



Comprehensive Annual Financial Report

For the Fiscal Years
Ended August 31, 2015
and 2014



Dallas County
Community College District

BROOKHAVEN • CEDAR VALLEY • EASTFIELD • EL CENTRO • MOUNTAIN VIEW • NORTH LAKE • RICHLAND • DALLAS COLLEGES ONLINE

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Community College District**

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DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DALLAS, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

**PREPARED BY
BUSINESS AFFAIRS OFFICE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

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DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

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INTRODUCTORY SECTION

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**ORGANIZATIONAL DATA
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

BOARD OF TRUSTEES

OFFICERS

Charletta Rogers Compton	Chair
Joe D. May	Secretary

MEMBERS

TRUSTEE	CITY, STATE	TERM EXPIRES
Charletta Rogers Compton	Dallas, Texas	2018
Bob Ferguson	Farmers Branch, Texas	2016
Diana Flores	Dallas, Texas	2020
Wesley Jameson	Irving, Texas	2020
Bill Metzger	Mesquite, Texas	2016
Jerry Prater	Garland, Texas	2016
JL Sonny Williams	Dallas, Texas	2018

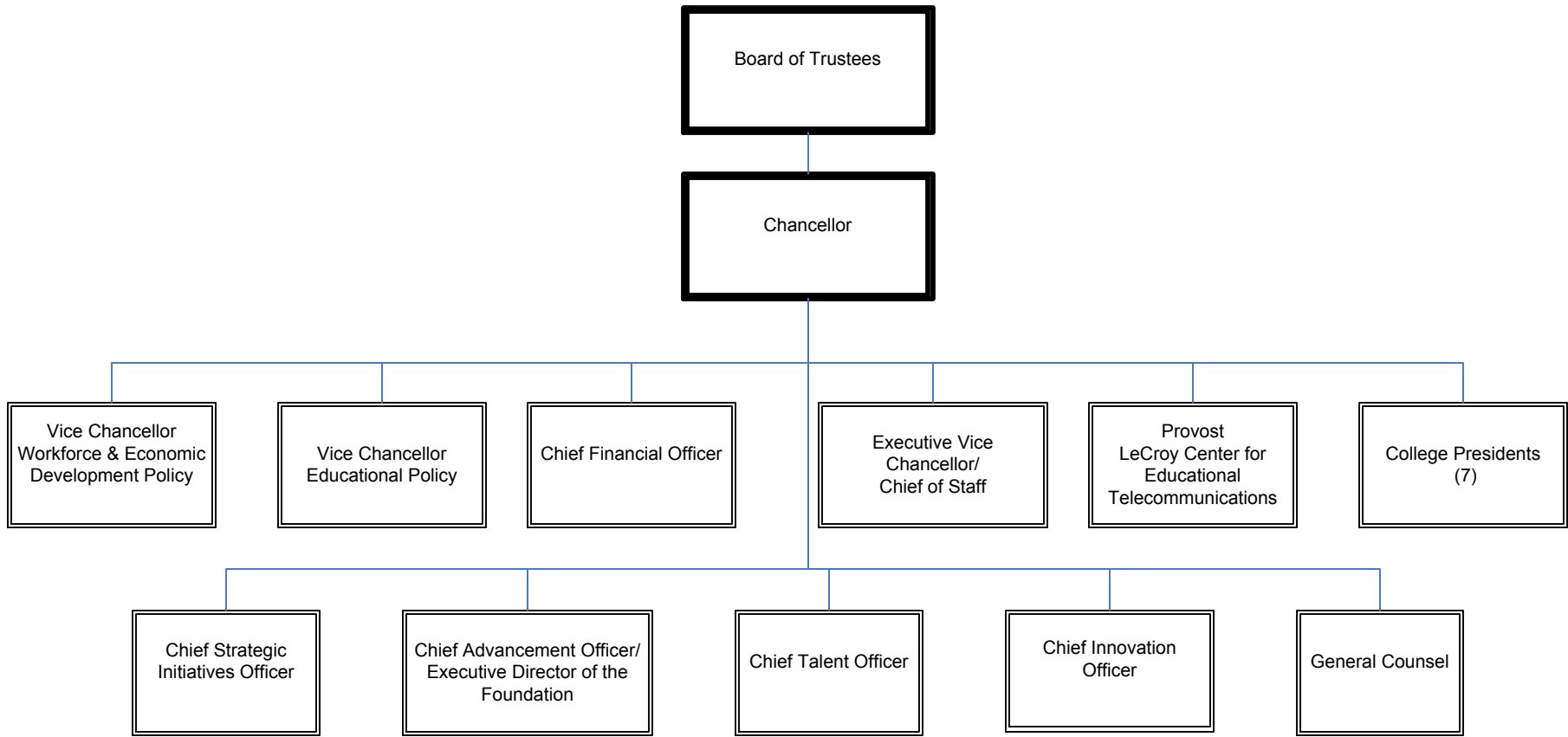
DISTRICT ADMINISTRATIVE OFFICERS

Joe D. May	Chancellor
Mary Brumbach	Chief Strategic Initiatives Officer
Fernando Figueroa	Vice Chancellor, Educational Policy
Susan Hall	Chief Talent Officer
Mark Hays	Vice Chancellor, Workforce & Economic Development Policy
Justin Lonon	Executive Vice Chancellor/Chief of Staff
Pam Quinn	Provost, LeCroy Center for Educational Telecommunications
John Robertson	Chief Financial Officer
Vacant	Chief Innovation Officer
Robert Wendland	General Counsel
Pyper Wilkins	Chief Advancement Officer/Executive Director of the Foundation

COLLEGE PRESIDENTS

Jose Adames	El Centro College
Thomas Chesney	Brookhaven College
Jean Conway	Eastfield College
Kathryn Eggleston	Richland College
Robert Garza	Mountain View College
Christa Slejko	North Lake College
Jennifer Wimbish	Cedar Valley College

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL CHART
2014-2015**





DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

December 8, 2015



Joe D. May

I am pleased to submit to the Board of Trustees for the Dallas County Community College District (“DCCCD”) and the community of Dallas County, the Comprehensive Annual Financial Report For the Fiscal Years Ended August 31, 2015 and 2014.

Thanks to the leadership of our Board of Trustees and their commitment to their fiduciary responsibilities, DCCCD continues to rank among the lowest in Texas community colleges for both tuition rates and property tax rates. The value of an education at all of our colleges is still very affordable for our students and the citizens of Dallas County.

This year marks the golden anniversary of the DCCCD. More than 3 million students have walked through our doors. Countless careers have been launched, communities have been helped, and economic development has moved forward with the support of DCCCD’s graduates and employees.

A significant part of our success lies in the day-to-day financial operations. Through sound fiscal management and conservative business practices, we have met state and industry standards. Since 2004, DCCCD’s excellent fiscal management practices have resulted in “AAA” ratings on General Obligation Bonds and “AA” ratings on Revenue Bonds. We have also received recognition from the Texas Comptroller’s Office for our financial transparency for the third consecutive year.

In the next fifty years, we will remember our history while looking to the future through development of new programs, funding innovative projects and supporting DCCCD’s plan for a higher education network that will boost the success of students, build partnerships with businesses – including minority and women owned businesses – throughout the Dallas/Fort Worth area and ensure that we are conscientious members of the communities we serve.

In closing, thank you to the Board of Trustees for their dedication and direction and to the faculty and staff who make a difference in the lives of our students. We will honor the past and continue to build for the future – together.

Respectfully,

A handwritten signature in black ink that reads "Joe D. May". The signature is written in a cursive, slightly slanted style.

Joe D. May
Chancellor



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

December 8, 2015

To the Board of Trustees:

Respectfully submitted for your review is the comprehensive annual financial report for the Dallas County Community College District ("DCCCD") for the fiscal years ended August 31, 2015 and 2014. The purpose of this report is to provide detailed information about the financial condition and performance of DCCCD. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. The concept of reasonable assurance ensures that the costs of the controls do not exceed the benefits derived.

Comprehensive Annual Financial Report

DCCCD's comprehensive annual financial report (CAFR) is prepared by the Business Affairs office in accordance with Generally Accepted Accounting Principles as established by the Governmental Accounting Standards Board (GASB) and complies with the Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). The Notes to the Financial Statements are considered essential to fair presentation and adequate disclosure for this financial report. The Notes are treated as an integral part of the financial statements and should be read in conjunction with them. Additionally, attention should be given to Management's Discussion and Analysis that provides the reader with a narrative introduction, overview, and analysis of the financial statements.

Reporting Entity

DCCCD is a special-purpose government engaged solely in business-type activities (BTA). In compliance with GASB Statement Nos. 34 and 35, this reporting model is intended to make government financial statements similar to corporate financial statements. It also serves to make the financial statements more comparable across organizations.

The Dallas County Community College District Foundation, Inc. ("Foundation") has been discretely presented in DCCCD's statements as a component unit by inclusion of the statements and footnotes of the Foundation in DCCCD's statements and footnotes. Because the financial statements of the Foundation are presented in a different format from DCCCD and are incompatible with the DCCCD's financial statements, the Foundation's financial statements are presented on separate pages from DCCCD's financial statements. The Foundation is a non-profit organization established in 1973 with its sole purpose being to provide benefits such as scholarships and grants to DCCCD.

Richland Collegiate High School ("RCHS") began its first full year of operations in the fiscal year ended August 31, 2007. RCHS was granted a charter by the Texas Education Agency ("TEA") in October 2005. The Board of Trustees of DCCCD subsequently approved the charter in May 2006. RCHS receives state reimbursement based on average daily attendance. TEA requirements necessitate

tracking RCHS revenues and expenses separately from those of DCCCD. Because the high school contracts with the college for instructional and administrative services, the legal identity is the same as DCCCD. RCHS shares the same Board of Trustees with DCCCD and RCHS is included as an operating unit in DCCCD's financial statements. More information can be found in Note 25, including Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and other schedules.

Organization of DCCCD

In 1965, Dallas County voters created the Dallas County Junior College District and began operations at El Centro College in 1966 in downtown Dallas. Since then, DCCCD has expanded and is currently comprised of seven separately accredited colleges:

- El Centro College (1966)
- Eastfield College (1970)
- Mountain View College (1970)
- Richland College (1972)
- Cedar Valley College (1977)
- North Lake College (1977)
- Brookhaven College (1978)

A seven member Board of Trustees is the governing body of DCCCD. The Trustees are elected from single member districts for staggered six year terms. The Chief Executive Officer of DCCCD is the Chancellor. The Chancellor's staff, comprised of the vice chancellors, provost, general counsel, chief talent officer, select associate vice chancellors, and college presidents, is responsible for the management and daily operation of DCCCD.

Mission and Values

The mission of DCCCD is to equip students for successful living and responsible citizenship in a rapidly changing local, national and world community. Our purpose is to ensure that Dallas is vibrant, growing and economically stable for future generations. The Board of Trustees has established the thematic priorities of:

- Employee Success
- Student Success
- Community Engagement
- Institutional Effectiveness

The Board has developed strategic priorities and initiatives that engage and impact individuals, communities, business sectors, employers, and organizations within each of the thematic priorities.

Together, our colleges enroll more undergraduate (freshman and sophomore) students than any other college, university or community college system in the state of Texas. Since 1965, we have served more than 3 million students. DCCCD equips students for successful living and responsible citizenship in a rapidly changing local, national and world community by providing:

- the first two years of a bachelor's degree
- more than 100 high-demand career programs
- enrichment and certification classes for a lifetime of learning
- professors who are dedicated to student success, not a research grant
- unparalleled quality at a tuition that students can afford

Our student population is 24.9 percent Anglo, 37.1 percent Hispanic, 24.8 percent African-American, 8.0 percent Asian, and 5.2 percent all others combined. DCCCD's workforce is becoming increasingly diverse: 51.1 percent Anglo, 15.1 percent Hispanic, 23.5 percent African-American, 7.3 percent Asian, and 3.0 percent all others combined.

Economic Conditions and Outlook

Other than federal grants used for scholarships, DCCCD has three main sources of revenue:

- Ad Valorem Taxes – increased by \$14.2 million due to the taxable assessed value increasing by 6.5%. The maintenance & operations tax rate remained unchanged.
- Tuition and Fees – increased by \$4.9 million due to an increase in tuition rates that were effective for the spring 2015 semester.
- State Appropriations – increased by \$1.7 million due to an increase in employee benefit funding.

Residential taxable property values increased by 6.5% in fiscal year 2015 while commercial and business personal property increased by 7.2%. According to the Dallas County Appraisal District, the property values for fiscal year 2016 have increased by 7.9% due to strong growth in Dallas' central business district and increases in residential properties.

The Board approved a \$7 per credit hour increase in the In-District tuition effective with the spring 2015 semester. Out-of-District, Out-of-State and Out-of-Country tuition rates were also increased. This investment will provide funds necessary to improve the students' learning experience and engage the Board's strategic initiatives.

From fiscal year 2008 through fiscal year 2011, student headcount enrollment increased 22% while state appropriations for instruction have remained relatively flat. In fiscal year 2015, credit student headcount increased by approximately 1% while continuing education headcount increased by 8%. DCCCD expects that enrollments will increase slightly in fiscal year 2016 and in future years as the District invests in workforce initiatives and targets non-consumer markets.

The State legislature completed the budget process for the 2016-2017 biennium and overall Texas Community Colleges had a slight decrease in the amount of funding for instructional expenses but an increase in employee benefit funding. DCCCD will incur a decrease of \$1.9M in fiscal year 2016 for instructional funding and an increase of \$1.8M in benefit funding.

Operating expenses increased \$22.6 million in fiscal year 2015 due largely to the addition of new full-time positions, a 6.5% salary increase, and increases in instructional and facilities spending.

Moody's Investors Service, Inc. , Standard & Poor's Rating Services, and Fitch Ratings have all reaffirmed their "AAA" rating on DCCCD's General Obligation bonds and the "AA" rating on our Revenue bonds in recent years.

Financial Planning and Budgeting

DCCCD's financial planning is comprised of three planning processes for all seven colleges and District operations:

- Strategic Plan
- Facilities Master Plan
- Annual Budget, including three-year projections

The annual budget process uses an allocation method based largely on three factors:

- Base allocation
- Student enrollment
- Facility operations

Each college receives a lump-sum budget allocation, based on total forecasted revenues, that is used to develop the college departmental budgets. This allocation, together with the colleges' fund balances, makes up the total available resources for each college's budget. Each college is responsible for the development and control of the college's budget, expenditures, and fund balance. District-wide initiatives are budgeted at the District level and then transferred to each college as necessary. The Board of Trustees approves an "all funds" and college level budget each fiscal year including two revisions. The Board of Trustees is given updates at least semi-annually on the three-year projections of revenues and expenditures.

The Facilities Master Plan is developed on a rolling five year basis and presented to the Board of Trustees. Currently, District Facility Management is working with each college to develop a new master plan for presentation to the Board of Trustees.

Major Initiatives

The Board approved two major facility initiatives in fiscal year 2012 that are continuing:

- \$86 million repair and restoration program to be funded from operations over the next 5-6 years. Approximately \$16 million is dedicated each fiscal year to complete the projects on a priority basis.
- \$12 million ADA upgrade program to be completed in 2016.

The Board also approved Labor Market Alignment strategies in fiscal year 2015 to fund high-demand educational programs in the Dallas area. Programs in targeted areas such as health care, hospitality, early childhood education, advanced manufacturing, construction technology, welding, and automotive collision repair were funded with \$8M in fiscal year 2015, increasing to \$11M in fiscal year 2016. Many of these programs will involve partnerships with area businesses to leverage the District's funding.

Independent Audit

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. The independent firm of certified public accountants of Grant Thornton LLP was selected by DCCCD's Board of Trustees starting in fiscal year 2015. In addition to meeting the state statute requirements, the audit is designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133 and the state of Texas single audit related to the Uniform Grant Management and Standards Single Audit Circular. The auditors' report related specifically to the single audit is included in the Required Schedules for Federal and State Single Audit in the Required Supplemental Information section of DCCCD's comprehensive annual financial report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DCCCD for its comprehensive annual financial report for the fiscal year ended August 31, 2014, for the third consecutive year. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and all applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our comprehensive annual financial report for the fiscal year ended August 31, 2015 continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

The Texas Comptroller of Public Accounts launched the Texas Comptroller Leadership Circle program in 2009 to recognize local governments that are striving to meet a high standard for financial transparency. In 2015, DCCCD was awarded a Platinum Star, the highest level, for its Financial Transparency webpages; this was DCCCD's third year to earn the highest level of recognition.

Acknowledgements

The staff thanks the Board of Trustees for their integrity, interest, and insight concerning the fiscal operations of DCCCD. Also, we wish to thank the Chancellor and the Chancellor's executive staff for their responsible fiscal approach. The timely completion of this report was made possible by the dedication and hard work of the entire Business Affairs staff. We would also like to thank the accounting firm of Grant Thornton LLP for their experience and dedication in completion of this report.

Respectfully submitted,



John Robertson
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Dallas County Community
College District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2014

Executive Director/CEO

FINANCIAL SECTION



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Dallas County Community College District

Grant Thornton LLP
1717 Main Street, Suite 1800
Dallas, TX 75201-4667
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F 214.561.2370
GrantThornton.com
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twitter.com/GrantThorntonUS

Report on the financial statements

We have audited the accompanying financial statements of the Dallas County Community College District (the "District") as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2015, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matter

The financial statements of the Dallas County Community College District as of and for the year ended August 31, 2014 were audited by other auditors. Those auditors expressed an unmodified opinion on those 2014 financial statements in their report dated November 25, 2014.

Emphasis of a matter

As discussed in Note 11 to the financial statements, the District adopted new accounting guidance in 2015 related to the accounting for pensions. Our opinion is not modified with respect to this matter.

Other matters***Required supplementary information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 29, and Required Supplemental Information on pages 127 through 129, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2015, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*,) and the State of Texas *Single Audit Circular* pages 112 through 116, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 102 through 105, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

The introductory section and statistical section on pages 2 through 9 and on pages 136 through 157, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Summary of Revenues and Expenses and the Analysis of Unrestricted Net Position Components and Other Financial Stability Indicators of the Individual Colleges and the Central Administration of the District on pages 131 through 134 are presented for purpose of additional analysis as required by the Southern Association of Colleges and Schools. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 3, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

GRANT THORNTON LLP

Dallas, Texas

December 8, 2015

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

Management's discussion and analysis of the annual financial statements of the Dallas County Community College District ("DCCCD") is designed to help readers understand some of the conditions and events contributing to the current financial position of DCCCD as well as to point out trends and changes in the results of operations. Please read it in conjunction with the Chancellor's letter, the transmittal letter, DCCCD's basic financial statements, and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with DCCCD. For purposes of the summary and discussion, the terms "2015", "2014" and "2013" refer to fiscal years ended August 31, 2015, August 31, 2014, and August 31, 2013, respectively.

FINANCIAL HIGHLIGHTS FOR 2015

- Total assets for 2015 were \$1,056.8 million, increasing by \$21.9 million from 2014. Total liabilities were \$532.8 million, an increase of \$30.9 million. Deferred outflows were \$11.5 million and deferred inflows were \$16.4 million. The change in liabilities, inflows and outflows are all related to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.
- Net position at August 31, 2015 was \$519.1 million, of which, \$207.8 million was unrestricted and may be used to meet DCCCD's ongoing obligations. Total net position decreased \$15.7 million as the net pension liability of \$53.5 million for GASB Statement No. 68 was recorded in 2015.
- Operating revenues were \$101.7 million, up \$9.1 million and operating expenses were \$472 million, up \$25.9 million. Non-operating revenues were \$415.1 million, for an increase of \$15.9 million.

OVERVIEW OF FINANCIAL STATEMENTS

While the Financial Statements are reported as a unit, DCCCD is comprised of seven separately accredited colleges:

- El Centro College (1966)
- Eastfield College (1970)
- Mountain View College (1970)
- Richland College (1972)
- Cedar Valley College (1977)
- North Lake College (1977)
- Brookhaven College (1978)

Supplemental financial reporting and analysis on the colleges and district operations is included in these Financial Statements for informational purposes.

DCCCD qualifies as a special-purpose government engaged in business-type activities according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, and the financial statements are prepared on that basis. The resulting financial statement format focuses on DCCCD as a whole. The basic financial statements are designed to emulate the corporate presentation model whereby DCCCD's fiscal activities are consolidated into one column total. Comparative data

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)**

from the prior year is shown in a separate column on the face of each of the statements.

The financial position is presented as of August 31, 2015 and 2014 and consists of three primary statements: Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. As required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, an accrual basis of accounting is employed. This means that transactions are recorded as incurred rather than when cash changes hands.

The Dallas County Community College District Foundation, Inc. (the "Foundation") has been discretely presented in DCCCD's financial statements as a component unit by inclusion of the statements and Notes of the Foundation in DCCCD's statements and Notes per GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. Because the financial statements of the Foundation are presented in a different format from DCCCD and are incompatible with DCCCD's financial statements, the Foundation's financial statements are presented on separate pages from DCCCD's financial statements. The Foundation is a non-profit organization established in 1973 with its sole purpose being to provide benefits such as scholarships and grants to DCCCD.

The Richland Collegiate High School ("RCHS") is operated by DCCCD under a charter issued by the Texas Education Agency ("TEA") in October 2005 and approved by the Board of Trustees of DCCCD in 2006. While RCHS receives state reimbursement based on average daily student attendance, DCCCD receives state funding based on the class contact hours. Because RCHS is not a separately incorporated entity and functions as an operating unit of DCCCD, the legal identity of RCHS is the same as DCCCD. In accordance with TEA's requirement for separate financial reporting for the charter school's activities, more information about RCHS can be found in Note 25, including separate Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and other schedules.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)**

Statements of Net Position

The focus of the Statements of Net Position is to illustrate the financial position at a point in time. These statements present the current financial resources (short-term spendable assets) along with assets planned to be held for more than a year. It also shows amounts owed against those assets and reveals the amount of remaining assets available to DCCCD for further endeavors. In order to show the trends for the two years presented in the Statements of Net Position, a summary of three years of data for the fiscal years ended August 31, 2013 through 2015 is presented in Table 1 below.

**TABLE 1: CONDENSED STATEMENTS OF NET POSITION
(In Millions)**

	Fiscal Year			Change	
	2015	2014	2013	2015 to 2014	2014 to 2013
ASSETS					
Current Assets	\$ 213.9	\$ 125.3	\$ 92.5	\$ 88.6	\$ 32.8
Capital Assets, net of depreciation	639.4	650.0	660.4	(10.6)	(10.4)
Other Non-current Assets	203.5	259.6	247.2	(56.1)	12.4
Total Assets	<u>1,056.8</u>	<u>1,034.9</u>	<u>1,000.1</u>	<u>21.9</u>	<u>34.8</u>
DEFERRED OUTFLOWS OF RESOURCES	11.5	1.9	2.3	9.6	(0.4)
LIABILITIES					
Current Liabilities	147.8	148.4	138.3	(0.6)	10.1
Non-current Liabilities	385.0	353.5	375.0	31.5	(21.5)
Total Liabilities	<u>532.8</u>	<u>501.9</u>	<u>513.3</u>	<u>30.9</u>	<u>(11.4)</u>
DEFERRED INFLOWS OF RESOURCES	16.4	0.0	0.0	16.4	0.0
NET POSITION					
Invested in Capital Assets, net of related debt	302.7	293.6	285.1	9.1	8.5
Restricted	8.6	3.4	2.1	5.2	1.3
Unrestricted	207.8	237.8	201.9	(30.0)	35.9
Total Net Position	<u>\$ 519.1</u>	<u>\$ 534.8</u>	<u>\$ 489.1</u>	<u>\$ (15.7)</u>	<u>\$ 45.7</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

Changes in Assets

Current assets increased by \$88.6 million in 2015 compared to 2014 as a result of a \$55.2 million increase in cash in investment pools; short term investments of commercial paper of \$45 million; a \$7.7 million decrease in accounts receivable, due to a decrease in Federal grants receivables; and a \$9.5 million decrease in deferred charges, due to a decrease in grants and scholarships. Long-term investments decreased \$57.1 million due to the investment in commercial paper and liquid cash holdings in lieu of purchasing longer term securities. Capital assets decreased by \$10.6 million due to an increase in accumulate depreciation of \$24.1 million was partly offset by the increase in capital assets of \$13.5 million.

Change in Deferred Outflows

Deferred outflows on the loss of bond refunding was \$1.6 million for 2015 and \$9.9 million related to the GASB Statement No. 68 pension liability future expense.

Changes in Liabilities

Current liabilities decreased in 2015 over 2014 by \$0.6 million.

Non-current liabilities increased in 2015 by \$31.5 million, compared to 2014, as long term bonds decreased by \$22.4 million and a net pension liability of \$53.5 million was recorded.

Changes in Deferred Inflows

Deferred Inflows of \$16.4 million, related to GASB Statement No. 68 pension liability future revenues, were recorded for the first time in 2015.

Changes in Net Position

At August 31, 2015, the difference in assets and liabilities was \$519.1 million. While at August 31, 2014, the difference was \$534.8 million, a decrease of \$15.7 million. The beginning Net Position for 2015 was restated as DCCCD implemented GASB Statement No. 68.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position presents the operating results, as well as non-operating revenues and expenses. Of the three main sources of revenue — ad valorem taxes, state appropriations and tuition — only tuition represents an exchange for services. Taxes and state appropriations represent non-exchange transactions and thus are considered non-operating revenues. This approach to presenting revenues and expenses is intended to summarize and simplify the user's analysis of the various services offered to students and the public. Depending on whether revenues or expenses are greater for the year, a net increase or net decrease in net position is created. The ending balances of net position on these statements agree with those shown on the Statements of Net Position (Exhibit 1). Results of operations and non-operating activities are summarized in Table 2 on the following page, which was prepared from the Statements of Revenues, Expenses, and Changes in Net Position (Exhibit 2).

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

TABLE 2: REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(In Millions)

	Fiscal Year			Change	
	2015	2014	2013	2015 to 2014	2014 to 2013
Operating Revenues					
Tuition and Fees (Net)	\$ 64.9	\$ 60.0	\$ 58.3	\$ 4.9	\$ 1.7
Grants and Contracts	31.2	26.2	26.2	5.0	0.0
Auxiliary Enterprises	3.4	4.5	4.5	(1.1)	0.0
Other Operating Revenues	2.2	1.9	2.1	0.3	(0.2)
Total Operating Revenues	<u>101.7</u>	<u>92.6</u>	<u>91.1</u>	<u>9.1</u>	<u>1.5</u>
Operating Expenses	<u>472.0</u>	<u>446.1</u>	<u>439.6</u>	<u>25.9</u>	<u>6.5</u>
Operating Loss	(370.3)	(353.5)	(348.5)	(16.8)	(5.0)
Non-Operating Revenues and (Expenses)					
State Appropriations	116.6	111.2	109.0	5.4	2.2
Ad Valorem Taxes	224.0	209.8	190.6	14.2	19.2
Federal Revenue	86.5	87.0	90.6	(0.5)	(3.6)
Investment Income	4.0	5.8	(4.1)	(1.8)	9.9
Interest on Capital-Related Debt	(15.1)	(15.8)	(16.1)	0.7	0.3
Other Non-Operating Revenue (Expense)	(0.9)	1.2	0.2	(2.1)	1.0
Net Non-Operating Revenues	<u>415.1</u>	<u>399.2</u>	<u>370.2</u>	<u>15.9</u>	<u>29.0</u>
Increase (Decrease) in Net Position	44.8	45.7	21.7	(0.9)	24.0
Net Position - Beginning of Year	<u>534.9</u>	<u>489.1</u>	<u>467.4</u>	<u>45.8</u>	<u>21.7</u>
Cumulative effect of GASB Statement No. 68	<u>(60.6)</u>	<u>-</u>	<u>-</u>	<u>(60.6)</u>	<u>-</u>
Net Position - End of Year	<u>\$ 519.1</u>	<u>\$ 534.8</u>	<u>\$ 489.1</u>	<u>\$ (15.7)</u>	<u>\$ 45.7</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

Operating Revenues

The two major sources of operating revenues are tuition and various grants and contracts. Tuition revenue is reported net of discounts for tuition paid by various federal, state and local grants, including those associated with the Title IV Higher Education Administration Program. Additionally, state mandated or locally approved remissions and exemptions are reported as discounts against tuition. Tuition increased by \$4.9 million in 2015 due mainly to the full year effect of an increase in tuition. Overall, credit student enrollments are down slightly from 2014 and continuing education increased slightly. Grants and contracts provided 30.7% of operating revenue for 2015, which is up slightly compared to 2014. Auxiliary revenue, commissions from bookstores and food service providers, has been decreasing since 2013, due to textbook rental instead of purchase and the elimination of bookstore commissions. While this action has been favorable with DCCCD's students, it has caused a decrease in bookstore revenues.

