



Dallas County  
Community College District

Higher Education That  
Actually Gets You Hired



# Comprehensive Annual Financial Report

For the Fiscal Years Ended  
August 31, 2017 and 2016

Dallas, Texas

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DALLAS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

PREPARED BY

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DISTRICT OFFICE OF BUSINESS AFFAIRS

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

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**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
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# INTRODUCTORY SECTION

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
**ORGANIZATIONAL DATA**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**BOARD OF TRUSTEES**

**OFFICERS**

Charletta Rogers Compton	Chair
Diana Flores	Vice Chair
Joe D. May	Secretary

**MEMBERS**

TRUSTEE	CITY, STATE	TERM EXPIRES
Charletta Rogers Compton	Dallas, Texas	2018
Philip J. Ritter	Dallas, Texas	2022
Diana Flores	Dallas, Texas	2020
Wesley Jameson	Duncanville, Texas	2020
Dorothy Zimmermann	Garland, Texas	2022
Monica Lira Bravo	Dallas, Texas	2022
JL Sonny Williams	Dallas, Texas	2018

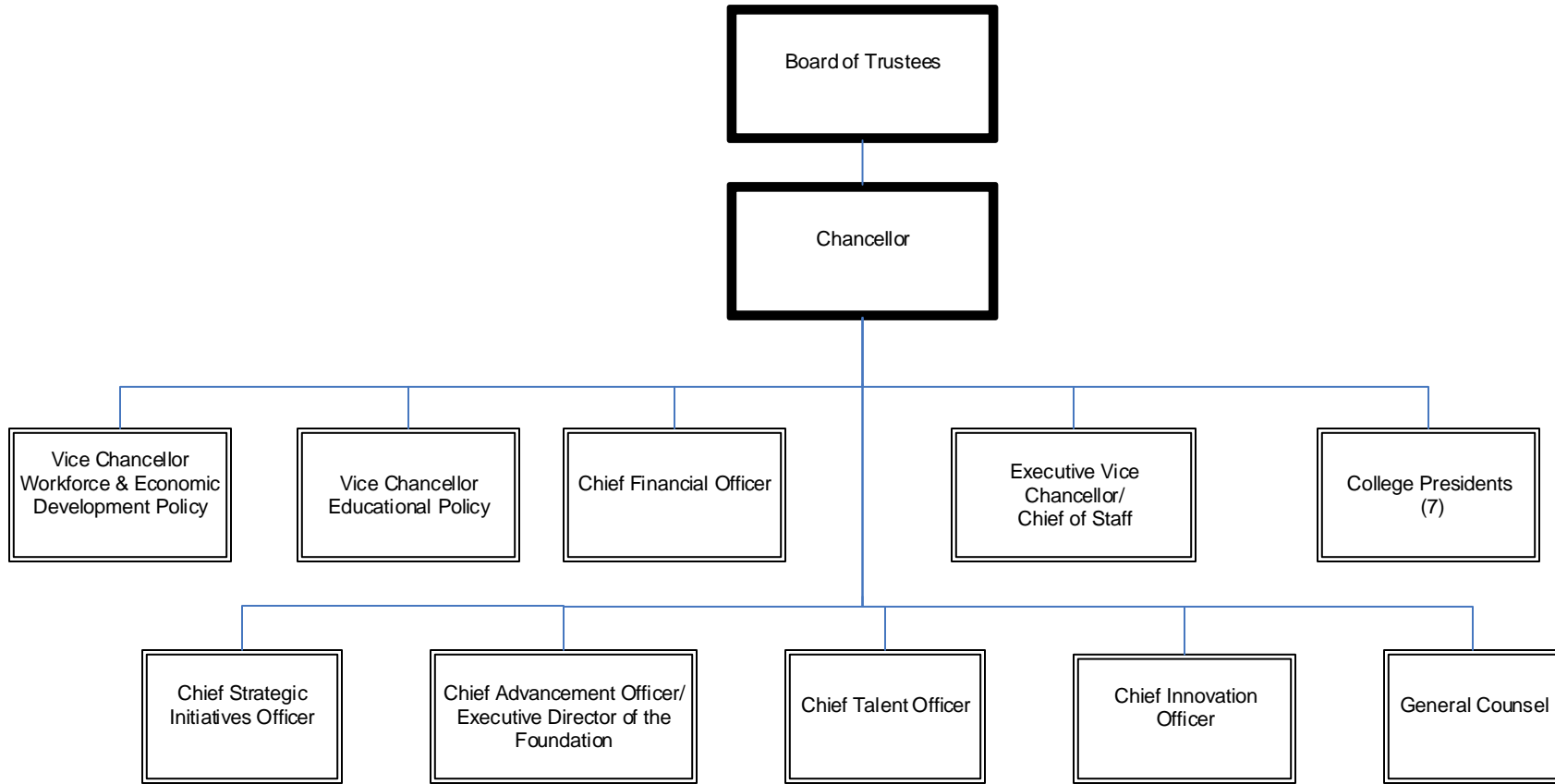
**DISTRICT ADMINISTRATIVE OFFICERS**

Joe D. May	Chancellor
Mary Brumbach	Chief Strategic Initiatives Officer
Susan Hall	Chief Talent Officer
Mark Hays	Vice Chancellor, Workforce & Economic Development Policy
Justin Lonon	Executive Vice Chancellor/Chief of Staff
Tim Marshall	Chief Innovation Officer
John Robertson	Chief Financial Officer
Vacant	Vice Chancellor, Educational Policy
Robert Wendland	General Counsel
Pyeper Wilkins	Chief Advancement Officer/Executive Director of the Foundation

**COLLEGE PRESIDENTS**

Jose Adames	El Centro College
Thom Chesney	Brookhaven College
Jean Conway	Eastfield College
Kathryn Eggleston	Richland College
Robert Garza	Mountain View College
Joseph Seabrooks	Cedar Valley College
Christa Slejko	North Lake College

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
ORGANIZATIONAL CHART  
2016-2017





## Dallas County Community College District

December 5, 2017



Joe D. May

On behalf of the Dallas County Community College District and the community of Dallas County, I am pleased to submit to the members of the DCCCD Board of Trustees our Comprehensive Annual Financial Report for the fiscal years which ended August 31, 2017 and 2016.

Thanks to your leadership as members of our Board of Trustees – and your commitment to the District’s fiduciary responsibilities – we continue to sustain a strong fiscal position and to provide services and programs which help ensure that Dallas County is vibrant, growing, and economically stable for future generations. DCCCD’s tuition and property tax rates continue to rank among the lowest for Texas community colleges. The value of an education at all of our colleges is accessible for our students and the citizens of Dallas County.

We know that student and community success is vital to the prosperity of Dallas County and we are involved in a number of programs that support their success. I would like to share several key examples:

- DCCCD has partnered with the Dallas Independent School District to offer dual credit learning opportunities through 19 early college high schools. This significant program will enable more than 2,000 students to receive both a high school diploma and an associate degree when they graduate, at no cost to those students or their parents. As you know, the District already has a history of building student success through several other ECHS facilities with Dallas ISD and other area school districts, totaling 31 early college high schools and collegiate academies.
- Our early college high school program will help the state meet its goals through the Texas Higher Education Coordinating Board’s “60X30TX” initiative, which says that 60 percent of “Generation Texas” (adults ages 18 to 34) will have a postsecondary credential or degree by 2030. Our education network with Dallas ISD is one example of how DCCCD seeks to be inclusive. We want to build our reputation based on the people we include in our higher education network and the ways in which we connect them to the resources they need to succeed.
- In 2017, you – as members of the Board of Trustees – increased the property tax exemption for homeowners over age 65 or for disabled persons by 38 percent. These homeowners will see a reduction in property taxes, which is a significant benefit, in 2018.
- The District laid the groundwork for the Dallas County Promise program, which was announced in late October 2017. This “last-dollar” program provides free tuition to graduating seniors from Dallas County who make the commitment to pursue a post-secondary certification or degree. In partnership with the DCCCD Foundation, the Dallas



## A Letter from the Chancellor

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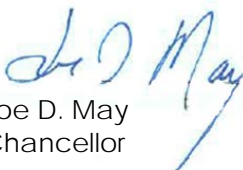
County Promise program will be open to high school seniors from the 31 early college high schools who are graduating in Spring 2018 for the program's first year. The number of high schools will expand as the program grows.

We will continue to build our higher education network; remove barriers to student success; and concentrate on providing training and courses in those programs that meet the needs of employers and businesses who are filling high-demand jobs. We will provide "higher education that actually gets you hired."

As I have mentioned on many occasions, the jobs and workforce of the future will all require some postsecondary education. DCCCD is a viable education partner with businesses and the communities we serve. We will continue to find ways to help students succeed, earn credentials that help them earn a living wage, and support their families and communities.

In closing, I want to thank you, as a member of our Board of Trustees, for your dedication and direction as well as our faculty and staff across the District who make a difference in the lives of our students. We will honor the past and continue to build for the future together.

Respectfully,

  
Joe D. May  
Chancellor



# Dallas County Community College District

December 5, 2017

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, 2017 and 2016. 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 Statements No. 34 and No. 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 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 executive staff, comprised of the vice chancellors, general counsel, chief talent officer, chief financial officer, chief strategic initiatives officer, chief innovation officer, chief advancement officer, 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 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 \$21.2 million due to the taxable assessed value increasing by 9.7%. The maintenance and operations tax rate remained unchanged.
- Tuition and Fees – increased by \$4.1 million due to increased enrollments.
- State Appropriations – increased by \$2.5 million due mainly to an increase in state benefit funding and a small increase in instructional funding.

Taxable property values increased by 9.7% in fiscal year 2017 driven primarily by commercial and business personal property increases, especially in the central business district of Dallas.

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 the Board's strategic initiatives.

In fiscal year 2017, the credit student headcount increased by approximately 3.1% while continuing education headcount decreased by 2.8%. DCCCD expects that enrollments will increase in fiscal year 2018 and in future years as the District invests in dual credit programs, 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. For fiscal year 2017, the second half of the biennium, DCCCD had an increase in total State Appropriations mainly due to the state's group benefit funding.

Operating expenses increased \$17.1 million in fiscal year 2017 due largely to the addition of new full-time positions specifically in Safety and Security personnel, a 3% 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. In 2017, the Board of Trustees approved a debt management policy.

### **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:

- Revenues from tuition and state appropriations
- Performance funding based on strategic initiatives
- Facility operations based on building square footage.

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 operating budget and college level budget each fiscal year including any 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, each college is finalizing their new master plans for presentation to the Board of Trustees during fiscal year 2018.

### **Major Initiatives**

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

- \$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. Continuing through fiscal 2019.
- \$12 million ADA upgrade program completed in 2016.

The Board also approved Labor Market Alignment strategies in fiscal year 2017 to fund high-demand educational programs in the Dallas area, a free pass for students on DART (Dallas Area Rapid Transit), and upgrades to Safety and Security including centralization of the police force.

### **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 Uniform Guidance 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 Supplementary 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, 2016, for the fifth 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, 2017 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.

**Financial Transparency**

The District continues to provide financial information on its website <http://www.dcccd.edu> through the "Financial Transparency" link on the homepage. The site includes current and historical data for budgets, audited annual financial reports, check registers, bonds, and property tax information.

**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, 2016**

*Christopher P. Morill*

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  
**T** 214.561.2300  
**F** 214.561.2370  
GrantThornton.com  
[linkd.in/GrantThorntonUS](https://www.linkedin.com/company/grantthorntonus)  
[twitter.com/GrantThorntonUS](https://twitter.com/GrantThorntonUS)

### **Report on the financial statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Dallas County Community College District (the "District") as of and for the years ended August 31, 2017 and 2016, 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 opinions 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

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 opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the District as of August 31, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 16 through 29 and the Required Supplementary Information on pages 102 through 106, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 opinions 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, 2017, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State of Texas *Uniform Grant Management Standards* on pages 118 through 128, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 109 through 112, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the 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 financial statements as a whole.

*Other information*

The introductory section and statistical section on pages 2 through 10 and on pages 140 through 161, 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 136 through 138 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 financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 5, 2017, 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 5, 2017

## DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

(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 "2017", "2016" and "2015" refer to fiscal years ended August 31, 2017, August 31, 2016, and August 31, 2015, respectively.

#### FINANCIAL HIGHLIGHTS FOR 2017

- Total assets for 2017 were \$1,069.6 million, increasing by \$19.0 million from 2016 due to increases in cash that was held in investment pools. Total liabilities were \$452.5 million, a decrease of \$42.2 million due to the refunding of bonds combined with reductions in accounts payable and net pension liability. Deferred outflows were \$29.0 million and deferred inflows were \$24.2 million.
- Net position at August 31, 2017 was \$621.9 million, of which, \$251.6 million was unrestricted and may be used to meet DCCCD's ongoing obligations.
- Operating revenues were \$109.7 million, up \$3.1 million and operating expenses were \$497.1 million, up \$17.1 million primarily due to compensation increases. Net non-operating revenues were \$440.5 million, for an increase of \$17.5 million primarily attributed to increases in ad valorem tax revenue.
- Total bond payments for 2017 decreased \$7.9 million. General Obligation bond payments increased by \$7.6 million for 2017 due to the advance refunding of \$64.1 million of the Series 2009 General Obligation Bonds offset by a decrease of \$15.5 million on the defeased Revenue bonds.

#### 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*

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**(UNAUDITED)**

*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 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, 2017 and 2016 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, 2017 AND 2016

(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 net position 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, 2015 through 2017 is presented in Table 1 below.

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

	Fiscal Year			Change	
	2017	2016	2015	2017 to 2016	2016 to 2015
<b>ASSETS</b>					
Current Assets	\$ 227.7	\$ 180.4	\$ 213.9	\$ 47.3	\$ (33.5)
Capital Assets, net of depreciation	631.7	637.4	639.4	(5.7)	(2.0)
Other Non-current Assets	210.2	232.8	203.5	(22.6)	29.3
Total Assets	1,069.6	1,050.6	1,056.8	19.0	(6.1)
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	29.0	32.8	11.5	(3.8)	21.4
<b>LIABILITIES</b>					
Current Liabilities	144.6	136.1	147.8	8.5	(11.6)
Non-current Liabilities	307.9	358.6	385.0	(50.7)	(26.4)
Total Liabilities	452.5	494.7	532.8	(42.2)	(38.1)
<b>DEFERRED INFLOWS OF RESOURCES</b>	24.2	20.0	16.4	4.2	3.6
<b>NET POSITION</b>					
Net investment in Capital Assets	368.5	343.3	302.7	25.2	40.6
Restricted	1.8	2.3	4.0	(0.5)	(1.7)
Unrestricted	251.6	223.1	212.4	28.5	10.7
Total Net Position	\$ 621.9	\$ 568.7	\$ 519.1	\$ 53.2	\$ 49.6

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**(UNAUDITED)**

Changes in Assets

Current assets increased by \$47.3 million in 2017 compared to 2016 as a result of an increase in cash of \$81 million due to an increase in investment pool balances; offset by decreases in commercial paper of \$20 million and accounts receivable of \$15 million, due to a decrease in Federal grants receivables. Long-term investments decreased \$22.6 million due to securities called in July and August of 2017, and the proceeds were held in investment pools.

Change in Deferred Outflows

Deferred outflows on the loss of bond refunding increased \$0.9 million for 2017 due to the advance refunding of the Series 2009 General Obligation bonds and a decrease of \$4.7 million related to the pension liability future expense.

Changes in Liabilities

Current liabilities increased by \$8.5 million in 2017 due to an increase in current bonds payable as a result of the advanced refunding of the Series 2009 General Obligation bonds.

Non-current liabilities decreased by \$50.7 million in 2017, as long-term bonds decreased by \$39.0 million, attributable to the advance refunding and net pension liability decreased \$11.7 million.

Changes in Deferred Inflows

Deferred Inflows increased \$4.2 million due to pension liability future contributions.

Changes in Net Position

At August 31, 2017, the difference in assets and liabilities was \$621.9 million. While at August 31, 2016, the difference was \$568.7 million, an increase of \$53.2 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, 2017 AND 2016

(UNAUDITED)

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

	Fiscal Year			Change	
	2017	2016	2015	2017 to 2016	2016 to 2015
<b>Operating Revenues</b>					
Tuition and Fees (Net)	\$ 75.1	\$ 71.0	\$ 64.9	\$ 4.1	\$ 6.1
Grants and Contracts	30.2	31.0	31.2	(0.8)	(0.2)
Auxiliary Enterprises	2.1	2.1	3.4	0.0	(1.3)
Other Operating Revenues	2.3	2.5	2.2	(0.2)	0.3
Total Operating Revenues	109.7	106.6	101.7	3.1	4.9
<b>Operating Expenses</b>	497.1	480.0	472.0	17.1	8.0
<b>Operating Loss</b>	(387.4)	(373.4)	(370.3)	(14.0)	(3.1)
<b>Non-Operating Revenues and (Expenses)</b>					
State Appropriations	118.6	116.1	116.6	2.5	(0.5)
Ad Valorem Taxes	262.1	240.9	224.0	21.2	16.9
Federal Revenue	70.9	73.2	86.5	(2.3)	(13.3)
Investment Income	3.4	3.6	4.0	(0.2)	(0.4)
Interest on Capital-Related Debt	(8.4)	(11.6)	(15.1)	3.2	3.5
Other Non-Operating Revenue (Expense)	(5.5)	0.9	(0.9)	(6.4)	1.8
Net Non-Operating Revenues	441.1	423.0	415.1	18.1	7.9
Increase (Decrease) in Net Position	53.7	49.6	44.8	4.1	4.8
Net Position - Beginning of Year	568.7	519.1	534.9	49.6	(15.8)
Cumulative effect of GASB Statement No. 68	-	-	(60.6)	-	60.6
Net Position - End of Year	\$ 622.4	\$ 568.7	\$ 519.1	\$ 53.7	\$ 49.6



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**(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 \$4.1 million in 2017 due mainly to increased enrollments. Overall, credit student enrollments are up 3.2% from 2016 and continuing education decreased slightly. Grants and contracts provided 27.5% of operating revenue for 2017, which is down slightly compared to 2016. Auxiliary revenues, bookstore commissions, vending and food service providers, were flat in 2017. In 2016, the District reduced textbook commissions to zero to reduce the cost of textbooks to students by approximately 13%.

Non-Operating Revenues

State appropriations increased for 2017 by \$2.5 million. Instructional related state funding and special items increased slightly with the majority of the increase from state group benefit funding and RCHS.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased in 2017 by \$21.2 million as the taxable assessed value increased 9.7% and the rate for maintenance and operations (M&O) was maintained at \$0.104 per \$100 valuation. Ad Valorem Tax revenue is the DCCCD's primary funding source in all three fiscal years shown, representing over half of the total non-operating revenues. Investment income decreased by \$0.2 million in 2017 over 2016 as the District continued to invest in shorter term investments with lower returns.

Federal revenue was \$70.9 million, a decrease of \$2.3 million from 2016 as fewer students qualified due to the effect of changes in Title IV grants (Pell).

DCCCD transferred the endowment balance and related revenue for a Quasi-endowment fund to the Foundation. The total amount transferred was \$6.2 million and is included in Non-Operating Revenue (Expense).

**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 (General Obligation bonds). Interest revenue is obtained through pooled investments, a large portion of which is attributable to operations. Also,

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**(UNAUDITED)**

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.

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

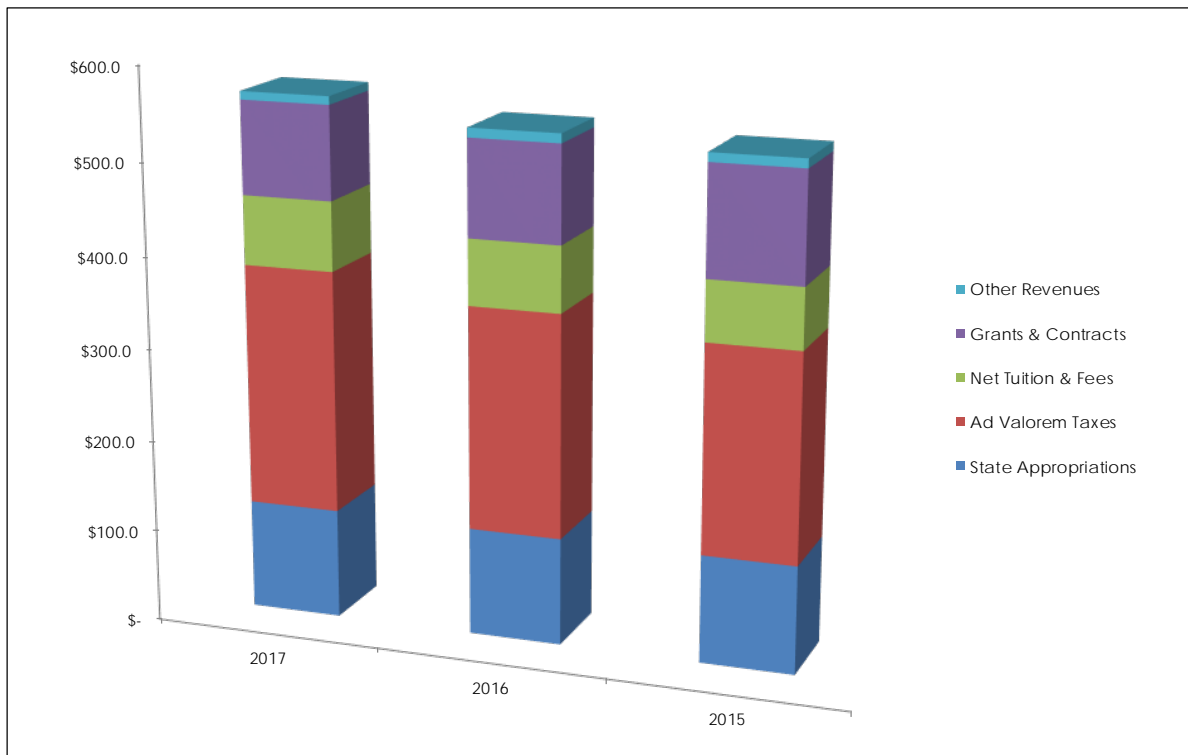
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

(UNAUDITED)

TABLE 3: REVENUE BY SOURCE  
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2017	2016	2015	2017 to 2016	2016 to 2015
State Appropriations	\$ 118.6	\$ 116.1	\$ 116.6	\$ 2.5	\$ (0.5)
Ad Valorem Taxes	262.1	240.9	224.0	21.2	16.9
Net Tuition & Fees	75.1	71.0	64.9	4.1	6.1
Grants & Contracts	101.1	104.2	117.7	(3.1)	(13.5)
Investments	3.4	3.6	4.0	(0.2)	(0.4)
Auxiliary Enterprises	2.1	2.1	3.4	0.0	(1.3)
Other Revenues	3.5	4.6	2.5	(1.1)	2.1
<b>Total Revenues</b>	<b>\$ 565.8</b>	<b>\$ 542.4</b>	<b>\$ 533.1</b>	<b>\$ 23.4</b>	<b>\$ 9.3</b>

REVENUE BY SOURCE  
Figure 1



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**(UNAUDITED)**

**Operating Expenses**

Total Operating Expenses were \$497.1 million in 2017 and \$480 million in 2016 for an increase of \$17.1 million due largely to employees' salary increases of approximately 3% offset by a decrease in Scholarships as fewer students qualified for Title IV grants and an increase in Institutional Support due to increased central services and district-wide initiatives.

