Buildings	89,699,702	5,799,722	(0)	95,499,424
Land Improvements	7,098,195	1,608,109	(0)	8,706,304
Equipment	6,321,385	504,789	(8,263)	6,817,911
WAN/LAN Network Equipment	2,863,136	77,610	(0)	2,940,746
Subtotal	105,982,418	7,990,230	(8,263)	113,964,385
<u>Accumulated Depreciation</u>				
Buildings	16,567,586	1,678,394	(0)	18,245,980
Land Improvements	2,993,704	356,788	(0)	3,350,492
Equipment	4,395,717	533,378	(0)	4,929,095
WAN/LAN Network Equipment	143,157	290,194	(0)	433,351
Subtotal	24,100,164	2,858,754	(0)	26,958,918
Net Other Capital Assets	81,882,254	5,131,476	(8,263)	87,005,467
Net Capital Assets	\$112,146,809	6,366,704	(1,650,483)	116,863,030

At August 31, 2003, amounts committed under construction contracts were approximately \$411,400.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Notes to Basic Financial Statements
August 31, 2003**

For comparison purposes, 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	28,805,310	1,712,672	(253,427)	30,264,555
<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	102,862,821	3,204,934	(85,337)	105,982,418
<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	21,454,280	2,645,884	0	24,100,164
Net Other Capital Assets	81,408,541	559,050	(85,337)	81,882,254
Net Capital Assets	\$110,213,851	2,271,722	(338,764)	112,146,809

At August 31, 2002, amounts committed under construction contracts were approximately \$4,671,700.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements August 31, 2003

(6) Long Term Liabilities

The following table summarizes changes in long term liabilities for the year ended August 31, 2003:

	Balance 09/01/2002	Additions	Reductions	Amortization/ (Accretion)	Balance 08/31/2003	Current Portion
<u>Bonds payable</u>						
General obligation bonds:						
Refunding bonds, series 1996	8,058,575	0	(2,140,000)	3,808	5,922,383	2,015,000
Refunding bonds, series 2001	4,147,120	0	(1,860,000)	(37,374)	2,249,746	1,375,000
Ltd. tax imp. bonds, series 2002	20,000,000	0	0	0	20,000,000	635,000
Total general obligations bonds	32,205,695	0	(4,000,000)	(33,566)	28,172,129	4,025,000
Revenue bonds:						
Revenue bonds, series 1993	2,675,000	0	(250,000)	0	2,425,000	250,000
Revenue bonds, series 1994	3,950,000	0	(450,000)	0	3,500,000	475,000
Revenue bonds, series 1997	5,635,000	0	(240,000)	0	5,395,000	255,000
Refunding bonds, series 1998	12,865,296	0	(850,000)	(686)	12,014,610	890,000
Total revenue bonds	25,125,296	0	(1,790,000)	(686)	23,334,610	1,870,000
Total bonds payable	\$ 57,330,991	0	(5,790,000)	(34,252)	51,506,739	5,895,000

For comparison purposes, the following table summarizes changes in long term liabilities for the year ended August 31, 2002:

	Balance 09/01/2001	Additions	Reductions	Amortization/ (Accretion)	Balance 08/31/2002	Current Portion
<u>Bonds payable</u>						
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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Notes to Basic Financial Statements
August 31, 2003****(7) Debt Obligations**

Debt service requirements as of August 31, 2003, were as follows:

For the year ended August 31,	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 4,025,000	1,264,209	1,870,000	1,096,728
2005	3,514,746	1,090,496	1,995,000	1,004,123
2006	2,632,383	941,349	1,595,000	919,425
2007	740,000	826,559	1,650,000	841,059
2008	780,000	788,449	1,760,000	759,048
2009-2013	4,565,000	3,404,358	10,040,000	2,381,152
2014-2018	5,925,000	2,330,292	4,464,610	445,518
2019-2022	<u>5,990,000</u>	<u>763,012</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 28,172,129</u>	<u>11,408,724</u>	<u>23,334,610</u>	<u>7,447,053</u>

For comparison purposes, debt service requirements as of August 31, 2002, were as follows:

For the year ended August 31,	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	<u>7,300,000</u>	<u>1,121,205</u>	<u>360,296</u>	<u>8,750</u>
Total	<u>\$ 32,205,695</u>	<u>12,906,559</u>	<u>25,125,296</u>	<u>8,635,525</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Notes to Basic Financial Statements
August 31, 2003****(8) Bonds Payable**

Bonds payable as of August 31, 2003, and 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 August 31, 2003</u>	<u>Outstanding balance August 31, 2002</u>
Series 1993 Revenue Bonds	Acquire, renovate and equip Courtyard Center for Professional and Economic Development	3/01/93	\$5,000,000	Pledged revenues from general use fees, gross revenues from the bookstore, tuition pledge	\$2,425,000	\$2,675,000
Series 1994 Revenue Bonds	Construction of Phase I of Preston Ridge Campus	3/01/94	10,000,000	Same as 1993 revenue series	3,500,000	3,950,000
Series 1996 Tax Refunding Bonds	Refund 1986 Tax Bonds	1/15/96	8,233,827	Ad valorem taxes	5,922,384	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	5,395,000	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	12,014,609	12,865,296
Series 2001 Tax 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	2,249,746	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>20,000,000</u>
					<u>\$51,506,739</u>	<u>\$57,330,991</u>

As of 08/31/03, 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 \$250,000 to \$2,015,000 in fiscal year 2004 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 are being 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 (14).

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, 2003, the District was in compliance with these restrictions and had made all applicable insurance premium payments. Insurance policies in force at August 31, 2003, 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 was 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 are being amortized over the life of the bonds using the straight-line method.

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

<u>Bond Issue</u>	<u>Year Refunded</u>	Par Value Outstanding <u>2003</u>	Par Value Outstanding <u>2002</u>
Revenue Bond Series 1993	1998	\$ 0	\$1,050,000
Revenue Bond Series 1994	1998	<u>3,550,000</u>	<u>3,550,000</u>
Total		<u>\$3,550,000</u>	<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 under the provisions of the U.S. Internal Revenue Code Section 401(a) by the Teacher Retirement System of Texas (TRS or the "System"), a multi-employer defined benefit public employee retirement system (PERS). It is a cost-sharing 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, 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. For the year ending August 31, 2003, employees who retired at or after 65 with 5 years of credited service or when the sum of the member's age and years of credited service equaled or exceeded 80 years with at least 5 years of service credit 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 could 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 was fully vested after 5 years of creditable service and entitled to any benefit for which eligibility requirements have been met, payable monthly for life. Effective September 1, 2003, the state retiree insurance program eligibility criteria changed per SB1370, 78th Texas Legislature, 2003 Regular Session. The retiree must have a minimum of 10 years of creditable TRS/ORP service and be at least age 65 or have at least 10 years of creditable TRS/ORP service at any age where the age added to TRS/ORP years of service equals at least 80. Also effective September 1, 2003, the name of the state employee insurance program changed from the ERS Uniform Group Insurance Program to ERS Group Benefits Program (GBP). 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 2001, 2002 and 2003 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, 2001, 2002, and 2003 were approximately \$744,600, \$835,800, and \$909,700 respectively, on wages covered by the System of approximately \$12,409,300, \$13,930,000, and \$15,161,000, respectively. The District's total payroll, including full-time and part-time employees, was approximately \$31,713,600, \$34,612,800, and \$37,099,900, 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 years ended August 31, 2003, and August 31, 2002, were \$784,000 and \$753,400, respectively. In addition, the District contributed 1.19% and 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. This rule was changed effective September 1, 2003, by HB264, 78th Texas Legislature, 2003 Regular Session and now applies to any employee who was employed as an ORP participant at any Texas public higher education institution at any time prior to September 1, 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 years ended August 31, 2003, and August 31, 2002, was approximately \$11,789,000, and \$11,329,300, respectively.

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.

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 years ended August 31, 2003, and August 31, 2002, total payroll of participants in the PERC plan was approximately \$4,133,000 and \$3,982,000, respectively; the District's total part-time employee payroll was approximately \$7,207,800 and \$6,757,400, respectively.

(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 2003, 49 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 mid-year budget cuts affected the employee health insurance benefit. As a result, employees' co-payments were increased. For the months of

September, 2002, through April, 2003, the State's contribution per full-time employee was \$309 per month. The State paid an additional amount for a spouse, child(ren), or both for maximum amounts of \$485, \$427 and \$603, respectively. Effective May 1, 2003, and for the remainder of the fiscal year, the State's maximum contribution was \$274 for employee only and \$430, \$379 and \$535 for including coverage for spouse, child(ren) or both, respectively. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The cost to the State of providing those benefits for the year was approximately \$2,799,100 for 700 active employees and approximately \$172,800 for 49 retirees for a grand total of approximately \$2,971,900. The District supplemented such benefits at a cost of approximately \$300,500 and \$276,400 for the years ended August 31, 2003, and August 31, 2002, respectively. The District also provided a contribution for the State Kids Insurance Program (SKIP). The SKIP program insures that all children of state and higher education employees have access to more affordable healthcare. The State did not make a contribution for SKIP for the year ended August 31, 2003.

(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 2003 is \$12,000. The District does not contribute to this plan. 175 employees of the District contributed a total of approximately \$766,300 under this plan for the year 2003 and 173 employees contributed a total of approximately \$567,900 under this plan for the year 2002. The deferred compensation program is not included in the basic financial statements because the program assets are assets of the plan participants and not of the District.