Non-Operating Revenues

State appropriations increased for 2015 by \$5.4 million due largely to the recognition of income for pensions related to GASB Statement No. 68 and an increase in benefit funding.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased dramatically as the taxable assessed value increased 6.5% and the rate for maintenance and operations (M&O) was maintained at \$0.104 per \$100 valuation causing tax revenue to increase \$14.2 million in 2015. Ad Valorem Tax revenue is the DCCCD's primary funding source in all three fiscal years shown, representing 54.0%, 52.6%, and 51.5% of total non-operating revenues, respectively, compared to 28.1%, 27.9% and 29.6% for state appropriations. Investment income decreased by \$1.8 million in 2015 over 2014 due to changes in interest rates during 2015, changing the market value of DCCCD's securities.

Federal revenue was \$86.5 million, a decrease of \$0.5 million from 2014 as the effect of changes in Title IV grants (Pell) and student enrollments stabilized.

Revenues by Source

Generally accepted accounting principles, promulgated by GASB, prohibit reporting state appropriations and ad valorem tax revenues — two major sources of revenue — as operating revenue, on the basis that each represents revenue from non-exchange transactions. Accordingly, state appropriations and revenues recognized from ad valorem taxation are reported as non-operating revenues. This results in reporting large operating losses which are significantly decreased after inclusion of these non-operating revenues and others that really are intended to contribute to operations. State appropriations are restricted by law to be used only for the educational and general expenses of DCCCD, its prime operations. Ad valorem tax revenues are broken into two types: those for maintenance and operations and those for debt service. The maintenance and operations portion is specifically designed to apply to operations, although a portion can be used for paying the debt service on maintenance tax notes. The debt service portion is restricted to pay the principal, interest, and other costs associated with tax backed bonds (GO bonds). Interest revenue is obtained through pooled investments, a large portion of which is attributable to operations. Also federal financial aid is classified as non-operating revenue by GASB even though the portion that relates to tuition is required to be reported as a tuition discount against operations.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

All revenues, both operating and non-operating, are presented on the following page in Table 3 and a graph of Revenue by Source (Figure 1).

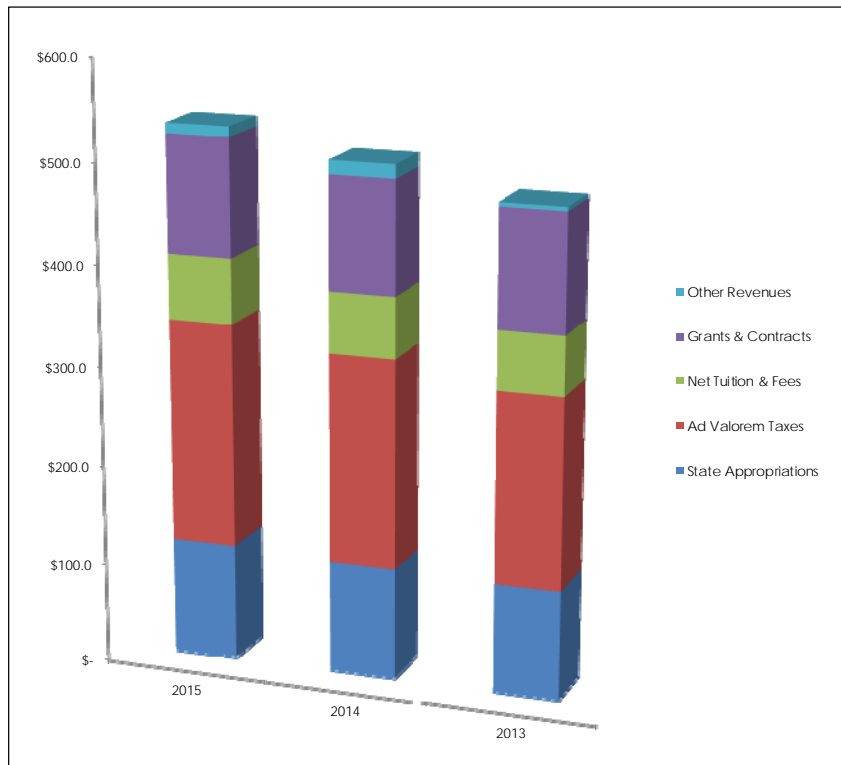
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

TABLE 3: REVENUE BY SOURCE
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2015	2014	2013	2015 to 2014	2014 to 2013
State Appropriations	\$ 116.6	\$ 111.2	\$ 109.0	\$ 5.4	\$ 2.2
Ad Valorem Taxes	224.0	209.8	190.6	14.2	19.2
Net Tuition & Fees	64.9	60.0	58.3	4.9	1.7
Grants & Contracts	117.7	113.3	116.7	4.4	(3.4)
Other Operating Revenues	2.2	2.0	2.1	0.2	(0.1)
Auxiliary Enterprises	3.4	4.5	4.5	(1.1)	0.0
Investment & Other Income	4.6	7.1	(2.6)	(2.5)	9.7
Total Revenues	\$ 533.4	\$ 507.9	\$ 478.6	\$ 25.5	\$ 29.3

REVENUE BY SOURCE
Figure 1



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

Operating Expenses

Total Operating Expenses were \$472 million in 2015 and \$446.1 million in 2014 for an increase of \$25.9 million due largely to employees' salary increases of 6.5% and increased spending on the planned educational initiatives and the deferred maintenance projects.

Operating Expenses are presented in two formats: Natural Classification and Functional Classification. The Natural Classification is intended to show "what" the dollars were spent on and the Functional Classification shows "who" spent the dollars.

Natural Classification

In 2015, salary expense increased as the Board of Trustees approved employee salary increases. Salaries increased \$12.4 million over 2014. Benefits increased in 2015 due to the effect of the salary increases on variable benefits and an increase in the rates of health benefits. As a percentage of salary expenses, benefits were 23.4% in 2015, 21.5% in 2014, and 20.4% in 2013. Supplies and Services increased due to educational initiatives and increased maintenance projects. See Table 4 and Figure 2.

Functional Classification

As would be expected, the bulk of operating expenses are for instruction, which increased \$10.6 million in 2015 as compared to 2014 with the salary increases accounting for the majority of the increase. The same is true for the other functional classifications as employee expense is the largest single type of expense. Institutional support increased due to new educational initiatives approved by the Board. The decrease in scholarships is attributable to a slight decline in student enrollment and changes to the Title IV eligibility requirements, reducing the number of students receiving Pell grants. Depreciation was unchanged in 2015. See Table 5 and Figure 3.

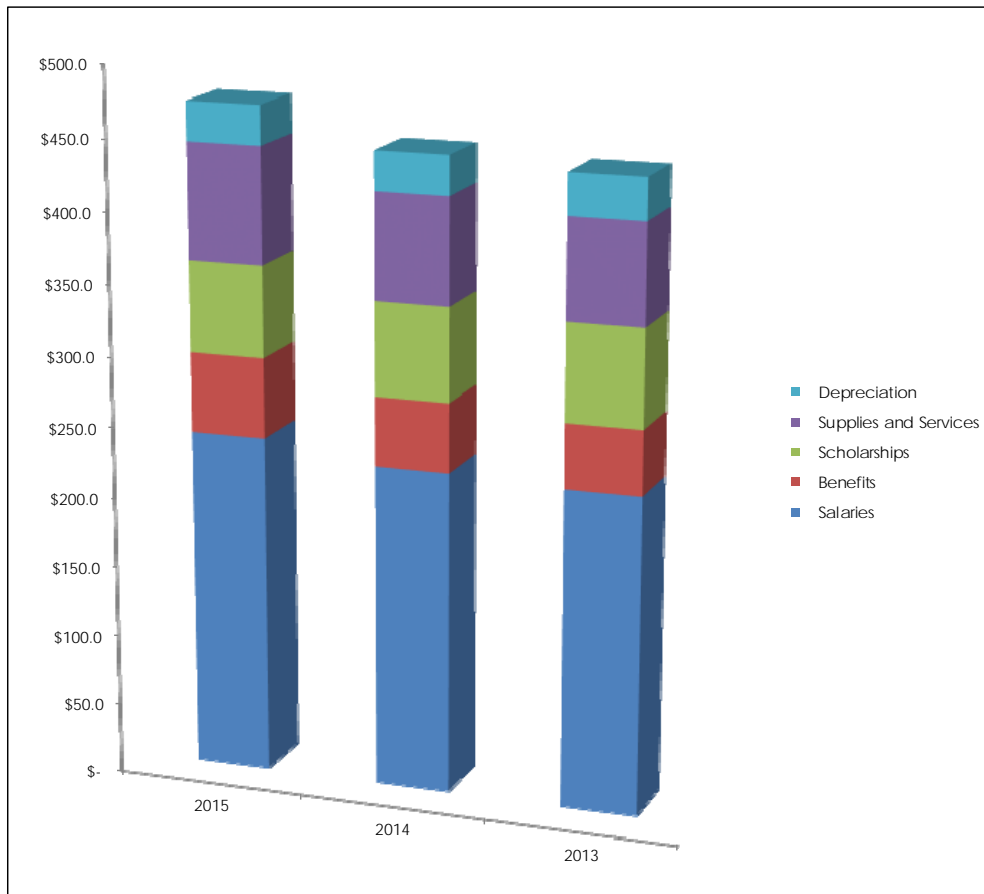
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

TABLE 4: OPERATING EXPENSES – NATURAL CLASSIFICATION
(In Millions)

OPERATING EXPENSE	Fiscal Year			Change	
	2015	2014	2013	2015 to 2014	2014 to 2013
Salaries	\$ 241.0	\$ 228.6	\$ 225.4	\$ 12.4	\$ 3.2
Benefits	56.4	49.1	45.9	7.3	3.2
Scholarships	65.1	66.2	68.8	(1.1)	(2.6)
Supplies and Services	81.7	74.4	70.2	7.3	4.2
Depreciation	27.8	27.8	29.3	0.0	(1.5)
Total Operating Expenses	\$ 472.0	\$ 446.1	\$ 439.6	\$ 25.9	\$ 6.5

OPERATING EXPENSES – NATURAL CLASSIFICATION
Figure 2



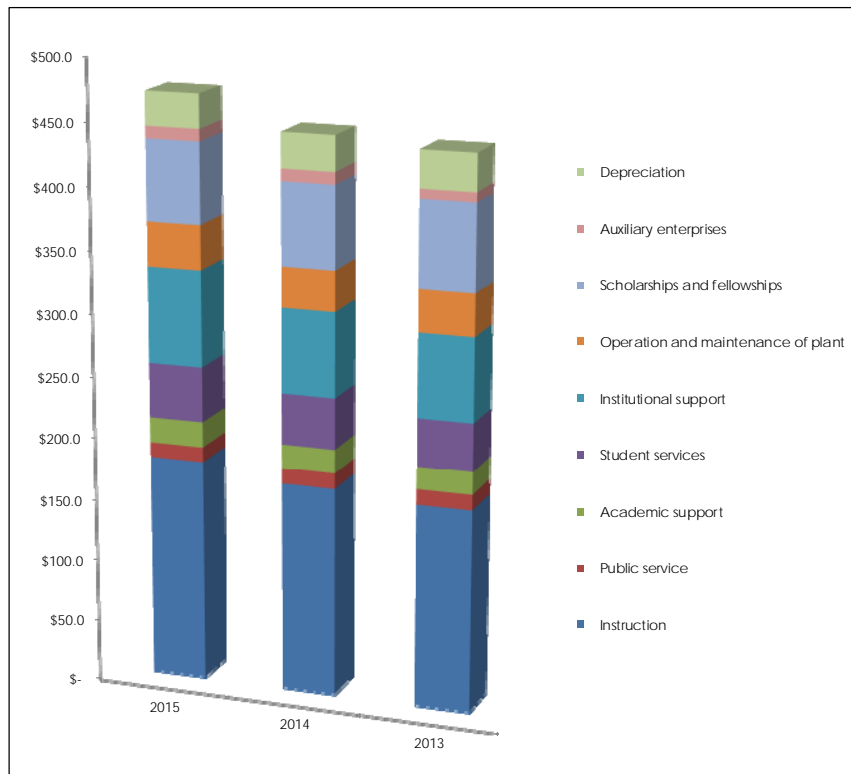
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

TABLE 5: OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION
(In Millions)

OPERATING EXPENSES	Fiscal Year			Change	
	2015	2014	2013	2015 to 2014	2014 to 2013
Instruction	\$ 180.0	\$ 169.4	\$ 164.0	\$ 10.6	\$ 5.4
Public service	11.9	12.6	12.4	(0.7)	0.2
Academic support	20.4	19.0	18.1	1.4	0.9
Student services	44.7	40.6	38.0	4.1	2.6
Institutional support	77.2	68.4	67.4	8.8	1.0
Operation and maintenance of plant	35.3	32.5	33.2	2.8	(0.7)
Scholarships and fellowships	65.1	66.2	68.8	(1.1)	(2.6)
Auxiliary enterprises	9.6	9.6	8.4	-	1.2
Depreciation	27.8	27.8	29.3	-	(1.5)
Total Operating Expenses	\$ 472.0	\$ 446.1	\$ 439.6	\$ 25.9	\$ 6.5

OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION
Figure 3



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014 (UNAUDITED)

The Foundation

As required when meeting the criteria delineated in GASB Statement No. 61, DCCCD began including the statements of the Foundation starting in fiscal year ended August 31, 2004. For the fiscal year ended August 31, 2015, the Foundation's net assets were \$41.2 million, an amount that represents 7.6% of DCCCD's net assets for the same period. For the fiscal year ended August 31, 2014, the Foundation's net assets was \$40.3 million, which represents 7.9% of DCCCD's net position for the same fiscal year. The income from the Foundation is partially used to fund scholarships and grants for the students and employees of DCCCD. However, most of the Foundation's net assets are permanently restricted and therefore not available for DCCCD's direct use. Permanently restricted net assets of the Foundation were \$26.9 million and \$25.4 million for the fiscal years ended August 31, 2015 and 2014, respectively.

Statements of Cash Flows

The Statements of Cash Flows combines information from the Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position to illustrate the effect of various actions of DCCCD on the availability and ultimate change in the amount of cash from one year to the next. The cash provided or used by operations, capital and non-capital financing, and investing activities combine to show the net change in cash and cash equivalents. The final portion of the Statements of Cash Flows reconciles the net income or loss from operations to the cash provided or used by operations.

Cash Flows from Operating Activities decreased \$3.0 million with a decrease in scholarships, an increase in receipts and an increase in payments to vendors and employees. Cash Flows from Non-Capital Financing Activities increased \$14.4 million due mainly to the increase in ad valorem taxes. Cash Flows from Financing Activities increased \$1.7 million due to capitalization of assets offset by decreases in debt. Cash Flows from Investing Activities increased \$26.5 million as securities matured and were held in investment pools.

Capital Asset and Debt Administration

For the fiscal year ended August 31, 2015, net capital assets decreased by \$10.6 million. After completion in prior years of a large number of capital construction projects under the 2004 capital improvement program, the current changes are indicative of the completion of that program. Since 2013, DCCCD has dedicated \$16 million a year for deferred maintenance projects. Some of these are capitalized and are shown as additions to Buildings and Improvements. More information on Capital Assets can be found in Note 5 and Notes 6-10 for Long-Term Debt activity.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)**

TABLE 6: NET CAPITAL ASSETS
(In Millions)

	Fiscal Year			Change	
	2015	2014	2013	2015 to 2014	2014 to 2013
CAPITAL ASSETS:					
Land and Improvements	\$ 66.8	\$ 66.8	\$ 66.3	\$ (0.0)	\$ 0.5
Buildings & Building Improvements	868.7	855.3	852.1	13.4	3.2
Equipment, Furniture, and Software	78.9	77.1	74.6	1.8	2.5
Library Books	8.3	9.3	11.2	(1.0)	(1.9)
Construction In Progress	15.1	15.8	6.6	(0.7)	9.2
Total	1,037.8	1,024.3	1,010.8	13.5	13.5
Less Accumulated Depreciation	(398.4)	(374.3)	(350.4)	(24.1)	(23.9)
Net Capital Assets	\$ 639.4	\$ 650.0	\$ 660.4	\$ (10.6)	\$ (10.4)

After several years of issuing bonds related to the 2004 capital improvement program, no bonds were issued in the fiscal years 2015, 2014, and 2013. The Series 2004 Maintenance Tax Notes fully matured in 2013 which reduced debt service payments by \$2.2 million. The Debt Service Coverage Ratio for Revenue bonds increased to 15.6 in 2015 from 14.3 in 2014. Total general bonded debt service per capita decreased to \$127.63, down from \$136.16 in 2014.

Debt Service did not change in 2015 compared to 2014 as shown below:

TABLE 7: DEBT SERVICE
(In Millions)

	Fiscal Year			Change	
	2015	2014	2013	2015 to 2014	2014 to 2013
Revenue Bonds	\$ 2.9	\$ 2.9	\$ 2.9	\$ -	\$ -
MTN Bonds	-	-	2.2	-	(2.2)
GO Bonds	33.6	33.6	33.6	-	-
Total	\$ 36.5	\$ 36.5	\$ 38.7	\$ -	\$ (2.2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)**

The total of all bonds outstanding (See Note 7) are shown in Table 8 below.

TABLE 8: TOTAL LONG TERM DEBT OUTSTANDING
(In Millions)

	2015	2014	2013	2014	2013
Revenue Bonds	\$ 17.2	\$ 20.1	\$ 23.0	\$ (2.9)	\$ (2.9)
MTN Bonds	-	-	-	-	-
GO Bonds	436.5	470.1	503.6	(33.6)	(33.5)
Totals	\$ 453.7	\$ 490.2	\$ 526.6	\$ (36.5)	\$ (36.4)

In preparation for selling the general obligation bonds, Standard & Poor's Rating Services, Moody's Investors Service, Inc., and Fitch Ratings all assigned their highest credit rating of "AAA." Some of the reasons cited for the rating were (1) a strong tax base, (2) flexible revenue sources, and (3) strong fiscal management. There are only a handful of community colleges in the country that have the highest rating from all three rating agencies. Fitch Ratings reaffirmed this rating in 2012. Moody's and Standard & Poor's reaffirmed their ratings in 2013. Additional information on both capital assets and long term debt can be found in Notes 6-10 of the financial statements.

Currently Known Facts, Decisions and Conditions

The certified tax assessed value increased for fiscal year 2016 by 7.9% and the Board approved the same maintenance and operations tax rate of \$0.104 per \$100 valuation. The debt service rate was decreased slightly to \$0.01965 per \$100 valuation.

On November 10, 2015, the Board approved the defeasance of the Series 2006 Revenue Financing System Refunding bonds for all bonds maturing February 15, 2017 through 2021. DCCCD will fund the approximately \$14 million defeasance from operating reserves.

In September 2013, DCCCD was notified by the Internal Revenue Service (IRS) of a \$500,000 penalty for missing tax identification numbers on its submission of form 1098-T for 2011. DCCCD has responded that it operated with a good faith effort and has requested the penalty be waived. In 2015, DCCCD received notice from the IRS that this penalty had been waived. DCCCD was also notified in September 2014 of a \$1.2 million penalty on the 2012 filing of missing tax identification numbers. DCCCD has responded that it operated with a good faith effort and has requested the penalty be waived. In 2015, DCCCD received notice from the IRS that this penalty had been waived.

The State legislature completed the budget process for the 2016-2017 biennium and overall Texas community colleges had a slight decrease in the amount of funding for instructional expenses but an increase in employee benefit funding. DCCCD will incur a decrease of \$1.9M in fiscal year 2016 for instructional funding and an increase of \$1.8M in benefit funding.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
(UNAUDITED)

Contacting DCCCD's Financial Management

This financial report is designed to provide DCCCD's citizens, taxpayers, students, investors, and creditors with a general overview of its finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Affairs office at 4343 IH-30, Mesquite, Texas 75150-2018 or visit our Financial Transparency link at the bottom of the homepage on our website at: www.dcccd.edu.

For financial information about the Dallas County Community College District Foundation, Inc., please contact the Foundation at DCCCD Foundation, 1601 South Lamar St., Dallas, Texas 75215-1816 or visit their website at: <http://www.foundation.dcccd.edu/about-us/financials>.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
EXHIBIT 1**

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 88,096,739	\$ 32,928,007
Short-term investments	44,966,600	-
Accounts receivable (net of allowance for uncollectible accounts)	48,170,048	51,830,303
Accrued charges, net	29,732,050	39,174,234
Notes receivable	4,326	4,133
Inventories	240,215	288,983
Prepaid expenses	2,654,218	1,031,756
Total current assets	213,864,196	125,257,416
NON-CURRENT AND RESTRICTED ASSETS		
Restricted cash and cash equivalents	10,877,011	9,596,519
Long-term investments	192,478,828	249,627,635
Accrued charges, net	255,873	383,810
Capital assets, net		
Not subject to depreciation	54,033,105	54,755,563
Subject to depreciation	585,320,532	595,233,789
Total non-current and restricted assets	842,965,349	909,597,316
TOTAL ASSETS	1,056,829,545	1,034,854,732
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	1,580,946	1,906,240
Deferred outflows related to pensions	9,868,601	-
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	27,642,953	27,749,148
Accrued liabilities	5,962,360	5,412,717
Accrued interest	711,284	745,807
Accrued compensable absences-current portion	7,458,511	7,116,855
Funds held for others	2,096,853	2,258,479
Unearned revenues	81,502,594	83,477,573
Bonds payable-current portion	22,409,081	21,649,509
Total current liabilities	147,783,636	148,410,088
NON-CURRENT LIABILITIES		
Accrued compensable absences	3,853,945	3,387,369
Net pension liability	53,480,756	-
Bonds payable	327,708,136	350,117,217
Total non-current liabilities	385,042,837	353,504,586
TOTAL LIABILITIES	532,826,473	501,914,674
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	16,359,922	-
NET POSITION		
Net investment in capital assets	302,683,637	293,619,352
Restricted for:		
Unexpended bond proceeds	4,648,507	3,421,734
Debt service	3,947,484	-
Unrestricted	207,813,069	237,805,212
TOTAL NET POSITION (Schedule D)	\$ 519,092,697	\$ 534,846,298

The accompanying notes are an integral part of the financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

**STATEMENTS OF FINANCIAL POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
EXHIBIT 1A**

ASSETS	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 6,226,115	\$ 5,414,188
Investments	9,611,127	9,355,456
Accrued interest and dividends receivable	49,898	48,691
Contributions receivable, net	160,000	449,266
Other assets	<u>11,238</u>	<u>11,296</u>
Total current assets	<u>\$16,058,378</u>	<u>\$15,278,897</u>
Noncurrent assets:		
Cash equivalents restricted for endowments	\$ 2,207,874	\$ 1,567,130
Investments restricted for endowments	22,840,263	23,676,849
Contributions receivable, net	<u>395,148</u>	<u>19,942</u>
Total noncurrent assets	<u>25,443,285</u>	<u>25,263,921</u>
Total assets	<u>\$41,501,663</u>	<u>\$40,542,818</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Due to affiliate	\$ 310,456	\$ 209,773
Accounts payable	<u>7,515</u>	<u>5,057</u>
Total current liabilities	<u>317,971</u>	<u>214,830</u>
Total liabilities	<u>317,971</u>	<u>214,830</u>
Net Assets:		
Unrestricted	1,714,761	2,044,458
Temporarily restricted	12,600,857	12,854,828
Permanently restricted	<u>26,868,074</u>	<u>25,428,702</u>
Total net assets	<u>41,183,692</u>	<u>40,327,988</u>
Total liabilities and net assets	<u>\$41,501,663</u>	<u>\$40,542,818</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

EXHIBIT 2

	2015	2014
OPERATING REVENUES		
Tuition and charges (net of discounts of \$50,416,126 and \$45,146,909, respectively)	\$ 64,915,350	\$ 59,950,395
Federal grants and contracts	16,375,569	14,937,227
State grants and contracts	12,342,567	9,662,489
Non-governmental grants and contracts	2,511,033	1,673,080
Sales and services of educational activities	550,611	453,036
Auxiliary enterprises	3,416,966	4,467,302
General operating revenues	1,626,474	1,497,445
Total operating revenues (Schedule A)	101,738,570	92,640,974
OPERATING EXPENSES		
Instruction	180,091,447	169,392,180
Public service	11,919,809	12,601,298
Academic support	20,384,036	18,971,455
Student services	44,665,591	40,648,922
Institutional support	77,177,500	68,430,544
Operation and maintenance of plant	35,295,596	32,454,141
Scholarships and fellowships	65,101,531	66,243,088
Auxiliary enterprises	9,584,615	9,547,080
Depreciation	27,815,265	27,842,392
Total operating expenses (Schedule B)	472,035,390	446,131,100
OPERATING LOSS	(370,296,820)	(353,490,126)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	116,564,538	111,242,146
Ad Valorem (net of bad debt and fees of \$2,612,949 and \$3,149,177, respectively)	224,008,395	209,828,369
Federal revenue, non-operating	86,496,630	86,928,896
Gifts	112,111	72,729
Investment income (loss)	4,039,978	5,821,138
Gain on sale of investment	-	105,274
Interest on capital related debt	(15,097,814)	(15,809,014)
Loss on disposal of fixed assets	(857,050)	(172,959)
Other non-operating revenue	187,256	1,232,213
Other non-operating expense	(316,904)	(4,137)
Net non-operating revenues (Schedule C)	415,137,140	399,244,655
INCREASE IN NET POSITION	44,840,320	45,754,529
NET POSITION		
Net Position—Beginning of Year	534,846,298	489,091,769
Effect of adoption of GASB Statement No. 68	(60,593,921)	-
Net Position—Beginning of Year, as restated	474,252,377	489,091,769
Net Position—End of Year	\$ 519,092,697	\$ 534,846,298

The accompanying notes are an integral part of the financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

**STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
EXHIBIT 2A**

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
REVENUES				
Contributions	\$ 79,128	\$ 2,797,278	\$ 1,436,659	\$ 4,313,065
Interest and dividend income	443,052	1,066,068	-	1,509,120
Contributed employees' salaries and benefits	627,379	-	-	627,379
Net realized and unrealized (losses) on investments	(560,623)	(1,492,301)	-	(2,052,924)
Net assets released from restrictions	<u>2,624,903</u>	<u>(2,624,903)</u>	<u>-</u>	<u>-</u>
Total revenues	3,213,839	(253,858)	1,436,659	4,396,640
EXPENSES				
Program services:				
Scholarship awards	1,054,610	-	-	1,054,610
Grants	<u>1,663,549</u>	<u>-</u>	<u>-</u>	<u>1,663,549</u>
Total program services	2,718,159	-	-	2,718,159
Non-program services:				
Management and general	705,384	-	-	705,384
Fundraising	<u>117,393</u>	<u>-</u>	<u>-</u>	<u>117,393</u>
Total non-program services	<u>822,777</u>	<u>-</u>	<u>-</u>	<u>822,777</u>
Total expenses	<u>3,540,936</u>	<u>-</u>	<u>-</u>	<u>3,540,936</u>
Transfers between funds, based on donor instructions	<u>(2,600)</u>	<u>(113)</u>	<u>2,713</u>	<u>-</u>
Changes in net assets	(329,697)	(253,971)	1,439,372	855,704
Net assets, beginning of year	<u>2,044,458</u>	<u>12,854,828</u>	<u>25,428,702</u>	<u>40,327,988</u>
Net assets, end of year	<u>\$1,714,761</u>	<u>\$12,600,857</u>	<u>\$26,868,074</u>	<u>\$41,183,692</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014

EXHIBIT 2A
(CONTINUED)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
REVENUES				
Contributions	\$ 41,295	\$ 1,920,296	\$ 86,625	\$ 2,048,216
Interest and dividend income	264,101	685,007	-	949,108
Contributed employees' salaries and benefits	487,087	-	-	487,087
Net realized and unrealized gains on investments	1,022,020	2,621,453	-	3,643,473
Net assets released from restrictions	<u>1,617,144</u>	<u>(1,617,144)</u>	<u>-</u>	<u>-</u>
Total revenues	3,431,647	3,609,612	86,625	7,127,884
EXPENSES				
Program services:				
Scholarship awards	948,308	-	-	948,308
Grants	<u>851,972</u>	<u>-</u>	<u>-</u>	<u>851,972</u>
Total program services	1,800,280	-	-	1,800,280
Non-program services:				
Management and general	507,125	-	-	507,125
Fundraising	<u>136,451</u>	<u>-</u>	<u>-</u>	<u>136,451</u>
Total non-program services	<u>643,576</u>	<u>-</u>	<u>-</u>	<u>643,576</u>
Total expenses	2,443,856	-	-	2,443,856
Transfers between funds, based on donor instructions	<u>130</u>	<u>(62,090)</u>	<u>61,960</u>	<u>-</u>
Change in net assets	987,921	3,547,522	148,585	4,684,028
Net assets, beginning of year	<u>1,056,537</u>	<u>9,307,306</u>	<u>25,280,117</u>	<u>35,643,960</u>
Net assets, end of year	<u>\$2,044,458</u>	<u>\$12,854,828</u>	<u>\$25,428,702</u>	<u>\$40,327,988</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
EXHIBIT 3**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 75,836,047	\$ 70,421,231
Receipts from grants and contracts	32,169,495	28,748,548
Payments to suppliers for goods and services	(86,404,369)	(74,775,122)
Payments to or on behalf of employees	(278,291,398)	(263,503,815)
Payments for scholarships and fellowships	(59,035,143)	(73,445,910)
Loans issued to students	(20,246)	(16,125)
Collection of loans to students	20,053	25,591
Other receipts	1,626,474	1,493,624
Net cash used by operating activities	(314,099,087)	(311,051,978)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from ad valorem taxes	226,878,809	212,450,794
Payments for collection of taxes	(2,788,657)	(2,697,194)
Receipts from state appropriations	98,268,127	97,600,498
Receipts from federal grants for non-operating activities	86,468,375	86,944,029
Receipts from federal student direct loan program	34,547,798	33,328,861
Payments of federal direct loans to students	(34,519,543)	(33,343,994)
Receipts from student organizations and other agency transactions	2,908,273	3,458,748
Payments to student organizations and other agency transactions	(3,385,053)	(3,558,237)
Net cash provided by non-capital financing activities	408,378,129	394,183,505
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Proceeds from the sale of capital assets	715,995	39,233
Purchases of capital assets	(18,523,778)	(16,353,149)
Payments on capital debt - principal	(19,700,000)	(18,935,000)
Payments on capital debt - interest	(16,758,301)	(17,532,451)
Net cash used by capital and related financing activities	(54,266,084)	(52,781,367)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	73,700,000	92,655,274
Proceeds from interest on investments	2,643,714	2,984,756
Purchases of investments	(59,907,448)	(105,709,255)
Net cash provided by investing activities	16,436,266	(10,069,225)
 INCREASE CASH AND CASH EQUIVALENTS	 56,449,224	 20,280,935
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	42,524,526	22,243,591
CASH AND CASH EQUIVALENTS, AUGUST 31	\$ 98,973,750	\$ 42,524,526

The accompanying notes are an integral part of the financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
EXHIBIT 3
(CONTINUED)

	<u>2015</u>	<u>2014</u>
Reconciliation of net operating loss to net cash used by operating activities		
Operating loss	\$ (370,296,820)	\$ (353,490,126)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	27,815,265	27,842,392
Bad debt expense	580,600	1,166,600
Pension expense	3,032,986	-
Payments made directly by State for benefits	14,641,581	13,641,648
Changes in assets and liabilities:		
Receivables (net)	2,814,366	(4,104,596)
Accrued charges	9,570,121	(5,903,769)
Inventories	48,768	62,037
Notes receivable	(193)	5,645
Prepaid expenses	(1,622,462)	(30,252)
Accounts payable	(106,195)	2,465,163
Accrued liabilities	549,643	318,572
Compensable absences	808,232	3,550
Unearned revenue	(1,934,979)	6,971,158
Net cash used by operating activities	<u>\$ (314,099,087)</u>	<u>\$ (311,051,978)</u>

The accompanying notes are an integral part of the financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

1. REPORTING ENTITY

The Dallas County Community College District (the "District") was established in 1965 in accordance with the laws of the State of Texas to serve the educational needs of Dallas County and the surrounding communities. The District is considered to be a special purpose, primary government. 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.