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 2017, salary expense increased as the Board of Trustees approved employee salary increases. Salaries increased \$11.5 million over 2016. Benefits increased in 2017 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 2017, 24.0% in 2016, and 23.4% in 2015. 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 \$8.9 million in 2017 as compared to 2016 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 safety and security initiatives approved by the Board. Operation and maintenance of plant increased \$4.8 million due to improvements to buildings. Depreciation decreased \$1.9 million, the same as previous years. See Table 5 and Figure 3.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

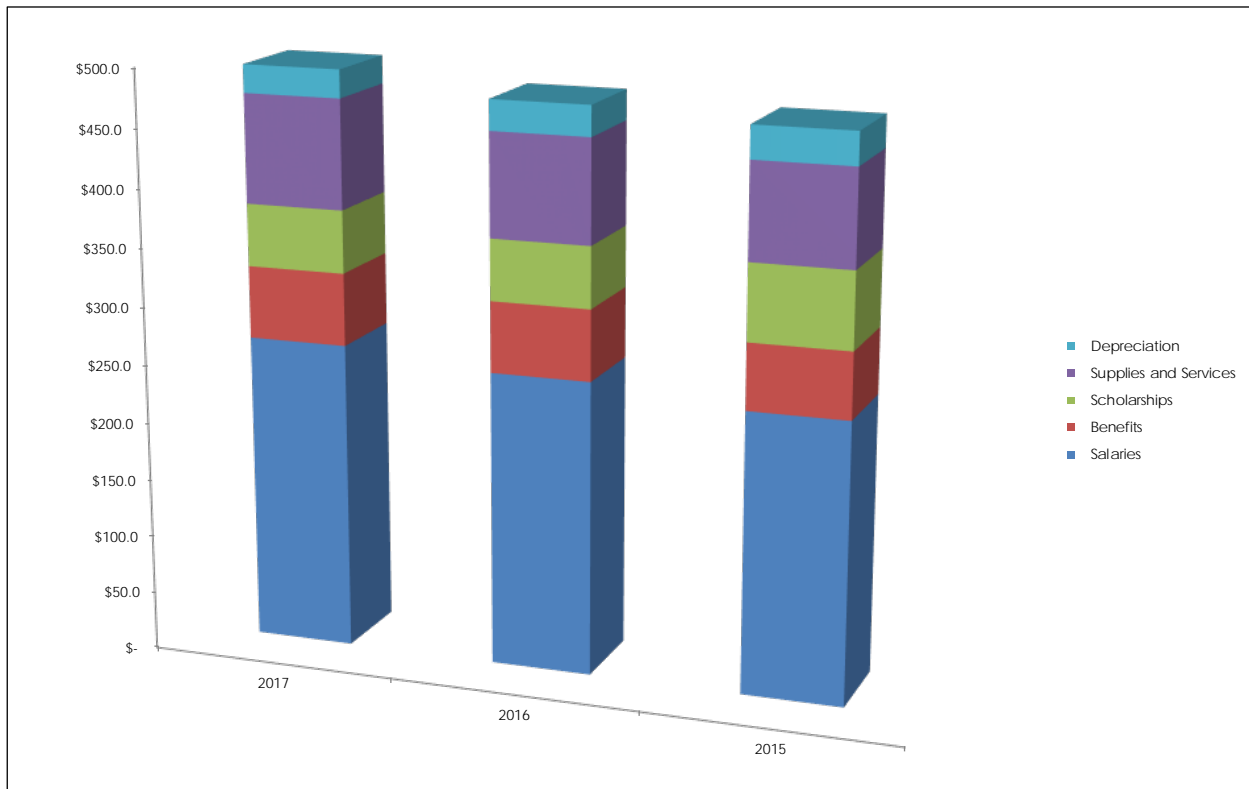
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2017	2016	2015	2017 to 2016	2016 to 2015
Salaries	\$ 264.4	\$ 252.9	\$ 241.0	\$ 11.5	\$ 11.9
Benefits	61.9	60.6	56.4	1.3	4.2
Scholarships	53.5	52.3	65.1	1.2	(12.8)
Supplies and Services	93.3	88.3	81.7	5.0	6.6
Depreciation	24.0	25.9	27.8	(1.9)	(1.9)
Total Operating Expenses	\$ 497.1	\$ 480.0	\$ 472.0	\$ 17.1	\$ 8.0

OPERATING EXPENSES – NATURAL CLASSIFICATION  
Figure 2



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

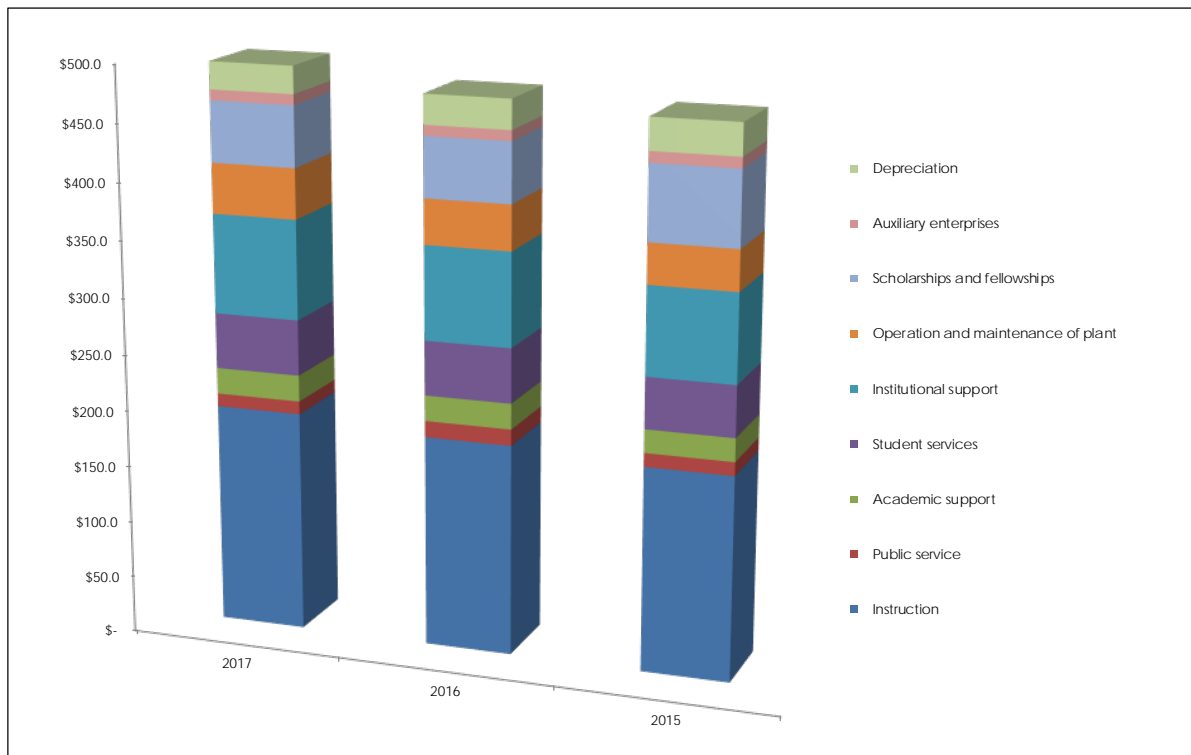
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2017	2016	2015	2017 to 2016	2016 to 2015
Instruction	\$ 195.0	\$ 186.1	\$ 180.0	\$ 8.9	\$ 6.1
Public service	11.4	14.3	11.9	(2.9)	2.4
Academic support	23.1	22.5	20.4	0.6	2.1
Student services	48.8	47.8	44.7	1.0	3.1
Institutional support	87.7	82.3	77.2	5.4	5.1
Operation and maintenance of plant	44.3	39.5	35.3	4.8	4.2
Scholarships and fellowships	53.5	52.4	65.1	1.1	(12.7)
Auxiliary enterprises	9.3	9.2	9.6	0.1	(0.4)
Depreciation	24.0	25.9	27.8	(1.9)	(1.9)
Total Operating Expenses	\$ 497.1	\$ 480.0	\$ 472.0	\$ 17.1	\$ 8.0

OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION  
Figure 3



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**(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, 2017, the Foundation's net assets were \$52.7 million, an amount that represents 9.3% of DCCCD's net position for the same period. For the fiscal year ended August 31, 2016, the Foundation's net assets were \$43.1 million, which represents 8.3% 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 \$32.8 million and \$27.2 million for the fiscal years ended August 31, 2017 and 2016, 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 loss from operations to the cash used by operating activities.

Cash Flows from Operating Activities decreased \$5.7 million primarily attributable to increases in payments to vendors and employees. Cash Flows from Non-Capital Financing Activities increased \$22.0 million due mainly to the increase in ad valorem taxes offset by the transfer of the quasi-endowment to the Foundation. Cash Flows from Capital and Related Financing Activities decreased \$9.4 million due to decreases in debt service due to refinancing activities. Cash Flows from Investing Activities increased \$52.0 million as securities matured and were reinvested in investment pools.

**Capital Asset and Debt Administration**

For the fiscal year ended August 31, 2017, net capital assets decreased by \$5.6 million. 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, 2017 AND 2016

(UNAUDITED)

**TABLE 6: NET CAPITAL ASSETS**  
(In Millions)

	Fiscal Year			Change	
	2017	2016	2015	2017 to 2016	2016 to 2015
CAPITAL ASSETS:					
Land	\$ 38.9	\$ 38.9	\$ 38.9	\$ -	\$ -
Buildings & Building Improvements	891.5	871.7	868.7	19.8	3.0
Land Improvements	33.6	33.9	27.9	(0.3)	6.0
Equipment, Furniture, and Software	84.4	82.8	78.9	1.6	4.0
Library Books	7.7	8.0	8.3	(0.3)	(0.2)
Construction In Progress	16.0	24.1	15.2	(8.1)	8.9
<b>Total</b>	<b>1,072.1</b>	<b>1,059.4</b>	<b>1,037.8</b>	<b>12.7</b>	<b>21.6</b>
Less Accumulated Depreciation	(440.4)	(422.1)	(398.4)	(18.3)	(23.7)
<b>Net Capital Assets</b>	<b>\$ 631.7</b>	<b>\$ 637.3</b>	<b>\$ 639.4</b>	<b>\$ (5.6)</b>	<b>\$ (2.1)</b>

In July, 2017, DCCCD advanced refunded \$64,105,000 of its outstanding Series 2009 General Obligation bonds by issuing Series 2017 General Obligation Refunding Bonds, reducing future debt service by \$15.6 million.

In June, 2016, DCCCD defeased all of the outstanding Revenue bonds and issued Series 2016 General Obligation Refunding Bonds to refund \$122.4 million of the Series 2008 General Obligation Bonds. The defeasance of the Revenue bonds, paid from operating reserves, will save the District over \$2.9 million in future debt service and the Advance Refunding General Obligation bonds will save \$28 million. Total general bonded debt service per capita decreased to \$102 in 2017 from \$115 in 2016.

Principal and interest for bond payments are shown below:

**TABLE 7: BOND PAYMENTS**  
(In Millions)

	Fiscal Year			Change	
	2017	2016	2015	2017 to 2016	2016 to 2015
Revenue Bonds	\$ -	\$ 15.5	\$ 2.9	\$ (15.5)	\$ 12.6
GO Bonds	46.3	38.7	33.6	7.6	5.1
<b>Total</b>	<b>\$ 46.3</b>	<b>\$ 54.2</b>	<b>\$ 36.5</b>	<b>\$ (7.9)</b>	<b>\$ 17.7</b>



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

(UNAUDITED)

The total of all bonds outstanding are shown in Table 8 below.

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

	Fiscal Year			Change	
	2017	2016	2015	2017 to 2016	2016 to 2015
Revenue Bonds	\$ -	\$ -	\$ 17.2	\$ -	\$ (17.2)
GO Bonds	320.6	375.6	436.5	(55.0)	(60.9)
Totals	\$ 320.6	\$ 375.6	\$ 453.7	\$ (55.0)	\$ (78.1)

Standard & Poor's Rating Services, Moody's Investors Service, Inc., and Fitch Ratings all assigned their highest credit rating of "AAA" for the District's General Obligation bonds. 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, Moody's and Standard & Poor's reaffirmed their ratings in 2016.

**Currently Known Facts, Decisions and Conditions**

The certified tax assessed value increased for fiscal year 2018 by 6.9% and the Board approved the same maintenance and operations tax rate of \$0.104 per \$100 valuation. The debt service rate increased to \$0.020238 per \$100 valuation due to advanced refunding that accelerated the debt service.

In fiscal year 2018, DCCCD will start improvements to Information Technology infrastructure and Public Safety and Security at all locations. Also, a new Construction Technology building at North Lake College is currently under design. These capital improvements will require the issuance of revenue bonded debt in fiscal year 2018 or 2019.

**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: <http://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 the Foundation's website at: <http://www.foundation.dcccd.edu/financials>.

**FINANCIAL STATEMENTS**

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**STATEMENTS OF NET POSITION  
AUGUST 31, 2017 AND 2016  
EXHIBIT 1**

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 167,583,002	\$ 86,563,046
Short-term investments	9,972,723	29,871,872
Accounts receivable (net of allowance for uncollectible accounts)	8,335,398	23,515,419
Tuition and fees receivable (net of allowance for uncollectible accounts)	16,067,419	16,624,034
Taxes receivable (net allowance for uncollectible accounts)	1,872,015	1,836,766
Accrued charges, net	21,199,364	19,981,923
Notes receivable	-	467
Inventories	223,770	236,778
Prepaid expenses	2,384,284	1,760,392
Total current assets	<u>227,637,975</u>	<u>180,390,697</u>
<b>NON-CURRENT AND RESTRICTED ASSETS</b>		
Restricted cash and cash equivalents	15,786,848	15,772,597
Long-term investments	194,439,388	216,946,663
Accrued charges, net	-	127,936
Capital assets, net		
Not subject to depreciation	54,975,555	63,050,646
Subject to depreciation	<u>576,762,575</u>	<u>574,313,993</u>
Total non-current and restricted assets	<u>841,964,366</u>	<u>870,211,835</u>
<b>TOTAL ASSETS</b>	<u>1,069,602,341</u>	<u>1,050,602,532</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on bond refunding	9,210,844	8,278,465
Deferred outflows related to pensions	19,801,712	24,527,599
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	11,557,479	13,422,842
Accrued liabilities	6,883,719	5,868,371
Accrued interest	536,530	598,673
Accrued compensable absences-current portion	8,688,468	8,019,355
Funds held for others	1,690,114	1,804,102
Unearned revenues	75,020,709	74,342,273
Bonds payable-current portion	40,236,289	32,087,419
Total current liabilities	<u>144,613,308</u>	<u>136,143,035</u>
<b>NON-CURRENT LIABILITIES</b>		
Accrued compensable absences	4,202,494	4,093,698
Net pension liability	54,672,053	66,420,502
Bonds payable	<u>249,018,541</u>	<u>288,033,747</u>
Total non-current liabilities	<u>307,893,088</u>	<u>358,547,947</u>
<b>TOTAL LIABILITIES</b>	<u>452,506,396</u>	<u>494,690,982</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	24,206,031	20,012,796
<b>NET POSITION</b>		
Net investment in capital assets	368,475,383	343,314,639
Restricted for:		
Debt service	1,836,882	2,319,427
Unrestricted	<u>251,590,205</u>	<u>223,070,752</u>
<b>TOTAL NET POSITION (Schedule D)</b>	<u>\$ 621,902,470</u>	<u>\$ 568,704,818</u>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2017 AND 2016  
EXHIBIT 1A

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$12,471,414	\$ 6,608,109
Accrued interest and dividends receivable	81,752	38,791
Contributions receivable, net	295,148	395,148
Other assets	6,700	6,993
Investments	<u>40,052,622</u>	<u>36,206,243</u>
Total assets	<u>\$52,907,636</u>	<u>\$43,255,284</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Due to affiliate	\$ 155,859	\$ 193,770
Accounts payable	<u>42,711</u>	<u>12,081</u>
Total liabilities	<u>198,570</u>	<u>205,851</u>
Net assets:		
Unrestricted	2,734,334	1,897,110
Temporarily restricted	17,185,427	13,928,744
Permanently restricted	<u>32,789,305</u>	<u>27,223,579</u>
Total net assets	<u>52,709,066</u>	<u>43,049,433</u>
Total liabilities and net assets	<u>\$52,907,636</u>	<u>\$43,255,284</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, 2017 AND 2016  
EXHIBIT 2**

	<b>2017</b>	<b>2016</b>
<b>OPERATING REVENUES</b>		
Tuition and charges (net of discounts of \$51,841,643 and \$51,393,510, respectively)	\$ 75,077,821	\$ 70,968,674
Federal grants and contracts	17,088,766	18,071,493
State grants and contracts	9,158,045	10,587,154
Non-governmental grants and contracts	3,960,045	2,357,560
Sales and services of educational activities	635,148	591,143
Auxiliary enterprises	2,102,432	2,065,856
General operating revenues	1,699,354	1,909,901
Total operating revenues (Schedule A)	109,721,611	106,551,781
<b>OPERATING EXPENSES</b>		
Instruction	194,995,779	186,113,975
Public service	11,432,445	14,324,956
Academic support	23,073,312	22,516,868
Student services	48,806,852	47,797,753
Institutional support	87,716,566	82,313,813
Operation and maintenance of plant	44,236,545	39,480,074
Scholarships and fellowships	53,530,988	52,338,154
Auxiliary enterprises	9,280,727	9,226,433
Depreciation	23,993,210	25,877,552
Total operating expenses (Schedule B)	497,066,424	479,989,578
<b>OPERATING LOSS</b>	(387,344,813)	(373,437,797)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State appropriations	118,601,634	116,141,683
Ad Valorem (net of bad debt and fees of \$3,053,514 and \$3,059,430, respectively)	262,106,888	240,886,672
Federal revenue, non-operating	70,883,073	73,159,045
Gifts	94,853	138,046
Investment income	3,436,563	3,564,424
Interest on capital related debt	(8,385,189)	(11,574,217)
Gain (loss) on disposal of fixed assets & easement rights	230,319	(596,503)
Other non-operating revenue	600,414	1,998,324
Other non-operating expense	(7,026,090)	(667,556)
Net non-operating revenues (Schedule C)	440,542,465	423,049,918
<b>INCREASE IN NET POSITION</b>	53,197,652	49,612,121
<b>NET POSITION</b>		
Net Position—Beginning of Year	568,704,818	519,092,697
Net Position—End of Year	\$ 621,902,470	\$ 568,704,818

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES  
 AUGUST 31, 2017  
 EXHIBIT 2A

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
<b>REVENUES</b>				
Contributions	\$ 468,309	\$ 3,303,032	\$ 5,204,768	\$ 8,976,109
Interest and dividend income	244,725	484,311	-	729,036
Contributed salaries	1,080,191	-	-	1,080,191
Net realized and unrealized gains on investments	978,186	2,360,820	-	3,339,006
Net assets released from restrictions	<u>2,533,996</u>	<u>(2,533,996)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5,305,407</u>	<u>3,614,167</u>	<u>5,204,768</u>	<u>14,124,342</u>
<b>EXPENSES</b>				
Program services:				
Scholarship awards	823,413	-	-	823,413
Grants	<u>1,775,412</u>	<u>-</u>	<u>-</u>	<u>1,775,412</u>
Total program services	<u>2,598,825</u>	<u>-</u>	<u>-</u>	<u>2,598,825</u>
Non-program services:				
Management and general	1,247,010	-	-	1,247,010
Fundraising	<u>618,874</u>	<u>-</u>	<u>-</u>	<u>618,874</u>
Total non-program services	<u>1,865,884</u>	<u>-</u>	<u>-</u>	<u>1,865,884</u>
Total expenses	<u>4,464,709</u>	<u>-</u>	<u>-</u>	<u>4,464,709</u>
Transfers between funds, based on donor instructions	<u>(3,474)</u>	<u>(357,484)</u>	<u>360,958</u>	<u>-</u>
Change in net assets	837,224	3,256,683	5,565,726	9,659,633
Net assets, beginning of year	<u>1,897,110</u>	<u>13,928,744</u>	<u>27,223,579</u>	<u>43,049,433</u>
Net assets, end of year	<u>\$2,734,334</u>	<u>\$17,185,427</u>	<u>\$32,789,305</u>	<u>\$52,709,066</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

AUGUST 31, 2017

EXHIBIT 2A

(CONTINUED)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
<b>REVENUES</b>				
Contributions	\$ 112,485	\$ 2,594,860	\$ 331,901	\$ 3,039,246
Interest and dividend income	250,788	712,139	-	962,927
Contributed salaries	991,478	-	-	991,478
Net realized and unrealized gains on investments	219,279	596,907	-	816,186
Net assets released from restrictions	<u>2,548,378</u>	<u>(2,548,378)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,122,408</u>	<u>1,355,528</u>	<u>331,901</u>	<u>5,809,837</u>
<b>EXPENSES</b>				
Program services:				
Scholarship awards	802,720	-	-	802,720
Grants	<u>1,848,936</u>	<u>-</u>	<u>-</u>	<u>1,848,936</u>
Total program services	<u>2,651,656</u>	<u>-</u>	<u>-</u>	<u>2,651,656</u>
Non-program services:				
Management and general	765,927	-	-	765,927
Fundraising	<u>526,513</u>	<u>-</u>	<u>-</u>	<u>526,513</u>
Total non-program services	<u>1,292,440</u>	<u>-</u>	<u>-</u>	<u>1,292,440</u>
Total expenses	<u>3,944,096</u>	<u>-</u>	<u>-</u>	<u>3,944,096</u>
Transfers between funds, based on donor instructions	<u>4,037</u>	<u>(27,641)</u>	<u>23,604</u>	<u>-</u>
Change in net assets	182,349	1,327,887	355,505	1,865,741
Net assets, beginning of year	<u>1,714,761</u>	<u>12,600,857</u>	<u>26,868,074</u>	<u>41,183,692</u>
Net assets, end of year	<u>\$1,897,110</u>	<u>\$13,928,744</u>	<u>\$27,223,579</u>	<u>\$43,049,433</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, 2017 AND 2016  
EXHIBIT 3**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from students and other customers	\$ 79,166,231	\$ 78,123,512
Receipts from grants and contracts	44,844,762	31,906,884
Payments to suppliers for goods and services	(99,485,213)	(96,907,924)
Payments to or on behalf of employees	(304,070,893)	(286,368,534)
Payments for scholarships and fellowships	(53,918,976)	(54,704,424)
Loans issued to students	-	(7,094)
Collection of loans to students	4,730	14,634
Other receipts	1,695,091	1,909,901
Net cash used by operating activities	(331,764,268)	(326,033,045)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipts from ad valorem taxes	264,921,600	243,347,065
Payments for collection of taxes	(2,849,961)	(2,784,329)
Receipts from state appropriations	101,981,429	93,805,277
Receipts from federal grants for non-operating activities	70,868,170	73,170,729
Receipts from federal student direct loan program	44,067,121	32,809,370
Payments of federal direct loans to students	(44,052,218)	(32,821,054)
Receipts from student organizations and other agency transactions	1,692,463	2,401,711
Payments to student organizations and other agency transactions	(1,806,451)	(2,694,462)
Receipt of insurance proceeds for building damages	600,414	-
Payment to related party foundation for future scholarships	(6,211,879)	-
Net cash provided by non-capital financing activities	429,210,688	407,234,307
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from the sale of capital assets	-	121,761
Purchases of capital assets	(19,948,499)	(20,726,148)
Payments on capital debt - refunding	(1,290,002)	(2,167,946)
Payments on capital debt - principal	(27,470,000)	(33,455,000)
Payments on capital debt - interest	(13,671,494)	(15,592,954)
Net cash used by capital and related financing activities	(62,379,995)	(71,820,287)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	104,000,000	238,538,000
Proceeds from interest on investments	3,884,253	2,643,048
Purchases of investments	(61,916,471)	(247,200,130)
Net cash provided by investing activities	45,967,782	(6,019,082)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	81,034,207	3,361,893
<b>CASH AND CASH EQUIVALENTS, SEPTEMBER 1</b>	102,335,643	98,973,750
<b>CASH AND CASH EQUIVALENTS, AUGUST 31</b>	\$ 183,369,850	\$ 102,335,643

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, 2017 AND 2016**

**EXHIBIT 3  
(CONTINUED)**

	<b>2017</b>	<b>2016</b>
<b>Reconciliation of net operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (387,344,813)	\$ (373,437,797)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	23,993,210	25,877,552
Bad debt expense	1,856,000	1,405,800
Pension expense	4,532,233	2,908,714
Payments made directly by State for benefits	16,620,205	15,475,496
Changes in assets and liabilities:		
Receivables (net)	13,434,195	6,922,614
Accrued charges	(1,089,505)	9,878,064
Inventories	13,008	3,437
Notes receivable	467	3,859
Prepaid expenses	(623,892)	893,826
Accounts payable	(1,865,363)	(16,035,260)
Accrued liabilities	1,015,348	(93,989)
Compensable absences	777,909	800,597
Pension liability	(11,748,449)	4,322,026
Deferred outflows - pension	4,725,887	6,289,634
Deferred outflows - debt	(932,379)	-
Deferred inflows - pension	4,193,235	(4,087,297)
Unearned revenue	678,436	(7,160,321)
Net cash used by operating activities	\$ (331,764,268)	\$ (326,033,045)
 <b>Non-cash investing, capital and financing activities:</b>		
Loss on refunding, net of amortization	\$ (932,379)	\$ (6,697,519)
Change in fair value of investments	668,843	(538,494)
Gifts of depreciable and non-depreciable assets	94,853	138,046
Amortization of premium on bonds	7,607,726	6,333,000
	\$ 7,439,043	\$ (764,967)

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, 2017 AND 2016

#### 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 involved in business-type activities 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. 3*. 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, "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*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*, as an affiliated entity because the Foundation's sole function is to fund the District and its students. The complete financials of the Foundation are located on their website at: <http://www.foundation.dcccd.edu/financials> or request a copy by writing to: DCCCD Foundation, 1601 South Lamar St., Dallas, TX. 75215-1816.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Guidelines**—The District is classified as a special-purpose government engaged in business-type activities. 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, 2017 and 2016. 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 accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements also comply with the *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* established by the Texas Higher Education Coordinating Board (THECB). 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 funds are 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, 2017 AND 2016**

*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 \$21,199,364 and \$19,981,923 represent expenses for grants, scholarships, and fellowships related to the periods after August 31, 2017 and 2016, 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 \$0 and \$127,936 at August 31, 2017 and 2016, respectively, and have been included in the accompanying Statements of Net Position as non-current accrued charges.