(12) Disaggregation of Receivables and Payables Balances

Receivables at August 31 were as follows:

	<u>2003</u>	<u>2002</u>
Student loans	\$9,699	\$12,775
Federal and state receivables	327,979	695,902
Trade receivables	881,260	570,720
Other receivables (auxiliary)	215,303	183,433
	<u>\$1,434,241</u>	<u>\$1,462,830</u>
 Taxes receivable	 \$1,283,658	 \$1,125,094
Less allowance for doubtful accounts	(1,268,278)	(1,108,791)
	<u>\$ 15,380</u>	<u>\$ 16,303</u>

Payables at August 31 were as follows:

Vendors payable	\$4,414,352	\$1,849,805
Short-term bank overdraft	1,064,848	3,375,209
	<u>\$5,479,200</u>	<u>\$5,225,014</u>

(13) Risk Management

For several 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 years ended August 31, 2003, and August 31, 2002, were \$6,696 and \$12,183, respectively. Total estimated claims outstanding for the years ended August 31, 2003, and August 31, 2002, were \$19,851 and \$20,709, respectively. 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 2001, 2002, and 2003 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>
2003	20,709	5,838	(6,696)	19,851
2002	33,895	(1,003)	(12,183)	20,709
2001	48,413	8,261	(22,779)	33,895

(14) Property Tax

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

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Notes to Basic Financial Statements
August 31, 2003**

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,	<u>2003</u>	<u>2002</u>
Assessed Valuation of the District:	\$54,381,799,691	\$48,847,572,140
Less: Exemptions	(6,979,722,460)	(6,372,612,084)
Less: Abatements	<u>(668,899,939)</u>	<u>(548,611,237)</u>
Net Assessed Valuation of the District	46,733,177,292	41,926,348,819
Plus: Supplements through August 31	<u>2,355,785</u>	<u>2,963,767</u>
Adjusted Assessed Valuation	<u>\$46,735,533,077</u>	<u>\$41,929,312,586</u>

Tax rates for the year ended August 31, 2003, are as follows:

	<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	\$.011946	\$.091946

For comparison purposes, tax rates for the year ended August 31, 2002, are as follows:

	<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, 2003, and August 31, 2002, were \$43,186,969 and \$39,205,528, respectively.

<u>Taxes Collected</u>	<u>Total at August 31, 2003</u>	<u>Total at August 31, 2002</u>
Current taxes collected	\$42,481,512	\$38,544,479
Delinquent taxes collected	556,838	600,013
Penalties and interest collected	<u>441,920</u>	<u>360,873</u>
Total collections	<u>\$43,480,270</u>	<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, 2003, and August 31, 2002, were 98.37% and 98.31% of the current tax levy, respectively. Allowances for uncollectible taxes are based upon historical

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements August 31, 2003

experience in collecting property taxes. Total related collection costs for the years ended August 31, 2003, and August 31, 2002, which included Tax Increment Finance District funding, were \$1,184,637 and \$938,341, respectively.

(15) Operating Lease Commitments and Rental Agreements

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

	<u>At August 31, 2003</u>	<u>At August 31, 2002</u>
2003	\$ 0	\$62,935
2004	176,995	10,188
2005	33,916	4,245
2006	24,883	0
	<u>\$235,794</u>	<u>\$77,368</u>

Rent paid under operating leases totaled approximately \$408,500 and \$336,100 for the years ended August 31, 2003, and August 31, 2002, respectively.

(16) Contingencies

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

The District participates in the Federal 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 years 2003 and 2002 were approximately \$4,663,084 \$2,686,449, respectively.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Notes to Basic Financial Statements
August 31, 2003****(17) Fund Balance - Unaudited**

Ending fund balances were as follows:

Current Funds:	<u>At August 31, 2003</u>	<u>At August 31, 2002</u>
Fund balance, unrestricted	\$ 61,842,837	\$ 46,416,107
Fund balance, auxiliary enterprises	1,434,494	1,159,072
Fund balance, restricted	<u>362,147</u>	<u>381,092</u>
Total, current fund balance	\$ 63,639,478	\$ 47,956,271
Fund balance, loan funds	70,510	26,961
Fund balance, endowment and similar funds	0	0
Fund balance, plant funds	<u>84,806,046</u>	<u>77,300,072</u>
Total fund balance, primary government	<u>\$148,516,034</u>	<u>\$125,283,304</u>

The total fund balance of \$148,516,034 is included in net assets.

(18) Subsequent Events

On August 19, 2003, the Board approved the sale of \$18,585,000 Limited Tax Improvement Bonds with an average interest rate of 4.56 percent. The sale closed and funds were received on September 24, 2003. 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 \$18,585,000. The District had related issuance costs of \$85,000 and accrued interest of \$89,220.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

THECB Supplemental Schedules

Schedule A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Detailed Operating Revenues****For the year ended August 31, 2003****(with comparative totals at August 31, 2002)**

	Educational Activities	Auxiliary Enterprises	Total	
			2003	2002
State allocations				
Education and general state support	\$20,798,370	\$0	\$20,798,370	\$22,389,918
State group insurance	2,971,918	0	2,971,918	2,816,769
State retirement matching	1,617,006	0	1,617,006	1,515,549
Other	156,997	0	156,997	100,575
Total state allocations	25,544,291	0	25,544,291	26,822,811
Tuition				
State funded courses				
In-district resident tuition	4,853,426	0	4,853,426	3,879,206
Out-of-district resident tuition	1,729,360	0	1,729,360	1,543,746
TPEG (set aside)*	618,562	0	618,562	533,198
Non-resident tuition	1,889,751	0	1,889,751	1,646,418
Continuing education	2,707,321	0	2,707,321	2,542,503
Non-state funded continuing education	324,946	0	324,946	223,926
Total tuition	12,123,366	0	12,123,366	10,368,997
Fees				
Building fees	2,893,713	0	2,893,713	2,603,430
General fees	266,834	0	266,834	227,985
Student service fee	0	321,463	321,463	289,266
Laboratory fee	279,189	0	279,189	266,147
Total fees	3,439,736	321,463	3,761,199	3,386,828
Scholarship allowances and discounts				
Scholarship allowances	0	(2,206)	(2,206)	0
Remissions and exemptions	(248,654)	0	(248,654)	(248,356)
TPEG allowances	(328,261)	0	(328,261)	(378,772)
Federal grants to students	(1,908,954)	0	(1,908,954)	(779,725)
Other	(163,748)	0	(163,748)	(87,336)
Total scholarship allowances	(2,649,617)	(2,206)	(2,651,823)	(1,494,189)
Total net tuition and fees	\$12,913,485	\$319,257	\$13,232,742	\$12,261,636

Schedule A

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Detailed Operating Revenues
For the year ended August 31, 2003 (Continued)
(with comparative totals at August 31, 2002)

	Educational Activities	Auxiliary Enterprises	Total	
			<u>2003</u>	<u>2002</u>
Other operating revenues				
Federal grants and contracts	\$4,546,190	\$ 0	\$4,546,190	\$3,297,372
State grants and contracts	1,104,497	0	1,104,497	1,065,070
Nongovernmental grants and contracts	21,705	0	21,705	9,722
Sales and services of educational activities	265,498	0	265,498	247,903
Other operating revenues	<u>152,454</u>	<u>66,121</u>	<u>218,575</u>	<u>300,595</u>
Total other operating revenues	<u>6,090,344</u>	<u>66,121</u>	<u>6,156,465</u>	<u>4,920,662</u>
Auxiliary enterprises				
Bookstore (net of discount of \$80,528)	0	5,017,908	5,017,908	4,228,255
Other auxiliary enterprises	<u>0</u>	<u>633,295</u>	<u>633,295</u>	<u>617,532</u>
Total net auxiliary enterprises	<u>0</u>	<u>5,651,203</u>	<u>5,651,203</u>	<u>4,845,787</u>
 Total operating revenues (Exh. 2)	 <u>\$44,548,120</u>	 <u>\$6,036,581</u>	 <u>\$50,584,701</u>	 <u>\$48,850,896</u>

*In accordance with Education Code 56.033, \$618,562 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, 2003

(with comparative totals at August 31, 2002)

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other Expenses	2003 (Exh. 2)	2002 (Exh. 2)
		State	Local			
Educational Activities						
Instruction	\$21,069,933	\$2,744,169	\$868,410	\$3,950,042	\$28,632,554	\$26,892,563
Public service	182,830	33,166	967	322,443	539,406	576,403
Academic support	4,635,412	607,410	188,343	1,634,812	7,065,977	6,656,733
Student services	4,304,190	579,028	163,365	771,024	5,817,607	5,335,523
Institutional support	4,859,926	637,713	201,809	3,342,648	9,042,096	8,579,448
Operation and maintenance of plant	1,101,926	92,594	45,758	4,868,753	6,109,031	5,312,378
Scholarship and fellowships	0	0	0	1,887,696	1,887,696	1,721,706
Total educational activities	36,154,217	4,694,080	1,468,652	16,777,418	59,094,367	55,074,754
Auxiliary enterprises	945,653	0	55,426	4,860,098	5,861,177	5,106,457
Depreciation expense	0	0	0	2,858,754	2,858,754	2,645,884
Total	\$37,099,870	\$4,694,080	\$1,524,078	\$24,496,270	\$67,814,298	\$62,827,095

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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, 2003****(with comparative totals at August 31, 2002)**