While the Financial Statements are reported as a unit, the District is comprised of seven separately accredited colleges:

- El Centro College (1966)
- Eastfield College (1970)
- Mountain View College (1970)
- Richland College (1972)
- Cedar Valley College (1977)
- North Lake College (1977)
- Brookhaven College (1978)

Financial reporting on the individual colleges and the District's central administration operations is included in the Financial Section's Supplemental Financial Reporting by College.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units, including the Dallas County Community College District Foundation, Inc. (the "Foundation"). The Foundation is a separate non-profit organization, and its sole purpose is to provide benefits such as scholarships and grants to the students, faculty and staff of the District, as well as raise money to support capital projects. The Foundation is a legally separate entity which does not provide a financial benefit or impose a financial burden on the District. The District does not appoint any of the Foundation's board members. The financial position and results of operations of the Foundation are included in these financial statements in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, as an affiliated entity because the Foundation's sole function is to fund the District and its students. The complete financials of the Foundation can be found at www.foundation.dcccd.edu/about-us/financials or by writing to:

DCCCD Foundation
1601 South Lamar
Dallas, TX. 75215-1816

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Report Guidelines—In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the District is classified as a special purpose government with all financial data of the District reflected as one business-type activity. The Statements of Net Position display the financial position of the District at the end of each fiscal year and the Statements of Revenues, Expenses, and Changes in Net Position display the operations of the District for the fiscal years ended August 31, 2015 and 2014. The financial statements are prepared using the economic resources measurement focus and the full accrual method of accounting.

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* established by the Texas Higher Education Coordinating Board (THECB). The accompanying financial statements of the District are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP). The District applies all applicable GASB pronouncements.

Budgetary Data—Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The District's Board of Trustees (the "Board") 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 THECB, Legislative Budget Board, Legislative Reference Library, and the Governor's Office of Budget and Planning by December 1.

Tuition Discounting

Texas Public Education Grant (TPEG)

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 revenue amounts on Schedule A as a separate amount (Texas Education Code §56.0333). When the award for tuition is used by the student, the amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Administration (HEA) Program Funds

Certain Title IV HEA Program funds are received by the District to pass through to students. These funds are initially received by the District and recorded as revenue. When the student is awarded these funds for tuition, the amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Other Tuition Discounts

The District awards certain tuition scholarships from institutional and grant funds to students who qualify. The District also applies certain State or District programs that provide full or partial tuition exemptions to students who qualify. When these amounts are transferred to the student for tuition, the amounts are recorded as tuition revenue and a corresponding amount is recorded as a tuition discount.

Basis of Accounting—The financial statements of the District have been prepared on the accrual basis, whereby all revenues are recorded when earned and expenses are recorded when they become a legal or contractual obligation to pay.

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.

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 value is based on published market rates. Short-term investments consist of investments that 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.

Inventories—Inventories consist of consumable office and physical plant supplies. Inventories are valued at cost under the first-in, first-out method and are charged to expenses as consumed.

Accrued Charges—Current accrued charges of \$29,732,050 and \$39,174,234 represent expenses for grants, scholarships, and fellowships related to the periods after August 31, 2015 and 2014, respectively.

The District defers and amortizes the production costs associated with instructional television programs and other related materials on a straight-line basis over the estimated useful life of such media, which ranges from two to five years. These materials are produced and used both internally for instruction and for lease by the District to other educational institutions. Aggregate deferred production costs, net of accumulated amortization, amounted to \$255,873 and \$383,810 at August 31, 2015 and 2014, respectively, and have been included in the accompanying Statements of Net Position as non-current accrued charges. In addition, all bond issuance costs were written off per GASB Statement No. 65 as the fiscal year 2013 beginning net position was restated.

Capital Assets—Capital assets are stated at cost. Donated capital assets are recorded at their estimated fair value on the date received. The District reports depreciation under a single-line item as a business-type unit. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Library

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

materials purchased during the fiscal year in an aggregate amount of \$5,000 or more are subject to capitalization and depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expenses in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Equipment, furniture, telecommunications, and peripheral equipment apply depreciation on a half-month convention. A full-year convention is applied for buildings, facilities, land improvements and library books. Estimated useful lives of capital assets are established according to the following:

Buildings	50 years
Facilities and other improvements	20 years
Library books	15 years
Furniture, machinery, vehicles, and other equipment	10 years
Major maintenance initiatives	10 years
Telecommunications and peripheral equipment	5 years

Unearned Revenues—Tuition and other revenues received, which relate to future periods, have been deferred.

Deferred Outflows of Resources—The Statements of Net Position includes a separate section for deferred outflows of resources, which represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. For 2015, the deferred loss on bond refunding and the future expense related to the pension, GASB Statement No. 68, is presented as Deferred Outflow of Resources.

Deferred Inflows of Resources—The Statements of Net Position also includes a section for deferred inflows of resources, which represents a consumption of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until then. For 2015, the Deferred Inflows of Resources were due to future revenues related to the pension, GASB Statement No. 68.

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

Operating and Non-Operating Revenues and Expenses 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 contracts and grants. Other Operating Revenues consist of a variety of miscellaneous revenues that include such items as payments for parking citations, room rental income, ticket sales, credit by exam income, and other miscellaneous income not applicable to any other category. The major non-operating revenues are state appropriations, property tax collections, and Title IV federal revenues not

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

discounted against tuition. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operations of the bookstore and food service are performed by a third party contracted by the District.

Use of Restricted Resources—The District’s practice is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Compensable Absences—The District’s policy is to accrue employee annual leave pay as earned. Sick leave and extenuating circumstance leave is not accrued, as a terminated employee is not paid for accumulated balance of either.

Self-Insurance—The District is self-insured for a portion of workers’ compensation losses. A liability has been recorded for the estimated amount of eventual loss which will be incurred on claims arising prior to the end of the fiscal year.

Pensions—For the fiscal year ended August 31, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. Only fiscal year 2015 amounts are presented as prior year amounts were unavailable. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Pronouncements—Effective with fiscal year 2014, the District implemented the following:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*

GASB Statement No. 66, *Technical Corrections – 2012*

(amendment of GASB Statement Nos. 10 and 62)

GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*

Effective with fiscal year 2015, the District implemented the following:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*

(amendment of GASB Statement No. 27)

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (amendment of GASB Statement No. 68)

Effective with fiscal year 2016, the District will implement the following:

GASB Statement No. 72, *Fair Value Measurement and Application*

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Restatement of Beginning Net Position—In the year of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, a restatement to beginning net position was required for the recording of the beginning net pension liability and for the recording of deferred outflows of resources for contributions made after the measurement date of the beginning net pension liability and beginning of the reporting entity's fiscal year.

Beginning net position as of September 1, 2015, has been restated as follows for the implementation of GASB Statement No. 68.

Beginning net position	\$ 534,846,298
Prior period adjustment – Implementation of GASB Statement No. 68:	
Net pension liability (measurement date as of August 31, 2014)	<u>(60,593,921)</u>
Beginning net position, as restated	<u>\$ 474,252,377</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

3. AUTHORIZED INVESTMENTS

The Board has adopted a written investment policy for the investment of its funds as defined in the Public Funds Investment Act (PFIA) of 1995, Section 2256.005 of the Texas Government Code, as amended. This policy is reviewed and approved by the Board annually.

The College District may make investments only in the following types of instruments:

- Treasury bills, treasury notes, and treasury bonds of the United States and other direct obligations of the agencies and instrumentalities of the United States as permitted by Government Code 2256.009.
- Fully collateralized repurchase agreements and reverse repurchase agreements permitted by Government Code 2256.011.
- Certificates of deposit and share certificates that are fully guaranteed or insured by the FDIC, through an authorized broker/dealer, to one or more than one depository institution, as permitted by Government Code 2256.010.
- Public funds investment pools as permitted by Government Code 2256.016.
- A securities lending program as permitted by Government Code 2256.0115.
- No-load money market mutual funds as permitted by Government Code 2256.014.
- A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "AA" or its equivalent as permitted by Government Code 2256.009(a).
- Investments that are fully guaranteed or insured by the FDIC.
- Commercial paper with a maximum maturity of 181 days, rated A1/P1 by a nationally recognized rating agency.

Investment in any and all types of derivatives is prohibited.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

4. DEPOSITS AND INVESTMENTS

Under the terms of a bank depository agreement, District bank deposits are to be fully insured at all times. The District maintains investment pools included in the Statements of Net Position as “Cash and Cash Equivalents” for those items with original maturities of 90 days or less, as “Short-term Investments” for those items with original maturities of 91 days to one year, and as “Long-term Investments” for those items with maturities of greater than one year.

Various restrictions on deposits and investments, including repurchase agreements, are imposed by statute and District policy. These restrictions are summarized below:

Deposits—Custodial credit risk for deposits is the risk that in the event of a bank failure, the District’s deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. All deposits with the depository bank of the District must be collateralized in an amount equal to at least 100% of the amount of uninsured collected funds. The collateral must be held by a third-party collateral bank in the name of the District or there may be a surety bond issued by a company mutually agreeable to the District and the depository.

The carrying amount of the District’s deposits with financial institutions as of August 31, 2015 was \$11,023,713, and the bank balance was \$12,909,996. The carrying amount of the District’s deposits with financial institutions as of August 31, 2014 was \$7,664,329, and the bank balance was \$9,110,470. At August 31, 2015 and 2014, all of the District’s non-interest bearing deposits with banks were either insured by FDIC or were collateralized with securities through third party agreements.

Cash and cash equivalents included on the Statements of Net Position consist of the following:

	2015	2014
Bank deposits		
Local funds - demand	\$ 10,987,445	\$ 7,658,600
Imprest funds	9,700	5,729
Total deposits	10,997,145	7,664,329
Cash on hand	26,568	26,134
Cash equivalents		
Investment in TexPool	1,253,895	1,253,300
Investment in TexSTAR	14,010,722	14,002,668
Investment in LOGIC	38,377,712	19,578,095
Investment in Lone Star	34,307,708	-
Total cash equivalents	87,950,037	34,834,063
Total cash and cash equivalents	\$ 98,973,750	\$ 42,524,526

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

Investments—Disclosures are presented in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - An Amendment of GASB Statement No. 3*. The District is authorized to invest in obligations and instruments as defined in applicable sections of the current Texas Education Code and the Public Funds Investment Act of 1995 (Chapter 2256, 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, (5) Commercial paper with maximum maturity of 181 days, and (6) other instruments and obligations authorized by statute. The investment policies of the District are governed by formally adopted procedures and allow investments as permitted under state laws for public institutions. Permissible investments under District policy include U.S. Treasury notes, certificates of deposit purchased from FDIC-insured state or nationally chartered U.S. banks, fully collateralized repurchase agreements and reverse repurchase agreements, investment pools, and securities issued by U.S. government agencies or municipalities.

At August 31, 2015 and 2014, long-term investments consisted of U.S. government and agency securities and obligations of municipalities.

Investments made by the District are carried at fair value, defined as the price at which two willing parties would complete an exchange.

At August 31, 2015, the District had the following cash equivalents, investments, and maturities:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U.S. Agency	\$ 192,478,828	\$ -	\$ 24,982,586	\$ 12,013,908	\$ 18,070,557	\$ 24,485,690	\$ 112,926,087
Commercial paper	44,966,600	44,966,600	-	-	-	-	-
Investment Pools:							
TexPool	1,253,895	1,253,895	-	-	-	-	-
TexSTAR	14,010,722	14,010,722	-	-	-	-	-
LOGIC	38,377,712	38,377,712	-	-	-	-	-
Lone Star	34,307,708	34,307,708	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 325,395,465</u>	<u>\$ 132,916,637</u>	<u>\$ 24,982,586</u>	<u>\$ 12,013,908</u>	<u>\$ 18,070,557</u>	<u>\$ 24,485,690</u>	<u>\$ 112,926,087</u>

At August 31, 2014, the District had the following cash equivalents, investments, and maturities:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U.S. Agency	\$ 249,627,635	\$ -	\$ 33,238,326	\$ 7,011,675	\$ 49,420,431	\$ 38,433,680	\$ 121,523,523
Investment Pools:							
TexPool	1,253,300	1,253,300	-	-	-	-	-
TexSTAR	14,002,668	14,002,668	-	-	-	-	-
LOGIC	19,578,095	19,578,095	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 284,461,698</u>	<u>\$ 34,834,063</u>	<u>\$ 33,238,326</u>	<u>\$ 7,011,675</u>	<u>\$ 49,420,431</u>	<u>\$ 38,433,680</u>	<u>\$ 121,523,523</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As previously described, the District's investment policy limits credit risk based on meeting requirements of State law.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District policy provides that investment maturities are limited to six years with the average maturity of no more than five years as a means of managing exposure to fair value losses arising from increasing interest rates. The District's philosophy is to hold all investments to their maturity.

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The District's investment policy sets guidelines for the maximum percent of portfolio for any one type of investment. However, all of the District's investments are backed by the U.S. Government and are not subject to concentration of credit risk. Investment in U.S. Agency Securities, as the largest component of the portfolio, comprises 75.16% of the District's total portfolio at August 31, 2015 and meets the District's guideline of no more than 85% of the portfolio being U.S. Agency Securities.

RECONCILIATION OF DEPOSITS AND INVESTMENTS TO EXHIBIT 1

	Fair Market Value August 31, 2015	Fair Market Value August 31, 2014
Total cash and cash equivalents	\$ 98,973,750	\$ 42,524,526
Total investments	237,445,428	249,627,635
Total	\$ 336,419,178	\$ 292,152,161
Cash and cash equivalents (Exhibit 1)	\$ 88,096,739	\$ 10,361,356
Restricted cash and cash equivalents (Exhibit 1)	10,877,011	11,882,235
Short-term investments (Exhibit 1)	44,966,600	-
Long-term investments (Exhibit 1)	192,478,828	233,649,222
Total	\$ 336,419,178	\$ 255,892,813

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2015 or 2014.

TexPool represents an investment service authorized by the Texas Legislature and is under the direction of the State Comptroller. TexPool investments are subject to the same safety requirements maintained by the State Treasury for all state funds, including but not limited to compliance with the Public Funds Investment Act. The investment in TexPool plus accrued interest may be redeemed by the District at any time. TexPool is rated AAAM by Standard & Poor's. The District's investment in TexPool is included within cash and cash equivalents in the accompanying Statements of Net Position, as the investment is redeemable on demand.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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Created in April 2002 through a contract among its participating governing units, TexSTAR is governed by a board of directors to provide for the joint investment of participants' public funds under their control and meets requirements under the Public Funds Investment Act. Investments in TexSTAR plus accrued interest may be redeemed by the District at any time. Therefore, investments in TexSTAR are included within cash and cash equivalents in the accompanying Statements of Net Position. TexSTAR is rated AAAM by Standard & Poor's.

Local Government Investment Cooperative (LOGIC) is managed by JP Morgan Chase and First Southwest Asset Management, Inc. in compliance with the Texas Public Funds Investment Act. LOGIC carries Standard & Poor's AAAM rating. In addition to investing in U.S. Treasury and Agency Securities, LOGIC provides additional diversification by investing in repurchase agreements and prime commercial paper. Investments in LOGIC are included within cash and cash equivalents in the accompanying Statements of Net Position.

Lone Star Investment Pool, managed by First Public, LLC., a subsidiary of Texas Association of School Boards, was created in 1991 with the goal of making the management of public funds safer and easier. Lone Star maintains a Standard & Poor's "AAA" rating and only holds investments authorized under the Public Funds Investment Act. Investments in Lone Star are included within cash and cash equivalents in the accompanying Statements of Net Position.

TexPool, TexSTAR, LOGIC, and Lone Star are not registered with the Securities & Exchange Commission (SEC) as investment companies but they operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB Statement No. 31 allows 2a7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than market value to report net positions to compute share price.

Derivatives are investment products which may be a security or a contract that derives its value from another security, currency, commodity, or index, regardless of the source of funds used. The investment policy of the District prohibits investments in derivative securities.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Increases/ Reclassifications	Decreases	Balance August 31, 2015
Capital assets not subject to depreciation:				
Land	\$ 38,946,849	\$ -	\$ (27,787)	\$ 38,919,062
Construction in progress	<u>15,808,714</u>	<u>12,785,601</u>	<u>(13,480,272)</u>	<u>15,114,043</u>
Total not depreciated	54,755,563	12,785,601	(13,508,059)	54,033,105
Capital assets subject to depreciation:				
Buildings and building improvements	855,273,658	13,480,272	-	868,753,930
Land improvements	27,843,155	-	-	27,843,155
Furniture, machinery, vehicles, and other equipment	77,116,415	5,766,644	(4,030,859)	78,852,200
Library books	<u>9,253,904</u>	<u>208,770</u>	<u>(1,199,196)</u>	<u>8,263,478</u>
Total depreciated	969,487,132	19,455,686	(5,230,055)	983,712,763
Accumulated depreciation:				
Buildings and building improvements	(288,604,904)	(22,408,831)	-	(311,013,735)
Land improvements	(19,523,646)	(498,344)	-	(20,021,990)
Furniture, machinery, vehicles, and other equipment	(59,980,345)	(4,520,084)	2,477,201	(62,023,228)
Library books	<u>(6,144,448)</u>	<u>(388,002)</u>	<u>1,199,172</u>	<u>(5,333,278)</u>
Total accumulated depreciation	<u>(374,253,343)</u>	<u>(27,815,261)</u>	<u>3,676,373</u>	<u>(398,392,231)</u>
Net capital assets subject to depreciation	595,233,789			585,320,532
Net capital assets	<u>\$ 649,989,352</u>	<u>\$ 4,426,026</u>	<u>\$ (15,061,741)</u>	<u>\$ 639,353,637</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

Capital assets activity for the fiscal year ended August 31, 2014 was as follows:

	Balance September 1, 2013	Increases/ Reclassifications	Decreases	Balance August 31, 2014
Capital assets not subject to depreciation:				
Land	\$ 38,946,849	\$ -	\$ -	\$ 38,946,849
Construction in progress	<u>6,619,929</u>	<u>12,705,548</u>	<u>(3,516,763)</u>	<u>15,808,714</u>
Total not depreciated	45,566,778	12,705,548	(3,516,763)	54,755,563
Capital assets subject to depreciation:				
Buildings and building improvements	852,127,665	3,145,993	-	855,273,658
Land improvements	27,305,397	537,758	-	27,843,155
Furniture, machinery, vehicles, and other equipment	74,606,526	4,575,982	(2,066,093)	77,116,415
Library books	<u>11,213,438</u>	<u>331,718</u>	<u>(2,291,252)</u>	<u>9,253,904</u>
Total depreciated	965,253,026	8,591,451	(4,357,345)	969,487,132
Accumulated depreciation:				
Buildings and building improvements	(266,468,798)	(22,136,106)	-	(288,604,904)
Land improvements	(19,059,701)	(463,945)	-	(19,523,646)
Furniture, machinery, vehicles, and other equipment	(56,833,591)	(4,875,874)	1,729,120	(59,980,345)
Library books	<u>(8,069,233)</u>	<u>(366,467)</u>	<u>2,291,252</u>	<u>(6,144,448)</u>
Total accumulated depreciation	<u>(350,431,323)</u>	<u>(27,842,392)</u>	<u>4,020,372</u>	<u>(374,253,343)</u>
Net capital assets subject to depreciation	614,821,703			595,233,789
Net capital assets	<u>\$ 660,388,481</u>	<u>\$ (6,545,393)</u>	<u>\$ (3,853,736)</u>	<u>\$ 649,989,352</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

6. Non-Current Liabilities

Non-current liability activity for the fiscal year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015	Current Portion
Series 2006 Revenue Financing					
System Refunding Bonds	\$ 17,335,000	\$ -	\$ (2,175,000)	\$ 15,160,000	\$ 2,265,000
Series 2008 General Obligation Bonds	168,385,000	-	(8,555,000)	159,830,000	8,950,000
Series 2009 General Obligation Bonds	86,280,000	-	(4,045,000)	82,235,000	4,230,000
Series 2010 General Obligation Bonds	41,350,000	-	(1,780,000)	39,570,000	1,860,000
Series 2010 General Obligation Refunding Bonds	43,020,000	-	(3,145,000)	39,875,000	3,255,000
Unamortized bond premium	<u>15,396,726</u>	<u>-</u>	<u>(1,949,509)</u>	<u>13,447,217</u>	<u>1,849,081</u>
Subtotal bonds	371,766,726	-	(21,649,509)	350,117,217	22,409,081
Accrued interest	745,807	-	(34,523)	711,284	711,284
Compensable absences	10,504,224	808,232	-	11,312,456	7,458,511
Net pension liability	<u>65,669,980</u>	<u>13,335,593</u>	<u>(25,524,817)</u>	<u>53,480,756</u>	<u>-</u>
Total	<u>\$ 448,686,737</u>	<u>\$ 14,143,825</u>	<u>\$ (47,208,849)</u>	<u>\$ 415,621,713</u>	<u>\$ 30,578,876</u>

Non-current liability activity for the fiscal year ended August 31, 2014 was as follows:

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014	Current Portion
Series 2006 Revenue Financing					
System Refunding Bonds	\$ 19,425,000	\$ -	\$ (2,090,000)	\$ 17,335,000	\$ 2,175,000
Series 2008 General Obligation Bonds	176,565,000	-	(8,180,000)	168,385,000	8,555,000
Series 2009 General Obligation Bonds	90,175,000	-	(3,895,000)	86,280,000	4,045,000
Series 2010 General Obligation Bonds	43,075,000	-	(1,725,000)	41,350,000	1,780,000
Series 2010 General Obligation Refunding Bonds	46,065,000	-	(3,045,000)	43,020,000	3,145,000
Unamortized bond premium	<u>17,434,696</u>	<u>-</u>	<u>(2,037,970)</u>	<u>15,396,726</u>	<u>1,949,509</u>
Subtotal bonds	392,739,696	-	(20,972,970)	371,766,726	21,649,509
Accrued interest	741,257	4,550	-	745,807	745,807
Compensable absences	<u>10,500,674</u>	<u>3,550</u>	<u>-</u>	<u>10,504,224</u>	<u>7,116,855</u>
Total	<u>\$ 403,981,627</u>	<u>\$ 8,100</u>	<u>\$ (20,972,970)</u>	<u>\$ 383,016,757</u>	<u>\$ 29,512,171</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

7. DEBT AND LEASE OBLIGATIONS

The District has authorized debt of General Obligation (GO) bonds and Revenue bonds. GO bonds are authorized by the Board and approved by the voters of the District's service area and secured by an ad valorem tax rate Interest & Sinking (I&S) portion to cover the debt service of the bonds. Revenue bonds are secured by a portion of tuition and other revenue streams of the District. The following table shows the debt service by each type of bond for the next five years and thereafter:

	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ended August 31:						
2016	\$ 18,295,000	\$ 15,259,494	\$ 2,265,000	\$ 621,782	\$ 20,560,000	\$ 15,881,276
2017	19,160,000	14,396,281	2,360,000	517,483	21,520,000	14,913,764
2018	20,075,000	13,481,756	2,470,000	396,733	22,545,000	13,878,489
2019	21,045,000	12,515,406	2,575,000	283,483	23,620,000	12,798,889
2020	22,060,000	11,491,432	2,685,000	175,597	24,745,000	11,667,029
2021 - 2025	128,330,000	39,351,382	2,805,000	59,606	131,135,000	39,410,988
2026 - 2030	92,545,000	8,485,065	-	-	92,545,000	8,485,065
Total	\$ 321,510,000	\$ 114,980,816	\$ 15,160,000	\$ 2,054,684	\$ 336,670,000	\$ 117,035,500

The total debt service principal and interest requirements for all bonds for the next five years and thereafter for recorded outstanding indebtedness are in the following table.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended August 31:			
2016	\$ 20,560,000	\$ 15,881,276	\$ 36,441,276
2017	21,520,000	14,913,764	36,433,764
2018	22,545,000	13,878,489	36,423,489
2019	23,620,000	12,798,889	36,418,889
2020	24,745,000	11,667,029	36,412,029
2021 - 2025	131,135,000	39,410,988	170,545,988
2026 - 2030	92,545,000	8,485,065	101,030,065
Total	\$ 336,670,000	\$ 117,035,500	\$ 453,705,500

Included in operating expenses is \$704,975 and \$780,643 of rent paid during fiscal years 2015 and 2014, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2015 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2016	\$ 489,377
2017	238,756
2018	103,980
2019	<u>96,120</u>
Total	<u>\$ 928,233</u>

There are currently no lease obligations beyond the fiscal year ending August 31, 2019.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

8. BONDS PAYABLE

Bonds payable are due in annual and semi-annual installments at interest rates ranging from 1.5% to 5.0% as well as different maturity dates through 2030. A chart of each bond issue is listed below.

Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
2008	General Obligation Bonds	\$ 211,975,000	3.50%-5.00%	2009	2028	2/15/2019
2009	General Obligation Bonds	\$ 102,985,000	1.50%-5.00%	2010	2029	2/15/2020
2010	General Obligation Bonds	\$ 47,060,000	2.00%-5.00%	2011	2030	2/15/2020

On September 4, 2008, the District issued its second tranche of GO bonds approved by voters in the May 2004 \$450 million bond election. With a par amount of \$211,975,000, these bonds, Series 2008 Bonds, were sold with a reoffering premium of \$9,629,583 and accrued interest of \$983,667. The bonds were sold in \$5,000 increments with interest rates varying from 3.5% to 5.0% and maturity dates from February 15, 2009 to February 15, 2028. A call option can be exercised for maturities after February 15, 2019. The cost of issuance and underwriter's discount totaled \$1,513,305. Proceeds of the bond were utilized to refund the \$125,000,000 outstanding of commercial paper, which matured on September 4, 2008, the same day as the bond proceeds were received. Remaining bond proceeds of \$95,000,000 were utilized for constructing and equipping buildings in the District. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas.

On June 4, 2009, the District issued the third tranche of GO bonds, Series 2009 Bonds, for the \$450 million bond election. The Series 2009 Bonds have a par amount of \$102,985,000 and were sold with a reoffering premium of \$7,904,650 and accrued interest of \$439,704. The bonds were sold in \$5,000 increments with interest rates varying from 1.5% to 5.0% and maturity dates from February 15, 2010 to February 15, 2029. The cost of issuance and underwriter's discount totaled \$869,233. Proceeds of the bond were utilized to continue the constructing and equipping of buildings in the District. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas.