**Capital Assets**—Capital assets are stated at cost as the date of acquisition. Donated capital assets are stated at acquisition value in accordance with GASB Statement No. 72, defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The District reports depreciation under a single-line

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

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 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

**Pension**—In the year ended August 31, 2015, the District implemented 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*. The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multi-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using 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 of resources and deferred inflows of resources related to pension, pension expense, and information about assets, liabilities and additions to/deductions from TRS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Unearned Revenues**—Tuition of \$43,975,272 and \$43,433,129 and federal, state and local grants of \$31,045,437 and \$30,909,144 have been reported by the District as unearned revenues at August 31, 2017 and 2016, respectively.

**Deferred Outflows of Resources**—The Statements of Net Position include 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. Governments are permitted only to report deferred outflows in circumstances specifically authorized by GASB. For fiscal years 2017 and 2016, the deferred loss on bond refunding and the future expense related to pension is presented as Deferred Outflows of Resources.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

**Deferred Inflows of Resources**—The Statements of Net Position also include 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. Governments are permitted only to report deferred inflows in circumstances specifically authorized by GASB. For fiscal years 2017 and 2016, the Deferred Inflows of Resources were due to future revenues related to the pension.

**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 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 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.

**Prior Year Restatement**—The college makes a prior year restatement, as necessary, in accordance with APB 20. The District restated the fiscal year 2016 Net Position to correct the classification of restricted funds.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**GASB Pronouncements**—Effective with fiscal year 2016, the District implemented the following:

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

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

Effective with fiscal year 2017, the District implemented the following:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*

GASB Statement No. 77, *Tax Abatement Disclosures*

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

GASB Statement No. 79, *Certain External Pools and Pool Participants*

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*

Effective with fiscal year 2018, the District will implement the following:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*

GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68 and No. 73*

GASB Statement No. 85, *Omnibus 2017*

GASB Statement No. 86, *Certain Debt Extinguishment Issues*

Effective with fiscal year 2019, the District will implement the following:

GASB Statement No. 83, *Certain Asset Retirement Obligations*

Effective with fiscal year 2020 and thereafter, the District will implement the following:

GASB Statement No. 84, *Fiduciary Activities*

GASB Statement No. 87, *Leases*

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**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, 2017 AND 2016**

**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, 2017 was \$7,736,213, and the bank balance was \$11,718,482. The carrying amount of the District’s deposits with financial institutions as of August 31, 2016 was \$9,361,086, and the bank balance was \$10,565,946. At August 31, 2017 and 2016, 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:

	<b>2017</b>	<b>2016</b>
Bank deposits		
Local funds - demand	\$ 7,699,300	\$ 9,325,904
Imprest funds	8,600	10,000
Total deposits	7,707,900	9,335,904
Cash on hand	28,313	25,182
Cash equivalents		
Investment in TexPool	263,179	1,257,210
Investment in TexSTAR	8,630,109	14,050,095
Investment in LOGIC	49,192,058	28,328,115
Investment in Lone Star	50,829,253	20,241,592
Investment in Texas CLASS	33,162,707	14,304,720
Investment in Texas Term	33,556,331	14,792,825
Total cash equivalents	175,633,637	92,974,557
Total cash and cash equivalents	\$ 183,369,850	\$ 102,335,643

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2017 and 2016, long-term investments consisted of U.S. government and agency securities.

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, 2017, 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	\$ 194,439,388	\$ -	\$ 4,987,890	\$ 39,576,059	\$ 52,812,115	\$ 43,341,290	\$ 53,722,034
Commercial paper	9,972,723	9,972,723	-	-	-	-	-
Investment Pools:							
TexPool	263,179	263,179	-	-	-	-	-
TexSTAR	8,630,109	8,630,109	-	-	-	-	-
LOGIC	49,192,058	49,192,058	-	-	-	-	-
Lone Star	50,829,253	50,829,253	-	-	-	-	-
Texas CLASS	33,162,707	33,162,707	-	-	-	-	-
Texas Term	33,556,331	33,556,331	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 380,045,748</u>	<u>\$ 185,606,360</u>	<u>\$ 4,987,890</u>	<u>\$ 39,576,059</u>	<u>\$ 52,812,115</u>	<u>\$ 43,341,290</u>	<u>\$ 53,722,034</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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At August 31, 2016, 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	\$ 221,947,343	\$ 5,000,680	\$ 15,000,315	\$ 47,500,022	\$ 42,983,982	\$ 57,569,672	\$ 53,892,672
Commercial paper	24,871,192	24,871,192	-	-	-	-	-
Investment Pools:							
TexPool	1,257,210	1,257,210	-	-	-	-	-
TexSTAR	14,050,095	14,050,095	-	-	-	-	-
LOGIC	28,328,115	28,328,115	-	-	-	-	-
Lone Star	20,241,592	20,241,592	-	-	-	-	-
Texas CLASS	14,304,720	14,304,720	-	-	-	-	-
Texas Term	14,792,825	14,792,825	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 339,793,092</u>	<u>\$ 122,846,429</u>	<u>\$ 15,000,315</u>	<u>\$ 47,500,022</u>	<u>\$ 42,983,982</u>	<u>\$ 57,569,672</u>	<u>\$ 53,892,672</u>

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 65.3% of the District's total portfolio at August 31, 2017 and meets the District's guideline of no more than 85% of the portfolio being in U.S. Agency Securities.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**RECONCILIATION OF DEPOSITS AND INVESTMENTS TO EXHIBIT 1**

	<b><u>Fair Market Value</u></b> <b><u>August 31, 2017</u></b>	<b><u>Fair Market Value</u></b> <b><u>August 31, 2016</u></b>
Total cash and cash equivalents	\$ 183,369,850	\$ 102,335,643
Total investments	<u>204,412,111</u>	<u>246,818,535</u>
 Total	 <u>\$ 387,781,961</u>	 <u>\$ 349,154,178</u>
 Cash and cash equivalents (Exhibit 1)	 \$ 167,583,002	 \$ 86,563,046
Restricted cash and cash equivalents (Exhibit 1)	15,786,848	15,772,597
Short-term investments (Exhibit 1)	9,972,723	29,871,872
Long-term investments (Exhibit 1)	<u>194,439,388</u>	<u>216,946,663</u>
 Total	 <u>\$ 387,781,961</u>	 <u>\$ 349,154,178</u>

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2017 or 2016.

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.

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. TexSTAR is rated AAAM by Standard & Poor's. 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.

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

## DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

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.

Established in 1996, the Texas Cooperative Liquid Assets Securities System Trust (CLASS) was created as an investment pool for its participants and is administered by Public Trust Advisors, LLC with Wells Fargo Bank Texas N.A. as the custodian. Texas CLASS invests solely in securities which are permitted pursuant to the Texas Public Funds Investment Act and carries Standard & Poor's AAAM rating. Investments in Texas CLASS are included within cash and cash equivalents in the accompanying Statements of Net Position for 2016 only.

The Texas Term Local Government Investment Pool was created by and for Texas local governments to provide investment programs tailored to the needs of Texas public investors. Texas Term portfolios seek to provide these investors with safety, flexibility and competitive yields. Texas Term investments are designed to comply with all Texas statutes, including regulations for the allowable investment of public funds. Texas Term is rated AAAM by Standards & Poor's.

TexPool, TexSTAR, LOGIC, Lone Star, Texas CLASS, and Texas Term 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.

#### **Fair Value of Financial Instruments**

GASB Statement No. 72 regarding Fair Value Measurement and Application for financial reporting purposes categorizes financial instruments within three different levels of risk dependent upon the measurement of their fair value and pricing.

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to their fair value measurement of the instrument. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the District can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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Because the District investments are restricted by Policy and State law to active secondary market, the *market approach* is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The *exit* or fair market prices used for U.S. Government Agencies' valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date. Commercial paper valuations are recorded at amortized cost. Level 2 inputs are utilized for valuations at the measurement date.

Fair Value Hierarchy of investments at August 31, 2017 and 2016 are:

	Fiscal Year 2017				Fiscal Year
	Level 1	Level 2	Level 3	Total	2016 Total
U.S. Government Agencies	\$ 194,439,388	\$ -	\$ -	\$ 194,439,388	\$ 221,947,343
Commercial Paper	-	9,972,723	-	9,972,723	24,871,192
Total fair value	<u>\$ 194,439,388</u>	<u>\$ 9,972,723</u>	<u>\$ -</u>	<u>\$ 204,412,111</u>	<u>\$ 246,818,535</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**5. CAPITAL ASSETS**

Capital assets activity for the fiscal year ended August 31, 2017 was as follows:

	<b>Balance September 1, 2016</b>	<b>Increases/ Reclassifications</b>	<b>Decreases/ Adjustments</b>	<b>Balance August 31, 2017</b>
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	<u>24,131,584</u>	<u>11,489,792</u>	<u>(19,564,883)</u>	<u>16,056,493</u>
Total not depreciated	63,050,646	11,489,792	(19,564,883)	54,975,555
Capital assets subject to depreciation:				
Buildings and building improvements	871,651,114	19,815,519	-	891,466,633
Land improvements	33,878,954	(250,635)	-	33,628,319
Furniture, machinery, vehicles, and other equipment	82,832,312	6,354,980	(4,838,273)	84,349,019
Library books	<u>8,048,628</u>	<u>283,875</u>	<u>(605,512)</u>	<u>7,726,991</u>
Total depreciated	996,411,008	26,203,739	(5,443,785)	1,017,170,962
Accumulated depreciation:				
Buildings and building improvements	(331,274,043)	(17,878,745)	20,049	(349,132,739)
Land improvements	(20,632,786)	(726,766)	-	(21,359,552)
Furniture, machinery, vehicles, and other equipment	(64,461,824)	(4,965,856)	4,502,799	(64,924,881)
Library books	<u>(5,728,362)</u>	<u>(421,843)</u>	<u>1,158,990</u>	<u>(4,991,215)</u>
Total accumulated depreciation	<u>(422,097,015)</u>	<u>(23,993,210)</u>	<u>5,681,838</u>	<u>(440,408,387)</u>
Net capital assets subject to depreciation	574,313,993			576,762,575
Net capital assets	<u>\$ 637,364,639</u>	<u>\$ 13,700,321</u>	<u>\$ (19,326,830)</u>	<u>\$ 631,738,130</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

Capital assets activity for the fiscal year ended August 31, 2016 was as follows:

	Balance September 1, 2015	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2016
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	<u>15,114,043</u>	<u>18,565,155</u>	<u>(9,547,614)</u>	<u>24,131,584</u>
Total not depreciated	54,033,105	18,565,155	(9,547,614)	63,050,646
Capital assets subject to depreciation:				
Buildings and building improvements	868,753,930	2,897,184	-	871,651,114
Land improvements	27,843,155	6,035,799	-	33,878,954
Furniture, machinery, vehicles, and other equipment	78,852,200	6,282,158	(2,302,046)	82,832,312
Library books	<u>8,263,478</u>	<u>373,334</u>	<u>(588,184)</u>	<u>8,048,628</u>
Total depreciated	983,712,763	15,588,475	(2,890,230)	996,411,008
Accumulated depreciation:				
Buildings and building improvements	(311,013,735)	(20,260,308)	-	(331,274,043)
Land improvements	(20,021,990)	(556,330)	(54,466)	(20,632,786)
Furniture, machinery, vehicles, and other equipment	(62,023,228)	(4,665,379)	2,226,783	(64,461,824)
Library books	<u>(5,333,278)</u>	<u>(395,536)</u>	<u>452</u>	<u>(5,728,362)</u>
Total accumulated depreciation	<u>(398,392,231)</u>	<u>(25,877,553)</u>	<u>2,172,769</u>	<u>(422,097,015)</u>
Net capital assets subject to depreciation	585,320,532			574,313,993
Net capital assets	<u>\$ 639,353,637</u>	<u>\$ 8,276,077</u>	<u>\$ (10,265,075)</u>	<u>\$ 637,364,639</u>



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**6. NON-CURRENT LIABILITIES**

Non-current liability activity for the fiscal year ended August 31, 2017 was as follows:

	Balance September 1, 2016	Additions	Reductions	Balance August 31, 2017	Current Portion
Series 2008 General Obligation Bonds	\$ 19,300,000	\$ -	\$ (9,410,000)	\$ 9,890,000	\$ 9,890,000
Series 2009 General Obligation Bonds	78,005,000	-	(68,530,000)	9,475,000	4,630,000
Series 2010 General Obligation Bonds	37,710,000	-	(1,945,000)	35,765,000	2,035,000
Series 2010 General Obligation Refunding Bonds	36,620,000	-	(3,380,000)	33,240,000	3,520,000
Series 2016 General Obligation Refunding Bonds	122,415,000	-	(8,310,000)	114,105,000	10,115,000
Series 2017 General Obligation Refunding Bonds	-	60,665,000	-	60,665,000	4,600,000
Unamortized bond premium	26,071,166	7,651,390	(7,607,726)	26,114,830	5,446,289
Subtotal bonds	<u>320,121,166</u>	<u>68,316,390</u>	<u>(99,182,726)</u>	<u>289,254,830</u>	<u>40,236,289</u>
Accrued interest	598,673	-	(62,143)	536,530	536,530
Compensable absences	12,113,053	9,626,813	(8,848,904)	12,890,962	8,688,468
Net pension liability	66,420,502	-	(11,748,449)	54,672,053	-
Total	<u>\$ 399,253,394</u>	<u>\$ 77,943,203</u>	<u>\$ (119,842,222)</u>	<u>\$ 357,354,375</u>	<u>\$ 49,461,287</u>

Non-current liability activity for the fiscal year ended August 31, 2016 was as follows:

	Balance September 1, 2015	Additions	Reductions	Balance August 31, 2016	Current Portion
Series 2006 Revenue Financing System Refunding Bonds	\$ 15,160,000	\$ -	\$ (15,160,000)	\$ -	\$ -
Series 2008 General Obligation Bonds	159,830,000	-	(140,530,000)	19,300,000	9,410,000
Series 2009 General Obligation Bonds	82,235,000	-	(4,230,000)	78,005,000	4,425,000
Series 2010 General Obligation Bonds	39,570,000	-	(1,860,000)	37,710,000	1,945,000
Series 2010 General Obligation Refunding Bonds	39,875,000	-	(3,255,000)	36,620,000	3,380,000
Series 2016 General Obligation Refunding Bonds	-	122,415,000	-	122,415,000	8,310,000
Unamortized bond premium	13,447,217	18,956,949	(6,333,000)	26,071,166	4,617,419
Subtotal bonds	<u>350,117,217</u>	<u>141,371,949</u>	<u>(171,368,000)</u>	<u>320,121,166</u>	<u>32,087,419</u>
Accrued interest	711,284	-	(112,611)	598,673	598,673
Compensable absences	11,312,456	9,328,628	(8,528,031)	12,113,053	8,019,355
Net pension liability	53,480,756	12,939,746	-	66,420,502	-
Total	<u>\$ 415,621,713</u>	<u>\$ 163,640,323</u>	<u>\$ (180,008,642)</u>	<u>\$ 399,253,394</u>	<u>\$ 40,705,447</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**7. DEBT AND LEASE OBLIGATIONS**

The District has authorized debt of General Obligation (GO) bonds only as the Revenue bonds were defeased in 2016. 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. The following table shows the debt service for the GO bonds for the next five years and thereafter:

	<u>General Obligation Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ended August 31:				
2018	\$ 34,790,000	\$ 11,488,031	\$ 34,790,000	\$ 11,488,031
2019	38,545,000	9,716,306	38,545,000	9,716,306
2020	36,890,000	7,884,082	36,890,000	7,884,082
2021	18,205,000	6,516,307	18,205,000	6,516,307
2022	17,175,000	5,631,806	17,175,000	5,631,806
2023 - 2027	88,410,000	15,149,181	88,410,000	15,149,181
2028 - 2030	<u>29,125,000</u>	<u>1,077,303</u>	<u>29,125,000</u>	<u>1,077,303</u>
Total	<u>\$ 263,140,000</u>	<u>\$ 57,463,016</u>	<u>\$ 263,140,000</u>	<u>\$ 57,463,016</u>

Included in operating expenses is \$1,997,121 and \$941,722 of rent paid during fiscal years 2017 and 2016, respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2017 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2018	\$ 1,903,562
2019	1,838,440
2020	1,844,117
2021	1,485,463
2022	<u>1,131,240</u>
Total	<u>\$ 8,202,822</u>

There are currently no lease obligations beyond the year ending August 31, 2022.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**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. Part of these bonds were advance refunded in 2016 (See Advance Refunding Bonds Note 9).

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 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. Part of these bonds were advance refunded in 2017 (See Advance Refunding Bonds Note 9).

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.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
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In 2017, the District incurred \$8,385,189 in interest cost, of which \$8,385,189 was expensed. In 2016, the District incurred \$11,574,217 in interest cost, of which \$11,574,217 was expensed.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

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**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 Series 2001 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. At August 31, 2016, there was no liability for these bonds as the bonds were defeased during fiscal year 2016.

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.

On June 2, 2016, the District advance refunded \$131,580,000 of its outstanding Series 2008 General Obligation Bonds ("Series 2008 Bonds") by issuing \$122,415,000 of Series 2016 General Obligation Refunding Bonds ("Series 2016 Refunding Bonds"). All Series 2016 Refunding Bonds have been issued to date. The average interest rate is 1.603% with coupons of 3% or 5%. After payment of \$665,812 in underwriting fees and issuance costs, all resources from the Series 2016 Refunding Bonds, including a transfer of \$2,167,946 from prior issue debt service funds, were used to purchase U.S. Government securities. These were deposited in an irrevocable trust with an escrow agent for all future bond payments on the refunded Series 2008 Bonds. The Series 2008 Bonds that were refunded are considered fully defeased for maturities 2019 and later and the liability for those bonds have been removed from the Statements of Net Position. Advance Refunding of the Series 2008 Bonds reduces the District's debt service by \$28,302,750. An economic gain of \$22,580,683 was obtained by the advance refunding. The difference of the reacquisition price of the new debt and the net carrying amount of the defeased bonds resulted in a \$7,421,376 deferred outflow and is being amortized over the life of the new debt by the effective interest method.

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On July 6, 2017, the District advance refunded \$64,105,000 of its outstanding Series 2009 General Obligation Bonds ("Series 2009 Bonds") by issuing \$60,665,000 of Series 2017 General Obligation Refunding Bonds ("Series 2017 Refunding Bonds"). All Series 2017 Refunding Bonds have been issued to date. The average interest rate is 1.780% with coupons of 3% or 5%. After payment of \$441,703 in underwriting fees and issuance costs, all resources from the Series 2017 Refunding Bonds, including a transfer of \$1,290,002 from prior issue debt service funds, were used to purchase U.S. Government securities. These were deposited in an irrevocable trust with an escrow agent for all future bond payments on the refunded Series 2009 Bonds. The Series 2009 Bonds that were refunded are considered fully defeased for maturities 2020 and later and the liability for those bonds have been removed from the Statements of Net Position. Advance Refunding of the Series 2009 Bonds reduces the District's debt service by \$15,619,702. An economic gain of \$10,541,225 was obtained by the advance refunding. The difference of the reacquisition price of the new debt and the net carrying amount of the defeased bonds resulted in a \$2,461,665 deferred outflow and is being amortized over the life of the new debt by the effective interest method.

<b>Series</b>	<b>Bond Type</b>	<b>Bonds Issued to Date</b>	<b>Range of Interest Rates</b>	<b>Maturities</b>		
				<b>First Year</b>	<b>Last Year</b>	<b>First Call Date</b>
2010	General Obligation Refunding Bonds	\$ 49,290,000	2.00%-5.00%	2011	2025	2/15/2021
2016	General Obligation Refunding Bonds	\$ 122,415,000	3.00% - 5.00%	2017	2028	2/15/2027
2017	General Obligation Refunding Bonds	\$ 60,665,000	3.00% - 5.00%	2018	2029	2/15/2028

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**10. DEFEASED BONDS OUTSTANDING**

As of August 31, 2017, the District had \$195,685,000 defeased General Obligation bonds outstanding. As of August 31, 2016, the District had \$131,580,000 defeased General Obligation bonds outstanding.

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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 plan that has a special funding situation. The plan is administered by TRS. The 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 on the internet at [http://www.trs.texas.gov/TRS%20Documents/cafr\\_2016.pdf](http://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf) ; 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, whose formulas use the three highest annual salaries. 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 cost of living adjustments (COLA). 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



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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 Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

<u>Contribution Rates</u>	<u>2017</u>	<u>2016</u>
Member rates	7.70%	7.20%
Non-employer contributing entity (State)	6.80%	6.80%
Employers	6.80%	6.80%
Fiscal Year 2016 Member contributions	\$4,258,872	
Fiscal Year 2016 State of Texas on-behalf contributions	\$5,976,228	
Fiscal Year 2016 District Contributions	\$4,596,819	

The District's contributions to the TRS pension plan Fiscal 2017 were \$6,499,645 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year 2017 were \$4,705,346.

- 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.

Public junior colleges or junior college districts 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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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

*Actuarial Assumptions* – The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2016
Actuarial cost method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial assumptions:	
Single discount rate	8.00%
Long-term expected investment rate of return	8.00%
Municipal bond rate*	N/A*
Last year ending August 31 in the 2016 to 2115 projection period (100 years)	2115
Inflation	2.50%
Salary increases	3.5% to 9.5% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

\* If a municipal bond rate was to be used, the rate would be 2.84% as of August 2016 (i.e. the weekly rate closest to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer index of general obligation bonds with 20 years to maturity and an average AA credit rating.

Actuarial methods and assumptions were updated based on a study of actual experience for the four-year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

*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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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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 District's target asset allocation as of August 31, 2017, are summarized in the following chart.

Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns
<b>Global Equity</b>			
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%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	70.0%	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%
<b>Real Return</b>			
Global inflation linked bonds	3.0%	9.0%	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%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation expectation			2.2%
Alfa			1.0%
<b>Total</b>	100.0%		8.7%

\*The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2016 Comprehensive Annual Financial Report

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*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 2016 Net Pension Liability.

	<b>1% Decrease in Discount Rate (7.0%)</b>	<b>Discount Rate (8.0%)</b>	<b>1% Increase in Discount Rate (9.0%)</b>
District's proportional share of the net pension liability	\$ 84,613,921	\$ 54,672,053	\$ 29,275,296

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At August 31, 2017, the District reported liability of \$54,672,053 for its proportional 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 proportional 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	\$ 54,672,053
State's proportional share that is associated with District	36,957,144
Total	\$ 91,629,197

The net pension liability was measured as of August 31, 2016, 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, 2015 through August 31, 2016.

At the measurement date of August 31, 2016, the employer's proportion of the collective net pension liability was 0.1446790%, which was a decrease of 0.0432220% from its proportion measured as of August 31, 2015 (0.1879010%).

For the fiscal year ended August 31, 2017, the District recognized pension expense of \$7,361,559 and revenue of \$7,361,559 for support provided by the State. Refer to the fiscal year 2016 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements No. 67 and 68.

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At August 31, 2017, the District reported its proportionate share of the TRS's deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 857,247	\$ 1,632,476
Changes in actuarial assumptions	1,666,306	1,515,437
Difference between projected and actual investment earnings	10,535,379	5,905,863
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	15,152,255
Contributions paid to TRS subsequent to the measurement date (calculated by the District)	6,742,780	-
<b>Total</b>	<b>\$ 19,801,712</b>	<b>\$ 24,206,031</b>

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:

<b>Year Ended August 31</b>	<b>Pension Expense Amount</b>
2018	\$ (7,980,125)
2019	429,351
2020	3,382,282
2021	202,397
2022	(499,881)
Thereafter	61,657
<b>Total</b>	<b>\$ (4,404,319)</b>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

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***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 Legislature. In certain circumstances, 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.

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.

<b>Optional Retirement Plan Contribution Rates</b>	<b>2017</b>	<b>2016</b>
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  
Growth Limitation Factor -2.00.%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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The total retirement expense to the State for the District was \$6,479,434 and \$7,666,933 for fiscal years 2017 and 2016, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the college.

<b>Year Ended August 31</b>	<b>Total Payroll for All District Employees</b>	<b>District's Payroll Covered by TRS</b>	<b>District's Payroll Covered by ORP</b>	<b>State's Contribution for ORP</b>
2017	\$ 264,705,503	\$ 164,785,196	\$ 56,970,394	\$ 1,774,088
2016	252,921,320	153,203,688	57,213,466	1,781,115

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
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**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, 2017 and 2016, 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

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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.

	<b>Accrued Liability for Unpaid Annual Leave for the Fiscal Year Ended August 31,</b>	
	<b>2017</b>	<b>2016</b>
Balance as of September 1,	\$ 12,113,053	\$ 11,312,456
Leave Accruals/Adjustments	9,626,813	9,328,628
Leave Used	(7,729,252)	(7,594,133)
Accrued Leave Paid Terminated Employees	(1,119,652)	(933,898)
Balance as of August 31,	<u>\$ 12,890,962</u>	<u>\$ 12,113,053</u>
Current Liability	\$ 8,688,468	\$ 8,019,355
Non-Current Liability	\$ 4,202,494	\$ 4,093,698

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
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**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>2017 State/Employer Contribution</u>	<u>2017 Annualized Contribution</u>
Member Only	\$ 617.30	\$ 7,407.60
Member & Spouse	970.98	11,651.76
Member & Child(ren)	854.10	10,249.20
Member & Family	1,207.78	14,493.36

<u>HealthSelect of Texas Plan</u>	<u>2016 State/Employer Contribution</u>	<u>2016 Annualized Contribution</u>
Member Only	\$ 576.54	\$ 6,918.48
Member & Spouse	906.78	10,881.36
Member & Child(ren)	797.66	9,571.92
Member & Family	1,127.90	13,534.80

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

<u>Cost of Providing Health Care Insurance</u>	<u>2017</u>	<u>2016</u>
Number of Retirees	1,272	1,229
Cost of Health Benefits for Retirees	\$ 10,812,824	\$ 9,828,159
Number of Active Full-Time Employees	3,496	3,396
Cost of Health Benefits for Active Full-Time Employees	\$ 29,816,889	\$ 27,282,077
State Appropriation for Health Insurance-Retirees	\$ 5,182,432	\$ 4,691,480
State Appropriation for Health Insurance-Active	\$ 11,437,773	\$ 10,784,016
Net Cost to DCCCD	\$ 24,009,508	\$ 21,634,740

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.texas.gov>.

**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 PostEmployment 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, 2017 and 2016 were \$24,009,509 and \$21,634,740 respectively, which equaled the required contributions each year.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
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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, 2017 are \$5,817,868.

**Pending Lawsuits and Claims**—Various claims and lawsuits are pending against the District. In the opinion of District management, 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.

**Insurance Proceeds**—In 2017 and 2016, the District received insurance proceeds for losses related to damage to two buildings. The amount of insurance proceeds did not exceed the cost of repairs in fiscal 2017 and 2016, respectively.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**17. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

**Receivables**—Receivables for the fiscal years ended August 31, 2017 and 2016 were as follows:

	<b>2017</b>	<b>2016</b>
Ad valorem taxes	\$ 9,083,735	\$ 8,844,930
Student tuition and charges	18,723,790	19,292,831
Accounts Receivable		
Federal grants	6,119,862	20,650,778
State grants	872,604	791,100
Local grants	342,667	394,866
Interest on investments	453,770	578,567
Other receivables	565,752	1,129,763
Total receivables	36,162,180	51,682,835
Less allowances for uncollectible amounts		
Ad valorem taxes	(7,211,720)	(7,008,164)
Student tuition and charges	(2,656,371)	(2,668,797)
Other receivables	(19,257)	(29,655)
Total allowances	(9,887,348)	(9,706,616)
Total receivables, net of allowances	\$ 26,274,832	\$ 41,976,219

**Payables**—Accounts Payable for the fiscal years ended August 31, 2017 and 2016 were as follows:

	<b>2017</b>	<b>2016</b>
Vendors payable	\$ 8,187,088	\$ 10,879,197
Salaries and benefits payable	54,906	57,554
Students payable	3,315,485	2,486,091
Total accounts payable	\$ 11,557,479	\$ 13,422,842

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**18. FUNDS HELD IN TRUST FOR 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 \$1,690,114 and \$1,804,102 for 2017 and 2016, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

19. CONTRACTS AND GRANT AWARDS

Contracts 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. Contracts 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. Contracts and grant award funds already committed or funds awarded during fiscal years 2017 and 2016 for which monies have not been received nor funds expended totaled \$55,168,643 and \$48,685,801, respectively.

These amounts are comprised of the following:

<u>Contracts and Grant Awards</u>	<u>2017</u>	<u>2016</u>
Federal	\$ 41,138,251	\$ 39,103,248
State	13,623,087	8,241,149
Local	407,305	1,341,404
Total Contracts and Grant Awards	<u>\$ 55,168,643</u>	<u>\$ 48,685,801</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**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. Insurance claims settled with the District's carriers during fiscal years ended August 31, 2017 and 2016 did not exceed insurance 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, 2017 and 2016 was as follows:

<b>Accrued Claim Liability for the Fiscal Year Ended August 31</b>	<b>Balance September 1</b>	<b>Additions</b>	<b>Reductions in Liability/ Claims Paid</b>	<b>Balance August 31</b>
2017	\$ 244,361	\$ -	\$ -	\$ 244,361
2016	244,361	-	-	244,361

Self-insurance activity for the current plan for the fiscal years ended August 31, 2017 and 2016 was as follows:

<b>Accrued Claim Liability for the Fiscal Year Ended August 31</b>	<b>Balance September 1</b>	<b>Additions</b>	<b>Reductions in Liability/ Claims Paid</b>	<b>Balance August 31</b>
2017	\$ 350,000	\$ 355,148	\$ (355,148)	\$ 350,000
2016	350,000	340,694	(340,694)	350,000



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**21. AD VALOREM TAX**

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, 2017 and 2016 were \$266,592,759 and \$244,302,623, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2017 and 2016 are as follows:

	<b>2017</b>		
	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$ 0.50000	\$ 0.66000
Assessed tax rate per \$100 valuation	\$ 0.10400	\$ 0.01893	\$ 0.12293

	<b>2016</b>		
	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$ 0.50000	\$ 0.66000
Assessed tax rate per \$100 valuation	\$ 0.10400	\$ 0.01965	\$ 0.12365

At August 31, 2017 and 2016 certified valuation for property taxed by the District was as follows:

	<b>2017</b>	<b>2016</b>
Assessed valuation of DCCCD	\$ 271,612,210,010	\$ 246,799,391,250
Less exempt property	24,971,705,980	23,738,621,211
Less exemptions and Capped Loss	30,112,527,039	25,781,439,167
Net assessed valuation of DCCCD	\$ 216,527,976,991	\$ 197,279,330,872

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  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

Gross taxes collected for fiscal year 2017:

<u>Gross Taxes Collected - 2017</u>	<u>Maintenance &amp; Operations</u>	<u>Interest &amp; Sinking</u>	<u>2017 Total</u>
Current	\$ 220,651,505	\$ 40,641,699	\$ 261,293,204
Delinquent	2,369,365	(6,896)	2,362,469
Penalties and interest	1,504,730	-	1,504,730
Total Gross Collections	<u>\$ 224,525,600</u>	<u>\$ 40,634,803</u>	<u>\$ 265,160,403</u>
Less:			
Appraisal & Collection Fees	2,520,750	329,209	2,849,959
Bad Debt Expense	206,585	(3,029)	203,556
Total Net Collections	<u>\$ 221,798,265</u>	<u>\$ 40,308,623</u>	<u>\$ 262,106,888</u>

Gross taxes collected for fiscal year 2016:

<u>Gross Taxes Collected - 2016</u>	<u>Maintenance &amp; Operations</u>	<u>Interest &amp; Sinking</u>	<u>2016 Total</u>
Current	\$ 201,643,475	\$ 38,500,010	\$ 240,143,485
Delinquent	1,746,149	27,692	1,773,841
Penalties and interest	2,028,776	-	2,028,776
Total Gross Collections	<u>\$ 205,418,400</u>	<u>\$ 38,527,702</u>	<u>\$ 243,946,102</u>
Less:			
Appraisal & Collection Fees	2,493,943	290,386	2,784,329
Bad Debt Expense	282,445	(7,344)	275,101
Total Net Collections	<u>\$ 202,642,012</u>	<u>\$ 38,244,660</u>	<u>\$ 240,886,672</u>

Tax collections for the fiscal years ended August 31, 2017 and 2016 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, 2017 AND 2016**

**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 2017</u>	<u>Taxes Forgone in 2016</u>
City of Irving	100%	2014	\$ -	\$ (83,713)
City of Grand Prairie #1	100	2020	217,117	161,067
City of Grand Prairie #2	100	2015	-	(93,303)
City of Grand Prairie #3	100	2014	-	(11,856)
City of Garland #1	100	2024	31,197	28,542
Total taxes forgone			<u>\$ 248,314</u>	<u>\$ 737</u>

In 2016, the District received refunds from the City of Irving in the amount of \$83,713 and the City of Grand Prairie in the amount of \$105,159.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**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, 2017 or 2016.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**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. 61, *The Financial Reporting Entity: Omnibus---An Amendment of GASB Statements No. 14 and No. 34*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*, 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 the 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 August 31, 2017 and 2016.

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/financials>.

**Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**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 purpose is to provide financial support 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 of accounting. The Foundation reports information regarding its financial position and activities according to three classes of net assets:

- **Unrestricted Net Assets** – 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** – 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** – Net assets required to be maintained permanently, with only the income used for operating activities, due to donor-imposed restrictions.

Reclassifications

Certain reclassifications between cash equivalents and investments have been made to the prior year’s balances to conform to the current period presentation. These reclassifications have no effect on previously reported changes in net assets or net asset classes.

Cash and Cash Equivalents

Cash and cash equivalents include all cash 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.

**Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**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. Fixed income securities and mutual funds are measured at net asset value (NAV). In accordance with FASB ASC Topic 820, *Fair Value Measurements*, certain investments that were measured at NAV have not been classified in the fair value hierarchy. Realized and unrealized gains and losses are reported in the statements of activities.

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

The Foundation records contributions received 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, 2017 and 2016.

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

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. 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 2017 and 2016. 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 Federal income tax returns, Form 990, filed by the Foundation are subject to routine examinations generally for three years after they are filed. The Foundation is current with the filing of Form 990 and there are no current examinations in progress.

**Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

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

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. 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.

**NOTE B - INVESTMENTS**

Investments are composed of the following as of August 31:

	2017		2016	
	Cost	Fair value	Cost	Fair value
Fixed income securities	\$ 3,146,445	\$ 5,349,709	\$ 3,158,250	\$ 5,334,768
Equity investments	5,788,020	7,133,150	5,203,289	6,119,408
Mutual funds	21,408,303	25,574,108	20,906,194	22,752,272
Certificates of Deposit	1,500,000	1,498,305	1,500,000	1,500,075
U.S. Treasury Bills	495,995	497,350	499,670	499,720
Total Investments	\$32,338,763	\$40,052,622	\$31,267,403	\$36,206,243

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 changes could significantly affect the amounts reported in the financial statements. Certificates of Deposit and U.S Treasury Bills are classified as investments due to their maturity dates at the time of purchase. The maturity dates exceed the three month period that determines how cash equivalents are defined.

For the years ended August 31, 2017 and 2016, the components of investment earnings are:

	2017	2016
Interest and dividend income	\$ 729,036	\$ 962,927
Net gain on investments carried at fair value	3,339,006	816,186
Total return on investments	\$4,068,042	\$1,779,113



**Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**NOTE C - CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of the following unconditional promises to give:

	August 31,	
	2017	2016
Contributions receivable	\$300,000	\$400,000
Less unamortized discount of .49% at August 31, 2017 and 2016	(4,852)	(4,852)
	\$295,148	\$395,148

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

	2017	2016
Maturing in less than one year	\$100,000	\$100,000
Maturing between one and five years	195,148	295,148
Total contributions receivable	\$295,148	\$395,148

**NOTE D - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	August 31,	
	2017	2016
Student scholarships for tuition and books	\$ 7,212,082	\$10,996,940
Professional development, student related activities, and program support	9,973,345	2,931,804
Total temporarily restricted net assets	\$17,185,427	\$13,928,744

**Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**NOTE E - PERMANENTLY RESTRICTED NET ASSETS**

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

	<u>August 31,</u>	
	<u>2017</u>	<u>2016</u>
Student scholarships for tuition and books	\$31,035,296	\$25,686,713
Professional development, student related activities, and program support	<u>1,754,009</u>	<u>1,536,866</u>
Total permanently restricted net assets	<u>\$32,789,305</u>	<u>\$27,223,579</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 \$2,533,996 and \$2,548,378 for the years ended August 31, 2017 and 2016, 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. The Foundation's deposit account balance exceeded the federally insured limit by \$240,584 as of August 31, 2017, which was not otherwise insured. The Foundation did not experience any losses in such accounts.

**NOTE H - RELATED PARTY TRANSACTIONS AND CONTRIBUTED SERVICES**

The Foundation's payments to the District for scholarships and grants totaled \$1,889,064 and \$2,134,525 for fiscal years 2017 and 2016, respectively. At August 31, 2017 and 2016, the Foundation recorded a total of \$155,859 and \$193,770, respectively, for scholarships and grants payable to the District.

The salaries of Foundation employees have been donated by the District. The estimated fair value of these contributed services is \$1,080,191 and \$991,478 for fiscal years 2017 and 2016, respectively, and has been included in contributed salaries in revenue and management and general expenses in the accompanying statements of activities. 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 Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**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 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 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 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.

**Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**NOTE I - FAIR VALUE MEASUREMENTS - Continued**

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

August 31, 2017	Fair Value Measurement Using Input Considered as:			
	Level 1	Level 2	Level 3	Total
Equity investments	\$7,133,150	\$ -	\$ -	\$ 7,133,150
Certificates of Deposit	-	1,498,305	-	1,498,305
U.S Treasury Bills	-	497,350	-	497,350
	\$7,133,150	\$1,995,655	\$ -	\$ 9,128,805
Investments measured at NAV				30,923,817
Investments at fair value				\$40,052,622
August 31, 2016	Fair Value Measurement Using Input Considered as:			
	Level 1	Level 2	Level 3	Total
Equity investments	\$6,119,408	\$ -	\$ -	\$ 6,119,408
Certificates of Deposit	-	1,500,075	-	1,500,075
U.S Treasury Bills	-	499,720	-	499,720
	\$6,119,408	\$1,999,795	\$ -	\$ 8,119,203
Investments measured at NAV				28,087,040
Investments at fair value				\$36,206,243

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 transfers between Levels 1, 2 and 3 during the year.

**Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**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 generally accepted accounting principles net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In September 2007, the State of Texas enacted 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.

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, (b) 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 Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**NOTE J - ENDOWMENTS - Continued**

Investment Return Objectives and Risk Parameters

The Foundation board has adopted investment and spending policies for endowed 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.

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

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 31<sup>st</sup> of the year preceding the disbursement of the funds. The spending limit will not exceed 5% of the December 31<sup>st</sup> 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.

Endowment Net Asset Composition by Type of Fund as of August 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$11,559,535	\$32,789,305	\$44,348,840
Total	\$ -	\$11,559,535	\$32,789,305	\$44,348,840
Endowment net assets, beginning of year	\$ 8,745	\$ 9,485,650	\$27,223,579	\$36,717,974
Contributions	-	59,984	5,204,768	5,264,752
Investment income:				
Dividends and interest	113	484,117	-	484,230
Net realized and unrealized gains on investments	26	2,360,458	-	2,360,484
Net transfers	(8,884)	(366,926)	360,958	(14,852)
Amount appropriated for expenditures	-	(463,748)	-	(463,748)
Endowment net assets, end of year	\$ -	\$11,559,535	\$32,789,305	\$44,348,840

**Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS

August 31, 2017 and 2016

**NOTE J - ENDOWMENTS - Continued**

Endowment Net Asset Composition by Type of Fund as of August 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$9,485,650	\$27,223,579	\$36,709,229
Board restricted endowment funds	<u>8,745</u>	<u>-</u>	<u>-</u>	<u>8,745</u>
Total	<u>\$ 8,745</u>	<u>\$9,485,650</u>	<u>\$27,223,579</u>	<u>\$36,717,974</u>
Endowment net assets, beginning of year	\$ 8,401	\$8,062,660	\$26,868,074	\$34,939,135
Contributions		458,582	331,901	790,483
Investment income:				
Dividends and interest	228	712,003	-	712,231
Net realized and unrealized gains on investments	116	596,840	-	596,956
Transfers	-	(32,275)	23,604	(8,671)
Amount appropriated for expenditures	<u>-</u>	<u>(312,160)</u>	<u>-</u>	<u>(312,160)</u>
Endowment net assets, end of year	<u>\$ 8,745</u>	<u>\$9,485,650</u>	<u>\$27,223,579</u>	<u>\$36,717,974</u>

The temporarily restricted column of this table has been adjusted for August 31, 2016. This adjustment has no impact on the change in net assets or total net assets reported at August 31, 2016.

**NOTE K - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 5, 2017, the date financial statements were available to be issued.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**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, 2017 and 2016 for Richland Collegiate High School alone are presented below. Included also is a Budgetary Comparison Schedule for 2017.



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF NET POSITION  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016  
EXHIBIT 1**

<b>DATA CONTROL CODES</b>	<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
	<b>CURRENT ASSETS:</b>		
1110	Cash and cash equivalents	\$ 2,821,978	\$ 352,417
1120	Short-term investments	-	335,216
1240	Accounts receivable (net) - governments	29,729	17,034
1290	Accounts receivable (net) - others	-	12,986
	Total current assets	<u>2,851,707</u>	<u>717,653</u>
	<b>NON-CURRENT AND RESTRICTED ASSETS:</b>		
1539	Furniture and Equipment	34,901	10,284
1910	Investments	-	1,684,531
1900	Total non-current assets	<u>34,901</u>	<u>1,694,815</u>
1000	<b>TOTAL ASSETS</b>	2,886,608	2,412,468
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1700	Deferred outflows	-	-
	Total deferred outflows of resources	-	-
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES:</b>		
2110	Accounts payable	38,347	-
2123	Funds held for others	518	360
2501	Due to District (parent organization)	29,729	17,034
	Total current liabilities	<u>68,594</u>	<u>17,394</u>
2000	<b>TOTAL LIABILITIES</b>	68,594	17,394
	<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	Deferred inflows	-	-
	Total deferred inflows of resources	-	-
	<b>NET POSITION</b>		
3600	Net investment in Capital Assets	34,901	10,284
3600	Unrestricted	<u>2,783,112</u>	<u>2,384,790</u>
3000	<b>TOTAL NET POSITION</b>	<u>\$ 2,818,013</u>	<u>\$ 2,395,074</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016  
EXHIBIT 2

District Presentation		
	<u>2017</u>	<u>2016</u>
OPERATING REVENUES:		
Federal grants and contracts	\$ 29,729	\$ 17,034
Total operating revenues	29,729	17,034
OPERATING EXPENSES:		
Instruction	2,362,858	2,192,915
Public Service	315,743	315,544
Academic support	213,663	181,328
Student services	531,641	492,847
Institutional support	854,513	758,788
Plant Maintenance and operation	79,475	13,948
Depreciation	1,299	1,299
Total operating expenses	4,359,192	3,956,669
OPERATING LOSS	(4,329,463)	(3,939,635)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	4,720,077	4,123,192
Investment income	32,325	24,129
Net non-operating revenues	4,752,402	4,147,321
INCREASE IN NET POSITION	422,939	207,686
NET POSITION:		
Net Position—Beginning of Year	2,395,074	2,187,388
Net Position—End of Year	<u>\$ 2,818,013</u>	<u>\$ 2,395,074</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016  
EXHIBIT 2  
(CONTINUED)

TEA Classifications		<u>2017</u>	<u>2016</u>
Data Control Codes			
	OPERATING REVENUES:		
5929	Federal grants revenue distributed by TEA	\$ 29,729	\$ 17,034
5929	Total operating revenues	29,729	17,034
	OPERATING EXPENSES:		
0011	Instruction	2,678,602	2,508,458
0012	Instructional resources and media services	39,418	38,840
0013	Curriculum development & instructional	134,330	109,103
0023	School leadership	470,115	491,800
0031	Guidance, counseling and evaluation services	481,800	400,593
0033	Health services	22,698	55,455
0034	Student transportation	15,680	28,000
0035	Food service	12,761	10,098
0036	Co-Curricular/Extra-curricular	-	-
0041	General administration	306,400	189,630
0051	Plant maintenance and operation	53,559	13,950
0052	Security and monitoring services	77,998	77,358
0053	Data processing services	65,831	33,384
6000	Total operating expenses	4,359,192	3,956,669
1100	OPERATING LOSS	(4,329,463)	(3,939,635)
	NON-OPERATING REVENUES (EXPENSES):		
5800	State appropriations	4,720,077	4,123,192
5742	Investment income	32,325	24,129
	Net non-operating revenues	4,752,402	4,147,321
1200	INCREASE IN NET POSITION	422,939	207,686
	NET POSITION:		
0100	Net Position—Beginning of Year	2,395,074	2,187,388
3000	Net Position—End of Year	<u>\$ 2,818,013</u>	<u>\$ 2,395,074</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016  
EXHIBIT 3