	Unrestricted	Auxiliary enterprises	Restricted	Totals (memorandum only)	
				2003	2002
Revenues:					
State allocations - general revenue	\$20,798,370	\$ 0	\$4,745,921	\$25,544,291	\$26,822,811
Tuition and fees	15,563,102	321,463	0	15,884,565	13,755,825
Taxes for current operations (gross)	37,831,000	0	0	37,831,000	34,040,576
Federal grants and contracts	140,631	0	4,405,559	4,546,190	3,297,372
State grants and contracts	5,823	0	1,065,054	1,070,877	1,065,070
Private gifts, grants, and contracts	5,700	0	29,305	35,005	17,971
Interest income	891,598	0	0	891,598	969,797
Sales and services of educational activities	265,498	0	0	265,498	247,903
Sales and services of auxiliary enterprises	0	5,651,203	0	5,651,203	4,845,787
Other miscellaneous	158,673	66,121	0	224,794	290,659
Total current funds revenues	75,660,395	6,038,787	10,245,839	91,945,021	85,353,771
Expenditures and transfers:					
Educational and general:					
Instruction	25,540,790	0	2,901,166	28,441,956	26,913,018
Research	0	0	0	0	0
Public service	24,975	0	514,431	539,406	576,403
Academic support	6,048,614	0	1,464,277	7,512,891	7,193,468
Student services	4,695,943	0	1,131,461	5,827,404	5,335,523
Institutional support	9,403,940	0	637,713	10,041,653	9,580,157
Operation and maintenance of plant	6,134,757	0	92,594	6,227,351	8,242,747
Scholarships and fellowships	248,654	0	4,290,865	4,539,519	3,215,147
Total educational and general expenditures	52,097,673	0	11,032,507	63,130,180	61,056,463
Auxiliary enterprises - expenditures		5,881,163		5,881,163	5,138,609
Mandatory transfers for (deductions):					
Principal and interest	(2,694,919)	0	0	(2,694,919)	(2,787,333)
Texas Public Education Grant	(558,306)	0	553,700	(4,606)	(154,426)
FSEOG match paid by TPEG	(60,257)	0	60,257	0	0
Other matching grants	(172,711)	0	172,711	0	0
Total expenditures and mandatory transfers	55,583,866	5,881,163	10,245,839	71,710,868	69,136,831
Other transfers and additions/(deductions):					
Non-mandatory transfers	(4,649,799)	117,798	0	(4,532,001)	0
Excess/(deficit) of restricted receipts over/(under)					
transfer to revenues	0	0	50,945	50,945	17,436
Excess/(deficit) TPEG transfer over grants awarded	0	0	(43,611)	(43,611)	154,426
Indirect cost recovered	0	0	(26,279)	(26,279)	(17,966)
Net increase (decrease) in fund balances	\$15,426,730	\$275,422	(\$18,945)	\$15,683,207	\$16,370,836

Note: This schedule is presented for informational purposes under Fund Accounting Principles and therefore may not include all adjustments.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Current Funds Revenues, Expenditures and Other Changes - Unaudited (Continued)**

For the year ended August 31, 2003

Reconciliation of Schedule E to Exhibit 2

Net increase in fund balance (Schedule E)	\$15,683,207
Depreciation	(2,858,754)
Net taxes for general obligation bonds	5,494,024
Investment income - plant funds	334,422
Plant fund other miscellaneous revenue	1,202
Interest expense - plant funds	(2,628,436)
Plant fund expenditures	(611,978)
Loss on disposal - plant assets	(442,653)
Write-off student loans	(4,667)
Reclass expenses to capital assets	991,229
Net transfers	7,275,134
Increase in net assets (Exhibit 2)	<u>\$23,232,730</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Detail of State Allocations and Tuition and Fees****Unaudited****For the year ended August 31, 2003****(with comparative totals at August 31, 2002)**

	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>Total</u>	
				<u>2003</u>	<u>2002</u>
State allocations					
Education and general state support	\$20,798,370	\$0	\$0	\$20,798,370	\$22,389,918
State group insurance	0	0	2,971,918	\$2,971,918	2,816,769
State retirement matching	0	0	1,617,006	\$1,617,006	1,515,549
Other	0	0	156,997	\$156,997	100,575
Total state allocations	<u>20,798,370</u>	<u>0</u>	<u>4,745,921</u>	<u>25,544,291</u>	<u>26,822,811</u>
				(Sch. E)	
Tuition and fees (a)					
State funded courses					
In district resident tuition	4,992,555	0	0	4,992,555	3,971,258
Out of district resident tuition	1,811,572	0	0	1,811,572	1,613,277
Non-resident tuition	1,847,243	0	0	1,847,243	1,592,489
Continuing education	2,877,655	0	0	2,877,655	2,719,691
Non-state funded continuing education	345,687	0	0	345,687	223,926
Subtotal tuition (c)	<u>11,874,712</u>	<u>0</u>	<u>0</u>	<u>11,874,712</u>	<u>10,120,641</u>
Building use fee	2,893,713	0	0	2,893,713	2,603,430
General fees	266,834	0	0	266,834	227,985
Student service fee	0	321,463	0	321,463	289,266
Laboratory fee	279,189	0	0	279,189	266,147
Out of district fees	0	0	0	0	0
Other fees	0	0	0	0	0
Subtotal fees	<u>3,439,736</u>	<u>321,463</u>	<u>0</u>	<u>3,761,199</u>	<u>3,386,828</u>
Remissions and exemptions - state	243,246	0	0	243,246	240,549
Remissions and exemptions - local	5,408	0	0	5,408	7,807
Total tuition and fees	<u>\$15,563,102</u>	<u>\$321,463</u>	<u>\$0</u>	<u>\$15,884,565</u>	<u>\$13,755,825</u>
				(Sch. E)	

a) Amounts reported for tuition categories agree with those reported on the Fiscal Activities Report.

b) In accordance with Education Code 56.033, \$618,562 of tuition was set aside for Texas Public Education Grants (TPEG).

c) Tuition totals are net of waivers.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Current Funds Expenditures by Object - Unaudited
For the year ended August 31, 2003
(with comparative totals at August 31, 2002)

	Salaries and Wages	Staff Benefits	Other Expenses	Capital Outlay	Total	
					2003	2002
Unrestricted - Educational and General						
Instruction	\$20,912,936	\$868,410	\$3,533,235	\$226,209	\$25,540,790	\$24,208,023
Research	0	0	0	0	0	0
Public service	23,277	967	731	0	24,975	21,965
Academic support	4,535,656	188,343	942,970	381,645	6,048,614	5,787,495
Student services	3,934,129	163,365	588,652	9,797	4,695,943	4,445,709
Institutional support	4,859,926	201,809	4,172,201	170,004	9,403,940	8,988,886
Operation and maintenance of plant	1,101,926	45,758	4,868,753	118,320	6,134,757	8,148,771
Scholarships and fellowships	0	0	248,654	0	248,654	248,356
Total Unrestricted	35,367,850	1,468,652	14,355,196	905,975	52,097,673	51,849,205
					(Sch. E)	
Restricted - Education and General						
Instruction	156,997	2,744,169	0	0	2,901,166	2,687,298
Research	0	0	0	0	0	0
Public service	159,553	33,166	321,712	0	514,431	554,420
Academic support	99,756	607,410	691,843	65,268	1,464,277	1,402,251
Student services	370,061	579,028	182,372	0	1,131,461	886,619
Institutional support	0	637,713	0	0	637,713	587,264
Operation and maintenance of plant	0	92,594	0	0	92,594	144,541
Scholarships and fellowships	0	0	4,290,865	0	4,290,865	2,967,539
Total restricted	786,367	4,694,080	5,486,792	65,268	11,032,507	9,229,932
					(Sch. E)	
Total educational and general	36,154,217	6,162,732	19,841,988	971,243	63,130,180	61,079,137
Auxiliary enterprises	945,653	55,426	4,860,098	19,986	5,881,163	5,138,609
					(Sch. E)	
Total current fund expenditures	\$37,099,870	\$6,218,158	\$24,702,086	\$991,229	\$69,011,343	\$66,217,746

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Supplementary Information



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of Fund Assets and Liabilities - Unaudited

For the year ended August 31, 2003

(with comparative totals at August 31, 2002)

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
Cash & cash equivalents	\$69,883,256	\$20,484	\$0	\$69,903,740
Accounts receivable (with no allowance)	881,260	215,304	0	1,096,564
Tuition and fees receivable (with no allowance)	218,188	0	0	218,188
Tax receivable (net of allowance for doubtful accounts of \$1,268,278)	13,252	0	0	13,252
Due from other funds	73,883	1,105,684	79,155	1,258,722
Prepaid expenditures/expenses	1,584,515	7,225	31,032	1,622,772
Federal receivables	0	0	233,105	233,105
State receivables	0	0	94,873	94,873
Consumable inventory	0	105,640	0	105,640
Inventories for resale	0	2,917,097	0	2,917,097
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
Total assets	72,654,354	4,371,433	438,165	77,463,952
Liabilities:				
Bank overdrafts	1,064,848	0	0	1,064,848
Accounts payable	1,658,796	2,273,110	76,019	4,007,925
Accrued interest on bonds	0	0	0	0
Due to other funds	1,375,547	0	0	1,375,547
Deferred revenues	6,218,153	663,829	0	6,881,982
Accrued compensated absences payable	494,172	0	0	494,172
Bonds payable	0	0	0	0
Amount held for others	0	0	0	0
Total liabilities	10,811,516	2,936,939	76,019	13,824,474
Unrestricted:				
Reserved:				
Encumbrances	758,605	7,751	0	766,356
Accounts receivable	881,260	215,304	0	1,096,564
Consumable inventories	0	105,640	0	105,640
Prepaid expenditures/expenses	1,584,515	7,225	0	1,591,740
Unreserved:				
Designated - insurance deductibles	100,000	0	0	100,000
Designated - stabilization of maintenance & operatic	10,000,000	0	0	10,000,000
Undesignated	48,518,457	1,098,575	0	49,617,032
Restricted:				
Other	0	0	45,769	45,769
Texas Public Education Grant	0	0	316,378	316,378
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
Total fund balances	61,842,837	1,434,494	362,147	63,639,478
Commitments and contingencies				
Total liabilities and fund balances	\$72,654,354	\$4,371,433	\$438,165	\$77,463,952