On January 15, 2010, the District issued its fourth and final tranche of GO bonds, Series 2010 Bonds, for the \$450 million bond election. The Series 2010 Bonds have a par amount of \$47,060,000 and were sold with a reoffering premium of \$3,394,071. The bonds were sold in \$5,000 increments with interest rates varying from 2.0% to 5.0% and maturity dates from February 15, 2011 to February 15, 2030. The cost of issuance was \$158,879 and underwriter's discount was \$295,193. Proceeds of the bonds were utilized to continue the constructing and equipping of buildings in the District. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas.

In 2015, the District incurred \$15,097,814 in interest cost, of which \$15,097,814 was expensed. In 2014, the District incurred \$15,809,014 in interest cost, of which \$15,809,014 was expensed.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

At its April 3, 2007 meeting, the District's Board passed a resolution approving the use of a Commercial Paper Program for use as an interim financing tool for the \$450 million, voter-approved, capital improvement program ultimately financed by Interest and Sinking ad valorem taxes. The Commercial Paper Program was ended by board resolution on November 3, 2009.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

9. ADVANCE REFUNDING BONDS

On December 15, 2006, the District advance refunded \$27,050,000 of its outstanding Series 2001 Bonds for maturities 2011 and later by issuing \$25,275,000 in Series 2006 Revenue Financing System Refunding Bonds ("Series 2006 Refunding Bonds"). All Series 2006 Refunding Bonds authorized have been issued to date. The average interest rate of the Series 2006 Refunding Bonds is 4.408% with a coupon range of 4.000-5.000%. After payment of \$413,578 in underwriting fees, insurance, and other issuance costs, all resources from the Series 2006 Refunding Bonds including transfers of \$2,965,199 of Series 2001 Bonds, debt service funds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded Series 2001 Bonds. The Series 2001 Bonds are considered fully defeased for maturities 2011 and later and the liability for those bonds has accordingly been removed from the Statements of Net Position. Advance refunding of the 2001 Series Bonds reduces the District's debt service payments by \$2,444,134. An economic gain (the difference between net present values of the debt service payments on the old and new debt adjusted for cash paid out) of \$1,208,966 was obtained by the advance refunding. The accounting "loss" that resulted from the bond refunding is \$1,130,637 and is being amortized over the life of the new debt by the effective interest method. At August 31, 2015, there was no required bond reserve fund as the bonds do not require a reserve fund.

On June 1, 2010, the District advance refunded \$50,635,000 of its outstanding Series 2004 General Obligation Bonds ("Series 2004 Bonds") by issuing \$49,290,000 of Series 2010 General Obligation Refunding Bonds ("Series 2010 Refunding Bonds"). All Series 2010 Refunding Bonds authorized have been issued to date. The average interest rate of the refunded bonds is 5% as all remaining outstanding bonds were 5% interest. After payment of \$839,077 in issuance costs and underwriting fees, including issuance costs carried forward from the refunded bonds, net proceeds were \$55,099,048. Debt service funds were placed in an irrevocable trust with an escrow agent to provide for all future debt payments on the Series 2004 Bonds. The Series 2004 Bonds are considered fully defeased for maturities 2013 and later and the liability for those bonds has accordingly been removed from the Statements of Net Position. An economic gain of \$3,118,507 was obtained by the advance refunding. The accounting "loss" that resulted from the bond refunding is \$2,757,407 and is being amortized over the life of the new debt by the effective interest method.

Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
2006	Revenue Financing System Refunding Bonds	\$ 25,275,000	4.00%-5.00%	2011	2021	2/15/2017
2010	General Obligation Refunding Bonds	\$ 49,290,000	2.00%-5.00%	2011	2025	2/15/2021

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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10. DEFEASED BONDS OUTSTANDING

As of August 31, 2015 and 2014, the District had no defeased bonds outstanding.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
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11. EMPLOYEES' RETIREMENT PLAN

The State of Texas has joint contributory retirement plans for almost all its employees. Full time employees participate in either the Teacher Retirement System of Texas (TRS) or the Optional Retirement System (ORP).

Teacher Retirement System of Texas – Defined Benefit Plan

Plan Description - The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by TRS. TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position - Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained through the TRS website at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided - TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions - Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas 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 paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' 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. Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates	2015	2014
Member rates	6.7%	6.4%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Fiscal Year 2014 District contributions	\$ 5,076,059	
Fiscal Year 2014 State of Texas on-behalf contributions	\$ 3,744,318	

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a TRS retiree, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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Actuarial Assumptions - The total pension liability at August 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*Includes Inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate - The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014, as amended October 1, 2014, are summarized in the following chart.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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Target Allocation and Rate of Return

Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Return
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non - U.S. developed	13.0%	5.1%	0.8%
Emerging markets	9.0%	5.9%	0.7%
Directional hedge funds	4.0%	3.2%	0.1%
Private equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute return	0.0%	1.8%	0.0%
Stable value hedge funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global inflation linked bonds	3.0%	0.9%	0.0%
Real assets	16.0%	5.1%	1.1%
Energy and natural resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk parity	5.0%	6.7%	0.3%
Inflation expectation			2.2%
Alpha			1.0%
Total	100.0%		8.7%

Discount Rate Sensitivity Analysis -The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability	\$ 95,966,869	\$ 53,480,756	\$ 22,008,182

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At August 31, 2015, the District reported liability of \$53,480,756 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows.

District's proportional share of the collective net pension liability	\$ 53,480,756
State's proportional share that is associated with District	<u>39,533,837</u>
Total	<u>\$ 93,014,593</u>

The net pension liability was measured as of August 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 through August 31, 2014.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OSADI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the fiscal year ended August 31, 2015, the District recognized pension expense of \$3,654,830 and revenue of \$3,654,830 for support provided by the State.

At August 31, 2015, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 827,097	\$ -
Changes in actuarial assumptions	3,476,309	
Difference between projected and actual investment earnings	-	16,345,903
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	14,019
Contributions paid to TRS subsequent to the measurement date (calculated by the District)	5,565,195	-
	<u>5,565,195</u>	<u>-</u>
Total	<u>\$ 9,868,601</u>	<u>\$ 16,359,922</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31:	Pension Expense Amount
<u> </u>	<u> </u>
2016	\$ 3,362,858
2017	\$ 3,362,858
2018	\$ 3,362,858
2019	\$ 3,362,858
2020	\$ 723,618
Thereafter	\$ 671,298

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

Optional Retirement Plan – Defined Contribution Plan

Plan Description - Eligible faculty and administrative personnel may participate in an optional retirement plan in lieu of the Teacher Retirement System plan. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy - Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. In certain instances, the reporting district is required to make all or a portion of the State’s contribution amounts. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program. Senate Bill 1812, effective September 1, 2013, limits the amount of the state’s contribution to 50% of eligible employees in the reporting district.

Optional Retirement Plan Contribution Rates	2015	2014
Member Contribution of Annual Compensation	6.65%	6.65%
State Contribution of Participant's Salary	6.60%	6.60%
District Contribution of Participant's Annual Compensation for Participants Enrolled Prior to September 1, 1995	1.90%	1.90%
District Contribution of Participant's Annual Compensation for Participants Enrolled After September 1, 1995	0.00%	0.00%

Note: State Contribution is 50% of eligible employees

The District’s ORP payroll for 2015 was \$58,223,535 and \$57,874,790 for 2014. The State’s contribution for ORP was \$1,849,472 and \$1,834,551 for 2015 and 2014, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

12. DEFERRED COMPENSATION PLAN

The District has established a deferred compensation plan under which selected executives may elect to defer a portion of their earnings for tax and investment purposes pursuant to authority granted in Government Code §609.001. For the fiscal years ended August 31, 2015 and 2014, the District had one employee participating in the program.

It is the opinion of the District's legal counsel that the District has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

13. COMPENSABLE ABSENCES

Full-time staff and administrators earn annual leave from one to two days per month. The policy of the District is that an employee may carry his or her accrued leave forward from one fiscal year to another fiscal year with a maximum number of 48 days. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. Sick leave, which can be accumulated up to 66 days, is earned at the rate of one day per month. The policy of the District is to recognize the cost of sick leave when paid. Employees are not entitled to be paid for sick leave accrued but not taken upon termination. Accordingly, no liability for sick leave is reflected in the accompanying Statements of Net Position. The same applies to extenuating circumstance leave, which accrues at a rate of 2 days per year to a maximum of 4 days, and is not payable on termination.

	Accrued Liability for Unpaid Annual Leave for the Fiscal Year Ended August 31,	
	2015	2014
Balance as of September 1,	\$ 10,504,224	\$ 10,500,674
Leave Accruals/Adjustments	8,318,910	7,409,895
Leave Used	(6,634,252)	(6,325,702)
Accrued Leave Paid Terminated Employees	(876,426)	(1,080,643)
Balance as of August 31,	<u>\$ 11,312,456</u>	<u>\$ 10,504,224</u>
Current Liability	\$ 7,458,511	\$ 7,116,855
Non-Current Liability	\$ 3,853,945	\$ 3,387,369

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

14. HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums.

**State/Employer Contribution for Health Care
Insurance (includes basic life insurance rate)**

<u>HealthSelect of Texas Plan</u>	<u>2015 State/Employer Contribution</u>	<u>2015 Annualized Contribution</u>
Member Only	\$ 537.66	\$ 6,451.92
Member & Spouse	845.54	10,146.48
Member & Child(ren)	743.80	8,925.60
Member & Family	1,051.68	12,620.16

<u>HealthSelect of Texas Plan</u>	<u>2014 State/Employer Contribution</u>	<u>2014 Annualized Contribution</u>
Member Only	\$ 503.14	\$ 6,037.68
Member & Spouse	791.16	9,493.92
Member & Child(ren)	696.00	8,352.00
Member & Family	984.02	11,808.24

The cost of retirees and active employees' health care is provided

<u>Cost of Providing Health Care Insurance</u>	<u>2015</u>	<u>2014</u>
Number of Retirees	1,200	1,157
Cost of Health Benefits for Retirees	\$ 8,926,494	\$ 7,994,217
Number of Active Full-Time Employees	3,334	3,242
Cost of Health Benefits for Active Full-Time Employees	\$ 24,662,718	\$ 22,599,984
State Appropriation for Health Insurance-Retirees	\$ 4,275,390	\$ 3,997,109
State Appropriation for Health Insurance-Active	\$ 10,366,191	\$ 9,644,539
Net Cost to DCCCD	\$ 18,947,631	\$ 16,952,553

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
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15. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

Plan Description—The District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit post-employment healthcare plan administered by the Employees Retirement System of Texas (ERS). These medical benefits are provided to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature. ERS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

Funding Policy—Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution. The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*. The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to the plan for the fiscal years ended August 31, 2015 and 2014 were \$18,947,631 and \$16,952,553 respectively, which equaled the required contributions each year.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

16. COMMITMENTS AND CONTINGENCIES

Commitments—The District has entered into contracts for the planning and construction of new facilities, as well as for the renovation and repair of existing campuses within the District. Commitments remaining under such contracts at August 31, 2015 are \$13,654,397.

Pending Lawsuits and Claims—Various claims and lawsuits are pending against the District. In the opinion of District administration, the potential loss on all claims and lawsuits, to the extent not provided for by insurance or otherwise, will not be significant to the financial statements of the District.

Contingencies—The District has received Federal, State, and other financial assistance in the form of contracts and grants that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agency for expenses disallowed under terms and conditions specified in the grant agreements. In the opinion of District management, such disallowed expenses, if any, will not be significant to the financial statements of the District.

On August 25, 2008, the District sold a building to the University of North Texas. A clause in the original deed requires that the District remain in the line of guarantors on two ground leases, which are in effect through 2047 and 2048. The probability of having to pay the ground leases is remote since the University of North Texas is the current owner and the District follows them or any future owners in the line of priority for the guarantee. The potential amount owed through the end of the leases is in excess of \$3.5 million. However, because the probability of having to pay is remote, the District has not accrued a liability.

On September 3, 2013, the District was notified by the Internal Revenue Service (IRS) of a \$500,000 penalty for incorrect taxpayer information submitted on form 1098-T for the year ending December 31, 2011. The District has received notice from the IRS that this penalty has been waived.

On September 2, 2014, the District was notified by the Internal Revenue Service (IRS) of a \$1,288,500 penalty for incorrect taxpayer information submitted on form 1098-T for the year ending December 31, 2012. The District has received notice from the IRS that this penalty has been waived.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

17. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables—Receivables for the fiscal years ended August 31, 2015 and 2014 were as follows:

	2015	2014
Ad valorem taxes	\$ 8,245,893	\$ 8,503,358
Student tuition and charges	15,965,986	11,004,536
Accounts Receivable		
Federal grants	30,653,028	37,033,076
State grants	837,828	1,782,768
Local grants	740,639	426,929
Interest on investments	368,167	582,248
Other receivables	952,496	1,413,938
Total receivables	57,764,037	60,746,853
Less allowances for uncollectible amounts		
Ad valorem taxes	(6,733,064)	(6,908,772)
Student tuition and charges	(2,840,829)	(1,949,676)
Other receivables	(20,096)	(58,102)
Total allowances	(9,593,989)	(8,916,550)
Total receivables, net of allowances	\$ 48,170,048	\$ 51,830,303

Payables—Accounts Payable for the fiscal years ended August 31, 2015 and 2014 were as follows:

	2015	2014
Vendors payable	\$ 13,013,126	\$ 9,746,887
Salaries and benefits payable	27,226	16,095
Students payable	14,602,601	17,986,166
Total accounts payable	\$ 27,642,953	\$ 27,749,148

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

18. FUNDS HELD IN TRUST BY OTHERS

The District holds funds for certain student organizations and other agencies. These amounts are reflected in the basic financial statements as funds held for others in the amounts of \$2,096,853 and \$2,258,479 for 2015 and 2014, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

19. CONTRACTS AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with generally accepted accounting principles in the United States. Funds received but not expended during the reporting period are shown as deferred revenues on the Statements of Net Position. Revenues are recognized on the Statements of Revenues, Expenses, and Changes in Net Position as funds are actually expended. For Federal contract and grant awards, funds expended but not collected are reported as accounts receivables on the Statements of Net Position. Non-federal contract and grant awards for which funds are expended but not collected are also reported as accounts receivables on the Statements of Net Position. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant award funds already committed or funds awarded during fiscal year 2015 for which monies have not been received nor funds expended totaled \$44,407,287. Of this amount, \$32,696,614 is from Federal contract and grant awards, \$10,257,219 is from State contract and grant awards, and \$1,453,454 is from Local contract and grant awards. Contract and grant award funds already committed or funds awarded during fiscal year 2014 for which monies had not been received nor funds expended totaled \$44,259,060. Of this amount, \$28,918,927 was from Federal contract and grant awards, \$13,120,599 was from State contract and grant awards, and \$2,219,534 was from Local contract and grant awards.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

20. SELF-INSURED PLANS

The District is exposed to various risks of loss related torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District fully insures its buildings, structures, contents, and equipment with the purchase of commercial property insurance and also procures general and excess liability insurance and auto coverages.

Prior to August 31, 1998, the District was self-insured for workers' compensation. Effective September 1, 1998, the District implemented a guaranteed cost workers' compensation insurance program to handle workers' compensation claims. The District returned to a self-insured plan effective September 1, 2002. The accrued liability balance is based upon third party actuarial information. Future payments for the incurred claims will be paid from the accrued liability.

Self-insurance activity for the plan prior to 1998 for the fiscal years ended August 31, 2015 and 2014 was as follows:

Accrued Claim Liability for the Fiscal Year Ended August 31	Balance September 1	Additions	Reductions in Liability/ Claims Paid	Balance August 31
2015	\$ 244,361	\$ -	\$ -	\$ 244,361
2014	244,361	-	-	244,361

Self-insurance activity for the current plan for the fiscal years ended August 31, 2015 and 2014 was as follows:

Accrued Claim Liability for the Fiscal Year Ended August 31	Balance September 1	Additions	Reductions in Liability/ Claims Paid	Balance August 31
2015	\$ 350,000	\$ 268,946	\$ (268,946)	\$ 350,000
2014	350,000	426,688	(426,688)	350,000

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

21. AD VALOREM TAXES

Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year. Taxes levied for the fiscal years ended August 31, 2015 and 2014 were \$228,474,342 and \$214,468,493, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2015 and 2014 are as follows:

	2015		
	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$0.50000	\$0.66000
Assessed tax rate per \$100 valuation	\$ 0.10400	\$0.02078	\$0.12478
	2014		
	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$0.50000	\$0.66000
Assessed tax rate per \$100 valuation	\$ 0.10400	\$0.02070	\$0.12470

At August 31, 2015 and 2014, valuation for property taxed by the District was as follows:

	2015	2014
Assessed valuation of the District	\$ 229,252,905,570	\$ 215,247,997,940
Less exempt property	22,361,172,000	21,135,859,363
Less exemptions and Capped Loss	24,069,224,510	22,371,518,983
Net assessed valuation of the District	\$ 182,822,509,060	\$ 171,740,619,594

The Dallas County Tax Assessor-Collector is the Collecting Agency for the levy and remits the collections to the District, net of a collection fee. Tax proceeds are used for either maintenance and operations of the District or restricted for the funding interest and sinking requirements for GO bond debt service.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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Gross Taxes collected for fiscal year 2015:

<u>Gross Taxes Collected - 2015</u>	<u>Maintenance & Operations</u>	<u>Interest & Sinking</u>	<u>2015 Total</u>
Current	\$ 186,164,831	\$ 37,637,606	\$ 223,802,437
Delinquent	854,920	(37,035)	817,885
Penalties and interest	2,001,022	-	2,001,022
Total Gross Collections	<u>\$ 189,020,773</u>	<u>\$ 37,600,571</u>	<u>\$ 226,621,344</u>
Less:			
Appraisal & Collection Fees	2,441,206	347,451	2,788,657
Bad Debt Expense	(149,907)	(25,801)	(175,708)
Total Net Collections	<u>\$ 186,729,474</u>	<u>\$ 37,278,921</u>	<u>\$ 224,008,395</u>

Gross taxes collected for fiscal year 2014:

<u>Gross Taxes Collected - 2014</u>	<u>Maintenance & Operations</u>	<u>Interest & Sinking</u>	<u>2014 Total</u>
Current	\$ 174,260,108	\$ 35,292,016	\$ 209,552,124
Delinquent	1,594,878	(67,204)	1,527,674
Penalties and interest	1,897,748	-	1,897,748
Total Gross Collections	<u>\$ 177,752,734</u>	<u>\$ 35,224,812</u>	<u>\$ 212,977,546</u>
Less:			
Appraisal & Collection Fees	2,363,717	333,478	2,697,195
Bad Debt Expense	501,134	(49,152)	451,982
Total Net Collections	<u>\$ 174,887,883</u>	<u>\$ 34,940,486</u>	<u>\$ 209,828,369</u>

Tax collections for the fiscal years ended August 31, 2015 and 2014 were approximately 99% of the current tax levy for both years. Allowances for uncollectible taxes (See Note 4) are based upon historical experience in collecting ad valorem taxes.

Under GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, ad valorem taxes are imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable legal claim to the asset or when the entity receives resources, whichever comes first. The enforceable legal claim date for ad valorem taxes is the assessment date. Accordingly, the District has recognized all assessed taxes in the current year and recorded a receivable for uncollected taxes.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

22. TAX INCREMENT FINANCING DISTRICTS

The District participates in a number of tax increment financing districts ("TIFs"). The following table summarizes the obligations of the District's involvement in the TIFs:

<u>TIF Title</u>	<u>Percentage of Incremental Tax Committed</u>	<u>Expiration Date</u>	<u>Taxes Forgone in 2015</u>	<u>Taxes Forgone in 2014</u>
City of Irving	100%	2014	\$ (86,631)	\$ 752,704
City of Farmers Branch Mercer Crossing	35	2014	(27,399)	19,800
City of Farmers Branch Old Farmers Branch	100	2015	18,143	8,661
City of Grand Prairie #1	100	2020	135,173	118,339
City of Grand Prairie #2	100	2015	94,783	86,820
City of Grand Prairie #3	100	2014	-	11,856
City of Garland #1	100	2024	102,401	-
Total taxes forgone			<u>\$ 236,470</u>	<u>\$ 998,180</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

23. INCOME TAXES

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated 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 material unrelated business income tax liability for the fiscal years ended August 31, 2015 or 2014.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

24. COMPONENT UNITS

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC. —
DISCRETELY PRESENTED COMPONENT UNIT**

Dallas County Community College District Foundation, Inc. (the "Foundation") was established as a separate non-profit organization in 1973 to raise funds to provide student scholarships and assistance in the development and growth of the District. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit. Accordingly, the Foundation's financial statements are included in District's comprehensive annual financial report as a discretely presented component unit as Exhibit 1A – Statements of Financial Position and Exhibit 2A – Statements of Activities for the fiscal years ended August 31, 2015 and 2014.

For financial information about the Dallas County Community College District Foundation, Inc., please contact the Foundation at:

DCCCD Foundation, 1601 South Lamar St., Dallas, Texas 75215-1816
or visit their website at: <http://www.foundation.dcccd.edu/about-us/financials>.

The following notes are from the Foundation's audited financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

**NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

General

Dallas County Community College District Foundation, Inc. (the "Foundation") is a nonprofit organization established in 1973. The Foundation's sole purpose is to provide benefits such as scholarships and grants to the Dallas County Community College District (the "District"), and to the students, faculty, and staff of the District's seven colleges, and R. Jan LeCroy Center for Educational Telecommunications.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis financial reporting framework, in accordance with Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC Topic 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets:

- **Unrestricted Net Assets** – These are net assets that are not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation.
- **Temporarily Restricted Net Assets** – These are net assets that are subject to donor-imposed stipulations that require the passage of time and/or the occurrence of a specific event, for them to be used.
- **Permanently Restricted Net Assets** – These are net assets required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed restrictions.

In addition, the Foundation is required by FASB ASC Topic 958-205 to present a statement of cash flows.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and investments that are available for current use with maturity dates of less than three months from the date of acquisition. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash equivalents included in cash and cash equivalents at August 31, 2015 and 2014, amounted to \$2,089,108 and \$3,376,716, respectively. Cash and cash equivalents that are restricted for long-term purposes, including those restricted for endowments, or are not available for the Foundation's general use have been reported as noncurrent assets in the statements of financial position.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

**NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - Continued**

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are reported in the statements of activities.

The Foundation maintains an investment management agreement with Smith Asset Management Group, L.P.; Vanguard; Acadian Asset Management, LLC; Harbor Funds; IVA Funds; and Barrow Henley, Mewhinney and Strauss whereby these investment managers manage the Foundation's investments in a manner consistent with the investment goals and policies established by the Foundation's Board of Directors.

Revenue Recognition

In accordance with FASB ASC Topic 958-605, *Accounting for Contributions Received and Contributions Made*, contributions received by the Foundation are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized as revenues in the period unconditional promises to give are received by the Foundation. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted using the risk-free rate as of the date the unconditional promise to give was received by the Foundation. Amortization of discounts is recorded as additional contributions in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible receivables is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fund-raising activity. Amounts deemed by management to be uncollectible are charged to expenses. Recoveries on receivables previously charged-off are credited to expenses. Management believes that all outstanding pledges are collectible and no allowance is necessary as of August 31, 2015 and 2014.

Interest income is recognized on the accrual basis. Dividends are recorded on the ex-dividend date.

Contributed Services

The salaries of certain Foundation employees have been donated by the District. The estimated fair value of these contributed services is \$627,379 and \$487,087 for fiscal years 2015 and 2014, respectively, and has been included in contributed employees' salaries and benefits in the revenues section, and management and general expenses in the accompanying statements of activities.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

**NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES - Continued**

The District also provides office space and equipment at no cost to the Foundation. Because the Foundation does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts have been reflected in the financial statements.

Federal Income Taxes

The Foundation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code) of 1986, as amended, as an organization described in Section 501(c)(3) of the Code. However, income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under Section 511 of the Code. The Foundation did not conduct any unrelated business activities in fiscal years 2015 and 2014. Therefore, the Foundation has made no provision for federal income taxes in the accompanying financial statements. Accordingly, contributions to the Foundation are tax deductible within the limitations prescribed by the Code. The Foundation has also been classified as a publicly-supported organization which is not a private foundation under Section 509(a) of the Code.

The Foundation applies the provisions of FASB ASC Topic 740, Income Taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Federal income tax returns of the Foundation for years 2011 through 2013 are still subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates included in the financial statements are (a) present values of contributions receivable expected to be received beyond one year, and (b) the valuation of the investments at fair value.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE B - INVESTMENTS

Investments are composed of the following as of August 31:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Corporate bonds	\$ 3,169,984	\$ 5,028,795	\$ 3,181,845	\$ 4,964,668
Corporate stocks	4,625,189	5,729,335	4,010,887	5,580,103
Mutual funds	<u>20,036,889</u>	<u>21,693,260</u>	<u>18,289,898</u>	<u>22,487,534</u>
	<u>\$27,832,062</u>	<u>\$32,451,390</u>	<u>\$25,482,630</u>	<u>\$33,032,305</u>

Investment securities are exposed to various risks, such as interest rate, custodial and market credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term, and that such change could significantly affect the amounts reported in the financial statements.

For the years ended August 31, 2015 and 2014, the components of investment earnings are:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 1,509,120	\$ 949,108
Net loss on investments carried at fair value	<u>(2,052,924)</u>	<u>3,643,473</u>
Total return on investments	<u>\$ (543,804)</u>	<u>\$4,592,581</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following unconditional promises to give:

	<u>August 31,</u>	
	<u>2015</u>	<u>2014</u>
Contributions receivable	\$560,000	\$469,266
Less unamortized discount ranging from .39% to .75% at August 31, 2015 and .27% to .49% at August 31, 2014	<u>(4,852)</u>	<u>(58)</u>
	<u>\$555,148</u>	<u>\$469,208</u>

The maturity of contributions receivable as of August 31, is as follows:

	<u>2015</u>	<u>2014</u>
Maturing in less than one year	\$160,000	\$449,266
Maturing between one and five years	<u>395,148</u>	<u>19,942</u>
Total contributions receivable	<u>\$555,148</u>	<u>\$469,208</u>

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>August 31,</u>	
	<u>2015</u>	<u>2014</u>
Student scholarship for tuition and books	\$ 8,258,497	\$ 8,788,262
Professional development, student related activities, and program support	<u>4,342,360</u>	<u>4,066,566</u>
	<u>\$12,600,857</u>	<u>\$12,854,828</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE E - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are maintained for the benefit of the following:

	<u>August 31,</u>	
	<u>2015</u>	<u>2014</u>
Student scholarship for tuition and books	\$25,831,511	\$24,395,232
Professional development, student related activities, and program support	<u>1,036,563</u>	<u>1,033,470</u>
	<u>\$26,868,074</u>	<u>\$25,428,702</u>

The Foundation's permanently restricted net assets are restricted to investments in perpetuity, although the income from these permanently restricted assets is available for scholarships and grants.

NOTE F - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions consisting of temporarily and permanently restricted funds were due mainly to satisfaction of purpose restrictions. Net Assets released from restrictions amounted to \$2,624,903 and \$1,167,144 for the years ended August 31, 2015 and 2014, respectively.

NOTE G - CONCENTRATION OF CREDIT RISK

The Foundation maintains deposits in financial institutions which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Foundation's deposit account balance exceeded the federally insured limit by approximately \$4,645,000 as of August 31, 2015, which was not otherwise insured. The Foundation did not experience any losses in such accounts.

NOTE H - TRANSACTIONS WITH RELATED PARTIES

The Foundation's payments to the District for scholarships and grants amounted to \$2,388,993 and \$1,667,738 for fiscal years 2015 and 2014, respectively. At August 31, 2015 and 2014, the Foundation recorded a total of \$310,456 and \$209,773, respectively, for scholarships and grants payable to the District.

Also, as described in the Contributed Services paragraph of Note A, the District paid the salaries and benefits of certain Foundation's employees and the estimated fair value of these contributed services is \$627,379 and \$487,087 for fiscal years 2015 and 2014, respectively. Further, the District also provided office space and equipment at no cost to the Foundation. Because the Foundation does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts have been reflected in the Foundation's financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE I - FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurements*, provides a framework for measuring fair value. FASB ASC Topic 820 also establishes a fair value hierarchy that distinguishes between inputs based on market data from independent sources (observable inputs) and a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs).