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from grants and contracts	\$ 17,034	\$ 32,081
Payments to suppliers for goods and services	(4,310,190)	(3,976,232)
Net cash used in operating activities	<u>(4,293,156)</u>	<u>(3,944,151)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	<u>4,720,077</u>	<u>4,123,192</u>
Net cash provided by non-capital financing activities	4,720,077	4,123,192
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of equipment	<u>(9,433)</u>	<u>-</u>
Net cash used by capital and related financing activities	(9,433)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from interest on investments	32,325	24,129
Purchase of investments	-	-
Sale of investments	<u>2,019,747</u>	<u>64,156</u>
Net cash provided by investing activities	<u>2,052,072</u>	<u>88,285</u>
Increase in cash and cash equivalents	2,469,560	267,326
Cash and cash equivalents - September 1	<u>352,418</u>	<u>85,091</u>
Cash and cash equivalents - August 31	<u>\$ 2,821,978</u>	<u>\$ 352,417</u>
<b>Reconciliation of net operating loss to net cash used in operating activities</b>		
Operating loss	\$ (4,329,463)	\$ (3,939,635)
Depreciation	1,299	1,299
Adjustments to reconcile net loss to net cash used in operating activities:		
<b>Changes in assets and liabilities:</b>		
Receivables (net)	290	12,101
Accounts payable	<u>34,718</u>	<u>(17,916)</u>
Net cash used in operating activities	<u>\$ (4,293,156)</u>	<u>\$ (3,944,151)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

RICHLAND COLLEGIATE HIGH SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual to Budget</u>	<u>Percent Actual</u>
		<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>	<u>to Final Budget</u>
<b>REVENUES</b>						
Local Support						
5740	Local and intermediate sources	\$ 26,638	\$ 26,638	\$ 32,325	\$ 5,687	21.35% <sup>a</sup>
3600	Decrease/use of fund balance	27,846	27,846	-	(27,846)	n/a
State program revenues:						
5800	Foundation School Program Act Revenues	4,486,484	4,629,911	4,720,077	90,166	1.95%
Federal program revenues:						
5900	5900 Federal program revenues	-	-	29,729	29,729	0.00%
Total revenues		4,540,968	4,684,395	4,782,131	97,736	2.09%
<b>EXPENDITURES</b>						
State program expenditures						
0011	11 Instruction <sup>1</sup>	2,565,468	2,821,477	2,678,602	(142,875)	-5.06%
0012	12 Instructional resources and media services	39,000	42,800	39,418	(3,382)	-7.90%
0013	13 Curriculum and staff development <sup>1</sup>	162,000	143,000	134,330	(8,670)	-6.06%
0023	23 School leadership	662,500	523,000	470,115	(52,885)	-10.11% <sup>b</sup>
0031	31 Guidance, counseling, and evaluation services	518,500	515,308	481,800	(33,508)	-6.50%
0033	33 Health services	54,500	21,825	22,698	873	4.00%
0034	34 Student transportation	30,000	15,680	15,680	-	0.00%
0035	35 Food service	14,000	13,190	12,761	(429)	-3.25%
0041	41 General administration	326,000	333,000	306,400	(26,600)	-7.99%
0051	51 Facilities maintenance and operations	30,000	102,250	53,559	(48,691)	-47.62% <sup>c</sup>
0052	52 Security and monitoring services	76,500	84,125	77,998	(6,127)	-7.28%
0053	53 Data processing services	62,500	68,740	65,831	(2,909)	-4.23%
Total expenditures		4,540,968	4,684,395	4,359,192	(325,203)	-6.94%
1200	Net change in fund balances	-	-	422,939	422,939	n/a
0100	Fund balances--beginning	2,395,074	2,395,074	2,395,074	-	0.00%
3600	Decrease/use of fund balance	27,846	27,846	-	(27,846)	n/a
3000	Fund balances--ending	\$ 2,422,920	\$ 2,422,920	\$ 2,818,013	\$ 395,093	16.31%

1 Includes grant-funded expenditures

Variance Explanations

- a Reflects unrealized market gains
- b Anticipated expenses were not realized
- c Some expenses were deferred to 2017-18

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

RICHLAND COLLEGIATE HIGH SCHOOL  
SCHEDULE OF EXPENSES  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

Expenses Object	<u>2017</u>	<u>2016</u>
6100 Payroll Cost	\$ 1	\$ 1
6200 Professional/Contracted Services	3,488,995	3,054,970
6300 Supplies/Material	854,127	881,659
6400 Other Operating	16,069	20,039
	<u>\$ 4,359,192</u>	<u>\$ 3,956,669</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

RICHLAND COLLEGIATE HIGH SCHOOL  
SCHEDULE OF CAPITAL ASSETS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

Asset Object	Local Ownership Interest	
	<u>2017</u>	<u>2016</u>
1539 Furniture and Equipment	<u>\$ 34,901</u>	<u>\$ 10,284</u>
	<u><u>\$ 34,901</u></u>	<u><u>\$ 10,284</u></u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**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 \$2,598,825 and \$2,651,656 for fiscal years 2017 and 2016, respectively. At August 31, 2017 and 2016, the Foundation recorded a total of \$155,859 and \$193,770, 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 \$1,080,191 and \$991,478 for fiscal years 2017 and 2016, 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.

In fiscal year 2017, the District elected to transfer \$6,211,880 of funds held in its quasi-endowment fund to the Foundation for student scholarships. The quasi-endowment fund was used to fund student scholarships prior to the transfer. The quasi-endowment was funded with designated receipts from a land lease agreement of one of its properties. As collections continue on the land lease agreement, the District will transfer additional funds to the Foundation in the period collected.



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016**

**27. SUBSEQUENT EVENTS**

At the November 7, 2017 Finance Committee meeting, the Board of Trustees accepted a budget plan to improve DCCCD's Informational Technology infrastructure and a new construction technology building for North Lake College. These projects will require a future issuance of revenue bond debt.

Management has evaluated subsequent events through December 5, 2017. The financial statements were available on this date. No additional changes are necessary to be made to the financial statements as a result of this evaluation.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**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, 2017  
SCHEDULE G**

<u>Fiscal Year Ending August 31*</u>	<u>2017**</u>	<u>2016</u>	<u>2015</u>
District's proportional share of collective net pension liability (%)	0.14467900%	0.18790100%	0.20021710%
District's proportional share of collective net pension liability (\$)	\$ 54,672,053	\$ 66,420,502	\$ 53,480,756
State's proportional share of net pension liability associated with District	36,957,144	35,699,280	39,533,837
Total	<u>\$ 91,629,197</u>	<u>\$ 102,119,782</u>	<u>\$ 93,014,593</u>
District's covered payroll amount	\$ 153,203,688	\$ 139,925,162	\$ 128,344,611
Ratio of ER proportional share of collective NPL/ER's covered payroll amount	35.69%	47.47%	41.67%
TRS net position as percentage of total pension liability	78.00%	78.43%	83.25%

\* 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, 2014 THROUGH 2017  
SCHEDULE H**

<u>Fiscal Year Ending August 31*,</u>	<u>2017**</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Legally required contributions	\$ 11,204,991	\$ 10,423,826	\$ 9,515,262	\$ 8,725,830
Actual contributions	11,204,991	10,423,826	9,515,262	8,725,830
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll amount	\$ 164,785,196	\$ 153,203,688	\$ 139,925,162	\$ 128,344,611
Ratio of actual contributions/ER covered payroll amount	6.80%	6.80%	6.80%	6.80%

\* The amounts presented above are as of the District's respective 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, 2017**

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.

The District’s pension liability is measured as of August 31<sup>st</sup> of each year preceding the most recent fiscal year end. Pension expense, and positions of liability, deferred inflows and deferred outflows recognized in the fiscal year presented is based on the preceding year’s August 31<sup>st</sup> measurement date. Contributions made on behalf of the State and payments of contributions made by the District in Fiscal 2017 will be measured as of August 31, 2017 and recognized in the Fiscal 2018 financial statements.

Changes in Benefit Terms include:

There were no changes in benefit terms for the fiscal year ended August 31, 2017.

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, 2017.

Changes of Assumptions:

There were no changes of assumptions for the fiscal year ended August 31, 2017.

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

Legally required contributions from fiscal year to year have increased. Cost of living salary raises issued by the District’s Board of Trustees and staffing additions reflecting District initiatives primarily resulted in the year over year increases. In fiscal 2016 and 2017, the District’s Board of Trustees approved on average a 3% cost of living increase to the majority of its staff. 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.

The table below depicts dollar amount and percentage of changes each fiscal year when compared to the prior year.

<u>Fiscal Year</u>	<u>Covered Payroll Amount</u>	<u>Change</u>	<u>% Change</u>	<u>Legally Required Contributions</u>	<u>Change</u>	<u>% Change</u>
2017	\$ 164,785,196	\$ 11,581,508	7.6%	\$ 11,204,991	\$ 781,165	7.5%
2016	\$ 153,203,688	\$ 13,278,526	9.5%	\$ 10,423,826	\$ 908,564	9.5%
2015	\$ 139,925,162	n/a	n/a	\$ 9,515,262	n/a	n/a

## SUPPLEMENTARY INFORMATION

**SUPPLEMENTARY 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, 2017  
(WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2016)  
SCHEDULE A

	Total		Auxiliary Enterprises	2017	2016
	Unrestricted	Restricted			
Tuition:					
State funded credit courses:					
In-district resident tuition	62,635,365	-	62,635,365	-	62,635,365
Out-of-district resident tuition	19,616,937	-	19,616,937	-	19,616,937
Non-resident tuition	23,697,185	-	23,697,185	-	23,697,185
TPEG - credit (set aside) *	5,299,926	-	5,299,926	-	5,299,926
State-funded continuing education	8,775,759	-	8,775,759	-	8,775,759
TPEG - non-credit (set aside) *	976,323	-	976,323	-	976,323
Non-state funded educational programs	4,995,372	-	4,995,372	-	4,995,372
Total Tuition	125,996,867	-	125,996,867	-	121,476,810
Fees:					
Installment plan fees	922,525	-	922,525	-	886,455
Prior year tuition and fees	72	-	72	-	(1,081)
Total fees	922,597	-	922,597	-	885,374
Scholarship allowances and discounts:					
Bad debt allowance	(1,860,900)	-	(1,860,900)	-	(1,243,100)
Remissions and exemptions - state	(1,960,284)	-	(1,960,284)	-	(1,454,484)
Remissions and exemptions - local	(14,345,544)	-	(14,345,544)	-	(12,523,939)
Title IV federal grants	(23,770,013)	-	(23,770,013)	-	(25,756,235)
Other federal grants	(3,092,894)	-	(3,092,894)	-	(2,612,714)
State grants	(3,845,613)	-	(3,845,613)	-	(5,317,595)
TPEG awards	(2,744,686)	-	(2,744,686)	-	(2,244,292)
Rising Star program	(197,723)	-	(197,723)	-	(249,663)
Other local grantsm	(23,986)	-	(23,986)	-	8,512
Total scholarship allowances	(51,841,643)	-	(51,841,643)	-	(51,393,510)
Total net tuition and fees	75,077,821	-	75,077,821	-	70,968,674
Additional operating revenues:					
Federal grants and contracts	1,547,797	15,413,695	16,961,492	127,274	18,071,493
State grants and contracts	6,853	9,151,192	9,158,045	-	10,587,154
Non-governmental grants and contracts	2,434	3,957,611	3,960,045	-	2,357,560
Sales and services of educational activities	635,148	-	635,148	-	591,143
Other operating revenues	1,699,354	-	1,699,354	-	1,909,901
Total additional operating revenues	3,891,586	28,522,498	32,414,084	127,274	33,517,251
Auxiliary Enterprises:					
Bookstore	-	-	-	371,624	394,168
Food Service	-	-	-	633,587	634,574
Center for Educational Telecommunications	-	-	-	543,131	539,416
Business Incubation Center	-	-	-	73,280	56,426
Student Programs	-	-	-	480,810	441,272
Total net auxiliary enterprises	-	-	-	2,102,432	2,065,856
Total Operating Revenues	\$ 78,969,407	\$ 28,522,498	\$ 107,491,905	\$ 2,229,706	\$ 106,551,781
				(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.033, \$6,276,249 and \$6,448,739 for the fiscal years August 31, 2017 and 2016, 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, 2017  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)  
 SCHEDULE B

	Operating Expenses				2017	2016
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED - Educational Activities						
Instruction	\$ 138,223,674	\$ -	\$ 13,878,822	\$ 21,040,144	\$ 173,142,640	\$ 166,200,091
Public Service	3,491,132	-	431,855	763,466	4,686,453	6,866,880
Academic Support	14,742,128	-	2,073,394	4,456,276	21,271,798	20,693,118
Student Services	26,999,701	-	4,048,415	11,236,824	42,284,940	41,180,410
Institutional Support	56,599,563	-	10,135,218	11,743,039	78,477,820	73,208,210
Operation and Maintenance of Plant	9,674,103	-	2,611,361	31,951,081	44,236,545	39,480,074
Total unrestricted educational activities	249,730,301	-	33,179,065	81,190,830	364,100,196	347,628,783
RESTRICTED - Educational Activities						
Instruction	4,329,049	15,049,003	773,316	1,701,771	21,853,139	19,913,884
Public Service	1,254,115	-	293,317	5,198,560	6,745,992	7,458,076
Academic Support	168,282	1,605,039	32,660	(4,467)	1,801,514	1,823,750
Student Services	2,370,698	2,939,572	480,424	731,218	6,521,912	6,617,343
Institutional Support	2,032,141	6,162,237	426,437	617,931	9,238,746	9,105,603
Scholarships and Fellowships	-	-	-	53,530,988	53,530,988	52,338,154
Total restricted educational activities	10,154,285	25,755,851	2,006,154	61,776,001	99,692,291	97,256,810
TOTAL EDUCATIONAL ACTIVITIES	259,884,586	25,755,851	35,185,219	142,966,831	463,792,487	444,885,593
AUXILIARY ENTERPRISES	4,510,578	-	923,469	3,846,680	9,280,727	9,226,433
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	18,605,512	18,605,512	20,816,636
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	5,387,698	5,387,698	5,060,916
TOTAL OPERATING EXPENSES	\$ 264,395,164	\$ 25,755,851	\$ 36,108,688	\$ 170,806,721	\$ 497,066,424	\$ 479,989,578
					(Exhibit 2)	(Exhibit 2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES  
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2017  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)  
 SCHEDULE C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 2017</u>	<u>Total 2016</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 85,796,380	\$ -	\$ -	\$ 85,796,380	\$ 85,655,418
State group insurance	-	16,620,205	-	16,620,205	15,475,496
State retirement matching	-	9,135,647	-	9,135,647	8,642,025
SBDC state match	-	1,944,718	-	1,944,718	1,903,339
Starlink	-	346,619	-	346,619	300,620
Hazlrwood state reimbursement	37,988	-	-	37,988	41,593
Foundation school program	4,720,077	-	-	4,720,077	4,123,192
Total state appropriations	<u>90,554,445</u>	<u>28,047,189</u>	<u>-</u>	<u>118,601,634</u>	<u>116,141,683</u>
Ad valorem taxes	221,798,265	40,308,623	-	262,106,888	240,886,672
Federal revenue, non-operating	-	70,883,073	-	70,883,073	73,159,045
Gifts	94,853	-	-	94,853	138,046
Investment income	3,141,027	72,137	223,399	3,436,563	3,564,424
Gain on sale of investment	-	-	-	-	-
Gain on disposal of capital assets	230,319	-	-	230,319	-
Other non-operating revenue	600,414	-	-	600,414	1,998,324
Total non-operating revenues	<u>316,419,323</u>	<u>139,311,022</u>	<u>223,399</u>	<u>455,953,744</u>	<u>435,888,194</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	8,385,189	-	-	8,385,189	11,574,217
Loss on disposal of capital assets	-	-	-	-	596,503
Other non-operating expense	7,026,090	-	-	7,026,090	667,556
Total non-operating expenses	<u>15,411,279</u>	<u>-</u>	<u>-</u>	<u>15,411,279</u>	<u>12,838,276</u>
NET NON-OPERATING REVENUES	<u>\$ 301,008,044</u>	<u>\$ 139,311,022</u>	<u>\$ 223,399</u>	<u>\$ 440,542,465</u>	<u>\$ 423,049,918</u>
				(Exhibit 2)	(Exhibit 2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2017  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2016)  
 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	\$ 153,702,239	\$ -	\$ -	\$ -	\$ 153,702,239	\$ 153,702,239	\$ -
Auxiliary enterprises	19,470,837	-	-	-	19,470,837	19,470,837	-
Loan	138,911	-	-	-	138,911	-	138,911
Plant:							
Unexpended	78,278,218	-	-	-	78,278,218	-	78,278,218
Debt Service	-	1,836,882	-	-	1,836,882	-	1,836,882
Investment in Plant	-	-	-	368,475,383	368,475,383	-	368,475,383
TOTAL NET POSITION--							
August 31, 2017	251,590,205	1,836,882	-	368,475,383	621,902,470	173,173,076	448,729,394
					(Exhibit 1)		
TOTAL NET POSITION--							
August 31, 2016	223,070,752	2,319,427	-	343,314,639	568,704,818	156,374,068	412,330,750
					(Exhibit 1)		
NET INCREASE (DECREASE) IN NET POSITION	\$ 28,519,453	\$ (482,545)	\$ -	\$ 25,160,744	\$ 53,197,652	\$ 16,799,008	\$ 36,398,644
					(Exhibit 2)		

**SCHEDULES FOR  
FEDERAL AND STATE SINGLE AUDIT**



**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 the business-type activities and the discretely presented component unit of Dallas County Community College District (the "District") which comprise the statements of financial position as of and for the years ended August 31, 2017 and 2016, and the related statements of activities and, where applicable, cash flows for the years then ended, 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 5, 2017.

**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.

GRANT THORNTON LLP

Dallas, Texas  
December 5, 2017



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON  
COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

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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 (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* and the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2017. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of Texas *Uniform Grant Management Standards (UGMS)*. Those standards, the Uniform Guidance and the *UGMS* 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, 2017.

**Report on internal control over compliance**

Management of the District is responsible for establishing 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 the Uniform Guidance and the *UGMS*, 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'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.

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 the Uniform Guidance and the *UGMS*. Accordingly, this report is not suitable for any other purpose.

GRANT THORNTON LLP

Dallas, Texas  
December 5, 2017

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**  
**SCHEDULE E**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>U.S. Department of Education</b>				
<b>Direct Programs:</b>				
<b>Student Financial Aid Cluster</b>				
Federal Supplemental Educational Opportunity Grants	84.007A (1)		\$ 1,234,469	
Federal Work-Study Program	84.033A (1)		1,227,072	
Federal Work-Study Program	84.033A (1)		52,077	
Federal PELL Grant Program	84.063P (1)		69,043,070	
Federal Direct Student Loans	84.268 (1)		<u>44,052,218</u>	
<b>Total Student Financial Aid Cluster</b>			<b>115,608,906</b>	
<b>TRIO Cluster</b>				
TRIO Student Support Services	84.042A (2)	P042A1-10753/51162/ 50487/50721/61469	1,118,696	
TRIO Talent Search	84.044A (2)	P044A160665 0553,0112,0815,0819,16	201,344	
TRIO Upward Bound	84.047A (2)	12	<u>1,274,836</u>	
<b>Total TRIO Cluster</b>			<b>2,594,876</b>	
<b>Other Direct Programs</b>				
Higher Education Institutional Aid	84.031A	P031A140139	399,791	
Higher Education Institutional Aid	84.031C	P031C1-10083/10086/ 60035/60113	959,824	
Higher Education Institutional Aid	84.031L	P031L150024	242,487	
Higher Education Institutional Aid	84.031S	P031S- 100071/150018	503,533	
Higher Education Institutional Aid	84.031S	P031S100113	3,203	
Strengthening Minority -Serving Institutions	84.382A	P382A150037	694,097	
Fund for the Improvement of Postsecondary Education	84.116G	P116G150121	<u>127,417</u>	
<b>Total Other Direct Programs</b>			<b>2,930,352</b>	
<b>Total Direct U. S. Department of Education</b>			<b>121,134,134</b>	

(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, 2017**

**SCHEDULE E  
(CONTINUED)**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>Pass-Through From:</b>				
<b>Texas Higher Education Coordinating Board</b>				
		15031/154231		
		16026/164226		
Career and Technical Education- Basic Grants to States	84.048	17654/174229	\$ 1,760,110	
Career and Technical Education- Basic Grants to States	84.048	17578	1,920	
Career and Technical Education- Basic Grants to States	84.048	16005	2,973	
Education Research, Development and Dissemination	84.305H	R305H150094	<u>12,522</u>	
<b>Total Pass-Through Texas Higher Education Coordinating Board</b>				<b><u>1,777,525</u></b>
 <b>Texas Workforce Commission / Dallas County Local Workforce Development Board</b>				
Adult Education -Basic Grants to States	84.002A	RLC-AEL 1-2015		(462)
Adult Education -Basic Grants to States	84.002A	RLC-AEL 3-2016		212,600
Adult Education -Basic Grants to States	84.002A	DCCCD-AEL 1-2014		(5,241)
Adult Education -Basic Grants to States	84.002A	DCCCD-AEL 3-2016		<u>2,267,047</u>
<b>Total Pass-Through Texas Workforce Commission / Dallas County Local Workforce Development Board</b>				<b><u>2,473,944</u></b>
 <b>Del Mar College</b>				
Career and Technical Education -Basic Grants to States	84.048	151117		56
 <b>Texas Education Agency</b>				
Title I Grants to Local Educational Agencies	84.010A	S010A160043		29,729
<b>Total Pass-Through U.S. Department of Education</b>			<u>4,281,254</u>	
<b>Total U. S. Department of Education</b>				<u>125,415,388</u>

(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, 2017**

**SCHEDULE E  
(CONTINUED)**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>U. S. Department of Commerce</b>				
<b>Direct Programs:</b>				
Education Quality Award Ambassadorship	11.013	60NANB11D134	\$ 1,843	
<b>Total U. S. Department of Commerce</b>			<b>1,843</b>	
<b>U.S. Department of Labor</b>				
<b>Direct Programs:</b>				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282	TC-26492-14-60-A-48	568,114	
<b>Total Direct U. S. Department of Labor</b>			<b>568,114</b>	
<b>Pass-Through From:</b>				
<b>Dallas County Local Workforce Development Board</b>				
<b>WIOA Cluster:</b>				
WIOA Youth Activities	17.259 (4)	RLC 1-2015	92,679	
WIOA Youth Activities	17.259 (4)	RLC 2-2015	532,271	
<b>Total Pass-Through Dallas County Local Workforce Development Board</b>			<b>624,950</b>	
<b>Houston Community College</b>				
H-1B Job Training Grants	17.268	AP-27829-15-60-A-48	202,202	
<b>Texas Workforce Commission</b>				
Incentive Grants - WIA Section 503	17.267	0617WOS000	67,730	
WIOA Dislocated Worker Formula Grants	17.278 (4)	0617ATP000	104,462	
<b>Total Pass-Through Texas Workforce Commission</b>			<b>172,192</b>	
<b>Total Pass-Through U.S. Department of Labor</b>			<b>999,344</b>	
<b>Total U.S. Department of Labor</b>			<b>1,567,458</b>	

(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, 2017**

**SCHEDULE E  
(CONTINUED)**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>National Science Foundation</b>				
<b>Direct Programs:</b>				
Education and Human Resources	47.076	DUE-1304004	\$ 500	
Education and Human Resources	47.076	DUE-1501105	<u>58,968</u>	
<b>Total Direct National Science Foundation</b>			<b>59,468</b>	
<b>Pass-Through From:</b>				
<b>Collin County Community College</b>				
Education and Human Resources	47.076	DUE-1205077	17,171	
<b>Texas A&amp;M University</b>				
Education and Human Resources	47.076	DUE-1304843	54,747	
<b>Education Development Center</b>				
Education and Human Resources	47.076	DUE-1501911	<u>864</u>	
<b>Total Pass-Through National Science Foundation</b>			<b>72,782</b>	
<b>Total National Science Foundation</b>			<b>132,250</b>	
<b>U. S. Small Business Administration</b>				
<b>Direct Programs:</b>				
Small Business Development Centers	59.037	6-603001-EZ-0014 7-603001-EZ-0002	<u>2,784,559</u>	\$ 1,507,830
<b>Total U. S. Small Business Administration</b>			<b>2,784,559</b>	<b>1,507,830</b>
<b>U.S. Department of Veterans Affairs</b>				
<b>Direct Program:</b>				
Post-9/11 Veterans Educational Assistance	64.027		<u>2,114,629</u>	
<b>Total U.S. Department of Veterans Affairs</b>			<b>2,114,629</b>	