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Fund Assets and Liabilities - Unaudited (Continued)

August 31, 2003

(with comparative totals at August 31, 2002)

Unexpended	Plant funds		Student loans	Agency funds	Totals (memorandum only)	
	Retirement of indebtedness	Investment in plant			2003	2002
\$16,920,892	\$3,613,448	\$0	\$ 0	\$ 0	\$90,438,080	\$78,121,326
0	0	0	9,699	0	1,106,263	766,928
0	0	0	0	0	218,188	211,327
0	2,128	0	0	0	15,380	16,303
0	0	0	60,811	213,434	1,532,966	2,259,970
0	4,454	0	0	0	1,627,225	1,290,247
0	0	0	0	0	233,105	192,749
0	0	0	0	0	94,873	503,153
0	0	0	0	0	105,640	123,941
0	0	0	0	0	2,917,097	2,710,382
0	0	24,708,004	0	0	24,708,004	24,708,004
0	0	77,253,444	0	0	77,253,444	73,132,116
0	0	7,863,207	0	0	7,863,207	6,824,470
0	0	1,888,816	0	0	1,888,816	1,925,669
0	0	4,283,051	0	0	4,283,051	4,348,721
0	0	866,508	0	0	866,508	1,207,830
<u>16,920,892</u>	<u>3,620,029</u>	<u>116,863,030</u>	<u>70,510</u>	<u>213,434</u>	<u>215,151,847</u>	<u>198,370,120</u>
0	0	0	0	0	1,064,848	3,375,209
785,832	0	0	0	0	4,793,756	2,242,973
0	147,915	0	0	0	147,915	171,535
73,883	83,536	0	0	0	1,532,966	2,259,970
0	0	0	0	0	6,881,983	6,269,235
0	0	0	0	0	494,172	446,327
0	623,084	50,883,655	0	0	51,506,739	57,330,991
0	0	0	0	213,434	213,434	990,576
<u>859,715</u>	<u>854,535</u>	<u>50,883,655</u>	<u>0</u>	<u>213,434</u>	<u>66,635,813</u>	<u>73,086,816</u>
0	0	0	0	0	766,356	245,916
0	0	0	0	0	1,096,564	754,153
0	0	0	0	0	105,640	123,941
0	0	0	0	0	1,591,740	1,258,244
0	0	0	0	0	100,000	100,000
0	0	0	0	0	10,000,000	5,000,000
0	0	0	0	0	49,617,032	40,092,925
0	0	0	0	0	45,769	25,449
0	0	0	0	0	316,378	355,643
16,061,177	0	0	0	0	16,061,177	18,919,895
0	2,765,494	0	0	0	2,765,494	2,941,275
0	0	65,979,375	0	0	65,979,375	55,438,903
0	0	0	70,510	0	70,510	26,961
<u>16,061,177</u>	<u>2,765,494</u>	<u>65,979,375</u>	<u>70,510</u>	<u>0</u>	<u>148,516,034</u>	<u>125,283,304</u>
<u>\$16,920,892</u>	<u>\$3,620,029</u>	<u>\$116,863,030</u>	<u>\$70,510</u>	<u>\$213,434</u>	<u>\$215,151,847</u>	<u>\$198,370,120</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Fund Balances - Unaudited For the year ended August 31, 2003 (with comparative totals for the year ended August 31, 2002)

	Current funds			
	Unrestricted	Auxiliary enterprises	Restricted	Total
Fund balances, September 1, 2002	\$46,416,107	\$1,159,072	\$381,092	\$47,956,271
Revenues and other additions:				
Unrestricted current funds revenue	75,660,392	6,038,787	0	81,699,179
State allocations - restricted	0	0	4,745,921	4,745,921
Tax revenues for debt service	0	0	0	0
Federal grants and contracts	0	0	4,426,015	4,426,015
State grants and contracts	0	0	1,104,497	1,104,497
Private gifts, grants and contracts	0	0	16,005	16,005
Investment income	0	0	4,346	4,346
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 \$991,229 charged to current funds expenditures)	0	0	0	0
Total revenues and other additions	75,660,392	6,038,787	10,296,784	91,995,963
Expenditures and other deductions:				
Expenditures	52,097,673	5,881,163	11,032,507	69,011,343
Expended for plant	0	0	0	0
Indirect costs	0	0	26,279	26,279
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	52,097,673	5,881,163	11,058,786	69,037,622
Transfers - additions (deductions):				
Mandatory transfers:				
Retirement of indebtedness:				
Building use fee	(2,893,713)	0	0	(2,893,713)
Tuition	198,795	0	0	198,795
Texas Public Education Grant	(558,305)	0	510,089	(48,216)
FSEOG match paid by TPEG	(60,257)	0	60,257	0
Grant matching	(172,711)	0	172,711	0
Non-mandatory transfers	(4,649,798)	117,798	0	(4,532,000)
Total transfers - additions (deductions)	(8,135,989)	117,798	743,057	(7,275,134)
Net increase (decrease) for the fiscal year	15,426,730	275,422	(18,945)	15,683,207
Fund balances, August 31, 2003	\$61,842,837	\$1,434,494	\$362,147	\$63,639,478

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Changes in Fund Balance - Unaudited (Continued)****For the Year Ended August 31, 2003****(with comparative totals for the year ended August 31, 2002)**

<u>Unexpended</u>	<u>Plant funds</u>		<u>Student loans</u>	<u>Totals (memorandum only)</u>	
	<u>Retirement of</u>	<u>Investment</u>		<u>2003</u>	<u>2002</u>
	<u>indebtedness</u>	<u>in plant</u>			
<u>\$18,919,895</u>	<u>\$2,941,275</u>	<u>\$55,438,903</u>	<u>\$26,961</u>	<u>\$125,283,305</u>	<u>\$123,379,767</u>
0	0	0	0	81,699,179	76,632,512
0	0	0	0	4,745,921	4,432,893
0	5,649,263	0	0	5,649,263	5,464,789
0	0	0	0	4,426,015	3,224,892
0	0	0	0	1,104,497	1,065,070
0	0	0	0	16,005	12,167
247,657	86,763	0	0	338,766	223,907
0	1,202	0	0	1,202	9,936
0	0	5,824,252	0	5,824,252	0
0	0	0	0	0	20,000,000
0	0	8,017,627	0	8,017,627	4,917,608
<u>247,657</u>	<u>5,737,228</u>	<u>13,841,879</u>	<u>0</u>	<u>111,822,727</u>	<u>115,983,774</u>
611,978	0	0	4,667	69,627,988	66,199,632
7,026,397	0	0	0	7,026,397	1,199,080
0	0	0	0	26,279	17,966
0	155,239	0	0	155,239	132,636
0	0	0	0	0	13,561,707
0	5,790,000	0	0	5,790,000	6,590,000
0	2,662,688	0	0	2,662,688	1,940,283
0	0	2,858,754	0	2,858,754	2,645,884
0	0	442,653	0	442,653	338,769
<u>7,638,375</u>	<u>8,607,927</u>	<u>3,301,407</u>	<u>4,667</u>	<u>88,589,998</u>	<u>92,625,957</u>
0	2,893,713	0	0	0	0
0	(198,795)	0	0	0	0
0	0	0	48,216	0	0
0	0	0	0	0	0
0	0	0	0	0	0
4,532,000	0	0	0	0	0
<u>4,532,000</u>	<u>2,694,918</u>	<u>0</u>	<u>48,216</u>	<u>0</u>	<u>0</u>
(2,858,718)	(175,781)	10,540,472	43,549	23,232,729	23,357,817
<u>\$16,061,177</u>	<u>\$2,765,494</u>	<u>\$65,979,375</u>	<u>\$70,510</u>	<u>\$148,516,034</u>	<u>\$125,283,304</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, 2003