The fair value hierarchy in FASB ASC Topic 820 prioritizes fair value measurements into three levels based on the nature of the inputs. The three levels of the fair value hierarchy under FASB ASC Topic 820 are as follows:

Level 1 – Investments in this category are valued based on quoted prices in active markets for identical assets that are accessible at the measurement date. An active market is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Investments in this category are valued based on inputs, in the absence of actively quoted market prices, which are observable for the asset, either directly or indirectly. Level 2 inputs include: (a) quoted prices for similar assets in active markets, (b) quoted prices for identical or similar assets in markets that are not active, (c) inputs other than quoted prices that are observable for the asset such as interest rates and yield curves observable at commonly quoted intervals, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Investments in this category are valued based on unobservable inputs for asset. Unobservable inputs are used to the extent observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a summary of the Foundation's investments by level, within the fair value hierarchy, as of:

August 31, 2015	Fair Value Measurement Using Input Considered as:			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities	\$ -	\$ 5,028,795	\$ -	\$ 5,028,795
Equity investments	5,729,335	-	-	5,729,335
Mutual funds	-	<u>21,693,260</u>	-	<u>21,693,260</u>
	<u>\$5,729,335</u>	<u>\$26,722,055</u>	<u>\$ -</u>	<u>\$32,451,390</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE I - FAIR VALUE MEASUREMENTS - Continued

August 31, 2014	<u>Fair Value Measurement Using Input Considered as:</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities	\$ -	\$4,964,668	\$ -	\$ 4,964,668
Equity investments	5,580,103	-	-	5,580,103
Mutual funds	<u>19,215,177</u>	<u>3,272,357</u>	<u>-</u>	<u>22,487,534</u>
	<u>\$24,795,280</u>	<u>\$8,237,025</u>	<u>\$ -</u>	<u>\$33,032,305</u>

Change in valuation techniques may result in transfers in or out of an investment’s assigned level within the hierarchy. The investment Portfolio recognizes transfers between fair value hierarchy levels at approximate date of the event or change in circumstances that cause the transfer. There were no significant transfers between Levels 1, 2 and 3 during the year.

NOTE J - ENDOWMENTS

The Foundation’s endowment consists of several individual funds established for a variety of purposes. These individual funds consist of both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

On September 1, 2007, the State of Texas promulgated the Uniform Prudent Management of Investment Funds Act (“UPMIFA”). UPMIFA provides standards and guidelines for the management, investment, and expenditure of charitable funds and for endowment spending by institutions organized and operated exclusively for a charitable purpose. The purposes of UPMIFA are to modernize rules, to articulate prudence standards, and to provide guidance and authority for the management and investment of charitable funds and for endowment spending. The act provides greater direction with respect to making prudent determinations and requires charities to focus on donor intent and the purpose of endowment funds when managing institutional funds.

FASB ASC Topics 958-205-50-1A through 50-2, *Reporting Endowment Funds*, provide guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations that are subject to UPMIFA; and improves disclosures about an organization’s endowment funds (both donor restricted funds and funds functioning as an endowment), regardless of whether it is subject to UPMIFA. The FASB ASC Topics 958-205-50-1A through 50-2 requires an organization to classify a portion of a donor-restricted endowment fund (other than a term endowment) as permanently restricted net assets. That portion is equal to the amount of the fund that: (1) must be retained permanently, in accordance with explicit donor stipulations,

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE J - ENDOWMENTS – Continued

or (2) that, in the absence of such stipulations, the not-for-profit's governing board determines must be retained permanently under the relevant law.

As permitted by accounting standards generally accepted in the United States of America, income earned on endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions as well as based on management's prudent determinations.

Interpretation of Relevant Law

The management of the Foundation has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Any remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Foundation and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Foundation.
7. The investment policies of the Foundation.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE J - ENDOWMENTS - Continued

Endowment Net Asset Composition by Type of Fund as of August 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 8,354,826	\$26,868,074	\$35,222,900
Board restricted endowment funds	<u>8,401</u>	<u>-</u>	<u>-</u>	<u>8,401</u>
Total	<u>\$ 8,401</u>	<u>\$ 8,354,826</u>	<u>\$26,868,074</u>	<u>\$35,231,301</u>
Endowment net assets, beginning of year	\$ 7,878	\$ 9,133,884	\$25,428,702	\$34,570,464
Contributions	-	-	1,436,659	1,436,659
Investment income:				
Dividends and interest	333	1,066,068	-	1,066,401
Net realized and unrealized gains (losses) on investments	191	(1,492,301)	-	(1,492,110)
Released from restrictions	-	(113)	2,713	2,600
Amount appropriated for expenditures	<u>-</u>	<u>(352,712)</u>	<u>-</u>	<u>(352,712)</u>
Endowment net assets, end of year	<u>\$ 8,401</u>	<u>\$ 8,354,826</u>	<u>\$26,868,074</u>	<u>\$35,231,301</u>

Endowment Net Asset Composition by Type of Fund as of August 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$9,133,884	\$25,428,702	\$34,562,586
Board restricted endowment funds	<u>7,878</u>	<u>-</u>	<u>-</u>	<u>7,878</u>
Total	<u>\$ 7,878</u>	<u>\$9,133,884</u>	<u>\$25,428,702</u>	<u>\$34,570,464</u>
Endowment net assets, beginning of year	\$ 7,446	\$6,260,212	\$25,280,117	\$31,547,775
Contributions	-	-	86,625	86,625
Investment income:				
Dividends and interest	227	2,621,453	-	2,621,680
Net realized and unrealized gains on investments	205	685,007	-	685,212
Transfer-in	-	(62,090)	61,960	(130)
Amount appropriated for expenditures	<u>-</u>	<u>(370,698)</u>	<u>-</u>	<u>(370,698)</u>
Endowment net assets, end of year	<u>\$ 7,878</u>	<u>\$9,133,884</u>	<u>\$25,428,702</u>	<u>\$34,570,464</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE J - ENDOWMENTS - Continued

Investment Return Objectives and Risk Parameters

The Foundation board has adopted investment and spending policies for endowment assets that attempt to preserve the real (inflation-adjusted) purchasing power of the trust assets, to provide an adequate level of income to meet the original intent of the Foundation's benefactors and to maximize the total rate of return earned by the trust without assuming an unreasonable degree of risk. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board, the investment objective for the fixed income is to outperform (net of fees) the Barclays Intermediate Government/Credit Index. The investment objective for the equity fund is to outperform (net of fees) the Russell 1000 and/or the S&P 500 Stock Index.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation will make earnings available each year for use by endowment supported funds. The available funds will be up to 5% of the three year average of the aggregate investment portfolio market value at December 31st of the year preceding the disbursement of the funds. The spending limit will not exceed 5% of the December 31st market value. An amount in excess of the annual spending limit will be permitted for programs and endowments where donors have determined a need for a higher level of spending.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow. This is consistent with the Foundation's objectives to preserve the real (inflation-adjusted) purchasing power of the trust assets, to provide an adequate level of income to meet the original intent of the Foundation's benefactors and to maximize the total rate of return earned by the trust without assuming an unreasonable degree of risk.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2015 and 2014

NOTE K - NET ASSET VALUE PER SHARE

In accordance with FASB Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the Foundation expanded its disclosure to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value (NAV) per share or its equivalent for which the fair value is not readily determinable as of August 31, 2015 and 2014.

For the Foundation, such assets include investments in fixed income funds. Investments in the fund are valued at a NAV of \$17.37 and \$17.08 per unit, as of August 31, 2015 and 2014, respectively, and the Foundation had 289,515 and 290,559 units as of August 31, 2015 and 2014, respectively.

The following table sets forth a summary of the investments for which the fair value has been estimated using the NAV of the investments.

	Fair Value Estimated Using NAV per Share					
	August 31, 2015 and 2014					
	Fair Value as of August 2015	Fair Value as of August 2014	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
Barrow, Hanley, Mewhinney & Strauss BHMS Core Fixed Income						
Fund (a)	\$5,028,795	\$4,964,668	None	Daily	None	30 days
Total	<u>\$5,028,795</u>	<u>\$4,964,668</u>				

(a) The fund seeks to provide long term total return with prudent risk of principal by investing in U.S. investment -grade fixed income securities with diversified maturities.

NOTE L - CONDITIONAL PROMISE TO GIVE

In March 2013, the Foundation received a \$1.8 million commitment from a donor, payable in 3 annual installments contingent upon the terms of the promise, including the donor's right at its sole discretion to suspend or cancel the promise. The first annual installment of \$600,000 was received and recognized as revenue in fiscal year 2013 by the Foundation. The 2nd annual installment of \$600,000 was received in September 2014. The balance of \$600,000 is considered a conditional promise to give at August 31, 2015.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 17, 2015; the date financial statements were available to be issued. Except as described in the first paragraph of this note, no changes are necessary to be made to the financial statements as a result of this evaluation.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

25. RICHLAND COLLEGIATE HIGH SCHOOL - CHARTER HIGH SCHOOL OPERATED BY THE DISTRICT

In January 2005, the District's Board of Trustees approved application to the Texas Education Agency (TEA) for a charter to operate the Richland Collegiate High School of Mathematics, Science, and Engineering, designed to enroll students only at the junior and senior levels. TEA approved the application in October 2005. In May 2006, the Board approved the contract with TEA for operating a charter through July 31, 2010. The charter agreement has since been renewed and is in effect indefinitely at this time. The charter high school opened in August 2006 with its first class of 176 students at the junior level. Students receive high school and college credit concurrently. Funding is received from the State of Texas for the charter high school based on average daily attendance. Expenses consist of contracted services for instruction and other functions provided through Richland College as well as direct expenses for equipment and supplies. The high school has no direct employees.

Beginning with Fall 2010 classes, a new area of emphasis for students to select from was added - performing and other arts. Because of the expanded offerings, the "Mathematics, Science, and Engineering" portion of the school name has been dropped and is now simply Richland Collegiate High School.

The Richland Collegiate High School has the same legal identity as the District and is governed by the same Board. For operating purposes, in accord with TEA requirements, all revenue and expenses are tracked through a separate general ledger account. For financial reporting purposes, fiscal information for the charter high school is included in the financial statements of the District.

The Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, a Statements of Cash Flows, and a Schedule of Expenses for the fiscal years ended August 31, 2015 and 2014 for Richland Collegiate High School alone are presented below. Included also is a Budgetary Comparison Schedule for 2015.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF NET POSITION WITH TEA CLASSIFICATIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
EXHIBIT 1

DATA CONTROL CODES	ASSETS	2015	2014
	CURRENT ASSETS:		
1110	Cash and cash equivalents	\$ 85,091	\$ 249,654
1120	Short-term investments	479,862	-
1240	Accounts receivable (net) - governments	32,081	17,567
1290	Accounts receivable (net) - others	10,040	-
	Total current assets	607,074	267,221
	NON-CURRENT AND RESTRICTED ASSETS:		
1539	Furniture and Equipment	11,583	12,882
1910	Investments	1,604,041	1,847,480
1900	Total non-current assets	1,615,624	1,860,362
1000	TOTAL ASSETS	2,222,698	2,127,583
	DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred outflows	-	-
	Total deferred outflows of resources	-	-
	LIABILITIES		
	CURRENT LIABILITIES:		
2110	Accounts payable	2,300	-
2123	Funds held for others	929	-
2501	Due to District (parent organization)	32,081	6,487
	Total current liabilities	35,310	6,487
2000	TOTAL LIABILITIES	35,310	6,487
	DEFERRED INFLOWS OF RESOURCES		
2600	Deferred inflows	-	-
	Total deferred inflows of resources	-	-
	NET POSITION		
3600	Invested in capital assets, net of related debt	11,583	12,882
3600	Unrestricted	2,175,805	2,108,214
3000	TOTAL NET POSITION	\$ 2,187,388	\$ 2,121,096

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
EXHIBIT 2

District Presentation

	2015	2014
OPERATING REVENUES:		
Federal grants and contracts	\$ 32,081	\$ 7,857
Total operating revenues	32,081	7,857
OPERATING EXPENSES:		
Instruction	1,434,305	1,640,193
Public Service	278,504	299,754
Academic support	186,993	135,583
Student services	521,306	469,339
Institutional support	796,965	724,188
Plant Maintenance and operation	702	10,870
Depreciation	1,299	108
Total operating expenses	3,220,074	3,280,035
OPERATING LOSS	(3,187,993)	(3,272,178)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	3,234,306	3,408,547
Investment income	19,979	23,324
Net non-operating revenues	3,254,285	3,431,871
INCREASE IN NET POSITION	66,292	159,693
NET POSITION:		
Net Position—Beginning of Year	2,121,096	1,961,403
Net Position—End of Year	\$ 2,187,388	\$ 2,121,096

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

EXHIBIT 2
(CONTINUED)

		TEA Classifications	
Data Control Codes		2015	2014
	OPERATING REVENUES:		
5929	Federal grants revenue distributed by TEA	\$ 32,081	\$ 7,857
5929	Total operating revenues	32,081	7,857
	OPERATING EXPENSES:		
0011	Instruction	1,712,808	1,938,577
0012	Instructional resources and media services	37,895	37,097
0013	Curriculum development & instructional	119,560	70,670
0023	School leadership	485,547	418,397
0031	Guidance, counseling and evaluation services	436,952	382,636
0033	Health services	38,885	43,000
0034	Student transportation	28,882	27,969
0035	Food service	17,883	271
0036	Co-Curricular/Extra-curricular	4	-
0041	General administration	237,350	250,328
0051	Plant maintenance and operation	702	10,870
0052	Security and monitoring services	74,068	71,403
0053	Data processing services	29,538	28,817
6000	Total operating expenses	3,220,074	3,280,035
1100	OPERATING LOSS	(3,187,993)	(3,272,178)
	NON-OPERATING REVENUES (EXPENSES):		
5800	State appropriations	3,234,306	3,408,547
5742	Investment income	19,979	23,324
	Net non-operating revenues	3,254,285	3,431,871
1200	INCREASE IN NET POSITION	66,292	159,693
	NET POSITION:		
0100	Net Position—Beginning of Year	2,121,096	1,961,403
3000	Net Position—End of Year	\$ 2,187,388	\$ 2,121,096

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

EXHIBIT 3

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants and contracts	\$ 7,527	\$ 5,294
Payments to suppliers for goods and services	<u>(3,189,952)</u>	<u>(3,279,004)</u>
Net cash used in operating activities	<u>(3,182,425)</u>	<u>(3,273,710)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	<u>3,234,306</u>	<u>3,408,547</u>
Net cash provided by non-capital financing activities	<u>3,234,306</u>	<u>3,408,547</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of equipment	<u>-</u>	<u>(12,990)</u>
Net cash used by capital and related financing activities	<u>-</u>	<u>(12,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on investments	19,979	23,324
Purchase of investments	<u>(236,423)</u>	<u>104,483</u>
Net cash provided (used) by investing activities	<u>(216,444)</u>	<u>127,807</u>
Increase (decrease) in cash and cash equivalents	(164,563)	249,654
Cash and cash equivalents - September 1	<u>249,654</u>	<u>-</u>
Cash and cash equivalents - August 31	<u>\$ 85,091</u>	<u>\$ 249,654</u>
Reconciliation of net operating loss to net cash used in operating activities		
Operating loss	\$ (3,187,993)	\$ (3,272,178)
Depreciation	1,299	108
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Receivables (net)	(24,554)	(2,563)
Inventories	-	9,440
Accounts payable	<u>28,823</u>	<u>(8,517)</u>
Net cash used in operating activities	<u>\$ (3,182,425)</u>	<u>\$ (3,273,710)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

RICHLAND COLLEGIATE HIGH SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual to Budget</u>	<u>Percent Actual</u>	<u>Original to</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>	<u>to Final Budget</u>	<u>Final Budget</u>
REVENUES						
Local Support						
5740	Local and intermediate sources	\$ 10,000	\$ 10,000	\$ 19,979	\$ 9,979	99.79% ^a 0.00%
3600	Decrease/use of fund balance	-	49,900	-	(49,900)	n/a n/a
State program revenues:						
5800	Foundation School Program Act Revenues	3,403,425	3,329,274	3,234,306	(94,968)	-2.85% -2.18%
Federal program revenues:						
5900	5900 Federal program revenues	-	32,081	32,081	-	0.00% 100.00% ^b
	Total revenues	3,413,425	3,421,255	3,286,366	(134,889)	-3.94% 0.23%
EXPENDITURES						
State program expenditures						
0011	11 Instruction ¹	1,848,150	1,907,483	1,712,808	(194,675)	-10.21% ^d 3.21%
0012	12 Instructional resources and media services	44,375	39,950	37,895	(2,055)	-5.14% -9.97%
0013	13 Curriculum and staff development ¹	132,950	122,609	119,560	(3,049)	-2.49% -7.78%
0023	23 School leadership	568,125	512,000	485,547	(26,453)	-5.17% -9.88%
0031	31 Guidance, counseling, and evaluation services	405,750	410,000	436,952	26,952	6.57% 1.05%
0033	33 Health services	46,225	41,625	38,885	(2,740)	-6.58% -9.95%
0034	34 Student transportation	27,975	28,882	28,882	-	0.00% 3.24%
0035	35 Food service	10,550	17,365	17,883	518	2.98% 64.60% ^c
0036	36 Extracurricular activities	500	4	4	-	0.00% -99.20% ^d
0041	41 General administration	214,250	233,650	237,350	3,700	1.58% 9.05%
0051	51 Facilities maintenance and operations	10,000	702	702	-	0.00% -92.98% ^d
0052	52 Security and monitoring services	75,750	77,445	74,068	(3,377)	-4.36% 2.24%
0053	53 Data processing services	28,825	29,540	29,538	(2)	-0.01% 2.48%
	Total expenditures	3,413,425	3,421,255	3,220,074	(201,181)	-5.88% 0.23%
1200	Net change in fund balances	-	-	66,292	66,292	n/a n/a
0100	Fund balances--beginning	2,121,096	2,121,096	2,121,096	-	0.00% 0.00%
3600	Decrease/use of fund balance	-	(49,900)	-	49,900	n/a n/a
3000	Fund balances--ending	\$ 2,121,096	\$ 2,071,196	\$ 2,187,388	\$ 116,192	5.61% -2.35%

¹ Includes grant-funded expenditures

Variance Explanations

^a Reflects unrealized market gains

^b Grant funds are not reported in original PEIMS budget

^c Some implementation costs were deferred from 2013-14

^d Anticipated expenses were not realized

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF EXPENSES
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Expenses Object	<u>2015</u>	<u>2014</u>
6100 Payroll Cost	\$ 1	\$ 1
6200 Professional/Contracted Services	2,608,248	2,746,767
6300 Supplies/Material	590,961	497,553
6400 Other Operating	20,864	35,714
	<u>\$ 3,220,074</u>	<u>\$ 3,280,035</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF CAPITAL ASSETS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014

Asset Object	Local Ownership Interest	
	2015	2014
1110 Cash and cash equivalents	\$ 85,091	\$ 249,654
1120 Short-term investments	479,862	-
1539 Furniture and equipment	11,583	12,882
	<u>\$ 576,536</u>	<u>\$ 262,536</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

26. RELATED PARTIES

During the year, the District furnished certain services such as office space, utilities, and some staff assistance to the Foundation as discussed in Notes 1 and 24.

The Foundation's payments to the District for scholarships and grants amounted to \$2,388,993 and \$1,667,738 for fiscal years 2015 and 2014, respectively. At August 31, 2015 and 2014, the Foundation recorded a total of \$310,456 and \$209,773, respectively, for scholarships and grants payable to the District.

The District paid the salaries and benefits of certain Foundation employees. The value of these contributed services is \$627,379 and \$487,087 for fiscal years 2015 and 2014, respectively. Also, the District provided office space and equipment at no cost to the Foundation. Because DCCCD does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts can be disclosed.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014**

27. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 8, 2015. The financial statements were available on this date. No changes are necessary to be made to the financial statements as a result of this evaluation.

SUPPLEMENTAL INFORMATION

**SCHEDULES FOR
STATEMENTS OF NET POSITION AND
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF OPERATING REVENUES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
(WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2014)
SCHEDULE A**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2015</u>	<u>2014</u>
Tuition:						
State funded credit courses:						
In-district resident tuition	61,173,729	\$ -	61,173,729	\$ -	61,173,729	\$ 58,158,135
Out-of-district resident tuition	16,077,785	-	16,077,785	-	16,077,785	15,122,066
Non-resident tuition	15,514,691	-	15,514,691	-	15,514,691	12,497,011
TPEG - credit (set aside) *	4,492,777	-	4,492,777	-	4,492,777	4,262,681
State-funded continuing education	12,167,405	-	12,167,405	-	12,167,405	9,616,557
TPEG - non-credit (set aside) *	1,350,900	-	1,350,900	-	1,350,900	1,069,873
Non-state funded educational programs	3,694,834	-	3,694,834	-	3,694,834	3,523,631
Total Tuition	<u>114,472,121</u>	<u>-</u>	<u>114,472,121</u>	<u>-</u>	<u>114,472,121</u>	<u>104,249,954</u>
Fees:						
Installment plan fees	859,220	-	859,220	-	859,220	847,350
Prior year tuition and fees	135	-	135	-	135	-
Total fees	<u>859,355</u>	<u>-</u>	<u>859,355</u>	<u>-</u>	<u>859,355</u>	<u>847,350</u>
Scholarship allowances and discounts:						
Bad debt allowance	(640,300)	-	(640,300)	-	(640,300)	(1,243,100)
Remissions and exemptions - state	(1,480,236)	-	(1,480,236)	-	(1,480,236)	(2,467,154)
Remissions and exemptions - local	(9,616,382)	-	(9,616,382)	-	(9,616,382)	(7,505,797)
Title IV federal grants	(27,059,780)	-	(27,059,780)	-	(27,059,780)	(26,000,100)
Other federal grants	(2,848,761)	-	(2,848,761)	-	(2,848,761)	(2,571,748)
State grants	(5,662,196)	-	(5,662,196)	-	(5,662,196)	(3,077,849)
TPEG awards	(2,934,824)	-	(2,934,824)	-	(2,934,824)	(2,137,532)
Rising Star program	(221,310)	-	(221,310)	-	(221,310)	(176,959)
Other local grants	47,663	-	47,663	-	47,663	33,330
Total scholarship allowances	<u>(50,416,126)</u>	<u>-</u>	<u>(50,416,126)</u>	<u>-</u>	<u>(50,416,126)</u>	<u>(45,146,909)</u>
Total net tuition and fees	<u>64,915,350</u>	<u>-</u>	<u>64,915,350</u>	<u>-</u>	<u>64,915,350</u>	<u>59,950,395</u>
Additional operating revenues:						
Federal grants and contracts	1,487,443	14,784,418	16,271,861	103,708	16,375,569	14,937,227
State grants and contracts	255,411	12,081,349	12,336,760	5,807	12,342,567	9,662,489
Non-governmental grants and contracts	3,567	2,452,999	2,456,566	54,467	2,511,033	1,673,080
Sales and services of educational activities	550,611	-	550,611	-	550,611	453,036
Other operating revenues	1,626,474	-	1,626,474	-	1,626,474	1,497,445
Total additional operating revenues	<u>3,923,506</u>	<u>29,318,766</u>	<u>33,242,272</u>	<u>163,982</u>	<u>33,406,254</u>	<u>28,223,277</u>
Auxiliary Enterprises:						
Bookstore	-	-	-	1,332,011	1,332,011	2,062,790
Food Service	-	-	-	607,424	607,424	614,014
Center for Educational Telecommunications	-	-	-	919,336	919,336	1,049,258
Business Incubation Center	-	-	-	163,565	163,565	131,006
Student Programs	-	-	-	394,630	394,630	610,234
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,416,966</u>	<u>3,416,966</u>	<u>4,467,302</u>
Total Operating Revenues	<u>\$ 68,838,856</u>	<u>\$ 29,318,766</u>	<u>\$ 98,157,622</u>	<u>\$ 3,580,948</u>	<u>\$ 101,738,570</u>	<u>\$ 92,640,974</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$5,843,677 and \$5,332,554 for the fiscal years August 31, 2015 and 2014, respectively, of tuition was set aside for Texas Public Education grants (TPEG).

DALLAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPERATING EXPENSES BY OBJECT
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)
 SCHEDULE B

	Operating Expenses					Total 2015	Total 2014
	Salaries and Wages	Benefits		Other Expenses	Total 2015		
		State	Local				
UNRESTRICTED - Educational Activities							
Instruction	\$ 128,134,694	\$ -	\$ 16,250,991	\$ 16,920,476	\$ 161,306,161	\$ 154,051,785	
Public Service	3,501,995	-	453,466	2,200,253	6,155,714	5,971,372	
Academic Support	13,377,345	-	1,693,050	3,508,707	18,579,102	17,637,936	
Student Services	25,570,278	-	3,313,462	8,840,012	37,723,752	34,880,549	
Institutional Support	49,534,466	-	7,195,302	10,434,200	67,163,968	60,115,238	
Operation and Maintenance of Plant	8,428,907	-	1,095,516	25,771,173	35,295,596	32,454,141	
Total unrestricted educational activities	<u>228,547,685</u>	<u>-</u>	<u>30,001,787</u>	<u>67,674,821</u>	<u>326,224,293</u>	<u>305,111,021</u>	
RESTRICTED - Educational Activities							
Instruction	\$ 2,071,380	\$ 14,288,571	\$ 369,344	\$ 2,055,991	\$ 18,785,286	15,340,395	
Public Service	1,267,022	-	263,653	4,233,420	5,764,095	6,629,926	
Academic Support	270,131	1,491,736	48,791	(5,724)	1,804,934	1,333,519	
Student Services	2,173,039	2,851,396	427,815	1,489,589	6,941,839	5,768,373	
Institutional Support	2,414,892	5,523,693	392,685	1,682,262	10,013,532	8,315,306	
Scholarships and Fellowships	7,769	-	-	65,093,762	65,101,531	66,243,088	
Total restricted educational activities	<u>8,204,233</u>	<u>24,155,396</u>	<u>1,502,288</u>	<u>74,549,300</u>	<u>108,411,217</u>	<u>103,630,607</u>	
TOTAL EDUCATIONAL ACTIVITIES	236,751,918	24,155,396	31,504,075	142,224,121	434,635,510	408,741,628	
AUXILIARY ENTERPRISES	4,262,580	-	754,749	4,567,286	9,584,615	9,547,080	
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	22,907,176	22,907,176	22,600,051	
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	4,908,089	4,908,089	5,242,341	
TOTAL OPERATING EXPENSES	<u>\$ 241,014,498</u>	<u>\$ 24,155,396</u>	<u>\$ 32,258,824</u>	<u>\$ 174,606,672</u>	<u>\$ 472,035,390</u> (Exhibit 2)	<u>\$ 446,131,100</u> (Exhibit 2)	

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)
 SCHEDULE C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 2015</u>	<u>Total 2014</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 87,146,027	\$ -	\$ -	\$ 87,146,027	\$ 87,146,027
State group insurance	-	14,641,581	-	14,641,581	13,641,648
State retirement matching	-	9,513,815	-	9,513,815	5,540,787
SBDC state match	-	1,656,161	-	1,743,938	1,180,876
Starlink	-	363,141	-	275,364	275,364
Hazlewood state reimbursement	9,507	-	-	9,507	48,897
Foundation school program	3,234,306	-	-	3,234,306	3,408,547
Total state appropriations	<u>90,389,840</u>	<u>26,174,698</u>	<u>-</u>	<u>116,564,538</u>	<u>111,242,146</u>
Maintenance ad valorem taxes	186,729,474	37,278,921	-	224,008,395	209,828,369
Federal revenue, non-operating	-	86,496,630	-	86,496,630	86,928,896
Gifts	109,829	-	2,282	112,111	72,729
Investment income (loss)	3,710,202	7,890	321,886	4,039,978	5,821,138
Gain on sale of investment	-	-	-	-	105,274
Contributions in aid of construction	-	-	-	-	-
Other non-operating revenue	187,256	-	-	187,256	1,232,213
Total non-operating revenues	<u>281,126,601</u>	<u>149,958,139</u>	<u>324,168</u>	<u>431,408,908</u>	<u>415,230,765</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	15,097,814	-	-	15,097,814	15,809,014
Loss on disposal of capital assets	857,050	-	-	857,050	172,959
Other non-operating expense	316,904	-	-	316,904	4,137
Total non-operating expenses	<u>16,271,768</u>	<u>-</u>	<u>-</u>	<u>16,271,768</u>	<u>15,986,110</u>
NET NON-OPERATING REVENUES	<u>\$ 264,854,833</u>	<u>\$ 149,958,139</u>	<u>\$ 324,168</u>	<u>\$ 415,137,140</u> (Exhibit 2)	<u>\$ 399,244,655</u> (Exhibit 2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2014)
 SCHEDULE D

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 126,073,230	\$ -	\$ -	\$ -	\$ 126,073,230	\$ 126,073,230	\$ -
Auxiliary enterprises	18,067,404	-	-	-	18,067,404	18,067,404	-
Restricted	-	-	-	-	-	-	-
Loan	128,484	-	-	-	128,484	-	128,484
Endowment:							
Quasi:							
Unrestricted	5,555,550	-	-	-	5,555,550	-	5,555,550
Restricted	-	-	-	-	-	-	-
Plant:							
Unexpended	57,988,401	4,648,507	-	-	62,636,908	-	62,636,908
Debt Service	-	3,947,484	-	-	3,947,484	-	3,947,484
Investment in Plant	-	-	-	302,683,637	302,683,637	-	302,683,637
TOTAL NET POSITION-- August 31, 2015	207,813,069	8,595,991	-	302,683,637	519,092,697 (Exhibit 1)	144,140,634	374,952,063
TOTAL NET POSITION-- August 31, 2014	237,805,212	3,421,734	-	293,619,352	534,846,298 (Exhibit 1)	183,309,042	351,537,256
NET INCREASE (DECREASE) IN NET POSITION	\$ (29,992,143)	\$ 5,174,257	\$ -	\$ 9,064,285	\$ (15,753,601) (Exhibit 2)	\$ (39,168,408)	\$ 23,414,807

**SCHEDULES FOR
FEDERAL AND STATE SINGLE AUDIT**



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

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Board of Trustees
Dallas County Community College District

Report on compliance for each major federal and state program

We have audited the compliance of Dallas County Community College District (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Circular A-133 Compliance Supplement* and the State of Texas *Single Audit Circular* that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2015. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the District’s federal and state programs.