- (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 FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017  
SCHEDULE E  
(CONTINUED)**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>U.S. Department of Health &amp; Human Services</b>				
<b>Direct Programs:</b>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1U79SM062515-01	\$ 105,379	
<b>Total Direct U. S. Department of Health &amp; Human Services</b>			<b>105,379</b>	
<b>Pass-Through From:</b>				
<b>University of Texas at Austin</b>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	UTA12-001079	26,507	
<b>Texas Workforce Commission</b>				
Temporary Assistance for Needy Families	93.558 (5)	0617ATP000	9,105	
Temporary Assistance for Needy Families	93.558 (5)	2915SSF000	95,795	
Temporary Assistance for Needy Families	93.558 (5)	0616SMP001	3,602	
Temporary Assistance for Needy Families	93.558 (5)	0617SMP001	15,217	
Temporary Assistance for Needy Families	93.558 (5)	0616SMP002	2,960	
Temporary Assistance for Needy Families	93.558 (5)	0616SMP002	-	
			<b>126,679</b>	
<b>Dallas County Local Workforce Development Board</b>				
Temporary Assistance for Needy Families	93.558 (5)	DCCCD-AEL 3-2016	211,384	
Temporary Assistance for Needy Families	93.558 (5)	RLC-AEL 3-2016	1,920	
Child Care and Development Block Grant	93.575	DCCCD-CQI 1-2015	82,934	
Child Care and Development Block Grant	93.575	DCCCD-CQI 2-2015	211,154	
			<b>507,392</b>	
<b>Total Pass-Through U.S. Department of Health &amp; Human Services</b>			<b>660,578</b>	
<b>Total U.S. Department of Health &amp; Human Services</b>			<b>765,957</b>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 132,782,084</b>	

- (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, 2017  
SCHEDULE F**

State Grantor/ Program Title	Grant #	Expenditures
<b>Texas Higher Education Coordinating Board</b>		
Texas Grant Program		\$ 13,915
Texas Education Opportunity Grant		3,587,199
5th Year Accounting FY 16/17		2,792
T-Stem Challenge Scholarship	15140, 16897	91,567
	11829/31/32/39	
Work Study Student Mentorship Program	15552/56/61/62	190,496
College Readiness and Success Models	17431/19074	39,706
Nursing Shortage Reduction Program	NSRP FY2010-11 Under 70	(360)
Pathways Project Grant	16568	6,743
<b>Total Direct Texas Higher Education Coordinating Board</b>		<b>3,932,058</b>
<b>Pass-Through THECB</b>		
<b>University of Texas at Arlington</b>		
Nursing Innovation Grant	14007	67,114
<b>Total Pass-Through THECB</b>		<b>67,114</b>
<b>Total Texas Higher Education Coordinating Board</b>		<b>3,999,172</b>
<b>Texas Education Agency</b>		
Dropout Recovery Performance Pay	111045587110018	2,257
<b>Total Texas Education Agency</b>		<b>2,257</b>
<b>Texas Parks &amp; Wildlife</b>		
Community Outdoor Outreach Program (CO-OP)	52-000665	1,570
<b>Total Texas Parks &amp; Wildlife</b>		<b>1,570</b>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**

**SCHEDULE F  
(CONTINUED)**

State Grantor/ Program Title	Grant #	Expenditures
<b>Texas Workforce Commission</b>		
<b>Skills Development Funds</b>		
Partnership with Manufacturing Consortium	0614SDF004	\$ (3,055)
NLC/CEF Construction Consortium	0614SDF012	(1,247)
Swaydental Management Company	0615SDF001	(5,859)
Medical Center Alliance	0615SDF003	130,184
DCMA Manufacturing	0615SDF004	(5,952)
Electrical Contractor Consortium	0615SDF006	495,011
AT&T Services	0616SDF000	571,849
Architect Consortium (AIA)	0616SDF001	267,430
Accelerated Customized Manufacturing Skills	0616SDF002	631,404
RealPage	0616SDF003	617,886
Manufacturing & Distribution	0616SDF004	245,564
DCMA Manufacturing Consortium	0617SDF000	413,144
Partnership with Associa Client	0617SDF001	137,680
TECH4 Logistics Grant	0617SDF002	135,058
<b>Total Skills Development Funds</b>		<b>3,629,097</b>
Apprenticeship Training Program	0616ATP000	1,129
Apprenticeship Training Program	0617ATP000	208,269
<b>Total Apprenticeship Training Program</b>		<b>209,398</b>
<b>Jobs and Education for Texans Program (JET)</b>	0617JET000	<b>296,238</b>
Skills for Small Business	0616SSD000	113,663
Skills for Small Business	0616SSD001	107,846
Skills for Small Business	0616SSD002	1,939
Skills for Small Business	0616SSD003	666
Skills for Small Business	0617SSD000	6,525
<b>Total Skills for Small Business</b>		<b>230,639</b>
<b>Total Direct Texas Workforce Commission</b>		<b>4,365,372</b>
<b>Pass-Through Texas Workforce Commission</b>		
<b>Dallas County Local Workforce Development Board</b>		
Adult Education Literacy	RLC-AEL 3-2016	44,727
Adult Education Literacy	DCCCD AEL 3-2016	785,200
<b>Total Pass-Through Dallas County Local Workforce Development Board</b>		<b>829,927</b>
<b>Total Texas Workforce Commission</b>		<b>5,195,299</b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>\$ 9,198,298</b>

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, 2017

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, 2017. 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 award revenues are reported in the financial statements of the District for the fiscal year ended August 31, 2017, as follows:

	<u>Federal</u>	<u>State</u>
Total revenues per Schedule A	\$ 17,088,766	\$ 9,158,045
Federal revenue, non-operating per Exhibit 2	70,883,073	-
Federal direct student loans	44,052,218	-
Fall tuition-related grants deferred to next year	758,027	40,253
Total expenditures for federal/state awards	<u>\$ 132,782,084</u>	<u>\$ 9,198,298</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017

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 6-603001-EZ-0014 and 7-603001-EZ-0002)

Collin College	\$	207,877
Grayson College		107,879
Kilgore College		144,836
McLennan Community College		154,528
Navarro College		101,164
North Central Texas College		69,552
Northeast Texas Community College		170,268
Paris Junior College		111,964
Tarrant County College		305,912
Trinity Valley Community College		67,871
Tyler Junior College		65,979
		<hr/>
	\$	<u>1,507,830</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**

**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	\$	127,297
Grayson College		96,996
Kilgore College		122,362
McLennan Community College		128,985
Navarro College		117,489
North Central Texas College		108,560
Northeast Texas Community College		54,015
Paris Junior College		37,395
Tarrant County College		164,595
Trinity Valley Community College		116,229
Tyler Junior College		37,557
		\$ 1,111,480
		\$ 2,619,310
Total Amounts Passed Through to Others		\$ 2,619,310

**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 2017 fiscal year are \$88,729,866.

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	\$ 44,052,218	\$ -	\$ 44,052,218

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2017**

**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.

**7. INDIRECT COST**

As a non-federal entity, the District has a negotiated indirect cost rate approved by a federal agency, therefore, the District is not eligible to elect the 10% de minimis indirect cost rate.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended August 31, 2017

**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?	None reported
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?	None reported
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 Uniform Guidance?	No

**State Awards**

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
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 <i>Single Audit Circular</i> ?	No

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended August 31, 2017

Identification of major programs:

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

Major Federal Programs:

84.031 84.007, 84.033, 84.063, 84.268	Higher Education Institutional Aid Student Financial Assistance Cluster
--	--

Major State Program:

DCCCD AEL 3-2016	Adult Education Literacy
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Dollar threshold used to distinguish between type A and type B programs:	\$750,000 for federal programs \$300,000 for state programs
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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, 2017

**SECTION II - FINANCIAL STATEMENT FINDINGS**

The audit disclosed no findings required to be reported for the year ended August 31, 2017.

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

The audit disclosed no findings required to be reported for the year ended August 31, 2017.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

Year ended August 31, 2016

**Finding #:** 2016-001

**CFDA Title:** Student Financial Assistance 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 (finding does not involve students of Richland Collegiate High School, a charter high school of the District)

**Criteria:** Under 34 CFR 685.309, 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, enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days.

**Condition:** During our testing of this compliance requirement, we noted that four out of the forty judgmentally selected students tested did not have their change in status reported to the NSLDS within thirty days of their attendance change.

**Questioned Costs:** None

**Context:** Students that attended classes at more than one campus within the District did not have their change in status reported to the NSLDS within the required time period.



**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

Year ended August 31, 2016

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

Cause: Each District campus is separately accredited and must report changes in student enrollment status to the NSLDS for each individual campus on a separate basis. Since many District students attend classes at multiple campuses, their enrollment status is reported separately for each campus. The District uses the National Student Clearinghouse (Clearinghouse) to report student status changes to the NSLDS. However the Clearinghouse did not combine the students hours when they attended classes at multiple campuses, and therefore when a student dropped a class at another campus, or if the class began or ended prior to the end of the standard semester, the Clearinghouse, did not accurately update the student's withdrawn status and effective date to the NSLDS within the thirty day requirement.

Identification of a repeat finding: This is not a repeat finding from the immediate previous audit.

Effect: Lenders are not able to correctly assess a student's enrollment status and determine when students should begin their grace period or enter loan repayment.

Prior Year Recommendations: We recommended 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.

Status of Planned Corrective Action: In Fiscal 2017, the District formed a team of specialists targeting the training of personnel and review of procedures. The team has addressed immediate needs for accurate reporting. The team will remain in place to further develop training, complete procedures and provide ongoing oversight of the reporting processes.

**SUPPLEMENTARY FINANCIAL REPORTING  
BY COLLEGE**

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION  
FOR THE FISCAL YEAR ENDING AUGUST 31, 2017**

	<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>
<b>REVENUES</b>									
Tuition and fees, net	\$ 75,077,821	\$ 14,175,643	\$ 5,524,606	\$10,103,436	\$ 6,932,093	\$ 7,199,950	\$12,198,190	\$18,943,903	\$ -
Federal grants and contracts	17,088,766	1,477,309	1,349,848	2,848,688	1,539,261	1,467,680	1,256,775	3,554,724	3,594,481
State grants and contracts	9,158,045	947,090	1,078,897	1,181,841	626,330	716,762	937,034	1,715,683	1,954,408
Local grants and contracts	3,960,045	(773)	147,157	124,106	323,273	349,648	193,003	320,041	2,503,590
Sales and services of auxiliary enterprises	2,102,432	221,077	117,649	188,744	190,869	220,251	173,877	355,625	634,340
Sales and services of educational activities	635,148	58,495	38,895	315,569	47,984	47,647	39,281	53,674	33,603
Other	1,699,354	85,285	49,675	148,608	629,853	110,044	183,455	17,353	475,081
Total Operating Revenue	<u>109,721,611</u>	<u>16,964,126</u>	<u>8,306,727</u>	<u>14,910,992</u>	<u>10,289,663</u>	<u>10,111,982</u>	<u>14,981,615</u>	<u>24,961,003</u>	<u>9,195,503</u>
State appropriations	118,601,634	15,057,141	8,820,607	16,926,067	17,985,417	10,095,540	14,815,305	29,078,015	5,823,542
Taxes, net	262,106,888	27,537,390	19,099,036	28,603,695	32,816,693	17,538,171	22,270,884	36,284,382	77,956,637
Federal grants and contracts	70,883,073	7,027,984	6,529,889	12,761,062	11,713,420	9,307,291	9,033,769	14,509,658	-
Gifts	94,853	10,227	12,075	30,355	32,421	-	9,300	-	475
Investment income (loss)	3,436,563	7,178	7,588	9,873	-	6,399	13,701	41,979	3,349,845
Other	600,414	-	-	-	560,969	-	29,555	-	9,890
Total Non-operating Revenue	<u>455,723,425</u>	<u>49,639,920</u>	<u>34,469,195</u>	<u>58,331,052</u>	<u>63,108,920</u>	<u>36,947,401</u>	<u>46,172,514</u>	<u>79,914,034</u>	<u>87,140,389</u>
Total revenues	<u>565,445,036</u>	<u>66,604,046</u>	<u>42,775,922</u>	<u>73,242,044</u>	<u>73,398,583</u>	<u>47,059,383</u>	<u>61,154,129</u>	<u>104,875,037</u>	<u>96,335,892</u>
<b>EXPENSES</b>									
Instruction	194,995,779	28,291,816	16,854,487	28,229,567	31,431,559	18,331,554	25,948,311	42,532,026	3,376,459
Public service	11,432,445	887,226	161,509	255,603	1,342,990	369,570	24,093	1,608,938	6,782,516
Academic support	23,073,312	2,231,197	1,986,457	3,694,512	1,796,209	2,553,506	2,777,525	5,709,991	2,323,915
Student services	48,806,852	5,240,965	3,890,891	7,206,173	6,130,710	5,128,466	6,530,922	9,022,188	5,656,537
Institutional support	87,716,566	8,782,068	7,089,385	8,772,591	10,621,028	7,013,592	7,667,784	12,556,191	25,213,927
Operation and maintenance of plant	44,236,545	5,091,406	3,240,366	6,660,095	7,163,032	4,151,623	5,062,457	9,138,738	3,728,828
Scholarships and fellowships	53,530,988	5,102,577	4,701,413	9,989,675	9,231,556	7,220,363	6,605,699	10,679,705	-
Auxiliary enterprises	9,280,727	1,247,379	696,848	1,465,568	1,375,288	1,106,937	1,328,998	1,646,588	413,121
Depreciation	23,993,210	3,154,453	2,033,772	2,859,944	2,863,159	2,148,277	3,223,712	3,827,502	3,882,391
Total Operating Expense	<u>497,066,424</u>	<u>60,029,087</u>	<u>40,655,128</u>	<u>69,133,728</u>	<u>71,955,531</u>	<u>48,023,888</u>	<u>59,169,501</u>	<u>96,721,867</u>	<u>51,377,694</u>
Interest on indebtedness	8,385,189	1,142,016	923,076	1,190,146	1,091,491	930,186	1,155,016	1,367,385	585,873
Other non-operating expense	6,795,771	(69,344)	(1,637)	(29,892)	(79,393)	(215,057)	(42,015)	(126,062)	7,359,171
Total Non-operating Expense	<u>15,180,960</u>	<u>1,072,672</u>	<u>921,439</u>	<u>1,160,254</u>	<u>1,012,098</u>	<u>715,129</u>	<u>1,113,001</u>	<u>1,241,323</u>	<u>7,945,044</u>
Total expenses	<u>512,247,384</u>	<u>61,101,759</u>	<u>41,576,567</u>	<u>70,293,982</u>	<u>72,967,629</u>	<u>48,739,017</u>	<u>60,282,502</u>	<u>97,963,190</u>	<u>59,322,738</u>
Change in net position	53,197,652	5,502,287	1,199,355	2,948,062	430,954	(1,679,634)	871,627	6,911,847	37,013,154
Net position - beginning of year	568,704,818	54,312,027	45,285,829	52,290,029	24,632,386	43,958,212	76,985,506	83,498,430	187,742,399
Net position - end of year	<u>\$ 621,902,470</u>	<u>\$ 59,814,314</u>	<u>\$ 46,485,184</u>	<u>\$55,238,091</u>	<u>\$25,063,340</u>	<u>\$ 42,278,578</u>	<u>\$77,857,133</u>	<u>\$90,410,277</u>	<u>\$ 224,755,553</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION  
FOR THE FISCAL YEAR ENDING AUGUST 31, 2016**

	<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>
<b>REVENUES</b>									
Tuition and fees, net	\$ 70,968,674	\$ 13,437,418	\$ 4,999,169	\$ 10,074,966	\$ 5,471,081	\$ 6,465,564	\$ 11,444,023	\$ 18,970,401	\$ 106,052
Federal grants and contracts	18,071,493	1,310,461	754,763	2,582,577	1,975,556	2,084,570	1,324,980	4,590,704	3,447,882
State grants and contracts	10,587,154	880,398	550,246	1,621,478	3,368,034	1,009,256	1,479,528	1,349,985	328,229
Local grants and contracts	2,357,560	(264,780)	(120,321)	(280,704)	7,365	205,866	(265,366)	(349,985)	3,425,485
Sales and services of auxiliary enterprises	2,065,856	183,532	115,755	178,508	247,086	242,278	175,940	351,459	571,298
Sales and services of educational activities	591,143	59,665	25,396	293,406	73,716	47,810	40,140	51,010	-
Other	1,909,901	156,554	73,739	109,991	623,515	243,857	259,409	47,769	395,067
Total Operating Revenue	<u>106,551,781</u>	<u>15,763,248</u>	<u>6,398,747</u>	<u>14,580,222</u>	<u>11,766,353</u>	<u>10,299,201</u>	<u>14,458,654</u>	<u>25,011,343</u>	<u>8,274,013</u>
State appropriations	116,141,683	14,851,822	8,699,112	16,742,479	17,844,833	9,927,436	14,664,032	28,143,057	5,268,912
Taxes, net	240,886,672	26,007,537	23,728,972	27,691,028	34,900,152	24,022,877	27,253,661	34,094,849	43,187,596
Federal grants and contracts	73,159,045	7,424,609	6,278,252	13,576,673	12,094,212	9,570,641	9,137,156	15,077,502	-
Gifts	138,046	2,938	15,363	30,372	79,962	6,111	2,550	-	750
Investment income (loss)	3,564,424	6,125	5,427	7,430	3,610	-	10,597	32,258	3,498,977
Other	1,998,324	2,574	2,513	1,495	151,546	253	1,566	6,325	1,832,052
Total Non-operating Revenue	<u>435,888,194</u>	<u>48,295,605</u>	<u>38,729,639</u>	<u>58,049,477</u>	<u>65,074,315</u>	<u>43,527,318</u>	<u>51,069,562</u>	<u>77,353,991</u>	<u>53,788,287</u>
Total revenues	<u>542,439,975</u>	<u>64,058,853</u>	<u>45,128,386</u>	<u>72,629,699</u>	<u>76,840,668</u>	<u>53,826,519</u>	<u>65,528,216</u>	<u>102,365,334</u>	<u>62,062,300</u>
<b>EXPENSES</b>									
Instruction	186,113,975	27,566,024	16,170,214	27,019,719	30,099,222	17,672,265	24,739,657	41,607,786	1,239,088
Public service	14,324,956	938,430	509,585	197,315	3,436,949	504,671	44,355	1,367,542	7,326,109
Academic support	22,516,868	2,124,942	2,221,743	3,633,248	2,027,875	2,478,618	3,041,586	5,578,133	1,410,723
Student services	47,797,753	5,169,442	3,942,923	7,122,895	6,129,703	5,166,920	6,663,732	9,330,920	4,271,218
Institutional support	82,313,813	6,879,905	5,809,577	7,289,211	9,582,810	6,395,331	6,417,778	9,822,614	30,116,587
Operation and maintenance of plant	39,480,074	4,717,326	3,428,559	5,708,221	6,740,674	4,201,115	4,639,649	7,455,919	2,588,611
Scholarships and fellowships	52,338,154	5,122,230	4,347,232	10,675,652	8,328,728	7,034,341	6,187,683	10,642,288	-
Auxiliary enterprises	9,226,433	1,236,625	611,990	1,271,253	1,825,136	1,051,493	1,047,205	1,808,590	374,141
Depreciation	25,877,552	3,083,930	2,255,764	3,128,354	3,441,915	2,374,428	4,011,626	3,984,689	3,596,846
Total Operating Expense	<u>479,989,578</u>	<u>56,838,854</u>	<u>39,297,587</u>	<u>66,045,868</u>	<u>71,613,012</u>	<u>46,879,182</u>	<u>56,793,271</u>	<u>91,598,481</u>	<u>50,923,323</u>
Interest on indebtedness	11,574,217	1,576,344	1,274,137	1,642,778	1,822,779	1,283,951	1,594,289	1,887,424	492,515
Other non-operating expense	1,264,059	92,053	1,959	29,742	110,616	271,017	45,050	146,988	566,634
Total Non-operating Expense	<u>12,838,276</u>	<u>1,668,397</u>	<u>1,276,096</u>	<u>1,672,520</u>	<u>1,933,395</u>	<u>1,554,968</u>	<u>1,639,339</u>	<u>2,034,412</u>	<u>1,059,149</u>
Total expenses	<u>492,827,854</u>	<u>58,507,251</u>	<u>40,573,683</u>	<u>67,718,388</u>	<u>73,546,407</u>	<u>48,434,150</u>	<u>58,432,610</u>	<u>93,632,893</u>	<u>51,982,472</u>
Change in net position	49,612,121	5,551,602	4,554,703	4,911,311	3,294,261	5,392,369	7,095,606	8,732,441	10,079,828
Net position - beginning 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
Net position - end of year	<u>\$ 568,704,818</u>	<u>\$ 54,312,027</u>	<u>\$ 45,285,829</u>	<u>\$ 52,290,029</u>	<u>\$ 38,853,848</u>	<u>\$ 43,958,212</u>	<u>\$ 76,985,506</u>	<u>\$ 83,498,430</u>	<u>\$ 173,520,937</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, 2017**

	<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	\$ 251,590,205	\$ 11,472,737	\$ 7,585,387	\$ 9,930,749	\$ 2,843,598	\$ 7,444,229	\$ 17,983,424	\$ 27,271,467	\$ 167,058,614
Temporarily restricted	1,836,882	-	-	-	-	-	-	-	1,836,882
Capital assets, net	368,475,383	48,341,577	38,899,797	45,307,342	22,219,742	34,834,349	59,873,709	63,138,810	55,860,057
<b>Total net position</b>	<b>\$ 621,902,470</b>	<b>\$ 59,814,314</b>	<b>\$ 46,485,184</b>	<b>\$ 55,238,091</b>	<b>\$ 25,063,340</b>	<b>\$ 42,278,578</b>	<b>\$ 77,857,133</b>	<b>\$ 90,410,277</b>	<b>\$ 224,755,553</b>
Unrestricted	\$ 251,590,205	\$ 11,472,737	\$ 7,585,387	\$ 9,930,749	\$ 2,843,598	\$ 7,444,229	\$ 17,983,424	\$ 27,271,467	\$ 167,058,614
<b>Unrestricted, net of compensated absences</b>	<b>\$ 251,590,205</b>	<b>\$ 11,472,737</b>	<b>\$ 7,585,387</b>	<b>\$ 9,930,749</b>	<b>\$ 2,843,598</b>	<b>\$ 7,444,229</b>	<b>\$ 17,983,424</b>	<b>\$ 27,271,467</b>	<b>\$ 167,058,614</b>
Current assets	\$ 227,637,975	\$ 26,220,688	\$ 17,855,814	\$ 28,494,791	\$ 28,696,346	\$ 19,859,044	\$ 25,557,702	\$ 40,298,144	\$ 40,655,446
Current liabilities	144,613,308	18,047,142	12,040,686	19,592,689	16,153,137	13,266,975	17,310,993	27,227,948	20,973,738
<b>Current ratio</b>	<b>1.57</b>	<b>1.45</b>	<b>1.48</b>	<b>1.45</b>	<b>1.78</b>	<b>1.50</b>	<b>1.48</b>	<b>1.48</b>	<b>1.94</b>
Operating revenues	\$ 109,721,611	\$ 16,964,126	\$ 8,306,727	\$ 14,910,992	\$ 10,289,663	\$ 10,111,982	\$ 14,981,615	\$ 24,961,003	\$ 9,195,503
Add non-operating revenues	455,723,425	49,639,920	34,469,195	58,331,052	63,108,920	36,947,401	46,172,514	79,914,034	87,140,389
Less operating expenses	497,066,424	60,029,087	40,655,128	69,133,728	71,955,531	48,023,888	59,169,501	96,721,867	51,377,694
Operational "bottom line" net of interest on capital related debt	68,378,612	6,574,959	2,120,794	4,108,316	1,443,052	(964,505)	1,984,628	8,153,170	44,958,198
Add back depreciation expense	23,993,210	3,154,453	2,033,772	2,859,944	2,863,159	2,148,277	3,223,712	3,827,502	3,882,391
<b>Operational "bottom line" net of depreciation and interest on capital related debt</b>	<b>\$ 92,371,822</b>	<b>\$ 9,729,412</b>	<b>\$ 4,154,566</b>	<b>\$ 6,968,260</b>	<b>\$ 4,306,211</b>	<b>\$ 1,183,772</b>	<b>\$ 5,208,340</b>	<b>\$ 11,980,672</b>	<b>\$ 48,840,589</b>
Cash and equivalents	\$ 183,369,850	\$ 24,309,336	\$ 16,196,773	\$ 24,542,007	\$ 25,378,779	\$ 17,885,410	\$ 23,640,511	\$ 35,279,405	\$ 16,137,629
Acquisition and construction of capital assets	\$ 18,128,648	\$ 2,511,628	\$ 2,436,907	\$ 1,542,628	\$ 1,151,648	\$ 581,880	\$ 2,035,470	\$ 3,123,942	\$ 4,744,545