	<u>Student activities</u>	<u>Intercollegiate athletics</u>	<u>Food services</u>	<u>Bookstore</u>
Revenues				
Sales and services	\$0	\$89,372	\$101,008	\$5,017,908
Student fees	321,463	0	0	0
Miscellaneous income	0	2,185	0	34,359
Total revenue	<u>321,463</u>	<u>91,557</u>	<u>101,008</u>	<u>5,052,267</u>
Expenditures				
Salaries and wages	0	105,742	0	364,754
Staff benefits	0	0		55,426
Other operating expenses	134,431	388,317	21,008	4,189,246
Total expenditures	<u>134,431</u>	<u>494,059</u>	<u>21,008</u>	<u>4,609,426</u>
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficit) of revenue over (under) expenditures	<u>187,032</u>	<u>(402,502)</u>	<u>80,000</u>	<u>442,841</u>
Summary of fund balances as of September 1, 2002	113,545	49,789	0	995,738
Additions (deductions):				
Transfer from operating fund				
Excess (deficit) of revenue over (under) expenditures	187,032	(402,502)	80,000	442,841
Intrafund transfers				
Student activities	(112,000)	112,000	0	0
Bookstore	0	80,000	(80,000)	0
Food service	0	145,327	0	(162,051)
Facilities rental	0	18,430	0	0
Fitness center	0	16,345	0	0
Fine arts	(50,000)	0	0	0
Total intrafund transfers	<u>(162,000)</u>	<u>372,102</u>	<u>(80,000)</u>	<u>(162,051)</u>
Total additions (deductions)	<u>25,032</u>	<u>(30,400)</u>	<u>0</u>	<u>280,790</u>
Fund balance August 31, 2003 (Exhibit B)	<u>\$138,577</u>	<u>\$19,389</u>	<u>\$0</u>	<u>\$1,276,528</u>

Schedule B-3

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Changes in Fund Balance - Unrestricted Current Funds - Auxiliary Enterprises****Unaudited (Continued)****For the year ended August 31, 2003**

<u>Facilities Rental</u>	<u>Child Care Center</u>	<u>Fitness Center</u>	<u>Movie Video Rental</u>	<u>Fine arts</u>	<u>Print shop</u>	<u>Total</u>
\$34,781	\$258,593	\$75,249	\$14,291	\$25,040	\$34,961	\$5,651,203
0	0	0	0	0	0	321,463
0	0	29,577	0	0	0	66,121
<u>34,781</u>	<u>258,593</u>	<u>104,826</u>	<u>14,291</u>	<u>25,040</u>	<u>34,961</u>	<u>6,038,787</u>
15,549	311,619	83,495	0	7,285	57,209	945,653
0	0	0	0	0	0	55,426
802	64,772	4,986	0	84,479	(27,943)	4,860,098
<u>16,351</u>	<u>376,391</u>	<u>88,481</u>	<u>0</u>	<u>91,764</u>	<u>29,266</u>	<u>5,861,177</u>
0	0	0	14,291	0	5,695	19,986
<u>18,430</u>	<u>(117,798)</u>	<u>16,345</u>	<u>0</u>	<u>(66,724)</u>	<u>0</u>	<u>157,624</u>
0	0	0	0	0	0	1,159,072
0	117,798	0	0	0	0	117,798
18,430	(117,798)	16,345	0	(66,724)	0	157,624
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	16,724	0	0
(18,430)	0	0	0	0	0	0
0	0	(16,345)	0	0	0	0
0	0	0	0	50,000	0	0
<u>(18,430)</u>	<u>0</u>	<u>(16,345)</u>	<u>0</u>	<u>66,724</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0	275,422
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,434,494</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Changes in Fund Balance - Restricted Current Funds - Unaudited **For the year ended August 31, 2003**

	Additions			
	Balances 9/1/2002	Gifts, grants and allocations	Investment income	Other additions
Instruction				
State allocations (summarized)	\$0	\$4,745,921	\$0	\$0
Total instruction	0	4,745,921	0	0
Public service				
State allocations (summarized)	0	0	0	0
Federal grants and contracts (summarized)	0	69,991	0	0
State grants and contracts (summarized)	0	411,227	0	0
Local sources:				
SBDC - match	0	0	0	0
Private sources:				
Kaufman Foundation - Project NEW	5,381	0	0	0
Program income - SBDC	12,369	0	0	13,099
Total public service	17,750	481,218	0	13,099
Academic support				
State allocations (summarized)	0	0	0	0
Federal grants and contracts (summarized)	0	245,628	0	0
State grants and contracts (summarized)	0	535,005	0	0
Local sources:				
TIFB - match	0	0	0	0
Private sources:				
Cisco Learning Institute	2,699	0	0	0
Total academic support	2,699	780,633	0	0
Student services				
State allocations (summarized)	0	589,153	0	848
Federal grants and contracts (summarized)	0	2,600	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	591,753	0	2,906
Institutional support				
State allocations (summarized)	0	0	0	0
Total institutional support	0	0	0	0
Operation and maintenance of plant				
State allocations (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 (Continued)****For the year ended August 31, 2003**

Adjustments and transfers in	Deductions					Balances 08/31/03
	Salaries and wages	Fringe benefits	Awards and expenses	Capital outlay	Other deductions	
\$0	\$ 156,997	\$4,588,924	\$0	\$0	\$0	\$0
0	156,997	4,588,924	0	0	0	0
0	0	0	0	0	0	0
0	55,363	11,161	3,467	0	0	0
0	59,524	11,847	300,413	0	5,823	33,620
45,204	36,448	6,476	2,280	0	0	0
0	0	0	5,166	0	0	215
0	8,218	628	10,386	0	0	6,236
45,204	159,553	30,112	321,712	0	5,823	40,071
0	0	0	0	0	0	0
0	99,756	12,247	126,000	0	7,625	0
0	0	0	477,714	57,291	0	0
96,105	0	0	88,128	7,977	0	0
0	0	0	1	0	0	0
96,105	99,756	12,247	691,843	65,268	7,625	2,698
0	345,167	54,231	176,922	0	12,831	850
0	0	0	2,600	0	0	0
31,402	24,894	6,508	0	0	0	0
0	0	2,058	0	0	0	0
31,402	370,061	62,797	182,372	0	12,831	3,000
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, 2003**

	Balances 9/1/2002	Additions		
		Gifts, grants and allocations	Investment income	Other additions
Scholarships and fellowships				
Federal grants and contracts (summarized)	\$0	\$ 3,570,380	\$0	\$0
State grants and contracts (summarized)	0	106,528	0	0
Local sources:				
TPEG	355,643	0	4,346	0
FSEOG match	0	0	0	0
Texas Grant Program	0	0	0	0
Total scholarships and fellowships	<u>355,643</u>	<u>3,676,908</u>	<u>4,346</u>	<u>0</u>
Total restricted current funds	<u>\$381,092</u>	<u>\$10,276,433</u>	<u>\$4,346</u>	<u>\$16,005</u>
		(a)	(b)	
		(Exh. B)	(Exh. B)	(Exh. B)
(a) Analysis of gifts, grants and allocations:				
State allocations	\$ 4,745,921			
Federal grants and contracts	4,426,015			
State grants and contracts	1,104,497			
Private gifts, grants and contracts	0			
Total gifts, grants and allocations	<u>\$ 10,276,433</u>			
(b) Analysis of other additions:				
Other additions	4,346			
Total other additions	<u>\$ 4,346</u>			
(c) Analysis of adjustments & transfers in (out):				
Transfers -				
TPEG from unrestricted funds	510,089			
FSEOG match from TPEG	60,257			
Matching grants	172,711			
Total adjustments and transfers	<u>\$ 743,057</u>			
(d) Analysis of other deductions:				
Indirect cost recovered	26,279			
Total other deductions	<u>\$ 26,279</u>			

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Changes in Fund Balance - Restricted Current Funds - Unaudited (Continued)****For the year ended August 31, 2003**

<u>Adjustments and transfers in</u>	<u>Deductions</u>					<u>Balances 08/31/03</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	\$3,570,380	\$0	\$0	\$0
0	0	0	106,528	0	0	0
510,089	0	0	553,700	0	0	316,378
60,257	0	0	60,257	0	0	0
0	0	0	0	0	0	0
<u>570,346</u>	<u>0</u>	<u>0</u>	<u>4,290,865</u>	<u>0</u>	<u>0</u>	<u>316,378</u>
<u>\$743,057</u>	<u>\$786,367</u>	<u>\$4,694,080</u>	<u>\$5,486,792</u>	<u>\$65,268</u>	<u>\$26,279</u>	<u>\$362,147</u>
(c)					(d)	(Exh. B)

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Transfers - Unaudited
For the year ended August 31, 2003**

Funds transferred from:		Funds transferred to:				
<u>Fund</u>	<u>Unrestricted</u>	<u>Auxiliary enterprises</u>	<u>Restricted</u>	<u>Unexpended</u>	<u>Retirement of Indebtedness</u>	<u>Student Loans</u>
Mandatory						
Unrestricted funds						
Retirement of indebtedness:						
Building use fee	\$2,893,713	\$0	\$0	\$0	\$2,893,713	\$0
Tuition	(198,795)	0	0	0	(198,795)	0
Texas Public Education Grant (TPEG)	558,305	0	510,089	0	0	48,216
FSEOG match paid by TPEG	60,257	0	60,257	0	0	0
Grant matching	172,711	0	172,711	0	0	0
Total unrestricted funds	<u>3,486,191</u>	<u>0</u>	<u>743,057</u>	<u>0</u>	<u>2,694,918</u>	<u>48,216</u>
Total mandatory transfers	<u>3,486,191</u>	<u>0</u>	<u>743,057</u>	<u>0</u>	<u>2,694,918</u>	<u>48,216</u>
Non-mandatory						
Unrestricted funds						
Auxiliary	117,798	117,798	0	0	0	0
Other (construction)	<u>4,532,000</u>	<u>0</u>	<u>0</u>	<u>4,532,000</u>	<u>0</u>	<u>0</u>
Total unrestricted funds	<u>4,649,798</u>	<u>117,798</u>	<u>0</u>	<u>4,532,000</u>	<u>0</u>	<u>0</u>
Total non-mandatory transfers	<u>4,649,798</u>	<u>117,798</u>	<u>0</u>	<u>4,532,000</u>	<u>0</u>	<u>0</u>
Total transfers among funds	<u>\$8,135,989</u>	<u>\$117,798</u>	<u>\$743,057</u>	<u>\$4,532,000</u>	<u>\$2,694,918</u>	<u>\$48,216</u>