Auditor’s responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas *Single Audit Circular*.

The above-mentioned standards, OMB Circular A-133 and the State of Texas *Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on each major federal and state program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2015.

Instances of noncompliance

The results of our audit procedures disclosed an instance of noncompliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 that is required to be reported in accordance with OMB Circular A-133 and the State of Texas *Single Audit Circular*. Our opinion on each major federal and state program is not modified with respect to these matters.

District's response to findings

The District's response to our noncompliance finding, which is described in the accompanying Schedule of Findings and Questioned Costs, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the District's response.

Report on internal control over compliance

Management of the District is responsible for designing, implementing, and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal and state program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of Texas *Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District and's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the District's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We identified a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001, that we consider to be a significant deficiency in the District's internal control over compliance.

The District's response to our finding on internal control over compliance, which is described in the accompanying Schedule of Findings and Questioned Costs, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the District's response.

The purpose of this Report on Internal Control over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of Texas *Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

GRANT THORNTON LLP

Dallas, Texas
December 8, 2015



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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Board of Trustees
Dallas County Community College District

We have audited, 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, the financial statements of Dallas County Community College District (the “District”) as of and for the year ended August 31, 2015 and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 8, 2015.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (“internal control”) to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

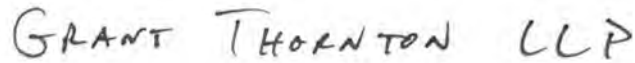
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the District’s internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Dallas, Texas

December 8, 2015

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
SCHEDULE E**

<u>Grantor Program Name</u>	<u>CFDA</u>	<u>Grant #</u>	<u>Expenditures</u>
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Supplemental Educational Opportunity Grant	84.007A (1)		\$ 1,244,392
College Work Study Program	84.033A (1)		1,271,580
Job Locator Development	84.033A (1)		66,447
PELL	84.063P (1)		77,491,525
Direct Loans	84.268 (1)		34,519,543
TRIO Cluster			
TRIO-Student Support Services	84.042A (2)	P042A100-709/253/557/753	1,163,090
TRIO-Talent Search	84.044A (2)	P044A111046 P047A12-0553, 0112, 0815, 0819, 1612,	232,474
TRIO-Upward Bound	84.047A (2)	PO47A040779,976	1,270,629
Other Direct Programs			
Strengthening Institutions - Title III	84.031A	P031A140139	129,453
HSI STEM Articulation Programs	84.031C	P031C110083 / P031C110086	1,738,144
AANAPI-Serving Institutions	84.031L	P031L100010	794,143
Developing HSI Title V Coop w/UNT	84.031S	P031S100113	736,286
Developing HSI Title V	84.031S	P031S- 090114/100071	886,300
Child Care Access	84.335A	P335A100032	3,656
Total Direct from U. S. Department of Education			121,547,662
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	14034/142034 15031/154231	2,044,878
Sarlink	84.048	81004	(2,511)
Sarlink	84.048	91102	(4,544)
Career and Technical Education Early College High School	84.048A	13252	77,171
			2,114,994
Texas Workforce Commission / Workforce Solutions Greater Dallas			
Adult Education Literacy	84.002A	DCCCD-AEL 1-2014	838,456
Del Mar College			
CB-Del Mar Sub/Student Learning	84.048	81105	(2,552)
CB-Del Mar Leadership	84.048	151117	4,944
			2,392
Texas Education Agency			
Title I Improving Basic Programs-RCHS	84.010A	S010A140043	29,472
Title II Teacher/Principal Training & Recruitment-RCHS	84.367A	S367A140041	2,609
			32,081
Total Pass-Through Other Agencies			2,987,923
Total U. S. Department of Education			124,535,585

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015**

**SCHEDULE E
(CONTINUED)**

<u>Grantor Program Name</u>	<u>CFDA</u>	<u>Grant #</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Pass-Through From:			
Texas Workforce Commission			
Apprenticeship Training Program	10.561 (3)	0614ATP000	824
Total U.S. Department of Agriculture			824
 U. S. Department of Commerce			
Direct Programs:			
Malcolm Baldrige Nat'l Quality Award Outreach Activities	11.013	60NANB11D134	2,915
Total U. S. Department of Commerce			2,915
 U.S. Department of Defense			
Direct Program:			
Veteran's Administration Chapter 33			2,002,205
Total U.S. Department of Defense			2,002,205
 U.S. Department of Labor			
Direct Programs:			
TAACCCT/Veterans Focused Engineer Tech Project	17.282	TC-26492-14-60-A-48	126,092
Total Direct from U. S. Department of Labor			126,092
Pass-Through From:			
Dallas County Local Workforce Development Board			
WIA Cluster:			
Youth Services (OSY)	17.259	RLC 3-2011	157,255
Youth Services (OSY)	17.259	RLC 4-2011	761,356
			918,611
Cincinnati State Technical & Community College			
Trade Adjustment Assistance CC and Career Training	17.282	TC-22486-11-60-A39	124,235
Texas Workforce Commission			
Apprenticeship Training Program	17.278 (4)	0614ATP000	770
Apprenticeship Training Program	17.278 (4)	0615ATP000	79,991
			80,761
Total Pass-Through from U.S. Department of Labor			1,123,607
Total U.S. Department of Labor			1,249,699

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
SCHEDULE E
(CONTINUED)**

<u>Grantor Program Name</u>	<u>CFDA</u>	<u>Grant #</u>	<u>Expenditures</u>
National Science Foundation			
Direct Programs:			
Advanced Technology Education	47.076	DUE-1304004	\$ 117,925
Pass-Through From:			
Collin County Community College			
CCCCD/NSF Convergence Technology	47.076	DUE-1205077	16,425
University of Texas at Dallas			
STEM Gateway Collaboration	47.076	DUE-0856549	30,711
Texas A&M University			
Texas A&M Pathways for Industrial Automation	47.076	DUE-1304843	20,238
Total Pass-Through from National Science Foundation			<u>67,374</u>
Total National Science Foundation:			185,299
Small Business Administration			
Direct Programs:			
Small Business Development Center:	59.037	4-603001-EZ-0015 5-603001-EZ-0044	2,676,369
Total Small Business Administration			\$ 2,676,369
U.S. Department of Health & Human Services			
Pass-Through From:			
University of Texas at Austin			
Substance Abuse and Mental Health	93.243	UTA12-001079	21,747
Texas Workforce Commission			
SSF Partnership with Business Consortium	93.558 (5)	0613SSF000	(23,341)
STEM Exploration Program	93.558 (5)	0614T AN002	7,292
Apprenticeship Training Program	93.558 (5)	0614ATP000	(7,629)
Apprenticeship Training Program	93.558 (5)	0615ATP000	10,690
STEM Summer Program	93.558 (5)	0615SMP000	17,036
Dallas County Local Workforce Development Board			
DCLWDB-Child Care Professional Development	93.575	CCO 1-2013/CCO 2-2013	267,442
Total Department of Health & Human Services			<u>293,237</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 130,946,133</u>

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs

The accompanying notes are an integral part of the Schedule of Federal Awards.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
SCHEDULE F**

<u>State Agency/ Program Name</u>	<u>Grant #</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas Grant Program		\$ 559,284
Texas Education Opportunity Grant		2,895,967
Texas College Work Study		249,192
Top 10% Scholarship Program		11,200
T-Stem Challenge Scholarship	11268, 13904	111,037
Work-Study Student Mentorship Program	11829/31/32/39	88,788
Transition Texas	12345	25,648
Transition Texas	12357	28,318
Transition Texas	12354	33,414
Career and Technical Education Early College High Schc	13252	141,697
Nursing Shortage Reduction Program	NSRP FY2010-11 Under 70	11,659
Total Direct Texas Higher Education Coordinating Board		4,156,204
 Pass-Through THECB		
University of Texas at Arlington		
Nursing Innovation Grant (NIGP)	14007	12,569
Total Pass-Through THECB		12,569
 Total Texas Higher Education Coordinating Board		 4,168,773
 Governor's Office		
TCPA-JET Program	5535-06	233,212
Total Governor's Office		233,212
 Texas Education Agency		
Dropout Recovery Performance Pay	11145587110018	275
Total Texas Education Agency		275

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015**

**SCHEDULE F
(CONTINUED)**

<u>State Agency/ Program Name</u>	<u>Grant #</u>	<u>Expenditures</u>
Texas Workforce Commission		
Partnership with Aviall Services	0613SDF000	\$ 345,192
SDF Partnership with AMX Environmental LTD	0613SDF001	8,344
DCMA SDF Training	0613SDF002	43,680
Versacom SDF Training	0613SDF003	(1,243)
GEMS Skills Development	0613SDF004	222,066
Partnership with Mentor Worldwide	0613SDF005	463,370
Manufacturing Consortium	0614SDF000	222,391
Logistics Consortium	0614SDF001	158,140
Fresh Express	0614SDF002	35,273
Partnership with Integracolor	0614SDF003	113,812
Partnership with Manufacturing Consortium	0614SDF004	504,248
BC with International Flavors & Fragrances	0614SDF005	23,755
Partnership with Associa Client	0614SDF006	244,996
AT&T Services	0614SDF007	998,996
Partnership with Shermco Industries	0614SDF008	150,974
Dual Credit Program	0614SDF009	153,697
Health Care Innovator	0614SDF010	1,238,155
Technical Education Advancement	0614SDF011	384,239
NLC/CEF Construction Consortium	0614SDF012	580,878
SDF Veteran & Industry Partnership	0614SDF013	161,988
Manufacturing Consortium	0615SDF000	47,977
Swaydental Management Company	0615SDF001	52,745
AAA Texas	0615SDF002	50,809
Medical Center Alliance	0615SDF003	1,050
DCMA Manufacturing	0615SDF004	13,909
Airbus Helicopters	0615SDF005	3,399
Total Skills Development Funds		6,222,840
Apprenticeship Training Program	0613ATP000	-
Apprenticeship Training Program	0614ATP000	3,806
Apprenticeship Training Program	0615ATP000	147,255
Total Apprenticeship Training Funds		151,061
Skills for Small Businesses	0614SSD004	-
Skills for Small Businesses	0614SSD006	59,517
Skills for Small Businesses	0614SSD003	20,271
Skills for Small Businesses	0614SSD001	3,726
Skills for Small Business	0614SSD005	25,400
Skills for Small Business	0614SSD002	2,800
Total Skills for Small Business		111,714
Total Texas Workforce Commission		6,485,615
TOTAL EXPENDITURES OF STATE AWARDS		\$ 10,887,875

The accompanying notes are an integral part of the Schedule of State Awards.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards ("Schedules") present the activity of all federal and state award programs of the Dallas County Community College District (the "District"). The reporting entity of the District is defined in the notes to the financial statements of the District. All federal and state awards received directly from federal or state agencies or federal awards passed through other government agencies are included on the schedules.

2. BASIS OF ACCOUNTING

The expenditures included in the Schedules are reported for the District's fiscal year ended August 31, 2015. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the District for the purposes of the awards. 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 Schedules 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 funding agencies in the preparation of the Schedules.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal and state awards revenues are reported in the financial statements of the District for the fiscal year ended August 31, 2015, as follows:

	<u>Federal</u>	<u>State</u>
Total revenues per Schedule A	\$ 16,375,569	\$ 12,342,567
Federal revenue, non-operating per Exhibit 2	86,496,630	-
Federal direct student loans	34,519,543	-
Fall tuition-related grants deferred to next fiscal year	(6,445,609)	(1,454,692)
Total expenditures for federal/state awards	<u>\$ 130,946,133</u>	<u>\$ 10,887,875</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

4. AMOUNTS PASSED THROUGH TO OTHERS

Amounts Passed Through by the District – Federal:

The following amounts were passed through to the listed sub-recipients by the District. These amounts were funded by the Small Business Administration for the North Texas Small Business Development Center, CFDA 59.037. (Award 4-603001-EZ-0015, 5-603001-EZ-0044, and 3-603001-Z-0046C)

Collin College	\$	223,019
Grayson College		94,833
Kilgore College		189,653
McLennan Community College		120,739
Navarro College		85,575
North Central Texas College		90,320
Northeast Texas Community College		114,882
Paris Junior College		120,565
Tarrant County College District		313,560
Trinity Valley Community College		64,546
Tyler Junior College		63,761
		<hr/>
		1,481,453

Amounts Passed Through by the District – State:

The following amounts were passed through to the listed sub-recipients by the District. These amounts were funded by State Appropriation for the North Texas Small Business Development Center.

Collin College	\$	50,654
Grayson College		74,320
Kilgore College		86,782
McLennan Community College		129,360
Navarro College		83,663
North Central Texas College		106,963
Northeast Texas Community College		104,845
Paris Junior College		26,602
Tarrant County College District		98,263
Trinity Valley Community College		102,418
Tyler Junior College		84,950
		<hr/>
		948,820

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015**

The following amounts were passed through to the listed sub-recipients by the District. These amounts were funded by Texas Workforce Commission.

Inspiring Tomorrow's Leaders (0613SSF000)	\$	11,899
		11,899
Total Amounts Passed Through to Others	\$	2,442,172

5. STUDENT LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Although Direct Loans "are made to students (not the institution of higher education)" as confirmed in the June 2010 *A-133 Compliance Supplement*, page 5-3-48, they also recommend the amounts for such loans be included on the face of the Schedule of Expenditures of Federal Awards (SEFA). Subtracting the effect of including these loans on the SEFA, actual expenditures of federal awards for the 2015 fiscal year are \$96,426,590.

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Administrative Cost Recovered
Department of Education			
84.268 Direct Loans	\$ 34,519,543	-	\$ 34,519,543

6. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not agree with the amounts reported in the related federal and state financial reports filed with grantor agencies because of differences between the fiscal year of the District and various program years, as well as accruals that would be reflected in the next report filed with the agencies.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2015

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

Type of auditor's report issued on compliance for major programs: Unmodified

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

State Awards

Internal control over major programs:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with State of Texas *Single Audit Circular*? No

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2015

Identification of major programs:

<u>CFDA/Grant Numbers/State Identifying Number</u>	<u>Name of Federal and State Programs or Cluster</u>
--	--

Major Federal Program:

84.002	Adult Education Literacy Grant
59.037	Small Business Administration
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

Major State Program:

Multiple	Texas Workforce Commission - Skills Development Funds
----------	--

Dollar threshold used to distinguish between type A and type B federal programs:

\$300,000 for federal programs
\$300,000 for state programs

Auditee qualified as low-risk auditee for federal programs?

Yes

Auditee qualified as low-risk auditee for state programs?

Yes

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2015.

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding #:	2015-001
CFDA Title:	Student Financial Aid Cluster
CFDA Numbers:	84.007, 84.033, 84.063, 84.268
Federal Award Numbers:	None
Federal Agency:	Department of Education
Compliance Requirement:	Special Tests: Enrollment Reporting
Type of Finding:	Significant Deficiency and Non-Compliance
Criteria:	Under 34 CFR 682.610, the District is required to report to the Secretary of the Department of Education when a student who has received a loan ceases to be enrolled on at least a half-time basis. The method for this reporting is the National Student Loan Data System (NSLDS). Per the NSLDS Enrollment Reporting Guide, students who withdraw from all courses are to be reported to NSLDS within thirty days as withdrawn as of the last date that attendance can be verified.
Condition:	During our testing of this compliance requirement, we noted that seventeen out of the forty judgmentally selected students tested had not been reported to the NSLDS within thirty days as withdrawn as of their last date of attendance.
Questioned Costs:	None
Context:	Students who withdrew were not reported to the NSLDS as withdrawn or within the required time period.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2015

**SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS -
Continued**

Cause: The students either received all F grades or dropped out of classes but did not formally withdraw from the District. The Financial Aid office correctly identified that the student had received no credit and accurately performed the "Return of Title IV" R2T4 calculation at the end of the semester because the student had a zero GPA. The District uses the National Student Clearinghouse (Clearinghouse) to report student status changes to the NSLDS. However this information was not reported to the Clearinghouse, within the required timeframe, and therefore the Clearinghouse did not update the student's withdrawn status and withdrawal date to the NSLDS within the thirty day requirement.

Effect: Lenders are not able to correctly assess when students should begin their grace period or enter loan repayment.

Recommendations: We recommend that the District implement enhanced monitoring controls to ensure that all required reporting is completed timely and accurately. We also recommend that the District conduct regular reviews of the system-generated reports to ensure compliance.

Views of Responsible Officials and Planned Corrective Action: Management accept the finding and will take corrective action to file timely reports directly to both the NSLDS and Clearinghouse. A corrective action team has already been assigned this task.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2014

Finding #: 2014-001

CFDA Title: Small Business Development Centers

CFDA Numbers: 59.037

Federal Award Numbers: SBAHQ-14-B-0018

Federal Agency: Small Business Administration

Compliance Requirement: Reporting

Type of Finding: Non-Compliance

Criteria: In accordance with the provisions of the grant agreement number SBAHQ – 14 – B – 0018, dated December 12, 2013, the District was required to submit its first semi-annual performance report for the period October 17, 2013 through March 30, 2014 to the grantor agency on April 30, 2014.

Condition: The District submitted its first semi-annual performance report to the grantor agency on August 19, 2014, three months after the required deadline.

Questioned Costs: None

Cause: Audit procedures performed identified the following as reasons for failure to submit the performance report within the timeline allowed under the contract agreement:
Grant personnel involvement in competing project deadlines, resulting in the College’s inability to properly resolve conflicting project priorities;
Understaffing in the field centers as well as NTSBDC regional office database position.

Effect: The District did not submit its performance reports in accordance with the timeline contained in the contract agreement.

Prior year recommendation: It was recommend that the District establish procedures to ensure that reports are submitted in accordance with the provisions of the contract agreements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2014

Status of Prior Year
Corrective Action:

The District implemented reporting protocols as described in the corrective action plan. Performance reports to SBA were filed in accordance with the provisions of contract agreements in 2015.

**REQUIRED SCHEDULES FOR
NET PENSION LIABILITY**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015
SCHEDULE G

Fiscal Year Ending August 31*,	2015**
TRS net position as percentage of total pension liability	83.25%
District's proportionate share of collective net pension liability (%)	0.20002171%
District's proportional share of collective net pension liability (\$)	\$ 53,480,756
Portion of NECE's total proportionate share of NPL associated with District	39,533,837
Total	\$ 93,014,593
District's covered payroll amount	\$ 139,925,162
Ratio of ER proportionate share of collective NPL/ER's covered payroll amount	38.22%

* The amounts presented above are as of the measurement date of the collective net pension liability.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 AND 2014
SCHEDULE H

Fiscal Year Ending August 31*,	2015**	2014**
Legally required contributions	\$ 9,515,262	\$ 8,725,830
Actual contributions	9,515,262	8,725,830
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll amount	\$ 139,925,162	\$ 128,344,611
Ratio of actual contributions/ER covered payroll amount	6.80%	6.80%

* The amounts presented above are as of the District's most recent fiscal year-end.

** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES FOR NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015**

Net Pension Liability – The District implemented GASB Statement No. 68 in fiscal year 2015 restating its beginning of the year Net Position. As part of the implementation, Schedules G – Schedule of District’s Share of Net Pension Liability and Schedule H – Schedule of District’s Contributions were added to the District’s REQUIRED SUPPLEMENTARY INFORMATION section of its financial statement footnotes. Each of these schedules are required to present 10 years of comparative information. Additional information will be presented on Schedules G and H as it becomes available.

Changes in Benefit Terms include:

There were no changes in benefit terms for the fiscal year ended August 31, 2015.

Changes in the Size or Composition of the Population covered by the Benefit Terms:

There were no changes in size or composition of the population covered by the benefit terms for the fiscal year ended August 31, 2015.

Changes of Assumptions:

There were no changes of assumptions for the fiscal year ended August 31, 2015.

Change in the District’s Contributions to the Pension Plan:

Legally required contributions for fiscal year 2015 increased \$789,432 or 9.0% from fiscal year 2014. The District’s covered payroll amount in fiscal year 2015 increased \$11.6 million or 9.0% from fiscal year 2014. In fiscal year 2015, the District’s Board of Trustees approved a cost of living increase to the majority of its staff of 2.5% and additionally revised its salary schedules to increases ranging from 7.5% to 8.5% which primarily effected rates of pay to new hires.

**SUPPLEMENTAL FINANCIAL REPORTING
BY COLLEGE**

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2015**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
REVENUES									
Tuition and fees, net	\$ 64,915,350	\$ 10,556,835	\$ 3,540,791	\$ 7,233,393	\$ 5,219,636	\$ 4,840,892	\$ 9,459,234	\$ 16,448,885	\$ 7,615,684
Federal grants and contracts	16,375,569	832,686	438,911	2,080,798	3,185,889	2,557,014	1,223,476	3,526,694	2,530,101
State grants and contracts	12,342,567	735,518	487,354	2,565,539	3,757,925	955,424	2,047,435	1,567,734	225,638
Local grants and contracts	2,511,033	(118,331)	58,805	(12,218)	561,724	239,005	(218,236)	(329,757)	2,330,041
Sales and services of auxiliary enterprises	3,416,966	310,310	157,867	324,541	411,378	316,990	393,459	558,342	944,079
Sales and services of educational activities	550,611	43,358	40,987	283,921	66,592	37,571	36,320	41,862	-
Other	1,626,474	129,622	85,393	105,817	601,377	191,946	212,571	17,291	282,457
Total Operating Revenue	101,738,570	12,489,998	4,810,108	12,581,791	13,804,521	9,138,842	13,154,259	21,831,051	13,928,000
State appropriations	116,564,538	14,388,495	7,889,540	16,594,299	18,032,422	9,907,856	13,963,264	26,963,091	8,825,571
Taxes, net	224,008,395	27,103,963	20,749,066	27,473,913	31,351,535	18,885,417	21,846,340	30,839,583	45,758,578
Federal grants and contracts	86,496,630	8,756,595	7,211,010	16,900,811	15,571,524	11,132,414	9,813,700	17,110,576	-
Gifts	112,111	2,002	2,056	29,300	16,500	-	52,639	2,282	7,332
Investment income (loss)	4,039,978	7,226	5,267	4,676	5,822	776	8,705	25,634	3,981,872
Other	187,256	51,065	1,389	1,608	1,754	950	1,681	1,827	126,982
Total Non-operating Revenue	431,408,908	50,309,346	35,858,328	61,004,607	64,979,557	39,927,413	45,686,329	74,942,993	58,700,335
Total revenues	533,147,478	62,799,344	40,668,436	73,586,398	78,784,078	49,066,255	58,840,588	96,774,044	72,628,335
EXPENSES									
Instruction	180,091,447	27,716,633	15,339,357	27,150,030	28,836,619	16,310,529	24,899,880	39,021,015	817,384
Public service	11,919,809	833,271	633,405	196,292	4,104,644	521,053	128,357	1,254,655	4,248,132
Academic support	20,384,036	2,011,659	1,892,623	3,227,565	1,796,542	2,378,047	2,928,638	4,999,356	1,149,606
Student services	44,665,591	4,962,104	3,788,598	6,515,528	6,266,938	4,726,491	6,350,181	8,455,556	3,600,195
Institutional support	77,177,500	6,451,209	5,320,727	6,158,073	9,236,486	6,604,173	5,914,525	9,549,892	27,942,415
Operation and maintenance of plant	35,295,596	4,380,343	3,325,215	4,753,169	5,626,307	3,308,468	4,046,633	7,354,837	2,500,624
Scholarships and fellowships	65,101,531	6,208,545	5,484,388	13,991,640	12,436,406	8,322,951	7,011,774	12,428,403	(782,576)
Auxiliary enterprises	9,584,615	1,703,081	659,606	1,089,246	1,281,581	1,055,232	1,097,340	1,691,332	1,007,197
Depreciation	27,815,265	3,240,073	2,524,989	3,214,092	3,703,523	2,568,253	4,509,067	4,064,644	3,990,624
Total Operating Expense	472,035,390	57,506,918	38,968,908	66,295,635	73,289,046	45,795,197	56,886,395	88,819,690	44,473,601
Interest on indebtedness	15,097,814	2,056,239	1,662,029	2,142,897	2,377,697	1,674,831	2,079,645	2,462,022	642,454
Other non-operating expense	1,173,954	(205,417)	73,806	162,247	580,049	185,135	142,557	375,946	(140,369)
Total Non-operating Expense	16,271,768	1,850,822	1,735,835	2,305,144	2,957,746	1,859,966	2,222,202	2,837,968	502,085
Total expenses	488,307,158	59,357,740	40,704,743	68,600,779	76,246,792	47,655,163	59,108,597	91,657,658	44,975,686
Change in net position	44,840,320	3,441,604	(36,307)	4,985,619	2,537,286	1,411,092	(268,009)	5,116,386	27,652,649
Net position - beginning of year	534,846,298	45,318,821	40,767,433	42,393,099	33,022,301	37,154,751	70,157,909	69,649,603	196,382,381
Cumulative Effect of Change in Principle	(60,593,921)	-	-	-	-	-	-	-	(60,593,921)
Net position - beginning of year	474,252,377	45,318,821	40,767,433	42,393,099	33,022,301	37,154,751	70,157,909	69,649,603	135,788,460
Net position - end of year	\$ 519,092,697	\$ 48,760,425	\$ 40,731,126	\$ 47,378,718	\$ 35,559,587	\$ 38,565,843	\$ 69,889,900	\$ 74,765,989	\$ 163,441,109