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, 2016**

	<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	\$ 223,070,752	\$ 9,225,937	\$ 6,831,314	\$ 9,472,405	\$ 8,875,730	\$ 6,139,977	\$ 15,058,707	\$ 20,071,570	\$ 147,395,112
Temporarily restricted	2,319,427	-	-	-	-	-	-	-	2,319,427
Capital assets, net	343,314,639	45,086,090	38,454,515	42,817,624	29,978,118	37,818,235	61,926,799	63,426,860	23,806,398
<b>Total net position</b>	<b>\$ 568,704,818</b>	<b>\$ 54,312,027</b>	<b>\$ 45,285,829</b>	<b>\$ 52,290,029</b>	<b>\$ 38,853,848</b>	<b>\$ 43,958,212</b>	<b>\$ 76,985,506</b>	<b>\$ 83,498,430</b>	<b>\$ 173,520,937</b>
Unrestricted	\$ 218,422,245	\$ 9,225,937	\$ 6,831,314	\$ 9,472,405	\$ 8,875,730	\$ 6,139,977	\$ 15,058,707	\$ 20,071,570	\$ 142,746,605
<b>Unrestricted, net of compensated absences</b>	<b>\$ 218,422,245</b>	<b>\$ 9,225,937</b>	<b>\$ 6,831,314</b>	<b>\$ 9,472,405</b>	<b>\$ 8,875,730</b>	<b>\$ 6,139,977</b>	<b>\$ 15,058,707</b>	<b>\$ 20,071,570</b>	<b>\$ 142,746,605</b>
Current assets	\$ 180,390,697	\$ 18,312,666	\$ 12,086,423	\$ 20,234,907	\$ 22,744,256	\$ 14,713,790	\$ 18,235,686	\$ 29,418,571	\$ 44,644,398
Current liabilities	136,143,035	16,796,482	10,757,374	18,519,608	15,813,316	13,775,877	16,681,343	25,335,547	18,463,488
<b>Current ratio</b>	<b>1.33</b>	<b>1.09</b>	<b>1.12</b>	<b>1.09</b>	<b>1.44</b>	<b>1.07</b>	<b>1.09</b>	<b>1.16</b>	<b>2.42</b>
Operating revenues	\$ 106,551,781	\$ 15,763,248	\$ 6,398,747	\$ 14,580,222	\$ 11,766,353	\$ 10,299,201	\$ 14,458,654	\$ 25,011,343	\$ 8,274,013
Add non-operating revenues	435,888,194	48,295,605	38,729,639	58,049,477	65,074,315	43,527,318	51,069,562	77,353,991	53,788,287
Less operating expenses	479,989,578	56,838,854	39,297,587	66,045,868	71,613,012	46,879,182	56,793,271	91,598,481	50,923,323
Operational "bottom line" net of interest on capital related debt	62,450,397	7,219,999	5,830,799	6,583,831	5,227,656	6,947,337	8,734,945	10,766,853	11,138,977
Add back depreciation expense	25,877,552	3,083,930	2,255,764	3,128,354	3,441,915	2,374,428	4,011,626	3,984,689	3,596,846
<b>Operational "bottom line" net of depreciation and interest on capital related debt</b>	<b>\$ 88,327,949</b>	<b>\$ 10,303,929</b>	<b>\$ 8,086,563</b>	<b>\$ 9,712,185</b>	<b>\$ 8,669,571</b>	<b>\$ 9,321,765</b>	<b>\$ 12,746,571</b>	<b>\$ 14,751,542</b>	<b>\$ 14,735,823</b>
Cash and equivalents	\$ 102,335,643	\$ 13,726,466	\$ 9,251,023	\$ 12,940,777	\$ 14,903,601	\$ 9,825,565	\$ 13,116,293	\$ 19,318,165	\$ 9,253,753
Acquisition and construction of capital assets	\$ 24,606,016	\$ 1,328,418	\$ 2,909,278	\$ 1,894,359	\$ 2,619,033	\$ 2,610,719	\$ 3,798,194	\$ 7,135,716	\$ 2,310,299

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Investment in Capital Assets	\$ 368,475	\$ 343,315	\$ 302,684	\$ 293,619	\$ 285,086	\$ 286,715	\$ 281,853	\$ 265,613	\$ 252,511	\$ 237,335
Restricted - expendable	1,837	2,319	8,596	3,422	2,145	1,166	5,828	11,902	11,708	11,563
Unrestricted	<u>251,590</u>	<u>223,071</u>	<u>207,813</u>	<u>237,805</u>	<u>201,861</u>	<u>182,047</u>	<u>169,237</u>	<u>182,738</u>	<u>186,261</u>	<u>178,053</u>
Total net position	<u>\$ 621,902</u>	<u>\$ 568,705</u>	<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>

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)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tuition and charges (net of discounts)	\$ 75,078	\$ 70,969	\$ 64,915	\$ 59,950	\$ 58,336	\$ 56,484	\$ 59,135	\$ 60,680	\$ 59,918	\$ 53,800
Federal grants and contracts	17,089	18,071	16,376	14,937	15,671	15,696	20,307	21,647	18,842	16,245
State grants and contracts	9,158	10,587	12,343	9,663	8,578	7,914	6,681	7,733	7,237	3,438
Non-governmental grants and contracts	3,960	2,358	2,511	1,673	1,839	1,356	4,547	2,860	2,318	4,368
Sales and services of educational activities	635	591	551	453	607	474	527	627	509	538
Auxiliary enterprises	2,103	2,066	3,417	4,467	4,521	5,072	5,163	5,409	5,576	5,914
General operating revenues	1,699	1,910	1,626	1,498	1,502	1,858	1,902	2,240	1,643	1,740
<b>Total Operating Revenues</b>	<b>109,722</b>	<b>106,552</b>	<b>101,739</b>	<b>92,641</b>	<b>91,054</b>	<b>88,854</b>	<b>98,262</b>	<b>101,196</b>	<b>96,043</b>	<b>86,043</b>
State appropriations	118,602	116,142	116,564	111,242	109,030	109,268	119,373	123,304	119,415	118,197
Maintenance ad valorem taxes	262,107	240,887	224,008	209,829	190,553	156,741	158,309	159,137	153,057	130,734
Federal revenue, non-operating	70,883	73,159	86,497	86,929	90,602	90,499	87,927	74,419	40,458	32,230
Gifts	95	138	112	73	115	499	149	83	779	205
Investment income	3,436	3,564	4,040	5,821	(4,052)	1,921	3,943	7,385	8,343	11,975
Gain on sale of investment	-	-	-	105	59	-	7	-	153	-
Contributions in aid of construction	-	-	-	-	243	-	-	-	75	-
Gain on disposal of capital assets & easements	230	-	-	-	-	50	-	-	-	-
Other non-operating revenue	600	1,998	187	1,232	1,049	218	1,363	1,571	50	241
<b>Total Non-operating Revenues</b>	<b>455,953</b>	<b>435,888</b>	<b>431,408</b>	<b>415,231</b>	<b>387,599</b>	<b>359,196</b>	<b>371,071</b>	<b>365,899</b>	<b>322,330</b>	<b>293,582</b>
<b>Total Revenues</b>	<b>\$ 565,675</b>	<b>\$ 542,440</b>	<b>\$ 533,147</b>	<b>\$ 507,872</b>	<b>\$ 478,653</b>	<b>\$ 448,050</b>	<b>\$ 469,333</b>	<b>\$ 467,095</b>	<b>\$ 418,373</b>	<b>\$ 379,625</b>

For the Fiscal Year Ended August 31,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tuition and charges (net of discounts)	13.26%	13.08%	12.18%	11.80%	12.19%	12.61%	12.60%	12.99%	14.32%	14.17%
Federal grants and contracts	3.02%	3.33%	3.07%	2.94%	3.27%	3.50%	4.33%	4.63%	4.50%	4.28%
State grants and contracts	1.62%	1.95%	2.32%	1.90%	1.79%	1.77%	1.42%	1.66%	1.74%	0.91%
Non-governmental grants and contracts	0.70%	0.43%	0.47%	0.33%	0.38%	0.30%	0.97%	0.61%	0.55%	1.15%
Sales and services of educational activities	0.11%	0.11%	0.10%	0.09%	0.13%	0.11%	0.11%	0.13%	0.12%	0.14%
Auxiliary enterprises	0.37%	0.38%	0.64%	0.88%	0.95%	1.13%	1.10%	1.16%	1.33%	1.56%
General operating revenues	0.30%	0.35%	0.30%	0.30%	0.31%	0.41%	0.41%	0.48%	0.39%	0.46%
<b>Total Operating Revenues</b>	<b>19.38%</b>	<b>19.63%</b>	<b>19.08%</b>	<b>18.24%</b>	<b>19.02%</b>	<b>19.83%</b>	<b>20.94%</b>	<b>21.66%</b>	<b>22.95%</b>	<b>22.67%</b>
State appropriations	20.97%	21.41%	21.86%	21.90%	22.78%	24.39%	25.44%	26.40%	28.54%	31.14%
Maintenance ad valorem taxes	46.34%	44.41%	42.02%	41.32%	39.81%	34.98%	33.73%	34.07%	36.59%	34.44%
Federal revenue, non-operating	12.53%	13.49%	16.22%	17.12%	18.93%	20.20%	18.73%	15.93%	9.67%	8.49%
Gifts	0.02%	0.03%	0.02%	0.01%	0.02%	0.11%	0.03%	0.02%	0.19%	0.05%
Investment income	0.61%	0.66%	0.76%	1.15%	-0.85%	0.43%	0.84%	1.58%	1.99%	3.15%
Gain on sale of investment	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%	0.04%	0.00%
Contributions in aid of construction	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.02%	0.00%
Gain on disposal of capital assets & easements	0.04%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenue	0.11%	0.37%	0.04%	0.24%	0.22%	0.05%	0.29%	0.34%	0.01%	0.06%
<b>Total Non-operating Revenues</b>	<b>80.62%</b>	<b>80.37%</b>	<b>80.92%</b>	<b>81.76%</b>	<b>80.98%</b>	<b>80.17%</b>	<b>79.06%</b>	<b>78.34%</b>	<b>77.05%</b>	<b>77.33%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction	\$ 194,996	\$ 186,114	\$ 180,091	\$ 169,392	\$ 164,004	\$ 153,710	\$ 168,329	\$ 161,769	\$ 150,414	\$ 141,112
Public service	11,432	14,325	11,920	12,601	12,393	11,123	12,191	13,503	13,954	10,839
Academic support	23,073	22,517	20,384	18,972	18,154	16,480	19,988	20,065	19,363	18,713
Student services	48,807	47,798	44,666	40,649	37,960	35,092	37,616	38,354	35,151	32,418
Institutional support	87,717	82,314	77,177	68,431	67,357	61,815	69,320	72,466	67,196	58,216
Operation and maintenance of plant	44,236	39,480	35,296	32,454	33,201	33,105	38,844	38,718	33,000	30,058
Scholarships and fellowships	53,531	52,338	65,101	66,243	68,820	71,174	72,415	61,104	33,144	26,383
Auxiliary enterprises	9,281	9,226	9,585	9,547	8,400	8,771	9,439	10,389	9,539	10,104
Depreciation	23,993	25,878	27,815	27,842	29,338	26,167	25,982	22,986	18,530	17,084
<b>Total Operating Expenses</b>	<b>497,066</b>	<b>479,990</b>	<b>472,035</b>	<b>446,131</b>	<b>439,627</b>	<b>417,437</b>	<b>454,124</b>	<b>439,354</b>	<b>380,291</b>	<b>344,927</b>
Interest on capital debt	8,385	11,574	15,098	15,809	16,124	16,862	18,094	16,508	13,907	6,149
Loss on disposal of capital assets	-	596	857	173	58	-	35	1,041	270	5,343
Other non-operating expense	7,026	668	317	4	1,167	741	415	419	376	1,535
<b>Total Non-operating Expenses</b>	<b>15,411</b>	<b>12,838</b>	<b>16,272</b>	<b>15,986</b>	<b>17,349</b>	<b>17,603</b>	<b>18,544</b>	<b>17,968</b>	<b>14,553</b>	<b>13,027</b>
<b>Total Expenses</b>	<b>\$ 512,477</b>	<b>\$ 492,828</b>	<b>\$ 488,307</b>	<b>\$ 462,117</b>	<b>\$ 456,976</b>	<b>\$ 435,040</b>	<b>\$ 472,668</b>	<b>\$ 457,322</b>	<b>\$ 394,844</b>	<b>\$ 357,954</b>

For the Fiscal Year Ended August 31,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Instruction	38.05%	37.76%	36.88%	36.65%	35.89%	35.33%	35.61%	35.37%	38.10%	39.41%
Public service	2.23%	2.91%	2.44%	2.73%	2.71%	2.56%	2.58%	2.95%	3.53%	3.03%
Academic support	4.50%	4.57%	4.17%	4.11%	3.97%	3.79%	4.23%	4.39%	4.90%	5.23%
Student services	9.52%	9.70%	9.15%	8.80%	8.31%	8.07%	7.96%	8.39%	8.90%	9.06%
Institutional support	17.12%	16.70%	15.81%	14.81%	14.74%	14.21%	14.66%	15.84%	17.02%	16.26%
Operation and maintenance of plant	8.63%	8.01%	7.23%	7.02%	7.26%	7.61%	8.22%	8.47%	8.36%	8.40%
Scholarships and fellowships	10.45%	10.62%	13.33%	14.33%	15.06%	16.36%	15.32%	13.36%	8.39%	7.37%
Auxiliary enterprises	1.81%	1.87%	1.96%	2.07%	1.84%	2.01%	2.00%	2.27%	2.42%	2.82%
Depreciation	4.68%	5.25%	5.70%	6.02%	6.42%	6.01%	5.50%	5.03%	4.69%	4.77%
<b>Total Operating Expenses</b>	<b>96.99%</b>	<b>97.39%</b>	<b>96.67%</b>	<b>96.54%</b>	<b>96.20%</b>	<b>95.95%</b>	<b>96.08%</b>	<b>96.07%</b>	<b>96.31%</b>	<b>96.35%</b>
Interest on capital debt	1.64%	2.35%	3.09%	3.42%	3.53%	3.88%	3.82%	3.61%	3.52%	1.72%
Loss on disposal of capital assets	0.00%	0.12%	0.18%	0.04%	0.01%	0.00%	0.01%	0.23%	0.07%	1.50%
Other non-operating expense	1.37%	0.14%	0.06%	0.00%	0.26%	0.17%	0.09%	0.09%	0.10%	0.43%
<b>Total Non-operating Expenses</b>	<b>3.01%</b>	<b>2.61%</b>	<b>3.33%</b>	<b>3.46%</b>	<b>3.80%</b>	<b>4.05%</b>	<b>3.92%</b>	<b>3.93%</b>	<b>3.69%</b>	<b>3.65%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

**Resident  
Fees per Semester Credit Hour (SCH)**

<b>Academic Year (Fall)</b>	<b>In-District Tuition</b>	<b>Out-of-District Tuition</b>	<b>Cost for 12 SCH In-District</b>	<b>Cost for 12 SCH Out-of-District</b>	<b>Increase from Prior Year In-District</b>	<b>Increase from Prior Year Out-of-District</b>
2016-17	\$ 59	\$ 111	\$ 708	\$ 1,332	0.00%	0.00%
2015-16	59	111	708	1,332	13.46%	14.43%
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%

**Non-Resident  
Fees per Semester Credit Hour (SCH)**

<b>Academic Year (Fall)</b>	<b>Non-Resident Tuition Out-of-State</b>	<b>Non-Resident Tuition International</b>	<b>Cost for 12 SCH Out-of-State</b>	<b>Cost for 12 SCH International</b>	<b>Increase from Prior Year Out-of-State</b>	<b>Increase from Prior Year International</b>
2016-17	\$ 174	\$ 174	\$ 2,088	\$ 2,088	0.00%	0.00%
2105-16	174	174	2,088	2,088	13.73%	13.73%
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%

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
2016-17	\$271,612,210	\$(24,971,706)	\$(26,095,025)	\$(4,017,502)	\$ 216,527,977	79.72%	\$ 0.10400	\$ 0.01893	\$ 0.12293
2015-16	246,799,391	(23,738,621)	(24,127,574)	(1,653,865)	197,279,331	79.94%	0.10400	0.01970	0.12370
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

Source: Dallas County Appraisal District

Note: 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)

<u>Fiscal Year</u>	<u>Appropriation per FTSE</u>			<u>Appropriation per Contact Hour</u>			
	<u>State Appropriation</u>	<u>FTSE</u>	<u>State Appropriation per FTSE</u>	<u>Academic Contact Hours</u>	<u>Voc/Tech Contact Hours</u>	<u>Total Contact Hours</u>	<u>State Appropriation per Contact Hour</u>
2016-17	\$ 85,796	52,569	\$ 1,632	21,145	8,840	29,985	\$ 2.86
2015-16	85,655	50,978	1,680	20,918	8,543	29,461	2.91
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	1,677	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

Source: District Office of Business Affairs End of Semester Student Statistics Report

Note: FTSE is defined as the number of credit hours divided by 30 plus the number of CE contact hours divided by 900.

**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)									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Oncor Electric Delivery	Electric Utility	\$ 1,442,296	\$ 1,405,137	\$ 1,422,920	\$ 1,343,904	\$ 1,271,159	\$ 1,244,176	\$ 1,225,464	\$ 1,226,132	\$ 1,384,673	\$ 1,380,524
Aviall Inc	Aviation	1,331,756	1,391,864	880,195	970,872	975,394	789,342	720,147	592,642	-	-
ATT/Southwestern Bell/Cingular	Telephone Utility	1,102,603	980,206	955,497	999,684	947,533	1,281,252	1,226,067	1,337,588	1,578,863	1,694,723
Wal-Mart	Retail	844,098	868,287	760,546	684,169	652,358	536,260	453,385	545,857	533,885	475,048
Northpark Land Partners	Real Estate Development	667,810	643,717	624,382	602,355	578,775	645,301	530,065	545,522	590,682	569,402
Texas Instruments	Manufacturing	667,341	649,076	654,639	697,164	746,887	812,802	859,002	1,075,514	1,469,996	1,692,476
Post Apartment Homes LP/	Real Estate Development	601,337	556,464	581,770	367,828	-	-	-	-	-	-
Southwest Airlines	Airline	584,260	575,936	604,995	612,739	492,901	605,196	519,000	532,463	552,440	600,667
FM Village Fixed Rate LLC	Real Estate Development	471,339	-	-	-	-	-	-	-	-	-
Atmos Energy	Natural Gas Distributor	397,625	-	-	-	-	-	-	-	-	-
Verizon/GTE	Telephone Utility	-	490,628	457,225	452,837	303,252	480,121	429,566	508,920	550,663	510,897
Crescent Real Estate	Real Estate Development	-	661,172	756,101	658,123	693,300	459,455	353,769	703,343	567,651	748,339
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	-
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	-	-	418,988	431,782
<b>Totals</b>		<b>\$ 8,110,465</b>	<b>\$ 8,222,487</b>	<b>\$ 7,698,270</b>	<b>\$ 7,389,675</b>	<b>\$ 7,101,818</b>	<b>\$ 7,239,500</b>	<b>\$ 6,653,902</b>	<b>\$ 7,466,439</b>	<b>\$ 8,136,174</b>	<b>\$ 8,506,847</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 216,527,977</b>	<b>\$ 197,279,331</b>	<b>\$ 182,822,509</b>	<b>\$ 171,740,620</b>	<b>\$ 164,907,539</b>	<b>\$ 161,422,824</b>	<b>\$ 163,239,236</b>	<b>\$ 162,239,236</b>	<b>\$ 172,675,679</b>	<b>\$ 177,903,268</b>

**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									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Oncor Electric Delivery	Electric Utility	0.67%	0.71%	0.78%	0.78%	0.77%	0.77%	0.75%	0.76%	0.80%	0.78%
Aviall Inc	Aviation	0.62%	0.71%	0.48%	0.57%	0.59%	0.49%	0.44%	0.37%	0.00%	0.00%
AT&T/Southwestern Bell/Cingular	Telephone Utility	0.51%	0.50%	0.52%	0.58%	0.57%	0.79%	0.75%	0.82%	0.91%	0.95%
Wal-Mart	Retail	0.39%	0.44%	0.42%	0.40%	0.40%	0.33%	0.28%	0.34%	0.31%	0.27%
Northpark Land Partners	Real Estate Development	0.31%	0.33%	0.34%	0.35%	0.35%	0.40%	0.32%	0.34%	0.34%	0.32%
Texas Instruments	Manufacturing	0.31%	0.33%	0.36%	0.41%	0.45%	0.50%	0.53%	0.66%	0.85%	0.95%
Post Apartment Homes LP/	Real Estate Development	0.28%	0.28%	0.32%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwest Airlines	Airline	0.27%	0.29%	0.33%	0.36%	0.30%	0.37%	0.32%	0.33%	0.32%	0.34%
FM Village Fixed Rate LLC	Real Estate Development	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Atmos Energy	Natural Gas Distributor	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Verizon/GTE	Telephone Utility	0.00%	0.25%	0.25%	0.26%	0.18%	0.30%	0.26%	0.31%	0.32%	0.29%
Crescent Real Estate	Real Estate Development	0.00%	0.34%	0.41%	0.38%	0.42%	0.28%	0.22%	0.43%	0.33%	0.42%
SP Milenium Center, LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
YPI Thanksgiving Tower/Central	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.21%	0.00%	0.00%	0.23%
Gulfstream Aerospace	Aerospace Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.00%	0.00%
Teachers Insurance	Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%	0.00%
Galleria Mall Inv LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.24%
	<b>Totals</b>	<b>3.75%</b>	<b>4.17%</b>	<b>4.21%</b>	<b>4.30%</b>	<b>4.31%</b>	<b>4.48%</b>	<b>4.08%</b>	<b>4.60%</b>	<b>4.71%</b>	<b>4.78%</b>

Source: Dallas County Tax Office



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

<b>Fiscal Year Ended August 31,</b>	<b>Levy (a)</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy (b)</b>	<b>Collections - Year of Levy (c)</b>	<b>Percentage</b>	<b>Prior Coll of Prior Levies (d)</b>	<b>Current Coll of Prior Levies (e)</b>	<b>Total Collections (c+d+e)</b>	<b>Cumulative Collections of Adjusted Levy</b>
2017	\$ 266,593	\$ (2,543)	264,050	\$ 261,293	98.96%	\$ -	\$ -	\$ 261,293	98.96%
2016	244,303	(2,377)	241,926	240,143	99.26%	-	463	240,606	99.45%
2015	228,474	(2,880)	225,594	223,940	99.27%	246	358	224,544	99.53%
2014	214,468	(2,341)	212,127	210,443	99.21%	555	253	211,251	99.59%
2013	196,940	(1,586)	195,354	193,737	99.17%	763	152	194,652	99.64%
2012	161,589	(1,122)	160,467	159,000	99.09%	980	85	160,065	99.75%
2011	163,181	(1,598)	161,583	159,858	98.93%	1,298	52	161,208	99.77%
2010	163,869	(2,046)	161,823	159,806	98.75%	1,653	36	161,495	99.80%
2009	158,943	(2,806)	156,137	154,096	98.69%	1,733	28	155,857	99.82%
2008	135,224	(1,812)	133,412	131,785	98.78%	1,415	17	133,217	99.85%

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)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Bonded Debt</b>										
General obligation bonds	\$ 263,140	\$ 294,050	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 263,140	\$ 294,050	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735
<b>Other Debt</b>										
Revenue bonds	\$ -	\$ -	\$ 15,160	\$ 17,335	\$ 19,425	\$ 21,450	\$ 25,595	\$ 29,620	\$ 33,560	\$ 37,145
Tax notes	-	-	-	-	-	2,170	8,460	14,435	20,120	25,475
Notes	-	-	-	-	-	-	-	-	-	51
Commercial paper	-	-	-	-	-	-	-	-	-	125,000
Total outstanding debt	\$ 263,140	\$ 294,050	\$ 336,670	\$ 356,370	\$ 375,305	\$ 395,715	\$ 421,735	\$ 445,660	\$ 420,820	\$ 248,406
<b>General Bonded Debt Ratios</b>										
Per Capita	\$ 102.19	\$ 115.16	\$ 127.63	\$ 136.16	\$ 145.03	\$ 155.95	\$ 162.89	\$ 169.08	\$ 156.47	\$ 26.25
Per FTSE	5,006	5,768	6,491	6,799	6,892	7,112	7,265	7,510	7,750	1,389
As a percentage of Taxable Assessed Value	0.12%	0.15%	0.18%	0.20%	0.22%	0.23%	0.24%	0.23%	0.21%	0.04%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 102.19	\$ 115.16	\$ 133.65	\$ 143.12	\$ 152.95	\$ 165.85	\$ 177.20	\$ 178.78	\$ 170.30	\$ 101.32
Per FTSE	5,006	5,768	6,797	7,146	7,284	7,563	7,904	8,334	8,883	5,680
As a percentage of Taxable Assessed Value	0.12%	0.15%	0.18%	0.21%	0.23%	0.25%	0.26%	0.26%	0.24%	0.15%

Source: District Office of Business Affairs

Notes: Ratios calculated using population and TAV from current year.