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COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Bonds Payable and Debt Service Requirements - Unaudited For the year ended August 31, 2003

Description	Bonds issued to date	Range of interest rates	Bonds outstanding 9/1/2002	Bonds issued after 9/1/2002	Discount amortization/ (accretion)	Bonds matured or retired	Bonds outstanding 8/31/2003
1996 Refunding bonds	\$8,233,827	4.15 - 4.60%	\$8,058,575	\$0	\$3,808	\$2,140,000	\$5,922,383
2001 Refunding bonds	8,795,000	4.50%	4,147,120	0	(37,374)	1,860,000	2,249,746
2002 Ltd. Tax imp. bonds	20,000,000	3.65-5.15%	20,000,000	0	0	0	20,000,000
Subtotal	<u>37,028,827</u>		<u>32,205,695</u>	<u>0</u>	<u>(33,566)</u>	<u>4,000,000</u>	<u>28,172,129</u>
1993 Revenue bonds	5,000,000	4.75 - 7.75%	2,675,000	0	0	250,000	2,425,000
1994 Revenue bonds	10,000,000	4.50 - 7.50%	3,950,000	0	0	450,000	3,500,000
1997 Revenue bonds	6,620,000	4.70 - 6.70%	5,635,000	0	0	240,000	5,395,000
1998 Revenue refunding bonds	15,275,000	4.50 - 5.00%	12,865,296	0	(686)	850,000	12,014,610
Subtotal	<u>36,895,000</u>		<u>25,125,296</u>	<u>0</u>	<u>(686)</u>	<u>1,790,000</u>	<u>23,334,610</u>
Grand total	<u>\$73,923,827</u>		<u>\$57,330,991</u>	<u>\$0</u>	<u>(\$34,252)</u>	<u>\$5,790,000</u>	<u>\$51,506,739</u>

(Exh. A)

(a) Includes discount and premium amortization.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Bonds Payable and Debt Service Requirements - Unaudited (Continued)

For the year ended August 31, 2003

Summary of debt service requirements to maturity

Maturities			Year ending August 31,								Total requirements
First year	Last year	First call date	2004	2005	2006	2007	2008	2009- 2013	2014- 2018	2019- 2023	
1996	2006	8/15/2006	\$2,281,775	\$2,153,115	\$2,029,240	\$0	\$0	\$0	\$0	\$0	\$6,464,130
2001	2005	none	1,472,875	836,000	0	0	0	0	0	0	2,308,875
2002	2022	8/15/2012	1,534,559	1,541,381	1,552,109	1,566,559	1,568,449	7,969,358	8,255,292	6,753,012	30,740,719
			<u>5,289,209</u>	<u>4,530,496</u>	<u>3,581,349</u>	<u>1,566,559</u>	<u>1,568,449</u>	<u>7,969,358</u>	<u>8,255,292</u>	<u>6,753,012</u>	<u>39,513,724</u>
1996	2013	2/1/2003	361,612	373,938	384,700	369,475	61,750	1,519,687	0	0	3,071,162
1996	2014	2/1/2004	634,788	635,650	635,025	632,875	653,550	191,250	869,125	0	4,252,263
1998	2017	2/1/2007	524,263	523,970	525,523	531,581	531,658	2,724,870	2,245,893	0	7,607,758
1999	2018	2/1/2008	1,446,065	1,425,565	969,177	957,128	1,272,090	7,985,345	1,785,500	0	15,840,870
			<u>2,966,728</u>	<u>2,959,123</u>	<u>2,514,425</u>	<u>2,491,059</u>	<u>2,519,048</u>	<u>12,421,152</u>	<u>4,900,518</u>	<u>0</u>	<u>30,772,053</u>
			<u>\$8,255,937</u>	<u>\$7,489,619</u>	<u>\$6,095,774</u>	<u>\$4,057,618</u>	<u>\$4,087,497</u>	<u>\$20,390,510</u>	<u>\$13,155,810</u>	<u>\$6,753,012</u>	<u>\$70,285,777 (a)</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Pledged Revenues and Fund Balances - Unaudited****For Revenue Bonds Outstanding****For the year ended August 31, 2003**

<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>\$2,893,713</u>	<u>\$77,726</u>	<u>\$0</u>	<u>\$2,971,439</u>	<u>\$0</u>	<u>\$1,254</u>	<u>\$2,970,185</u>

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Pledged Revenues and Fund Balances - Unaudited (Continued)
For Revenue Bonds Outstanding
For the year ended August 31, 2003

		Restricted account balances			
Debt service principal paid	Debt service interest expense	Interest and sinking fund		Bond reserve fund	
		Required	Actual	Required	Actual
<u>\$1,790,000</u>	<u>\$1,180,185</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,332,500</u>	<u>\$2,558,741</u>

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Statistical



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal year	Instruction	Research	Public service	Academic support	Student services
1993-94	10,396,368	0	2,246,144	4,617,451	3,481,115
1994-95	12,984,369	0	2,274,485	3,883,133	3,879,120
1995-96	14,776,507	0	1,224,369	4,009,224	4,432,973
1996-97	15,939,186	0	525,639	4,281,573	4,203,369
1997-98	18,617,804	154	782,517	4,656,938	4,576,397
1998-99	20,514,108	360	690,201	5,557,250	4,957,294
1999-00	22,220,613	486	718,128	5,681,486	5,018,877
2000-01	24,599,562	0	627,273	6,189,074	5,273,957
2001-02	26,913,018	0	576,403	7,193,468	5,335,523
2002-03	28,441,956	0	539,406	7,512,891	5,827,404

Source: Information derived from schedules attached as Supplementary Information (Schedule E).

Table 1

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Institutional support	Operation & maintenance of plant	Scholarships and fellowships	Auxiliary enterprises	General obligation debt service	Totals
3,676,941	2,682,612	1,157,087	2,567,898	7,778,306	38,603,922
4,359,490	2,818,983	1,253,351	2,800,479	7,090,674	41,344,084
4,483,662	3,377,842	1,228,951	3,125,149	7,129,997	43,788,674
5,040,732	3,757,267	1,254,659	2,859,933	7,553,440	45,415,798
5,608,341	4,458,397	1,525,954	3,836,049	5,886,242	49,948,793
6,307,376	5,202,532	1,581,500	4,059,977	5,277,719	54,148,317
7,935,450	5,689,644	1,692,566	4,612,497	6,209,184	59,778,931
8,660,773	6,080,397	2,246,933	4,760,889	4,873,469	63,312,327
9,580,157	8,242,747	3,215,147	5,138,609	5,745,127	71,940,199
10,041,653	6,227,351	4,539,519	5,881,163	6,343,262	75,354,605

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal year	State allocations	Local funds		
		Tuition	Taxes for current operations	Grants and contracts
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
2002-03	25,544,291	15,884,565	37,831,000	5,652,072

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

Source: Information derived from schedules attached as Supplementary Information (Schedule E).

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>
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
891,598	490,292	5,651,203	91,945,021

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

Fiscal year	Total tax levy	Current tax collections	Percent of current tax levy collected	Delinquent tax collections	Total tax collections
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
2002-03	43,186,969	42,481,512	98.37%	556,838	43,038,350

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)**

Percent of total tax collections to tax levy	Outstanding delinquent taxes	Percent of delinquent taxes to tax levy
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%
99.66%	1,268,278	2.94%

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

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

<u>Governmental subdivision</u>	<u>Percent applicable to CCCCD</u>	<u>Tax year 1994</u>	<u>Tax year 1995</u>	<u>Tax year 1996</u>	<u>Tax year 1997</u>
CCCCD	100.00%	\$0.098550	\$0.098550	\$0.098550	\$0.098550
Cities:					
Allen	100.00%	0.740000	0.715600	0.665000	0.580580
Anna	100.00%	0.570000	0.570770	0.570770	0.581180
Blue Ridge	100.00%	0.499200	0.668600	0.601530	0.604850
Celina	100.00%	0.669450	0.709630	0.725960	0.752293
Fairview	100.00%	0.163500	0.163100	0.157510	0.154470
Farmersville	100.00%	0.706500	0.682500	0.746950	0.736960
Frisco	99.00%	0.437000	0.398000	0.443400	0.412000
Josephine	95.00%	0.413700	0.415460	0.427890	0.044795
Lavon	100.00%	0.223970	0.240000	0.400000	0.407190
Lucas	100.00%	0.330390	0.330390	0.328270	0.322507
McKinney	100.00%	0.651250	0.626250	0.634900	0.598000
Melissa	100.00%	0.320000	0.320000	0.326000	0.324400
Murphy	100.00%	0.758800	0.717500	0.718800	0.659600
New Hope	100.00%	0.220000	0.220000	0.210000	0.200000
Parker	100.00%	0.316400	0.326600	0.322000	0.384150
Plano	100.00%	0.510200	0.510200	0.498500	0.498500
Princeton	100.00%	0.853000	0.853000	0.853000	0.839000
Prosper	100.00%	0.338450	0.321400	0.325900	0.355000
Richardson	3.31%	0.453850	0.453850	0.443850	0.443850
Sachse	0.22%	0.650000	0.649500	0.649500	0.674700
St. Paul	100.00%	0.220000	0.220000	0.220000	0.210000
Westminister	100.00%	0.172210	0.192690	0.196590	0.170105
Wylie	100.00%	0.635000	0.635000	0.655000	0.675000
School Districts:					
Allen ISD	100.00%	1.668600	1.668600	1.605000	1.661100
Anna ISD	100.00%	1.330000	1.350000	1.356000	1.418800
Blue Ridge ISD	93.33%	1.259000	1.320000	1.350000	1.400000
Celina ISD	89.38%	1.343280	1.380000	1.380000	1.530000
Community ISD	98.76%	1.440000	1.440000	1.440000	1.460000
Farmersville ISD	100.00%	1.495600	1.495600	1.495600	1.495600
Frisco ISD	73.87%	1.367700	1.367700	1.399900	1.528600
Lovejoy ISD	100.00%	1.460000	1.580000	1.540000	1.540000
McKinney ISD	100.00%	1.400000	1.460000	1.460000	1.540000
Melissa ISD	100.00%	1.522850	1.522850	1.522850	1.519310
Plano ISD	100.00%	1.471600	1.477800	1.489400	1.519300
Princeton ISD	100.00%	1.410000	1.470000	1.470000	1.500000
Prosper ISD	81.54%	1.370000	1.392410	1.405720	1.492187
Wylie ISD	100.00%	1.550000	1.550000	1.550000	1.550000
Special Districts:					
Seis Lagos U.D.	100.00%	0.695160	1.100000	1.090000	1.019760
Collin County	100.00%	0.260000	0.260000	0.260000	0.260000
Frisco M.U.D. #1	100.00%	0.359570	0.341700	0.290140	0.160000