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2014**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
REVENUES									
Tuition and fees, net	\$ 59,950,395	\$ 10,105,154	\$ 3,108,096	\$ 6,895,018	\$ 4,903,611	\$ 4,516,984	\$ 8,854,609	\$ 15,197,853	\$ 6,369,070
Federal grants and contracts	14,937,227	583,359	749,715	1,705,204	5,284,979	2,867,770	992,157	2,668,034	86,009
State grants and contracts	9,662,489	755,839	645,658	744,577	3,576,896	1,131,942	1,326,849	1,409,343	71,385
Local grants and contracts	1,673,080	(337,714)	91,588	(243,608)	2,143,428	(97,435)	(242,569)	(451,846)	811,236
Sales and services of auxiliary enterprises	4,467,302	488,824	243,508	440,797	532,026	320,155	584,925	778,110	1,078,957
Sales and services of educational activities	453,036	20,320	43,657	270,034	57,874	13,590	24,081	23,480	-
Other	1,497,445	68,948	6,703	75,288	646,607	175,047	178,701	40,245	305,906
Total Operating Revenue	<u>92,640,974</u>	<u>11,684,730</u>	<u>4,888,925</u>	<u>9,887,310</u>	<u>17,145,421</u>	<u>8,928,053</u>	<u>11,718,753</u>	<u>19,665,219</u>	<u>8,722,563</u>
State appropriations	111,242,146	13,930,473	7,618,397	15,764,832	17,257,032	9,183,263	13,416,560	26,291,516	7,780,073
Taxes, net	209,828,369	25,904,445	18,825,095	23,256,834	32,655,789	20,511,288	22,739,872	25,373,777	40,561,269
Federal grants and contracts	86,928,896	8,338,192	7,369,358	17,381,238	16,424,421	11,144,703	9,386,051	16,884,933	-
Gifts	72,729	2,300	862	23,910	31,042	-	14,615	-	-
Investment income (loss)	5,821,138	9,784	6,622	6,922	8,394	1,472	13,681	40,439	5,733,824
Other	1,337,487	1,183	626	1,530	1,322	-	653,135	1,530	678,161
Total Non-operating Revenue	<u>415,230,765</u>	<u>48,186,377</u>	<u>33,820,960</u>	<u>56,435,266</u>	<u>66,378,000</u>	<u>40,840,726</u>	<u>46,223,914</u>	<u>68,592,195</u>	<u>54,753,327</u>
Total revenues	<u>507,871,739</u>	<u>59,871,107</u>	<u>38,709,885</u>	<u>66,322,576</u>	<u>83,523,421</u>	<u>49,768,779</u>	<u>57,942,667</u>	<u>88,257,414</u>	<u>63,475,890</u>
EXPENSES									
Instruction	169,392,180	26,463,295	14,391,669	25,214,137	27,393,957	15,236,019	22,892,115	37,215,782	585,206
Public service	12,601,298	1,020,422	606,807	253,638	8,812,448	410,621	252,741	1,249,903	(5,282)
Academic support	18,971,455	1,933,909	1,819,701	2,695,097	1,865,697	2,274,035	2,870,412	4,647,343	865,261
Student services	40,648,922	4,407,297	3,568,908	5,998,195	6,026,154	4,372,923	5,648,895	7,820,174	2,806,376
Institutional support	68,430,544	5,750,090	4,912,115	5,498,545	8,641,697	6,743,523	5,767,685	8,290,995	22,825,894
Operation and maintenance of plant	32,454,141	4,370,056	2,864,536	4,560,091	5,492,178	3,288,239	3,799,512	6,073,698	2,005,831
Scholarships and fellowships	66,243,088	5,944,287	5,734,189	12,294,266	13,434,323	8,809,508	7,120,315	12,906,358	(158)
Auxiliary enterprises	9,547,080	1,191,363	559,873	1,125,223	1,019,485	863,933	1,163,873	1,592,889	2,030,441
Depreciation	27,842,392	3,467,028	2,598,546	3,174,681	3,486,565	2,492,930	4,493,763	3,939,646	4,189,233
Total Operating Expense	<u>446,131,100</u>	<u>54,547,747</u>	<u>37,056,344</u>	<u>60,813,873</u>	<u>76,172,504</u>	<u>44,491,731</u>	<u>54,009,311</u>	<u>83,736,788</u>	<u>35,302,802</u>
Interest on indebtedness	15,809,014	2,153,100	1,740,321	2,243,840	2,489,702	1,753,726	2,177,609	2,577,999	672,717
Other non-operating expense	177,096	211	(1,115)	45,450	21,817	-	-	2,103	108,630
Total Non-operating Expense	<u>15,986,110</u>	<u>2,153,311</u>	<u>1,739,206</u>	<u>2,289,290</u>	<u>2,511,519</u>	<u>1,753,726</u>	<u>2,177,609</u>	<u>2,580,102</u>	<u>781,347</u>
Total expenses	<u>462,117,210</u>	<u>56,701,058</u>	<u>38,795,550</u>	<u>63,103,163</u>	<u>78,684,023</u>	<u>46,245,457</u>	<u>56,186,920</u>	<u>86,316,890</u>	<u>36,084,149</u>
Change in net position	45,754,529	3,170,049	(85,665)	3,219,413	4,839,398	3,523,322	1,755,747	1,940,524	27,391,741
Net position - beginning of year	<u>489,091,769</u>	<u>42,148,772</u>	<u>40,853,098</u>	<u>39,173,686</u>	<u>28,182,903</u>	<u>33,631,429</u>	<u>68,402,162</u>	<u>67,709,079</u>	<u>168,990,640</u>
Net position - end of year	<u>\$ 534,846,298</u>	<u>\$ 45,318,821</u>	<u>\$ 40,767,433</u>	<u>\$ 42,393,099</u>	<u>\$ 33,022,301</u>	<u>\$ 37,154,751</u>	<u>\$ 70,157,909</u>	<u>\$ 69,649,603</u>	<u>\$ 196,382,381</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ANALYSIS OF UNRESTRICTED NET POSITION COMPONENTS AND OTHER FINANCIAL STABILITY INDICATORS
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2015**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
Unrestricted	\$ 207,813,069	\$ 7,631,377	\$ 7,615,516	\$ 9,346,446	\$ 11,360,842	\$ 5,440,806	\$ 13,552,307	\$ 21,316,268	\$ 131,549,507
Temporarily restricted	8,595,991	-	-	-	-	-	-	-	8,595,991
Capital assets, net	302,683,637	41,129,048	33,115,610	38,032,272	24,198,745	33,125,037	56,337,593	53,449,721	23,295,611
Total net position	\$ 519,092,697	\$ 48,760,425	\$ 40,731,126	\$ 47,378,718	\$ 35,559,587	\$ 38,565,843	\$ 69,889,900	\$ 74,765,989	\$ 163,441,109
Unrestricted	\$ 207,813,069	\$ 7,631,377	\$ 7,615,516	\$ 9,346,446	\$ 11,360,842	\$ 5,440,806	\$ 13,552,307	\$ 21,316,268	\$ 131,549,507
Unrestricted, net of compensated absences	\$ 207,813,069	\$ 7,631,377	\$ 7,615,516	\$ 9,346,446	\$ 11,360,842	\$ 5,440,806	\$ 13,552,307	\$ 21,316,268	\$ 131,549,507
Current assets	\$ 213,864,196	\$ 23,223,908	\$ 15,603,212	\$ 27,485,619	\$ 29,915,316	\$ 18,584,128	\$ 23,373,999	\$ 37,713,490	\$ 37,964,524
Current liabilities	147,783,636	16,807,704	10,347,897	17,751,317	15,241,990	12,942,588	16,048,925	25,818,734	32,824,481
Current ratio	1.45	1.38	1.51	1.55	1.96	1.44	1.46	1.46	1.16
Operating revenues	\$ 101,738,570	\$ 12,489,998	\$ 4,810,108	\$ 12,581,791	\$ 13,804,521	\$ 9,138,842	\$ 13,154,259	\$ 21,831,051	\$ 13,928,000
Add non-operating revenues	431,408,908	50,309,346	35,858,328	61,004,607	64,979,557	39,927,413	45,686,329	74,942,993	58,700,335
Less operating expenses	472,035,390	57,506,918	38,968,908	66,295,635	73,289,046	45,795,197	56,886,395	88,819,690	44,473,601
Operational "bottom line" net of interest on capital related debt	37,103,129	5,292,426	1,699,528	7,290,763	8,415,776	3,271,058	1,954,193	7,954,354	1,225,031
Add back depreciation expense	27,815,265	3,240,073	2,524,989	3,214,092	3,703,523	2,568,253	4,509,067	4,064,644	3,990,624
Operational "bottom line" net of depreciation and interest on capital related debt	\$ 64,918,394	\$ 8,532,499	\$ 4,224,517	\$ 10,504,855	\$ 12,119,299	\$ 5,839,311	\$ 6,463,260	\$ 12,018,998	\$ 5,215,655
Cash and equivalents	\$ 98,973,750	\$ 14,082,476	\$ 9,431,962	\$ 13,013,260	\$ 15,168,250	\$ 8,909,480	\$ 12,886,620	\$ 19,785,439	\$ 5,696,263
Acquisition and construction of capital assets	\$ 18,649,611	\$ 4,118,028	\$ 771,394	\$ 3,498,949	\$ 963,056	\$ 1,618,138	\$ 867,376	\$ 4,375,498	\$ 2,437,172

Source: Location IPEDS Finance Reports
Combined with all other DCCCD locations, ties to audited financial statements.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ANALYSIS OF UNRESTRICTED NET POSITION COMPONENTS AND OTHER FINANCIAL STABILITY INDICATORS
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2014**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
Unrestricted	\$ 237,805,212	\$ 7,670,740	\$ 8,185,852	\$ 7,404,149	\$ 8,709,405	\$ 5,118,023	\$ 12,689,742	\$ 19,286,418	\$ 168,740,883
Temporarily restricted	3,421,734	-	-	-	-	-	-	-	3,421,734
Capital assets, net	293,619,352	37,648,081	32,581,581	34,988,950	24,312,896	32,036,728	57,468,167	50,363,185	24,219,764
Total net position	\$ 534,846,298	\$ 45,318,821	\$ 40,767,433	\$ 42,393,099	\$ 33,022,301	\$ 37,154,751	\$ 70,157,909	\$ 69,649,603	\$ 196,382,381
Unrestricted	\$ 237,805,212	\$ 7,670,740	\$ 8,185,852	\$ 7,404,149	\$ 8,709,405	\$ 5,118,023	\$ 12,689,742	\$ 19,286,418	\$ 168,740,883
Unrestricted, net of compensated absences	\$ 237,805,212	\$ 7,670,740	\$ 8,185,852	\$ 7,404,149	\$ 8,709,405	\$ 5,118,023	\$ 12,689,742	\$ 19,286,418	\$ 168,740,883
Current assets	\$ 125,257,416	\$ 12,484,838	\$ 9,254,978	\$ 16,647,699	\$ 16,361,205	\$ 11,463,548	\$ 12,593,179	\$ 19,494,745	\$ 26,957,224
Current liabilities	147,338,987	15,398,164	9,353,837	18,970,613	18,557,152	13,047,499	14,148,875	22,884,610	34,978,237
Current ratio	0.85	0.81	0.99	0.88	0.88	0.88	0.89	0.85	0.77
Operating revenues	\$ 92,640,974	\$ 11,684,730	\$ 4,888,925	\$ 9,887,310	\$ 17,145,421	\$ 8,928,053	\$ 11,718,753	\$ 19,665,219	\$ 8,722,563
Add non-operating revenues	415,230,765	48,186,377	33,820,960	56,435,266	66,378,000	40,840,726	46,223,914	68,592,195	54,753,327
Less operating expenses	446,131,100	54,547,747	37,056,344	60,813,873	76,172,504	44,491,731	54,009,311	83,736,788	35,302,802
Operational "bottom line" net of interest on capital related debt	35,857,441	5,323,360	1,653,541	5,508,703	8,415,776	5,277,048	3,933,356	4,520,626	1,225,031
Add back depreciation expense	27,842,392	3,467,028	2,598,546	3,174,681	3,486,565	2,492,930	4,493,763	3,939,646	4,189,233
Operational "bottom line" net of depreciation and interest on capital related debt	\$ 63,699,833	\$ 8,790,388	\$ 4,252,087	\$ 8,683,384	\$ 11,902,341	\$ 7,769,978	\$ 8,427,119	\$ 8,460,272	\$ 5,414,264
Cash and equivalents	\$ 42,524,526	\$ 7,481,123	\$ 4,889,271	\$ 3,519,676	\$ 4,480,648	\$ 3,561,570	\$ 6,767,022	\$ 8,286,290	\$ 3,538,926
Acquisition and construction of capital assets	\$ 16,092,303	\$ 2,493,087	\$ 641,907	\$ 2,403,884	\$ 2,845,678	\$ 2,410,258	\$ 2,575,569	\$ 1,194,518	\$ 1,527,402

Source: Location IPEDS Finance Reports

Combined with all other DCCCD locations, ties to audited financial statements.

**STATISTICAL SECTION
(UNAUDITED)**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

STATISTICAL SECTION TABLE OF CONTENTS

This part of DCCCD's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about DCCCD's overall financial health. The statistical tables are not audited.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how DCCCD's financial performance and well-being have changed over time.

- Net Position by Component
- Revenues by Source
- Program Expenses by Function

REVENUE CAPACITY

These schedules contain information to help the reader assess DCCCD's most significant local revenue sources.

- Tuition and Fees
- Assessed Value and Taxable Assessed Value of Property
- State Appropriations per FTSE and Contact Hour
- Principal Taxpayers
- Property Tax Levies and Collections

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of DCCCD's current level of outstanding debt.

- Ratios of Outstanding Debt
- Legal Debt Margin Information
- Pledged Revenue Coverage

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which DCCCD's activities take place.

- Demographic and Economic Information – Taxing District
- Principal Employers

OPERATING INFORMATION

These schedules contain employment, enrollment and infrastructure data to help the reader understand how the information in DCCCD's comprehensive annual financial report relates to the services DCCCD provides and the activities it performs.

- Faculty, Staff, and Administrative Statistics
- State and Employer Contribution for Health Care Insurance
- Enrollment Details
- Student Profile
- Transfers to Senior Institutions
- Capital Asset Information

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)
(AMOUNTS EXPRESSED IN THOUSANDS)

For the Fiscal Year Ended August 31,

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Investment in Capital Assets	\$ 302,684	\$ 293,619	\$ 285,086	\$ 286,715	\$ 281,853	\$ 265,613	\$ 252,511	\$ 237,335	\$ 236,563	\$ 238,727
Restricted - expendable	8,596	3,422	2,145	1,166	5,828	11,902	11,708	11,563	12,463	13,649
Unrestricted	207,813	237,805	201,861	182,047	169,237	182,738	186,261	178,053	156,254	131,117
Total net position	<u>\$ 519,093</u>	<u>\$ 534,846</u>	<u>\$ 489,092</u>	<u>\$ 469,928</u>	<u>\$ 456,918</u>	<u>\$ 460,253</u>	<u>\$ 450,480</u>	<u>\$ 426,951</u>	<u>\$ 405,280</u>	<u>\$ 383,493</u>

Notes:

GASB Statement No. 65 applied to the 2013 beginning Net Position.

GASB Statement No. 68 applied to the 2015 beginning Net Position.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 2
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Fiscal Year Ended August 31,
(amounts expressed in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and charges (net of discounts)	\$ 64,915	\$ 59,950	\$ 58,336	\$ 56,484	\$ 59,135	\$ 60,680	\$ 59,918	\$ 53,800	\$ 51,735	\$ 46,055
Federal grants and contracts	16,376	14,937	15,671	15,696	20,307	21,647	18,842	16,245	15,934	16,246
State grants and contracts	12,343	9,663	8,578	7,914	6,681	7,733	7,237	3,438	2,338	1,387
Non-governmental grants and contracts	2,511	1,673	1,839	1,356	4,547	2,860	2,318	4,368	4,263	3,528
Sales and services of educational activities	551	453	607	474	527	627	509	538	543	481
Auxiliary enterprises	3,417	4,467	4,521	5,072	5,163	5,409	5,576	5,914	6,663	6,299
General operating revenues	1,626	1,498	1,502	1,858	1,902	2,240	1,643	1,740	1,800	1,675
Total Operating Revenues	101,739	92,641	91,054	88,854	98,262	101,196	96,043	86,043	83,276	75,671
State appropriations	116,564	111,242	109,030	109,268	119,373	123,304	119,415	118,197	110,740	108,041
Maintenance ad valorem taxes	224,008	209,829	190,553	156,741	158,309	159,137	153,057	130,734	121,220	113,769
Federal revenue, non-operating	86,497	86,929	90,602	90,499	87,927	74,419	40,458	32,230	31,405	34,551
Gifts	112	73	115	499	149	83	779	205	65	122
Investment income	4,040	5,821	(4,052)	1,921	3,943	7,385	8,343	11,975	12,349	8,689
Gain on sale of investment	-	105	59	-	7	-	153	-	-	-
Contributions in aid of construction	-	-	243	-	-	-	75	-	-	-
Gain on disposal of capital assets & easements	-	-	-	50	-	-	-	-	-	-
Other non-operating revenue	187	1,232	1,049	218	1,363	1,571	50	241	51	175
Total Non-operating Revenues	431,408	415,231	387,599	359,196	371,071	365,899	322,330	293,582	275,830	265,347
Total Revenues	\$ 533,147	\$ 507,872	\$ 478,653	\$ 448,050	\$ 469,333	\$ 467,095	\$ 418,373	\$ 379,625	\$ 359,106	\$ 341,018

For the Fiscal Year Ended August 31,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and charges (net of discounts)	12.18%	11.80%	12.19%	12.61%	12.60%	12.99%	14.32%	14.17%	14.41%	13.51%
Federal grants and contracts	3.07%	2.94%	3.27%	3.50%	4.33%	4.63%	4.50%	4.28%	4.44%	4.76%
State grants and contracts	2.32%	1.90%	1.79%	1.77%	1.42%	1.66%	1.74%	0.91%	0.65%	0.41%
Non-governmental grants and contracts	0.47%	0.33%	0.38%	0.30%	0.97%	0.61%	0.55%	1.15%	1.19%	1.03%
Sales and services of educational activities	0.10%	0.09%	0.13%	0.11%	0.11%	0.13%	0.12%	0.14%	0.15%	0.14%
Auxiliary enterprises	0.64%	0.88%	0.95%	1.13%	1.10%	1.16%	1.33%	1.56%	1.85%	1.85%
General operating revenues	0.30%	0.30%	0.31%	0.41%	0.41%	0.48%	0.39%	0.46%	0.50%	0.49%
Total Operating Revenues	19.08%	18.24%	19.02%	19.83%	20.94%	21.66%	22.95%	22.67%	23.19%	22.19%
State appropriations	21.86%	21.90%	22.78%	24.39%	25.44%	26.40%	28.54%	31.14%	30.84%	31.68%
Maintenance ad valorem taxes	42.02%	41.32%	39.81%	34.98%	33.73%	34.07%	36.59%	34.44%	33.75%	33.36%
Federal revenue, non-operating	16.22%	17.12%	18.93%	20.20%	18.73%	15.93%	9.67%	8.49%	8.75%	10.13%
Gifts	0.02%	0.01%	0.03%	0.11%	0.03%	0.02%	0.19%	0.05%	0.02%	0.04%
Investment income	0.76%	1.15%	-0.85%	0.43%	0.84%	1.58%	1.99%	3.15%	3.44%	2.55%
Gain on sale of investment	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%
Contributions in aid of construction	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%
Gain on disposal of capital assets & easements	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenue	0.04%	0.24%	0.22%	0.05%	0.29%	0.34%	0.01%	0.06%	0.01%	0.05%
Total Non-operating Revenues	80.92%	81.76%	80.98%	80.17%	79.06%	78.34%	77.05%	77.33%	76.81%	77.81%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 3
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Fiscal Year Ended August 31,

(amounts expressed in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction	\$ 180,091	\$ 169,392	\$ 164,004	\$ 153,710	\$ 168,329	\$ 161,769	\$ 150,414	\$ 141,112	\$ 137,429	\$ 132,577
Public service	11,920	12,601	12,393	11,123	12,191	13,503	13,954	10,839	10,578	10,334
Academic support	20,384	18,972	18,154	16,480	19,988	20,065	19,363	18,713	18,303	17,314
Student services	44,666	40,649	37,960	35,092	37,616	38,354	35,151	32,418	31,527	29,656
Institutional support	77,177	68,431	67,357	61,815	69,320	72,466	67,196	58,216	52,878	51,110
Operation and maintenance of plant	35,296	32,454	33,201	33,105	38,844	38,718	33,000	30,058	27,083	26,079
Scholarships and fellowships	65,101	66,243	68,820	71,174	72,415	61,104	33,144	26,383	24,053	26,396
Auxiliary enterprises	9,585	9,547	8,400	8,771	9,439	10,389	9,539	10,104	10,774	10,286
Depreciation	27,815	27,842	29,338	26,167	25,982	22,986	18,530	17,084	17,584	14,464
Total Operating Expenses	472,035	446,131	439,627	417,437	454,124	439,354	380,291	344,927	330,209	318,216
Interest on capital debt	15,098	15,809	16,124	16,862	18,094	16,508	13,907	6,149	4,992	4,146
Loss on disposal of capital assets	857	173	58	-	35	1,041	270	5,343	1,736	145
Other non-operating expense	317	4	1,167	741	415	419	376	1,535	382	265
Total Non-operating Expenses	16,272	15,986	17,349	17,603	18,544	17,968	14,553	13,027	7,110	4,556
Total Expenses	\$ 488,307	\$ 462,117	\$ 456,976	\$ 435,040	\$ 472,668	\$ 457,322	\$ 394,844	\$ 357,954	\$ 337,319	\$ 322,772

For the Fiscal Year Ended August 31,

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction	36.88%	36.65%	35.89%	35.33%	35.61%	35.37%	38.10%	39.41%	40.73%	41.07%
Public service	2.44%	2.73%	2.71%	2.56%	2.58%	2.95%	3.53%	3.03%	3.14%	3.20%
Academic support	4.17%	4.11%	3.97%	3.79%	4.23%	4.39%	4.90%	5.23%	5.43%	5.36%
Student services	9.15%	8.80%	8.31%	8.07%	7.96%	8.39%	8.90%	9.06%	9.35%	9.19%
Institutional support	15.81%	14.81%	14.74%	14.21%	14.66%	15.84%	17.02%	16.26%	15.68%	15.84%
Operation and maintenance of plant	7.23%	7.02%	7.26%	7.61%	8.22%	8.47%	8.36%	8.40%	8.03%	8.08%
Scholarships and fellowships	13.33%	14.33%	15.06%	16.36%	15.32%	13.36%	8.39%	7.37%	7.13%	8.18%
Auxiliary enterprises	1.96%	2.07%	1.84%	2.01%	2.00%	2.27%	2.42%	2.82%	3.19%	3.19%
Depreciation	5.70%	6.02%	6.42%	6.01%	5.50%	5.03%	4.69%	4.77%	5.21%	4.48%
Total Operating Expenses	96.67%	96.54%	96.20%	95.95%	96.08%	96.07%	96.31%	96.35%	97.89%	98.59%
Interest on capital debt	3.09%	3.42%	3.53%	3.88%	3.82%	3.61%	3.52%	1.72%	1.48%	1.28%
Loss on disposal of capital assets	0.18%	0.04%	0.01%	0.00%	0.01%	0.23%	0.07%	1.50%	0.52%	0.05%
Other non-operating expense	0.06%	0.00%	0.26%	0.17%	0.09%	0.09%	0.10%	0.43%	0.11%	0.08%
Total Non-operating Expenses	3.33%	3.46%	3.80%	4.05%	3.92%	3.93%	3.69%	3.65%	2.11%	1.41%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 4
TUITION AND FEES
LAST TEN ACADEMIC YEARS
(UNAUDITED)

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2014-15	\$52	\$97	\$624	\$1,164	0.00%	0.00%
2013-14	52	97	624	1,164	15.56%	16.87%
2012-13	45	83	540	996	0.00%	0.00%
2011-12	45	83	540	996	9.76%	9.21%
2010-11	41	76	492	912	0.00%	0.00%
2009-10	41	76	492	912	5.13%	5.56%
2008-09	39	72	468	864	0.00%	0.00%
2007-08	39	72	468	864	8.33%	9.09%
2006-07	36	66	432	792	9.09%	10.00%
2004-05	30	50	360	600	0.00%	0.00%

Non-Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
2014-15	\$153	\$153	\$1,836	\$1,836	0.00%	0.00%
2013-14	153	153	1,836	1,836	15.91%	15.91%
2012-13	132	132	1,584	1,584	0.00%	0.00%
2011-12	132	132	1,584	1,584	9.09%	9.09%
2010-11	121	121	1,452	1,452	0.00%	0.00%
2009-10	121	121	1,452	1,452	5.22%	5.22%
2008-09	115	115	1,380	1,380	0.00%	0.00%
2007-08	115	115	1,380	1,380	8.49%	8.49%
2006-07	115	106	1,272	1,272	10.42%	10.42%
2005-06	115	96	1,152	1,152	20.00%	20.00%

Source: District Office of Business Affairs

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 5
ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	(In Thousands)					Ratio to Market Value	Direct Rate per \$100 TAV		
	Market Value	Exempt Property	Exemptions	Capped Value Loss	Assessed Value August 31,		Maintenance & Operations	Debt Service	Total
2014-15	\$ 229,252,906	\$ (22,361,172)	\$(23,163,610)	\$ (905,615)	\$ 182,822,509	79.75%	\$ 0.10400	\$ 0.02078	\$ 0.12478
2013-14	215,247,998	(21,135,859)	(22,099,779)	(271,740)	171,740,620	79.79%	0.10400	0.02070	0.12470
2012-13	206,772,307	(19,675,472)	(22,048,519)	(140,777)	164,907,539	79.75%	0.09861	0.02077	0.11938
2011-12	202,952,698	(19,002,762)	(22,334,144)	(192,968)	161,422,824	79.54%	0.07890	0.02077	0.09967
2010-11	204,875,206	(18,788,237)	(22,435,822)	(411,911)	163,239,236	79.68%	0.07780	0.02143	0.09923
2009-10	213,536,629	(17,654,918)	(22,314,066)	(891,966)	172,675,679	80.86%	0.07780	0.01710	0.09490
2008-09	218,101,955	(16,647,995)	(21,852,623)	(1,698,069)	177,903,268	81.57%	0.07590	0.01350	0.08940
2007-08	202,897,589		(36,335,019)		166,562,570	82.09%	0.07590	0.00450	0.08040
2006-07	186,011,811		(33,388,192)		152,623,619	82.05%	0.07780	0.00320	0.08100
2005-06	173,396,321		(31,196,654)		142,199,667	82.01%	0.07780	0.00380	0.08160

Source: Dallas County Appraisal District

Notes: Prior to FY 2008-09 Exempt Property values were included in Exemptions.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 6
STATE APPROPRIATIONS PER FTSE AND CONTACT HOUR
LAST TEN FISCAL YEARS
(UNAUDITED)
(AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
2014-15	\$ 87,146	49,535	\$ 1,759	20,708	8,963	29,671	\$ 2.94
2013-14	87,146	49,867	1,748	20,729	8,864	29,593	2.94
2012-13	88,830	51,522	1,724	21,399	8,959	30,358	2.93
2011-12	89,931	52,321	1,719	21,889	9,176	31,065	2.89
2010-11	89,478	53,360	1,889	22,438	9,416	31,854	2.81
2009-10	93,099	53,474	1,741	21,604	10,360	31,964	2.91
2008-09	89,498	47,374	1,889	19,244	9,284	28,528	3.14
2007-08	89,498	43,737	2,046	17,911	8,428	26,339	3.40
2006-07	84,753	42,992	1,971	17,047	8,120	25,167	3.37
2005-06	84,753	41,648	2,035	17,154	7,830	24,984	3.39

Note: FTSE is defined as the number of credit hours divided by 30 plus the number of CE contact hours divided by 900.
Source: District Business Affairs End of Semester Student Statistics Report

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 7
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Fiscal Year (\$000 omitted)									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Oncor Electric Delivery	Electric Utility	\$ 1,422,920	\$ 1,343,904	\$ 1,271,159	\$ 1,244,176	\$ 1,225,464	\$ 1,226,132	\$ 1,384,673	\$ 1,380,524	\$ 1,381,599	\$ 1,322,938
AT&T/Southwestern Bell/Cingular	Telephone Utility	955,497	999,684	947,533	1,281,252	1,226,067	1,337,588	1,578,863	1,694,723	1,702,249	1,590,414
Aviall Inc	Aviation	880,195	970,872	975,394	789,342	720,147	592,642	-	-	-	-
Wal-Mart	Retail	760,546	684,169	652,358	536,260	453,385	545,857	533,885	475,048	485,283	471,872
Crescent Real Estate	Real Estate Development	756,101	658,123	693,300	459,455	353,769	703,343	567,651	748,339	773,627	781,402
Raytheon/Texas Instruments	Manufacturing	654,639	697,164	746,887	812,802	859,002	1,075,514	1,469,996	1,692,476	1,056,013	1,164,396
Northpark Land Partners	Real Estate Development	624,382	602,355	578,775	645,301	530,065	545,522	590,682	569,402	-	-
Southwest Airlines	Airline	604,995	612,739	492,901	605,196	519,000	532,463	552,440	600,667	512,039	537,242
Post Apartment Homes LP/	Real Estate Development	581,770	367,828	-	-	-	-	-	-	-	276,921
Verizon/GTE	Telephone Utility	457,225	452,837	303,252	480,121	429,566	508,920	550,663	510,897	527,007	549,021
SP Millenium Center, LP	Real Estate Development	-	-	440,259	-	-	-	-	-	-	-
YPI Thanksgiving Tower/Central	Real Estate Development	-	-	-	385,595	337,437	-	-	402,989	-	-
Gulfstream Aerospace	Aerospace Manufacturing	-	-	-	-	-	398,458	-	-	-	-
Teachers Insurance	Insurance	-	-	-	-	-	-	488,333	-	368,709	-
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	418,988	431,782	-	-
Trammell Crow/Anatole	Real Estate Development	-	-	-	-	-	-	-	-	367,490	323,381
Trizec Renaissance	Real Estate Development	-	-	-	-	-	-	-	-	366,948	-
Exxon/Mobil	Oil & Gas Exploration	-	-	-	-	-	-	-	-	-	262,664
Totals		\$ 7,698,270	\$ 7,389,675	\$ 7,101,818	\$ 7,239,500	\$ 6,653,902	\$ 7,466,439	\$ 8,136,174	\$ 8,506,847	\$ 7,540,964	\$ 7,280,251
Total Taxable Assessed Value		\$ 182,822,509	\$ 171,740,620	\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 162,239,236	\$ 172,675,679	\$ 177,903,268	\$ 166,562,570	\$ 152,623,619

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 7
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)
(CONTINUED)

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Oncor Electric Delivery	Electric Utility	0.78%	0.78%	0.77%	0.77%	0.75%	0.76%	0.80%	0.78%	0.83%	0.87%
ATT/Southwestern Bell/Cingular	Telephone Utility	0.52%	0.58%	0.57%	0.79%	0.75%	0.82%	0.91%	0.95%	1.02%	1.04%
Aviall Inc	Aviation	0.48%	0.57%	0.59%	0.49%	0.44%	0.37%	-	-	-	-
Wal-Mart	Retail	0.42%	0.40%	0.40%	0.33%	0.28%	0.34%	0.31%	0.27%	0.29%	0.31%
Crescent Real Estate	Real Estate Development	0.41%	0.38%	0.42%	0.28%	0.22%	0.43%	0.33%	0.42%	0.46%	0.51%
Raytheon/Texas Instruments	Manufacturing	0.36%	0.41%	0.45%	0.50%	0.53%	0.66%	0.85%	0.95%	0.63%	0.76%
Northpark Land Partners	Real Estate Development	0.34%	0.35%	0.35%	0.40%	0.32%	0.34%	0.34%	0.32%	0.00%	0.00%
Southwest Airlines	Airline	0.33%	0.36%	0.30%	0.37%	0.32%	0.33%	0.32%	0.34%	-	-
Post Properties	Real Estate Development	0.32%	0.21%	0.00%	0.00%	0.00%	0.00%	-	0.00%	0.00%	0.18%
Verizon/GTE	Telephone Utility	0.25%	0.26%	-	-	-	-	-	-	-	0.36%
SP Millenium Center, LP	Real Estate Development	-	-	0.27%	-	-	-	-	-	-	-
Gulfstream Aerospace	Aerospace Manufacturing	-	-	-	0.24%	0.21%	0.25%	-	0.23%	-	-
Teachers Insurance	Insurance	-	-	-	-	-	-	0.28%	-	0.22%	-
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	0.24%	-	-	-
Trammell Crow/Anatole	Real Estate Development	-	-	-	-	-	-	-	0.24%	0.22%	0.21%
Trizec Renaissance	Real Estate Development	-	-	-	-	-	-	-	-	0.22%	-
Exxon/Mobil	Oil & Gas Exploration	-	-	-	-	-	-	-	-	-	0.17%
Totals		4.21%	4.30%	4.12%	4.19%	3.81%	4.29%	4.39%	4.49%	3.90%	4.42%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 8
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(UNAUDITED)
(IN THOUSANDS)