Debt per student calculated using full-time equivalent enrollment.

**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)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Taxable Assessed Value	\$ 216,527,977	\$ 197,279,331	\$ 182,822,509	\$ 171,740,620	\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 172,675,679	\$ 177,903,268	\$ 166,562,570
<b>General Bonded Debt</b>										
Statutory Tax Levy Limit for Debt Service	\$ 1,082,640	\$ 986,397	\$ 914,113	\$ 858,703	\$ 824,538	\$ 807,114	\$ 816,196	\$ 863,378	\$ 889,516	\$ 832,813
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	1,082,640	986,397	914,113	858,703	824,538	807,114	816,196	863,378	889,516	832,813
Current Year Debt Service Requirements	40,685	36,441	33,562	33,560	33,557	33,563	33,556	27,516	22,997	7,463
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 1,041,955	\$ 949,956	\$ 880,551	\$ 825,143	\$ 790,981	\$ 773,551	\$ 782,640	\$ 835,862	\$ 866,519	\$ 825,350
Net Current Requirements as a % of Statutory Limit	3.76%	3.69%	3.67%	3.91%	4.07%	4.16%	4.11%	3.19%	2.59%	0.90%

Source: Taxable Assessed Value from Dallas County Appraisal District

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.

**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	
2017	\$ 41,329	\$ 923	\$ 1,005	\$ 400	\$ 3,000	\$ 46,657	\$ -	\$ -	\$ -	0.00
2016	41,252	885	1,029	350	2,147	45,663	2,265	622	2,887	15.82
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

Source: District Office of Business Affairs

Notes: 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.

Revenue bonds were defeased in 2016 but shows the principal and interest attributable for 2016.

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Personal Income per Capita</u>	<u>Unemployment Rate</u>
2017	2,574,984	N/A	N/A	4.19%
2016	2,553,385	N/A	N/A	4.2%
2015	2,519,000	\$ 135,803,263	\$ 53,186	4.3%
2014	2,490,000	\$ 131,990,698	\$ 52,406	5.6%
2013	2,480,331	\$ 125,261,395	\$ 48,638	6.5%
2012	2,453,843	\$ 123,572,465	\$ 48,127	7.3%
2011	2,416,014	\$ 117,478,986	\$ 45,402	8.4%
2010	2,375,207	\$ 104,422,506	\$ 44,017	8.6%
2009	2,346,378	\$ 99,362,793	\$ 42,347	9.0%
2008	2,314,018	\$ 109,791,915	\$ 47,446	5.7%

Source: Federal Reserve Bank of St. Louis Economic Research (FRED)  
 Dallas County only

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 13  
PRINCIPAL EMPLOYERS  
FISCAL YEARS 2008 THROUGH 2017  
(UNAUDITED)**

Employer	Number of Employees									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Wal-Mart Stores, Inc.	34,000	25,534	22,700	21,100	19,230	24,189	18,672	17,485	17,203	17,299
AMR Corporation	27,000	25,000	23,700	20,000	20,000	20,000	20,000	-	-	-
Texas Health Resources	22,296	19,131	16,205	16,850	17,097	17,097	19,677	18,000	16,000	16,000
Dallas Independent School District	19,740	20,000	20,793	19,219	24,700	24,888	20,684	21,935	25,952	25,655
Baylor Health Resources	16,500	16,860	22,000	19,800	18,314	18,868	20,554	20,387	21,289	20,077
Lockheed Martin Aeronautics Co.	13,750	13,700	12,600	12,100	13,122	13,053	-	-	-	-
Bank of America	13,500	14,465	15,400	16,000	14,126	15,000	14,902	14,100	14,250	14,776
City of Dallas	13,336	13,000	13,000	13,000	12,836	13,369	13,427	14,613	13,946	12,825
UT Southwestern Medical Center	13,018	(a)	(a)	(a)	15,800	17,500	17,482	14,400	16,600	16,200
Texas Instruments Inc.	13,000	13,000	13,000	14,500	13,500	13,500	13,000	10,000	-	-
JP Morgan Chase	(a)	12,600	13,000	14,000	-	-	-	-	-	-
AT&T/SBC Communications Inc.	-	-	-	-	-	-	34,698	37,100	35,700	33,500
Raytheon Co.	-	-	-	-	-	-	-	-	-	-
Verizon Communications Inc.	-	-	-	-	-	-	-	14,000	14,000	13,800
Albertson's Inc.	-	-	-	-	-	-	-	-	-	-
US Postal Service	-	-	-	-	-	-	-	-	12,993	13,328
<b>Total Top Ten</b>	<b>186,140</b>	<b>173,290</b>	<b>172,398</b>	<b>166,569</b>	<b>168,725</b>	<b>177,464</b>	<b>193,096</b>	<b>182,020</b>	<b>187,933</b>	<b>183,460</b>

Employer	Percentage of Total Employment									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Wal-Mart Stores, Inc.	0.94%	0.72%	0.67%	0.66%	0.61%	0.78%	0.62%	0.58%	0.59%	0.58%
AMR Corporation	0.75%	0.71%	0.70%	0.62%	0.64%	0.64%	0.66%	0.00%	0.00%	0.00%
Texas Health Resources	0.62%	0.54%	0.48%	0.53%	0.55%	0.55%	0.65%	0.60%	0.54%	0.54%
Dallas Independent School District	0.55%	0.57%	0.62%	0.60%	0.79%	0.80%	0.68%	0.73%	0.88%	0.87%
Baylor Health Resources	0.46%	0.48%	0.65%	0.62%	0.58%	0.61%	0.68%	0.68%	0.72%	0.68%
Lockheed Martin Aeronautics Co.	0.38%	0.39%	0.37%	0.38%	0.42%	0.42%	0.00%	0.00%	0.00%	0.00%
Bank of America	0.37%	0.41%	0.46%	0.50%	0.45%	0.48%	0.49%	0.47%	0.48%	0.50%
City of Dallas	0.37%	0.37%	0.39%	0.41%	0.41%	0.43%	0.44%	0.49%	0.47%	0.43%
UT Southwestern Medical Center	0.36%	0.00%	0.00%	0.00%	0.50%	0.56%	0.58%	0.48%	0.56%	0.55%
Texas Instruments Inc.	0.36%	0.37%	0.39%	0.45%	0.43%	0.43%	0.43%	0.33%	0.00%	0.00%
JP Morgan Chase	0.00%	0.36%	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%	1.15%	1.24%	1.21%	1.13%
Raytheon Co.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Verizon Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	0.48%	0.47%
Albertson's Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
US Postal Service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%	0.45%
<b>Total Top Ten</b>	<b>5.15%</b>	<b>4.91%</b>	<b>4.73%</b>	<b>4.76%</b>	<b>5.38%</b>	<b>5.71%</b>	<b>6.37%</b>	<b>6.08%</b>	<b>6.39%</b>	<b>6.19%</b>
<b>Total Employment</b>	<b>3,612,900</b>	<b>3,531,000</b>	<b>3,370,500</b>	<b>3,207,300</b>	<b>3,135,000</b>	<b>3,106,034</b>	<b>3,029,960</b>	<b>2,992,091</b>	<b>2,939,247</b>	<b>2,964,768</b>

(a) Not in ten largest employers

Source: 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

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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Faculty</b>										
Full-Time	868	873	845	866	842	792	765	763	765	733
Part-Time	2447	2374	2260	2,390	2,425	2,349	2,413	2,440	2,335	2,254
<b>Total</b>	<b>3,315</b>	<b>3,247</b>	<b>3,105</b>	<b>3,256</b>	<b>3,267</b>	<b>3,141</b>	<b>3,178</b>	<b>3,203</b>	<b>3,100</b>	<b>2,987</b>
<b>Percent</b>										
Full-Time	26.2%	26.9%	27.2%	26.6%	25.8%	25.2%	24.1%	23.8%	24.7%	24.5%
Part-Time	73.8%	73.1%	72.8%	73.4%	74.2%	74.8%	75.9%	76.2%	75.3%	75.5%
<b>Staff and Administrators</b>										
Full-Time	2,569	2,515	2,448	2,343	2,290	2,235	2,196	2,472	2,426	2,284
Part-Time	1,459	1,442	1,587	1,527	1,507	1,582	1,373	1,555	1,655	1,516
<b>Total</b>	<b>4,028</b>	<b>3,957</b>	<b>4,035</b>	<b>3,870</b>	<b>3,797</b>	<b>3,817</b>	<b>3,569</b>	<b>4,027</b>	<b>4,081</b>	<b>3,800</b>
<b>Percent</b>										
Full-Time	63.8%	63.6%	60.7%	60.5%	60.3%	58.6%	61.5%	61.4%	59.4%	60.1%
Part-Time	36.2%	36.4%	39.3%	39.5%	39.7%	41.4%	38.5%	38.6%	40.6%	39.9%
<b>Total Employees</b>										
Full-Time	3,437	3,388	3,293	3,209	3,132	3,027	2,961	3,235	3,191	3,017
Part-Time	3,906	3,816	3,847	3,917	3,932	3,931	3,786	3,995	3,990	3,770
<b>Total</b>	<b>7,343</b>	<b>7,204</b>	<b>7,140</b>	<b>7,126</b>	<b>7,064</b>	<b>6,958</b>	<b>6,747</b>	<b>7,230</b>	<b>7,181</b>	<b>6,787</b>
<b>Percent</b>										
Full-Time	46.8%	47.0%	46.1%	45.0%	44.3%	43.5%	43.9%	44.7%	44.4%	44.5%
Part-Time	53.2%	53.0%	53.9%	55.0%	55.7%	56.5%	56.1%	55.3%	55.6%	55.5%
FTSE per Full-Time Faculty	58.4	58.4	58.6	57.6	61.2	66.1	69.9	70.1	61.9	59.7
FTSE per Full-Time Staff Member	20.3	20.3	20.2	21.3	22.5	23.4	24.4	21.6	19.5	19.1
Average Annual Faculty Salary	\$ 89,846	\$ 85,678	\$ 85,785	\$ 80,255	\$ 77,287	\$ 72,903	\$ 80,212	\$ 79,623	\$ 75,532	\$ 74,931

Source: District Office of 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)**

<b>Cost of Providing Health Care Insurance</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Number of Retirees	1,272	1,229	1,200	1,157	1,136	1,135	930	860	839	823
Cost of Health Benefits for Retirees	\$10,812,824	\$ 9,828,159	\$ 8,926,494	\$ 7,994,217	\$ 7,525,732	\$ 6,926,484	\$ 5,082,773	\$ 4,575,726	\$ 4,185,944	\$ 4,106,646
Cost per Retiree	\$ 8,501	\$ 7,997	\$ 7,439	\$ 6,909	\$ 6,625	\$ 6,103	\$ 5,465	\$ 5,321	\$ 4,989	\$ 4,990
Number of Active Full-Time Employees	3,496	3,396	3,334	3,242	3,142	3,060	3,302	3,399	3,248	3,111
Cost of Health Benefits for Active Full-Time Employees	\$29,816,889	\$27,282,077	\$24,662,718	\$22,599,984	\$20,509,715	\$18,583,294	\$19,564,208	\$18,170,701	\$15,916,230	\$15,580,187
Cost per Active Employee	\$ 8,529	\$ 8,034	\$ 7,397	\$ 6,971	\$ 6,528	\$ 6,073	\$ 5,925	\$ 5,346	\$ 4,900	\$ 5,008
State Appropriation for Health Insurance	\$16,620,205	\$15,475,496	\$14,641,581	\$13,641,648	\$ 9,760,108	\$ 9,258,438	\$15,042,227	\$15,552,849	\$15,930,773	\$16,065,571
Net Cost to DCCCD	\$ 24,009,508	\$21,634,740	\$18,947,631	\$16,952,553	\$18,275,338	\$16,251,340	\$ 9,604,754	\$ 7,193,578	\$ 4,171,401	\$ 3,621,262
DCCCD % of total premium	59.1%	58.3%	56.4%	55.4%	65.2%	63.7%	39.0%	31.6%	20.8%	18.4%
Total employees	4,768	4,625	4,534	4,399	4,278	4,195	4,232	4,259	4,087	3,934
State funding per total employee	\$ 3,486	\$ 3,346	\$ 3,229	\$ 3,101	\$ 2,281	\$ 2,207	\$ 3,554	\$ 3,652	\$ 3,898	\$ 4,084
DCCCD cost per total employee	\$ 5,036	\$ 4,678	\$ 4,179	\$ 3,854	\$ 4,272	\$ 3,874	\$ 2,270	\$ 1,689	\$ 1,021	\$ 921
<b>Cost of Providing Retirement Benefits</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Actual Cost of TRS and ORP Benefits	\$15,404,550	\$14,669,866	\$13,866,958	\$13,096,063	\$12,071,014	\$10,600,889	\$12,397,755	\$12,420,204	\$12,123,728	\$11,136,762
DCCCD's Contribution	\$8,925,116	\$7,002,933	\$8,007,973	\$7,555,276	\$6,317,752	\$5,092,446	\$2,281,648	\$2,295,287	\$2,309,800	\$2,072,453
State's Contribution	\$6,479,434	\$7,666,933	\$5,858,985	\$5,540,787	\$5,753,262	\$5,508,443	\$10,116,107	\$10,124,917	\$9,813,928	\$9,064,309
<b>Cost of Providing All Benefits</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
DCCCD's Contribution	\$ 32,934,624	\$28,637,673	\$26,955,604	\$24,507,829	\$24,593,090	\$21,343,786	\$11,886,402	\$ 9,488,865	\$ 6,481,201	\$ 5,693,715
State's Contribution	23,099,639	23,142,429	20,500,566	19,182,435	15,513,370	14,766,881	25,158,334	25,677,766	25,744,701	25,129,880
Total	<u>\$56,034,263</u>	<u>\$51,780,102</u>	<u>\$47,456,170</u>	<u>\$43,690,264</u>	<u>\$40,106,460</u>	<u>\$36,110,667</u>	<u>\$37,044,736</u>	<u>\$35,166,631</u>	<u>\$32,225,902</u>	<u>\$30,823,595</u>
<b>Cost of Providing All Benefits Percentage Share</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
DCCCD	58.8%	55.3%	56.8%	56.1%	61.3%	59.1%	32.1%	27.0%	20.1%	18.5%
State	41.2%	44.7%	43.2%	43.9%	38.7%	40.9%	67.9%	73.0%	79.9%	81.5%





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

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	47,534	54.00%	47,550	53.58%	47,289	54.57%	47,139	54.51%	49,371	55.18%
Male	40,488	46.00%	41,189	46.42%	39,376	45.43%	39,339	45.49%	40,101	44.82%
Total	88,022	100.00%	88,739	100.00%	86,665	100.00%	86,478	100.00%	89,472	100.00%

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	18,021	20.47%	19,562	22.04%	20,386	23.52%	21,652	25.04%	24,898	27.83%
Hispanic	33,686	38.27%	32,361	36.47%	29,813	34.40%	29,766	34.42%	25,088	28.04%
African American	17,548	19.94%	17,669	19.91%	19,058	21.99%	19,535	22.59%	21,008	23.48%
Asian	5,651	6.42%	5,658	6.38%	5,524	6.38%	5,397	6.24%	5,749	6.43%
Foreign	7,869	8.94%	6,230	7.02%	4,976	5.74%	3,915	4.53%	3,990	4.46%
Native American	265	0.30%	292	0.33%	287	0.33%	318	0.37%	415	0.46%
Other	4,982	5.66%	6,967	7.85%	6,621	7.64%	5,895	6.81%	8,324	9.30%
Total	88,022	100.00%	88,739	100.00%	86,665	100.00%	86,478	100.00%	89,472	100.00%

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	13,005	14.77%	10,464	11.79%	8,359	9.64%	7,365	8.52%	6,542	7.31%
18-21	30,143	34.25%	28,489	32.11%	27,778	32.05%	27,746	32.08%	29,527	33.00%
22-24	11,672	13.26%	12,031	13.56%	11,659	13.45%	11,653	13.48%	12,362	13.82%
25-30	11,335	12.88%	12,188	13.73%	12,018	13.87%	12,152	14.05%	14,608	16.33%
31-35	6,955	7.90%	7,873	8.87%	7,997	9.23%	8,333	9.64%	7,910	8.84%
36-50	11,100	12.61%	12,879	14.51%	14,125	16.30%	13,996	16.18%	13,283	14.84%
51 and over	3,812	4.33%	4,815	5.43%	4,729	5.46%	5,233	6.05%	5,240	5.86%
Total	88,022	100.00%	88,739	100.00%	86,665	100.00%	86,478	100.00%	89,472	100.00%

Average Age	24	25	26	26	29
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Source: District Office of Business Affairs  
Note: Includes both credit and non-credit students.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**  
**STATISTICAL SUPPLEMENT 18**  
**TRANSFERS TO SENIOR INSTITUTIONS**  
**2015 FALL STUDENTS AS OF FALL 2016**  
(UNAUDITED) (INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count Academic	Transfer Student Count Technical	Total of DCCCD Transfer Students	% of DCCCD Transfer Students
University of Texas - Arlington	2,823	694	3,517	17.16%
University of Texas - Dallas	2,879	503	3,382	16.50%
University of North Texas	2,317	505	2,822	13.77%
University of Texas - Austin	1,744	259	2,003	9.77%
Texas A&M University - College Station	1,418	206	1,624	7.92%
Texas Woman's University	1,241	256	1,497	7.30%
University of North Texas - Dallas	889	246	1,135	5.54%
Texas Tech University	877	116	993	4.84%
Texas A&M University - Commerce	684	154	838	4.09%
Texas State University	446	57	503	2.45%
Stephen F. Austin State University	245	61	306	1.49%
Tarleton State University	184	43	227	1.11%
Sam Houston State University	169	20	189	0.92%
University of Houston	146	19	165	0.80%
Midwestern State University	129	26	155	0.76%
University of Texas - Tyler	103	37	140	0.68%
Prairie View A&M University	104	23	127	0.62%
University of Texas - San Antonio	101	8	109	0.53%
Lamar University Institute of Technology	62	16	78	0.38%
Texas Southern University	53	10	63	0.31%
Texas Tech University Health Science Center	36	27	63	0.31%
University of Texas - Permian Basin	50	12	62	0.30%
Texas A&M University - Corpus Christi	51	6	57	0.28%
University of North Texas Health Science Center - Fort Worth	41	12	53	0.26%
Angelo State University	48	1	49	0.24%
West Texas A&M University	31	9	40	0.20%
Texas A&M University System Health Science Center	33	4	37	0.18%

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 18  
 TRANSFERS TO SENIOR INSTITUTIONS  
 2015 FALL STUDENTS AS OF FALL 2016  
 (CONTINUED)**

	Transfer Student Count Academic	Transfer Student Count Technical	Total of DCCCD Transfer Students	% of DCCCD Transfer Students
University of Houston - Victoria	32	3	35	0.17%
Texas A&M University - Galveston	29	1	30	0.15%
University of Texas Medical Branch Galveston	21	6	27	0.13%
University of Texas - Rio Grande Valley	16	6	22	0.11%
University of Texas - El Paso	15	5	20	0.10%
University of Texas Southwestern Medical Center - Dallas	16	1	17	0.08%
Texas A&M University - Central Texas	13	3	16	0.08%
Texas A&M University - Texarkana	12	4	16	0.08%
University of Texas Health Science Center - San Antonio	10	4	14	0.07%
Texas Tech University Health Science Center - El Paso	6	6	12	0.06%
University of Houston - Downtown	6	5	11	0.05%
University of Texas Health Science Center - Houston	10	1	11	0.05%
Texas A&M University - Kingsville	8	2	10	0.05%
Sul Ross State University	7	1	8	0.04%
Texas A&M University - San Antonio	3	3	6	0.03%
University of Texas M.D. Anderson Cancer Center	4	1	5	0.02%
Baylor College of Medicine	2	0	2	0.01%
University of Houston - Clear Lake	2	0	2	0.01%
Texas A&M International University	1	0	1	0.00%
	<b>17,117</b>	<b>3,382</b>	<b>20,499</b>	<b>100.00%</b>
Totals				

Source: THECB *Students Pursuing Additional Education* report for Academic Year 2015-16

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 19  
CAPITAL ASSET INFORMATION  
FISCAL YEARS 2008 THROUGH 2017  
(UNAUDITED)**

	Fiscal Year									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Academic buildings</b>	89	89	89	89	89	89	89	89	84	69
Square footage	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,426,142	2,872,794
<b>Libraries</b>										
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	420,505	420,505	432,076	433,212	438,488	441,895
<b>Administrative and support buildings</b>	8	8	8	8	8	8	8	8	8	7
Square footage	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215	242,832
<b>Dining Facilities</b>										
Square footage	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069
<b>Athletic Facilities</b>	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	43	43	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	22	22	36	36
<b>Plant facilities</b>	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
<b>Transportation</b>										
Cars / SUV's	75	56	36	36	36	36	39	39	28	22
Light trucks/vans	94	94	79	79	79	79	88	88	84	77
Buses	6	8	8	8	8	8	10	10	9	9
<b>Total Square Footage</b>	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,293,573	3,656,842

Source: District Office of Business Affairs

Notes: 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.

Transportation includes vehicles under fleet leasing program.



Dallas County  
Community College District

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