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)

<u>Tax year</u> <u>1998</u>	<u>Tax year</u> <u>1999</u>	<u>Tax year</u> <u>2000</u>	<u>Tax year</u> <u>2001</u>	<u>Tax year</u> <u>2002</u>	<u>Tax year</u> <u>2003</u>
\$0.098550	\$0.096723	\$0.094049	\$0.092843	\$0.091946	0.091932
0.575000	0.574000	0.564000	0.563000	0.562000	0.561000
0.542240	0.532782	0.529900	0.580000	0.580000	0.499703
0.544620	0.517836	0.535900	0.545101	0.584244	0.584240
0.806593	0.806593	0.806593	0.806593	0.806593	0.760000
0.151430	0.149999	0.139900	0.139900	0.290000	0.290000
0.728390	0.659986	0.631943	0.597755	0.583660	0.577730
0.372700	0.372700	0.370000	0.367000	0.337049	0.432000
0.451932	0.431888	0.433513	0.433513	0.436002	0.436002
0.399500	0.414500	0.414500	0.414500	0.414500	0.414500
0.322507	0.322507	0.372507	0.372507	0.372507	0.372507
0.598000	0.598000	0.598000	0.598000	0.598000	0.598000
0.324400	0.324400	0.420000	0.420000	0.430000	0.437969
0.687100	0.544400	0.414000	0.376400	0.420000	0.430400
0.199700	0.210000	0.210000	0.210000	0.210000	0.210000
0.350000	0.350000	0.316955	0.294210	0.280775	0.270000
0.468500	0.468500	0.458500	0.453500	0.453500	0.453500
0.830000	0.782626	0.782626	0.701300	0.701300	0.701300
0.369512	0.360000	0.360000	0.360000	0.360000	0.324100
0.443850	0.443850	0.443850	0.443850	0.477850	0.477850
0.674700	0.646700	0.626640	0.588821	0.575397	0.560056
0.220000	0.220000	0.250000	0.263550	0.490043	0.152510
0.172939	0.148706	0.240000	0.240000	0.240000	0.237390
0.675000	0.700000	0.725000	0.720000	0.715000	0.705000
1.736900	1.892900	1.762040	1.831416	1.808203	1.872300
1.500000	1.480000	1.560247	1.560247	1.569990	1.569990
1.470000	1.380000	1.725000	1.650000	1.870000	1.778600
1.630000	1.630000	1.590000	1.590000	1.700000	1.750000
1.500000	1.292820	1.500000	1.430178	1.537544	1.620000
1.560000	0.659986	1.489000	1.489000	1.540000	1.540000
1.513600	1.440000	1.420000	1.440000	1.497500	1.517500
1.630000	1.650000	1.620000	1.620000	1.600000	1.703000
1.560000	1.590000	1.640000	1.785000	1.945000	1.980000
1.674647	1.598000	1.592445	1.711273	1.695624	1.878870
1.539500	1.579200	1.531000	1.628500	1.703400	1.733400
1.500000	1.378200	1.308803	1.500000	1.720000	1.691100
1.523708	1.539522	1.522197	1.720249	1.760960	1.819900
1.600000	1.570000	1.570000	1.560900	1.610000	1.720000
0.918667	0.788286	0.626900	0.529910	0.471608	0.442940
0.250000	0.250000	0.250000	0.250000	0.250000	0.250000
0.120000	0.120000	0.090000	0.070000	0.070000	0.050000

Table 5

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Principal Taxpayers
August 31, 2003
(Unaudited)

<u>Taxpayer</u>	<u>Type of business</u>	<u>2003 Taxable assessed value</u>	<u>Percentage of total assessed value</u>
Oncor Electric Delivery Company	Public utility	\$385,345,180	0.82%
Stonebriar Mall Ltd Partnership	Commercial	188,740,343	0.40%
JC Penney Co Inc	Commercial	159,975,177	0.34%
Southwestern Bell Telephone	Telephone utility	146,847,870	0.31%
DSC Telecom LP	Commercial	108,281,094	0.23%
Electronic Data Systems	Computer center	124,527,452	0.27%
EDS Information Services LLC	Commercial	117,707,972	0.25%
Briar Preston Ridge Partners	Commercial	110,000,000	0.24%
Willow Bend Assoc LP	Commerical	105,140,788	0.22%
Dallas Morning News	Publishing facility	96,695,103	0.21%
Totals		<u>\$1,543,260,979</u>	
Total assessed value		<u>\$46,735,533,077</u>	

Source: Tax Assessor/Collector of Collin County

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Computation of Legal Debt Margin****August 31, 2003****(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		0.011946
Available debt tax rate	\$	<u>0.108054</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)**

<u>Fiscal year</u>	<u>Population (1)</u>	<u>Assessed value after exemptions (2)</u>	<u>Bonded tax debt</u>	<u>Ratio of bonded debt to assessed value</u>	<u>Bonded debt per capita</u>
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
2002-03	577,100	46,735,533,077	28,172,129	0.06%	49

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

(2) 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)**

Fiscal year	Principal	Interest	Total general obligation debt service (1)	Total general expenditures	Ratio of debt service to total general expenditures
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%
2002-03	4,000,000	2,343,262	6,343,262	75,354,605	8.42%

Source: Information derived from schedules attached as Supplementary Information.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Revenue Bond Coverage Last Ten Fiscal Years (Unaudited)

Fiscal year	Tuition pledge revenue (1)	Building fee revenue(2)	College cafeteria revenue (3)	College bookstore revenue (3)	Total gross revenue available for debt service
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
2002-03	568,943	2,893,713	101,008	5,052,267	8,615,931

(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)**

Principal	Interest	Total	Coverage
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
1,790,000	1,180,185	2,970,185	2.90

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,			
	2003		2002	
	Amount	% of Total	Amount	% of Total
Real, residential, single-family	\$30,099,470,283	55.35%	\$25,184,575,922	52.73%
Real, residential, multi-family	2,950,159,484	5.42%	2,803,794,252	5.87%
Real, vacant lots/tracts	1,086,964,450	2.00%	1,010,642,988	2.12%
Real, acreage (land only)	4,986,406,164	9.17%	4,572,634,713	9.58%
Real, farm and ranch improvements	534,228,054	0.98%	434,062,607	0.91%
Real, commercial and industrial	9,166,121,271	16.86%	7,900,892,566	16.54%
Real, oil, gas, and other mineral reserves	0	0.00%	300	0.00%
Real and intangible personal, utilities	789,817,366	1.45%	827,368,796	1.73%
Tangible personal, business	3,711,733,296	6.83%	4,164,598,212	8.72%
Tangible personal, other	78,531,395	0.14%	80,907,793	0.17%
Special Inventory	980,723,713	1.80%	780,183,260	1.63%
Total appraised value before exemptions	54,384,155,476	100.00%	47,759,661,409	100.00%
Less: Total Exemption/Reductions	(7,648,622,399)		(5,830,348,823)	
Taxable Assessed Value	<u>\$46,735,533,077</u>		<u>\$41,929,312,586</u>	

Table 10

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

2001		2000		1999	
Amount	% of Total	Amount	% of Total	Amount	% of Total
\$22,334,722,188	54.10%	\$19,244,544,759	53.74%	\$17,261,210,533	54.73%
2,596,086,781	6.29%	2,237,515,109	5.73%	1,805,054,248	5.72%
1,011,868,071	2.56%	918,507,099	2.57%	744,144,110	2.36%
4,216,422,528	10.21%	3,980,195,572	11.12%	3,283,492,529	10.41%
376,649,693	0.91%	328,470,266	0.92%	290,512,753	0.97%
6,570,743,309	15.92%	5,181,429,202	14.47%	4,347,091,022	13.78%
300	0.00%	300	0.00%	300	0.00%
714,921,703	1.73%	621,370,121	1.74%	566,958,983	1.80%
3,289,441,704	7.97%	3,233,056,301	9.03%	3,181,833,480	10.09%
72,317,156	0.18%	62,286,343	0.17%	56,234,341	0.18%
100,529,678	0.24%	0	0.00%	0	0.00%
41,283,703,111	100.00%	35,807,375,072	100.00%	31,536,532,299	100.00%
(4,902,204,524)		(4,140,721,220)		(4,004,928,858)	
<u>\$36,381,498,587</u>		<u>\$31,666,653,852</u>		<u>\$27,531,603,441</u>	