Fiscal Year Ended August 31,	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Collections of Prior Years (d)	Collections of Penalties and Interest (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2015	\$ 228,474	\$ (2,188)	\$ 226,286	\$ 223,802	98.90%	\$ 818	\$ 2,001	\$ 226,621	100.15%
2014	214,468	(2,091)	212,377	209,552	98.67%	1,528	1,898	212,978	100.28%
2013	196,940	(821)	196,119	192,940	98.38%	1,270	1,790	196,000	99.94%
2012	161,589	(453)	161,136	158,458	98.34%	1,107	1,842	161,407	100.17%
2011	163,181	(1,375)	161,806	159,289	98.44%	709	2,086	162,084	100.17%
2010	163,869	(1,798)	162,071	159,244	98.26%	1,444	2,165	162,853	100.48%
2009	158,943	(2,519)	156,424	153,224	97.95%	2,405	2,074	157,703	100.82%
2008	135,224	(1,732)	133,492	131,024	98.15%	1,765	2,088	134,877	101.04%
2007	123,162	132	123,294	120,829	98.00%	1,981	1,274	124,084	100.64%
2006	114,957	614	115,571	113,426	98.14%	1,731	1,194	116,351	100.67%

Source: Dallas County Appraisal District and District Office of Business Affairs

- (a) As reported in notes to the financial statements for the year of the levy
- (b) As of August 31st of the current reporting year
- (c) Property tax current year only - does not include penalties and interest
- (d) Represents collections of Prior Years' Taxes
- (e) Represents all penalties and Interest both current and prior years

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 9
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Fiscal Year Ended August 31 (In Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Bonded Debt										
General obligation bonds	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735	\$ 63,035	\$ 65,250
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735	\$ 63,035	\$ 65,250
Other Debt										
Revenue bonds	\$ 15,160	\$ 17,335	\$ 19,425	\$ 21,450	\$ 25,595	\$ 29,620	\$ 33,560	\$ 37,145	\$ 40,660	\$ 45,795
Tax notes		-	-	2,170	8,460	14,435	20,120	25,475	30,450	35,130
Notes		-	-	-	-	-	-	51	252	445
Commercial paper		-	-	-	-	-	-	125,000	-	-
Total outstanding debt	\$ 336,670	\$ 356,370	\$ 375,305	\$ 395,715	\$ 421,735	\$ 445,660	\$ 420,820	\$ 248,406	\$ 134,397	\$ 146,620
General Bonded Debt Ratios										
Per Capita	\$ 127.63	\$ 136.16	\$ 145.03	\$ 155.95	\$ 162.89	\$ 169.08	\$ 156.47	\$ 26.25	\$ 27.50	\$ 28.68
Per FTSE	6491	6,799	6,892	7,112	7,265	7,510	7,750	1,389	1,466	1,567
As a percentage of Taxable Assessed Value	0.18%	0.20%	0.22%	0.23%	0.24%	0.23%	0.21%	0.04%	0.04%	0.05%
Total Outstanding Debt Ratios										
Per Capita	\$ 133.65	\$ 143.12	\$ 152.95	\$ 165.85	\$ 177.20	\$ 178.78	\$ 170.30	\$ 101.32	\$ 56.92	\$ 61.53
Per FTSE	6797	7,146	7,284	7,563	7,904	8,334	8,883	5,680	3,126	3,520
As a percentage of Taxable Assessed Value	0.18%	0.21%	0.23%	0.25%	0.26%	0.26%	0.24%	0.15%	0.09%	0.10%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment.

Source: District Business Affairs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 10
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	For the Fiscal Year Ended August 31 (In Thousands)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Taxable Assessed Value	\$ 182,822,509	\$ 171,740,620	\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 172,675,679	\$ 177,903,268	\$ 166,562,570	\$ 152,623,619	\$ 142,199,667
General Bonded Debt										
Statutory Tax Levy Limit for Debt Service	\$ 914,113	\$ 858,703	\$ 824,538	\$ 807,114	\$ 816,196	\$ 863,378	\$ 889,516	\$ 832,813	\$ 762,637	\$ 710,998
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	914,113	858,703	824,538	807,114	816,196	863,378	889,516	832,813	762,637	710,998
Current Year Debt Service Requirements	33,562	33,560	33,557	33,563	33,556	27,516	22,997	7,463	5,304	5,301
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 880,551	\$ 825,143	\$ 790,981	\$ 773,551	\$ 782,640	\$ 835,862	\$ 866,519	\$ 825,350	\$ 757,333	\$ 705,697
Net Current Requirements as a % of Statutory Limit	3.67%	3.91%	4.07%	4.16%	4.11%	3.19%	2.59%	0.90%	0.70%	0.75%

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

Source: Taxable Assessed Value from Dallas County Appraisal District

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 11
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)						Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	All Fees	Auxiliary Revenue	Lease Revenue	Interest Income	Total	Principal	Interest	Total	
2015	\$ 40,516	\$ 859	\$ 1,939	\$ 250	\$ 1,668	\$ 45,232	\$ 2,175	\$ 721	\$ 2,896	15.62
2014	35,781	847	2,677	250	2,008	41,563	2,090	818	2,908	14.29
2013	34,624	914	2,594	250	2,194	40,576	2,025	900	2,925	13.87
2012	15,059	869	2,701	250	1,693	20,572	4,145	1,005	5,150	3.99
2011	15,267	907	2,737	300	2,538	21,749	4,025	1,128	5,153	4.22
2010	17,942	906	2,971	400	3,938	26,157	3,940	1,240	5,180	5.05
2009	18,531	857	2,817	400	4,901	27,506	3,675	1,564	5,239	5.25
2008	15,200	897	2,729	400	6,650	25,876	3,515	1,720	5,235	4.94
2007	14,765	880	2,510	400	6,967	25,522	3,360	2,182	5,542	4.61
2006	15,033	661	2,233	400	5,429	23,756	4,180	2,328	6,508	3.65

Source: District Business Affairs

Auxiliary Revenues includes subcontracted Bookstore and Food Service commissions.
In 2013 Pledged Tuition was changed to 25% per student per semester as allowed by law.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 12
DEMOGRAPHIC AND ECONOMIC INFORMATION - TAXING DISTRICT
(UNAUDITED)

<u>Calendar Year</u>	<u>District Population</u>	<u>District Personal Income (In Thousands)</u>	<u>District Personal Income per Capita</u>	<u>District Unemployment Rate</u>
2015	2,519,000 *	N/A	N/A	4.2%
2014	2,490,000 *	N/A	N/A	5.8%
2013	2,480,331	\$ 120,638,015	\$ 48,638	6.9%
2012	2,453,843	118,095,353	48,127	7.6%
2011	2,416,014	109,691,808	45,402	8.7%
2010	2,375,207	104,548,419	44,017	8.4%
2009	2,346,378	99,362,793	42,347	8.2%
2008	2,314,018	109,791,915	47,446	5.7%
2007	2,291,891	106,221,370	46,347	4.3%
2006	2,275,434	101,321,724	44,529	5.5%

Source: Population and Personal Income from U. S. Dept. of Commerce
Unemployment rate from Bureau of Labor Statistics
Dallas County only

* Estimated

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
FISCAL YEARS 2006 TO 2015
(UNAUDITED)

Employer	Number of Employees									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Wal-Mart Stores, Inc.	52,700	21,100	19,230	24,189	18,672	17,485	17,203	17,299	13,582	17,000
AMR Corporation	23,700	20,000	20,000	20,000	20,000	-	-	-	-	-
Baylor Health Resources	22,000	19,800	18,314	18,868	20,554	20,387	21,289	20,077	19,535	19,359
Dallas Independent School District	20,793	19,219	24,700	24,888	20,684	21,935	25,952	25,655	22,265	25,000
Texas Health Resources	16,205	16,850	17,097	17,097	19,677	18,000	16,000	16,000	15,065	14,572
Bank of America	15,400	16,000	14,126	15,000	14,902	14,100	14,250	14,776	15,085	15,000
Texas Instruments Inc.	13,000	14,500	13,500	13,500	13,000	10,000	-	-	-	-
JP Morgan Chase	13,000	14,000	-	-	-	-	-	-	-	-
City of Dallas	13,000	13,000	12,836	13,369	13,427	14,613	13,946	12,825	-	-
Lockheed Martin Aeronautics Co.	12,600	12,100	13,122	13,053	-	-	-	-	-	-
UT Southwestern Medical Center		(a)	15,800	17,500	17,482	14,400	16,600	16,200	13,300	12,500
AT&T/SBC Communications Inc.		(a)	(a)	(a)	34,698	37,100	35,700	33,500	31,700	29,237
Raytheon Co.		-	-	-	-	-	-	-	16,250	16,250
Verizon Communications Inc.		-	-	-	-	14,000	14,000	13,800	13,500	15,900
Albertson's Inc.		-	-	-	-	-	-	-	-	12,240
US Postal Service		-	-	-	-	-	12,993	13,328	14,939	-
Total Top Ten	202,398	166,569	168,725	177,464	193,096	182,020	187,933	183,460	175,221	177,058

Employer	Percentage of Total Employment									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Wal-Mart Stores, Inc.	1.56%	0.66%	0.61%	0.78%	0.62%	0.58%	0.59%	0.58%	0.46%	0.58%
AMR Corporation	0.70%	0.62%	0.64%	0.64%	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%
Baylor Health Resources	0.62%	0.62%	0.58%	0.61%	0.68%	0.68%	0.72%	0.68%	0.66%	0.66%
Dallas Independent School District	0.48%	0.60%	0.79%	0.80%	0.68%	0.73%	0.88%	0.87%	0.75%	0.86%
Texas Health Resources	0.48%	0.53%	0.55%	0.55%	0.65%	0.60%	0.54%	0.54%	0.51%	0.50%
Bank of America	0.39%	0.50%	0.45%	0.48%	0.49%	0.47%	0.48%	0.50%	0.51%	0.51%
Texas Instruments Inc.	0.39%	0.45%	0.43%	0.43%	0.43%	0.33%	0.00%	0.00%	0.00%	0.00%
JP Morgan Chase	0.39%	0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City of Dallas	0.37%	0.41%	0.41%	0.43%	0.44%	0.49%	0.47%	0.43%	0.00%	0.00%
Lockheed Martin Aeronautics Co.	0.37%	0.38%	0.42%	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UT Southwestern Medical Center	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AT&T/SBC Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Raytheon Co.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.55%	0.56%
Verizon Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	0.48%	0.47%	0.46%	0.54%
Albertson's Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.42%
US Postal Service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%	0.45%	0.51%	0.00%
Total Top Ten	5.75%	5.19%	4.88%	5.15%	4.63%	4.35%	4.17%	4.07%	3.92%	4.21%
Total Employment	3,370,500	3,207,300	3,135,000	3,106,034	3,029,960	2,992,091	2,939,247	2,964,768	2,951,995	2,923,354

Source:
FY 2006: Greater Dallas Chamber of Commerce
FY2007-2014: Dallas Business Journal Book of Lists North Texas Largest Employers
Total Employment from Bureau of Labor Statistics-Dallas, Ft. Worth & Arlington Statistical Area as of August
(a) No longer reports local employment numbers

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 14
FACULTY, STAFF AND ADMINISTRATIVE STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Faculty										
Full-Time	845	866	842	792	765	763	765	733	699	725
Part-Time	2260	2,390	2,425	2,349	2,413	2,440	2,335	2,254	2,384	2,608
Total	3,105	3,256	3,267	3,141	3,178	3,203	3,100	2,987	3,083	3,333
Percent										
Full-Time	27.2%	26.6%	25.8%	25.2%	24.1%	23.8%	24.7%	24.5%	22.7%	21.8%
Part-Time	72.8%	73.4%	74.2%	74.8%	75.9%	76.2%	75.3%	75.5%	77.3%	78.2%
Staff and Administrators										
Full-Time	2448	2,343	2,290	2,235	2,196	2,472	2,426	2,284	2,193	2,177
Part-Time	1587	1,527	1,507	1,582	1,373	1,555	1,655	1,516	1,463	1,449
Total	4,035	3,870	3,797	3,817	3,569	4,027	4,081	3,800	3,656	3,626
Percent										
Full-Time	60.7%	60.5%	60.3%	58.6%	61.5%	61.4%	59.4%	60.1%	60.0%	60.0%
Part-Time	39.3%	39.5%	39.7%	41.4%	38.5%	38.6%	40.6%	39.9%	40.0%	40.0%
Total Employees										
Full-Time	3293	3,209	3,132	3,027	2,961	3,235	3,191	3,017	2,892	2,902
Part-Time	3847	3,917	3,932	3,931	3,786	3,995	3,990	3,770	3,847	4,057
Total	7,140	7,126	7,064	6,958	6,747	7,230	7,181	6,787	6,739	6,959
Percent										
Full-Time	46.1%	45.0%	44.3%	43.5%	43.9%	44.7%	44.4%	44.5%	42.9%	41.7%
Part-Time	53.9%	55.0%	55.7%	56.5%	56.1%	55.3%	55.6%	55.5%	57.1%	58.3%
FTSE per Full-Time Faculty	58.6	57.6	61.2	66.1	69.9	70.1	61.9	59.7	61.5	57.4
FTSE per Full-Time Staff Member	20.2	21.3	22.5	23.4	24.4	21.6	19.5	19.1	19.6	19.1
Average Annual Faculty Salary	\$ 85,785	\$ 80,255	\$ 77,287	\$ 72,903	\$ 80,212	\$ 79,623	\$ 75,532	\$ 74,931	\$ 76,186	\$ 71,042

Source: District Business Affairs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 15
STATE AND EMPLOYER CONTRIBUTION FOR HEALTH CARE INSURANCE
LAST TEN FISCAL YEARS
(INCLUDES BASIC LIFE INSURANCE RATE)
(UNAUDITED)

Cost of Providing Health Care Insurance	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Number of Retirees	1,200	1,157	1,136	1,135	930	860	839	823	789	767
Cost of Health Benefits for Retirees	\$ 8,926,494	\$ 7,994,217	\$ 7,525,732	\$ 6,926,484	\$ 5,082,773	\$ 4,575,726	\$ 4,185,944	\$ 4,106,646	\$ 3,930,446	\$ 3,593,942
Cost per Retiree	\$ 7,439	\$ 6,909	\$ 6,625	\$ 6,103	\$ 5,465	\$ 5,321	\$ 4,989	\$ 4,990	\$ 4,982	\$ 4,686
Number of Active Full Time Employees	3,334	3,242	3,142	3,060	3,302	3,399	3,248	3,111	3,032	2,973
Cost of Health Benefits for Active Full-Time Employees	\$24,662,718	\$22,599,984	\$20,509,715	\$18,583,294	\$19,564,208	\$18,170,701	\$15,916,230	\$15,580,187	\$15,496,907	\$14,793,671
Cost per Active Employee	\$ 7,397	\$ 6,971	\$ 6,528	\$ 6,073	\$ 5,925	\$ 5,346	\$ 4,900	\$ 5,008	\$ 5,111	\$ 4,976
State Appropriation for Health Insurance	\$14,641,581	\$13,641,648	\$ 9,760,108	\$ 9,258,438	\$15,042,227	\$15,552,849	\$15,930,773	\$16,065,571	\$15,634,130	\$14,609,769
Net Cost to DCCCD	\$18,947,631	\$16,952,553	\$18,275,338	\$16,251,340	\$ 9,605,254	\$ 7,196,578	\$ 4,171,401	\$ 3,621,262	\$ 3,793,223	\$ 3,777,844
DCCCD % of total premium	56.4%	55.4%	65.2%	63.7%	39.0%	31.6%	20.8%	18.4%	19.5%	20.5%
Total employees	4,534	4,399	4,278	4,195	4,232	4,259	4,087	3,934	3,821	3,740
State funding per total employee	\$ 3,229	\$ 3,101	\$ 2,281	\$ 2,207	\$ 3,554	\$ 3,652	\$ 3,898	\$ 4,084	\$ 4,092	\$ 3,906
DCCCD cost per total employee	\$ 4,179	\$ 3,854	\$ 4,272	\$ 3,874	\$ 2,270	\$ 1,690	\$ 1,021	\$ 921	\$ 993	\$ 1,010
Cost of Providing Retirement Benefits	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actual Cost of TRS and ORP Benefits	\$13,866,958	\$13,096,063	\$12,071,014	\$10,600,889	\$12,397,755	\$12,420,204	\$12,123,728	\$11,136,762	\$10,124,589	\$9,681,317
DCCCD's Contribution	\$8,007,973	\$7,555,276	\$6,317,752	\$5,092,446	\$2,281,648	\$2,295,287	\$2,309,800	\$2,072,453	\$2,127,994	\$1,985,266
State's Contribution	\$5,858,985	\$5,540,787	\$5,753,262	\$5,508,443	\$10,116,107	\$10,124,917	\$9,813,928	\$9,064,309	\$7,996,595	\$7,696,051
Cost of Providing All Benefits	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
DCCCD's Contribution	\$26,955,604	\$24,507,829	\$24,593,090	\$21,343,786	\$11,886,902	\$ 9,491,865	\$ 6,481,201	\$ 5,693,715	\$ 5,921,217	\$ 5,763,110
State's Contribution	20,500,566	19,182,435	15,513,370	14,766,881	25,158,334	25,677,766	25,744,701	25,129,880	23,630,725	22,305,820
Total	\$47,456,170	\$43,690,264	\$40,106,460	\$36,110,667	\$37,045,236	\$35,169,631	\$32,225,902	\$30,823,595	\$29,551,942	\$28,068,930
Cost of Providing All Benefits Percentage Share	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
DCCCD	56.8%	56.1%	61.3%	59.1%	32.1%	27.0%	20.1%	18.5%	20.0%	20.5%
State	43.2%	43.9%	38.7%	40.9%	67.9%	73.0%	79.9%	81.5%	80.0%	79.5%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 16
ENROLLMENT DETAILS
LAST FIVE FISCAL YEARS
(UNAUDITED)

Student Classification	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	27,511	38.51%	26,173	36.46%	28,598	37.70%	27,271	38.07%	25,285	37.22%
31-60 hours	26,597	37.23%	27,958	38.95%	29,755	39.22%	28,188	39.35%	27,452	40.41%
>60 hours	17,325	24.26%	17,651	24.59%	17,508	23.08%	16,174	22.58%	15,197	22.37%
Total	<u>71,433</u>	<u>100.00%</u>	<u>71,782</u>	<u>100.00%</u>	<u>75,861</u>	<u>100.00%</u>	<u>71,633</u>	<u>100.00%</u>	<u>67,934</u>	<u>100.00%</u>

Semester Hour Load	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	1,466	2.05%	1,464	2.04%	1,367	1.80%	1,422	1.99%	1,605	2.36%
3-5 semester hours	27,115	37.96%	26,427	36.81%	19,295	25.43%	17,496	24.42%	16,615	24.46%
6-8 semester hours	18,843	26.38%	18,544	25.83%	20,949	27.62%	19,549	27.29%	17,757	26.14%
9-11 semester hours	12,549	17.57%	12,545	17.48%	15,414	20.32%	13,994	19.54%	12,827	18.88%
12-14 semester hours	9,764	13.67%	10,953	15.26%	15,949	21.02%	16,390	22.88%	16,232	23.90%
15-17 semester hours	1,281	1.79%	1,450	2.02%	2,206	2.91%	2,144	2.99%	2,251	3.31%
18 and over	415	0.58%	399	0.56%	681	0.90%	638	0.89%	647	0.95%
Total	<u>71,433</u>	<u>100.00%</u>	<u>71,782</u>	<u>100.00%</u>	<u>75,861</u>	<u>100.00%</u>	<u>71,633</u>	<u>100.00%</u>	<u>67,934</u>	<u>100.00%</u>

Average course load	Fall 2014	Fall 2013	Fall 2012	Fall 2011	Fall 2010
Average course load	7.0	7.0	7.9	8.5	8.4

Tuition Status	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-district)	58,946	82.52%	58,733	81.88%	62,453	82.33%	59,035	82.41%	54,807	80.68%
Texas Resident (out-of-district)	8,741	12.24%	7,657	10.67%	9,050	11.93%	8,343	11.65%	8,759	12.89%
Non-Resident Tuition	3,746	5.24%	5,342	7.45%	4,358	5.74%	4,255	5.94%	4,368	6.43%
Total	<u>71,433</u>	<u>100.00%</u>	<u>71,732</u>	<u>100.00%</u>	<u>75,861</u>	<u>100.00%</u>	<u>71,633</u>	<u>100.00%</u>	<u>67,934</u>	<u>100.00%</u>

Note: This table includes credit students only, as continuing education units are not tracked by semester hour and students are not tracked by residency.

Source: District Business Affairs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 17
STUDENT PROFILE
LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	47,289	54.57%	47,139	54.51%	49,371	55.18%	53,206	55.82%	47,351	53.10%
Male	39,376	45.43%	39,339	45.49%	40,101	44.82%	42,118	44.18%	41,816	46.90%
Total	86,665	100.00%	86,478	100.00%	89,472	100.00%	95,324	100.00%	89,167	100.00%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	20,386	23.52%	21,652	25.04%	24,898	27.83%	28,319	29.71%	28,251	31.68%
Hispanic	29,813	34.40%	29,766	34.42%	25,088	28.04%	27,643	29.00%	25,834	28.97%
African American	19,058	21.99%	19,535	22.59%	21,008	23.48%	23,314	24.46%	20,312	22.78%
Asian	5,524	6.38%	5,397	6.24%	5,749	6.43%	7,993	8.38%	7,893	8.85%
Foreign	4,976	5.74%	3,915	4.53%	3,990	4.46%	1,035	1.09%	1,109	1.25%
Native American	287	0.33%	318	0.37%	415	0.46%	542	0.57%	412	0.46%
Other	6,621	7.64%	5,895	6.81%	8,324	9.30%	6,478	6.79%	5,356	6.01%
Total	86,665	100.00%	86,478	100.00%	89,472	100.00%	95,324	100.00%	89,167	100.00%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	8,359	9.64%	7,365	8.52%	6,542	7.31%	7,664	8.04%	4,681	5.25%
18-21	27,778	32.05%	27,746	32.08%	29,527	33.00%	28,616	30.02%	26,518	29.74%
22-24	11,659	13.45%	11,653	13.48%	12,362	13.82%	12,182	12.78%	11,940	13.39%
25-30	12,018	13.87%	12,152	14.05%	14,608	16.33%	15,233	15.98%	15,034	16.86%
31-35	7,997	9.23%	8,333	9.64%	7,910	8.84%	8,483	8.90%	8,444	9.47%
36-50	14,125	16.30%	13,996	16.18%	13,283	14.84%	15,584	16.35%	15,907	17.84%
51 and over	4,729	5.46%	5,233	6.05%	5,240	5.86%	7,562	7.93%	6,643	7.45%
Total	86,665	100.00%	86,478	100.00%	89,472	100.00%	95,324	100.00%	89,167	100.00%

Average Age	26	26	29	29	29
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Source: District Business Affairs
Includes both credit and non-credit students.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 18
TRANSFERS TO SENIOR INSTITUTIONS
2013 FALL STUDENTS AS OF FALL 2014
(UNAUDITED) (INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count	Transfer Student Count	Total of all DCCCD Transfer	% of all DCCCD Transfer Students
	Academic	Technical	Transfer	Students
1 University of Texas - Arlington	2713	742	3455	17.24%
2 University of Texas - Dallas	2697	692	3389	16.91%
3 University of North Texas	2284	519	2803	13.99%
4 Texas Woman's University	1264	344	1608	8.02%
5 Texas A&M University - College Station	1373	205	1578	7.88%
6 University of Texas - Austin	1349	215	1564	7.81%
7 Texas Tech University	888	123	1011	5.05%
8 University of North Texas - Dallas	720	258	978	4.88%
9 Texas A&M University - Commerce	668	184	852	4.25%
10 Texas State University	402	60	462	2.31%
11 Stephen F. Austin State University	284	75	359	1.79%
12 Sam Houston State University	171	47	218	1.09%
13 University of Houston	162	37	199	0.99%
14 Tarleton State University	164	32	196	0.98%
15 Midwestern State University	124	54	178	0.89%
16 Prairie View A&M University	108	33	141	0.70%
17 University of Texas - Tyler	111	17	128	0.64%
18 Texas Southern University	70	22	92	0.46%
19 University of Texas - Permian Basin	60	24	84	0.42%
20 University of Texas - San Antonio	64	18	82	0.41%
21 Texas A&M University - Corpus Christi	69	12	81	0.40%
22 Texas Tech University Health Science Center	53	23	76	0.38%
23 Lamar University Institute of Technology	51	19	70	0.35%
24 West Texas A&M University	41	15	56	0.28%
25 University of North Texas Health Science Center - Forth Worth	42	7	49	0.24%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 18
 TRANSFERS TO SENIOR INSTITUTIONS
 2013 FALL STUDENTS AS OF FALL 2014
 (CONTINUED)

	Transfer Student Count	Transfer Student Count	Total of all DCCCD Transfer	% of all DCCCD Transfer Students
	Academic	Technical	Transfer	
26 Angelo State University	33	8	41	0.20%
27 Texas A&M University System Health Science Center	29	7	36	0.18%
28 University of Texas Medical Branch Galveston	27	7	34	0.17%
29 Texas A&M University - Galveston	27	3	30	0.15%
30 University of Texas Southwestern Medical Center - Dallas	23	4	27	0.13%
31 University of Texas - Brownsville	17	5	22	0.11%
32 University of Texas - El Paso	16	5	21	0.10%
33 University of Houston - Downtown	13	7	20	0.10%
34 University of Houston - Victoria	15	2	17	0.08%
35 Texas A&M International University	8	5	13	0.06%
36 University of Texas Health Science Center - San Antonio	9	4	13	0.06%
37 Texas A&M University - Kingsville	11	1	12	0.06%
38 University of Texas Health Science Center - Houston	6	5	11	0.05%
39 Sul Ross State University	9	1	10	0.05%
40 University of Texas - Pan American	7	2	9	0.04%
41 Texas A&M University - Central Texas	3	3	6	0.03%
42 Texas A&M University -Texarkana	3	1	4	0.02%
43 Baylor College of Medicine	1	0	1	0.00%
44 Texas A&M University - San Antonio	1	0	1	0.00%
45 University of Texas M.D Anderson Cancer Center	1	0	1	0.00%
46 University of Houston - Clear Lake	0	0	0	0.00%
47 University of Houston - University Park	0	0	0	0.00%
Totals	16,191	3,847	20,038	100.00%

Source: THECB "Students Pursuing Additional Education" report for Academic Year 2013-14

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 19
CAPITAL ASSET INFORMATION
FISCAL YEARS 2006 TO 2015
(UNAUDITED)

	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Academic buildings	89	89	89	89	89	89	84	69	67	67
Square footage	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,426,142	2,872,794	2,918,794	2,918,794
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765
Number of volumes	420,505	420,505	420,505	420,505	432,076	433,212	438,488	441,895	446,346	529,952
Administrative and support buildings	8	8	8	8	8	8	8	7	7	7
Square footage	326,215	326,215	326,215	326,215	326,215	326,215	326,215	242,832	242,832	242,832
Dining Facilities	-	-	-	-	-	-	-	-	-	-
Square footage	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069
Athletic Facilities	6	6	6	6	6	6	6	6	6	6
Square footage	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050
Athletic fields	43	43	43	43	43	43	43	42	42	42
Gymnasiums	8	8	8	8	8	8	8	8	8	8
Fitness centers	10	10	10	10	10	10	10	10	10	10
Tennis courts	22	22	22	22	22	22	36	36	36	36
Plant facilities	3	3	3	3	3	3	3	3	3	3
Square footage	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332
Transportation										
Cars	36	36	36	36	39	39	28	22	21	24
Light trucks/vans	79	79	79	79	88	88	84	77	76	80
Buses	8	8	8	8	10	10	9	9	7	6
Total Square Footage	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,293,573	3,656,842	3,702,842	3,702,842

Note: Most buildings are multi-purpose rather than being dedicated to a single activity. Therefore, estimates have been made on square footage attributable to non-academic purposes. Information will be presented prospectively.

Source: District Business Affairs



**Dallas County
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