Table 11

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

Fiscal year	Population (1)	Median household effective buying income	Collin County unemployment rate (2)	State unemployment rate (2)	National unemployment rate (3)
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%
2002-03	577,100	62,608	6.20%	6.70%	6.00%

(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)**

Fiscal year	Full-time equivalents (FTE)	State allocations per FTE (1)	Total fiscal year credit hours	Total fiscal year contact hours
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
2002-03	10,646	2,399	319,386	6,509,472

(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)**

Fiscal year	Attendance	Gender		Residency		
	Headcount	Male	Female	In-District	Out of county	Out of state
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
2002-03	25,424	11,116	14,308	18,454	5,345	1,625
Fiscal year	Average age of student	Ethnic background				
		Black	Caucasian	Hispanic	Asian	Other
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
2002-03	27.3	1,998	18,440	2,083	2,735	168

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 :

Fiscal year	Tuition (per credit hour)	Student activities fee (per credit hour)	Building fee (per credit hour)	Total cost (per credit hour)	Percentage increase (per credit hour)
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%
2002-03	23.00	1.00	9.00	33.00	6.45%

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 \$86 per credit hour.

Table 15

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Faculty Statistics
August 31, 2003
(Unaudited)

<u>Years of experience</u>	<u>Number of full time faculty</u>	<u>Percentage of total</u>
00 - 04	35	18.1%
05 - 09	40	20.7%
10 - 14	34	17.6%
15 - 19	43	22.3%
20 - 24	26	13.5%
More than 25	15	7.8%

<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	3.0%
Bachelor's	11	5.4%
Master's	121	59.6%
Doctorate	63	31.0%

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.

Table 16

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Miscellaneous Statistics****August 31, 2003****(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. 885 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 8/31/03:	\$37,000,000
Accredited by:	Commission on Colleges of the Southern Association of Colleges and Schools
Number of full-time employees:	702
Number of part-time employees:	1,323
Number of student assistants:	281

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Single Audit



COLLIN COUNTY COMMUNITY COLLEGE DISTRICT



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 years ended August 31, 2003 and 2002, and have issued our report thereon dated November 14, 2003. 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.

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

November 14, 2003



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



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, 2003. 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, 2003.



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.

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 14, 2003

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT**Schedule of Expenditures of Federal Awards
For the year ended August 31, 2003**

<u>Federal grantor/pass-through grantor/ program title</u>	<u>Federal CFDA number</u>	<u>Pass-through grantor's number</u>	<u>Disbursements/ expenses</u>
U.S. Department of Education:			
Direct programs:			
Federal SEOG 02/03	84.007	N/A	\$ 167,395
Federal Work Study 01/02	84.033	N/A	13,154
Federal Work study 02/03	84.033	N/A	133,774
Total Federal Work Study			<u>146,928</u>
Federal Pell grant 02/03	84.063	N/A	3,389,608
Teacher's Technology 01/03	84.342A	N/A	173,213
Passed Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Voc. Ed. - Annual Application 02/03	84.048	34213	115,182
Dallas County Community College:			
Computer/Internet Security Curriculum	84.048	31403	11,400
Total Vocation Education - Basic Grants			<u>126,582</u>
University of Arkansas-Little Rock			
RSA Region VI Interpreter Education Project	84.160A	H160A000003-02	150
Texas Higher Education Coordinating Board			
Carl Perkins Voc. Ed. - Tech-Prep 02/03	84.243	31706	297,909
Northeast Texas Community College:			
Academy for Part-time Teachers	84.243	31104	17,855
Total Tech-Prep Education			<u>315,764</u>
Total U.S. Department of Education			<u>4,319,640</u>
National Science Foundation:			
Advancing Careers in Technology and Science	47.076	DUE-9950025	30,222
North Texas Regional Technology Center	47.076	DUE-0202408	215,606
Total National Science Foundation			<u>245,828</u>
U.S. Small Business Administration:			
Pass-Through From:			
Dallas County Community College District:			
Small Business Development Center 01/02	59.037	2-7620-0046-16	5,877
Small Business Development Center 02/03	59.037	3-603001-Z0046-17	64,116
Total U.S. Small Business Administration			<u>69,993</u>
Total Federal Awards			<u>\$ 4,635,461</u>

Notes to Schedule on Following Page

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Notes to Schedule of Expenditures of Federal Awards For the year ended August 31, 2003

Note 1: State Assistance Reconciliation

Federal revenues:	
Federal grants and contracts revenue	\$4,405,559
Federal work study	120,175
Indirect/administrative costs recoveries	20,456
Add: cost of capital asset acquisitions	0
Add: general services surplus property acquisitions	0
Total federal revenues per Basic Financial Statements	<u>4,546,190</u>
Reconciling item:	
Add:	
Funds passed through to others	<u>89,271</u>
Total federal revenues per Schedule of Expenditures of Federal Awards	<u><u>\$4,635,461</u></u>

Note 2: Significant accounting policies used in preparing the schedule

The accompanying schedule is presented using the accrual basis of accounting. The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the college for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from 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. All federal funding is included in this schedule.

Note 3: Student Loans Processed and Administrative Costs Recovered - if 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	\$4,644,889	\$0	\$4,644,889
84.032 Federal PLUS Loan Program	18,195	0	18,195
Total U.S. Department of Education	<u>\$4,663,084</u>	<u>\$0</u>	<u>\$4,663,084</u>

Note 4: Amounts passed-through by the District

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

North Central Texas College	\$36,769
University of North Texas	947
Richland College	11,620
Total amount passed-through	<u>\$49,336</u>

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 by the Texas Higher Education Coordinating Board:

Anna Independent School District	\$1,189
Blue Ridge Independent School District	2,977
Caddo Mills Independent School District	1,004
Celina Independent School District	367
Commerce Independent School District	2,398
Total	<u>\$7,935</u>

The following amount was passed-through to the listed subrecipient by the District. This amount was from the Preparing Tomorrow's Teachers to Use Technology program CFDA 84.342A from the U.S. Department of Education:

Plano Independent School District	<u>\$32,000</u>
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Schedule D

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

**Schedule of Expenditures of State Awards
For the year ended August 31, 2003**

<u>Grantor/pass-through grantor/ program title</u>	<u>Grantor's number</u>	<u>Disbursements and expenses</u>
Texas Workforce Commission Collin County Job Training Consortium	0403SDF000	\$346,212
Texas Higher Education Coordinating Board		
Texas Grant II Renewal 02/03	13099	6,350
Texas Grant II 02/03	13099	7,620
Texas Grant Program 02/03 Renewal Awards	13099	30,963
Texas Grant Program 02/03 New Awards	13099	61,595
College for All Texans GO Conference	Prog 047	1,600
Total Texas Higher Education Coordinating Board		<u>108,128</u>
Passed through from:		
Dallas County Community College District		
Small Business Development Center 01/02	2-7620-0046-15	2,611
Small Business Development Center 02/03	3-603001-Z0046-17	28,784
Total Small Business Development Center		<u>31,395</u>
Telecommunications Infrastructure Fund Board		
Distance Learning HE4 Grant	QE-2002-HE4C-7285	227,286
Discovery Grant	QE-2001-D14C-5080	281,476
Library Grant	QE-2001-LTA6C-5339	53,126
Distance Learning Grant	QE-2001-HTA2S-5413	112,876
Total Telecommunications Infrastructure Fund Board		<u>674,764</u>
Passed through From:		
Texas Tech University		
Texas Campus Compact GO Campaign	I40I/A627-01	1,000
Texas State Awards		<u><u>\$1,161,499</u></u>

Notes to Schedule on Following Page

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Notes to Schedule of Expenditures of State Awards For the year ended August 31, 2003

Note 1: State Assistance Reconciliation

State Revenues - per Schedule of Expenditures of State Awards	
Per Schedule of Expenditures of State Awards	\$1,161,499
Reconciling item:	
Funds passed through to others	(90,622)
Deferred revenue for Collin County Job Training Consortium	<u>33,620</u>
Total state revenues per Basic Financial Statements.	<u><u>\$1,104,497</u></u>

Note 2: Significant accounting policies used in preparing the schedule.

The accompanying schedule is presented using the accrual basis of accounting. These expenditures are reported on the Collin County Community College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. All state funding is included in this schedule.

COLLIN COUNTY COMMUNITY COLLEGE DISTRICT

Schedule of Findings and Questioned Costs

Year ended August 31, 2003

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	84.007
Federal Stafford Loan Program	84.032
Federal Plus Loan Program	84.032
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Carl Perkins VDC ED Tech-Prep 02/03	84.243
Academy for Part time Teachers	84.243

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, 2003

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>
Texas Workforce Commission	0403SDF000
Discovery 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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P.O. Box 8001
McKinney, Texas 75070-8001

Courtyard Center for Professional
and Economic Development
4800 Preston Park Boulevard
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Plano, Texas 75086-9055

Preston Ridge Campus
9700 Wade Boulevard
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